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SEAT No. :

PC1103

[Total No. of Pages : 3

[6316]-106

S.Y.B.B.A.

B - 305 : MANAGEMENT ACCOUNTING

(2019 Pattern) (Semester - III)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.

Q1) A) Multiple choice questions :

[5×1=5]

- a) The term contribution refers to...
  - i) The difference between selling price and fixed cost
  - ii) The difference between selling price and variable cost
  - iii) Profit
  - iv) None of these
- b) Profit volume ratio establishes the relationship between...
  - i) Contribution and profit
  - ii) Fixed cost and contribution
  - iii) Profit and sales
  - iv) Contribution and sales value
- c) The difference between budgeted amounts and actual results is called as
  - i) Standard deviation
  - ii) Variances
  - iii) Mean average
  - iv) Weighted average
- d) Which of the following are limitations of ratio analysis?
  - A) Ratio analysis may result in false results if variations in price levels are not considered.
  - B) Ratio analysis ignores qualitative factors
  - C) Ratio Analysis ignores quantitative factors
  - D) Ratio Analysis is historical analysis.
  - i) A, B and D
  - ii) A, C and D
  - iii) A, B and C
  - iv) A, B, C, D

P.T.O.

- e) The effective recovery of debtors is indicated by
- High debtors turnover ratio
  - Low debtors turnover ratio
  - High inventory turnover ratio
  - Low inventory turnover ratio

B) Write Short Notes (Any two): [2×5=10]

- Importance of Budget
- Limitations of ratio analysis
- Difference between Financial Accounting and Cost Accounting.
- Liquidity ratios

**Q2)** Define the term 'Management Accounting'. Explain importance of Management Accounting. [15]

OR

From the following statement for the year ending 31<sup>st</sup> March, 2024, you are required to calculate the following ratios: [15]

- Current Ratio
- Quick Ratio
- Debtors turnover ratio
- Stock Turnover Ratio
- Debt-Equity Ratio

**Balance Sheet**

As on 31<sup>st</sup> March, 2024

Liabilities	Rs.	Assets	Rs.
Share Capital	8,00,000	Land & Building	6,00,000
General Reserve	2,00,000	Plant & Machinery	4,00,000
Profit & Loss A/c	2,50,000	Stock	2,50,000
Debenture	4,00,000	Sundry Debtors	3,50,000
Sundry Creditors	3,00,000	Cash & Bank Balance	3,50,000
	19,50,000		19,50,000

Assume sales to be Rs. 8,00,000/- and 20% gross profit.

**Q3)** Consider following information

[10]

Sales Rs.4,00,000/-

Variable cost Rs.2,50,000/-

Fixed cost Rs.50,000/-

Calculate-

- a) PV ratio
- b) Break Even Point Sales value
- c) Profit when sales amounted to Rs. 4,50,000/-
- d) Sales to earn a profit of Rs. 80,000/-

**Q4)** Prepare Cash Budget for three months Jan, Feb, & March 2024 from the following information:

[10]

Months	Sales	Purchases	Wages	Expenses
November	60000	42000	5000	3500
December	65000	50000	6000	4000
January	40000	52000	4000	6000
February	58000	53000	5000	6000
March	44000	40000	4000	3000

Additional Information:

- a) On 1<sup>st</sup> January, 2024, cash in hand Rs. 25,000.
- b) 50% of the sales are on cash, balance realized in next month.
- c) Payment of purchases delayed by one month.
- d) Wages paid in next month.
- e) Rent is payable quarterly in advance, due in January Rs. 1,000.
- f) Tax due in March for Rs. 1,500.
- g) Expenses paid in same month as incurred.

OR

Define budget Explain different types of Budget.

[10]

