(Please write your Exam Roll No.) **Exam Roll No. ....**

END TERM EXAMINATION

THIRD SEMESTER [BBA] DECEMBER 2017

Paper Code: BBA-207 **BBA(B&I)-207** **BBA(TTM)-207**	**Subject: Management Accounting**

Time: 3 Hours **Maximum Marks: 75**

Note: Attempt any five questions. All questions carry equal marks.

Q1 Write short notes on the following:-

(a) Cash flow statements
(b) Horizontal analysis
(c) Responsibility Accounting
(d) Margin of safety
(e) Du-pont analysis

Q2 What is Management Accounting? Discuss its nature and scope. Explain the role of management accountant.

Q3 From the following details available, prepare balance sheet of Dimpy and Co. as on 31st March, 2013 and compute proprietary funds.

(a) Net worth turnover ratio (on cost of sales)= 2
(b) Fixed assets turnover ratio (on cost of sales)= 4
(c) Gross profits turnover ratio= 20%
(d) Creditors velocity= 73 days
(e) Debtors velocity= 2 months
(f) Stock velocity= 6

Reserves and surplus amount to Rs. 10,000. Closing stock was Rs. 5000 in excess of opening stock. Gross profit was Rs 60,000. You can make the necessary assumptions, where required.

Q4 What is Funds flow statement? How it is constructed?

Q5 A department of Tek India Company attains sales of Rs 6,00,000 at 80% of its normal capacity. Its expenses are given below:

	Rs.
Office salaries	90,000
General expenses	2% of sales
Depreciation	7,500
Rent and rates	8,750
Selling Cost:	
Salaries	8% of sales
expenses	2% of sales
Travelling expenses	
Sales expenses	1% of sales
General expenses	1% of sales
Distribution cost:	
Wages	15,000
Rent	1% of sales
Other expenses:	4% of sales

Draw up Flexible Administration, Selling and Distribution Costs Budget for Operating capacities of 90 percent, 100 percent and 110 percent of normal capacity.

P.T.O.

Q6 Two firms, X Ltd. and Y Ltd. sell identical products in the same market. Their budgeted profit and loss accounts for the year ending on 30th June, 2011 are as follows:

	X Ltd.		Y Ltd.	
Sales		4,00,000		4,00,000
Less: Variable Cost	3,20,000		2,80,000	
Fixed Cost	40,000	3,60,000	80,000	3,60,000
Net Profit		40,000		40,000

You are required to:

(a) Calculate the break-even point for each firm and

(b) State what shall be the likely effect on the profits of the firms in conditions of

(i) increasing demand for the products

(ii) falling demand for the products

(c) Calculate the sales volume at which each business will earn Rs. 50,000 profit.

Q7 The standard output of 'X' is 25 units per hour in a manufacturing department of a company employing 100 workers. The standard wage rate per labour hour is Rs 6. In a 42 hour week, the department produced 1,040 units of 'X' despite 5% of the time paid getting lost due to abnormal reason. The hourly rate actually paid were Rs 6.20, Rs 6 and Rs 5.70 respectively to 10, 30 and 60 workers. Compute relevant variances.

Q8 How marginal costing is different from absorption costing and direct costing? Discuss advantages of marginal costing.

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