

(A-2) Seat No: _____

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SARDAR PATEL UNIVERSITY

B.B.A.ISM IVth SEM

WEDNESDAY, 11TH MAY 2016.

10.30 A.M. TO 12.30 P.M.

MANAGEMENT ACCOUNT UM04EBBS03

MARKS: 60

Note: Figures to the right indicate full marks.

Q1A. What is Management Accounting? Explain the functions of management Accounting [07]

Q1B. Explain the Utility of Management Accounting in detail. [08]

OR

Q1A. Explain the Limitations of Management Accounting. [07]

Q1B. How Management accounting is differ from financial accounting ? Explain [08]

Q2A. What is Break Even Analysis? Draw Break Even Chart with its Assumptions and Utility. [08]

Q2B. Explain the following Terms used in Break Even Analysis for managerial decision making. [07]

1. Contribution
2. Fixed cost
3. P.V.Ratio
4. Margin of Safety
5. Angle of Incidence
6. Variable cost
7. Profit

OR

Q2 Nashik Ltd., has prepared the following budget estimates for the year 2015-16. [15]

Sales Units	15000
Fixed Expenses	34000
Sales Value	150000
Variable cost	Rs. 6 per unit

You are required to find out:

- A. P. V. ratio, Break even sales and Margin of safety.
- B. Calculate revised P. V. ratio, Break even sales and Margin of safety in the following cases
 - a. Decrease of 10% in selling price
 - b. Increase of 10% in variable cost.
 - c. Increase of sales volume by 2000 units

Q3A. Define Ratio Analysis with its Advantages in detail. [07]

Q3B. Explain the Limitations of Ratio Analysis. [08]

OR

Q3 The following figures relates to Poornima traders Ltd. For the year ended on 31st March, 2016 [15]

Trading and profit and Loss account for the year ended 31st March, 2016

Particular	Amount [Rs.]	Particular	Amount [Rs.]
To Opening stock	150000	By Sales	1000000
To Purchases	650000	Less: Returns	40000
To Gross profit	400000	By Closing Stock	200000

(P.T.O.)

Total	1200000		1200000
To Administrative Expenses	80000	By Gross Profit b/d	400000
To selling and distribution expenses	50000	By dividend income	18000
To loss on sale of Assets	10000	By profit on sale of shares	22000
To Net profit	300000		
Total	440000		440000

Balance-sheet on 31st March, 2016

Liabilities	Amount[Rs.]	Assets	Amount[Rs.]
Issued Capital:		Land and building	300000
4000 equity shares of Rs. 100 Each	400000	Plant and machinery	160000
Reserves	180000	Stock	320000
Current Liabilities	300000	Debtors	160000
Profit and Loss Account	120000	Cash at bank	60000
Total	1000000		1000000

- Calculate 1. Gross Profit Ratio 2. Operating Expense Ratio 3. Net Profit Ratio
4. Stock turnover Ratio 5. Fixed assets Turnover Ratio 6. Administrative Expense Ratio
7. Selling and distribution Expense Ratio 8. Current Ratio.

Q4. Explain the Advantages and Limitations of Budgetary Control in detail.

[15]

OR

Q4. Manoj Company wishes to arrange overdraft facilities with its bankers during the period from April to June 2015. Prepare a Cash Budget for the above period from the following data [15]

Indicating the extent of Bank facilities the company will require at the end of each month.

Month	Sales [Rs.]	Purchases [Rs.]	Wages [Rs.]	Manufacturing Exp.[Rs.]	Office Exp. [Rs.]	Selling Exp. [Rs.]
February	180000	124800	12000	3000	2000	2000
March	192000	144000	14000	4000	1000	4000
April	108000	243000	11000	3000	1500	2000
May	174000	246000	12000	4500	2000	5000
June	126000	268000	15000	5000	2500	4000
July	140000	280000	17000	5500	3000	4500
August	160000	300000	18000	6000	3000	5000

1. Cash on Hand on 1st April 2015 Rs. 25000.
2. 50% of Credit sales are realised in the month following the sales and the remaining 50% in the Second month following.
3. Creditors are paid in the month following the month of purchase.
4. Lag in payment of manufacturing expenses is half month.
5. Lag in payment of other expenses one month.

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