**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

Registration Number:

Date & Session 2-12-2022(9am)

**BBA/BBASF – V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**BBA5119/BBASF5119 – Management Accounting**

**Time: 2 ½ Hours Max Marks: 70**

**This paper contains \_\_\_\_\_\_ printed pages and \_\_\_\_\_ parts**

**SECTION-A**

Answer any **FIVE**questions (5x2=10 Marks)

1. What does a current ratio of 2 indicate?
2. Define Fundflow statement
3. State with reason if the following transactions change Working Capital
	1. Cash received from Debtors 5000,Machinery purchased for cash 50,000
4. State any two requirements of an efficient reporting system
5. What do you mean by trend analysis?
6. Mention any two limitations of management accounting.

**SECTION-B**

Answer any **THREE**questions (3x5=15 Marks)

1. Differentiate between Cost Accounting and Management Accounting.
2. Calculate funds from/loss in operation

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Amount | Particulars | Amount |
| To Administrative expenses | 5,000 | By Gross Profit | 1000 |
| To Selling expenses | 4,000 | By Discount received from suppliers | 5,000 |
| To Depreciation | 1,000 | By interest on Investments | 2000 |
| To Preliminary expenses written off | 500 | By Closing Net Loss | 7500 |
| To Loss on sale of Plant | 5,000 |  |  |
|  | 15,500 |  | 15,500 |

1. The sales in the year 2018 was Rs.35,000. It isRs.36,750 in 2019, Rs.38,588 in 2020 and 40,517 in 2021. The cost of goods sold is 40% of sales. Calculate the amounts and trend percentages in sales, cost of goods sold and gross profit for four years ending 2021.
2. From the following calculate:a.Gross Profit Ratio b.Operating Profit Ratio c.Net Profit Ratio

|  |  |
| --- | --- |
| Net Sales | 5,00,000 |
| Cost of goods sold | 3,50,000 |
| Selling Expenses | 12,000 |
| Administrative expenses | 8,000 |
| Income from investments | 5,000 |
| Loss on sale of old Machine | 12,000 |

**SECTION-C**

Answer any **TWO**questions (2x15=30 Marks)

1. Complete the Balance Sheet using Ratio Analysis

|  |  |
| --- | --- |
| **Equity and Liabilities** | **Amount** |
| Share Capital | ? |
| Reserve And Surplus | 80,000 |
| Bank Overdraft | ? |
| Creditors | ? |
| **TOTAL** | **?** |
| **Assets** | **Amount** |
| Fixed Assets | ? |
| Stock | ? |
| Debtors | ? |
| Cash | ? |
| **TOTAL** | **?** |

* + - 1. Cash Balance is 10% of Total Current Assets
			2. Fixed Assets to Working Capital 3:1
			3. Current Ratio 2.5:1
			4. Quick Ratio 1.5:1
			5. Working Capital is Rs. 60,000
			6. Working Capital/Bank Overdraft is 6:1
1. From the following Balance sheets of Star Ltd,prepare a cash flow statement

|  |  |  |
| --- | --- | --- |
| **Equity and Liabilities** | **2020** | **2021** |
| Share Capital | 4,00,000 | 5,00,000 |
| General Reserve | 1,00,000 | 1,50,000 |
| P/L | 1,00,000 | 1,50,000 |
| Debentures | 2,00,000 | 2,00,000 |
| Provision for Depreciation | 1,50,000 | 2,00,000 |
| Provision for Tax | 40,000 | 50,000 |
| Creditors | 15,000 | 30,000 |
| **TOTAL** | **10,05,000** | **12,80,000** |
| **Assets** | **2020** | **2021** |
| Plant and Machinery | 5,15,000 | 7,00,000 |
| Preliminary expenses | 10,000 | 5,000 |
| Stock | 1,40,000 | 90,000 |
| Investments | 2,00,000 | 1,80,000 |
| Debtors | 1,20,000 | 2,00,000 |
| Goodwill | 10,000 | 5,000 |
| Cash | 10,000 | 1,00,000 |
| **TOTAL** | **10,05,000** | **12,80,000** |

Adjustments:

1.Taxes provided Rs.50,000

2.Investments are sold at a profit of 10,000.

3.Plant and Machinery costing Rs.50,000(Accumulated depreciation on it 40,000) is sold for 20,000.

1. a. A Ltd has been seeing a decline in their profits inspite of the fact that their sales are increasing.Draft a report to the higher management citing the reasons for this and validate it with facts. (10 Marks)

b. What are the functions of Management Reporting? (5 Marks)

**SECTION-D**

Answer the following Question (1x15=15 Marks)

1. From the following income statements of A and B Ltd,prepare a common size Income Statement and interpret the results.

|  |  |  |
| --- | --- | --- |
| Particulars | A Ltd | BLtd |
| Sales | 150% of Cost of good sold | 170% of cost of goods sold |
| Cost of goods sold | 25,000 | 30,000 |
| Operating Expenses | 5000 | 10,000 |
| Non operating expenses | 10% of Gross Profit | 10% of Gross Profit |
| Non operating Income | 2000 | 3000 |
| Tax  | 50% | 50% |