

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.

B.B.A.- END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - III

**20UBACT3005 - Management Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

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

1. Explain the scope and objectives of management accounting.
2. Distinguish between management accounting and financial accounting.
3. XYZ Ltd., furnishes the following balance sheets for the years 2021 and 2022. Prepare common-size balance sheets.

Liabilities	2021 (Rs.)	2022 (Rs.)	Assets	2021 (Rs.)	2022 (Rs.)
Share capital	1,00,000	1,50,000	Buildings	2,00,000	2,00,000
Reserves	3,00,000	3,50,000	Machinery	3,00,000	5,00,000
10% Debentures	1,00,000	1,50,000	Stock	1,00,000	1,50,000
Creditors	1,50,000	2,50,000	Debtors	1,00,000	1,25,000
Bills payables	50,000	40,000	Cash at Bank	50,000	25,000
Tax payables	50,000	60,000			
	7,50,000	10,00,000		7,50,000	10,00,000

4. From the following balance sheet extracts, compute trend percentages and comment on the liquidity position of X Ltd. You may take 2018 as base year.

Particulars	2018 (Rs.)	2019 (Rs.)	2020 (Rs.)	2021 (Rs.)	2022 (Rs.)	2023 (Rs.)
Stock	75,000	85,000	95,000	1,15,000	1,10,000	1,00,000
Debtors	70,000	60,000	40,000	45,000	50,000	50,000
Cash	30,000	25,000	25,000	30,000	45,000	50,000
Current liabilities	1,50,000	1,60,000	1,50,000	1,40,000	1,20,000	1,00,000

5. Gokul Traders purchases goods both on cash as well as on credit terms. The following particulars are obtained from the books: Total purchases (gross) Rs.3,00,000; Cash purchases Rs.30,000; Purchase return Rs.51,000; Creditors at the end Rs.1,05,000; Bills payable at the end Rs.60,000; You are required to calculate creditors turnover ratio and average payment period.

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6. From the following compute the value of stock: Sales Rs.5,00,000; Gross profit ratio 25%; Stock turnover ratio 10; Closing stock is more than opening stock by Rs.12,500.
7. Calculate funds from operations from the following Profit and Loss A/c.

Particulars	Rs.	Particulars	Rs.
To Expenses paid	9,00,000	By Gross Profit	13,50,000
To Depreciation	2,10,000	By Gain on sale of land	1,80,000
To Loss on sale of machine	12,000		
To Discount	600		
To Goodwill	60,000		
To Net profit	3,47,400		
	15,30,000		15,30,000

8. From the following information relating to John Ltd., Total fixed costs Rs.13,500; Total variable cost Rs.22,500; Total sales Rs.45,000 you are required to find out
- P/V Ratio
  - Break even point
  - Profit
  - Margin of safety
  - Volume of sales to earn profit of Rs.6,000.

### Section C

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

9. Discuss the functions of management accounting.
10. Arun Ltd., furnishes its balance sheet for the years 2021 and 2022 and requests you to prepare a comparative balance sheet for those years.

Liabilities	2021 (Rs.)	2022 (Rs.)	Assets	2021 (Rs.)	2022 (Rs.)
Equity share capital	40,000	40,000	Land & buildings	40,000	37,000
8% Debentures	40,000	45,000	Plant & Machinery	30,000	27,000
Retained Earnings	20,000	24,500	Furniture	10,000	14,000
Sundry Creditors	25,000	35,000	Inventory	20,000	30,000
Bill payable	5,000	7,500	Debtors	20,000	40,000
			Cash	10,000	4,000
	1,30,000	1,52,000		1,30,000	1,52,000

11. Bala & co., present you the following income statement and request you to calculate
- Operating ratio,
  - Expense ratios,
  - Operating profit ratio,
  - Gross profit ratio,
  - Net profit ratio.

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**SEMESTER - III**  
**20UBACT3005 - Management Accounting**

Particulars	Rs.	Rs.
Sales	4,30,000	
Less: Sales returns	30,000	
Net sales		4,00,000
Less: Cost of goods sold		1,75,000
Gross profit		2,25,000
Add: Non operating incomes:		
Profit on sale of investments		15,000
Income from investments		10,000
		2,50,000
Less: Operating expenses:		
Administration expenses	20,000	
Selling expenses	30,000	
Distribution expenses	10,000	
Non operating incomes:		
Finance expenses	15,000	
Loss on sale of plant	10,000	
Provision for income tax	15,000	1,00,000
Net profit		1,50,000

12. Ascertain cash from operations for the year 2022 from the following Balance Sheets:

Liabilities	2021 (Rs.)	2022 (Rs.)	Assets	2021 (Rs.)	2022 (Rs.)
Share capital	2,50,000	2,50,000	Buildings at cost	1,50,000	1,50,000
8% debentures	1,00,000	1,00,000	Depreciation thereon	-10,000	-25,000
General Reserve	50,000	70,000	Machinery at cost	1,00,000	1,20,000
P & L A/C	25,000	60,000	Depreciation thereon	-15,000	-27,500
Trade creditors	20,000	35,000	Closing stock	70,000	1,30,000
Bill payable	15,000	10,000	Trade debtors	1,00,000	1,50,000
Outstanding expenses	5,000	6,000	Cash at bank	70,000	33,500
	4,65,000	5,31,000		4,65,000	5,31,000

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13. Cola Ltd., furnished you the following related to the year 2021.

	<b>First half of the year (Rs.)</b>	<b>Second half of the year (Rs.)</b>
Sales	22,500	25,000
Total cost	20,000	21,500

Assuming that there is no change in prices and variable cost and that the fixed expenses are incurred equally in the 2 half year periods, Calculate for the year 2021:

1) Profit volume ratio, 2) Fixed expenses, 3) Break even sales, 4) % of margin of safety.

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