



## End Term (Odd) Semester Examination November 2025

Roll no.....

Name of the Course and semester: BBA III Semester

Name of the Paper: Management Accounting

Paper Code: BBA 301

Time: 3 hours

Maximum Marks: 100

**Note:**

- (i) All the questions are compulsory.
- (ii) Answer any two sub questions from a, b and c in each main question.
- (iii) Total marks for each question is 20 (twenty).
- (iv) Each sub-question carries 10 marks.

Q1.

(2X10=20 Marks)

a. Explain the nature, scope, and importance of Management Accounting. How does it differ from Financial and Cost Accounting? CO1

b. Discuss the major tools and techniques used by management accountants in decision-making. CO1

c. "Management Accounting acts as a bridge between Financial Accounting and Management." Discuss this statement in detail, highlighting how Management Accounting information assists in planning, control, and decision-making functions of management. CO1

Q2.

(2X10=20 Marks)

a. Discuss how marginal costing assists in decisions such as make or buy, accepting special orders, and determining selling price. CO2

b. From the following data, prepare a Cost Sheet: CO3

Particulars	Amount (₹)
Raw Materials Consumed	2,00,000
Direct Labour	1,00,000
Factory Overheads	60,000
Administrative Overheads	40,000
Selling and Distribution Overheads	50,000
Sales	5,00,000
Compute:	
(i) Prime Cost	
(ii) Factory Cost	
(iii) Cost of Production	
(iv) Cost of Sales	
(v) Profit.	

c. A company sells a product at ₹50 per unit. Variable cost is ₹30 per unit and Fixed Cost ₹2,00,000.

Calculate:

- (i) Break-even Point (Units and ₹)
- (ii) P/V Ratio
- (iii) Profit if 12,000 units are sold
- (iv) Margin of Safety

CO3

Q3.

(2X10=20 Marks)

a. Discuss the role of budgeting in planning and controlling business operations. CO2



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b. The following information relates to a manufacturing company at 50% capacity:

Particulars	Amount (₹)
Fixed Overheads	1,00,000
Semi-variable Overheads	50,000
Variable Overheads	2,00,000
Sales	6,00,000

Prepare a **Flexible Budget** for 60%, 80%, and 100% capacity levels, assuming semi-variable costs increase by 10% for every 20% increase in capacity. CO3

c. Prepare a **Cash Budget** for the months of January to March 2025 from the following data:

- Estimated Sales: Jan ₹1,20,000; Feb ₹1,60,000; Mar ₹2,00,000.
- 50% of sales are on credit and realized one month later.
- Purchases: Jan ₹80,000; Feb ₹1,00,000; Mar ₹1,20,000 (paid one month later).
- Wages ₹20,000 per month; Rent ₹5,000 per month.
- Opening Cash Balance ₹15,000.

Prepare the budget showing the closing cash balance for each month. CO3

Q4. (2X10=20 Marks)

a. Explain the objectives and classification of Cash Flow Statements under AS-3. What are the key differences between Direct and Indirect methods? CO2

b. Prepare a Cash Flow Statement by the *Direct Method* showing cash flows from Operating, Investing, and Financing Activities for the year ended 31st March 2025: CO3

Additional Information (₹):

Income Statement Data for 2024–25

Particulars	Amount (₹)
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Cash received from customers 9,00,000

Cash paid to suppliers 5,50,000

Cash paid for operating expenses 1,20,000

Cash paid for income tax 40,000

Interest received 20,000

Purchase of machinery 1,50,000

Sale of old machinery (book value ₹30,000) 40,000

Issue of equity shares 2,00,000

Redemption of debentures 1,00,000

Dividend paid 50,000

Opening cash balance 60,000

Required:

Prepare a Cash Flow Statement (Direct Method) showing the following:

1. Cash Flow from Operating Activities
2. Cash Flow from Investing Activities
3. Cash Flow from Financing Activities
4. Net Increase/Decrease in Cash and the Closing Cash Balance

c. Explain the **treatment of the following items** while preparing a Cash Flow Statement: CO2

- Depreciation
- Dividend paid
- Issue of shares
- Sale of fixed assets

Q5.

(2X10=20 Marks)



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- a. Discuss how ratio analysis can help investors, lenders, and management in evaluating business performance. CO2
- b. The summarized balance sheets of A Ltd. are given below. Prepare a Comparative Balance Sheet showing absolute and percentage changes. CO3

Liabilities	2024 (₹)	2025 (₹)	Assets	2024 (₹)	2025 (₹)
Equity Share Capital	3,00,000	4,00,000	Fixed Assets	3,00,000	3,80,000
General Reserve	50,000	80,000	Investments	50,000	80,000
Profit & Loss A/c	30,000	60,000	Stock	1,00,000	1,20,000
Creditors	70,000	90,000	Debtors	50,000	90,000
Bills Payable	50,000	40,000	Cash in Hand	20,000	30,000
Outstanding Expenses	20,000	30,000			
<b>Total Liabilities</b>	<b>5,20,000</b>	<b>7,00,000</b>	<b>Total Assets</b>	<b>5,20,000</b>	<b>7,00,000</b>

- c. From the given Profit & Loss Account and Balance sheet of XYZ Ltd. Calculate: i) Current ratio ii) Proprietary ratio iii) Debt Equity ratio iv) Debtors Turnover ratio & Average collection period and v) Creditors turnover ratio

CO4

Profit & Loss A/c  
for the year ended 31<sup>st</sup> March 2024

Particulars	Amount	Particulars	Amount
To, Cost of goods sold	175000	By, Sales (Credit)	3,00,000
To, Administrative expenses	25,000		
To, Finance expenses	15,000		
To, Selling expenses	20,000		
To, Depreciation	15,000		
To, Provision for tax	20,000		
To, Net Profit	30,000		
	300000		3,00,000

Balance Sheet  
as on 31<sup>st</sup> March 2024

Liabilities	Amount	Assets	Amount
Equity Share Capital	100000	Land & Building	185000
Preference Share Capital	50000	Long term Investment	40000
Reserves	35000	Stock	35000
10% Debentures	50000	Debtors	30000
Creditors	20000	Cash & Bank	10000
Outstanding expenses	45000		
	300000		300000