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Reg. No.....

Name.....

B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2019

Fifth Semester

Core Course—MANAGEMENT ACCOUNTING

(2013–2016 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A

Answer **all** questions.

Each question carries 1 mark.

1. What are Current Assets ?
2. What is Current Ratio ?
3. Mention *four* Fixed Asset.
4. Mention *two* long term liability.
5. What is Net worth ?
6. What is Equity ?
7. What is Budget ?
8. Who is Sundry debtors ?
9. What is credit payment period ?
10. What is Fixed Asset turnover ratio ?

(10 × 1 = 10)

Part B

Answer any **eight** questions.

Each question carries 2 marks.

11. State the meaning of Management Accounting.
12. What do you mean by stock turnover ratio ?
13. List out any *two* non-fund items.
14. Define the term Budget.
15. How do you calculate Return on Capital Employed ?
16. What is Break-even point ?
17. What is meant by funds flow statement ?
18. Define Ratio Analysis.
19. What is Acid test ratio ?

Turn over

20. Mention any *three* sources of funds.
 21. What is Gross Profit and Net Profit Ratios ?
 22. What is trend analysis ?

(8 × 2 = 16)

Part C

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

23. Briefly explain the functions of Management Accounting.
 24. What is Budgetary Control ? State the objectives of Budgetary Control.
 25. The following are the sales and profits for *two* periods are given below, you are required to find out :
 (a) P/V Ratio ; and (b) BEP.

Sales for 2015 : Rs. 8,00,000 and for 2016 – Rs. 10,00,000.

Profit for 2015 : Rs. 40,000 and for 2016 – Rs. 1,00,000.

26. What is the purpose of preparing Financial Statements ?
 27. Calculate the current asset of a company from the following information :
 (a) Stock turnover : 5 times.
 (b) Closing stock is Rs. 5,000 more than the opening stock.
 (c) Total sales (all credit) Rs. 2,00,000.
 (d) Gross profit ratio 20%.
 (e) Current liabilities Rs. 60,000.
 (f) Quick ratio : 0.6.

28. Calculate “fund from operations” for the following data :

	Rs.
Net profit for the current year	... 50,000
Loss on sale of furniture	... 10,000
Depreciation on machinery	... 20,000
Amortisation of Goodwill	... 25,000
Profit on Revaluation	... 2,500
Preliminary expense written off	... 2,000
Gain from sale of building	... 12,000
Premium paid on Redemption of debentures	... 1,500
Dividend Income on Investment	... 4,000

29. What is the difference between Financial and Management Accounting ?
30. What are the uses of cash flow statement ?
31. Given : Current ratio 1 : 4, Liquid ratio : 1, Stock turnover ratio : 8, Gross profit ratio 20% and Sales for the year 12,00,000. Calculate Working Capital.

(6 × 4 = 24)

Part D

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

32. The expenses budgeted for the production of 10,000 units are furnished below :

<i>Particulars</i>	<i>Rs. per unit</i>
Material	140
Labour	50
Variable Expense (Direct)	10
Variable overhead	40
Fixed overhead (Rs. 2,00,000)	20
Administrative expense (Rs. 1,00,000)	10
Selling Expense (10% fixed)	26
Distributing expense (20% fixed)	14

Total cost	310

Prepare a flexible budget for 8,000 units and 12,000 units. Assume that the administrative expense remain fixed at all levels.

33. Discuss the advantages and limitations of Management Accounting.

Turn over

34. From the following two Balance Sheets of ABC Ltd. you are required to prepare a statement of sources and application of funds :

<i>Balance Sheet</i>					
<i>Liabilities :</i>	2017	2018	<i>Assets :</i>	2017	2018
	Rs.	Rs.		Rs.	Rs.
Share Capital	1,00,000	1,50,000	Cash and Bank	80,000	1,05,000
Trade creditors	50,000	80,000	Trade receivables	2,20,000	2,80,000
P and L account	3,30,000	3,80,000	Stock in trade	80,000	1,00,000
			Land and building	1,00,000	1,25,000
	<u>4,80,000</u>	<u>6,10,000</u>		<u>4,80,000</u>	<u>6,10,000</u>

35. Explain in detail liquidity ratios.

(2 × 15 = 30)