

Reg. No. : .....

Name : .....

Sixth Semester B.B.A. LL.B. (Five Year Integrated) Degree Examination,  
November 2023

Paper I — MANAGEMENT ACCOUNTING

(2013 Admission onwards)

Time : 3 Hours

Max. Marks : 80

I. Answer **any five** of the following. Each question carries **2** marks.

1. State any two objectives of management accounting.
2. What is accounting ratio?
3. What is trend analysis?
4. What is order of liquidity in balance sheet?
5. What is leverage?
6. What is working capital?
7. Give any two assumption of marginal costing.
8. What do you mean by variance?

(5 × 2 = 10 Marks)

II. Answer **any four** of the following. Each question carries **4** marks.

9. Explain the limitations of financial accounting.
10. What are the uses of cash flow statement?
11. Calculate liquid ratio from the following information

	Rs.
Current liabilities	50,000
Current assets	80,000
Inventories	20,000
Advance tax	5,000
Prepaid expenses	5,000

P.T.O.

Calculate variance from the following data

Gross direct wages- Rs.40,000; Standard hours produced 2000, Standard rate per hour Rs.15 Actual Hours paid 1,800 out of which abnormal idle time are 100 hours.

From the following details, calculate interest coverage ratio

Net profit after tax Rs.60,000 10% Long term debt Rs.10,00,000 and Tax rate 30%

From the following information find out :

a) P/V Ratio

b) Sales and Margin of safety.

Fixed cost Rs.40,000; Profit Rs.20,000 BEP Rs.80,000.

(4 × 4 = 16 Marks)

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

What are the steps involved in standard costing?

Explain the functions of financial statements.

Explain the technique of preparing a fund flow statement with imaginary figures.

Explain the applications of marginal costing.

From the following you are required to calculate :

(a) Breakeven point in terms of sales value and in units

(b) Number of units that must be sold to earn a profit of Rs.450

	Rs.
Fixed factory overheads cost	60,000
Fixed selling overhead	12,000
Variable manufacturing cost per unit	12
Variable selling cost per unit	3
Selling price per unit	24

From the following Profit and loss account ascertain cash from operations for the year 2021.

Particulars	Rs. in 1000	Particulars	Rs. in 1000
Wages	5,000	Gross profit	25,000
Rates	1,000	Profit on sale of plant	5,000
Depreciation	2,000	Income tax refund	3,000
Loss on sale of machinery	1,000		
Goodwill written off	4,000		
Proposed dividend	5,000		
Provision for tax	5,000		
Net profit	10,000		
	<u>33,000</u>		<u>33,000</u>

(4 × 6 = 24 Marks)

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

Prepare P/L Account and Balance sheet with the help of the following ratios

Net profit ratio	1/5
Stock turnover ratio	10
Net profit/capital	1/5
Capital to total liabilities	1/2
Fixed assets to capital	5/4
Fixed assets/total current assets	5/7
Fixed assets	10,00,000
Stock	1,00,000
Gross profit	1/4 on selling price

Prepare cash flow statement of XYZ co ltd from the following

Liabilities	Balance sheets		Assets	Balance sheets	
	1.1.2021	31.12.2021		1.1.2021	31.12.2021
Capital	1,00,000	4,00,000	Goodwill	—	20,000
10% debentures	—	2,00,000	Machinery	1,25,000	4,75,000
Retained earnings	60,000	90,000	Stock	20,000	80,000
Creditors	40,000	1,00,000	Debtors	30,000	1,00,000
Bills payable	20,000	40,000	Cash at bank	50,000	1,50,000
Provision for tax	30,000	40,000	Cash in hand	25,000	45,000
	<u>2,50,000</u>	<u>8,70,000</u>		<u>2,50,000</u>	<u>8,70,000</u>