

S.No. : 350

BBA 2203

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Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 27109

Roll
No.

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BBA / IMBA Examination 2021-22

(Even Semester)

MANAGEMENT ACCOUNTING

Time : Three Hours]

[Maximum Marks : 60

Note :- Attempt all questions.

SECTION – A

1. Attempt all parts of the following : $8 \times 1 = 8$

- (a) Write two scope of management accounting.
- (b) Define 'Quick Ratio'.
- (c) What do you mean by 'Margin of Safety'?
- (d) What is zero base budgeting?

[P. T. O.

- (e) Write two benefits of management accounting.
- (f) Define financial statement.
- (g) What is cost volume profit?
- (h) Define budgeting.

SECTION – B

2. Attempt any two parts of the following : $2 \times 6 = 12$

- (a) Explain the nature and scope of management accounting. How does it differ from financial accounting?
- (b) What is a cash flow statement? What are the objectives behind making a cash flow statement? Distinguish between cash flow statement and fund flow statement.
- (c) From the following informationl; calculate :
 - (i) Material cost variance
 - (ii) Material price variance
 - (iii) Material usage variance

Standard output	100 units
Standard material per unit	3 lbs
Standard price per lbs	₹ 2
Actual output	80 units
Actual price	₹ 2.50
Actual material used	250 lbs

- (d) The expenses budgeted for production of 10,000 units in a factory are furnished below :

Particular	per unit / ₹
Material	70
Labour	25
Variable factory overheads	20
Fixed factory overheads (₹ 1,00,000)	10
Variable expenses (direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administrative expenses (fixed ₹ 50,000)	5
Total cost of sales per unit	155

You are required to prepare a fixed budget for the production of 6000 units and 8000 units.

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SECTION – C

Note :- Attempt all questions from this section.

3. Attempt any two parts of the following : $5 \times 2 = 10$

- (a) What do you mean by Management Accounting? Explain the limitations of management accounting.
- (b) Discuss the various role of management accountant in decision making.
- (c) Explain the various tools and techniques of management accounting.

4. Attempt any two parts of the following : $5 \times 2 = 10$

- (a) Discuss the significance of financial statements to various parties interested in the business concern.
- (b) You have been supplied data for the Supreme Plastic Company Limited as follows :

Liabilities	₹
Equity share capital	12,00,000
10% debentures	2,30,000
Sundry creditors	1,65,000
Bills payable	2,20,000
Other current liabilities	1,10,000
	19,25,000

Assets	₹
Net fixed assets	6,05,000
Cash	2,20,000
Sundry debtors	2,75,000
Stock	8,25,000
	19,25,000

Statement of profit for the year ending 30th June
current year :

	₹
Sales	27,25,000
Gross profit	7,20,500
Earning before interest and taxes	1,38,000

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Interest	23,000
Earning before taxes	1,15,000
Net profit after taxes	57,750

Determine the following ratios for the Supreme Plastic Company from the above data :

- (i) Current ratio
 - (ii) Debt-equity ratio
 - (iii) Debtors turnover ratio
 - (iv) Stock turnover ratio
 - (v) Net profit ratio
- (c) Discuss the various advantages and limitations of accounting ratio in decision making.
5. Attempt any two parts of the following : $5 \times 2 = 10$
- (a) What do you understand by Marginal Costing? Explain the make or buy decision as a tool of marginal costing.
 - (b) From the following information relating to Kevin Limited, you are required to calculate :
 - (i) Profit volume ratio
 - (ii) Break-even point

	₹
Volume of sales to earn profit	6,000
Total fixed cost	7,500
Total variable cost	7,500
Total sales	15,000

(c) The following details are available from the records of ABC Limited engaged in manufacturing article A for the week ended 28th February, 2022. The standard labours and rates of payment per articles A were as follows :

Particulars	Hours	Rate per hours (₹)	Total (₹)
Skilled labour	10	3.00	30
Smi-skilled labour	08	1.50	12
Unskilled labour	16	1.00	16

The actual production was 1,000 articles A for which the actual hours worked and rates are given below :

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Particulars	Hours	Rate per hours (₹)	Total (₹)
Skilled labour	9,000	4.00	36,000
Smi-skilled labour	8,400	1.50	12,600
Unskilled labour	20,000	0.90	18,000

From the above set of data, you have to find out :

- (i) Labour cost variance
- (ii) Labour rate variance
- (iii) Labour efficiency variance
- (iv) Labour mix variance

6. Attempt any two parts of the following : $5 \times 2 = 10$

- (a) What do you understand by budgetary control?
How are the budgets classified?
- (b) Discuss the significance of cash budget in budgeting. Draw the specimen of a cash budget.
- (c) "Performance budget is a budget which refers to programs, functions and performance which reflects the estimated expenses and revenues of the companies, government or statutory bodies." Explain.
