



Reg. No. :

Name :

**Sixth Semester B.B.A. LL.B. (Five Year Integrated) Degree
Examination, February 2019
Paper – I : MANAGEMENT ACCOUNTING
(2013 Admn. Onwards)**

Time : 3 Hours

Max. Marks : 80

PART – A

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

- I. 1) What do you mean by Management Accounting ?
- 2) What is vertical analysis ?
- 3) Define ratio.
- 4) What do you mean by window dressing ?
- 5) What is Quick Ratio ?
- 6) What do you mean by intra-firm comparison ?
- 7) Define fund flow statement.
- 8) What is standard costing ? **(5×2=10 Marks)**

PART – B

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

- 1) What are the limitations of fund flow statement ?
- 2) What are the advantages of marginal costing ?
- 3) Write any 4 features of standard costing.
- 4) Sales ₹ 1,00,000
Variable cost ₹ 60,000
Fixed cost ₹ 30,000
Find out P/V ratio, BEP, Sales required to earn a profit of ₹ 20,000.



5) Given :

Current ratio = 4.5 times

Quick ratio = 3 times

Stock = ₹ 36,000

Find :

- Current assets
- Current liabilities
- Quick assets.

6) Find the following information, calculate material mix variance :

Standard

Actual

Material X : 60 units @ ₹ 10 p.u.

60 unit @ 11 p.u.

Material Y : 40 units @ ₹ 6 p.u.

50 unit @ ₹ 5.50 p.u.

100

110

(4×4=16 Marks)

PART - C

III. Answer **any four** of the following :

1) What are the limitations of Ratio Analysis ?

2) Explain the cash flows from operating activities.

3) What are the elements of CVP analysis ?

4) From the following find out :

a) P/V ratio

b) BEP

c) Net profit if the sales are ₹ 2,50,000.

d) Margin of safety at a sale ₹ 2,50,000.

Position of A and Co. for the year ended 31-12-2016 :

Sales	2,00,000
Marginal cost	<u>1,60,000</u>
<u>Contribution</u>	40,000
Less fixed cost	<u>20,000</u>
<u>Net profit</u>	20,000

5) From the following details of Pioneer Ltd. calculate :

- a) Current Liabilities b) Current assets
c) Liquid assets d) Working capital

Current ratio = 1.6 : 1

Quick ratio = 1.1 : 1

Stock = ₹ 50,000.

6) From the following, calculate trend ratios :

(Amount in lakhs)

	2014	2015	2014	2015
Net sales	80	70	100	120
<u>Less</u> Cost of goods sold	<u>60</u>	<u>55</u>	<u>72</u>	<u>80</u>
<u>Gross profit</u>	20	15	28	40
<u>Less</u> Op. expenses	<u>10</u>	<u>9</u>	<u>12</u>	<u>25</u>
Operating net profit	10	6	16	15

(4×6=24 Marks)

PART - D

IV. Answer **any three** of the following :

1) Calculate the following ratios from the following Balance Sheet given below :

- a) Debt equity ratio
b) Liquid ratio
c) Fixed asset to current assets
d) Fixed assets turnover ratio.

Balance Sheet

Liabilities		Assets	
Equity shares of ₹ 10/-	1,00,000	Goodwill	60,000
Reserves	20,000	Fixed assets (cost)	1,40,000
P & L A/c	30,000	Stock	30,000
Secured loan	80,000	Sundry debtors	30,000
Sundry creditors	50,000	Advances	10,000
Provision for taxation	20,000	Cash	30,000
	3,00,000		3,00,000

The sales for the year were ₹ 5,60,000.



2) Prepare fund flow statement :

	31-12-2015	31-12-2016
Cash	20,000	25,000
Accounts Receivable	24,000	27,000
Inventories	31,000	32,000
Other assets	8,000	7,000
Fixed assets	50,000	58,000
Accumulated depreciation	21,000	25,000
Accounts payable	20,000	21,000
Long term debt	14,000	13,000
Equity capital	50,000	53,000
Retained earnings	28,000	37,000

Additional Information :

- Fixed assets costing ₹ 12,000 purchased for cash .
 - Fixed assets (original cost ₹ 4,000; accumulated depreciation ₹ 1,500) were sold for ₹ 2,000.
 - Depreciation for the year 2016 amounted to ₹ 5,500 and duly debited to P and L A/c.
 - Dividend paid amounted to ₹ 3,000 in 2016.
 - Reported income for 2016 was ₹ 12,000.
- 3) Assuming that the cost structure and selling price remain the same in Periods I and II find out P/V ratio, BEP, variable costs, sales required to earn a profit of ₹ 20,000.

Period	Sales	Total Cost
I	1,20,000	1,08,000
II	1,40,000	1,24,000

4) Explain the various application areas of marginal costing. (3×10=30 Marks)