

Sixth Semester B.B.A. / B.B.M Degree Examinations
April / May 2019
(2013-14 Scheme)

BMF-410 : MANAGEMENT ACCOUNTING

Time : 3 Hours

Max. Marks : 80

PART - A

Answer any THREE questions. 5 marks each.

3x5=15

1. How is Management Accounting different from Financial Accounting ?
2. Explain any five limitation of Ratio analysis.
3. From the following calculate:

- a) Current assets b) Current liabilities
 c) Liquid assets

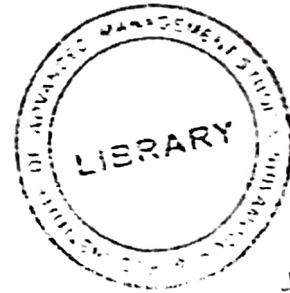
Current Ratio is 3.5:1

Liquid Ratio is 2.5:1

Working Capital is Rs.1,00,000

4. Calculate funds operation from the following data:

- | | | |
|----|-----------------------------|--------------|
| 1) | P & I. A/c | Rs. 1,40,000 |
| 2) | Depreciation | Rs. 40,000 |
| 3) | Loss on sale of Machinery | Rs. 2,000 |
| 4) | Goodwill written off | Rs. 5,000 |
| 5) | Patents written off | Rs. 1,000 |
| 6) | Discount on issue of shares | Rs. 2,500 |
| 7) | Profits on Sale of Building | Rs. 55,000 |



140,000
+ 50,500
190,500
55,000
1,35,500

5. Compute the trend percentage from the following data taking 2011 as the base year:

Year	2011	2012	2013	2014	2015	2016	2017
Sales Rs.	40,000	52,000	64,000	62,000	64,000	60,000	48,000
Stocks Rs.	4,000	5,000	6,000	5,600	5,400	5,800	5,200

PART - B

Answer any TWO questions. 10 marks each.

2x10=20

6. What do you understand by the Term budget and budgetary control ? State the objects of budgetary control.

7. The following information at 50% capacity is given, prepare flexible budget forecast the profit or loss at 60%, 70% and 90% capacity.

<u>Fixed Expenses</u>	<u>Expenses at 50% capacity</u>
	<u>Rs.</u>
Salaries	2,50,000
Rent and Taxes	1,40,000
Depreciation	2,60,000
Administration Expenses	1,70,000
<u>Variable Expenses</u>	
Materials	3,00,000
Labour	2,80,000
Other	60,000
<u>Semi Variable</u>	
Repairs	1,50,000
Indirect labour	2,20,000
Others	1,00,000

It is estimated that fixed expenses will remain constant at all capacities. Semi variable expenses will not change between 40% to 60% capacity will raise by 20% between 60 to 75%, a further increase of 10% when capacity cross 75%.

<u>Capacity</u>	<u>Sales (Rs.)</u>
60%	41,00,000
70%	43,00,000
90%	45,00,000

8. Distinguish between Cash flow Statement and Fund Flow statement.
9. From the following data, prepare the common size balance sheet of Amrutha Ltd.

	<u>As on 31.12.2016</u>	<u>As on 31.12.2017</u>
	<u>Rs.</u>	<u>Rs.</u>
Share capital	6,00,000	6,00,000
Reserves	1,50,000	3,00,000
Loans	50,000	2,00,000
Sundry Creditors	2,00,000	1,00,000
Buildings	4,00,000	6,00,000
Plant & Machinery	3,00,000	4,00,000
Stock	2,00,000	1,00,000
Sundry Debtors	80,000	60,000
Cash at Bank	20,000	40,000

PART - C

Answer any THREE questions. 15 marks each.

3x15=45

10. Define Management Accounting. Explain the advantages and Disadvantages of Management Accounting.
11. What do you mean by analysis and Interpretation of financial statement ? Explain the different types of financial statements analysis.
12. From the following balance sheet of Vani Ltd. prepare fund flow statement:

Capital Liabilities	31.12.2016	31.12.2017	Assets	31.12.2016	31.12.2017
	Rs.	Rs.		Rs.	Rs.
Share Capital	2,30,000	2,30,000	Machinery	52,000	70,000
Reserves	60,000	60,000	Land & Building	1,50,000	1,50,000
P & L A/c	16,000	23,000	Stock	82,000	1,60,000
Depreciation Fund	40,000	44,000	Prepaid Expenses	1,000	2,000
8% Debentures	90,000	70,000	Temporary Investment	1,10,000	74,000
O/S Expenses	13,000	12,000	Debtors	67,000	43,000
Sundry Creditors	1,03,000	96,000	Cash at Bank	90,000	90,000
	5,52,000	5,35,000		5,52,000	5,35,000

Additional Information:-

- 10% Dividend was paid in cash.
 - New Machinery for Rs.30,000 was purchased but old Machinery costing Rs.12,000 was sold for Rs.4,000, accumulated depreciation Rs.6,000.
 - Rs.20,000, 8% Debenture were redeemed by purchases from open market at 96 for a debenture of Rs.100.
 - Rs.36,000 Investment were sold at Book Value.
13. From the following P & L A/c and B/S of Manu Traders Ltd., for the year ended 31.12.2017. You are required to calculate
1. Gross Profit Ratio
 2. Net Profit Ratio
 3. Operating Ratio
 4. Operating Profit Ratio
 5. Stock Turnover Ratio

and rearrange P & L A/c in suitable form for analysis.

Deb	90,000
B/S Bal	90,000

Profit & Loss A/c

Particulars	Rs.	Particulars	Rs.
To Opening Stock	76,250	By Sales	5,00,000
" Purchases	3,22,250	" Closing Stock	98,500
" Gross Profit	2,00,000		
	5,98,500		5,98,500
To Selling and Distribution	22,000	By Gross profit b/d	2,00,000
Administration Expenses	98,000	" Dividend received	
Loss on sale of assets	2,000	on shares	9,000
Net Profit	90,000	" Profit on sale of shares	3,000
	2,12,000		2,12,000

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share Capital 2600			
Equity Share of Rs.100 each	2,60,000	Land & Buildings	1,50,000
Reserves	70,000	Plant & Machinery	80,000
P & L A/c	20,000	Stock	98,500
Current Liabilities	1,30,000	Debtors	61,500
		Bills receivable	60,000
		Bank	30,000
	4,80,000		4,80,000

14. XYZ Ltd. has three sales Division at Shimoga, Mangalore and Davangere. It also sells two products. Product-I and Product-II. The Budgeted Sales for the year ending 31.12.2016 at each place are given below:

Shimoga: Products-I 50,000 units at Rs.16 each.
Products-II 35,000 units at Rs.10 each.

Mangalore: Products-I 55,000 units at Rs.16 each.
Products-II 75,000 units at Rs.10 each.

Davangere: Products-I 75,000 units at Rs.16 each.

The Actual sales during the same period were.



April/May - 2019

From the following data calculate trend Percentage

Particulars	2014	2015	2016
Sales	60,000	80,000	1,00,000
Cost of goods sold	30,000	50,000	60,000
Selling Expenses	10,000	15,000	20,000
Administrative Exp	5,000	6,000	10,000
Financial Exp	3,000	4,000	2,000

May/June - 17 10M

Prepare compare Balance sheet of 'X' Ltd.

Particulars	2014	2015	Particulars	2014	2015
Equity Capital	200,000	2,00,000	Land	50,000	50,000
8% Preference Share	1,50,000	1,50,000	Buildings	1,50,000	1,35,000
Reserves	1,00,000	1,22,500	Plant	1,50,000	1,35,000
3% Debenture	50,000	75,000	Furniture	50,000	70,000
Bills Payable	25,000	37,500	Furniture	1,00,000	1,50,000
Creditors	75,000	1,00,000	Stock	1,50,000	2,20,000
Tax payable	50,000	75,000	Cash		
	650,000	7,60,000		6,50,000	7,60,000

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May - 2019



Calculation of Trend Percentage

Particulars	2014		2015		2016	
	Amt	Trend %	Amt	Trend %	Amt	Trend %
Sales	60,000	100.00	80,000	100.00 133.33	1,00,000	166.66
Less: cost of Goods Sold	30,000	100.00	50,000	166.66	60,000	200.00
Gross Profit →	30,000	100.00	30,000	100.00	40,000	133.33
Less: Operating Expenses						
Selling Expenses	10,000	100.00	15,000	150.00	20,000	200.00
Administrative Exp	5,000	100.00	6,000	120.00	10,000	200.00
Operating Profit →	15,000	100.00	29,000	193.33	30,000	200.00
Less: Non-Operating Exp						
Financial Exp	3,000	100.00	4,000	133.33	2,000	66.66
Gross Profit →	12,000	100.00	5,000	41.66	28,000	233.33

Q2) May/June - 2017

Comparative Balance Sheet of X Ltd

Particulars	Amt in 2014	Amt in 2015	Inc/Dec in Amt	Inc/Dec in %
<u>Liabilities:</u>				
i) <u>Share Holders Fund</u>				
Equity Capital	2,00,000	2,00,000	0	0
8% Preference Share	1,50,000	1,56,000	0	0
Reserves	1,00,000	1,22,500	22,500	22.5
Total Share Holders Fund	4,50,000	4,72,500	22,500	5.00

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Particulars	Amt in 2014	Amt in 2015	Inc/Dec in Amt	Inc/Dec in %
ii) Non-current Liab				
3% Debenture	50,000	75,000	25,000	50.00
Total Non-C.L	50,000	75,000	25,000	50.00
iii) Current Liability				
Bills Payable	25,000	37,500	12,500	50.00
Creditors	75,000	1,00,000	25,000	33.33
Tax Payable	50,000	75,000	25,000	50.00
Total C.L	1,50,000	2,12,500	62,500	41.66
Total Liab	6,50,000	7,60,000	1,10,000	16.92
i) Non-current Assets				
Land	50,000	50,000	0	0
Building	1,50,000	1,35,000	-15,000	10.00
Plant	1,50,000	1,35,000	-15,000	10.00
Furniture	50,000	70,000	20,000	0.4
Total Non-CA	4,00,000	3,90,000	-10,000	-2.5
ii) Current Assets				
Stock	1,00,000	1,50,000	50,000	50.00
Cash	1,50,000	2,20,000	70,000	46.66
Total C.A	2,50,000	3,70,000	1,20,000	48.00

K. S. Srilakshmi
Principal



April / May - 2014

① Calculation of Trend percentage :-

Particulars	2014	2015	2016	% in 2014	% in 2015	% in 2016
Sales	60,000	80,000	1,00,000	100	133.33	166.66
less- cost of goods sold	30,000	50,000	60,000	100	166.66	200
Gross profit →	30,000	30,000	40,000	100	100	133.33
less- operating expenses	15,000	21,000	30,000			
Selling expenses	10,000	15,000	20,000	100	150.00	200.00
Administrative expenses	5,000	6,000	10,000	100	120.00	200.00
Operating profit →	15,000	9,000	10,000	100	+60.00	+66.66
less- Non-operating expenses						
Financial expenses	3,000	4,000	2,000	100	133.33	+66.66
Net profit →	12,000	5,000	8,000	100	+41.66	66.66

May / June 2014

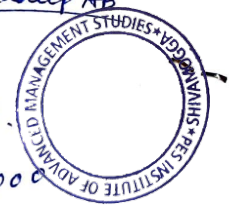
② Comparative balance sheet of X Ltd

Particulars	amt in 2014	amt in 2015	in/dee in amt	in /dee in %
<u>Liabilities</u>				
1) Share holder's fund :-				
Equity Capital	2,00,000	2,00,000	—	—
8% preference share	1,50,000	1,50,000	—	—
Reserves	1,00,000	1,22,500	22,500	22.5
Total share holder's fund	4,50,000	4,72,500	22,500	5.00
2) Non-current liability:-				
3% debentures	50,000	75,000	25,000	50.00
TOTAL Non-current liability →	50,000	75,000	25,000	50.00

Particulars	amt in 2014	amt in 2015	Ch/dec in amt	in/a R
3) <u>Current liability</u>				
bills payable	25,000	37,500	12,500	50.00
creditors	75,000	1,00,000	25,000	33.33
Tax payable	50,000	75,000	25,000	50.00
Total current liability →	1,50,000	2,12,500	62,500	41.66
Total liabilities	6,50,000	7,60,000	1,10,000	16.92
<u>Assets:</u>				
1) <u>Non-current Assets</u>				
Land	50,000	50,000	—	—
buildings	1,50,000	1,35,000	-15,000	-10.00
Plant	1,50,000	1,35,000	-15,000	-10.00
Furniture	50,000	70,000	20,000	40.00
Total Non-current Assets →	4,00,000	3,90,000	-10,000	-2.50
2) <u>current Assets :-</u>				
Stock	1,00,000	1,50,000	50,000	50.00
Cash	1,50,000	2,20,000	70,000	46.66
TOTAL (CA) →	2,50,000	3,70,000	1,20,000	48.00

K. Sailatha
Principal

Q From the following data calculate trend percentage.



Particulars	2014	2015	2016
Sales	60,000	80,000	1,00,000
Cost of goods sold	30,000	50,000	60,000
Selling expenses	10,000	15,000	20,000
Administrative expenses	5,000	8,000	10,000
Financial expenses	3,000	4,000	2,000

May/June 2014

Q Prepare comparative balance sheet of X Ltd

Particulars		2014	2015	Particulars		2014	2015
<u>Liabilities :-</u>				<u>Assets :-</u>			
Equity Capital (int)	2,00,000	2,00,000	Land	50,000	50,000		
8% preference shares (int)	1,50,000	1,50,000	buildings	1,50,000	1,35,000		
Reserves (int)	1,00,000	1,22,500	plant	1,50,000	1,35,000		
3% debenture	50,000	75,000	Furniture	50,000	70,000		
bills payable	25,000	37,500	Stock	1,00,000	1,50,000		
creditors	75,000	1,00,000	Cash	1,50,000	2,20,000		
Tax payable	50,000	75,000					
Total	6,50,000	7,60,000	TOTAL	6,50,000	7,60,000		

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