

(Please write your Exam Roll No.)

Exam Roll No. 08890301717

END TERM EXAMINATION

THIRD SEMESTER [BBA] NOVEMBER-DECEMBER 2018

Paper Code: BBA (GEN)-207
BBA (B&I)-207
BBA (TMM)-207

Subject: Management Accounting

Time : 3 Hours

Maximum Marks : 75

Note: Attempt any five questions. All questions carry equal marks.

Q1. "Management accounting is an extension of managerial aspects of financial accounting and cost accounting". Discuss.

Q2. From the following ratios and information relating to DCM Ltd; find out
(a) Sales for the year ending 31-03-2017
(b) Sundry debtors on 31-3-2017
(c) Sundry creditors on 31-3-2017
(d) Closing stock.

Given:-

Debtors velocity	3 months
Stock velocity	6 Months
Creditors' Velocity	2 Months
Gross Profit Ratio	20%

Gross Profit for the year ended 31st March 2017 was Rs. 5,00,000. Stock as on 31st March 2017 was Rs. 20,000 higher than that of the opening stock. Bills receivable and Bills Payable were Rs. 60,000 and Rs. 36,667 respectively at the end of the year.

Q3. What is the purpose of preparing a Cash Flow Statement? How is it prepared? Explain the difference between direct and indirect method of preparation of cash Flow statement.

Q4. A gang of workers usually consists of 10 men, 5 women and 5 boys in a factory. They are paid at standard hourly rates of Rs. 1.25, Rs. 0.80 and Rs. 0.70 respectively. In a normal working week of 40 hours, the gang is expected to produce 1000 units of output.

In a certain week, the gang consisted of 13 men, 4 women and 3 boys. Actual wage were paid at the rate of Rs. 1.20, Rs. 0.85 and Rs. 0.65 respectively. Two hours in the week were lost due to abnormal idle time and 960 units of output were produced.
Calculate various labour variances.

Q5. A firm can purchase 20000 units p.a. of a spare part from an outside source @ Rs. 11 per unit. There is a proposal that the spare part be produced in the factory itself. For this purpose a machine costing Rs. 1,00,000 with annual capacity of 20,000 units will be required. A foreman with a monthly salary of Rs. 500 will also have to be engaged. Materials required will be Rs. 4.00 per unit and wages Rs. 2.00 per unit. Variable overheads are 150% of direct labour. The firm can easily raise funds @10% p.a.

Advise the firm whether the proposal should be accepted or not.

Q6. What do you mean by 'Flexible Budget'? How is it drawn up and what difficulties would you expect to face in its compilation?

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Q7. You are given the following data:

	2017 (Rs.)	2018 (Rs.)
Sales	40,00,000	50,00,000
Profit	5,00,000	7,00,000

Compute:

- i) Profit volume ratio (P/V Ratio)
- ii) Break even point
- iii) Fixed Cost
- iv) If sales for the year 2019 is projected to be Rs. 65,00,000 find out the corresponding profit.

Q8. Write short notes on:

- a) Common size financial statements
- b) Zero base budgeting
- c) Difference between marginal costing and absorption costing.

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