

IV Semester B.B.A. Examination, September/October 2023  
(NEP – Freshers)

**BUSINESS ADMINISTRATION**  
**Paper – 4.1 (DSC) : Management Accounting**

Time : 2½ Hours

Max. Marks : 60

**Instruction** : Answer should be written in **English only**.

**SECTION – A**

Answer **any five** of the following. **Each** question carries **two** marks. **(5×2=10)**

1. a) Define Management Accounting.
- b) Give the meaning of Ratio Analysis.
- c) How do you calculate Earnings Per Share ?
- d) What do you mean by Cash Inflow and Cash Outflow ?
- e) What is master budget ?
- f) Write the meaning of Break Even Analysis.
- g) What is Marginal Costing ?

**SECTION – B**

Answer **any three** of the following. **Each** question carries **four** marks. **(3×4=12)**

2. What are the functions of Management Accounting ?
3. From the following information calculate :

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

Net Sales : ₹ 5,00,000

Cost of goods sold : ₹ 3,50,000

Selling Expenses : ₹ 12,000

Administrative Expenses : ₹ 8,000

Interest Income : ₹ 5,000

Loss on sale of Old Vehicle : ₹ 12,000





4. After taking into following consideration Srinivasmurthy Ltd. made a net profit of rupees 1,50,000. You are required to compute cash from operations.

Particulars	Rs.
Gain on sale of building	20,000
Loss on sale of Machinery	20,000
Depreciation on Buildings	15,000
Depreciation on Machinery	8,000
Goodwill written off	9,000
Preliminary expenses written off	5,000
Provision for taxation	7,000

5. Summarised below are the incomes and expenditure forecasts for the months of March to July 2023.

Month	Sales (₹)	Purchases (₹)	Wages (₹)
March	60,000	36,000	9,000
April	62,000	38,000	8,000
May	64,000	33,000	10,000
June	58,000	39,000	8,500
July	56,000	39,000	9,500

Prepare cash budget for three months ending on 31<sup>st</sup> July 2023.

- Cash balance on 1<sup>st</sup> May 2023 is ₹ 8,000
  - Credit allowed by suppliers for purchases is two months.
  - Credit allowed to customers for sales is one month.
  - Delay in payment of wages is one month.
6. From the following particulars, find out the selling price per unit if Break Even Point is to be brought down to 9,000 units :
- Variable cost per unit is ₹ 75  
 Fixed Expenses ₹ 2,70,000  
 Selling price per unit ₹ 100

### SECTION – C

Answer **any three** of the following. **Each** question carries **ten** marks. (3×10=30)

- Explain the advantages and limitations of Management Accounting.
- The following is the Balance Sheet of Sandhya Electric Co. as on 31<sup>st</sup> April 2023.

Liabilities	Rs.	Assets	Rs.
Equity Capital	2,00,000	Land and Buildings	1,50,000
Debentures	1,00,000	Plant and Machinery	85,000
Sundry Creditors	48,000	Short Term Investments	16,000





Bills Payable	10,000	Stock in trade	50,000
Bank Overdraft	5,000	Debtors	59,000
Outstanding Expenses	2,000	Prepaid Expenses	1,000
		Cash in hand	4,000
<b>Total</b>	<b>3,65,000</b>	<b>Total</b>	<b>3,65,000</b>

Calculate the following ratios.

- Current Ratio
- Quick Ratio
- Absolute Liquid Ratio
- Debt Equity Ratio.

9. Following is the Balance Sheet of Muninarayanappa Co. Ltd. as at 31-3-2022 and 31-3-2023.

<b>Liabilities</b>	<b>31-3-2022</b>	<b>31-3-2023</b>	<b>Asset</b>	<b>31-3-2022</b>	<b>31-3-2023</b>
Equity share			Land and		
Capital	3,00,000	3,50,000	Buildings	2,30,000	3,90,000
Share Premium	–	30,000	Plant and		
General Reserve	45,000	65,000	Machinery	85,400	1,40,000
Profit & Loss A/c	30,000	80,800	Furniture	5,500	6,500
6% Debentures	–	70,000	Stock	82,400	95,700
Sundry Creditors	85,000	90,700	Sundry Debtors	75,000	85,500
Provision for			Bank Balance	34,200	44,300
Taxation	22,500	40,500			
Proposed					
Dividend	30,000	35,000			
<b>Total</b>	<b>5,12,500</b>	<b>7,62,000</b>	<b>Total</b>	<b>5,12,500</b>	<b>7,62,000</b>

**Additional Information :**

Depreciation written off during the year	₹
Land and Building	60,000
Plant and Machinery	50,000
Furniture	1,200

You are required to prepare cash flow statement.

