E 7246

(Pages : 4) Reg. No............

Name............

B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2017

Fifth Semester

Core Course—MANAGEMENT ACCOUNTING

(2013 Admission onwards)

Time : Three Hours

Maximum Marks : 80

Part A

Answer **all** *questions.*

1 *mark each.*

1. Define analysis of financial statement.
2. What is cash budget ?
3. What is common size statement ?
4. What do you understand by Management Accounting ?
5. What is Solvency ratio ?
6. Define the term 'accounting'.
7. What is trend analysis ?
8. What is Quick asset ?
9. Define the term 'Fund'.
10. What is Leverage Ratio ?

(10 × 1 = 10)

Part B

Answer any **eight** *questions.*

2 *marks each.*

11. What is interfirm and Intrafirm Comparison.
12. Explain common size Balance Sheet and common size Income Statement.
13. What is budge Committee ?
14. Explain the main uses to funds in a business.
15. Explain two profitability ratios.
16. What do you mean by schedule of changes in Working Capital ?

Turn over

17. State any *two* advantages of Management Accounting.
18. Mention four examples of cash flow from Investing activity.
19. What is Fixed asset to networth ratio ?
20. State any *two* types of Budget according to Function.
21. What is Flexible budget ?
22. "Ratio analysis is a tool to examine the health of a business with a view to make the financial results more intelligible". Explain.

(8 × 2 = 16)

Part C

Answer any **six** *questions.*
4 marks each.

23. Distinguish between Fixed budget and Flexible budget.
24. Explain the nature of Financial Statement.
25. State the difference between Management Accounting and Financial Accounting.
26. Explain the various types of Financial Analysis.
27. Distinguish between the Cash Flow Statement and Fund Flow Statement.
28. From the following particulars, calculate net cash generated from investing activity :—

	Purchase	*Sale*
Land ...	2,00,000	—
Furniture ...	50,000	20,000
Goodwill ...	1,00,000	—
Investments ...	75,000	10,000

Interest received on debentures—₹ 5,000.

Dividend received on share—₹ 7,500.

Dividend paid to shareholders—₹ 10,000.

29. From the following, calculate :—
    (a) Returns on shareholders Fund.
    (b) Return on capital employed.

Balance Sheet

Liability	*Amount* Rs.	*Assets*	*Amount* Rs.
Equity share capital ...	15,00,000	Fixed asset ...	18,00,000
Pre. Share Capital ...	3,00,000	Current asset ...	16,00,000
Debentures ...	2,00,000		
Current Liability ...	10,00,000		
Profit ...	4,00,000		
	34,00,000		34,00,000

30. From the Following compute :
    (a) Current asset. (b) Quick asset.
    (c) Stock.

    Current liabilities = ₹ 9,00,000

    Current ratio = 2.5

    Accid test ratio = 2

31. The expense budgeted for the production of 10,000 units in a factory are furnished below :

	₹
Material ...	70
Labour ...	25
Variable overhead ...	20
Fixed Factory Overhead (₹ 10,00,000) ...	10
Variable expense (Direct) ...	5
Selling expense (10 % Fixed) ...	13
Distribution expense (20 % Fixed) ...	7
Administration expense (Fixed 50,000) ...	5
Total cost of sale per unit ...	155

You are required to prepare budget for the production of 6000 units.

(6 × 4 = 24)

Part D

Answer any **two** *questions.*
15 *marks each.*

32. From the Following Information, prepare Balance Sheet with as many details as possible :—

(a)	Working Capital	—	1,20,000
(b)	Reserves and Surplus	—	80,000
(c)	Bank overdraft	—	20,000
(d)	Proprietary ratio	—	0.75
(e)	Current ratio	—	2.5
(f)	Liquid ratio	—	1.5

33. Discuss the objectives and Limitations of budgetary control.

34. Write a note on importance and limitations of ratio analysis.

35. Balance Sheet of M/s Sun and Light as on 1st April 2015 and 31st March 2016 were as Follows :

Liability	1-4-2017	31-3-2016	*Assets*	1-4-2015	31-3-2016
	Rs.	Rs.		Rs.	Rs.
Creditors ...	40,000	44,000	Cash ...	10,000	7,000
Loan From QRS Bank ...	40,000	50,000	Debtors ...	30,000	50,000
Loan from Light ...	25,000	—	Stock ...	35,000	25,000
Capital ...	1,25,000	1,53,000	Machinery ...	80,000	55,000
			Land ...	40,000	50,000
			Building ...	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year a machine costing ₹ 10,000 (accumulated depreciation ₹ 3,000) was sold for ₹ 5,000. The provision for depreciation against machinery as on 1-4-2015 was 25,000 and on 31-3-2016 ₹ 40,000. net profit for the year ₹ 45,000.

Prepare Fund Flow Statement.

(2 × 15 = 30)