

Reg. No. :

Name :

**Sixth Semester B.B.A. LL.B. (Five Year Integrated) Degree Examination,
December 2020**

Paper I — MANAGEMENT ACCOUNTING

Time : 3 Hours

Max. Marks : 80

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

1. What is trend analysis?
2. Write a note on CVP analysis.
3. Explain the terms standard cost and standard costing.
4. What do you mean by variance analysis?
5. Define ratio analysis.
6. What are the limitations of cash flow statements?
7. What are the objectives of management accounting?
8. Calculate current ratio from the following

Current assets – 2,50,000

Current liabilities – 1,50,000

(5 × 2 = 10 Marks)

P.T.O.

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

1. Discuss the objects and limitations of Ratio analysis.
2. What are the steps involved in standard costing?
3. Define the term cash flow. Explain the uses of cash flow analysis.
4. Calculate Margin of Safety (as percentage and in units) from the following :

Sales – 4,00,000

Break even sales – 3,00,000

5. From the following information calculate :

(a) Current assets

(b) Current liabilities

(c) Liquid assets

Current ratio = 2.8

Liquid ratio = 1.5

Working capital = 1,62,000

6. Calculate P/V Ratio from the following information :

	Sales	Profits
2012	150,000	20,000
2013	170,000	25,000

(4 × 4 = 16 Marks)

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

1. What is Profit-Volume graph? What are its important limitations?
2. What are the advantages and disadvantages of standard costing?
3. What are the uses of financial statements to different parties?
4. Calculate the trend percentages from the following

Year	Sales	Stock	Profit before tax (in Lakhs)
2004	1881	709	321
2005	2340	781	435
2006	2655	816	458
2007	3021	944	527
2008	3768	1154	672

5. Ramesh and Co. supplies you the following information for the year ending 31.12.18.

Credit sales	–	150,000
Cash sales	–	250,000
Returns inward	–	25,000
Opening stock	–	25,000
Closing stock	–	35,000

Find out :

- (a) Inventory turnover when Gross Profit Ratio is 20%
- (b) Inventory Conversion Period.

6. From the following P&L ac compute the funds from operations :

	Rs.		Rs.
To Salaries	5,000	By Gross Profit b/d	1,000
To Rent	2,000	By Discount	5,000
To Depreciation	1,000	By Interest on investment	4,000
To Preliminary expenses	2,000	By Net Loss	5,000
To Loss on sale of land	<u>5,000</u>		
	<u>15,000</u>		<u>15,000</u>

(4 × 6 = 24 Marks)

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

1. Find out material variances including yield-variance from the following :

	Standard Mix		Actual Mix		
Mat. X	120 kg @ Rs. 5 =	Rs. 600	Mat X	112 kg @ Rs. 5 =	Rs. 560
Mat. Y	80 kg @ Rs. 10 =	Rs. 800	Mat Y	88 kg @ Rs. 10 =	Rs. 880
	<u>200 kg</u>	<u>Rs. 1,400</u>		<u>200 kg</u>	<u>Rs. 1,400</u>
Loss 30%	<u>60 kg</u>		Loss 25%	<u>50 kg</u>	
	<u>140 kg</u>	<u>Rs. 1,400</u>		<u>150 kg</u>	<u>Rs. 1,400</u>

2. Using on the information and the form given below, compute the Balance Sheet for a firm having a sales of Rs. 36 lakhs.

Sales / Total Assets – 3

Sales / Fixed Assets – 5

Sales / Current Assets – 7.5

Sales / Inventories – 20

Sales / Debtors – 15

Current Ratio – 2

Total Asset /Net worth – 2.5

Debt / Equity – 1

Liabilities	Rs.	Assets	Rs.
Net worth		Fixed assets	
Long term debt		Inventories	
Current liabilities		Debtors	
		Liquid assets	
		Total current assets	

3. D Ltd. provides you the following information for the year ending 31st March 2019.

You are required to prepare a cash flow statement using direct method.

- (a) Sales for the year amounted to Rs. 2,00,000, out of which 60% is for cash.
- (b) Cost of goods sold was 50% of total sales.
- (c) All inventories are purchased on credit.
- (d) Collections from debtors amounted to Rs.60,000.
- (e) Payments to creditors of inventory totaled Rs. 45,000
- (f) Depreciation charged during the year on machinery amounted to Rs.5,000
- (g) Goodwill written off during the year Rs.3,000
- (h) Total salary for the period amounted to Rs. 6,000 out of which 1000 was outstanding.
- (i) Office expenses paid in cash Rs. 8,000. outstanding office expenses Rs.2,000.

- (j) Land was purchased for Rs. 2,50,000 and the consideration was discharged by the allotment to the vendors of 0% convertible debentures.
- (k) Fully paid equity shares of the face value of Rs. 2,00,000 were issued at a premium of 10%
- (l) A machine was sold for Rs. 15,000. The book value of the machine was Rs.12,000
- (m) Another machine having book value of Rs 4,000 was scrapped and was treated as ordinary business loss
- (n) A vehicle was purchased for cash at a cost of Rs. 1,50,000
- (o) Dividends paid during the period amounted to Rs.40,000
- (p) Income tax paid Rs. 10,000
- (q) Cash in hand and at bank as at 31st March 2018 totaled Rs. 25,000.

4. Explain the applications of marginal costing.

5. What do you mean by cash flow statement? What are its uses? How will it differ from fund flow statements?

(3 × 10 = 30 Marks)