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DCBB401

Reg. No.

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IV Semester B.B.A. Degree Examination, September - 2023

**BUSINESS ADMINISTRATION****Management Accounting**

Paper : 4.1

(NEP Scheme Regular)

Time : 2½ Hours

Maximum Marks : 60

**Instructions to Candidates:**

Answer should be written in english only

**SECTION - A**

Answer any FIVE of the following questions. Each question carries Two marks. (5×2=10)

1. a) Define management accounting.
- b) State any two advantages of management accounting.
- c) Name any two liquidity ratios.
- d) Write any two objectives of cash flow statement.
- e) What is meant by marginal casting?
- f) What is break - even point?
- g) What do you mean by budgetary control?

**SECTION - B**

Answer any FOUR of the following questions. Each question carries Five marks. (4×5=20)

2. Explain in brief any five functions of management accounting.
3. ABC Ltd. has a current ratio of 4.5:1 and a quick ratio of 3:1. If its inventory is Rs. 60,000, Calculate its current assets and current liabilities.
4. Calculate cash flow from financing activities from the following data.

Particulars	Amount (Rs.)
Issue of equity shares	5,00,000
Issue of 9% Debentures	4,00,000
Redemption of preference shares	2,50,000

P.T.O.



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Raising of long term loan	3,50,000
Repayment of Bank overdraft	2,00,000
Dividends paid	1,00,000
Interest Received	50,000
Sale of Furniture	1,00,000

5. Following are the details of Rahul Co.,

Sales	Rs. 1,00,000
Profit	Rs. 10,000
Variable cost	70%

From the above details find out :

- P/V Ratio
- Fixed cost
- Sales volume to earn a profit of Rs. 40,000.

6. Explain any five merits of budgetary control.

### SECTION - C

Answer any TWO of the following questions. Each question Carries Twelve marks.

(2×12=24)

7. From the following details prepare Balance sheet (Vertical form)

- Current Ratio 2.75
- Liquid Ratio 2.25
- Working capital 3,50,000
- Reserves and surplus 50,000

Total current assets include stock, Debtors and Cash only, which are in the ratio of 2:6:3. Creditors and Bills payable are in the ratio of 3:2. Fixed assets are 50% of share capital. The share capital is Rs. 6,00,000. There are no other items of assets and Liabilities.

8. The expenses budgeted for production of 10,000 units in a factory are furnished below:

Particulars	Rs. Per unit
Materials	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 1,00,000)	10
Variable expenses (Direct)	5
Selling expenses (10% fixed)	13

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Prepare a flexible budget for the production of

- 8,000 units
- 10,000 units and
- 6,000 units.

Assume that administration expenses are rigid for all levels of production.

9. The following details are available from Saanvi company.

**Assets**

	(Rs.) 31-03-2022	(Rs.) 31-03-2023
Cash	9,000	7,800
Debtors	14,900	17,700
Stock	49,200	42,700
Land	20,000	30,000
Good will	10,000	5,000
<b>Total</b>	<b><u>1,03,100</u></b>	<b><u>1,03,200</u></b>

**Liabilities**

	(Rs.) 31-03-2022	(Rs.) 31-03-2023
Share Capital	70,000	74,000
Debentures	12,000	6,000
Reserve for Doubtful Debts	700	800
Trade creditors	10,360	11,840
Profit and Loss A/c	10,040	10,560
<b>Total</b>	<b><u>1,03,100</u></b>	<b><u>1,03,200</u></b>

**Additional Information:-**

- Land purchased Rs. 10,000
- Debentures paid off Rs. 6,000
- Dividend paid Rs. 3,500
- Amount Provided for amortisation of Goodwill is Rs. 5,000

Prepare cash flow statement as per Ind AS-7

[P.T.O.]



## SECTION - D

Answer any ONE of the following questions. Each question carries Six marks.  
(1×6=6)

10. Prepare using imaginary figures a cash budget, for three months.
  11. Prepare a Break - Even chart with imaginary figures.
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