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5858

Register Number:

Name of the Candidate:

B.B.A DEGREE EXAMINATION December 2014

(BUSINESS LEADERSHIP)

(SECOND SEMESTER)

241: MANAGEMENT ACCOUNTING

Time: Three hours

Maximum: 75 marks

SECTION - A

Answer any FIVE questions.

(5 × 3 = 15)

1. What is job costing?
2. Write short notes on financial accounting.
3. What do you mean by working capital?
4. Write short notes on Break Even Point.
5. What do you mean by Budget?
6. What do you understand by cost volume profit analysis?
7. What is N.P. ratio?
8. Write short notes on working capital.
9. Define fund flow statement.
10. What is meant by management reporting?

SECTION - B

Answer any THREE questions.

(3 × 10 = 30)

11. Briefly explain the scope of management accounting.
12. Explain the different sources of cash.
13. From the following particulars. Pertaining to assets and liabilities of a company calculate.
 - (i) Liquid ratio.
 - (ii) Proprietary ratio.
 - (iii) Debt equity ratio.
 - (iv) Capital fearing ratio.

Liabilities	Rs.	Assets	Rs.
5000 equity shares of Rs. 50 each	2,50,000	Building	3,00,000
1000, 8% preference shares of Rs. 100 each	1,00,000	Machinery	2,50,000
2000, 9% debentures of Rs. 100 each	2,00,000	Stock	1,20,000
Reserves	1,50,000	Debtors	1,00,000
Creditors	75,000	Cash at Bank	27,500
Bank overdraft	25,000	Prepaid expenses	2,500
	8,00,000		8,00,000

14. Calculate funds from the following:

PROFIT AND LOSS ACCOUNT

Particulars	Rs.	Particulars	Rs.
To Administrative expenses	1,25,000	By Gross Profit	2,15,000
To Selling expenses	16,000	By Interest on investment	5,000
To Depreciation	70,000	By Profit on sale of machinery	4,000
To Loss on sale of building	6,000		
To Goodwill written of	5,000		
To Discount on issue of debentures	2,000		
	2,24,000		2,24,000

15. From the following data you are required to calculate the cash generated from operations:
Operating Profit before working capital changes for the year 2008 Rs. 84,000. Current Assets and Liabilities on 1-1-2008 and 31-12-2008 were as follows:

	1-1-2008 Rs.	31-12-2008 Rs.
Trade creditors	1,82,000	1,94,000
Trade debtors	2,75,000	3,15,000
Bills receivable	40,000	35,000
Bills payable	27,000	31,000
Inventories	1,85,000	1,70,000
Short-term investment	40,000	70,000
Outstanding expenses	20,000	25,000
Prepaid expenses	5,000	8,000

16. Define report. Explain the various types of it.

SECTION - C
Answer any TWO questions.

(2 × 15 = 30)

17. Explain the uses and limitations of Cash Flow Statement.
18. Briefly explain the role of Ratio Analysis.
19. Dhandapani & Co. Ltd., furnishes the following Balance Sheets for the years 2007 and 2008 prepare Common-Size Balance Sheet.

Balance Sheets

Liabilities	2007	2008	Assets	2007	2008
Share capital	2,00,000	3,00,000	Buildings	4,00,000	4,00,000
Reserves	6,00,000	7,00,000	Machinery	6,00,000	10,00,000
10% Debentures	2,00,000	3,00,000	Stock	2,00,000	3,00,000
Creditors	3,00,000	5,00,000	Debtors	2,00,000	2,50,000
Bills payable	1,00,000	80,000	Cash at Bank	1,00,000	50,000
Tax payable	1,00,000	1,20,000			
Total	15,00,000	20,00,000	Total	15,00,000	20,00,000

20. The following is the comparative Balance Sheet of Bharathi Co. Ltd., as on 30th June 1997 and 30th June 1998.

Balance Sheet

Liabilities	30-6-97 Rs.	30-6-98 Rs.	Assets	30-6-97 Rs.	30-6-98 Rs.
Share capital	1,80,000	2,00,000	Goodwill	24,000	20,000
Reserve Fund	28,000	36,000	Buildings	80,000	72,000
Profit and Loss A/c.	39,000	24,000	Machinery	74,000	72,000
Trade creditors	16,000	10,800	Investment	20,000	22,000
Bank O/D	12,400	2,600	Debtors	40,000	44,400
Provision for taxation	32,000	34,000	Cash	13,200	30,400
Provision for doubtful debts	3,800	4,200	Stock	60,000	50,800
	3,11,200	3,11,600		3,11,200	3,11,600

Additional Informations:

- a) Depreciation charged on machinery Rs. 10,000 and on Building Rs. 8,000.
- b) Investment sold during the year Rs. 3,000.
- c) Rs. 15,000 interim dividend paid during January 1998.
- d) Taxes paid during the year Rs. 30,000.

Prepare i) a statement of changes in working capital.

ii) a fund flow statement.

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