647510 **BBA6MacA605x** **Seat No :________**

B.B.A. Semester - 6 (*CBCS*) Examination
March/April-2023 (NEW COURSE)
Management Accounting (Allied (New))

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

Instructions:

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

Que-1 What is Management Accounting? Explain Advantages and Disadvantages of Management Accounting in Detail. (14)

OR

Que-1 Define Management Accounting. Discuss the Various Tools of Management Accounting in Details.

Que-2 Bhola Ltd. Provides the following particulars: (14)

Total Fixed Expenses	Rs. 2,40,000
Selling Price	Rs. 20
Variable Expenses per unit	Rs. 10

Calculate the following:

1) Break Even Point (in units)
2) Break Even Point (in units) when selling price is increased by 10%.
3) If fixed expenses increase by 10%, find new BEP.
4) Selling price to obtain Break Even at 14,500 units.

OR

Que-2 At present Shah Ltd. Is working at its 50% of installed capacity. The following data are available in respect of cost and sales:

Variable costs	Rs. 6 per unit
Fixed overheads	Rs. 2 per unit
Production per month	20,000 units
Sales	Rs. 1,40,000

The company has received an inquiry from an importer to buy 5,000 units per month at Rs. 6.5 per unit. But the management of the company thinks that if the offer is accepted, it will result in increase in the existing loss. You are required to advise the management.

Que-3 Raj Ltd. manufactures a product with the standard mix of product Z is as follows: (14)

Material	Kgs	Price per kg. (Rs.)
P	40	6
Q	40	5
R	20	12

The standard loss in production is 5% of the input. There is no scrap value. Actual production of product Z was 4750 kgs.

Actual consumption of material and cost were as follows:

Material	Kgs	Price per kg. (Rs.)
P	2,160	6.50
Q	2,160	4.25
R	1,160	11.50

You are required to calculate the following variances and verify.

Calculate:

1) Material Cost Variance
2) Material Price Variance
3) Material Usage Variance
4) Material Mix Variance
5) Material Sub-usage variance

OR

Que-3 Bhakti Ltd. attains sales of Rs. 6,00,000 at 80% of its normal capacity. Its expenses are as under:

Office salaries	Rs. 90,000	Sales expenses	1% of sales
General expenses	2% of Sales	General Expenses	1% of sales
Depreciation	Rs. 7,500	Distribution costs:	
Rent and rates	Rs. 8,750	Wages	Rs. 15,000
Selling cost:		Rent	1% of sales
Salaries	8% of Sales	Other expenses	4% of sales
Travelling expenses	2% of Sales		

Prepare a Flexible Administrative, Selling and Distribution Costs Budget operating at 90%, 100% and 110% of normal capacity.

Que-4 From the following information of Nimu Ltd. Prepare Cash Flow Statement: (14)

Balance Sheets

Capital	31-3-21 (Rs.)	31-3-22 (Rs.)	Assets	31-3-21 (Rs.)	31-3-22 (Rs.)
Equity Share Capital	14,000	24,000	Fixed assets at cost	20,000	24,000
P&L A/c	7,000	9,600	Less: Depreciation	-4,000	-8,000
Debentures	20,000	20,000		16,000	16,000
Trade Creditors	14,000	12,000			
			Cash	16,000	20,000
			Stock	14,000	16,000
			Trade Debtors	7,000	12,000
			Discount on Debentures	2,000	1,600
	55,000	65,600		55,000	65,600

Income Statement for the year ended 31-3-2022

	(Rs.)	(Rs.)
Sales Revenue	-	84,000
Less: Cost of Goods Sold	48,000	
Depreciation	4,000	
Interest	6,000	
Other Expenses	22,000	80,000
Net Profit		4,000

OR

Que-4 What is Cash Flow Statement. What are the Inflows and Outflows of Cash Under the Various Heads of Activities of Business as per AS-3? Explain in Detail with Examples.

Que-5 What is Responsibility Accounting? Elaborate Different Responsibility Centers. (14)

OR

Que-5 Explain the Concept of Responsibility Accounting? Discuss the Importance and Drawbacks of Responsibility Accounting.

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