



NS – 511

V Semester B.B.A. Degree Examination, November/December 2016
(CBCS) (Fresh) (2016-17 and Onwards)
/ BUSINESS ADMINISTRATION
Management Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written in **English** only.

SECTION – A

1. Answer **any five** questions. **Each** question carries **two** marks. (5×2=10)

- State the meaning of Management Accounting.
- What do you mean by Stock Turnover Ratio ?
- List out any 2 non-fund items.
- Define the term 'Budget'.
- How do you calculate "Return on Capital Employed" ?
- Calculate cash flows from financing activities :

Issue of Share Capital	₹ 2,00,000
Interest paid	₹ 50,000
Interest received	₹ 30,000
Long term Loan received from HDFC	₹ 1,50,000
- Calculate fixed cost from the following data :

Sales	₹ 8,00,000
Contribution	25% of sales
Profit	10% of variable cost.

SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. (3×6=18)

- Differentiate between Cost Accounting and Management Accounting.
- What are the uses of Cash Flow Statement ?
- The sales of a company for 2 different periods are 4000 units and 7000 units. The profits are ₹ 80,000 and ₹ 1,70,000 respectively. Assume selling price is ₹ 100 per unit.
Calculate :
 - P/V Ratio
 - Fixed Cost
 - Break Even Point

P.T.O.



5. Calculate the current assets of a company from the following information :
- Stock turnover :5 times
 - Closing stock is ₹ 5,000 more than the opening stock.
 - Total sales (all credit) ₹ 2,00,000.
 - Gross Profit Ratio 20%.
 - Current Liabilities ₹ 60,000.
 - Quick Ratio 0.6.

6. Calculate "Fund from Operations" for the following data :

	₹
Net Profit for the current year	50,000
Loss on sale of Furniture	10,000
Depreciation on Machinery	20,000
Amortization of Goodwill	25,000
Profit on Revaluation	2,500
Preliminary Expenses written off	2,000
Gain from sale of building	12,000
Premium paid on Redemption of debentures	1,500
Dividend Income on Investments	4,000

SECTION - C

Answer any three questions. Each carries fourteen marks.

(3×14=42)

7. Following is the Balance Sheet of Mahesh Ltd. as on 31-3-2016

Liabilities	₹	Assets	₹
Equity Share Capital (₹ 100)	5,00,000	Freehold premises	4,50,000
10% Pref. Share Capital	3,00,000	Plant and Machinery	3,30,000
Reserve Fund	1,20,000	Furniture	84,000
P/L Account	55,000	Stock	2,30,000
15% debentures	2,40,000	Debtors	1,95,000
Bank Overdraft	40,000	Marketable Securities	50,000
Sundry Creditors	1,15,000	Bills Receivable	45,000
Bills Payable	35,000	Cash	20,000
Tax Provision	50,000	Advances	36,000
		Preliminary Expenses	15,000
	14,55,000		14,55,000



Total sales during the year ₹ 21,60,000 and Net Profit after tax ₹ 3,00,000.

You are required to compute :

- 1) Current Ratio.
- 2) Acid test Ratio
- 3) Debt Equity Ratio.
- 4) Proprietary Ratio.
- 5) Fixed Assets Turnover Ratio.
- 6) Return on Capital employed.

8. A manufacturing company is providing the following information :

Fixed Expenses : ₹ 1,20,000

Selling Price per unit ₹ 60

Variable expenses :

Material ₹ 20 per unit

Wages ₹ 16 per unit.

Draw a break even chart and verify the result through a schedule. Also calculate the new break even point if the selling price is reduced by 20%.

9. From the figures given below. Prepare a statement showing sources and application of funds during the year 2015-16.

Liabilities	31-3-2015	31-3-2016	Assets	31-3-2015	31-3-2016
	₹	₹		₹	₹
Equity Share Capital	3,00,000	3,50,000	Fixed Assets (Net)	5,10,000	6,20,000
Preference Share Capital	2,00,000	1,00,000	Investments	30,000	80,000
Debentures	1,00,000	2,00,000	Current Assets	2,40,000	3,75,000
Reserves	1,10,000	2,70,000	Discount on Debentures	10,000	5,000
Provision for Doubtful Debts	10,000	15,000			
Current Liabilities	70,000	1,45,000			
	7,90,000	10,80,000		7,90,000	10,80,000

Additional Information :

- 1) A machine costing ₹ 70,000 (book value ₹ 40,000) was disposed off for ₹ 25,000.
- 2) Preference share redemption was carried out at a premium of 5%.
- 3) Dividend at 15% was paid on Equity Shares for the year 2014-15.
- 4) Provision for depreciation stood at ₹ 1,50,000 as on 31-3-2015 and at ₹ 1,90,000 as on 31-3-2016.



10. Tetra Manufacturers are currently working at 50% capacity and produces 10000 units of a product. At 50% capacity its cost structure is as follows :

Elements of Cost	Cost per unit
	₹
Direct Materials	50
Direct Labour	40
Factory Overhead (50% fixed)	30
Administrative Expenses (₹ 50,000) (80% fixed)	5
Selling Expenses (80% variable)	5
	130
Profit per unit	20
Selling Price per unit	150

Prepare a flexible budget and estimate the profit at 60% and 80% capacity.

11. 'Yogesh Ltd.' provided the Balance Sheets as on 31-3-2015 and 31-3-2016 as follows :

Liabilities	31-3-2015		31-3-2016		Assets	31-3-2015		31-3-2016	
	₹	₹	₹	₹		₹	₹	₹	₹
Equity Share Capital	5,00,000	7,50,000	Land and Building	4,80,000	9,00,000				
Profit and Loss A/c	1,71,000	2,94,000	Plant and Machinery	4,20,000	3,90,000				
General Reserve	72,000	89,000	Furniture and Fittings	1,60,000	1,70,000				
Debentures	2,40,000	3,10,000	Stock	51,000	72,000				
Long Term Loans	1,80,000	1,50,000	Debtors	75,000	64,000				
Provision for tax	93,000	87,000	Cash at Bank	84,000	1,14,000				
Sundry Creditors	44,000	55,000	Preliminary Expenses	30,000	25,000				
	13,00,000	17,35,000		13,00,000	17,35,000				

Additional Information :

- 1) Land worth ₹ 1,00,000 was purchased in exchange of Equity Shares of the company. Depreciation for land and buildings ₹ 50,000.
- 2) Purchase of furniture during the year is ₹ 50,000. Loss on sale of furniture is ₹ 11,000. Depreciation provided for furniture is ₹ 13,000.
- 3) Tax provided for the year is ₹ 60,000.

Prepare a Cash Flow Statement under Indirect Method as per AS-3.