

Reg. No. :

Name :

**Sixth Semester B.B.A. LL.B. (Five Year Integrated)
Degree Examination, November 2025**

Paper I : MANAGEMENT ACCOUNTING

(2013 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

PART – A

Answer **any five** questions. Each question carries **2** marks. Answer should not exceed **50** words each.

1. State important four objectives of management accounting.
2. Mention the uses of trend analysis of business operations of a firm.
3. What is meant by margin of safety? If it is small, what should the company do?
4. State the meaning of standard costing.
5. How is the cash flow statement useful for short-term financial planning?
6. How will depreciation boost a firm's operating cash flow?
7. Give the meaning and formula of earnings per share.
8. What is a labour efficiency variance? State its three main cause.

(5 × 2 = 10 Marks)

P.T.O.

PART – B

Answer any **four** questions. Each question carries **4** marks. Answer should not exceed **120** words each.

9. Differentiate between financial accounting and cost accounting.
10. X Ltd. has current liabilities of Rs. 30,000 as of December 31, 2022, and on that day the inventory was Rs. 10,000 higher than the inventory at January 1, 2022. If the current ratio and the liquid ratio of the firm on December 31, 2022, are 3 : 1 and 2 : 1, respectively, find out its inventory as of January 1, 2022.
11. A firm produces and sells 2,000 units of a product per year. The selling price of the product is Rs. 80 per unit and the variable cost per unit is Rs. 60. If the firm earned an annual profit of Rs. 24,000, Calculate : (a) PV ratio; (b) Amount and quantity of BEP sales.
12. From the given data, calculate the average payment period : Total purchases : 4,20,000 (includes cash purchases of Rs. 50,000), purchase returns of Rs. 20,000, creditors at the end of Rs. 60,000, Bills payable at the end of Rs. 10,000, reserve for discount on creditors of Rs. 5,000 and days in a year of 365.
13. State the difference between fund flow statement and cash flow statement.
14. Briefly discuss the meaning and computation of the debt-equity ratio and the proprietary ratio.

(4 × 4 = 16 Marks)

PART – C

Answer any **four** questions. Each question carries **6** marks.

15. Prepare common size Balance Sheet of AUTO Ltd., from the following information :

Particulars	2020-21 Rs.	2021-22 Rs.
I. Equity and Liabilities :		
1. Shareholders' fund		
(a) Share capital	2,00,000	3,00,000
(b) Reserves and surplus	3,00,000	4,00,000

Particulars	2020-21 Rs.	2021-22 Rs.
2. Non-current liabilities : 8% Debentures	5,00,000	5,00,000
3. Current Liabilities : Accounts Payable	8,00,000	10,00,000
Total	18,00,000	22,00,000
II. Assets		
1. Non-currents assets : Land & Building	10,00,000	13,00,000
2 Current assets	8,00,000	9,00,000
Total	18,00,000	22,00,000

16. Discuss the cash flows that are classified in a company's cash flow statement.
17. Discuss the key advantages of standard costing.
18. Mention the important limitations of financial statements.
19. Calculate the trend percentages from the following figures of OK Ltd. taking 2019 as the base year.

Year	Sales (Rs. 00)	Profit (Rs. 00)
2019	220	80
2020	280	90
2021	320	105
2022	370	135
2023	400	160

20. Calculate Labour Cost Variance from the information : Standard production — 100 units, Standard Hours — 500 Hours, Standard wage rate per hour, Rs. 2. Actual production — 150 units, Actual time taken — 600 hours, Actual wage rate paid — Rs. 3 per hour.

(4 × 6 = 24 Marks)

PART – D

Answer any **three** questions. Each question carries **10** marks.

21. Explain (a) Differences between cost accounting and management accounting
(b) Meaning and importance of balance sheet of a business.

22. From the following Balance Sheets of the company for the year ending 31st December 2021 and 31st December 2022, prepare schedule of changes in working capital and a fund flow statement.

Liabilities	2021 Rs.	2022 Rs.	Assets	2021 Rs.	2022 Rs.
Share capital	2,00,000	3,00,000	Machinery	2,00,000	2,50,000
P & L A/c	50,000	1,00,000	Furniture	50,000	1,00,000
Trade creditors	1,50,000	80,000	Debtors	50,000	1,00,000
Bills payable	50,000	70,000	Stock in trade	1,00,000	50,000
			Cash	50,000	50,000
	4,50,000	5,50,000		4,50,000	5,50,000

23. The details of the standard material requirement for manufacturing 1 kg of finished product are given as follows : Material A is 8 kg at Rs. 6 and material B is 4 kg at Rs. 4. In April 2023, 100 kg of finished product were made. The actual consumption of materials is given as : Materials A 750 kg @ Rs. 7 and Material B 500 kg @ Rs. 5.

Calculate : (a) Material Cost Variance (b) Material Price Variance (c) Material Usage Variance.

24. From the given balance sheet of a company compute : GP ratio, Current ratio, Debt equity ratio, Proprietary ratio and stock turnover ratio.

Balance Sheet as at 31-12-2022

Liabilities	Rs. (0000)	Assets	Rs. (0000)
Equity Capital	15	Fixed assets	16
Reserves and Surplus	6	Stock in trade	9
10% Debentures	5	Trade Debtors	13
Current Liabilities	14	Cash and Bank	2
	40		40

Note : Sales for the year 75,00,000 and Gross Profit 15,00,000.

(3 × 10 = 30 Marks)