



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

SIXTH SEMESTER – APRIL 2025

UBU 6502 – MANAGEMENT ACCOUNTING



Date: 26-04-2025

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

SECTION A

Answer ANY FOUR of the following

4 x 10 = 40 Marks

1. Explain in detail the functions of management accounting.
2. What are the uses of marginal costing as a tool for managerial decision making?
3. How Fund Flow Statement is different from a Balance Sheet?
4. Discuss the importance of budgeting.
5. Calculate funds from operations from the following:

Particulars	Rs	Particulars	Rs
To Rent	10,000	By Gross profit	9,86,000
To salary	25,000		
To Depreciation on furniture	3,000		
To Discount on issue of shares	10,000		
To Goodwill written off	5,000		
To preliminary expenses	6,000		
To Net profit	9,27,000		
Total	9,86,000	Total	9,86,000

6. The following figures related to the trading activities of a company for the year ended 31-12-2024

Particulars	Rs.	Particulars	Rs.
Sales	1,00,000	Salary of salesman	1,800
Purchases	70,000	Advertising	700
Closing stock	14,000	Travelling expenses	500
Sales returns	4,000	Salaries(office)	3,000
Dividend Received	1,200	Rent	6,000
Profit on sale of fixed assets	600	Stationery	200
Loss on sale of shares	300	Depreciation	1,000
Opening stock	11,000	Other expenses	2,000
		Provision for tax	7,000

You are required to calculate

- (1) Gross profit ratio
- (2) Operating profit ratio
- (3) Operating ratio
- (4) Net profit ratio

7. Calculate 1. Current assets, 2. Current liabilities, 3. Liquid Assets and 4. Stock from the Following data:

Current Ratio: 2.8

Acid-test Ratio: 1.5

Working Capital – Rs.1,62,000.

8. You are required to prepare a production budget for the half year ending June 2024 from the following information

Product	Budgeted Sales Quantity	Actual Stock on 31.12.2023	Desired stock on 30.6.2024
	Units	Units	Units
S	20000	4000	5000
T	50000	6000	10000

SECTION B

Answer ANY THREE of the following

3 x 20 = 60 Marks

9. Explain in detail the various types of ratios.
10. Define Cash Budget. Explain the different methods of preparing cash budget.
11. Bring out the differences between financial accounting and management accounting.
12. The sales turnover and profit during two years were as follows.

Year	Sales (Rs.)	Profit (Rs.)
2023	1,40,000	15,000
2024	1,60,000	20,000

- Calculate a) P/V Ratio of Rs.40,000 b) Break –even point c) Sales required to earn a profit of Rs.40,000 d) fixed expenses e) Profit when sales are Rs.1,20,000

13. The following information is available from the records of Ram Ltd.

Prepare a Profit and loss account and the Balance sheet as on 31st Dec2024.

Current ratio – 1.75

Acid-test ratio- 1.27

Working capital- Rs.33,000

Fixed Assets to shareholders equity – 0.625

Inventory turnover (based on Closing Stock) – 4 times

Gross profit ratio- 40%

Earnings per share – Re.0.50

Debt collection period – 73 days

No. of shares issued – 20,000

Return on Investment – 25%

14. From the following balance sheet of a company prepare a Statement showing the fund Flow.

Liabilities	2023	2024	Assets	2023	2024
Share capital	1,00,000	1,25,000	Land & building	1,00,000	95,000
General reserve	25,000	30,000	Plant & machinery	75,000	84,500
P&L a/c	15,250	15,300	Inventories	50,000	37,500
Bank loan	35,000	-	Sundry debtors	40,000	32,000
Creditors	75,000	67,500	Cash	250	300
Provision for taxation	15,000	17,500	Bank	-	4,000
			Goodwill	-	2,000
	2,65,250	2,55,300		2,65,250	2,55,300

Additional information:

Dividend of Rs.11,000 was paid during 2024.

Depreciation written off – Rs.7,000.

A provision of Rs.16,500 was made on taxation.

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