



K16U 0084

Reg. No. : .....

Name : .....

**VI Semester B.B.A. Degree (CCSS – Reg./Supple./Improv.)**  
**Examination, May 2016**  
**Core Course**  
**6B17 BBA : MANAGEMENT ACCOUNTING**  
**(2012 Admn. Onwards)**

Time : 3 Hours

Max. Weightage : 30

**PART – A**

This Part consist of **two** bunches of question carrying **equal** weightage of **one**. **Each** bunch consist of **four** objective type questions. Answer **all** questions.

- I. 1) Which among the following is not a feature of Management Accounting ?
  - a) used by management
  - b) uses financial and non-financial data
  - c) more relevant than objective information
  - d) statutory requirement
- 2) Trend percentages are calculated for
  - a) assets only
  - b) liabilities only
  - c) net sales and cost of sales
  - d) for each item in the financial statement
- 3) Financial statements include
  - a) actual data
  - b) actuals and estimates
  - c) estimates only
  - d) non-monetary information
- 4) Current ratio measures
  - a) solvency
  - b) liquidity
  - c) profitability
  - d) all of them (W = 1)

P.T.O.



II. Fill up the blanks :

- 5) \_\_\_\_\_ are the final products of accounting.
- 6) In common size income statement \_\_\_\_\_ is taken as 100.
- 7) Contribution is the excess of sales over \_\_\_\_\_
- 8) Stock Turnover Ratio is the ratio of cost of sales to \_\_\_\_\_ (W = 1)

### PART – B

Answer **any eight** questions in **one or two** sentences **each**. **Each** question carries a weightage of **one**.

- 9) What is Solvency ratio ?
- 10) What is P/E ratio ?
- 11) What is cash from operation ?
- 12) What is margin of safety ?
- 13) What is P/V ratio ?
- 14) What is Angle of Incidence ?
- 15) What is operating leverage ?
- 16) What is standard costing ?
- 17) What is Labour Cost Variance ?
- 18) What is marginal costing ? (W = 8×1=8)

### PART – C

Answer **any six** questions. Answer **not** to exceed **one** page. **Each** carries a weightage of **two**.

- 19) What are the objectives of Management Accounting ?
- 20) What are the advantages of CVP Analysis ?



21) Following are the Income Statements of XLR Ltd. for the years ending 31<sup>st</sup> December 2011 and 2012 :

	Rs. in '000	
	2011	2012
Sales	500	700
Miscellaneous Income	20	15
	<b>520</b>	<b>715</b>
Expenses :		
Cost of Sales	325	510
Office expenses	20	25
Selling expenses	30	45
Interest	25	30
Net Profit	120	105
	<b>520</b>	<b>715</b>

Prepare a Comparative Income Statement and comment on the performance of the company for 2012.

22) From the following information calculate :

- a) Gross Profit Ratio
- b) Operating Profit Ratio
- c) Operating Ratio
- d) Net Profit Ratio

Trading and Profit and Loss A/c of Amrita Co. Ltd. for the year ended 31<sup>st</sup> March 2012.

	Rs.		Rs.
To Opening Stock	2,50,000	By Sales	5,00,000
" Purchases	50,000	" Closing Stock	2,00,000





" Wages	75,000		
" Gross Profit c/d	3,25,000		
	<b>7,00,000</b>		<b>7,00,000</b>
" Administrative expenses	35,000	By Gross Profit	3,25,000
" Selling expense	25,000		
" Non operating expenses	25,000		
" Net Profit	2,40,000		
	<b>3,25,000</b>		<b>3,25,000</b>

23) You are given the following data relating to a Company for 2011.

Net Sales Rs. 20,00,000

Cost of Sales (variable cost) Rs. 12,00,000

Operating expenses Rs. 3,00,000

Interest charges Rs. 1,00,000

Tax rate 30%

**Calculate :**

- Operating Leverage
- Financial Leverage
- Combined Leverage

24) The following data have been obtained from the records of a manufacturing firm :

	Period I	Period II
	Rs.	Rs.
Sales	3,00,000	3,20,000
Total Cost	2,60,000	2,72,000

**Calculate :**

- Break Even Sales.
- Profit when sales are Rs. 3,60,000.
- Sales required to earn a profit of Rs. 50,000.



25) From the information given below, prepare flexible budget at 60% and 80% capacities :

**At 75% Capacity (Rs.)**

Variable overhead :

Indirect material 7,500

Indirect labour 22,500

Semi-variable overheads :

Electricity (40% fixed; 60% variable) 37,500

Repairs and maintenance  
(80% fixed, 20% variable) 3,750

Fixed Overheads :

Salaries 1,00,000

Insurance 5,000

Depreciation 25,000

26) The standard material and standard cost per kg. of material required for the production of one unit of Product A is as follows :

Material 5 Kg.

Standard price Rs. 10 per Kg.

The actual production and related material data are as follows :

400 units of Product A

Material used 2200 Kg.

Price of material Rs. 9.60 per kg.

**Calculate :**

- 1) Material cost variance
- 2) Material price variance
- 3) Material usage variance.

(W = 6×2=12)



## PART - D

Answer **any two**. Each question carries a weightage of **four**.

27) Explain the managerial uses of Marginal Costing and Break Even Analysis.

28) Balance Sheets of Jyothi Ltd. are given below :

Liabilities	31-3-11	31-3-12	Assets	31-3-11	31-3-12
	Rs.	Rs.		Rs.	Rs.
Equity Share			Fixed Assets		
Capital	80,000	1,20,000	(at cost)	1,22,000	1,42,000
Share premium	-	10,000	Investments	20,000	10,000
P and L A/c	17,500	28,000	Current		
Long term loans	50,000	-	Assets :		
Prov. for			Stock	24,000	19,000
depreciation	32,000	38,000	Debtors	31,000	35,000
Current Liabilities :			Marketable		
Creditors	15,000	18,000	Securities	13,000	15,000
Outstanding			Bank	2,000	8,000
expenses	6,000	2,000	Cash	500	1,000
Prov. for tax	12,000	14,000			
	<b>2,12,500</b>	<b>2,30,000</b>		<b>2,12,500</b>	<b>2,30,000</b>





**Additional Information :**

- 1) During the year investments costing Rs. 10,000 were sold at a loss of Rs. 500.
- 2) An old asset costing Rs. 20,000 (accumulated depreciation Rs. 14,000) was sold for Rs. 7,000.
- 3) An interim dividend of Rs. 8,000 was paid.

Prepare a Cashflow Statement for the year ended 31-3-2012.

- 29) MNP Ltd. is working at 60% of capacity producing 6000 units of output. The following details are available from its cost records :

Direct materials	24,000
Direct labour	12,000
Variable O/H	6,000
Fixed O/H	15,000

The output is sold at a price of Rs. 10 per unit. The Co.; receives an offer to export 4000 units at the rate of Rs. 8.50 per unit, should the export order be accepted ?

(W = 2×4=8)

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