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Reg. No.

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IV Semester B.B.A. Degree Examination, August/September - 2023  
BUSINESS ADMINISTRATION  
Management Accounting  
(CBCS Scheme & Repeaters 2019)

Time : 3 Hours

Maximum Marks : 70

*Instructions to Candidates:*

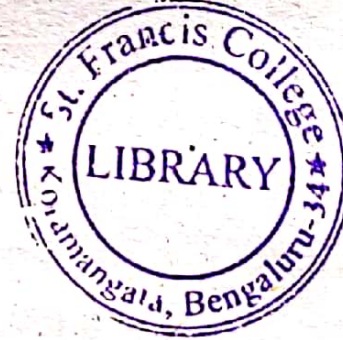
Answers should be written in English only.

**SECTION - A**

I. Answer any Five.

(5×2=10)

1. a. Write any tools used in management accounting.
- b. Define Reporting
- c. Give the meaning of current ratio.
- d. What is cash and cash equivalents?
- e. Define margin of safety
- f. What is angle of incidence?
- g. Define Budgeting.



**SECTION - B**

II. Answer any Three.

(3×5=15)

2. Describe the functions of management accounting
3. A firm has a current ratio of 3 : 1 its net working capital is Rs. 200,000. You are required to determine.

[P.T.O.]



- i) Current assets
  - ii) Current Liabilities
  - iii) Liquid assets assuring inventory of Rs. 2,20,000
4. From the following data calculate the Break-even point.

Direct material per unit	Rs. 3
Direct Labour per unit	Rs. 2
Fixed overhead (Total)	Rs. 10,000
Variable overhead	100 / on direct labour
Selling price per unit	10
Trade discount	5%

Also determine the net profits, if sales are 10% above the break-even point.

5. List out the points of differences between financial Accounting and management Accounting.

### SECTION - C

III. Answer any Three.

(3×15=45)

6. The following are the ratio of XYL Ltd.

Debtors velocity	3 months
Creditors velocity	2 months
Stock velocity	8 months
Gross profit ratio	25%

Gross profit for year ended 31<sup>st</sup> March 2022 amounted to Rs. 400,000 closing stock of the year is Rs. 10,000 more than opening stock. B/R amount to Rs. 25,000 and B/P are Rs. 10,000

Assume all sales and purchases are on credit basis. Find out:

- a) Sales
- b) Sundry debtors
- c) Closing stock
- d) Sundry creditors

7. The balance sheets of VXL Ltd as at December 31 of two years are given below.

Assets	2022 (Rs.)	2021(Rs.)
Cash Balance	60,000	50,000
Trade debtors	1,00,000	75,000
Inventory	1,20,000	1,40,000
Land	80,000	1,00,000
Plant and machinery	2,50,000	2,00,000
<b>Total</b>	<b>6,10,000</b>	<b>5,65,000</b>
<b>Liabilities and capital</b>		
Trade Creditors	40,000	30,000
Debentures	90,000	150,000
Provision for depreciation on plant	80,000	60,000
Equity share capital	2,40,000	2,00,000
Retained Earnings	1,60,000	1,25,000
<b>Total</b>	<b>6,10,000</b>	<b>5,65,000</b>

\* Cash dividends of Rs. 25,000 have been paid during the year.

You are required to prepare a cash flow statement on indirect basis

8. You are given the following data:

Year	Sales	Profit
2021	Rs. 1,20,000	8,000
2022	Rs. 1,40,000	13,000

Find out

- P/V ratio.
- B.E point
- Profit when sales are Rs. 1,80,000
- Sales required to earn a profit of Rs. 12,000
- Margin of safety in year 2022

[P.T.O.]



9. Prepare flexible budget for the overheads of Damyanti Ltd. from the following data and ascertain the overhead rates based on direct labour hrs. at 50%, 60% and 70% capacity.

At 60% capacity

Variable overheads :-

Indirect Material	Rs. 6,000
Indirect Labour	Rs. 18,000

Semi-variable overheads:

Electricity (40% fixed, 60% variable)	Rs. 30,000
Repair (80% fixed, 20% variable)	Rs. 3,000

Fixed overheads:-

Depreciation	Rs. 16,500
Insurance	Rs. 4,500
Salaries	Rs. 15,000

Estimated direct labour hours 1,86,000 hrs.

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