

Register No:

Date:

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

**BBA - V SEMESTER**

**END SEMESTER EXAMINATION: OCTOBER 2021**

**(Examination Conducted in January-March 2022)**

**BBA 5119 - Management Accounting**

**Time- 2 ½ hrs Max Marks-70**

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

**SECTION-A**

**I.Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)**

|  |  |
| --- | --- |
|  | Mention any two Solvency Ratio? |
|  | Define financial statement analysis. |
|  | If Inventory Turnover Ratio is 5 times and average stock at cost is Rs. 75000, find out cost of goods sold. |
|  | What is management reporting? |
|  | Give any t wo differences between funds flow statement and cash flow statement. |
|  | List any four examples of sources of funds. |

**SECTION- B**

**II.Answer any THREE of the following questions. Each question carries five marks.**

**(3x5=15)**

|  |  |
| --- | --- |
|  | Differentiate between Cost and Management accounting. |
|  | The following information of a company is given:  Current Ratio = 2.5:1 , Acid-test ratio = 1.5:1, Current liabilities = Rs.50000 Find out:   1. CurrentAssets 2. LiquidAssets 3. Inventory. |
|  | Explain the limitations of management accounting. |
|  | From the following balances, prepare a fund flow statement.   |  |  | | --- | --- | | Particulars | Amount | | Funds from operations | 50,000 | | Decrease in Working Capital | 10,000 | | Issue of preference shares | 20,000 | | Redemption of debentures | 18,000 | | Profit on sale of land | 6,000 | | Sale of Land | 56,000 | | Dividend Paid | 6000 | |

**SECTION –C**

**III. Answer any TWO of the following questions. Each question carries fifteen marks. (2x15=30)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 11. From the following information, prepare a comparative income statement of Java Ltd and interpret the results accordingly.   |  |  |  | | --- | --- | --- | |  | **2019** | **2020** | | Sales | 120% of cost of goods sold | 150% of cost of goods sold | | Cost of goods sold | Rs.2000000 | Rs.2500000 | | Indirect expenses | 10% of gross profit | 10% of gross profit | | Rate of income tax | 50% of net profit before tax | 50% of net profit before tax | |
|  | 12. a) The following are the ratios of Excel Ltd:   |  |  | | --- | --- | | Debtors velocity | 3 months | | Creditors velocity | 2 months | | Stock velocity | 8months | | Gross profit ratio | 25% |   Gross profit for the year ended 31st March 2020 amounted to Rs. 4,00,000.  Closing stock of the year is Rs.10000 more than opening stock.  Bills receivable amounted to Rs.25000 and bills payable are Rs.10000.  Assume all sales and purchases are on credit basis.  Calculate:  (i) Sales (2marks)  (ii) Sundry Debtors (2marks)  (iii) Closing Stock (4 marks)  (iv) Sundry Creditors (2marks)  b) Write a short note on liquidity ratios. (5 marks) |
|  | 13. Explain the Importance and principles of good reporting system within the company.(5m + 10 m) |
|  |  |

**SECTION –D**

**IV. Answer the following compulsory question. The question carries fifteen marks.**

**(1x15=15)**

1. The following details are available from a company.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **31-12-2020** | **31-12-2021** |  | **31-12-2020** | **31-12-2021** |
|  | Rs. | Rs. |  | Rs. | Rs. |
| Share Capital | 70,000 | 74,000 | Cash | 9,000 | 7,800 |
| Debentures | 12,000 | 6,000 | Debtors | 14,900 | 17,700 |
| Provision for doubtful debts | 700 | 800 | Stock | 49,200 | 42,700 |
| Trade Creditors | 10,360 | 11,840 | Land | 20,000 | 30,000 |
| P/LA/c | 10,040 | 10560 | Goodwill | 10,000 | 5,000 |
|  | **103100** | **103200** |  | **103100** | **103200** |

## In addition, you are given:

1. Dividend paid is Rs. 3,500.
2. Land was purchased for Rs.10,000.
3. Amount provided for an amortization of goodwill - Rs.5,000.
4. Debentures redeemed Rs.6, 000.

Prepare Cash Flow Statement.