(Please write your Exam Roll No.) Exam Roll No. ....

END TERM EXAMINATION

THIRD SEMESTER [BBA] DECEMBER 2017

Paper Code: BBA-207 BBA(B&I)-207 BBA(TTM)-207	Subject: Management Accounting

Time: 3 Hours Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

Q1 Write short notes on the following:-
(a) Cash flow statements
(b) Horizontal analysis
(c) Responsibility Accounting
(d) Margin of safety
(e) Du-pont analysis

Q2 What is Management Accounting? Discuss its nature and scope. Explain the role of management accountant.

Q3 From the following details available, prepare balance sheet of Dimpy and Co. as on 31st March, 2013 and compute proprietary funds.
(a) Net worth turnover ratio (on cost of sales)= 2
(b) Fixed assets turnover ratio (on cost of sales)= 4
(c) Gross profits turnover ratio= 20%
(d) Creditors velocity= 73 days
(e) Debtors velocity= 2 months
(f) Stock velocity= 6
Reserves and surplus amount to Rs. 10,000. Closing stock was Rs. 5000 in excess of opening stock. Gross profit was Rs 60,000. You can make the necessary assumptions, where required.

Q4 What is Funds flow statement? How it is constructed?

Q5 A department of Tek India Company attains sales of Rs 6,00,000 at 80% of its normal capacity. Its expenses are given below:

	Rs.
Office salaries	90,000
General expenses	2% of sales
Depreciation	7,500
Rent and rates	8,750
Selling Cost:	
Salaries	8% of sales
expenses	2% of sales
Travelling expenses	
Sales expenses	1% of sales
General expenses	1% of sales
Distribution cost:	
Wages	15,000
Rent	1% of sales
Other expenses:	4% of sales

Draw up Flexible Administration, Selling and Distribution Costs Budget for Operating capacities of 90 percent, 100 percent and 110 percent of normal capacity.

P.T.O.

Q6 Two firms, X Ltd. and Y Ltd. sell identical products in the same market. Their budgeted profit and loss accounts for the year ending on 30th June, 2011 are as follows:

	X Ltd.		Y Ltd.	
Sales		4,00,000		4,00,000
Less: Variable Cost	3,20,000		2,80,000	
Fixed Cost	40,000	3,60,000	80,000	3,60,000
Net Profit		40,000		40,000

You are required to:

(a) Calculate the break-even point for each firm and

(b) State what shall be the likely effect on the profits of the firms in conditions of

(i) increasing demand for the products

(ii) falling demand for the products

(c) Calculate the sales volume at which each business will earn Rs. 50,000 profit.

Q7 The standard output of 'X' is 25 units per hour in a manufacturing department of a company employing 100 workers. The standard wage rate per labour hour is Rs 6. In a 42 hour week, the department produced 1,040 units of 'X' despite 5% of the time paid getting lost due to abnormal reason. The hourly rate actually paid were Rs 6.20, Rs 6 and Rs 5.70 respectively to 10, 30 and 60 workers. Compute relevant variances.

Q8 How marginal costing is different from absorption costing and direct costing? Discuss advantages of marginal costing.

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Q8. a) Explain the concept of Relevant Costs. (5)

b) A company purchased a machine two years ago at a cost of Rs. 60,000. The equipment has no salvage value at the end of its six years. Useful life and the company is charging depreciation according to straight-line method. The company learns that a new equipment can be purchased at a cost of Rs. 80,000 to do the same job and having an expected economic life of 4 years without any salvage value. The advantage of the new machine lies in its greater operating efficiency which will reduce the variable operating expenses from the present level of Rs. 1,65,000 to Rs. 1,30,000 per annum. The sales volume is expected to continue at Rs. 2 lacs per annum for the next four years.

You are required to evaluate the usefulness of the proposal. (10)

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(Please write your Exam Roll No.) Exam Roll No. ______

END TERM EXAMINATION

THIRD SEMESTER [BBA] DECEMBER-2015

Paper Code: BBA- 207 BBA(B&I)-207 BBA(TTM)-207	Subject: Management Accounting
Time : 3 Hours	Maximum Marks :75

Note: Attempt any five questions including Q.No. 1 which is compulsory.

Q1. Comment on **ANY FIVE** of the following statements. Your answer should not exceed 50 words each: **(5x3=15)**

a) Depreciation is an "out of pocket" cost.
b) Low gearing is preferable to high gearing.
c) Decrease in current liabilities will increase working capital.
d) The term "Funds" means "Current Assets" in case of a cash flow analysis.
e) There is no difference between a Forecast and a Budget.
f) Standard costing aids management in planning and control.
g) A cost variance is said to be favourable if the standard cost is more than the actual cost.
h) The valuation of stock is at higher price in absorption costing as compared to marginal costing.

Q2. a) Distinguish between Management Accounting and Cost Accounting. **(5)**

b) Explain the meaning of the term "Financial Statements". State their nature and limitations. **(10)**

Q3. a) State the limitations of Ratio Analysis. **(5)**

b) With the help of the following ratios regarding Indu Films, draw the Balance Sheet of the "Company for the year 2015: **(10)**

Current Ratio	2.5
Liquidity Ratio	1.5
Net Working Capital	3,00,000
Stock Turnover Ratio (Cost of Sales/ Closing Stock)	6 times
Gross Profit Ratio	20%
Fixed Assets Turnover Ratio (on cost of sales)	2 times
Debt Collection Period	2 months
Fixed Assets to Shareholders Net Worth	0.80
Reserve and Surplus to Capital	0.50

Q4. a) Differentiate between a Cash Flow Statement and a Funds Flow Statement. **(5)**

b) The following are the summarized Balance Sheets of a company as on 31st December, 2014 and 2015:

Liabilities:	**2014 (Rs.)**	**2015 (Rs.)**
Share Capital	2,00,000	2,50,000
General Reserve	50,000	60,000
Profit & Loss	30,500	30,600
Mortgage Loan (Long Term)	70,000	-
Sundry Creditors	1,50,000	1,35,200
Provision for Taxation	30,000	35,000
	5,30,500	**5,10,800**
Assets:	**Rs.**	**Rs.**
Land and Building	2,00,000	1,90,000
Machinery	1,50,000	1,69,000
Stock	1,00,000	74,000
Sundry Debtors	80,000	64,200
Cash	500	600
Bank	-	8,000
Goodwill	-	5,000
	5,30,500	5,10,800

Additional Information: During the year ended 31st December 2015:

a) Dividend of Rs. 23,000 was paid.
b) Assets of another company were purchased for a consideration of Rs. 50,000 payable in shares. Assets acquired : Stock Rs. 20,000; Machinery Rs. 25,000.
c) Machinery was further purchased for Rs. 8,000.
d) Depreciation written off on machinery Rs. 12,000.
e) Income-tax provided during the year Rs. 33,000.
f) Loss on sale of machinery Rs. 200 was written off to general reserve.

You are required to prepare the Cash Flow Statement as per AS 3(Revised) **(10)**

Q5. a) Explain the meaning of Budgetary Control. **(5)**

b) The Good City Police Department traditionally has prepared a functional Budget and now there is discussion about using a programme budget in an effort to control activities better and do a better job of securing resources from the state government. Below are the proposed functional budget for the next year and estimated data concerning the percentage of functional item costs assignable to each of the four major programmes of the police department?

GOOD CITY POLICE DEPARTMENT PROPOSED FUNCTIONAL BUDGET

	Rs.
Salaries	5,25,000
Vehicle Costs	2,50,000
Supplies	1,25,000
Utilities	50,000
Miscellaneous	44,000
Total	9,94,000

PERCENTAGE OF COSTS ASSIGNABLE TO EACH PROGRAMME

	Crime Prevention	Criminal Investigation	Criminal Proceeding	Traffic Movement
Salaries	60%	20%	10%	10%
Vehicle Costs	70%	20%	2%	8%
Supplies	20%	30%	20%	30%
Utilities	10%	60%	20%	10%
Misc.	30%	25%	20%	25%

Required: Prepare a Programme Budget for the year. **(10)**

Q6. a) Differentiate between Standard Costing and Historical Costing. (5)

b) A company manufactures a particular product. The standard direct materials cost of which is Rs. 10 per unit. The following information is obtained from the costing records:

i) Standard Mix

Material	Quantity (Units)	Rate (Rs.)	Amount (Rs.)
A	70	10	700
B	30	5	150
	100		850
Normal Loss (15%)	15	-	-
	85		850

ii) **Actual** Results for June, 2014:

Material	Quantity (Units)	Rate (Rs.)	Amount (Rs.)
A	400	11	4,400
B	200	6	1,200
	600		5,600
Loss (10%)	60	-	-
	540		5,600

Compute: **(10)**

a) Material Price Variance
b) Material Mix Variance
c) Material Yield Variance
d) Material usage Variance; and
e) Total Material Cost Variance

Q7. a) Differentiate between Marginal Costing and Absorption Costing. **(5)**

b) A firm has Rs. 10,00,000 invested in its plant and sets a goal of 15% annual return on investment. Fixed costs in the factory presently amount to Rs. 4,00,000 per year and variable costs amount to Rs. 15 per unit produced. In the last year the firm produced and sold 50,000 units at Rs. 25 each and earned a profit of Rs. 1,00,000. How can management achieve their target profit goal by varying different variables like fixed costs, variable costs, quantity sold or increasing the selling price per unit? **(10)**

(Please write your Exam Roll No.) **Exam Roll No.** ....

END TERM EXAMINATION

THIRD SEMESTER [BBA] DECEMBER-2012

Paper Code: BBA/BBA(B&I/TTM)207 BBA(TTM)209 (Old)	***Subject: Management Accounting***

Time : 3 Hours ***Maximum Marks :75***

Note: Attempt any five questions. All questions carry15 marks each. Calculator is permitted.

Q1 "Management Accounting is the presentation of accounting information in such a way as to assist the management in the creation of policy and in the day to day operations of an organization." Elucidate.

Q2 "Budgetary Control brings planning, coordination _______ and control." Elucidate the statement.

Q3 Explain the concept of responsibility accounting. What are the prerequisites of responsibility accounting? Also, explain the various cost centres in this regard.

Q4 Calculate currents assets of a company for the following information:-
(a) Stock Turnover Ratio : 4 Times
(b) Stock of the end of year is Rs.20,000 more than stock in the beginning.
(c) Sales Rs. 3,00,000.
(d) Gross Profit Ratio 25%.
(e) Current Liabilities Rs.40,000.
(f) Quick Ratio 0.75.

Q5 Balance sheets of ABC Co. as on 31.03.2011 and 31.03.2012 were as follows:-

Balance Sheets

Liabilities	31.03.2011 Rs.	31.03.2012 Rs.	Assets	31.03.2011 Rs.	31.03.2012 Rs.
Capital	125000	153000	Land	40000	50000
Loan from bank	40000	50000	Building	35000	60000
Mrs. A's loan	25000	--	Machinery	80000	55000
Creditors	40000	44000	Stock	35000	25000
			Debtors	30000	50000
			Cash	10000	7000
	230000	**247000**		**230000**	**247000**

During the year a machine costing Rs.10,000 (accumulated depreciation Rs.3,000) was sold for Rs.5,000. Depreciation provided during the year was Rs.18,000. Net profit for the year amounted to Rs.45,000. You are required to prepare Cash Flow Statement.

Q6 The standard cost of 100kg chemical D is made of:-

Chemical A	30kgs	@Rs.4 per kg.
Chemical B	40kgs	@Rs.5 per kg.
Chemical C	80kgs	@Rs. 6 per kg.

In a batch of 500 kgs. Of chemical D were produced from a mix of-

Chemical A	140kg at the cost of Rs.558.
Chemical B	220kg at the cost of Rs.1056.
Chemical C	440kg at the cost of Rs.2860

How do price, mix and yield factors contribute to the variances in the actual cost per 100kg of chemical D over the standard cost?

Q7 There are two similar plants under the same management. The management desires to merge these two plants. The following details are available:-

	Plant A	Plant B
Capacity operation	100%	60%
Sales	Rs. 300 Lacs	Rs. 120 Lacs
Variable cost	Rs. 220 Lacs	Rs. 90 Lacs
Fixed cost	Rs. 40 Lacs	Rs. 20 Lacs

Calculate-
(a) What would be the capacity of the merged plant to be operated for the purpose of Break-Even?
(b) What would be the profitability on working at 75% of the Merged Capacity?

Q8 Write short notes on the following:-
(a) Flexible Budgeting (b) Relevant Cost (c) Tools of Financial Analysis

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END TERM EXAMINATION

THIRD SEMESTER [BBA/BBA(TTM)/(MOM)] DECEMBER-2011

Paper Code: BBA/(TTM)/(MOM)209 **Subject: Management Accounting**

Time : 3 Hours **Maximum Marks :75**

Note: Attempt any five questions. All questions carry equal marks.

Q1 Define Management Accounting. Discuss its objectives, scope and limitations.

Q2 The balance sheet of XYZ Ltd. Is given as under for the year ending 31st March, 2011:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Equity Share Capital	3,00,000	Goodwill	2,00,000
Reserve Fund	1,50,000	Land & building	3,00,000
8% Debentures	2,00,000	Plant & machinery	2,50,000
Mortgage Loan	4,00,000	Patents	50,000
Sundry creditors	50,000	Stock	1,50,000
Bills Payable	25,000	Sundry Debtors	1,00,000
Bank Overdraft	40,000	Bills Receivable	80,000
Outstanding Expenses	10,000	Marketable securities	18,000
Tax Liabilities	15,000	Cash balance	40,000
		Prepaid expenses	2,000
	11,90,000		**11,90,000**

Purchases are Rs.3,00,000 and sales are Rs.5,00,000. From the information calculate:-

(a) Current Ratio (b) Acid test Ratio (c) Inventory Turnover Ratio

(d) Average Collection Period (e) Debtors Turnover Ratio

(f) Creditors Turnover Ratio (g) Average Payment Period

(h) On the basis of the above analysis, comment on the cash management of the firm.

Q3 Write short notes on the following:-

(a) Funds Flow Analysis and its significance.

(b) Construction of Cash Flow Statement.

Q4 The expenses for the production of 5000 units in a factory are given as follows:-

	Per Unit (Rs.)
Material	50
Labour	20
Variable Overhead	15
Fixed Overhead (Rs. 50,000)	10
Administrative Expenses (5% Variable)	10
Selling Expenses (20% fixed)	6
Distribution Expenses (10% fixed)	5
Total cost of sale per unit	**116**

You are required to prepare a budget for the production of 7000 units.

Q5 The following figures of sales and profits for the two periods are available in respect of a concern:

	Sales (Rs.)	Profit (Rs.)
Period I	1,00,000	15,000
Period II	1,20,000	23,000

You are required to find out:

(a) P/V ratio (b) Fixed cost (c) Break even point

(d) Profit at estimated sale of Rs.1,25,000.

(b) Sales required to earn a profit of Rs.20,000.

Q6 What are Standard Costs? Explain material and labour variances with examples.

Q7 What is Responsibility Accounting? Explain different types of responsibility centres. Examine the significance of responsibility accounting.

Q8 Explain the factors to be considered steps in decision making by a firm on following issues:-

(a) Exploring new markets.

(b) Equipment Replacement.

(c) Shut down or continue operations.

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(Please write your Exam Roll No.) Exam Roll No. ....

END TERM EXAMINATION

THIRD SEMESTER [BBA/BBA(TTM)] DECEMBER-2010

Paper Code: BBA/BBA(TTM)209 Subject: Management Accounting
Paper Id-17207/50207

Time : 3 Hours Maximum Marks :75

Note: Attempt any five questions including Q.1 which is compulsory.

Q.1. Differentiate between:

(a) Financial accounting and cost accounting
(b) Marginal costing and absorption costing
(c) Cash flow statement and funds flow statement

(15)

Q: 2. (a) "Everything has two aspects to it. Justify in case of a business with suitable illustrations. (8)

(b) "Cost control is the ultimate goal of any business." Comment (7)

Q: 3. S Ltd. is a power generation company . They expect an increase in demand by 35,000 units next year. They wish to ascertain the total cost at this level in order to devise suitable cost strategy.

Compute the total cost at 1, 90,000 units, identify the fixed and variable component and advise on the necessary budgeting technique.

Volume of production (in units)	**1,00,000**	**1,50,000**
Expenses (in Rs.)		
Indirect Material	2,24,000	3,00,000
Indirect Work Charges	1,40,000	1,70,000
Technical Staff	50,000	70,000
Repairs and Maintenance	78,000	98,000
Supervision	1,98,000	2,20,000
Traveler Expenses	40,000	40,000

(15)

Q.4. Following are the income statements of *W Ltd.* for 2008 and 2009

Profit and Loss Account

	2008	**2009**
Income	**Rs.**	**Rs.**
Sales	20,00,000	25,00,000
Dividend Income	60,000	35,000
Total Income	20,60,000	25,35,000
Expenditure		
Purchases	6,00,000	7,00,000
Manufacturing expense	3,00,000	4,00,000
Office expenses	2,50,000	2,10,000
Selling expenses	2,00,000	3,50,000
Depreciation	50,000	60,000
Interest paid	25,000	30,000
PBT	6,35,000	7,85,000
Provision for Tax	1,20,000	1,50,000
PAT	5,15,000	6,35,000
Proposed Dividend	50,000	60,000

Additional information:

	2008	2009
Share capital	25,00,000	35,00,000
Secured Loans	8,00,000	10,00,000
Creditors	2,50,000	2,40,000
Inventory	10,00,000	11,00,000
Debtors	12,00,000	14,00,000

Comment upon:

(i) profitability

(ii) return generation

(iii)liquidity

(15)

Q.5. From the following data of AB Ltd., calculate

(a) P/ V Ratio
(b) Break –even sales
(c) Sales required to earn profit of Rs. 8,00,000

Fixed Expenses = Rs. 1,00,000

Variable Cost per unit:
Direct Material = Rs. 7
Direct Labour = Rs. 2
Direct Overheads = 100% of Direct Labour
Selling price per unit = Rs. 15

(15)

Q.6. Comment upon:

(a) Dupont Analysis
(b)Utility of Cash Flow Statement
(c)Budgetary control

(15)

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