

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.B.A.DEGREE EXAMINATION –BUSINESS ADMINISTRATION

SIXTH SEMESTER – APRIL 2018

BU 6603– MANAGEMENT ACCOUNTING

Date: 03-05-2018
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

PART – A

ANSWER ALL THE QUESTIONS:

(10 X 2=20)

1. Give the meaning for the term management accounting.
2. Explain the meaning of capital gearing.
3. What is a fund flow statement?
4. What is working capital?
5. What is zero based budgeting?
6. Write a note on master budget.
7. What is meant by break-even point?
8. Ascertain the gross profit ratio from the following particulars:
Gross profit = Rs 27,000 cost of sales = RS 33000 opening stock = RS 12000 closing stock = RS 16000.
9. From the following information, find out the amount of profit earned during the year using marginal costing technique. Fixed cost Rs 5, 00,000 variable cost Rs 10 per unit, selling price Rs 15 per unit and output level 1,50,000 units.
10. B Ltd has a liquidity ratio of 2:1. If its inventory is Rs 15000 and total current liabilities are Rs 30000, ascertain the current ratio.

PART-B

ANSWER ANY FIVE QUESTIONS ONLY:

(5 X 8=40)

11. Explain the characteristics of management accounting.
12. What are the limitations of ratio analysis?
13. What do you mean by funds from operations? How is it determined?
14. What is budgetary control? Bring out its advantages.
15. From the following particulars, calculate 1) gross profit ratio 2) net profit ratio 3) operating ratio. Sales Rs.500000 Cost of goods sold Rs.300000 Operating expenses Rs.100000
Non-operating expenses Rs.20000
16. Calculate the funds from operations from the information given below as on 31.12.2008.
 - i. Net profit for the year ended 31.12.08 Rs.13,00,000
 - ii. Rs.2,50,000 have been transferred to the general reserve fund.
 - iii. Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is Rs.13,00,000
 - iv. Old machinery worth Rs.16000 has been sold for Rs.13000 during the year.

- v. Goodwill appears in the books at Rs.3,60,000 out of that 10% has been written off during the year.
- vi. Gain on sale of building Rs.71,000.

17. Using the information below, prepare a cash budget showing expected cash receipts and disbursements for the month of June and balance expected on June 30, 2009.

Budgeted cash balance June 1 2009 Rs.1,20,000. Sales for June Rs.16,00,000, half collected in the month of sale, 40% in next month, 10% in the third month.

Customer receivables as of June 1, Rs 140000 from April sales Rs.900000 from May sales. Purchases for June Rs.1000000, 40% payment in the month of purchase, 60% paid in the next month. Wages due in June Rs.176000. Three years insurance policy due in June for renewal Rs. 4000 to be paid in cash. Other expenses in June payable in June Rs.88000. Depreciation for the month of June Rs 4000. Accrued taxes for June, payable in December Rs.12000. Fixed deposit receipts due June 15 Rs 350000 plus Rs 20000 interest.

18. You are given the following data for the year 2008 of a company.

	Rs.	%
Variable costs	600000	60
Fixed costs	300000	30
Net profit	100000	10
Total Sales	1000000	100

Find out 1) P.V.Ratio, 2) B.E.P. 3) Margin of Safety ratio

PART – C

ANSWER ANY TWO QUESTIONS ONLY.

(2 X 20 = 40)

19. From the following balance sheets prepare a sources and uses of following statement.

LIABILITIES	2002(Rs)	2003(Rs)	ASSETS	2002(Rs)	2003(Rs)
Share capital	200000	210000	Fixed assets	350000	475000
Retained earnings	160000	300000	Inventory	100000	95000
Premium on shares	-----	5000	Bills receivable	43000	50000
Accumulated depreciation	80000	100000	Prepaid expenses	4000	5000
Debentures	60000	-----	Cash	15800	10200
Bills payable	37800	40200	Commission on shares	25000	20000
Total	537800	655200		537800	655200

Additional information: 1) Depreciation for the year Rs 20000, 2) Income tax paid Rs 40000; 3) Interim dividend paid during the year was Rs 20000.

20. Given below are the details taken from the books of a manufacturing concern:

Variable cost 75% of sales price, and fixed cost per annum Rs 800000.

Calculate 1) P.V.Ratio, 2) Break-even Sales, 3) Sales required to earn a profit of Rs.700000, 4) Profit made, if sales amount to Rs 50, 00,000.

21. From the following financial statements of a company for the year ending 31st march 2003 you are required to calculate the following ratios, giving the formulae and the purpose they serve. 1) Gross profit ratio, 2) proprietary ratio, 3) debtors turnover ratio, 4) current ratio, 5) stock turnover ratio.

Trading and Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Opening Stock	43,500	By Sales	225000
To Purchases	183000	By closing stock	46500
To gross Profit c/d	45,000		
Total	271500		271500
To sundry expenses	24000	By Gross profit b/d	45000
To net profit	21000		
Total	45000		45000

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity share capital	210000	Fixed Assets	165000
General Reserve	15000	Current assets	
Profit and Loss A/c	21000	Stock	46500
Bills Payable	10500	Sundry debtors	24000
Creditors	45000	Bank	66000
Total	301500		301500
