## END TERM EXAMINATION

THIRD SEMESTER [BBA] FEBRUARY 2023

Paper Code: BBA207 Subject: Management Accounting BBA(B&I)207 (Upto Batch 2020)

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)

- a) Difference between Management Accounting and Financial Accounting
- b) Zero base budgeting
- c) Break Even Point
- d) Relevant Cost and Sunk Cost
- e) Shut Down or Continue decision
- f) Limitation of Ratio analysis
- g) Cash Flow Statement
- h) Responsibility Centres
- Q2 Explain in detail comparative financial statements and trend percentage as tools of financial analysis (12.5)

Q3 The balance sheet of XYZ Ltd. Is given as under for the year ending 31st March, 2022. (12.5)

	1.00	(12.0)
Amount Rs	Asset	Amount
	Goodwill	2,00,000
The second secon	Land and building	3,00,000
The second secon		2,50,000
The same of the sa		50,000
The second second		1,50,000
A CONTRACTOR OF THE PARTY OF TH	The state of the s	1,00,000
	Bills receivable	80,000
Ad the ball to the second seco	Marketable securities	18,000
The second secon		40,000
		2,000
11.90.000		11,90,000
	Amount Rs 3,00,000 1,50,000 2,00,000 4,00,000 50,000 25,000 40,000 10,000 15,000	3,00,000 Goodwill 1,50,000 Land and building 2,00,000 Plant and machinery 4,00,000 Patents 50,000 Stock 25,000 Sundry debtors 40,000 Bills receivable 10,000 Marketable securities 15,000 Cash balance Prepaid expenses

Purchase are Rs. 3,00,000 and sales are Rs. 5,00,000. From the information calculate:

- a) Current ratio
- b) Acid test ratio
- c) Inventory turnover ratio
- d) Average collection period
- e) Debtors turnover ratio
- f) Creditors turnover ratio
- g) Average payment period

On the basis of the above analysis, comment on the cash management of the firm.

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- Q4 Define budgetary control. State its objectives. Explain the process by which various budgets are prepared. Distinguish between fixed budget and flexible budget. (12.5)
- 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) The ratio of variable costs to sales is 60%. The breakeven point occurs at 80% of sales. Find the capacity sales when fixed costs are Rs.4,00,000. Determine profits at 90% and 100% of sales. (7.5)
- Q7 A factory is currently running at 50% capacity and produces 5,000 units at a cost of Rs. 90/- per unit as per the details below: (12.5)

Material

Rs. 50

Labour

Rs. 15

Factory Overhead

Rs. 15 (Rs. 6/- fixed)

Administration

Rs. 10 (Rs. 5/- fixed)

The current selling price is

Rs. 100/- per unit

At 60 % working, material cost per unit increase by 2% and selling price per unit falls by 2%.

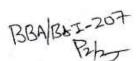
At 80% working, material cost per unit increase by 5% and selling price per unit falls by 5%,

Estimate the profit earned by the factory at 60% and 80% working and offer your comments.

Q8 The following is the summarized Balance Sheets of a X Ltd company as on 31st March, 2021 and 2022: (12.5)

	2008	2009
Assets:	Rs	Rs
Land and Building	80,000	1,20,000
Plant and Machinery	5,00,000	8,00,000
Stock	1,00,000	75,000
Sundry Debtors	1,40,000	1,50,000
Prepaid Expenses	14,000	12,000
Cash at bank	16,000	18,000
Total	8,50,000	11,75,000

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Liabilities	Rs	Rs
Share capital	5,00,000	7,00,000
Profit and loss account	1,00,000	1,60,000
General Reserve	50,000	70,000
Sundry Creditors	1,63,000	2,00,000
Bills Payable	30,000	40,000
Outstanding Expenses	7,000	5,000
total	8,50,000	11,75,000

## Additional Information:

- Rs.50,000 depreciation has been charged to plant and machin during the year,2009.
- A piece of machinery was sold for Rs 8,000 during 2009, it 1 cost Rs 12,000, depreciation of Rs.7,000 has been provided on it You are required to prepare the Cash Flow Statement as per 3(Revised)

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