

**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 EXAMINATIONS NOVEMBER-2022**

**SEMESTER - III**

**20UBACT3005 - Management Accounting**

**Total Duration : 2 Hrs 30 Mins.**

**Total Marks : 60**

**Section A**

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

1. Differentiate Management Accounting and Cost Accounting.
2. Enlist the types of Financial Statements with examples.
3. Given:  
Current Ratio: 2.6  
Liquid Ratio: 1.4  
Working Capital Rs.1,10,00  
Calculate: (1) Current Assets (2) Current Liabilities (3) Liquid Assets and (4) Stock.
4. From the following Profit and Loss Account, Calculation fund from operation :

**Profit and Loss Account**

Particulars	Amount(Rs.)	Particulars	Amount (Rs.)
To Rent	6,000	By Gross Profit b/d	50,000
To Salaries	14,000	By Transfers to General Reserve	7,000
To Advertisement	3,000	By Preliminary Expenses	1,000
To Office Expenses	2,000	By Profit on Sale of Investment	2,000
To Depreciation on Plant	5,000		
To Good will written off	3,000		
To Loss on Sales of Plant	2,000		
To Provision for Tax	4,000		
To Interim Dividend	3,000		
To Net Profit	18,000		
	60,000		60,000

5. Prepare a production budget from the following information:

Product	Estimated stock on 1-1-2021 (units)	Estimated sales during Jan. to March 2021 (units)	Desired Closing Stock on 31-3-2021 (units)
R	2,000	10,000	3,000
S	3,000	15,000	5,000
U	4,000	13,000	3,000
P	3,000	12,000	2,000

6. From the following particulars find out break-even point:  
Fixed Expenses Rs.1,00,000  
Selling price Per unit Rs.20  
Variable cost per unit Rs.15
7. Explain the concept of Zero based Budgeting with its advantages and steps involved in ZBB.

**Contd...**

8. Ratio analysis is widely used as a tool of financial analysis, yet it suffers from various limitations. Explain.

### Section B

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

9. Examine the scope and uses of Management Accounting.
10. From the following Profit and Loss Account RDX Ltd., for the years 2021 and 2022, you are required to prepare a Comparative Income Statement.

#### Statements of Profit and Loss Account

Particulars	2021(Rs.)	2022(Rs.)
NetSales	4,000	5,000
Less: Cost of Goods Sold	3,000	3,750
Gross Profit	1,000	1,250
Less: Operating Expenses		
Office and Administrative Expenses	200	250
Selling and Distribution Expenses	225	300
Total Operating Expenses	425	550
Net Profit	575	700

11. Analyse the advantages and disadvantages of Break Even Chart along with the relationship between Angle of Incidence, Break-Even Sales and Margin of Safety Sales.
12. From the following Balance sheet of Lawrence & Co. Ltd., you are required to prepare a Schedule of Changes in Working Capital and Statement of Sources and Application of Funds.

#### Balance sheet

Liabilities	2021(Rs.)	2022(Rs.)	Assets	2021(Rs.)	2022(Rs.)
Capital	80,000	85,000	Cash in Hand	4,000	9,000
P&L A/C	14,500	24,500	Sundry Debtors	16,500	19,500
Sundry Creditors	9,000	5,000	Stock	9,000	7,000
Long-Term Loans	Nil	5,000	Machinery	24,000	34,000
			Building	50,000	50,000
	1,03,500	1,19,500		1,03,500	1,19,500

13. From the following data, forecast the cash position at the end of April, May and June 2022.

Month	Sales(Rs.)	Purchases(Rs.)	Wages(Rs.)	Miscellaneous( Rs.)
February	60,000	42,000	5,000	3,500
March	65,000	50,000	6,000	4,000
April	40,000	52,000	4,000	3,000
May	58,000	53,000	5,000	6,000
June	44,000	40,000	4,000	3,000

#### Additional Information

- Sales: 10 % realized in the month of sales; balance realised equally in two subsequent months.
- Purchases: These are paid in the month following the month of supply.
- Wages: 10 % Paid in arrears following month.
- Miscellaneous expenses: Paid a month in arrears.
- Rent: Rs.500 Per month paid Quarterly in advance due in April.
- Income Tax: First instalment of advance tax Rs.15,000 due on or before 15<sup>th</sup> June.
- Income from Investment: Rs.3,000 received quarterly in April, July etc.
- Cash in hand: Rs.3,000 on 1<sup>st</sup> April 2022.

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