

AU-1514

B.B.A. (Part-II) Examination
MANAGEMENT ACCOUNTING

Time : Three Hours]

[Maximum Marks : 80

Note :— (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

1. (a) State the functions of Management Accounting. 4
- (b) State the limitations of Management Accounting. 4
- (c) Compare the Management Accounting and Financial Accounting. 4
- (d) Explain Tools and Technique of Management Accounting. 4

OR

- (e) What is Management Accounting ? Explain. 4
 - (f) State the role of Management Accounting. 4
 - (g) Write the objectives of Management Accounting. 4
 - (h) Compare the Management Accounting and Cost Accounting. 4
2. (a) From the following calculate Operating Ratio :
Net Sales Rs. 2,00,000, Interest on Loan Rs. 3,500
Opening Stock Rs. 20,000, Bank Charges Rs. 1,500
Purchase Rs. 75,000, Plant and Machinery Rs. 15,000
Carriage Inward Rs. 6,000, Closing Stock Rs. 16,000
Wages Rs. 30,000, Loss on Sale of Fixed Assets Rs. 4,500
Salaries Rs. 15,000
Postage Rs. 8,500
Advertisement Rs. 10,500
Carriage Outward Rs. 6,500 4

(b) Calculate Debtors Turnover Ratio :

Particulars	Rs. for 2017	
Gross Sale	8,00,000	
Cash Sale	2,00,000	
Other Details	2016	2017
	Rs.	Rs.
Sundry Debtors	80,000	1,00,000
Bills Receivable	20,000	25,000

4

(c) From the following calculate Net Operating Profit Ratio :

Net profit	Rs. 8,00,000
Sales	Rs. 56,00,000
Non-operating Expenses	Rs. 3,00,000
Non-operating Income	Rs. 1,80,000

4

(d) From the following find out Net Profit Ratio :

Particular	Amount (Rs.)
Sales Less Return	50,000
Gross Profit	30,000
Loss by Theft	8,000
Selling Expenses	3,000
Profit on Sale of Fixed Assets	9,000
Administration Expenses	5,000

4

OR

(e) Calculate Gross Profit Ratio :

Total Sales	Rs. 3,20,000
Return Inward	Rs. 20,000
Cost of Net Goods Sold	Rs. 2,40,000

4

(f) From the following find out :

- (i) Current Assets
(ii) Current Liabilities

If :

Current Ratio = 2.5 Times

Working Capital = Rs. 90,000

4

(g) Sales of 'Disha Home Fibers Ltd.' for the year 2017 is Rs. 60,00,000 and Cost of goods sold is Rs. 48,00,000. The Opening Stock and Closing Stock being Rs. 30,00,000 and 40,00,000 respectively. Calculate Stock Turnover Ratio. 4

(h) Explain the role of Ratio Analysis in Business. 4

3. (a) Calculate funds from operations :

	Rs.
Provision of Tax (Opening Balance)	3,00,000
Provision of Tax (Closing Balance)	4,60,000
Net Profit earned during the year	10,00,000
Tax paid in the current year	2,80,000
	4

(b) Mayuri Company Ltd. provide Balance Sheets as follows :

Particulars	2015-16 (Rs.)	2016-17 (Rs.)
Liabilities :		
Share Capital	3,00,000	4,00,000
Current Liabilities	2,10,000	2,20,000
	5,10,000	6,20,000
Assets :		
Fixed Assets	5,10,000	6,20,000
	5,10,000	6,20,000

Additional Information :

A Fixed Asset Costing Rs. 40,000 depreciation charge Rs. 17,000 is sold for Rs. 25,000. Prepare Fixed Assets Account. 4

- (c) Define Funds Flow Statement. 4
 (d) What are the rules of changes in working capital ? 4

OR

- (e) From the following Assets and Liabilities you are required to prepare Statement of Changes in Working Capital :

Particular	2015-16	2016-17
	(Rs.)	(Rs.)
Assets :		
Plant	38,000	48,000
Inventory	26,000	18,500
Bank	1,200	1,900
Cash	3,800	2,100
Book-debts	25,000	30,000
Liabilities :		
Creditors	20,000	15,000
Bank Loan short term	—	5,000
Debentures	40,000	20,000

- (f) Prepare Furniture Accounts :

Assets	2014-15	2015-16
	(Rs.)	(Rs.)
Furniture	7,00,000	10,00,000

Other Information :

- (i) Profit on sale of furniture Rs. 1,00,000.
 (ii) Depreciation charge on furniture Rs. 50,000 and purchase during the year Rs. 4,50,000. 4
 (g) Prepare Capital Account from the following information :

Particulars	Rs.
Opening Balance of Capital A/c	82,500
Closing Balance of Capital A/c	1,76,000
New Capital introduced in the year	1,10,000
Drawing per month	9,900

4

(h) Calculate funds from operation from the following :

Particular	Amount (Rs.)
Net Loss	2,40,000
Written off goodwill	1,60,000
Loss on sale of land	1,00,000
Depreciation on furniture	2,40,000
Provision for bad debts	20,000
Profit on sale of plot	1,80,000
Dividend received	20,000
	4

4. Define Cash Flow Statement. State the difference between Cash Flow Statement and Receipts and Payments Account and explain the methods of preparing Cash Flow Statement. 16

OR

The following are the Summarised Balance Sheets of M/s Ashwini Ltd. as on 31-3-2016 and 31-3-2017.

You are required to prepare Cash Flow Statement :

Liabilities	2015-16 (Rs.)	2016-17 (Rs.)
Share Capital	3,00,000	3,50,000
General Reserve	50,000	60,000
Profit & Loss	40,000	32,000
Bank Loan (Long Term)	70,000	—
Sundry Creditors	1,50,000	1,31,000
Provision for Taxation	30,000	35,000
	6,40,000	6,08,000

Assets	2015-16 (Rs.)	2016-17 (Rs.)
Land and Building	2,50,000	2,40,000
Machinery	2,00,000	2,09,000
Stock	1,00,000	74,000
Debtors	80,000	60,000
Cash	10,000	2,000
Bank	—	8,000
Goodwill	—	15,000
	6,40,000	6,08,000

Additional Information :

During the year ended 31-3-2017

- (1) Dividend of Rs. 30,000 was paid.
 - (2) Assets of another company were purchased for a consideration of Rs. 50,000 payable in shares. The following assets were purchased : Stock Rs. 20,000, Goodwill Rs. 15,000, Machinery Rs. 15,000.
 - (3) Machinery was further purchased for Rs. 10,000.
 - (4) Depreciation written off on Machinery Rs. 2,000.
 - (5) Income tax provided during the year was Rs. 33,000.
 - (6) Loss on sale of machinery Rs. 1,000 was written off to General Reserve. 16
5. Define Budget and Budgetary Control. Write types of Budget and explain. 16

OR

Estimate the cash requirement of 'Sharda Fruit Co. Ltd.' for the quarter ending in June 2017 on the basis of data given below :

- (1) Sales

February 2017	Rs. 2,50,000
March, 2017	Rs. 2,00,000
April to June 2017	Rs. 3,00,000 p.m.

Roughly half the sales are for cash, 90% of credit are collected in the month following the month of sale and the balance one month later.

- (2) Fruits are always bought for cash to avail of cash discount of 5%. The Purchase budget for the second quarter (April-June) was Rs. 1,50,000 per month.
- (3) Wages and Salaries for the second quarter were budgeted at Rs. 50,000 per month.
- (4) Manufacturing and other expenses budgeted for the quarter :

	Rs.
Cash Expenses	45,000
Depreciation	75,000
Selling Expenses	30,000
Office Expenses	20,000 (in April and May only)

From the above information, prepare Cash Budget. 16

