

END TERM EXAMINATION

THIRD SEMESTER [BBA/BBA(TTM)] DECEMBER-2010

Paper Code: BBA/BBA(TTM)209

Subject: Management Accounting

Paper Id-17207/50207

Time : 3 Hours

Maximum Marks : 75

Note: Attempt any five questions including Q.1 which is compulsory.

Q.1. Differentiate between:

- (a) Financial accounting and cost accounting
- (b) Marginal costing and absorption costing
- (c) Cash flow statement and funds flow statement

(15)

Q: 2. (a) "Everything has two aspects to it. Justify in case of a business with suitable illustrations. (8)

(b) "Cost control is the ultimate goal of any business." Comment (7)

Q: 3. S Ltd. is a power generation company. They expect an increase in demand by 35,000 units next year. They wish to ascertain the total cost at this level in order to devise suitable cost strategy.

Compute the total cost at 1, 90,000 units, identify the fixed and variable component and advise on the necessary budgeting technique.

Volume of production (in units)	1,00,000	1,50,000
Expenses (in Rs.)		
Indirect Material	2,24,000	3,00,000
Indirect Work Charges	1,40,000	1,70,000
Technical Staff	50,000	70,000
Repairs and Maintenance	78,000	98,000
Supervision	1,98,000	2,20,000
Traveler Expenses	40,000	40,000

Q.4. Following are the income statements of W Ltd. for 2008 and 2009 (15)

Profit and Loss Account

	2008	2009
Income	Rs.	Rs.
Sales	20,00,000	25,00,000
Dividend Income	60,000	35,000
Total Income	20,60,000	25,35,000
Expenditure		
Purchases	6,00,000	7,00,000
Manufacturing expense	3,00,000	4,00,000
Office expenses	2,50,000	2,10,000
Selling expenses	2,00,000	3,50,000
Depreciation	50,000	60,000
Interest paid	25,000	30,000
PBT	6,35,000	7,85,000
Provision for Tax	1,20,000	1,50,000
PAT	5,15,000	6,35,000
Proposed Dividend	50,000	60,000
Reserves and surplus	4,65,000	5,75,000

Additional information:

	2008	2009
Share capital	25,00,000	35,00,000
Secured Loans	8,00,000	10,00,000
Creditors	2,50,000	2,40,000
Inventory	10,00,000	11,00,000
Debtors	12,00,000	14,00,000

Comment upon:

- (i) profitability
- (ii) return generation
- (iii) liquidity

(15)

Q.5. From the following data of AB Ltd., calculate

- (a) P/ V Ratio
- (b) Break –even sales
- (c) Sales required to earn profit of Rs. 8,00,000

Fixed Expenses = Rs. 1,00,000

Variable Cost per unit:

Direct Material = Rs. 7
 Direct Labour = Rs. 2
 Direct Overheads = 100% of Direct Labour
 Selling price per unit = Rs. 15

(15)

Q.6. Comment upon:

- (a) Dupont Analysis
- (b) Utility of Cash Flow Statement
- (c) Budgetary control

(15)