

Seat No.: \_\_\_\_\_

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**SARDAR PATEL UNIVERSITY**  
**S.Y.B.B.A (ISM) (IV<sup>th</sup> SEMESTER)**  
**SATURDAY, 20<sup>TH</sup> APRIL**  
**2019**  
**10.00 AM TO 12.00 PM**  
**MANAGEMENT ACCOUNT (UM04CBBS08)**

**TOTAL MARKS: 60**

- Q-1 (A) What is Management Accounting? Explain its Functions in detail. 08  
(B) Write down short note on Management Reporting. 07

**OR**

- Q-1 (A) How does Management Accounting differ from Financial Accounting? 08  
(B) Explain the Limitations of Management Accounting. 07

- Q-2 (A) Write note on Assumptions underlying the concept of Breakeven Analysis with Chart. 07  
(B) The following particulars have been extracted from the books of Minal Ltd. 08

<u>YEAR</u>	<u>TOTAL SALES (Rs.)</u>	<u>TOTAL COST (Rs.)</u>
2009	500000	400000
2010	1000000	700000

Calculate:

- i) P. V. Ratio.
- ii) Variable Cost of both the year.
- iii) Total Fixed Cost.
- iv) Breakeven Point.
- v) Margin of Safety of both the year.
- vi) Required Sales to earn Profit Rs. 500000.

**OR**

- Q-2 (A) Information of M ltd. is as under: 08  
Fixed Cost Rs.80000  
Breakeven Point Rs.200000

Calculate:

- i) P.V. Ratio.
  - ii) Profit at Sales of Rs.400000.
  - iii) New BEP when sales price reduced by 20%.
  - iv) Sales at the Loss of Rs.20000.
- (B) What do you understand by Cost Volume Profit Analysis? Discuss its Objective. 07

(1)

(PTO)

Q-3 What is meaning of Ratio Analysis? And also discuss its Advantages and Limitations in detail. 15

OR

Q-3 Following is the summarized Balance Sheet of Priyanka Ltd. as on 31/3/2015. 15

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	500000	Fixed Assets	960000
10% Pref. Share	200000	Stock	225000
General Reserve	225000	Debtors	175000
12% Debentures	300000	Bills Receivable	50000
Bank Overdraft	50000	Cash Balance	90000
Creditors	200000	P&L A/c	25000
Bills Payable	50000		
	1525000		1525000

Additional Information:

- 1) Total Sales (Cash Sales are 1/5<sup>th</sup> of Credit Sales) Rs. 1800000
- 2) Cost of Goods Sold Rs. 1080000
- 3) Net Profit (before Int. & Tax, Tax Rate is 50%) Rs. 486000
- 4) Stock on 1/4/2014 Rs. 207000

From the above information calculate accounting ratios for the year.

- 1) Current Ratio
- 2) Liquid Ratio
- 3) Debtor's Ratio
- 4) Stock Turnover Ratio
- 5) Net Profit Ratio
- 6) Gross Profit Ratio

Q-4 (A) You are require to prepare Flexible Budget at 60%, 70%, 90% and 100% level of activity showing the Cost Per Unit and Total Expense at all level. 5000 Units can be produced at 100% activity. 08

Particulars	60 % (Rs.)	100 % (Rs.)
Raw Material	18000	30000
Wages	12000	20000
Direct Exp.	6000	10000
Variable Exp.	9000	15000
Repairs and Maintenance	13000	19000
Coal and Gas	7500	11500
Rent	24000	24000
Depreciation	20000	20000
Insurance	12000	12000
Admin. O/H.	20000	28000
Selling O/H.	12000	16000
Lighting Exp.	15000	23000

(B) Explain Advantages and Limitations of Budgetary Control.

07

OR

Q-4 Draw out the Cash Budget of X Ltd. for April to June 2010 from the following information. 15

Cash and Bank Balance on 1/4/2010 Rs.40000

Sales: Actual and Budgeted

<u>Month</u>	<u>Actual</u>	<u>Month</u>	<u>Budgeted</u>
January	140000	April	140000
February	150000	May	160000
March	130000	June	130000

Purchase: Actual and Budgeted

<u>Month</u>	<u>Actual</u>	<u>Month</u>	<u>Budgeted</u>
January	70000	April	70000
February	80000	May	90000
March	70000	June	70000

Wages and Other Expenses:

<u>Month</u>	<u>Wages</u>	<u>Other expenses</u>
Feb	22000	10000
March	16000	12000
April	20000	12000
May	25000	14000
June	16000	14000

1. Machineries to be purchased worth Rs.50000 in April 2010.
2. Income tax to be paid Rs.40000 in May 2010.
3. Rent Rs.700 payable each month is not included in other expenses.
4. 80% purchases and sales are on credit terms.

<u>Time Lag:</u>	Credit sales	2 Month
	Credit Purchase	1 Month
	Wages	1/2 Month
	Other Expenses	1/4 Month

(3)

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