

B.B.A. Semester - 6 (CBCS) Examination
March/April-2024 (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 Nature and Scope of Management Accounting in Detail. (14)

OR

Que-1 Define Management Accounting. Discuss Differences between Cost Accounting and Management Accounting in Details.

Que-2 Following particulars are obtained from the records of Bhakti Ltd.: (14)

Year	Cost (Rs.)	Profit or Loss (Rs.)
2022-23	8,20,000	(-)20,000 Loss
2023-24	11,20,000	80,000 Profit

Calculate the following:

- 1) P.V. Ratio
- 2) Break Even Point (in Rs.)
- 3) Probable profit on sales of Rs. 15,00,000
- 4) Probable sales when loss is Rs. 80,000
- 5) Margin of safety for the year 2023-24

OR

Que-2 Jay Ltd. furnishes the following particulars in respect of its product X and Y:

Particulars	X	Y
Selling price per unit(Rs.)	200	500
Materials consumed per unit	2 kg.	8 kg.
Price of material per kg.(Rs.)	20	20
Labour cost per unit(Rs.)	50	100
Variable overheads per unit(Rs.)	20	40
Total fixed overheads(Rs.)	15,000	

Which of these two products the company should produce in order to maximize profit when the raw material is in short supply? Explain your decision.

Que-3 Guddi Ltd. provides the following Flexible Budgets: (14)

Particulars	50%	75%	100%
Raw material	60,000	90,000	1,20,000
Direct labour	75,000	1,12,500	1,50,000
Factory overheads	30,000	40,000	50,000
Administrative overheads	21,000	24,500	28,000
Selling & distribution overheads	16,000	20,000	24,000

At present company operates at 50% production capacity and selling is for Rs. 2,50,000. If the company reduces its selling price by 20%, the company can operate at 80% or 90% of its production capacity and if selling price is reduced by 10%, the company can reach to 60% production capacity.

You are required to prepare flexible budget at 60%, 80% and 90% levels and find out estimate of profit.

OR

Que-3 For making 10 kg. of yarn, the standard material requirements:

Material	Quantity (Kg.)	Rate per kg. (Rs.)
A	8	6
B	4	4

In March, 1,000kg. of yarn was produced.

The actual consumption of materials is as under:

Material	Quantity (Kg.)	Rate per kg. (Rs.)
A	750	7
B	500	5

You are required to calculate the following variances and **Comment:**

- 1) Material Cost Variance
- 2) Material Price Variance
- 3) Material Usage Variance

Que-4 From the following information of Rajnayan Ltd. Prepare Cash Flow Statement:

(14)

Balance Sheets

Capital	31-3-2022 (Rs.)	31-3-2023 (Rs.)	Assets	31-3-2022 (Rs.)	31-3-2023 (Rs.)
Equity Share Capital	1,50,000	1,50,000	Building	35,000	60,000
P&L A/c	-	45,000	Land	40,000	50,000
Debentures	25,000	50,000	Plant	80,000	55,000
Bank loan	40,000	44,000	Stock	35,000	25,000
Creditors	40,000	-	Debtors	30,000	50,000
			Cash	35,000	49,000
	<u>2,55,000</u>	<u>2,89,000</u>		<u>2,55,000</u>	<u>2,89,000</u>

Additional Information:

1. During the year, a plant costing Rs. 10,000(accumulated depreciation Rs. 3,000) was sold for Rs. 5,000.
 2. The provision for depreciation against plant as on 31-3-2022 was Rs. 25,000 and on 31-3-2023 Rs. 40,000.
 3. Net profit for the year ending on 31-3-2023 amounted to Rs. 45,000.
- Prepare Cash Flow Statement.

OR

Que-4 What is Cash Flow Statement? Discuss the difference between Fund Flow Statement and Cash Flow Statement.

Que-5 What is Responsibility Accounting? Explain the advantages and disadvantages of Responsibility Accounting. (14)

OR

Que-5 What is Responsibility Accounting? Explain types of responsibility centres.
