

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.
BBA END SEMESTER EXAMINATION APRIL/NOV - 2021
SEMESTER - III
20UBACT3005 - Management Accounting**

Total Duration : 3 Hrs	Total Marks : 75
MCQ : 30 Mins	MCQ : 15
Descriptive : 2 Hrs.30 Mins	Descriptive : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. What is Management Accounting? What are its advantages?
2. Distinguish between Management Accounting and Cost Accounting
3. Calculate the trend percentages from the following data taking 1984 as the base

PARTICULARS	1984 (rs in lakhs)	1989 (rs in lakhs)
Working capital	100	140
Plant and equipment	1,000	1,500
Long-term debt	1,456	2,800
Net-tangible assets	5,616	9,975

4. Mejantha Ltd provides the following accounting data for the year ending 31st March 2016 and requests you to ascertain a) Operating ratio b) Operating profit ratio.

Sales	20,00,000
Gross profit	8,00,000
Office Expenses	60,000
Selling Expenses	40,000
Finance Expenses	30,000
Loss on sale of Plant	4,000
Interest received on Investments	5,000
Net Profit	6,71,000

5. From the following Balance Sheets you are required to prepare a cash flow statement:

LIABILITIES	2006 RS	2007 RS	ASSETS	2006 RS	2007 RS
Share capital	3,00,000	3,50,000	Land	70,000	86,000
Profit & Loss	20,000	33,000	Stock	90,000	1,00,000
Current Liabilities	90,000	65,000	Debtors	1,20,000	1,15,000
	—	—	Cash	1,30,000	1,47,000
TOTAL	4,10,000	4,48,000	TOTAL	4,10,000	4,48,000

Contd...

6. With the following data for 60% activity, prepare a budget at 80% activity

Production at 60% capacity	600 units
Materials	Rs 100 per unit
Labour	Rs 40 per unit
Direct expenses	Rs 10 per unit
Factory expenses	Rs 40,000 (40% fixed)
Administration expenses	Rs 30,000 (60% fixed)

7. Assuming that the cost structure and selling prices remain the same in periods I and II, find out
- Profit volume ratio
 - Fixed cost
 - Break even point form for sales

Period	Sales Rs	Profit Rs
I	1,20,000	9,000
II	1,40,000	13,000

8. From the following details you are required to find out
- current ratio
 - Liquid ratio and
 - absolute liquid ratio.

PARTICULARS	Rs	Rs
Sundry Debtors	50,000	
Cash in hand	40,000	
Cash at bank	60,000	
Trade Investments	20,000	
Bills Receivable	30,000	
Prepaid Expenses	10,000	
Closing Stock	80,000	
Current Assets		2,90,000
Sundry creditors	40,000	
Bills payable	30,000	
Outstanding expenses	2,500	
Current Liabilities		72,500

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. You are requested to prepare common-size balance sheet and compare the position of the shareholders as on 31st March 2007 from the following:

PARTICULARS	M.V.LTD RS	N.V. LTD RS
Fixed assets	40,000	5,00,000
Inventories	25,000	1,00,000
Receivables	20,000	2,00,000
Cash	15,000	2,00,000
Capital	30,000	3,00,000
Reserves	40,000	1,00,000
Loan (long term)	20,000	2,00,000
Current Borrowings	10,000	4,00,000

Contd...

SEMESTER - III
20UBACT3005 - Management Accounting

10. From the following Balance Sheets of Mr K Ltd as on 31-12-2009 & 2010 you are required to prepare a cash flow statement for the year ended Dec 31-2010.

BALANCE – SHEETS

LIABILITIES	2009 (RS)	2010 (RS)	ASSETS	2009 (RS)	2010 (RS)
Share capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General reserve	14,000	18,000	Buildings	40,000	36,000
Profit & Loss A/C	16,000	13,000	Plant	37,000	36,000
Creditors	8,000	5,400	Investments	10,000	11,000
Bills Payable	1,200	800	Stock	30,000	23,400
Provision for Tax	16,000	18,000	Bills Receivable	2,000	3,200
Provision for Doubtful debts	400	600	Debtors	18,000	19,000
			Cash	600	200
			Bank	6,000	15,000
TOTAL	1,55,600	1,55,800	TOTAL	1,55,600	1,55,800

ADDITIONAL INFORMATION:

(A) Depreciation on Plant Rs 4,000

(B) Provision for taxation of Rs 19,000 was made during the year 2010.

11. From the Following budget data, forecast the cash position at the end of April, May and June 2002,

MONTHS	SALES RS	PURCHASES RS	WAGES RS	MISCELLANEOUS RS
February	1,20,000	84,000	10,000	7,000
March	1,30,000	1,00,000	12,000	8,000
April	80,000	1,04,000	8,000	6,000
May	1,16,000	1,06,000	10,000	12,000
June	88,000	80,000	8,000	6,000

ADDITIONAL INFORMATION:

Sales: 20% realized in the month of Sales, discount allowed 2%. Balance realized equally in two subsequent months.

Purchases: These are paid in the month following the month of supply.

Wages : 25% paid in arrears following month.

Miscellaneous expenses : Paid a month in arrear.

Rent : Rs 1000 per month paid quarterly in advance due in April.

Income-Tax: First instalment of advance tax Rs 25,000 due on or before 15th June.

Income from investments : Rs 5,000 received quarterly, in April July, etc.,

Cash in hand : Rs 5,000 on 1st April 2002.

12. The following particulars are extracted from the books of a manufacturing unit:

Current unit price	Rs 10
Unit variable cost	Rs 5.30
Fixed costs	Rs 30,000
Production	6,600 units

The following two suggestions are under consideration:

(1) 10% reduction in price to yield an increase in sales volume from 6,600 to 7,900 units.

(2) 10% increase in price with decrease in volume of sales from 6,600 to 5,700 units.

Prepare a statement comparing gross revenue, profit contribution and P/V ratio of the two alternatives with present result. Which suggestion would you recommend?

Contd...

SEMESTER - III
20UBACT3005 - Management Accounting

13. Calculate all turn over ratios from the following

Items	Rupees in Lakhs
Sales	17,874
Sales returns	4
Other income	53
Cost of sales	15,440
Administration and Selling expenses	1,843
Depreciation	63
Interest expenses (non-operating)	456
Purchases	15,000
Purchase returns	5
Debtors	10,000
Bills receivable	2,000
Creditors	5,000
Bills Payable	3,000
Opening Stock	4,000
Closing Stock	5,000
Fixed assets	5,000