

E 3305

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Reg. No.....

Name.....

B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2016

Fifth Semester

Core Course—MANAGEMENT ACCOUNTING

(2013 Admission onwards)

Time : Three Hours

Maximum : 80 Marks

Part A

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

1. What is current asset ?
2. What is a ratio ?
3. Define the term 'Fund'.
4. Define the term 'Accounting' ?
5. What are 'Financial Statements' ?
6. What is a budget ?
7. What is quick ratio ?
8. What is budgetary control ?
9. What is intrafirm comparison ?
10. What is working capital ?

(10 × 1 = 10)

Part B

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

11. What is Management Accounting ?
12. What do you mean by Financial Statement Analysis ?
13. Distinguish between Horizontal Analysis and Vertical Analysis.
14. What is a common size Statement ?
15. What is 'Cash Flow Statement' ?

Turn over

16. What is 'Funds Flow Analysis' ?
17. Write a short note on Capital Turnover Ratio.
18. What are 'Liquidity Ratios' ?
19. What are the differences between Current Ratio and Quick Ratio ?
20. What are the rules for knowing whether a transaction results in funds flow or not ?
21. What is Zero Based Budgeting ?
22. What do you mean by 'Budget Key Factor' ?

(8 × 2 = 16)

Part C

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

23. Distinguish between management accounting and financial accounting.
24. What are the limitations of Ratio Analysis ?
25. What are the uses of Cash Flow Statement ?
26. What is a fund flow Statement ? Explain its uses.
27. What are the advantages and disadvantages of budgetary control ?
28. Stock turnover ratio is 3 times, Cost of goods sold is Rs. 1,20,000. Stock in the beginning is Rs. 10,000 more than the stock in the end. Calculate stock in the beginning and at the end.
29. From the following Profit and Loss Account, you are required to compute cash from operations.

Profit and Loss Account for the Year ending 30th June, 2000

To Salaries	5,000	By Gross Profit	25,000
Rent	1,000	Profit on sale of land	5,000
Depreciation	2,000	Income tax refund	3,000
Loss on sale of Plant	1,000		
Goodwill written off	4,000		
Proposed Dividend	5,000		
Provision for taxation	5,000		
Net Profit	10,000		
	33,000		33,000

30. The expenses for the production of 1000 units in a factory are given below :

	Per Unit Rs.
Material	120
Labour	80
Variable Overhead (Factory)	20
Fixed Overhead (Factory)	16
Administrative overhead (10 % Variable)	15
Selling and Distribution overhead (20% Variable)	12
Total Per Unit	263

You are required to prepare a budget for 1,200 units.

31. From the following information, calculate (i) Gross Profit Ratio ; (ii) Operating Profit Ratio ; and (iii) Net Profit Ratio.

Sales Rs. 6,00,000 ; Cost of goods sold Rs. 4,00,000 ; Operating Expenses Rs. 1,20,000

Non-Operating Expenses ... Rs. 4,000

Non-Operating Income ... Rs. 12,000

(6 × 4 = 24)

Part D

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

32. Discuss the nature, scope and importance of Management Accounting.
33. What are the different methods used for the analysis and interpretation of Financial Statements ?
34. Following are the Comparative Balance Sheets of a company for the years 2002 and 2003.

Liabilities	2002 Rs.	2003 Rs.	Assets	2002 Rs.	2003 Rs.
Share Capital	70,000	74,000	Cash	9,000	7,800
P and L a/c	10,740	11,360	Debtors	14,900	17,700
Creditors	10,360	11,840	Stock	49,200	42,700
Debentures	12,000	6,000	Land	20,000	30,000
			Goodwill	10,000	5,000
	1,03,100	1,03,200		1,03,100	1,03,200

Additional Information :

- (i) Dividends were paid totalling Rs. 4,000.
- (ii) Land was purchased for Rs. 15,000 you are required to prepare a statement showing changes in working capital and a Funds flow Statement.

Turn over

35. From the following information, prepare a Balance Sheet. Show the workings.

- | | | |
|-------------------------------------------------------|-----|--------------|
| (i) Current Ratio | ... | 1.75 |
| (ii) Liquid Ratio | .. | 1.15 |
| (iii) Fixed Assets / Proprietary Funds | ... | 0.75 |
| (iv) Working Capital | ... | Rs. 75,000 |
| (v) Reserve and Surplus | ... | Rs. 1,00,000 |
| (vi) Bank overdraft | ... | Rs. 60,000 |
| (vii) There is no long term loan or fictitious asset. | | |

(2 × 15 = 30)