



**KA-3555**

**Second Year B. B. A. (Sem. III) (CBCS) Examination**  
**October/November – 2012**  
**Management Accounting**

Time : Hours]

[Total Marks : 70

**Instructions :**

(1)

नीचे दृष्टावित निशानीवाणी विगतो उत्तरवडी पर अवश्य लभवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="text" value="S. Y. B. B. A. (Sem. 3) (CBCS)"/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="Management Accounting"/>	<input type="text"/>
Subject Code No. : <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/>	<input type="text"/>
Section No. (1, 2,.....) : <input type="text" value="NIL"/>	
Student's Signature	

- (2) All questions carry equal marks.
- (3) Show all calculations where applicable.
- (4) Use of calculators is permissible.

- 1 Do as directed : 14
  - (i) The C.R. is 2:1, which of the following transaction 2  
would improve the ratio, reduce the ratio or not alter  
the ratio ?
    - (a) Pay a current liability
    - (b) Issue of Bonus shares
    - (c) Purchase of fixed assets
    - (d) Purchase of stock for cash
  - (ii) Briefly explain comparative financial statement analysis. 3
  - (iii) What is Mgt. accounting ? State its objectives. 3
  - (iv) Is depreciation a source of fund ? Explain. 3
  - (v) State utility of profitability ratios. 3
- 2 Discuss the computation and significance of the following 14  
ratios :
  - (i) Current Ratio
  - (ii) Quick Ratio

- (iii) EPS
- (iv) ROCE
- (v) Debt-Equity Ratio
- (vi) Debtors' Ratio
- (vii) Stock turnover ratio

**OR**

2 Following are the details of Malhotra Ltd. for the year 14  
ended on 31<sup>st</sup> March 2011 and 31<sup>st</sup> March, 2012 and a  
Balance Sheet as at that date. Calculate :

- (i) Current Ratio
- (ii) Debtor's Ratio (turnover)
- (iii) Creditors' Ratio
- (iv) ROCE
- (v) Debt-Equity Ratio
- (vi) Stock turnover Ratio
- (vii) G.P. Ratio

<i>Liabilities</i>	<i>31/3/2011</i>	<i>31/3/2012</i>	<i>Assets</i>	<i>31/3/2011</i>	<i>31/3/2012</i>
Equity Share Capital	2,00,000	4,00,000	Machinery	2,80,000	4,60,000
General Reserves	15,000	25,000	Stock	90,000	1,10,000
P&L Account	8,000	40,000	Debtors	25,000	80,000
Debentures	90,000	90,000	Bills Rece.	5,000	75,000
Secured Loans	10,000	10,000	Prepaid expenses	30,000	14,000
Creditors	1,46,000	1,76,000	Prel. expenses	3,000	5,000
Prop. dividend	10,000	20,000			
Prov. for tax	4,000	4,000			
	<b>4,83,000</b>	<b>7,65,000</b>		<b>4,83,000</b>	<b>7,65,000</b>

**Additional Information :**

- (i) **Particulars**

	<b>2011</b>	<b>2012</b>
Purchases	1,70,000	3,10,000
Purchase expenses	10,000	25,000
Office expenses	40,000	45,000
Sales and distribution expenses	32,000	40,000
Sales (credit sales are 3 times cash sales)	2,40,000	4,20,000
- (ii) The book-value of stock as on 31<sup>st</sup> March 2010 was Rs. 80,000 while its market value was Rs. 70,000.

- 3 From the following Balance Sheets of Sunidhi Ltd. as on 14 31<sup>st</sup> December, 2010 and 31<sup>st</sup> December, 2011 prepare fund flow statement.

<i>Liabilities</i>	<i>31/12/2010</i>	<i>31/12/2011</i>	<i>Assets</i>	<i>2010</i>	<i>31/12/2011</i>
Share Capital	14,00,000	17,40,000	Plant	6,00,000	6,80,000
Reserves	6,00,000	7,80,000	Building	8,00,000	6,40,000
Debentures	8,80,000	8,80,000	Land	1,60,000	1,60,000
Depreciation Prov.	2,00,000	1,12,000	Patents	40,000	36,000
Creditors	10,00,000	10,30,000	Stock	6,00,000	6,88,000
Bills Payable	2,00,000	2,50,000	Debtors	4,00,000	7,40,000
			Cash	16,00,000	17,76,000
			Deb. discount	80,000	72,000
	<b>42,80,000</b>	<b>47,92,000</b>		<b>42,80,000</b>	<b>47,92,000</b>

***Additional Information :***

- (i) Net profit for the year amounted to Rs. 4,00,000.
- (ii) Dividend paid during the year was Rs. 80,000
- (iii) Building was sold for Rs. 56,000, cost and book value being Rs. 1,60,000 and Rs. 40,000 respectively.
- (iv) Depreciation charged during the year was Rs. 32,000
- (v) The company issued equity shares of Rs. 2,00,000 and bonus shares for Rs. 1,40,000

**OR**

- 3 Discuss the procedure for preparation of Fund Flow Statement. 14
- 4 What are the different methods used for analysis and interpretation of financial statements ? Explain. 14

**OR**

- 4 (a) From the following data relating to the asset side 7  
of the Balance Sheet of Sai Ltd. for the period 31/12/2008 to 31/12/2011 you are required to calculate trend percentages using 2008 as base year and comment on the same :

<i>Assets</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Cash	10,000	12,000	8,000	14,000
Debtors	20,000	25,000	32,500	40,000
Stock in trade	30,000	40,000	35,000	50,000
Fixed Assets	2,20,000	2,50,000	2,90,000	3,50,000

(b) Explain comparative financial statements with imaginary figures : 7

- 5 Write short notes : (any two) 14
- (i) Utility of Ratio Analysis
  - (ii) Horizontal and vertical analysis of financial statement
  - (iii) Proforma of Fund Flow Statement
  - (iv) Difference between Financial Accounting and Management Accounting
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