(i) Printed Pages : 6 | Roll No. ....

(ii) Questions : 9

Sub. Code : | 0 | 8 | 7 | 2 |

Exam. Code : | 0 | 0 | 2 | 2 |

Bachelor of Business Administration 2nd Semester

(2053)

MANAGERIALACCOUNTING

Paper—BBA126

Time Allowed : Three Hours] [Maximum Marks : 80

Note :— Attempt question *1* that is compulsory and *two* questions each from Unit-II and III respectively carrying **15** marks each.

UNIT—I

1. Attempt any **four** questions, each question carries **5** marks.

   (a) Explain the limitations of management accounting.

   (b) With the help of following information obtained from a company you are required to prepare a comparative statement of P & L for the years ending 31st March 2016 and 2015.

Particulars	31/3/16	31/3/15
Revenue	30% of material consumed	20% of material consumed
Expenses :		
Cost of material consumed	Rs.2400000	Rs.2000000
Other expenses	20% of material consumed	10% of material consumed
Tax	30%	30%

(c) Agarwal and Company supplies you the following information regarding the year ending Dec, 31st 2022.

Cash sales Rs.80000, credit sales Rs.200000, return inward Rs.10000, opening stock Rs.25000, closing stock, Rs.30000, Gross profit ratio is 25%

Find out inventory turnover ratio ?

(d) What is meant by Absorption Costing ?

(e) From the following particulars prepare a marginal cost statement :

Sales 5000 units @ Rs.20/ unit, direct material Rs.30000, Direct Labour Rs.20000, Variable factory overhead 50% of direct labour, variable administration overheads are 100% of direct labour. Fixed overhead Rs.10000.

(f) What do you mean by key factor ? Explain with example.

UNIT—II

2. What is management accounting ? Discuss the features of management accounting ?

3. Following are the balance sheets of X and Y Ltd. for the year ending 31st March 2022.

Liabilities	X Ltd. Rs.	Y Ltd. Rs.
Equity Share Capital	300000	600000
Preference Share Capital	200000	320000
Reserve and surplus	68000	136000
Long term loans	230000	350000

Bills payable	4000	10000
Sundry creditors	24000	38000
Expenses outstanding	30000	42000
Proposed dividend	20000	60000
	876000	1556000
Assets		
Land & Building	160000	340000
Plant & Machinery	660000	1000000
Investments	10000	80000
Debtors	20000	50000
Stock	16000	60000
Prepaid expenses	2000	4000
Cash in hand	8000	22000
	876000	1556000

Compare the financial position of two companies and comment.

4. With the help of following information prepare a balance sheet of Satyam Ltd. :

Current Ratio	2.75
Quick Ratio	2.25
Working Capital	Rs.700000
Reserves and surplus	Rs.100000

Total current assets included stock, debtor and cash only which are in the ratio of 2:6:3

Total current liabilities included creditors and bills payable in the ratio of 3:2

Fixed assets are 50% of share capital

Share capital is 1200000. There are no other assets and liabilities.

5. Following is the summarised Balance Sheet of a company as on 31st March 2022 and 2023.

Liabilities	2022	2023
Share Capital	200000	250000
General Reserve	50000	60000
Profit & Loss	30500	30600
Bank Loan Long Term	70000	-----
Creditors	150000	135200
Provision for tax	30000	35000
	530500	510800

Assets		
Land & Building	200000	190000
Machinery	150000	169000
Stock	100000	74000
Debtors	80000	64200
Cash	500	600
Bank	-----	8000
Goodwill	-----	5000
	530500	510800

Additional information

1. Dividend paid Rs.23000
2. Assets of another company was purchased for a consideration of Rs.50000 payable in shares. The following are the assets were purchased : stock Rs.20000, Machinery Rs.25000.
3. Machinery further purchased for Rs.8000
4. Depreciation written off Rs.12000
5. Income tax provided during the year Rs.33000
6. Loss on sale of machinery Rs.200 was written of on general reserve. Prepare a cash flow statement.

UNIT—III

6. Differentiate among cost, costing and cost accounting. Explain the classification of cost.

7. From the following information calculate :

   1. Break even point (units)

   2. Unit to be sold during the year to earn a target net income of Rs.5000 per month

   3. Number of units to earn a net Income of 25% on cost

   4. Selling price per unit if break even point is to be bought down by 15000 units.

   5. Selling price to earn a profit of 20% on sales by selling only 50000 units.

   Fixed Factory overheads Rs.400000

   Fixed selling and distribution overheads Rs.200000

   Variable cost Rs.12/unit

   Selling price Rs.20/unit.

8. A company seeks your advice whether to buy a particular article from outside or make it in the factory. The following information is given to you.

   (a) A plant costing Rs.100000 with a capacity of 40000 units per annum to produce will be needed. The life of plant is 5 years.

   (b) A supervisor at a salary of Rs.3600 p.m. will have to be employed.

(c) Raw material will be purchased at Rs.1.20 per unit and wages will be paid at 0.80 paise per unit.

(d) Fixed overhead recovery rate is at 200% of wages.

(e) Variable overheads are 150% of wages.

(f) A loan can be arranged at 12% p.a. interest.

(g) 20000 units at Rs.10 per unit from the market.

Give your advice.

9. Taj Limited, Mumbai is currently operating at 80 percent capacity. The profit and loss account shows the following :

Particulars	Rs. In lakh
Sales	640
Less	
Cost of Sales	
Direct material	200
Direct expenses	80
Variable overheads	40
Fixed overheads	260
Profit	60

The managing director has been discussing an offer from Middle East which will require 50 percent capacity of the factory. The price is 10% less than the current price in the local market. Order can not be split. You are asked by him to find out the most profitable alternatives. The factory capacity can be augmented by 10 percent by adding facilities at an increase of Rs.40 lakh in fixed cost.