

Total No. of Questions—5]

[Total No. of Printed Pages—3

Seat No.	
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B.C.A. (Third Semester) EXAMINATION, 2016

MANAGEMENT ACCOUNTING

(2008 PATTERN)

Time : Three Hours

Maximum Marks : 80

N.B. :— (i) All questions are compulsory.

(ii) Figures to the right indicate full marks.

(iii) Use of calculator is allowed.

1. Explain the term 'Management Accounting'. Distinguish between Management Accounting and Cost Accounting. [16]

Or

What do you mean by 'Financial Statement Analysis' ? Describe the methods of financial Statement Analysis. [16]

2. What is Working Capital ? Explain various factors affecting the need of working capital. [16]

Or

From the following information provided by Prakash Limited, Pune. Prepare a statement showing working capital requirement for a level of activity of 1,56,000 units of production. [16]

Particulars	Amount per unit ₹
Selling price per unit	300
Raw material	90
Direct labour	40
Overheads (including depreciation of ₹. 25)	100
Total cost	230
Profit	70

P.T.O.

Additional Information :

- (i) Raw material is in stock on an average of one month.
- (ii) Material in process on an average of 2 weeks (Raw material used fully, while labour and overheads at a 50% completion stage).
- (iii) Finished goods are in the stock on an average of one month.
- (iv) Credit period allowed by suppliers is one month.
- (v) Time lag in payment of debtors is 2 months.
- (vi) Lag in payment of wages $1\frac{1}{2}$ weeks.
- (vii) Lag in payment of overheads is one month.
- (viii) 20% of the output is sold for cash.
- (ix) Cash in hand and in bank is expected to be ₹ 60,000
- (x) A contingent reserve of 10% of the amount of the creditors is to be maintained.
- (xi) The company has accumulated profits of ₹ 10,00,000

Assume, a time period of 4 weeks is equivalent to one month and there are 52 weeks in a year. [16]

3. The Sales and Profit during two years were as given below : [16]

Year	Sales ₹	Profit ₹
2013-2014	3,00,000	40,000
2014-2015	3,40,000	50,000

You are required to calculate :

- (i) P/V Ratio
- (ii) Break-Even Point
- (iii) The sales required to earn a profit of ₹ 80,000
- (iv) The profit made when sales are ₹ 5,00,000.

4. A manufacturing company submits the following profit and loss account of the year ended, 31st March, 2015 : [16]

Profit and Loss Account for the year ended 31st March, 2015

Particulars	Amount ₹	Particulars	Amount ₹
To Opening stock	52,000	By Sales	3,20,000
To Purchases	1,60,000	By Closing stock	76,000
To Wages	48,000		
To Manufacturing Exp.	32,000		
To Gross profit c/d	1,04,000		
	3,96,000		3,96,000
To Selling Expenses	8,000	By Gross profit b/d	1,04,000
To Administration Exp.	45,600	By Profit on sale of shares	9,600
To Loss by fire	2,400		
To Interest on debentures	1,600		
To Net profit	56,000		
	1,13,600		1,13,600

Calculate :

- (a) Gross profit ratio.
- (b) Net profit ratio.
- (c) Operating profit ratio.
- (d) Operating Expenses ratio.

Or

Define 'Funds'. State the advantages of preparation of funds flow statement. Also give the pro forma of funds flow statement. [16]

5. Write short notes on (Any two) : [16]

- (a) Sources of Working Capital,
- (b) Classification of Budgets,
- (c) Cash Flow Statement,
- (d) Break-even analysis.