



Nagarjuna Degree College
38/36, Ramagondanahalli,
Yelahanka Hobli,
Bengaluru - 560 064.

14524

Reg. No.

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V Semester B.B.A. Degree Examination, March/April - 2022

BUSINESS ADMINISTRATION

Management Accounting

(CBCS Scheme (R) (2018 Batch Only))

Paper: 5.4

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer should be written in English only.

SECTION -A

**Answer any five of the following sub questions. Each sub question carries two marks.
(5×2=10)**

1. a) Give two advantages of Management Accounting.
- b) What is cash flow statement?
- c) Give the meaning of working capital.
- d) What is operating ratio?
- e) Give the Meaning of Fund flow Statement.
- f) Find out Contribution if total fixed cost Rs. 4500, total variable costs Rs. 7500, Total Sales Rs. 15000.
- g) Gross profit of a firm is 25%, Gross profit is Rs. 1,00,000. Calculate cost of goods sold.

[P.T.O.]



SECTION - B

Answer any three of the following questions. Each question carries six marks.

(3×6=18)

2. Distinguish between Financial Accounting and Management Accounting.
3. What is Fund? State the differences between Fund flow statement and cash flow statement.

4. Given: Current Ratio 1.4

Liquid Ratio 1

Stock Turnover Ratio (Closing stock) 8

Gross Profit Ratio 20%

Sales for the year Rs. 1000000

From the above information calculate working capital.

5. Prepare a schedule of changes in working capital from the following

Particulars	31-3-2020 Rs.	30-3-2021 Rs.
Prepaid Rent	2000	3000
Cash in hand	1000	8000
Bills Receivables	-	5000
Stock	15000	25000
Debtors	20000	40000
O/S expenses	3000	5000
Bills payable	5000	8000
Creditors	40000	45000
Bank Overdraft	8000	-



6. Following data is given

Total Fixed costs Rs. 12000

Selling price per unit Rs. 12

Variable cost per unit Rs. 9

Calculate :

- i) p/v Ratio
- ii) BEP in units and in Rupees
- iii) What will be the profits when sales are
 - a) Rs. 60000
 - b) Rs. 100000

SECTION - C

Answer any three of the following. Each question carries 14 marks. (3×14=42)

7. Prepare Balance Sheet from the following details

Current Ratio = 2.5:1

Liquid Ratio = 1.5:1

Working capital = 300000

Cash is equal to 50% of Bills Receivable.

Bills Receivable is equal to the amount of Debtors

Current Assets includes stock, Debtors, Bills Receivable and cash only.

Current Liabilities includes creditors, Bills payable only which are in the ratio of 3:2.

[P.T.O.]



Fixed Assets are 60% of Shareholders fund.

Reserves and Surplus = Rs. 50000.

There were no longterm debts and Investments.

8. The Balance sheet of Jashwanth Ltd for the year ending 31-3-2020 and 31-3-2021 given below.

<u>Liabilities</u>	<u>31-3-2020</u>	<u>31-3-2021</u>	<u>Assets</u>	<u>31-3-2020</u>	<u>31-3-2021</u>
Share capital	450000	572000	Good wills	115000	90000
General Reserve	40000	70000	Land & Building	200000	170000
P & L A/C	30000	48000	Plant & Machinery	80000	200000
Proposed Dividend	42000	50000	Debtors	160000	200000
Creditors	55000	83000	Stock	77000	109000
Provision for tax	40000	50000	Bills Receivable	20000	30000
Bills payable	20000	16000	Bank	25000	90000
	677000	8,89,000		677000	8,89,000

Additional Information:

- i) Depreciation of Rs. 10000 and Rs. 20000 has been charged on Plant and Land & Buildings respectively.
- ii) Dividend of Rs.20,000 paid during the year.
- iii) Income tax of Rs. 35000 paid during the year.

From the above prepare funds flow statement.



9. The expenses per unit budgeted for 10000 units of production are:

	Rs.
Material	80
Labour	40
Manufacturing Expenses (50% Fixed)	20
Selling & Distribution Exp (40% Fixed)	10
Administration expenses (Fixed)	10
Total Cost	160
Profit	40
Selling price	200

Prepare a flexible budget for production of 8000 units and 12000 units showing cost per unit also.

10. From the following particulars, calculate

- P/v ratio
- B.E.P.
- Marging of Safety
- Sales required to earn a profit of Rs. 600000
- Profit when sales are Rs. 4000000 and
- Margin of safety available at profit of Rs. 800000



Fixed overhead	Rs. 600000
Profit	Rs. 400000
Sales	Rs. 2000000

11. Following are the summarized Balance sheets of Hithashri Ltd as on 31-3-2020 and 31-3-2021

Liabilities	31-3-2020	31-3-2021	Assets	31-3-2020	31-3-2021
Share capital	200000	250000	Lands & Buildings	200000	190000
General Reserve	50000	60000	Machinery	150000	169000
P&LA/C	30500	30600	Debtors	80000	64200
L.T. Loan	70000	-	Stock	100000	74000
(Longterm)			Cash	500	8600
Creditors	150000	135200	Goodwill	-	5000
Provision for Tax	30000	35000			
	530500	510800		530500	510800

Additional Information:

- i) Dividend of Rs. 23,000 was paid.
- ii) Assets of another Company Purchased were machinery Rs. 25000, stock Rs. 20000, Goodwill Rs. 5000



- iii) Machinery was further purchased for cash Rs. 8000.
- iv) Depreciation written off on machinery Rs. 12000.
- v) Loss on sale of machinery of Rs. 5000 was written off.
- vi) Income Tax provided during the year Rs. 33,000.

Prepare the cashflow statement as per AS-3.
