

Exam. Code : 105403

Subject Code : 1479

B.B.A. 3rd Semester
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.

1. Write notes on the following :

- (a) Define Management Accounting
- (b) Profit and Loss Appropriation Account
- (c) Explain Operating Ratio
- (d) Comparative Balance Sheet
- (e) Cash flow statement
- (f) Responsibility Centers
- (g) Name three reports on Labour
- (h) Difference between Gross and Net Working Capital

- (i) Trend Analysis
- (j) Concept of Transfer Price
- (k) Name any three factors affecting WCM
- (l) Distinguish between management accounting and financial accounting.

SECTION—B

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

2. Explain in detail the meaning, scope and objectives of management accounting.
3. What is a fund flow statement? State why preparation of fund flow statement is necessary. How do you determine whether a particular change is in the nature of source or application of funds.
4. Define the term Comparative Income Statement and Comparative Position Statement. Prepare a Comparative Income Statement from the following information for the years ended March 31, 2012 and 2013 :

Particulars	2012	2013
Sales	3,00,000	4,00,000
Cost of goods sold	1,50,000	2,00,000
Administrative expenses	75,000	1,00,000
Selling and distribution expenses	20,000	25,000
Other incomes	30,000	40,000
Income tax	25,000	30,000

5. Pahul Ltd. Has drawn up the following profit and loss account for the year ended 31st March 2016 :

Particulars	Amount	Particulars	Amount
To opening stock	52,000	By sales	3,20,000
To purchases	1,60,000	By closing stock	76,000
To wages	48,000		
To manufacturing expenses	32,000		
To gross profit c/d	1,04,000		
	3,96,000		3,96,000
To selling & distribution expenses	8,000	By Gross profit b/d	1,04,000
To administrative expenses	45,600	By compensation for acquisition of land	9,600
To general expenses	2,400		
To cost of furniture lost by fire	1,600		
To interest on debentures	12,000		
To provision for taxation	16,000		
To net profit	28,000		
	1,13,600		1,13,600

You are required to find out the Gross Profit Ratio, Operating Profit Ratio, Net Profit Ratio and Operating Ratio.

SECTION—C

6. What do you understand by the term Management Reporting ? Explain the need of preparing the management reports along with the requirements of a good report preparation.
7. Explain in detail the concept of transfer price. What are the various types of transfer pricing methods used by the firm ? Discuss the suitability of all the methods.
8. Briefly differentiate Expense Centres, Profit Centres and Investment Centres. Identify the basic characteristics of each.

9. Vishal Ltd. wished to commence a new trading business and gives the following information :

1. The total estimated sales = Rs. 6,00,000
2. Expenses are estimated at fixed expenses of Rs. 1,000 p.m. plus variable expenses equal to 5% of turnover.
3. Sale price for each product will be 25% in excess of cost of purchase.
4. Turnover of stock will be 2 times in a year.
5. The sales and purchases will be evenly spread throughout the year. All sales will be for cash but 1 month credit for purchases is expected.

Calculate :

1. Estimated profit for the year
2. Statement for Working Capital Requirements.