

(Please write your Exam Roll No.)

Exam Roll No.

END TERM EXAMINATION

THIRD SEMESTER [BBA] FEBRUARY 2023

Paper Code: BBA207

BBA(B&I)203

Subject: Management Accounting
(Batch 2021 onwards)

Time: 3 Hours

Maximum Marks: 75

Note: Attempt five questions in all including Q.No.1 which is compulsory.

- Q1 Answer **any five** from the following: (5x5=25)
- Difference between management accounting and financial accounting.
 - Zero base budgeting.
 - Margin of Safety
 - Relevant Cost and Sunk Cost
 - Make or Buy decision
 - Du point Analysis
 - What is the main use of spreadsheet?
 - Cash Flow Statement

- Q2 Discuss the computation and significance of the following financial ratio:
i) Current ratio (ii) Quick Ratio (iii) Interest Coverage ratio (iv) Earning Per Share (v) Stock turnover ratio (12.5)

- Q3 Ranbaxy Pvt Ltd is expected to have Rs. 25,000 in its bank account on 1.4.2022. Prepare a cash budget for April, May, and June 2022 from the following estimates. (12.5)

Month	Sales	Purchase	Salary	Administrative Expenses	Selling Expenses
February	50,000	30,000	6,000	9,000	3,000
March	56,000	32,000	6,500	9,500	3,000
April	60,000	35,000	7,000	10,000	3,500
May	80,000	40,000	9,000	11,500	4,500
June	90,000	40,000	9,500	12,500	4,500

Other information:

- 20% sales on cash. Balance on credit and amount to be collected in the next month.
- Suppliers are paid second month following the purchases.
- Workers salary paid in the same month.
- Administrative and selling expenses are paid in the next month.
- Dividend of Rs 10,000 and Bonus to workers of Rs 15,000 are to be paid in May.
- Income tax of Rs 25,000 to be paid in June.

- Q4 Prakash Steel Co. has prepared the following budget estimates for the year 2014-15: (5+7.5=12.5)

Sales units:	15,000
Fixed Expenses	Rs. 34,000
Sales value	Rs.1,50,000
Variable Costs	Rs. 6 per unit

You are required to:

- a) Find the P/V ratio, Break-even Point and Margin of Safety.
 b) Calculate the revised P/V Ratio, Break even point and Margin of safety in each of the following cases:
 i) Decrease of 10% in selling price
 ii) Increase of 10% variable costs.
 iii) Increase of sales volume by 2000 units
 iv) Increase of Rs 6,000 in fixed costs.
- Q5 How marginal costing is different from absorption costing and direct costing? Discuss advantage of marginal costing. **(12.5)**

- Q6 a) From the following data, calculate (a) Material Cost Variance (b) Material Price Variance (c) Material Usage Variance (d) Material Mix Variance **(5)**

Name of material	Standard		Actual	
	Kg	Rate	Kg	rate
X	8000	1.05	7500	1.20
Y	3000	2.15	3300	2.30
Z	2000	3.30	2400	3.50

- b) Explain in detail comparative financial statements and trend percentage as tools of financial analysis. **(7.5)**
- Q7 Super Fashion Pvt. Limited submits the following information of cost in respect of its two products: **(12.5)**

Particulars	Waxy (per unit) (Rs.)	Glaxy (per unit) (Rs)
Direct Material	20	30
Direct Wages	20	15
Variable overhead	15	25
Fixed overhead	15,000	15,000
Selling price	75	125

- You are required to recommend the management the profitable sale mix from the below mentioned alternatives:
 a) 600 units of Waxy only.
 b) 800 units of Glaxy only.
 c) 100 units of Waxy and 300 units of Glaxy.
 d) 300 units of Waxy and 200 units of Glaxy.
- Q8 Define budgetary control. State its objectives. Explain the process by which various budgets are prepared. Distinguish between fixed budget and flexible budget. **(12.5)**
