B.B.A DEGREE EXAMINATION,NOVEMBER 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. Define 'Management Accounting'.
2. What are the Objectives of Management Accounting?
3. What is 'Financial Statement Analysis'?
4. What is 'Comparative Financial Statement'?
5. Explain the meaning of 'ROI'.
6. What are Profitability Ratios?
7. What is 'Capital Structure' of a firm?
8. What is 'Budgetary Control'?
9. What is 'Flexibility Budget'?
10. What is 'Funds from Operations'?
11. List out the salient features of Marginal Costing.
12. Explain the meaning of 'Break Even Point'.

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

Answer any **FIVE** questions

13 Explain the Objectives of Management Accounting.

14. From the following profit and loss account of Gopal Industries, prepare a comparative income statement.

Profit and Loss Account(Rs. In Lakhs)

	1992	1993		1992	1993
To Cost of Goods Sold	500	640	By Sales	700	900
Operating Expenses:					
Administrative	20	20			
Selling	30	40			
To Net Profit	150	200			
	700	900		700	900

15. Aruna Bros. furnish the following details for the year 2007:

	Amount Rs.
Sales	2,00,000
Cost of Production	80,000
Opening Stock of Finished Goods	50,000
Closing Stock of Finished Goods	31,000
Sales Returns	20,000

Calculate Gross Profit Ratio.

16. Prepare a Working Capital Statement from the following.

Particulars	1.1.1999	31.12.1999
8% Debentures	40,000	40,000
Cash in Hand	4,000	8,000
Cash at Bank	12,000	15,000
Accounts Payable	20,000	26,000
Machinery	25,000	25,000
Accounts Receivable	30,000	30,000
Prepaid Commission	4,000	-
Inventories	22,000	27,000
Share Premium	15,000	15,000
Equity Share Capital	50,000	50,000

17. The following budget estimates are available from a factory working at 50% of its capacity:

    Variable expenses Rs.60,000

    Semi-Variable Expenses Rs.20,000

    Fixed Expenses Rs. 10,000

    Prepare a budget for 75% of the capacity assuming that semi-variable expenses increase by 10% for every 25%.

18. From the following figures, prepare raw materials purchase budget for January:

    Material (Units)

	A	B	C	D	E	F
Estimated stock 1st Jan.	16,000	6,000	24,000	2,000	14,000	28,000
Estimated Stock on 31st Jan.	20,000	8,000	28,000	4,000	16,000	32,000
Estimated Consumption	1,20,000	44,000	1,32,000	36,000	88,000	88,000
Standard Price per unit	25 paise	5 paise	15 paise	10 paise	20 paise	30 paise

19. The P/V ratio of a firm is 50% and the margin of safety is 40%. You are required to workout BEP and net profit if the sales volume is Rs.50,00,000.

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

Answer any **TWO** questions

20. Differentiate between Management Accounting and financial Accounting.

21. The following are the balance sheets of X Ltd. And Y Ltd. As on 31st March 2000. Comment on their position by preparing common size balance sheets.

Balance sheets as on 31st March 2000

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
	Rs.	Rs.		Rs.	Rs.
Share Capital	25,00,000	40,000	First Assets	60,00,000	80,000
Reserves	10,00,000	60,000	Stocks	20,00,000	20,000
10%	40,00,000	-	Debtors	50,00,000	15,000
Debentures	60,00,000	10,000	Bills	10,00,000	10,000
Term Loans	20,00,000	20,000	Receivable	20,00,000	15,000
Creditors Bills Payable		10,000	Cash at Bank		
	1,60,00,000	1,40,000		1,60,00,000	1,40,000

22. The following figures relate to the trading activities of a company for the year ended 31.12.1987.

Particulars	Rs.	Particulars	Rs.
Sales	1,00,000	Salary of Salesmen	1,800
Purchase	70,000	Advertising	700
Closing Stock	14,000	Travelling Expenses	500
Sales Returns	4,000	Salaries (Office)	3,000
Dividend Received	1,200	Rent	6,000
Profit on Sale of Fixed Assets	600	Stationery	200
Loss on sale of shares	300	Depreciation	1,000
Opening stock	11,000	Other Expenses	2,000
		Provision for Tax	7,000

You are required to calculate

a) Gross Profit Ratio
b) Operating Ratio
c) Net Profit Ratio.

23. Prepare a flexible budget for production at 80% and 100% activity on the basis of the following information.

Production at 50% capacity	- 5, 000 units
Raw materials	- 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 (60% variable)