(i) Printed Pages: 5 Roll No. ....

(ii) Questions : 14 **Sub. Code : 0 8 7 2**

Exam. Code : 0 0 2 2

Bachelor of Business Administration 2nd Semester

(2042)

MANAGERIAL ACCOUNTING

Paper : BBA-126

Time Allowed : Three Hours] **[Maximum Marks : 80**

Note :—(1) Attempt any **FOUR** questions from Section A. Each carries **5** marks.

(2) Attempt any **TWO** questions from Section B and Section C each. Each question in Section B and C carries **15** marks.

SECTION—A

1. Why are financial statements prepared by an organization ?

2. Prepare a trend analysis taking 2011 as base year with the following figures (given in thousands) :

Year	Cash	Debtors	Investments	Land	Building	Machinery
2011	120	150	80	500	900	1500
2012	140	200	85	600	1100	1500
2013	90	325	125	700	1400	1600
2014	180	400	200	900	1200	2100
2015	210	450	225	1200	1900	2000

3. Calculate statement of changes in working capital from the following data for the year ending 31.03.2022 :

Particulars	2020	2021
Inventory	10,000	12,000
Trade Receivable	15,000	17,500
Accrued income	150	250
Bank Balance	600	1,750
Bills Payable	6,000	5,500
Trade Payable	6,250	3,400

4. Explain the basic assumption of Marginal costing.

5. The ratio of variable cost to sales is given to be 60%. The Break-even-point occurs at 80% of sales. Find the capacity sales when fixed costs are Rs. 2,00,000. Determine profits at 90% of sales.

6. C Ltd, wants you to calculate the fixed cost with the given information :

Particulars	2021	2022
Total Sales	1,20,000	1,40,000
Profits	9,000	13,000

SECTION—B

7. Describe the following :

   (a) 'Financial statements reflect the health of a business concern'. Comment. 5

   (b) Distinguish between Management Accounting and Financial Accounting. 10

8. Using the information given below compute :

(a) Gross Profit Ratio

(b) Return on Total Assets Ratio

(c) Inventory Turnover Ratio

(d) Net Worth to Debt Ratio

(e) Working Capital Turnover Ratio.

Sales	25,20,000	Other Current Assets	7,60,000
Cost of Sales	19,20,000	Fixed Assets	14,40,000
Net Profits	3,60,000	Net Worth	15,00,000
Inventory	8,00,000	Debt	9,00,000
Current Liabilities	6,00,000		

9. Prepare Cash Flow Statement as per AS-3 for Sh. Shivdayal & Co. for the year ending March 2022 :

Particulars	**31.03.2021**	**31.03.2022**
I EQUITY & LIABILITIES		
Shareholder funds :		
(a) Share Capital	1,00,000	1,40,000
(b) Profit and Losses	40,000	70,000
Non-Current Liabilities :		
Long term loan	20,000	10,000
Current Liabilities :		
(a) Trade Payable	21,000	24,400
(b) Provision for taxation	6,000	10,000
Total	**1,87,000**	**2,54,400**

Particulars	31.03.2021	31.03.2022
II ASSETS		
Land and Building	24,000	56,000
Plant and Equipment	76,000	64,000
Goodwill	20,000	19,000
Current Assets :		
(a) Stock in trade	11,000	26,000
(b) Bills Receivables	16,000	29,400
(c) Cash and cash equivalents	40,000	60,000
Total	**1,87,000**	**2,54,400**

10. Explain about the following :

(a) Draw a hypothetical Comparative Financial Statement. 5

(b) Why and how is Fund Flow Statement prepared ? 5+5

SECTION—C

11. What do you mean by Break Even Chart ? How can one find out the point where cost equals revenue ? Should one stop the business at this point ? Explain the relevance of BEP Analysis.

12. Use the following information for the month of March, 2021 to answer questions that follow :

Variable cost per unit	Rs. 10	Fixed overhead	Rs. 1,40,000
No. of units sold	50000 units	Sales per unit	Rs. 20

Calculate the following :

(i) Margin of safety sales at the existing level. 4

(ii) If the variable cost increases to Rs. 12 and fixed overhead to Rs. 1,00,000 what would be new BEP level of sales ? 7

(iii) If the business made a sales of 80000 units, what should be the volume of profits ? 4

13. What happens to P/V ratio, Break-Even-Point and margin of safety when :

(a) Unit selling price of the product increases,

(b) Total fixed cost increases,

(c) Number of units sold increases ?

14. 50000 units are produced and sold in domestic market at Rs. 50 per unit. The home market cannot absorb more than 50000 units in a year but there is an export market for this item @ Rs. 30 per unit. It is proposed to increase the production and sell the additional quantities in the export market at Rs. 30 per unit. The variable cost works out to be Rs. 25 per unit and the fixed charges amount to Rs. 8,00,000 in a year. Calculate the number of additional units to be made and sold abroad to earn a profit of Rs. 6,00,000 in a year both on domestic and foreign sales together.