

Reg. No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



BBABMCN 401

Fourth Semester B.B.A. Degree Examination, July/August 2023

(NEP – 2020) (2022-2023 Batch Onwards)

MANAGEMENT ACCOUNTING (DSCC)

Time : 2 Hours

Max. Marks : 60

SECTION – A
(Two marks each)

Answer **any five** questions.

(5×2=10)

1. What do you mean by an accounting ratio ?
2. What are cash equivalents ?
3. What is margin of safety ?
4. What do you mean by angle of incidence ?
5. Write the meaning of master budget.
6. If current ratio is 2.5 : 1 and current liabilities Rs. 8,00,000, find out current assets.
7. Sale price Rs. 700 per unit
Variable cost Rs. 400 per unit
Fixed cost Rs. 33,00,000
Calculate Break Even Point.

P.T.O.



SECTION – B
(Five marks each)

Answer **any four** questions.

(4×5=20)

8. Anup Ltd. made a profit of Rs. 1,85,000 after considering the following :

Depreciation on fixed asset Rs. 5,000.

Profit on sale of building Rs. 20,000.

Provision for tax Rs. 10,000.

Loss on sale of machinery Rs. 4,000.

Transfer to reserve Rs. 10,000.

Preliminary expenses written off Rs. 2,000.

Interest on investment Rs. 16,000.

Calculate the operating cash profit.

9. Following is the Balance Sheet of a company as on 31-3-2022.

Liabilities	Rs.	Assets	Rs.
Equity Share Capital		Land and Building	1,40,000
Shares of Rs. 10 each	2,00,000	Plant and Machinery	3,50,000
Profit and Loss A/c	30,000	Stock	2,00,000
General Reserve	40,000	Sundry Debtors	1,00,000
12% Debentures	4,20,000	Bills Receivable	10,000
Sundry Creditors	1,00,000	Cash at Bank	40,000
Bills Payable	50,000		
	8,40,000		8,40,000

Calculate :

- a) Current ratio
- b) Quick ratio
- c) Debt equity ratio
- d) Proprietary ratio.



10. Prepare a flexible budget for the production at 80% activity on the basis of the following information :

Production at 50% capacity 10,000 units

Direct material Rs. 80 per unit

Direct labour Rs. 50 per unit

Direct expenses Rs. 15 per unit

Factory expenses Rs. 50,000 (50% fixed)

Administrative expenses Rs. 60,000 (40% fixed).

11. Total sales Rs. 5,00,000

Variable cost Rs. 2,75,000

Profit Rs. 1,08,000

Find :

- 1) Profit volume ratio (P/V ratio)
- 2) Fixed cost
- 3) Break Even Point
- 4) Margin of safety.

12. Explain the role of a Management Accountant.

13. What are the limitations of ratio analysis ?

14. Draw a break even chart and show the following :

- a) BEP
- b) Profit region
- c) Loss region.



SECTION – C
(10 marks each)

(3×10=30)

Answer any three questions.

15. ABC Ltd. furnishes the following information for the year 2021 and 2022.

Year	Cost (Rs.)	Profit (Rs.)
2021	12,00,000	2,00,000
2022	15,00,000	3,00,000

Compute the following :

- Profit volume ratio
 - Fixed expenses
 - Break even point
 - Profit when the sales is Rs. 20,00,000
 - The estimated sales when the desired profit is Rs. 2,50,000.
16. From the following information calculate cash flow from operation.

Particulars	31-3-21	31-3-22
	Rs.	Rs.
Sundry creditors	9,000	13,500
Bills payable	7,200	3,600
Outstanding expenses	5,400	9,000
Stock	18,000	21,600
Sundry debtors	27,000	36,000
Bills receivable	9,000	14,400
Prepaid expenses	1,800	900

The company made a profit of Rs. 28,000 after considering the following :

Depreciation on fixed assets Rs. 2,000.

Loss on sale of machinery Rs. 1,000.



Dividend received on investment Rs. 450.

Preliminary expenses written off Rs. 1,250.

Goodwill written off Rs. 1,000.

Transfer to general reserve Rs. 5,000.

Proposed dividend Rs. 10,000.

Profit on sale of building Rs. 4,000.

17. Following details are available from the books of Ocean Ltd.

	June Rs.	July Rs.	August Rs.
Cash sales	3,00,000	3,75,000	4,50,000
Credit sales	5,00,000	6,20,000	6,80,000
Cash purchase	75,000	80,000	85,000
Credit Purchase	1,00,000	1,20,000	1,50,000
Expenses	40,000	50,000	55,000
Closing balance	2,10,000	-	-

Other details :

- 1) 50% of credit sales is realised in the same month and remaining 50% is realised in the next month.
- 2) Creditors for purchases are paid in the following month.
- 3) 50% of expenses are payable in the same month and the remaining 50% is payable in the next month.

Prepare cash budget for July and August.



18. Following are the summarised Profit and Loss A/c and Balance Sheet of Gagan Ltd. as on 31-12-2022.

	Rs.		Rs.
To Op. Stock	1,00,000	By Sales	8,00,000
To Purchases	6,00,000	By Closing Stock	2,00,000
To Gross Profit C/d	3,00,000		
	10,00,000		10,00,000
To Operating Expenses	2,00,000	By Gross Profit b/d	3,00,000
To Non Operating Expenses	10,000		
To Net Profit	90,000		
	3,00,000		3,00,000

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	25,00,000	Goodwill	2,00,000
6% Pref. Share Capital	15,00,000	Machinery	25,00,000
General Reserve	2,00,000	Building	17,50,000
Profit and Loss A/c	1,50,000	Furniture	1,00,000
5% Debentures	10,00,000	Stock	2,00,000
Creditors	2,80,000	Debtors	7,10,000
Bills Payable	1,20,000	Bank	2,50,000
		Preliminary Expenses	40,000
	57,50,000		57,50,000



Calculate :

- a) Current ratio
- b) Quick ratio
- c) Debt equity ratio
- d) Fixed assets ratio
- e) Capital gearing ratio
- f) Gross profit ratio
- g) Net profit ratio
- h) Operating ratio.

19. What are the advantages and limitations of Management Accounting ?
