

S.NO.: 3

BATCH: 87-2012, 14, 15

Reg. No.:

END OF SEMESTER EXAMINATIONS, NOVEMBER - 2018
 MANAGEMENT ACCOUNTING
 SUBJECT CODE : 14UABM21

149

MAJOR : B.B.A
 TIME : 3 HOURS

SEMESTER : VI
 MAX. MARKS: 75

SECTION - A (10 X 1 = 10)**Answer ALL the questions:**

1. What is Management Accounting?
2. What is Cost Accounting?
3. What is Financial Statements?
4. What is Fund Flow Statement?
5. What is Ratio Analysis?
6. What is Profitability Ratio?
7. What is Budgeting?
8. What is Cash Budget?
9. What is Marginal Costing?
10. What is BEP?

SECTION - B (5 X 4 = 20)**Answer any FIVE questions:**

11. What are the scope of Management Accounting?
12. State the importance of Fund Flow Statement?
13. The following is the statement of financial position of Mr. Mohan:

Particulars	1.4.2017 (Rs.)	31.3.2018 (Rs.)	Particulars	1.4.2017 (Rs.)	31.3.2018 (Rs.)
Accounts Payable	58,000	50,000	Cash	80,000	60,000
Capital	14,78,000	12,30,000	Debtors	40,000	34,000
			Stock	16,000	26,000
			Building	2,00,000	1,60,000
			Other Fixed Assets	12,00,000	10,00,000
	15,36,000	12,80,000		15,36,000	12,80,000

Other information:

i) There are no drawings.

ii) There was no purchase or sale of either building or other fixed assets.

Calculate Cash from Operation.

14. Given:

Current Ratio = 2.8

Acid Test Ratio = 1.5

Working Capital = Rs. 1,62,000

Find out: a) Current Assets b) Current Liabilities c) Liquid Assets.

15. Calculate i) Operating Leverage ii) Financial Leverage iii) Composite Leverage from the following figures:

	Original Rs.	After an increase of 20% in sales Rs.
Sales (20,000 units @ Rs.10)	2,00,000	2,40,000
Less: Variable Cost (Rs.6 per unit)	1,20,000	1,44,000
Less: Fixed Cost	60,000	60,000
Earnings Before Interest and Tax (EBIT)	20,000	36,000
Less: Interest	5,000	5,000
Profit Before Tax (EBT)	15,000	31,000
Tax @ 50%	7,500	15,500
Profit After Tax (PAT)	7,500	15,500

16. A Company manufactures two products A and B. A forecast for the number of units to be sold in the first four months of the year is given below:

Month	Product A Units	Product B Units
January	3,000	6,000
February	3,400	6,000
March	4,200	5,200
April	5,000	4,400

It is anticipated that a) there will be no work-in-progress at the end of any month. And

b) finished units equal to half the sales for the next month will be in stock at the end of each month (including previous December).

Prepare for the three months ending March 31 a Production Budget for each month.

17. What are the Objectives of Budgetary Control?

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18. Calculate the Break Even Point from the following information:

	Rs.
Fixed Cost	75,000
Sales	3,00,000
Direct Materials	1,00,000
Direct Expenses	40,000
Direct Labour	60,000

SECTION - C (3 X 15 = 45)

Answer any THREE questions:

19. State the difference between Management Costing and Financial Accounting?
 20. From the following Balance Sheet as on 31.12.2017 and 31.12.2016, Prepare a Cash Flow Statement:

Liabilities	2017	2016	Assets	2017	2016
Share Capital	1,50,000	1,00,000	Fixed Assets	1,50,000	1,00,000
Profit & Loss A/c	80,000	50,000	Goodwill	40,000	50,000
General Reserves	40,000	30,000	Stock	80,000	50,000
6% Debentures	60,000	50,000	Debtors	80,000	50,000
Creditors	40,000	30,000	Bills Receivable	20,000	10,000
Outstanding Expenses	15,000	10,000	Bank	15,000	10,000
	3,85,000	2,70,000		3,85,000	2,70,000

21. Following is the Profit & Loss a/c of Electro Ltd for the year ending 31.12.2017.

Particulars	Rs.	Particulars	Rs.
To Opening Stock	1,00,000	By Sales	5,60,000
To Purchases	3,50,000	By Closing Stock	1,00,000
To Wages	9,000		
To Gross Profit c/d	2,01,000		
	6,60,000		6,60,000
To Administrative Expenses	20,000	By Gross Profit b/d	2,01,000
To Selling and Distribution Expenses	89,000	By Interest on Investment (outside business)	10,000
To Non-Operating Expenses	30,000	By Profit on sale of investment	8,000
To Net Profit	80,000		
	2,19,000		2,19,000

You are required to calculate:

- Gross Profit Ratio
 - Net Profit Ratio
 - Operating Ratio
 - Operating Profit Ratio
 - Administrative Expenses Ratio
22. A Company is expecting to have Rs.25,000 Cash in hand on 1st April 2017 and it requires you to prepare an estimate of cash position during the three months, April to June 2017. The following information is supplied to you.

	Sales in Rs.	Purchase in Rs.	Wages in Rs.	Expenses in Rs.
February	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	1,00,000	60,000	10,000	8,000
June	1,20,000	55,000	12,000	9,000

Other information:

- Period of credit allowed by suppliers two months.
 - 25% of sale is for cash and the period of credit allowed to customers for credit sale one month.
 - Delay in payment of wages and expenses one month.
 - Income Tax Rs.25,000 is to be paid in June 2017.
23. From the following find out:
- P/V Ratio
 - Break Even Point
 - Net Profit if the sales were Rs.2,50,000 and
 - Sales to get a net profit of Rs.70,000.
- Position of the Rama & Co. Ltd for the year ending 31.12.2017.

	Rs.
Sales	2,00,000
Marginal Cost	1,50,000
Contribution	50,000
Less: Fixed Cost	15,000
Net Profit	35,000