

**C. ABDUL HAKEEM COLLEGE (AUTONOMOUS),
MELVISHARAM - 632 509.
SEMESTER EXAMINATIONS, NOVEMBER - 2018**

**B.B.A.,
SEMESTER III
U15MBA302 / U14MBA302 – MANAGEMENT ACCOUNTING - I**

Time: Three Hours

Maximum: 75 Marks

SECTION - A (10 X 2 = 20 Marks)

Answer **ALL** Questions.

1. What is Management Accounting?
2. What are the principle components of financial statements?
3. What is a Ratio?
4. What is liquidity ratio analysis?
5. What is turnover ratio?
6. What is profitability ratio?
7. Define fund flow statement.
8. What is a working capital?
9. What is current liability?
10. What is cash flow statement?

SECTION - B (5 X 5 = 25 Marks)

Answer **ALL** Questions.

11. a) Briefly explain the objectives of management accounting.
(Or)

- b) Calculate Gross profit Ratio:

	Rs.
Sales	10,00,000
Sales Return	1,00,000
Closing Stock	65,000
Opening Stock	2,00,000
Purchase	6,00,000
Purchase Return	1,50,000

12. a) Explain the limitations of ratio analysis.

(Or)

- b) M/s. Asoka Ltd. has submitted the following Balance Sheet as on 30th June 2017:

Particulars	Rs.	Particulars	Rs.
Equity capital	1,50,000	Fixed assets	1,62,000
Revenue reserves	30,000	Current assets:	
8% Debentures	20,000	Stock	22,000
Current liabilities:		Debtors	51,000
Sundry creditors	49,000	Bills receivable	2,000
		Bank	12,000
Total	2,49,000	Total	2,49,000

- Find the current ratio and quick ratio and comment on the financial condition of the company.

13. a) Discuss the important managerial uses of ratio analysis.

(Or)

b) From the following details, calculate Operating Ratio.

Particulars	Rs.
Sales	8,50,000
Opening stock	99,500
Purchases	5,50,500
Carriage Inwards	14,000
Closing Stock	1,54,000
Depreciation	20,000
Administrative Expenses	1,50,000
Selling Expenses	30,000
Loss on the Sale of Assets	4,000

14. a) Explain the sources of funds.

(Or)

b) Calculate funds from operations from the following profit and loss account.

Particulars	Rs.	Particulars	Rs.
To Expenses paid and outstanding	3,00,000	By Gross profit	4,50,000
To Depreciation	70,000	By Gain on sale of land	60,000
To loss on sale of machine	4,000		
To Discount	200		
To Goodwill	20,000		
To Profit	1,15,800		
Total	5,10,000	Total	5,10,000

15. a) Explain the procedure for the preparation of cash flow statement.

(Or)

b) After taking into account the undermentioned items, Jain Ltd made a Net profit of Rs 1,00,000 for the year ended 31st Dec.2017.

Particulars	Rs.
Loss on sale of machinery	10,000
Depreciation on building	4,000
Depreciation on machinery	5,000
Preliminary expenses written off	5,000
Provision for taxation	10,000
Goodwill written off	5,000
Gain on sale of buildings	8,000

Find out Cash From Operations.

SECTION - C (3 X 10 = 30 Marks)

Answer **ANY THREE** Questions.

16. Explain the various types of financial statement analysis.

17. Following is the Balance Sheet of Y Ltd.

Liabilities	Rs.	Assets	Rs
Equity Share capital	1,00,000	Cash in hand	2,000
6% Preference Share Capital	1,00,000	Cash at Bank	10,000
7% Debentures – 10 years	40,000	Bills Receivable	30,000
8% Public Debt – 5 years	20,000	Investment (Short – term)	20,000
Bank Overdraft	40,000	Debtors	70,000
Creditors	60,000	Stock	40,000
Outstanding Creditors	7,000	Furniture	30,000
Proposed Dividend	10,000	Machinery	1,00,000
Reserves	1,50,000	Land & Buildings	2,20,000
Provision for Taxation	20,000	Goodwill	35,000
Profit & Loss a/c	20,000	Preliminary expenses	10,000
Total	5,67,000	Total	5,67,000

During the year provision for taxation was Rs.20,000. Dividend proposed was Rs.10,000. Profit carried forward from the last year Rs. 15,000. You are required to Calculate (a) short-term solvency ratios and (b) long-term solvency ratios.

18. Calculate 1.Gross profit ratio, 2.Operating ratio, 3.Operating profit ratio, 4.

Net profit ratio:

	Rs.	Rs.
Sales	21,000	Income from investments
Sales returns	1,000	Administration expenses
Cost of sales	16,400	Selling expenses
Interest expenses		Depreciation
(non-operating)	100	

19. From the following balance sheet of XYZ Ltd, prepare funds flow statement and a schedule of changes in working capital.

Liabilities	2017 Rs.	2016 Rs.	Assets	2017 Rs.	2016 Rs.
Creditors	1,80,000	1,25,000	Cash	50,000	40,000
5% Debentures	1,00,000	2,00,000	Debtors	30,000	15,000
Share capital	2,00,000	1,00,000	Stock	1,00,000	80,000
Profit & Loss a/c	20,000	-	Short-term investments	1,20,000	50,000
			Fixed assets	2,00,000	2,00,000
			Profit & Loss a/c	-	40,000
Total	5,00,000	4,25,000	Total	5,00,000	4,25,000

Provision for depreciation on the last day of 2016 was Rs. 50,000. The same on the last day of 2017 was Rs. 60,000. During the year 2017, a machine costing Rs. 30,000 (depreciation Rs. 10,000) was sold for Rs. 16,000.

20. Following balance sheet of Balaji Ltd., is given as on 31.12.2016 and 31.12.2017.

Liabilities	2016	2017	Assets	2016	2017
Share capital	1,00,000	1,25,000	Building	1,00,000	95,000
General Reserve	25,000	30,000	Machinery	75,000	85,500
Profit & Loss A/c	15,250	15,300	Stock	50,000	37,000
Bank Loan	35,000	-	Debtor	40,000	31,100
Creditors	75,000	67,600	Cash	250	300
Provision for Tax	15,000	17,500	Bank	-	4,000
			Investment	-	2,500
Total	2,65,250	2,55,400	Total	2,65,250	2,55,400

Additional information:

1. Dividend of Rs.11,000 was paid.
2. Machinery was purchased for Rs.15,000.
3. Income Tax paid during the year Rs.16,500.

Prepare cash flow statement.
