

Exam. Code : 105403

Subject Code : 1471

BBA Semester—III

MANAGEMENT ACCOUNTING

Paper—BBA-307

Time Allowed—3 Hours]

[Maximum Marks—50

SECTION—A

Note :— Attempt any **TEN** questions. Each question carries **1** mark. Answer to each question should not exceed **5** lines.

I. Write notes on the following :—

- (a) Financial Accounting.
- (b) Profit and Loss Account.
- (c) Cash Flow Statement
- (d) Trend Analysis.
- (e) Stock Turnover Ratio.
- (f) Economic Value Added.
- (g) Net Working Capital.
- (h) Cash Credit.
- (i) Current Assets.
- (j) Transfer Price.
- (k) Cost Centre.
- (l) Commercial Paper.

SECTION—B

Note :— Attempt any **TWO** questions. Each question carries **10** marks. Answer to each question should not exceed **5** pages.

- II. What do you understand by management accounting ? How does it differ from financial accounting ?
- III. What do you mean by analysis and interpretation of financial statements ? Discuss their utility and significance to the management and others who are interested in the business.
- IV. What are the important profitability ratios ? How are they worked out ? Explain and illustrate.
- V. The following is the Balance Sheet of New India Ltd. for the year ending Dec. 31, 1999 :

Liabilities	Rs.	Assets	Rs.
9% Preference Share		Goodwill	1,00,000
Capital	5,00,000	Land & Building	6,50,000
Equity Share Capital	10,00,000	Plant	8,00,000
8% Debenture	2,00,000	Furniture & Fixture	1,50,000
Long-term Loan	1,00,000	Bills Receivables	70,000
Bill Payable	60,000	Sundry Debtors	90,000
Sundry Creditors	70,000	Bank Balance	45,000
Bank Overdraft	30,000	Short-term Investments	25,000
Outstanding Expenses	5,000	Prepaid Expenses	5,000
		Stock	30,000
	19,65,000		19,65,000

From the balance sheet calculate :

- (a) Current Ratio
- (b) Acid Test Ratio
- (c) Absolute Liquid Ratio
- (d) Comment on these ratios.

SECTION—C

Note :— Attempt any **TWO** questions. Each question carries **10** marks. Answer to each question should not exceed **5** pages.

- VI. What do you understand by reporting to management ?
Explain the essential requirements of a good report.
- VII. Define the term working capital. Discuss the various sources of working capital fund.
- VIII. What do you mean by working capital management ?
Discuss the principles of working capital management.
- IX. What is responsibility accounting ? Explain essential features of responsibility accounting.

FOOTNOTE

Name of Book	Name of Author
1. Management Accounting	Shashi K. Gupta & R.K. Sharma
2. Management Accounting	Debarshi Bhattacharyya
3. Introduction to Management Accounting	Minaxi A. Rachch