

Bachelor in Business Administration (BBA) 3rd Sem.

BBA-307 MANAGEMENT ACCOUNTING

Time Allowed—3 Hours] [Maximum Marks—50

SECTION—A

1. Attempt any 10 short answer questions from the following 12 questions carrying 1 mark each. The length of answer to each question should be in up to five lines.

- (1) What do you mean by accounting for decision making?
- (2) What do you mean by common size balance sheet?
- (3) What do you mean by comparative income statement?
- (4) What do you mean by trend analysis ?
- (5) What do you mean by cost of goods sold ?
- (6) What do you mean by operating profit margin ?
- (7) What do you mean by permanent working capital ?
- (8) What do you mean by cash flow from operating activities ?
- (9) What do you mean by investment centre ?
- (10) What do you mean by core current assets ?
- (11) What do you mean by tactical reports ?
- (12) What do you mean by net operating cycle ?

Note :— Attempt any 2 questions carrying 10 marks each.
The length of answer to each question should be in up to 5 pages.

2. What are the different financial statements prepared in an organization ? Examine the limitations of financial statement.
3. Distinguish between management accounting and financial accounting. Explain the limitations of management accounting.
4. Distinguish between cash flow statements and fund flow statements. Explain their significance for the management.
5. You have been given the following balance sheet of XYZ Limited as on 31st March 2017 and the additional information :

Balance Sheet

Liabilities Rs.		Assets Rs.	
Share Capital	40,00,000	Goodwill	12,00,000
(Rs. 10 fully paid up shares)		Land and Building	60,00,000
General Reserves	44,00,000	Plant & Machinery	36,00,000
Capital Reserve	30,00,000	Investments	20,00,000
10% Debentures	20,00,000	Stocks	24,00,000
Sundry Creditors	20,00,000	Debtors	5,00,000
Provision for tax	4,00,000	Cash and Bank	3,00,000
Bills payable	2,00,000		
Total	1,60,00,000	Total	1,60,00,000

The stock and debtors of the company as on 1st April 2016 were Rs. 27,00,000 and Rs. 5,00,000 respectively; Sales of the company for the year ended on 31st March 2017 were Rs. 1,80,00,000 on which company earned a gross profit of Rs. 22,50,000. Compute the following ratios :

- (a) Working capital ratio
- (b) Acid test ratio
- (c) Stock turnover ratio
- (d) Average collection period
- (e) Debt equity ratio
- (f) Proprietary ratio
- (g) Fixed assets to net worth ratio
- (h) Fixed assets to long term funds ratio.

SECTION—C

6. What are the objectives of management reporting ? Explain the requirements of good report preparation.
7. What are the objectives of working capital management ? Examine the approach one should follow for working capital management.
8. What are the factors affecting the working capital of a firm ? What are the different sources for financing of working capital ?
9. What do you mean by transfer price ? What are the different types of transfer prices ? What are the requisites of a good transfer price ?