



K19U 0167

Reg. No. :

Name :

VI Semester B.B.A. Degree (CBCSS-Reg./Supple./Improv.)

Examination, April 2019
(2014 Admission Onwards)

Core Course

6B20BBA : MANAGEMENT ACCOUNTING

Time : 3 Hours

Max. Marks : 40

SECTION – A

Answer **all** questions. **Each** question carries $\frac{1}{2}$ mark.

1. _____ is the difference between sales and marginal cost of sales.
2. Margin of safety is the excess of _____ over _____.
3. _____ is an estimate as to what will happen in future which is uncertain.
4. _____ ratio is also known as acid test ratio. (1/2×4=2)

SECTION – B

Answer **any 4** questions. **Each** question carries 1 mark.

5. Define Management Accounting.
6. What is Financial Analysis ?
7. Name Liquidity Ratios.
8. What is Master Budget ?
9. What is P.V. Ratio ?
10. What is Standard Costing ? (1×4=4)

P.T.O.



SECTION – C

Answer **any 6** questions. **Each** question carries **3** marks.

11. What are the limitations of Financial Statements ?
12. What are the limitations of Financial Accounting ?
13. What are the factors influencing the requirement of Working Capital ?
14. What are the assumptions of Break Even Analysis ?

15. Calculate Current Ratio and Liquid Ratio from the following :

Cash	10,000	Cash at Bank	5,000
Bills Receivable	5,000	Stock	9,000
Debtors	20,000	Prepaid Expense	3,000
Creditors	16,000	Bills Payable	4,000
Outstanding Expense	2,000		

16. The following relate to a concern :

Sales 20,00,000

P.V. Ratio 20%

Margin of Safety Ratio 30%

Calculate :

- i) Break Even Sales
 - ii) Profit Earned by the concern
 - iii) Sales to earn a profit of Rs. 2,00,000.
17. Ascertain Net Cash from operating activities for the year 2018 from the following information :

Net Profit before Tax	55,000
Income Tax paid	22,000
Depreciation on Fixed Assets	2,500



Profit on Sale of Land	5,000
Interest on debentures paid	1,500
Dividend received	1,000
Proceeds from Earthquake Disaster Settlement	2,000
Increase in amount of Stock	750
Decrease in Debtors	300
Decrease in Creditors	250

18. Calculate Creditors Turnover Ratio and average debt payment period

Credit Purchases during 2004	1,05,000	
Purchases Returns	5,000	
Creditors on 1-1-2004	20,000	
Creditors on 31-12-2004	10,000	
Bills Payable on 1-1-2004	4,000	
Bills Payable on 31-12-2004	6,000	(3×6=18)

SECTION – D

Answer any 2 questions. Each question carries 8 Marks.

19. Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90% plant capacity.

	Capacity levels		
	70%	80%	90%
	Rs.	Rs.	Rs.
Variable overheads :			
Indirect labour	–	12,000	–
Stores including spares	–	4,000	–
Semi-variable overheads :			
Power (30% fixed, 70% variable)	–	20,000	–
Repairs (60% fixed, 40% variable)	–	2,000	–



Fixed overheads :

Depreciation	–	11,000	–
Insurance	–	3,000	–
Salaries	–	10,000	–
Total overheads	–	62,000	–
Estimated direct labour hours	–	1,24,000	–
		(Hrs.)	

20. From the following Balance Sheet, compute the following ratios :

- i) Current ratio
- ii) Quick ratio
- iii) Proprietary ratio
- iv) Debt-equity ratio
- v) Fixed assets to net worth ratio
- vi) Capital gearing ratio

Balance Sheet as on 31-12-2015

Liabilities	Rs.	Assets	Rs.
Equity Share capital	2,00,000	Plant and Machinery	2,00,000
10% pref. share capital	1,00,000	Land and Buildings	2,00,000
20% Debentures	1,00,000	Stock	1,50,000
Reserves and surplus	1,00,000	Debtors	50,000
Long term loan	50,000	Cash at bank	80,000
Creditors	1,00,000	Cash in hand	20,000
Bills payable	50,000		
	7,00,000		7,00,000

21. State the difference between Financial Accounting and Management Accounting.

(2×8=16)