



**B.B.A. IV Semester Degree Examination, Sept./Oct. - 2024**

**MANAGEMENT**

**DSC 10 : Management Accounting and Control Systems**

**(NEP)**

Time : 2 Hours

Maximum Marks : 60

**SECTION - A**

1. Answer the following sub-questions. Each sub-question carries **one** mark. **10x1=10**
- (a) What is Management Accounting ?
  - (b) State any two differences between Cost Accounting and Management Accounting.
  - (c) State any two uses of Ratio Analysis.
  - (d) What is long-term solvency ?
  - (e) What is Cash Flow Statement ?
  - (f) Give an example for cash equivalent.
  - (g) What is angle of incidence ?
  - (h) What is contribution ?
  - (i) What is budgetary control ?
  - (j) What is Master budget ?

**SECTION - B**

Answer **any four** of the following questions. Each question carries **five** marks.

**4x5=20**

- 2. State five differences between Financial Accounting and Management Accounting.
- 3. What are the limitations of Ratio Analysis ? Explain.



4. From the following Balance Sheet of Nandi Exports Ltd. as on 31-3-2024, Calculate
- Current Ratio
  - Liquid Ratio
  - Debt Equity Ratio

**Balance Sheet**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Equity share capital	1,50,000	Fixed Assets	2,60,000
Reserves	40,000	Stock	40,000
P & L A/C	60,000	Debtors	50,000
Debentures	80,000	Prepaid Expenses	30,000
Creditors	40,000	Cash	20,000
Outstanding Expenses	30,000		
	<b>4,00,000</b>		<b>4,00,000</b>

5. Find out the contribution, profit or loss and PV ratio from the following data.
- Sales = 100000 units  
Selling price = ₹ 60 P.U.  
Variable cost ratio = 70% of sales  
Fixed cost = ₹ 90,000
6. Classify the following transactions of XYZ Ltd., as Operating, Investing and Financing.

**Sl.No. Nature of Transactions**

- Issue of Equity Shares
- Purchase of Machineries
- Profit on Sales of Goods
- Royalty Received
- Dividend Paid
- Interest Paid
- Redemption of Debentures
- Purchase of Goodwill
- Sale of Shares in a Subsidiary Company
- Corporate Tax Paid



7. Prepare cash budget for three months from October 2024 to December 2024, from the following data.

Months (2024)	Sales (₹)	Purchases (₹)	Wages (₹)
August	1,80,000	1,24,000	12,000
September	1,92,000	1,44,000	14,000
October	1,08,000	2,43,000	11,000
November	1,74,000	2,46,000	10,000
December	1,26,000	2,68,000	15,000

**Additional information :**

- Estimated Cash Balance on 1<sup>st</sup> October 2024 is ₹ 25,000.
- Sales are on Cash Basis.
- Creditors are paid in the month following the purchases.
- Term loan instalments of ₹ 10,000 paid every month.

**SECTION - C**

Answer **any three** of the following questions. Each question carries **ten** marks.

**3x10=30**

- Discuss the scope of Management Accounting.
- Prepare Balance Sheet as on 31-3-2024, from the following data.
  - Annual sales = ₹ 4,50,000.
  - Sales to Share Capital = 3 times.
  - Current Liabilities to Share Capital = 30%.
  - Total debt to Share Capital = 70%.
  - Current ratio = 3 times.
  - Sales to stock = 6 times.
  - Average collection period is 40 days (Assume 360 days in a year)
  - Fixed Assets to Share Capital = 80%.



10. Prepare Cash Flow Statement by indirect method as per Ind AS-7, from the following statement of Assets and Liabilities.

<b>Particulars</b>	<b>Note</b>	<b>31-03-2023</b>	<b>31-03-2024</b>
<b>I. Equity and Liabilities</b>			
(1) Shareholder's Fund	1	1,40,000	1,48,000
(a) Share Capital	2	20,080	21,120
(b) Reserves and Surplus			
(2) Non Current Liabilities	3	24,000	12,000
(3) Current Liabilities			
(a) Trade Payables	4	20,720	23,680
	<b>Total</b>	<b>2,04,800</b>	<b>2,04,800</b>
<b>II. Assets</b>			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible	5	40,000	60,000
(ii) Intangible	6	20,000	10,000
(2) Current Assets			
(a) Inventories	7	98,400	85,400
(b) Trade Receivables	8	28,400	33,800
(c) Cash and Cash Equivalent	9	18,000	15,600
	<b>Total</b>	<b>2,04,800</b>	<b>2,04,800</b>



<b>Notes to Accounts</b>		<b>2023</b>	<b>2024</b>
Note 1	Share Capital	1,40,000	1,48,000
		<u>1,40,000</u>	<u>1,48,000</u>
Note 2	Reserves & Surplus		
	Profit & Loss A/C	20,080	21,120
Note 3	Long-term Borrowings		
	Debentures	24,000	12,000
Note 4	Trade Payables		
	Creditors	20,720	23,680
Note 5	Tangible Assets		
	Land	40,000	60,000
Note 6	Intangible Assets		
	Goodwill	20,000	10,000
Note 7	Inventories		
	Stock	98,400	85,400
Note 8	Trade Receivables		
	Debtors	28,400	33,800
Note 9	Cash & Cash Equivalents		
	Cash	18,000	15,600

**Additional information :**

- (a) Dividend paid ₹ 7,000 during the year 2024.  
 (b) Redemption of debentures ₹ 12,000.

11. XYZ Ltd. provided the following data for two years :

<b>Particulars</b>	<b>2023</b>	<b>2024</b>
(a) Sales (₹)	1,20,000	1,40,000
(b) Profit (₹)	8,000	13,000

Find out (a) PV ratio (b) BES (c) Desired sales to earn profit of ₹ 20,000 (d) Margin of safety for the year 2024.



12. The expenses budgeted for production of 10000 units in a factory are given below :

<b>Particulars</b>	<b>Cost P.U. (₹)</b>
Materials	70
Labour	20
Variable overheads	10
Fixed overheads (₹ 2,00,000) =	20
Selling Expenses (10% fixed) =	10

You are required to prepare a budget for the production of 6000 units and 8000 units, Indicating unit cost.

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