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Register Number:

DATE:

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BBA SF– V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2021**

(Examination conducted in January-March 2022)

BBA SF 5119 - Management Accounting

Time- 2 ½ hrs Max Marks-70

**This paper contains three printed pages and four parts**

**Section A**

I Answer any **five** of the following  **(5 X 2 = 10marks)**

1. What is a cash flow statement?
2. State any two requirements of a good report.
3. Mention two points of difference between management accounting and cost accounting.
4. Salaries paid Rs.4000. Will this transaction effect working capital?
5. What is EPS? How is it computed?
6. List any two tools of management accounting.

**Section B**

II Answer any **three** of the following **(3 x 5 = 15 marks)**

1. State with reasons whether the following transactions result in a flow of funds:

a. Creditors take over investments

b. B/P issued to creditors

c .Building Purchased for Cash

d. Preliminary Expenses written off

e. Machinery purchased by issue of equity shares

1. Prepare a comparative income statement of XY Ltd

|  |  |  |
| --- | --- | --- |
| Particulars | 2020 | 2021 |
| Turnover | 180000 | 240000 |
| Cost of goods sold | 85000 | 100000 |
| Selling expenses | 40000 | 50000 |
| Dividend received | 20000 | 25000 |
| Non – operating expenses | 30000 | 40000 |

1. Given Below is the balance sheet of WIX Co.

|  |  |
| --- | --- |
| Particulars | 2018 |
| ASSETS |   |
| Plant | 150000 |
| Investments | 250000 |
| Stock | 80000 |
| Cash  | 25000 |
|  TOTAL ASSETS | 505000 |
| EQUITY AND LIABILITIES |   |
| Share Capital | 280000 |
| Profit and Loss A/C | 80000 |
| ReserveDebentures | 7000040000 |
| Creditors | 35000 |
| TOTAL EQUITY AND LIABILITIES | 505000 |

Compute the following:

1. Current Ratio. (1 mark)
2. Debt Equity Ratio (1 mark)
3. If sales is Rs.4,00,000 and gross profit is 20% of sales, compute stock turnover ratio (3 marks)
4. From the information given below, calculate cash from financing activities
	1. Issue of equity share capital Rs.1,50,000
	2. Sale of machinery Rs.45,000
	3. Depreciation on machinery for the year Rs.5600
	4. Redemption of preference shares Rs.50,000
	5. Dividend received RS.4500
	6. Repayment of loan Rs. 25,000
	7. Issue of Debentures Rs.40,000

**Section C**

III Answer any **two** of the following **(2 x 15 = 30 marks)**

1. a) Enumerate the various functions of management accounting. (10 marks)

b) Write a short note on the nature of management accounting. (5marks)

1. The following are the summarised balance sheets of ABC Inc. Prepare a cash flow statement.

|  |  |  |
| --- | --- | --- |
| Particulars | 2020 | 2021 |
| Assets |  |  |
| Buildings | 4,00,000 | 3,80,000 |
| Machinery | 3,00,000 | 3,38,000 |
| Furniture | 5,000 | 10,000 |
| Stock | 1,90,000 | 1,48,000 |
| Sundry Debtors | 1,55,000 | 1,28,400 |
| Cash | 1000 | 1200 |
| Bank | 10000 | 16,000 |
| Total | **10,61,000** | **10,21,600** |
| Equity and Liabilities |  |  |
| Equity Share Capital | 4,00,000 | 5,00,000 |
| General Reserve | 1,00,000 | 1,20,000 |
| Profit and Loss A/C | 61,000 | 61,200 |
| Debentures | 1,40,000 | - |
| Sundry Creditors | 3,00,000 | 2,70,400 |
| Proposed dividend | 60,000 | 70000 |
| Total | **10,61,000** | **10,21,600** |

***Additional Information***

1. Dividend of Rs.16000 was paid
2. Buildings costing Rs.30000 (accumulated depreciation Rs. 20000) was sold for Rs.15000.
3. Depreciation on machinery Rs.24,000
4. Income tax paid during the year, Rs.22,000
5. The following data pertains to WoW Ltd.

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | 2017 | 2018 | 2019 |
| Net Profit | 360000 | 160000 | 150000 |
| Sales | 1800000 | 2400000 | 3000000 |
| Selling Expenses | 450000 | 630000 | 900000 |
| Financial Expenses | 90000 | 110000 | 150000 |
| Cost of Goods Sold | 900000 | 1500000 | 1800000 |

The company has noticed that their net profits have been declining in spite of in increasing sales. You are required to compute trend percentages taking 2017 as the base year and prepare a report for the Marketing Manager highlighting reasons for declining profits and possible solutions for the same.

**Section D**

IV **Answer the following (1 X 15 = 15 marks)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. Prepare a common size Balance Sheet of M Ltd and N Ltd and analyse their financial positions.

|  |  |  |
| --- | --- | --- |
| Assets | M Ltd  | N Ltd |
| Building | 18,00,000 | 36,00,000 |
| Machinery | 12,00,000 | 24,00,000 |
| Investments | 12,00,000 | 15,00,000 |
| Accounts Receivables | 3,00,000 | 12,00,000 |
| Cash at Bank | 1,50,000 | 4,50,000 |
| Stock | 13,50,000 | 19,50,000 |
|  | **60,00,000** | **1,11,00,000** |
| Equity and Liabilities |  |  |
| Equity Share Capital | 18,00,000 | 36,00,000 |
| 12% Preference Shares | 15,00,000 | 27,00,000 |
| Reserve Fund | 12,00,000 | 15,00,000 |
| Profit and Loss A/C | 6,00,000 | 9,00,000 |
| Long Term Loans | 6,00,000 | 15,00,000 |
| Creditors | 3,00,000 | 9,00,000 |
|  | **60,00,000** | **1,11,00,000** |

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