

B.B.A. Degree Examinations - Even Semester 2021
II Year III Semester
Management Accounting

Max Marks: 25

Answer any Five questions (5 * 5 = 25)

1. "Management Accounting emerged out of the limitations of financial accounting". Do you agree? Explain in detail.
2. Prepare a comparative income statement of Vinayaka Travels Ltd., for the years ending 31st March 2020 and 2021:

Details	31 st March 2020 Rs.	31 st March 2021 Rs.
Purchases less returns	80,000	1,50,000
Other direct expenses	20,000	50,000
Sales	1,80,000	2,60,000
Office expenses	20,000	25,000
Selling expenses	10,000	15,000
Finance expenses	10,000	8,000
Profit	40,000	12,000

3. From the following details, calculate Operating Ratio, Operating Profit Ratio, GP Ratio, NP Ratio and Return on Capital Employed:

Details	Rs.
Equity Share Capital and Reserves	25,00,000
Long term debt	NIL
Sales	10,00,000
Gross Profit	3,00,000
Administrative expenses	10,000
Selling expenses	20,000
Loss on sale of plant	2,000
Dividend received	4,000
Depreciation	6,000
Net Profit	2,66,000

4. From the following details, prepare marginal cost statement for 10,000 units and find out Profit, BEP (both in units and value) and Margin of Safety (in units, amount, and percentage):

Period	I	II
Units sold	5,500 Units	6,000 Units
Cost incurred	Rs.52,500	Rs.55,000
P/V Ratio	50%	

5. Prepare cash flow statement from the following balance sheets of M/s.Surrogate Engineering Ltd:

Liabilities	2019 Rs.	2020 Rs.	Assets	2019 Rs.	2020 Rs.
Share Capital	17,00,000	18,35,000	Buildings		
General Reserve	40,000	83,700	Plant &	8,00,000	10,00,000
Profit and Loss A/c	1,00,000	1,30,000	Machinery	2,50,000	3,70,000
Provision for	70,000	50,000	Furniture &	5,000	6,000
Dividends	1,00,000	95,000	Fittings	2,000	2,200
Creditors	8,000	18,000	Cash	1,00,000	45,000
Bank Overdraft	14,000	13,000	Debtors	8,000	9,000
Bills Payable	10,000	70,000	Bills Receivable	4,00,000	3,43,700
Loan on mortgage			Stock	3,000	3,100
			Prepaid expenses	1,64,000	1,70,000
			Investments	3,00,000	3,43,700
			Goodwill	10,000	2,000
			Preliminary Expenses		
Total	20,42,000	22,94,700	Total	20,42,000	22,94,700

- (i) Depreciation is charged on building at 3% of cost Rs.9,00,000, on Plant and
(ii) Machinery at 8% of cost Rs.4,00,000, on Furniture & Fittings at 5% of cost Rs.8,000.
(iii) Investments were purchased and interest received Rs.3,000 was used in writing down the book value of investments.
(iv) The declared dividend for 2019 was paid and interim dividend for Rs.20,000 paid out of Profit & Loss A/c.

6. A wholesaler furnishes you the following cost details of a month at two different capacities:

Capacity	50%	80%
Units distributed	600	960
Details of Cost	Rs.	Rs.
Indirect wages	2,100	3,180
Consumable stores	1,500	2,220
Maintenance	1,200	1,920
Power and Fuel	1,700	2,420
Depreciation	2,000	2,000
Insurance	500	500
Total	9,000	12,240

7. From the following particulars, prepare marginal cost statement and calculate (a) Break-Even Sales; (b) Actual Sales; (c) Variable Cost; (d) Profit:

Margin of Safety ratio is 20%

Profit Volume Ratio (P/V Ratio) is 60%

Fixed Cost Rs.120,000.