



DCBB401

Reg. No.

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IV Semester B.B.A. Degree Examination July/August - 2024

BUSINESS ADMINISTRATION

Management Accounting

(NEP Scheme)

Paper : 4.1



Maximum Marks :60

Time : 2½ Hours

Instructions to Candidates:

Answer should be written in English only.

SECTION -A

Answer any FIVE of the following questions. Each question carries 2 marks.

(5×2=10)

1. a) State any two objectives of management accounting.
- b) Name any four tools of financial statement analysis.
- c) Give the meaning of ratio analysis.
- d) Define cash flow statement
- e) What is Break even point?
- f) What is Fixed cost?
- g) What do you mean by Flexible budget?

SECTION-B

Answer any FOUR of the following questions. Each question carries 5 marks.

(4×5=20)

2. Write any five differences between management accounting and financial accounting.
3. Current ratio of a company is 3:1; working capital is Rs. 3,00,000.

Calculate the amount of current Assets and current liabilities.

[P.T.O.]



4. Calculate cash flow from financing Activities from the following information.

Particulars	Amount (Rs)
Issue of equity shares	6,00,000
Issue of 6% Debentures	3,00,000
Repayment of Loan	2,00,000
Redemption of preference shares	1,50,000
Purchase of Land & Building	1,00,000
Dividend paid	50,000
Sale of plant & Machinery	1,50,000

5. The following information is obtained from A Ltd., for the year 2022.

Sales	Rs. 60,000
Variable cost	Rs. 30,000
Fixed cost	Rs. 15,000

you are required to :

- Calculate the P/v ratio
 - Break even point
 - Margin of safety at this level.
6. Explain in brief any five types of budget.

SECTION - C

Answer any TWO of the following questions. Each question carries 12 marks.

(2×12=24)

7. From the following details prepare Balance Sheet.

(Vertical Form).

- Current Ratio 2.75
- Liquid Ratio 2.25
- Working capital 3,50,000
- Reserves and surplus 50,000



Total current assets include stock, debtors and cash only, which are in the ratio of 2:6:3. creditors and Bills payable are in the ratio of 3:2. Fixed assets are 50% of share capital.

The share capital is Rs. 6,00,000. There are no other items of assets and liabilities.

8. From the following balance sheet of Mohith Ltd., you are required to prepare cash flow statement for the year ended 31.12.2022.

Liabilities	2021(Rs)	2022(Rs)
Equity share capital	3,00,000	4,00,000
8% Preference share capital	1,50,000	1,00,000
General Reserve	40,000	70,000
Profit & loss account	30,000	48,000
Creditors	55,000	83,000
Bills payable	20,000	16,000
Proposed dividend	42,000	50,000
Provision for Taxation	40,000	50,000
Total	6,77,000	8,17,000
Assets		
Goodwill	1,15,000	90,000
Land and Building	2,00,000	1,70,000
Plant	80,000	2,00,000
Sundry Debtors	1,60,000	2,00,000
Stock	77,000	1,09,000
Bills Receivable	20,000	30,000
Cash in Hand	15,000	10,000
Cash at Bank	10,000	8,000
Total	6,77,000	8,17,000



**Additional information:**

- a) Depreciation of Rs. 20,000 on land and building and Rs. 10,000 on plant has been charged.
- b) An interim dividend of Rs. 20,000 has been paid.
- c) Income tax paid Rs. 35,000.

Prepare cash flow statement as per AS-7 (Indirect method).

9. The expenses for budgeted production of 10,000 units in a factory are given below.

Particulars	Per unit (Rs)
Materials	50
Labour	20
Variable overheads	10
Fixed overhead (Rs. 50,000)	5
Variable expenses (Direct)	2
Selling expenses (10% fixed)	10
Distribution expenses (20% fixed)	5
Administration expense (Rs. 40,000)	4
Total Cost	<u>106</u>

Prepare a flexible Budget for the production of

- a) 8,000 units
- b) 10,000 units
- c) 12,000 units

SECTION - D

Answer any ONE of the following questions. Each question carries 6 marks.

(1×6=6)

- 10. Prepare a Break - Even chart with imaginary figures.
 - 11. Calculate any six ratios using imaginary figures.
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