

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

SIXTH SEMESTER – APRIL 2023

UBU 6502 – MANAGEMENT ACCOUNTING

Date: 03-05-2023

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART A

Answer ALL questions:

(10 X 2 = 20 Marks)

1. Mention any 2 objectives of Management Accounting.
2. What is Comparative Financial Statement?
3. Sales: Rs. 40,00,000; Debtors turnover ratio: 8 times; Closing Bills receivable Rs. 40,000. Ascertain the closing debtors.
4. What is Solvency Ratio?
5. Find out the provision for Income Tax made during the Financial year 2020-21:

	Rs.
Balance of provision for Tax on 1.4.2020	2,65,000
Balance of provision for Tax on 31.3.2021	2,90,000
Tax paid during 2020-21	3,00,000

6. What is Activity based Budget?
7. Sales Rs. 25,00,000
P/V ratio 30%
Fixed cost Rs. 5,00,000
How much is the profit?

8. Calculate the fixed cost:

	Rs.
Sales	10,00,000
Variable cost	7,00,000
Loss	1,00,000

9. What is Variance Analysis?
10. Calculate material usage variance from the following:
Standard : 400 units at Rs.10 each
Actual : 360 units at Rs. 7 each

PART B

Answer any FOUR questions:

(4 X 10 = 40 Marks)

11. Bring out the importance of Management Accounting.

12. From the following information, find out:

- (a) Current assets
- (b) Current liabilities
- (c) Value of inventory
 - (i) Current ratio = 3.5
 - (ii) Liquid ratio = 2.5
 - (iii) Working capital = Rs. 1,00,000

13. Calculate cash from business operations from the following Profit and Loss A/c.

	Rs.		Rs.
To Expenses paid	3,00,000	By Gross profit b/d	4,50,000
To Depreciation	70,000	By Profit on sale of land	50,000
To Loss on sale of machine	4,000	By Dividends	4,000
To Discount	200	By Interest on investment	6,000
To Goodwill	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

14. A company which supplies its output on contract basis as component to an assembling firm has a contract to supply 10,000 units of its only product during the year 2018. The following were the budgeted expenses and revenue.

Material	Rs.15 per unit
Wages	Rs. 10 per unit
Works expenses – (fixed)	Rs. 40,000
Variable	Rs. 4 per unit
General expenses (all fixed)	Rs. 60,000

Profit is 20 % on sales price.

Prepare the Fixed Budget for year 2018 showing the costs and profit.

15. Explain how Marginal costing is different from Absorption costing.

16. Ascertain the material quantity or usage variance from the information below:

Standard:

Material A: 40%; Material B: 60% at Rs. 5 and Rs. 10 per unit respectively.

Standard loss 10%

Actual: A 5,000 units at Rs. 4 per kg

B 5,000 units at Rs. 11 per kg

Output 8,100 units

17. Explain the merits and demerits of Standard Costing.

PART C

Answer any TWO questions:

(2 X 20 = 40 Marks)

18. Explain the scope and the nature of Management accounting.

19. From the given information prepare

- a. P/V ratio
- b. Break-even point
- c. Profit
- d. Margin of safety
- e. Volume of sales to earn profit of Rs. 6,000

Total fixed costs	4,500
Total variable costs	7,500
Total sales	15,000

20. Following are the balance sheet of X Ltd

Liabilities	1.1.2011	31.12.2011	Assets	1.1.2011	31.12.2011
Capital	88,000	1,32,000	Cash	4,800	4,000
General reserve	6,000	9,000	Debtors	36,500	39,100
P & L A/c	19,500	20,800	Stock	22,100	26,000
Loan	-	26,000	Furniture	2,400	1,500
Creditors	43,300	47,300	Machinery	35,600	51,300
			Buildings	55,400	1,13,200
	1,56,800	2,35,100		1,56,800	2,35,100

Depreciation written off during the year 2011 was as under

Machinery	Rs. 12,800
Furniture	Rs. 400

Prepare Funds flow statement.

21. The following data is gathered from the records of X Ltd for the month of January 2015.

Standards for labour:

Rate	:	Rs. 50 per labour hour
Hours set per unit	:	10 hours

Actual data for the month

Units produced	:	1,000
Hours worked	:	12,000
Actual labour cost	:	Rs. 7,20,000

You are required to calculate labour variances.

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