

B.B.A. DEGREE EXAMINATION, APRIL 2019
II Year III Semester
Management Accounting

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer any **TEN** questions

1. What are the modes of expression of ratios?
2. What is an advance recoverable in cash?
3. How ICMA defines a budget?
4. Mention any two objectives of analysis and interpretation
5. Define Cost Accounting.
6. What do you mean by break even analysis?
7. Define ratio analysis.
8. What are the assumptions to be made while analyzing CVP?
9. Mention and explain briefly about any two demerits of budgeting.
10. What is Capital Structure?
11. Give any three importance of Accurate Financial Statements for Organizations.
12. What is marginal costing?

Section B ($5 \times 5 = 25$) Marks

Answer any **FIVE** questions

13. List out briefly the objectives of management accounting.
14. Define financial statement. Why financial statement is important to business and list out the common types of it.
15. Why ratio analysis is considered more powerful and mentions its purpose in financial performance.
16. Define fund flow statement and mention its uses and types.
17. Calculate funds from operations from the following Profit and Loss A/c

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To expenses paid	3,00,000	By Gross Profit	4,50,000
To Depreciation	70,000	By Gain on sale of land	60,000

To Loss on sale of machine	4,000		
To Discount	200		
To Goodwill	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

18. The following particulars are obtained from the records of a company manufacturing two products P and R. Calculate

- Fixed cost
- Contribution
- Profit

Particulars	Product P(Per unit)	Product R (Per unit)
	Rs.	Rs.
Selling price	200	400
Material Cost(Rs. 20 per kg)	40	100
Direct Wages(Rs. 6 per hour)	60	120
Variable overhead	20	40

19. Prepare a production budget for the half year ending June 2000 from the following Information:

Product	Budgeted sales quantity	Actual stock on 31-12-99	Desired stock On 30-6-2000
	Units	Units	Units
S	20,000	4,000	5,000
T	50,000	6,000	10,000

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. Anil enterprises present you the following income statement and request you to calculate (1) operating ratio; (2) expense ratios; (3) operating profit ratio; (4) gross profit ratio; (5) net profit ratio.

Particulars	Rs.	Rs.
Sales	8,60,000	
Less: Sales returns	60,000	
Net Sales		80,000
Less: Cost of goods sold		3,50,000
Gross Profit		4,00,000

Non operating incomes:		
Add: Profit on sale of investments		30,000
Income from investments		20,000
		5,00,00
Less: Operating expenses:		
Administration Expenses	40,000	
Selling expenses	60,000	
Distribution Expenses	20,000	
Non operating expenses:		
Finance expenses	30,000	
Loss on sale of plant	20,000	
Provision for income tax	30,000	2,00,000
Net Profit		3,00,000

21. Mention the tools and techniques of management accounting. Write the merits and de-merits of management accounting.
22. Selvi Ltd., earned profit of Rs. 2,00,000 after charging or crediting the following items to its P & L A/c during 31-3-2000
- a) Profit on sales of investment Rs. 4,000
 - b) Loss on sale of building Rs. 9,000
 - c) Depreciation on fixed assets Rs. 7,000
 - d) Amortisation of goodwill Rs. 2,000
 - e) Provision for tax made Rs. 60,000
 - f) Income tax paid Rs. 50,000
 - g) Extraordinary income Rs. 10,000

The following additional details are available:	1-4-99	31-3-2000
Bills Payable	5,000	8,000
Creditors	12,000	16,000
Outstanding expenses	2,000	1,000
Bills receivable	20,000	18,000
Debtors	40,000	60,000
Prepaid expenses	2,000	3,000
Accrued expenses	5,000	8,000
Income received in advance	2,000	1,000

Calculate Net cash from operating activities for the year ending 31-3-2000.

23. Mention the benefits and limitations of budgetary control.