



DCBB401

IV Semester B.B.A. Degree Examination, June/July - 2025
(NEP Scheme Freshers and Repeaters)
BUSINESS ADMINISTRATION
Management Accounting
Paper : 4.1

Time : 2½ Hours

Maximum Marks : 60

Instructions :

Answers should be written completely in English.

SECTION - A

Answer any Five sub-questions. Each sub-question carries 2 marks. (5×2=10)

1. a. What do you mean by Break-Even Point?
- b. Give the meaning of Margin of Safety.
- c. Give the meaning of Liquidity Ratio.
- d. State any two objectives of Management Accounting.
- e. Current ratio is 3.75:1. Working Capital is Rs. 3,57,000. Calculate the amount of current assets and current liabilities.
- f. What is Master Budget?
- g. Give four examples of cash flow from operating activities.



[P.T.O.]



SECTION - B

Answer any Three questions. Each question carries 4 marks.

(3×4=12)

2. Calculate cash from operations from the following information:

Particulars	31.3.2024 (Rs.)	31.3.2025 (Rs.)
Stock	60,000	50,000
Debtors	25,000	23,000
Creditors	32,000	28,000
Outstanding expenses	3,500	4,500
Bills payable	35,000	22,000
Profit and Loss Account	80,000	90,000

3. Prepare a cash budget from the following for the period April to June 2025 from the following information.

Month	Credit Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

50% of the credit sales are realized in the month following the sales and the remaining 50% in the second month following. Creditors are paid in the month following the month of purchases, wages are paid in the same month, cash in hand was Rs. 25,000 on April 1, 2025.





4. Selling price Rs. 150 per unit: Variable cost Rs. 90 per unit: Fixed cost Rs. 6,00,000 (total).
- a) What is the break-even point?
- b) What is the selling price per unit if break-even point is 12,000 units?
5. If Opening Stock Rs. 29,000, Purchases Rs. 2,42,000, Sales Rs. 3,20,000 and Gross Profit is 25% of sales. Find out stock turnover ratio.
6. Explain the relationship between Management Accounting and Financial Accounting.

SECTION - C

Answer any Three questions. Each question carries 10 marks. (3×10=30)

7. The expenses budgeted for production of 10,000 units in a factory are furnished below:

Material	Rs. 70 per unit
Labour	Rs. 25 per unit
Variable overheads	Rs. 20 per unit
Fixed overheads (Rs. 1,00,000)	Rs. 10 per unit
Variable expenses (direct)	Rs. 5 per unit
Selling expenses (10% fixed)	Rs. 13 per unit
Distribution expenses (20% fixed)	Rs. 7 per unit
Administration expenses (fixed Rs. 50,000)	Rs. 5 per unit

Total = Rs. 155

Prepare a Flexible Budget for the production of (a) 8,000 units and (b) 6,000 units.



[P.T.O.]



8. Calculate Margin of Safety in each of the following independent situations:

- Break even point 40%, Actual Sales Rs. 40,000
- Actual Sales - 40,000 units, BEP 25,000 units
- BEP - 75%
- P/V ratio 40%, profit Rs. 35,000
- Contribution per unit Rs. 20, profit Rs. 15,000.

9. Following are the Balance Sheet of Ujwal Ltd., as on 31.3.2024 and 31.3.2025.

Liabilities	31.3.2024 (Rs.)	31.3.2025 (Rs.)	Assets	31.3.2024 (Rs.)	31.3.2025 (Rs.)
Share Capital	6,84,000	9,00,000	Goodwill	2,30,000	1,80,000
Preference share capital	3,00,000	2,00,000	Land & Building	4,00,000	3,40,000
General Reserve	80,000	1,40,000	Plant	1,60,000	4,00,000
Profit & Loss A/c	60,000	96,000	Stock	1,54,000	2,18,000
Creditors	1,10,000	1,66,000	Debtors	3,20,000	4,00,000
Bills payable	40,000	32,000	Bills		
Provision for taxation	80,000	1,00,000	Receivable	40,000	60,000
	13,54,000	16,34,000	Cash	50,000	36,000
				13,54,000	16,34,000

Additional Information:

- Dividend paid Rs. 40,000.
- Depreciation for the year ended 31.3.2025 Land and Building Rs. 40,000 and Plant Rs. 20,000.
- Provision for taxation made during the year 2025 is Rs. 90,000.

Prepare Cash Flow Statement from the above information.





10. Following is the Balance Sheet of Dhanu Prakash Co. Ltd., as on 31.3.2024.

Liabilities	Rs.	Assets	Rs.
Equity share capital	10,00,000	Land	18,00,000
Preference share capital	8,00,000	Plant	16,00,000
Reserves and Surplus	8,00,000	Stock	6,00,000
Debentures	12,00,000	Debtors	4,00,000
Current liabilities	8,00,000	Bank	1,80,000
		Prepaid Expenses	20,000
	46,00,000		46,00,000

Additional Information:

Sales during the year Rs. 16,00,000, cost of goods sold Rs. 12,00,000, Administrative expenses Rs. 2,24,000, Commission and discount earned Rs. 24,000, Loss on sale of Machinery Rs. 68,000, Profit on sale of Building Rs. 1,08,000.

You are required to calculate:

- Current ratio.
- Stock turnover ratio.
- Operating cost ratio.
- Net Profit ratio.
- Debt-equity ratio.



11. Briefly explain the merits and demerits of Management Accounting.

[P.T.O.]



SECTION - D

Answer any One question, Each question carries 8 marks.

(1×8=8)

12. a. The following information is given about "P" Ltd. for the year ending 31.3.2025.

Stock turnover ratio = 4 times

Gross profit ratio = 25% on sales

Sales = Rs. 5,00,000

Closing stock is Rs. 17,500 more than the opening stock.

Calculate Opening Stock and Closing Stock.

(OR)

- b. From the following you are required to find out cash generated from operations of Bhoomika Ltd. The Company had profit of Rs. 3,50,000 for the year ended 31.3.2025 after considering the following:

- Depreciation on building for the year Rs. 26,000
- Depreciation on plant for the year Rs. 8,000
- Goodwill written off Rs. 6,000
- Loss on sale of Machinery Rs. 2,000

The current assets and current liabilities position is:





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Particulars	31.2.2024 (Rs.)	31.3.2025 (Rs.)
Stock	1,40,000	1,70,000
Debtors	1,10,000	94,000
Cash	1,30,000	1,00,000
Outstanding rent	10,000	6,000
Bills payable	80,000	70,000
Bills receivable	90,000	1,06,000
Creditors	90,000	1,00,000

