647510 **BBAmacCC6050** **Seat No :_________**

B.B.A. Semester - 6 (*CBCS*) Examination
March/April -2019
MANAGEMENT ACCOUNTING(CORE)

Time: 2:30 Hours **Marks: 70**

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate marks.

Q-1 Explain the meaning of term "Management Accounting" and discuss its scope, functions and limitations. (14)

OR

Q-1 (A) Difference between Management Accounting and Financial Accounting (07)
(B) Techniques of Management Accounting. (07)

Q-2 The result of the last two years of J.K. Ltd. are as under: (14)

Year	Sale	Profit
2016-17	5,40,000	12,000
2017-18	6,00,000	30,000

Find out the following information:
(1) P.V. ratio
(2) Fixed expense
(3) Breakeven point
(4) Find out sales to earn profit of Rs.30,000.

OR

Q-2 Ravan Co.Ltd. Manufactures two types of spare parts X and Y. Following particulars are available from its cost records: (14)

Particulars	X	Y
Material per unit	8-00	6-00
Labour hours(labour rate per hour 0.25)	24 hours	16 hours
Selling price	25-00	20-00
Variable expense(% of labour)	150%	150&
Fixed exp.	750	750

The directors of company think for the following possible options of sales mix.
(A) 250 units of X and 250 units of Y
(B) 400 units of Y only
(C) 400 units of X and 100 units of Y
(D) 150 units of X and 350 units of Y

Which option, you will recommend?

Q-3 From the following prepare cash budget for the period from April to June, 2018 when opening cash Balance would be Rs.20,000 (14)

Month	Wages	Mfg.exp.	Office exp.	Selling exp.	Sales	Purchase
February	12,000	3,000	2,000	2,000	1,80,000	1,24,000
March	14,000	4,000	1,000	4,000	1,92,000	1,44,000
April	11,000	3,000	1,500	2,000	1,08,000	2,43,000
May	12,000	4,500	2,000	5,000	1,74,000	2,46,000
June	15,000	5,000	2,500	4,000	1,26,000	2,68,000
July	17,000	5,500	3,000	4,500	1,40,000	2,80,000
August	18,000	6,000	3,000	5,000	1,60,000	3,00,000

Additional information

(1) 50% of credit sales are realized in the month following sale and the remaining 50% in the second month following. Creditors are paid in the month following the month of purchase.
(2) Lag in the payment of manufacturing exp. ½ month.
(3) Lag in the payment of other exp. 1 month.

OR

Q-3 The standard mix of the product "R" is as follows: (14)

Material	Kgs(%)	Price per kg
A	50	5-00
B	20	4-00
C	20	10-00

The standard loss in production is 10% of the input. There is no scrap value realized of it.
Actual production of product "M" was 7200 kgs.
Actual consumption of material and cost were as follows:

Material	Kgs(%)	Price per kg
A	4,160	5-50
B	1,680	3-75
C	2,560	9-50

You are required to calculate the following variances:

(1) Material cost variance (2) Material price variance (3) Material usage variance
(4) Material mix variance (5) Material yield variance

Q-4 The balance sheet of Rahim Ltd. as on Dec.31,2017 and 2018 are as follows: (14)

Liabilities	2017	2018	Assets	2017	2018
Share capital	200000	250000	Fixed assets	350000	475000
Retained earnings	160000	300000	Inventory accounts	100000	95000
Premium on shares	-	5,000	Receivable accounts	43000	50000
Accumulated depreciation	80000	60000	Receivable prepaid expense	4000	5000
Debentures	60000	-	Cash	15800	10200
Accounts payable	37800	40200	Commission on share	25000	20000
	537800	**655200**		**537800**	**655200**

Additional information

(1) An addition to the fixed assets was made during the year at a cost of Rs.1,65,000 and fully depreciated machinery costing Rs.400 was discarded. No salvage being realized.
(2) Depreciation for the year was Rs.20,000
(3) Income tax paid was Rs.40,000
(4) Interim dividend paid during the year Rs.20,000

You are required to prepare a cash flow statement.

OR

Q-4 The balance sheet of Ram Ltd. As on 31-3-2017 and 31-3-2018 are given below: (14)

Liabilities	2017	2018	Assets	2017	2018
Equity share caital(each rs.10)	100000	75000	Fixed assets	130000	148000
P & 1 A/c	70000	32000	Investment	15000	12000
8% debenture	-	50000	Stock	10000	15000
Creditors	5000	51000	Debtors	15000	35000
Tax provision	15000	17000	Cash/bank	12000	9000
			Preliminary expenses	8000	6000
	190000	**225000**		**190000**	**225000**

Additional information

(1) As per section 77 of companies Act, the company has bought back 25% of its equity capital at face value.
(2) Dividend of Rs.9000 was paid during the year.
(3) Income tax Rs.14000 was paid
(4) Provision of Rs.5000 for depreciation on fixed assets was made
(5) Investment of cost price of Rs.5000 were sold with a profit of Rs.1000 and profit was credited to profit and loss account

Prepare cash flow statement of Nayna co. ltd For the year 2017-2018

Q-5 Supply the missing data in the following table. (14)

Particulars	Division"A"	Division"B"	Divison"C"
Sales	60000	75000	100000
Operating Income	?	25000	?
Operating Assets(Investment)	30000	?	50000
Return on investment	15%	10%	20%
Minimum Required ROR	10%	?	?
Residual Income	?	5000	0

OR

Q-5 "The aim of responsibility accounting is not to place blame. Instead, it is to evaluate performance and provide feedback so that future operation can be improved" Discuss. (14)

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