E 2007 (Pages : 4) Reg. No.....................

Name.....................

B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2018

Fifth Semester

Core Course—MANAGEMENT ACCOUNTING

(2013 Admission onwards)

Time : Three Hours Maximum Marks : 80

Part A

Answer **all** *questions.*
Each question carries 1 *mark.*

1. Define management accounting.
2. What are current assets ?
3. Mention 4 fixed assets.
4. What is the ideal current ratio ?
5. What are liquid assets ?
6. Who are debtors ?
7. What is capital ?
8. What is working capital ?
9. What do you mean by turnover ?
10. What is net worth ?

(10 × 1 = 10)

Part B

Answer any **eight** *questions.*
Each question carries 2 *marks.*

11. What is trend analysis ?
12. Mention the various techniques of analysis.
13. What are corporate financial statements ?
14. What is the significance of trend analysis ?
15. What are liquid assets ?
16. What is gross profit ratio ?

Turn over

17. What is solvency ratio ?
18. What is debtors turnover ratio ?
19. What is operating capital ?
20. What is interest coverage ratio ?
21. What is a budget ?

(8 × 2 = 16)

Part C

Answer any **six** *questions.*
Each question carries 4 marks.

22. Difference between financial and management accounting.
23. What are the characteristics of a good budgetary control ?
24. What is the use of preparing cash flow statement.
25. Discuss tha nature of financial statements.
26. From the following data calculate :

    (a) P/V Ratio ; and (b) Profit.

	Rs.
Sales ...	20,000
Fixed expenses ...	4,000
Break even point ...	10,000

27. From the following data calculate :

    (a) P/V Ratio.

    (b) Sales requires to earn a profit of Rs. 2,80,000.

	Rs.
Sales ...	4,00,000
Variable overhead ...	3,00,000
Gross profit ...	1,00,000
Fixed overhead ...	30,000
Net profit	70,000

28. From the following prepare a statement showing changes in working capital during 2002 :

Balance sheet of Premier Ltd., as on 31st December.

Liabilities	2001 Rs.	2002 Rs.	Assets	2001 Rs.	2002 Rs.
Share capital ..	5,00,000	6,00,000	Fixed Assets ..	10,00,000	11,20,000
Reserves ..	1,50,000	1,80,000	Less : Depreciation ..	3,70,000	4,60,000
Profit and Loss Account ..	40,000	65,000		6,30,000	6,60,000
Debentures ..	3,00,000	2,50,000	Stock ..	2,40,000	3,70,000
			Book debts ..	2,50,000	2,30,000
Creditors for goods ..	1,70,000	1,60,000	Cash in hand and at bank ...	80,000	60,000
Provision for Income tax ...	60,000	80,000	Preliminary expenses ..	20,000	15,000
	12,20,000	13,35,000		12,20,000	13,35,000

29. From the following information relating to Bright Ltd.., calculate funds lost in operation :

		Rs.
Net loss for the year	...	90,000
Dividend received	...	7,000
Depreciation charged	...	10,000
Profit on sale of assets	...	5,000
Refund of tax	...	2,000

30. From the following particulars calculate the stock Turnover ratio :

(a) Opening stock — Rs. 40,000

(b) Closing stock — Rs. 44,000

(c) Sales — Rs. 4,15,000

(d) Gross Profit ratio — 20 %.

(6 × 4 = 24)

Part D

Answer any **two** *questions.*
Each question carries 15 *marks.*

31. Discuss the advantages and limitations of management accounting.

32. Discuss the requirements of a good budgetary control.

Turn over

33. From the following balance sheets of Kavitha Industries Ltd.., prepare a funds flow statement for the year 1999-2000.

Balance Sheet

Liabilities	98-99	98-2000	*Assets*	98-99	98-2000
	Rs.	Rs.		Rs.	Rs.
Share capital ..	2,00,000	2,10,000	Land ..	1,00,000	1,20,000
Profit and Loss Account ..	28,000	49,000	Investments ..	28,000	48,000
Bank Loan ..	—	10,000	Stock ..	58,000	54,000
Creditors ..	39,000	30,000	Debtors ..	53,000	59,000
			Cash at Bank ..	28,000	18,000
	2,67,000	2,99,000		2,67,000	2,99,000

34. Chitra and company supplies spare parts to T.V.S Company on annual contract basis. The following data for 2006 is given :

Units supplied	—	2,000
Sale price	—	Rs. 100 per unit
Variable cost	—	Rs. 60 per unit
Fixed cost	—	Rs. 20 per unit
Profit	—	Rs. 20 per unit

In 2007 it is anticipated that the contract will be for supply of 3,000 units. The variable cost goes by 10 %. Fixed cost may reduce by 5 %. Selling price reduce by 2 %. Prepare the budget for supply of 3,000 units in 2007.

(2 × 15 = 30)