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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION: MAY- 2024

SEMESTER - IV

Sub.: Management Accounting (BBA22-411)

Date : 15/05/2024

Total Marks : 60

Time: 2.00 pm to 4.30pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. is the difference between actual sales and BEP sales.

a) Margin of Safety	b) Fixed Cost
c) Loss	d) Profit
2. cost are fixed up to certain limit and then after variable in nature.

a) Semi Variable	b) Variable
c) Fixed	d) Past
3. Standards are the norms set up, to be used for.....

a) Comparison	b) Communication
c) Conversion	d) Curiosity
4. ratios indicate the efficiency with which the capital employed in the business is rotated in the business.

a) Turnover	b) Liquidity
c) Profitability	d) None of the given
5. The marginal costing technique is useful in making the following decisions for the management

a) The decision to make or buy	b) to determine the price of the product
c) To accept fresh orders at a low price	d) All of the given

Q. 2. State True / False (05)

- The application of financial and non-financial data to support managers in making well-informed business choices and efficiently allocating organizational resources is known as management accounting.
1.

a) True	b) False
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 2. Marginal cost analysis helps managers make optimal decisions regarding production levels.

a) True	b) False
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 3. Liquidity ratios assess a company's ability to meet its short-term obligations.

a) True	b) False
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 4. Ideal standards are like setting the highest possible goals, efficiency and effectiveness anyone could imagine.

a) True	b) False
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 5. Rolling budgets continuously update and extend the budget period as time progresses.

a) True	b) False
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Q. 3. Write Short notes on (Any Three) (15)

1. Scope of Management Accounting
2. Terms in Marginal costing
3. Classification of Ratios
4. Budgetary Control and its use as Management Tool
5. Cost Standards

Q. 4. Answer in detail (Any Two)**(20)**

1. Sales (1,00,000 Units) ₹ 1,00,000 , Marginal Cost ₹ 60,000 , Fixed Cost ₹ 30,000

From the given information calculate

- I. Contribution
 - II. P/V Ratio
 - III. BEP (sales in rupees)
 - IV. Sales to earn profit of ₹ 15,000
 - V. Profit when sales amounted to ₹ 40,000
2. Gayatri Ltd. Manufactures cotton dress materials in Surat. The company provided following cost data.

Material	Standard		Actual	
	Quantity in Kg	Price per Kg ₹	Quantity in Kg	Price per Kg ₹
X	40	10	20	35
Y	20	20	10	20
Z	20	40	30	30

Calculate

- I. Material Cost Variance
 - II. Material Price Variance
 - III. Material Usage Variance
3. The following are Trading and Profit and Loss Account of Ovi Ltd. for the year ended on 31-3-2024

Particulars	₹	Particulars	₹
To Opening stock	50,000	By Sales	5,00,000
To purchases	3,00,000	By Closing stock	80,000
To Carriage inward	10,000		
To Wages	20,000		
To Gross profit c/f	2,00,000		
	5,80,000		5,80,000
To Administrative exp.	1,00,000	By Gross profit b/d	2,00,000
To Selling Exp.	20,000	By interest on securities	10,000
To Non operating exp.	10,000	By Dividend on shares	15,000
To financial exp.	15,000	By Profit on sale of shares	20,000
To Net profit c/d	1,00,000		
	2,45,000		2,45,000

Calculate: Gross profit ratio, Expense ratio, operating ratio, net operating profit ratio & net profit ratio.

4. Describe relationship of Management Accounting with other branches of Accounting and other disciplines of studies.

Q. 5. Case study**(15)**

The statement given below gives the flexible budget at 60% capacity of Finolex Cables Ltd., Mumbai.

Particulars	60% Capacity
Prime Cost Materials	₹ 1,60,000
Depreciation-Fixed	₹ 60,000
Productive wages	₹ 40,000
Rent-Fixed	₹ 12,000
Indirect materials	₹ 48,000
Insurance of machinery-Fixed	₹ 12,000
Indirect Labours	₹ 40,000
Electric Power (40% Fixed)	₹ 8,000
Repairs and maintenance (60% Fixed)	₹ 20,000

Questions

- 1) What will be sales price is company plans 30% profit on cost?
 - 2) Prepare a tabulated statement giving the budget figures at 75% capacity.
 - 3) Prepare a tabulated statement giving the budget figures at 90% capacity. Make your own classification of expenses between fixed, variable and semi - variable expenses.
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