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B.B.A. (III Sem.) EXAMINATION, 2016

MANAGEMENT ACCOUNTING

(2013 PATTERN)

Time : Three Hours

Maximum Marks : 80

N.B. :— (i) All questions are compulsory.

(ii) Figures to the right indicate full marks.

(iii) Use of calculator is allowed.

1. Define 'Management Accounting'. Explain the objectives and scope of Management Accounting. [16]

Or

Distinguish between Financial Accounting and Management Accounting. [16]

2. What do you understand by Financial Statement Analysis ? Explain the important methods of Financial Analysis. [16]

Or

The given ahead is the Balance Sheet of Binaca Ltd., as on 31st March 2015 : [16]

P.T.O.

Balance Sheet of Binaca Ltd.

As on 31st March, 2015

Liabilities	Rs.	Assets	Rs.
Share Capital	1,00,000	Land & Building	70,000
Profit & Loss Account	15,000	Plant & Machinery	1,75,000
General Reserve	20,000	Stock in Trade	1,00,000
12% Debentures	2,10,000	Debtors	50,000
Creditors	50,000	Bills receivable	5,000
Bills Payable	25,000	Bank Balance	20,000
	4,20,000		4,20,000

You are required to calculate the following ratios :

- (i) Current Ratio
- (ii) Quick Ratio
- (iii) Current Asset to Fixed Asset
- (iv) Debt to Equity.

3. Prepare a Cash Budget for three months ended 31st March 2015 from the following particulars relating to Rotex Ltd., Rameshwar : [16]

2014-15	Credit Sales	Credit Purchases	Wages
Months	Rs.	Rs.	Rs.
November 2014	2,00,000	1,60,000	10,000
December 2014	1,80,000	1,40,000	12,000
January 2015	2,20,000	2,00,000	9,000
February 2015	1,20,000	1,90,000	11,000
March 2015	1,60,000	2,60,000	14,000

Additional Information :

- (i) 40% of the credit sales will be realised in the month following the sales and the remaining 60% in the second month following.
- (ii) The creditors will be paid in the month following the purchases.
- (iii) Interest of Rs. 10,000 will have to be paid in the month of February, 2015. Wages are paid in the same month.
- (iv) Income Tax of Rs. 30,000 will have to be paid in the month of March, 2015.
- (v) The opening balance of cash as on 1st January, 2015 was Rs. 40,000.

Or

What is 'Fund Flow Statement' ? Explain the uses of Fund Flow Statement. [16]

4. You are requested by your client in estimating working capital requirement. The information is given below : [16]

Particulars	Rs.
(1) Average Amount Locked-up in Inventory :	
Raw Material	20,000
Finished Goods	80,000
(2) Credit sales per annum	1,68,000
[Debtors are allowed 2 months credit]	
(3) Manufacturing expenses per annum	96,000
Wages for year	48,000
[Lag in payment of manufacturing expenses and wages is 1 month]	

- (4) Raw materials consumed per annum 48,000
[Creditors allowed 3 months credit]
Add : 10% for contingencies.

Or

What is Working Capital ? State the important sources of Working Capital. [16]

5. Write short notes on (any *four*) : [16]

- (1) Strategic Management Accounting
- (2) Liquidity Ratio
- (3) Cash Flow Statement
- (4) Pro forma of source and Application of funds
- (5) Trend Percentage
- (6) Objectives of Budgetary Control.