

Reg. No. :

Name :

**Sixth Semester B.B.A. LL.B. (Five year Integrated) Degree Examination,
November 2022**

Paper I : MANAGEMENT ACCOUNTING

Time : 3 Hours

Max. Marks : 80

I. Answer any **five** of the following. **Each** question carries **2** marks. Answers should not exceed **50** words each.

1. Define Management Accounting.
2. What do you mean by Solvency Ratio?
3. What is Comparative financial statement?
4. What are components of Current ratio?
5. State four sources of fund.
6. What is a cash flow statement?
7. What is P/V Ratio?
8. Define standard costing.

(5 × 2 = 10 Marks)

II. Answer any **four** of the following. **Each** question carries **4** marks. Answers should not exceed **120** words each.

1. It is estimated that a product requires 50 units of material at the rate of Rs. 3 per unit. The actual consumption of material for manufacturing the same product came to 60 units at the rate of Rs. 2.80 per unit. Calculate:
 - (a) Material Cost Variance
 - (b) Material Price Variance
2. What is 'fund from operation'? How would you compute funds from operation?

3. The net credit sales of Reliance Ltd. for 2016 were Rs. 3,00,000 and the amount of debtors at the end of the year was Rs. 32,000 and bills receivable Rs. 8000. Calculate Debtors Turnover Ratio and also calculate Average Collection period.
4. Convert the following income statement into common-size statement and interpret the statement in the light of condition in 2015.

INCOME STATEMENT

Particulars	2015 (Rs.)	2016 (Rs.)
Gross Sales	5,10,000	6,15,000
Less : Sales returns	10,000	15,000
Net Sales	5,00,000	6,00,000
Less : Cost of Goods sold	4,00,000	5,00,000
Gross profit	1,00,000	1,00,000
Less : Operating Expenses	65,000	81,000
Operating Profit	35,000	19,000
Add : Non-Operating income	1,200	2,000
Less : Non-Operating Expenses	1,700	1,800
Net Profit	34,500	19,200

5. What are the limitations of Management Accounting?
6. Fixed costs for the year are Rs.60,000. The sales for the period are Rs. 4,00,000 and variable costs are amounted to Rs. 3,00,000. Calculate BEP Sales.

(4 × 4 = 16 Marks)

III. Answer any **four** of the following. **Each** question carries **6** marks each.

1. From the following details of Pioneer Ltd. calculate
 - (a) Current Liabilities;
 - (b) Current Assets;
 - (c) Liquid Assets and
 - (d) Working Capital.

Current Ratio = 1.6 : 1

Quick Ratio = 1.1 : 1

Stock = Rs. 50,000.

2. From the following particulars, calculate fund from operation.
 Gross Profit - Rs.50,000.
 Profit on sale of building – Rs.5,000.
 Salaries- Rs. 5,000.
 Rent- Rs. 3,000.
 Depreciation on Plant- Rs. 5,000.
 Printing and Stationery- Rs. 3,000.
 Goodwill Written off – Rs. 3,000.
 Preliminary Expenses Written off – Rs. 2,000.
 Provision for tax- Rs. 4,000
 Proposed Dividend – Rs. 6,000.
 Net profit taken to Balance sheet – Rs. 24,000

3. State the various functions of Management Accounting.
 4. Discuss briefly the tools used in financial statement analysis.
 5. The trading results of a company for two periods are as under:

Period	Sales	Profit
I	1,30,000	6,000
II	1,50,000	10,000

Calculate (a) P/V Ratio; (b) Sales required to earn a profit of Rs. 15,000.
 (c) Profit when sales are Rs. 1,10,000 and (d) BEP Sales.

6. Discuss the procedure involved in standard costing.

(4 × 6 = 24 Marks)

IV. Answer any **three** of the following. **Each** question carries **10** marks.

1. From the following Balance Sheet of Parashuram Ltd. for the year ended 31st December 2015 and 2016, prepare a statement showing sources and applications of funds.

BALANCE SHEET					
Liabilities	1995 (Rs.)	1996 (Rs.)	Assets	1995 (Rs.)	1996 (Rs.)
Share Capital	2,00,000	2,87,500	Plant	37,500	50,000
Creditors	53,000	35,000	Stock	60,500	68,000
P/L A/C	7,000	15,500	Debtors	90,500	85,000
			Cash	71,500	1,35,000
	<u>2,60,000</u>	<u>3,38,000</u>		<u>2,60,000</u>	<u>3,38,000</u>

2. A Ltd. supplies you the following B/S on 31st December 2020 and 2021

Liabilities	2020 (Rs.)	2021 (Rs.)	Assets	2020 (Rs.)	2021 (Rs.)
Share Capital	1,40,000	1,48,000	Cash	18,000	15,600
Bonds	24,000	12,000	Debtors	29,800	35,400
Sundry Creditors	20,720	23,680	Stock	98,400	85,400
Provision for bad	1,400	1,600	Land	40,000	55,000
Debts			Goodwill	20,000	15,000
Reserves and Surplus	20,080	21,120			
	<u>2,06,200</u>	<u>2,06,400</u>		<u>2,06,200</u>	<u>2,06,400</u>

Following additional information has also been supplied to you.

- (a) Dividends amounting to Rs. 7,000 were paid during the year 2021.
 (b) Depreciation on land was provided @ 5% pa. Prepare a cash flow statement
3. The standard quantity and standard price of raw material required for one unit of product x are given as follows:

	Std. Qty	Std. Price
Material A	20 kg.	Rs. 3 per Kg.
Material B	40 kg.	Rs. 2 per Kg.

The actual production and related data are as follows:

Output : 500 units of Product X

Material	Actual Qty (for 500 units)	Total Cost (Rs.)
A	11,000 kg.	34,100
B	18,000 kg.	39,600

Calculate variances.

4. Elucidate the classification of accounting ratios.

(3 × 10 = 30 Marks)