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DCBB401

Reg. No.

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IV Semester B.B.A. Degree Examination, June/July - 2025

BUSINESS ADMINISTRATION

Management Accounting

(NEP Scheme Freshers and Repeaters)

Time : 2½ Hours

Maximum Marks : 60

Instructions to Candidates:

Answers should be written in English only.

SECTION - A

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

1. a) State any Two advantages of management accounting.
- b) List out any two advantages of ratio analysis.
- c) What is cash flow from investing activities?
- d) Define marginal costing.
- e) What is cash budget?
- f) State any two functions of budgeting.
- g) Calculate p/v ratio
sales Rs. 8,00,000; variable cost Rs. 3,00,000
Fixed cost Rs. 2,00,000.

SECTION - B

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

2. Write any five differences between management accounting and cost accounting.
3. Current liabilities of a company is Rs. 1,20,000. Its current ratio is 3:1 and liquid ratio is 0.90:1.
Calculate the amount of current assets,
Liquid assets and inventory.

[P.T.O.]



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4. The sales and profit figures of two years are given below:

Year	Sales (Rs.)	Profit (Rs.)
2024	1,50,000	20,000
2025	1,70,000	25,000

You are required to calculate

- p/v ratio
- Break even point
- Margin of safety at a profit of Rs. 50,000.

5. Following is the Trading and profit and loss account for the year ended 31st March 2025.

Dr.			Cr.
Particulars	Rs.	Particulars	Rs.
To purchases	1,27,600	By sales	1,91,000
To wages	31,900		
To Gross profit c/d	31,500		1,91,000
	1,91,000		
To salaries	6,600	By Gross profit b/d	31,500
To Rent	3,190	By Profit on sale of building	25,000
To Depreciation	9,570		
To Loss on sale of investments	3,200		
To goodwill written off	3,940		
To Net profit	30,000		
	<u>56,500</u>		<u>56,500</u>

Calculate cash from operations.



6. From the following information, prepare a cash budget for 3 months ending 30.9.2024.

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
June 2024	2,00,000	1,30,000	20,000	10,000
July 2024	1,50,000	1,40,000	30,000	10,000
August 2024	2,50,000	1,60,000	20,000	15,000
September 2024	2,20,000	1,80,000	15,000	15,000

Additional Information:

- Opening cash balance on 1st July is Rs. 60,000.
- Debtors (credit sales) pays in the month of following the month of sales.
- Creditors (purchases) are paid in the month, following the month of purchases.
- Expenses are paid in the same month.
- Wages are paid in the next month.

SECTION - C

Answer any Two of the following questions. Each question carries 12 marks.

(2×12=24)

7. From the following information, prepare Balance sheet.

Current Ratio 2.5

Liquid Ratio 1.5

Working capital Rs. 60,000

Proprietary Ratio (Fixed assets to proprietors funds) 0.75

Reserves and surplus 2/3rd of working capital

Bank overdraft Rs. 10,000

There is no long term loans or any investments or fictitious assets.

8. Yogesh Ltd., provided the following Balance sheets, you are required to prepare cash flow statement as per AS - 7.

	Rs.	Rs.
Assets	31.3.2024	31.3.2025
Cash	75,000	37,500
Stock	1,50,000	2,37,500
Debtors	1,00,000	1,50,000
Goodwill	2,50,000	1,87,500
Plant and machinery	1,25,000	2,50,000
Land and Building	2,50,000	5,00,000
Furniture	87,500	12,500
	10,37,500	13,75,000

[P.T.O.]

**Liabilities**

Equity share capital	2,50,000	3,75,000
Long term loans	1,25,000	1,25,000
Creditors	1,87,500	2,50,000
Bills payable	2,50,000	3,75,000
Retained earnings	2,25,000	2,50,000
	10,37,500	13,75,000

Additional Information:

- Rs. 1,00,000 dividend was paid during 2025.
- Rs. 10,000 Income tax was paid during 2025.
- Furniture was sold for Rs. 75,000.
- Plant and machinery purchased Rs. 1,75,000 and Land and Building for Rs. 3,25,000.

9. The expenses budgeted for production of 1,00,000 units in a factory are furnished below.

	Per Unit (Rs.)
Raw Materials	10.00
Direct labour	3.00
Direct Expenses	0.40
Works Overhead (60% Fixed)	10.00
Administration Overhead (80% Fixed)	1.60
Selling expenses (50% Fixed)	0.80

Prepare a flexible budget for the production of

- 60,000 units
- 80,000 units
- 1,00,000 units

SECTION - D

Answer any One of the following questions. The question carries 6 marks. (1×6=6)

- Prepare a Break-Even chart with imaginary figures.
- Calculate any six ratios using imaginary figures.