647510 **BBAmacCC6050** **Seat No :________**

B.B.A. Semester - 6 (*CBCS*) Examination
March/April -2020
MANAGEMENT ACCOUNTING (CORE)

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

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

Q.1 (A) Limitation of management accounting. (07)
(B) Difference between cost & management accounting. (07)

OR

Q.1 (A) Explain scope of management accounting. (07)
(B) Discuss the tools of management accounting. (07)

Q.2 The result of the last two years of K.S. Ltd. Are' as under: (14)

Year	Sale	Profit
2016-17	20,00,000	2,00,000
2017-18	30,00,000	4,00,000

Find out the following information:
(1) P.V. Ratio
(2) Fixed cost
(3) Break Even point
(4) Sales to earn a profit of Rs. 5,00,000
(5) Profit when sales are 40,00,000
(6) Margin of safety at a profit of 4,50,000

OR

Q.2 Ganesh Co. manufacture two types of spare parts X and Y. following particulars are available from its cost records:

Particulars	X	Y
Direct material	Rs.200	Rs.250
Direct labour At Rs.5 per hour	20 Hours	30 Hours
Selling price	Rs.600	Rs.850
Variable expense (% of labour)	100%	100%
Fixed exp. Rs. 40,000 P.A		

The directors of company think for the following possible options of sales mix.
(A) 500 units of X and 300 units of Y.
(B) 1000 units of X only.
(C) 800 units of Y only.
(D) 700 units of X and 200 units of Y.
Which option, you will recommend?

Q.3 From the following prepare cash budget for the period from April to July, 2019 when opening cash balance would be Rs. 25,000 as on 1st April 2019. (14)

Month	Total Sales	Total Purchase	Wages	Factory Expence	Office Expense
February	3,00,000	1,50,000	60,000	50,000	25,000
March	3,50,000	2,00,000	75,000	40,000	40,000
April	4,00,000	2,50,000	1,00,000	40,000	50,000
May	4,50,000	3,00,000	1,10,000	45,000	50,000
June	5,00,000	3,00,000	1,12,500	60,000	40,000
July	5,50,000	3,25,000	1,25,000	45,000	55,000

Additional information:
(1) Assume: 40% of total sales are cash sales and 60% are credit sales.
(2) Assume: 25% of total purchase are cash purchase and 75% are credit purchase.
(3) 40% of credit sales are realized in the next month and remaining in third month.
(4) The depreciation of 10,000 included in factory expense.
(5) The creditors are to be paid after two month.
(6) The payment of wages $^1/_2$ month, factory expense 1 month and office expense $^1/_2$ month.
(7) The installment of Rs. 30,000 due in month of July, 2019.
(8) The income due of Rs. 20,000 in the month of June,2019.

OR

Q.3 From the following information, find out variances.

(1) Material cost variance (2) Material price variance (3) Material usage variance

(4) Material Mix variance (5) Material yield variance

Particulars	Standard			Actual		
Materials	Qty	Price	Cost	Qty	Price	Cost
A	600	5.75	3,450	500	6.00	3,000
B	500	3.8	1,900	700	3.50	2,450
C	400	3.5	1,400	600	3.00	1,800
Total weight of material mix	1500			1800		
Standard loss	150			450		
Weight of yield	1,350			1,350		

Q.4 The balance sheet of flavors Ltd. As on Dec. 31,2018 and 2019 are as follows: (14)

Liabilities	2018	2019	Assets	2018	2019
Share capital	40,000	50,000	Goodwill	-	1,000
General reserve	10,000	12,000	Land and building	40,000	38,000
P & L A/C	6,100	6,120	Machinery	30,000	33,800
Bank loan	14,000	-	Stock	20,000	14,800
Creditors	30,000	27,040	Cash	100	1,720
Provision for taxation	6000	7000	Debtors	16,000	12,840
	1,06,100	1,02,160		1,06,100	1,02,100

Additional information:

(1) Dividend of Rs. 4,600 was paid.
(2) Depreciation written off on machinery Rs. 2,400.
(3) Machinery was further purchased for Rs. 1,600.
(4) Income tax provided during the year Rs. 6,600.
(5) Loss on sale of machinery Rs. 40 was written off to general reserve.
(6) Assets of another company were purchased for a consideration of Rs. 10,000 payables in shares. The following assets were purchased: stock Rs. 4,000 and Machinery for Rs. 5,000.

You are required to prepare a cash flow statement.

OR

Q.4 The balance sheet of Nayna Co. Ltd. As on 31-03-2017 and 31-03-2018 are given below:

Liabilities	2017	2018	Assets	2017	2018
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
P & L A/C	30,000	48,000	L & B	2,00,000	1,70,000
8% preference share	1,50,000	1,00,000	P & M	80,000	2,00,000
Creditors	75,000	99,000	Debtors	1,80,000	2,30,000
Proposed dividend	42,000	50,000	Stock	77,000	1,09,000
Tax provision	40,000	50,000	Cash/bank	25,000	18,000
General reserve	40,000	70,000			
	6,77,000	8,17,000		6,77,000	8,17,000

Additional information:

(1) During the year 2017-18, depreciation was charged: plant & machinery Rs. 10,000 and land & building Rs. 30,000.
(2) Interim dividend paid during the 12017-18 amounted to Rs. 20,000.
(3) Tax paid during 2017-18 was Rs.35,000.

Prepare cash flow statement of Nayna Co. Ltd. For the year 2017-2018.

Q.5 Define responsibility accounting and state its significance. (14)

OR

Q.5 Write notes on “types of responsibility centers”.

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