



NP – 399

IV Semester B.B.A. Examination July/August 2024  
(NEP Scheme)  
**BUSINESS ADMINISTRATION**  
Paper – 4.1 : Management Accounting

Time : 2½ Hours

Max. Marks : 60

**Instruction** : Answers should be written in **English** only.

SECTION – A

Answer **any six** of the following sub-questions. **Each** sub-question carries 2 marks. (6×2=12)

1. a) What is management accounting ?
- b) Define cash flow statement.
- c) Write any four sources of fund.
- d) Give any 2 current assets and 2 current liabilities.
- e) What do you mean by budgetary control ?
- f) Mention any 4 techniques or tools of financial analysis.
- g) When current ratio is 2.5, current asset is ₹ 1,00,000, find the value of current liability.
- h) What are the profitability ratios ? Name any 2.

SECTION – B

Answer **any three** of the following questions. **Each** question carries 4 marks. (3×4=12)

2. Write any 4 differences between management accounting and cost accounting.
3. From the following compute
  - a) Current ratio
  - b) Quick ratio.

Particulars	₹
Stock	1,00,000
Creditors	60,000

P.T.O.



Debtors	80,000
Bills payable	10,000
Cash in hand	40,000
Prepaid expenses	5,000
Bills receivables	45,000

4. From the following prepare a comparative income statement.

Particulars	As at 31-3-2022	As at 31-3-2023
Sales	21,50,000	25,00,000
Cost of goods sold	13,00,000	14,50,000
Operating expenses :		
Administrative expenses	2,10,000	1,80,000
Selling expenses	1,90,000	2,50,000
Non-operating expenses :		
Interest	1,40,000	1,20,000
Income tax	1,70,000	2,30,000

5. From the following Balance Sheet of Raj Ltd. you are required to prepare statement of changes in working capital.

Liabilities	31-3-2022	31-3-2023	Assets	31-3-2022	31-3-2023
Capital	80,000	85,000	Land and		
P and L A/c	14,500	24,500	Building	50,000	50,000
Creditors	9,000	5,000	Machinery	24,000	34,000
Mortgage	—	5,000	Stock	9,000	7,000
			Debtors	16,500	19,500
			Cash at Bank	4,000	9,000
	<b>1,03,500</b>	<b>1,19,500</b>		<b>1,03,500</b>	<b>1,19,500</b>



6. From the following calculate cash from operating activities.

<b>Particulars</b>	<b>31-3-2022</b>	<b>31-3-2023</b>
Debtors	50,000	47,000
Bills receivable	10,000	12,500
Creditors	20,000	25,000
Bills payable	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued income	600	750
Income received in advance	300	250
Profit during the year	–	1,30,000

**SECTION – C**

Answer **any three** of the following questions. **Each** question carries **12** marks. **(3×12=36)**

7. The following is the summarised Balance Sheet of Rani Ltd. for the year ending 31-3-2023 and 31-3-2024.

<b>Liabilities</b>	<b>31-3-2023</b>	<b>31-3-2024</b>	<b>Assets</b>	<b>31-3-2023</b>	<b>31-3-2024</b>
Share Capital	4,50,000	4,50,000	Fixed asset	4,00,000	3,20,000
General			Long term		
Reserve	3,00,000	3,10,000	Investment	50,000	60,000
P and L A/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for			Bank	1,49,000	1,97,000
Taxation	75,000	10,000			
Mortgage Loan	–	2,70,000			
	<b>10,49,000</b>	<b>12,42,000</b>		<b>10,49,000</b>	<b>12,42,000</b>

**Adjustments :**

- a) Investments costing ₹ 8,000 were sold during the year 2024 for ₹ 8,500.
- b) Provision for taxation made during the year ₹ 90,000.
- c) During the year part of the fixed assets costing ₹ 10,000 was sold for ₹ 12,000. The profit was included in P and L A/c.
- d) Dividend paid during the year amounted to ₹ 40,000.

Prepare Fund Flow Statement.

8. Calculate the following ratios from the given Balance Sheet :

- i) Current ratio
- ii) Quick or liquid ratio
- iii) Inventory ratio
- iv) Debtors turnover ratio
- v) Average collection period ratio
- vi) Proprietor's funds ratio
- vii) GP ratio
- viii) NP ratio.

<b>Liabilities</b>	₹	<b>Assets</b>	₹
Share Capital	2,00,000	Goodwill	1,20,000
Reserves and Surplus	58,000	Plant and Machinery	1,50,000
Debentures	1,00,000	Stock	80,000
Creditors	40,000	Debtors	45,000
Bills payable	20,000	Cash	17,000
Other current liabilities	2,000	Misc. current assets	8,000
	<b>4,20,000</b>		<b>4,20,000</b>

Sales (credit) for the year = ₹ 4,00,000

Gross profit = ₹ 1,60,000

Net profit = ₹ 80,000



9. From the following Balance Sheet of Sharada Ltd. prepare Cash Flow Statement as per AS-7.

<b>Liabilities</b>	<b>2023</b>	<b>2024</b>	<b>Assets</b>	<b>2023</b>	<b>2024</b>
Equity share			Land and		
Capital	13,00,000	15,00,000	Building	7,50,000	10,00,000
General			Plant and		
Reserve	2,00,000	2,50,000	Machinery	6,00,000	8,00,000
Bank Loan			Goodwill	30,000	20,000
(Long term)	3,00,000	2,00,000	Investments	1,35,000	1,00,000
P and L A/c	1,20,000	1,80,000	Cash and Bank	1,50,000	88,000
Creditors	1,00,000	1,60,000	Stock	3,30,000	2,30,000
Bills payable	80,000	60,000	Debtors	2,30,000	3,32,000
Provision			Preliminary		
for tax	45,000	60,000	expenses	20,000	15,000
Proposed					
Dividend	1,00,000	1,75,000			
	<b>22,45,000</b>	<b>25,85,000</b>		<b>22,45,000</b>	<b>25,85,000</b>

**Additional Information :**

- a) Depreciation written off during the year 31-3-2024 on Plant and Machinery ₹ 1,20,000.
- b) Equity shares were issued against the acquisition of another company. The assets consisted of land and building worth ₹ 1,50,000 and stock worth ₹ 50,000. No depreciation has been provided on land and building during the year.
- c) A dividend of ₹ 13,500 was received during the year.
- d) Provision for taxation and proposed dividend shall be treated as non-current liabilities.



10. The following is the Balance Sheet of Madhu Ltd. for the year ending 31-3-2023 and 31-3-2024. Prepare a comparative Balance Sheet of the company and study its financial position.

<b>Liabilities</b>	<b>2023</b>	<b>2024</b>	<b>Assets</b>	<b>2023</b>	<b>2024</b>
	(₹)	(₹)		(₹)	(₹)
Equity share			Fixed asset		
Capital	2,00,000	3,30,000	(-) Depreciation	2,40,000	3,50,000
Preference			Stock	40,000	50,000
Share capital	1,00,000	1,50,000	Debtors	1,00,000	1,25,000
Reserves	20,000	30,000	Bills receivable	20,000	60,000
P and L A/c	15,000	20,000	Prepaid expenses	10,000	12,000
Bank overdraft	50,000	50,000	Cash in hand	40,000	53,000
Creditors	40,000	50,000	Cash at Bank	10,000	30,000
Provision for					
Taxation	20,000	25,000			
Proposed					
Dividend	15,000	25,000			
	<b>4,60,000</b>	<b>6,80,000</b>		<b>4,60,000</b>	<b>6,80,000</b>

11. From the following prepare flexible budget for the overheads of Krishna Ltd. from the following data and ascertain the overhead rates based on direct labour hrs at 50%, 60% and 70% capacity.

**At 60% Capacity (₹)**

Variable overhead :

Indirect material	6,000
Indirect labour	18,000



Semi-variable overhead :

Electricity (40% fixed, 60% variable) 30,000

Repair (80% fixed, 20% variable) 3,000

Fixed overheads :

Depreciation 16,500

Insurance 4,500

Salaries 15,000

Estimated direct labour hours 1,86,000 hrs.

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