

B.B.A. (Part-II) (CBCS Pattern) Sem-IV
UCB4C06 : Management Accounting

P. Pages : 4

Time : Three Hours



GUG/S/19/12030

Max. Marks : 80

- Notes : 1. All questions are compulsory.
 2. All questions carry equal marks.

1. a) define Management Accounting. Explain its scope. 8
- b) Draw up a Flexible Budget for overhead Expenses on the basis of the following data and determine overheads rate at 70%, 80% & 90% plant capacity. 8

	At 70% capacity (Rs.)	At 80% capacity (Rs.)	At 90% capacity (Rs.)
<u>Variable overheads</u>			
Indirect labour		12,000	
Stores including spares		4,000	
<u>Semi-variable overheads</u>			
Power (30% fixed & 70% variable)		20,000	
Repairs & Maintenance (60% Fixed & 40% variable)		2,000	
<u>Fixed overheads</u>			
Depreciation		11,000	
Insurance		3,000	
Salaries		10,000	
Total overheads		62,000	
Estimated Direct labour hours		1,24,000	

OR

- c) Prepare cash Budget for six month commencing from Next year 16

Months	Total sales (Cash + Credit)	Material (Rs.)	Wages (Rs.)	Production overhead (Rs.)	Selling & Distribution overhead (Rs.)
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	4,400	3,300	900
March	24,000	14,000	4,600	3,300	800
April	26,000	12,000	4,600	3,400	900
May	28,000	12,000	4,800	3,500	900
June	30,000	16,000	4,800	3,600	1,000

Other Information

- i) Cash balance on 1st January was Rs.10,000.
 ii) A New machine is to be installed at Rs.30,000 on credit to be paid in 2 equal installment payable in March and April.

- iii) Sales commission 5% on total sales payable in the next months.
- iv) Rs.10,000 being 2nd call on shares receivable in March along with previous Rs.2,000.
- v) Suppliers period 2 Months, Customers period one Months, overhead one month.
- vi) Wages ½ Months, cash sales 50% of total sales.

2. a) Given

8

Year	Sales (Rs.)	Loss (Rs.)
2017	1,20,000	18,000
2018	1,50,000	12,000

- Calculate
- i) Break Even point.
 - ii) Variable cost for 2017 and 2018

b) Given that

8

Fixed cost per month Rs.31,500
 Variable cost per unit Rs.3
 Selling price per unit Rs.7.5
 Total sales 8,000 units per month

- Calculate
- i) Break Even sales
 - ii) Profit or loss on sale of 6,000 units and 9,000 units.

OR

c) Given that

16

Fixed cost Rs.1,00,000
 Selling price Rs.100 per unit
 Variable cost Rs.75 per unit
 Estimate the impact of the

Following on the B.E.P. if

- 1) 20% increased in variable cost.
- 2) 20% increased in fixed cost.
- 3) 20% Decrease in fixed cost but 20% increase in variable cost.
- 4) 20% Increase in fixed cost but 20% decrease in variable cost.

3. a) Calculate Gross profit Ratio and operating ratio.

8

Rs.

Opening stock of material 25,000
 Material purchase 82,000
 Carriage inward 2,000
 Closing stock of material 20,000
 Octroi 1,000
 Office expenses 18,000
 Selling & distribution Exp. 12,000
 Sale 2,00,000

b) Calculate creditor Turnover ratio and Average Payment period.

8

Rs.

Total purchase 4,00,000
 Cash purchase 50,000
 (Included in above)

Purchase Return	20,000
Creditors at the end	60,000
Bills payable at the end	20,000
Reserve for Discount on creditors	
Take 365 Days in a year	

OR

- c) Following financial statement is summarized from the books of Rahul Ltd as at 31-3-2018. **16**

Capital & Liabilities	Rs.	Property & Assets	Rs.
Paid up capital	15,00,000	Fixed assets	16,50,000
Reserve & surplus	6,00,000	Stock in trade	9,10,000
Debenture (Long term)	5,00,000	Book debts	12,40,000
Bank overdraft	2,00,000	Investment (short term)	1,60,000
Sundry creditors	12,00,000	Cash	40,000
	40,00,000		40,00,000

Annual sales = Rs.74,40,000

Gross profit = Rs.7,44,000

Calculate the following

Ratios

- 1) Current ratio
- 2) Gross profit ratio
- 3) Debtor turnover ratio
- 4) Stock turnover ratio
- 5) Fixed assets ratio

4. a) Balance-sheet of Rashi Spinning and Weaving Mills Ltd given below. **8**

Assets	2018 (Rs.)	2017 (Rs.)
Debtors	88,900	73,300
Stock (Raw Materials)	60,000	45,500
Stock (Finished goods)	60,100	66,200
Cash hand	30,300	9,400
Cash at bank	45,700	20,100
Long term investment	7,000	10,500
Bills Relivable	3,000	--
Land & Building	30,000	40,000
	3,25,000	2,65,000
Bills payable	25,900	20,000
Creditors	64,100	52,600
Short-term loan	10,000	--
Share capital	1,50,000	1,40,000
Profit	29,000	22,400
Reserve	46,000	30,000
	3,25,000	2,65,000

Adjustment:

- 1) Dividend @ of 7% was paid
- prepare statement of changes in working capital.

- b) From the following information Prepare a statement of sources and Application of fund. **8**

	Rs.
Issue of share capital	91,000
Sale of machine	62,000
Profit from operation	88,000
Purchase of land	1,54,000
Purchase of investment	80,000
Redemption of debenture	40,000
Interim Dividend paid	12,000
Decrease in working capital	74,000
Payment to the creditors	10,50,000
Premium paid on Redemption on debenture	5,000
Payment of income tax	24,000

OR

- c) From the following Balance – sheet prepare a statement of changes in working capital and statement of sources and application of fund. **16**

Assets	31 st March 2017 (Rs.)	31 st March 2018 (Rs.)
Fixed Assets	2,55,000	3,10,000
Investment	15,000	40,000
Current Assets	1,20,000	1,87,500
Discount on issue of debenture	5,000	2,500
	3,95,000	5,40,000
Liabilities		
Ordinary share capital	1,50,000	1,75,000
Preference share capital	1,00,000	50,000
Debenture	50,000	1,00,000
Profit & loss account	55,000	1,35,000
Reserve for doubtful debts	5,000	7,500
Current liabilities	35,000	72,500
	3,95,000	5,40,000

Additional information

- 1) A machine having a book value of Rs.20,000 was sold for Rs.12,500.
- 2) Dividend at 18% was paid for 2016-2017 on ordinary share capital
- 3) Preference share were redeemed at a premium of 5%.
- 4) Depreciation of Rs.35,000 was charged on Fixed Assets.

5. Write short answers from the following.

- a) State the objects of Management Accounting. **4**
- b) State the advantages of Break Even Analysis. **4**
- c) State the Uses of Ratio Analysis. **4**
- d) State the significance of funds flow statement. **4**
