



Reg. No. : .....

Name : .....



K21U 4654

V Semester B.B.A. Degree CBCSS (OBE) Regular  
Examination, November 2021

(2019 Admn. Only)

Core Course

5B11 BBA/BBA (RTM) : ACCOUNTING FOR MANAGEMENT

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** question carries 1 mark.

1. What is trend analysis ?
2. What is conversion cost ?
3. What are liquidity ratios ?
4. Define contribution.
5. What is variance analysis ?
6. Define budgetary control.

(6x1=6)

PART – B

Answer **any six** questions. **Each** question carries 2 marks.

7. State the functions of management accounting.
8. What are the limitations of financial statement analysis ?
9. Distinguish between marginal costing and absorption costing.
10. What are advantages of ratio analysis ?
11. Find out current assets when current ratio is 2.4 and working capital is Rs. 1, 40,000.

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12. A company estimates that next year it will earn a profit of Rs. 50,000. The budgeted fixed costs and sales are Rs. 2,50,000 and Rs. 9,93,000 respectively. Find out the break-even point for the company.
13. Using the following information, calculate labour variance :
- Direct wages : Rs. 3,000                      Standard hours produced : 1,600
- Standard rate per hour : 1.50
- Actual hours paid 1,500 hours, out of which hours not worked (abnormal idle time) are 50.
14. Sale of a product amounts to 200 units per month at Rs. 10 per unit. Fixed cost is Rs. 400 per month and the variable cost is Rs. 6 per unit. There is a proposal to reduce price by 10 per cent. Calculate present and future P/V ratio.

(6×2=12)

PART - C

Answer **any four** questions. **Each** question carries **3** marks.

15. What are the limitations of management accounting ?
16. Explain different types of financial analysis.
17. Calculate Inventory Turnover Ratio and Inventory Conversion Period from the following information :
- Credit sales Rs. 30,000, Cash Sales Rs. 50,000
- Opening Stock Rs. 10,000, Closing Stock Rs. 14,000
- Gross Profit Ratio – 25%
18. Calculate margin of safety
- |                       |              |
|-----------------------|--------------|
| Sales (100,000 units) | Rs. 1,00,000 |
| Variable cost         | Rs. 40,000   |
| Fixed cost            | Rs. 60,000   |



19. A furniture manufacturer uses Sunmica tops for tables. From the following information find out price variance, usage variance and cost variance.

Standard quantity of Sunmica for table	4 sq ft
Standard price per sq ft of Sunmica	Rs. 5.00
Actual production of tables	1,000
Sunmica actually used	4,300 sq ft
Actual purchase price of Sunmica per sq ft	5.50

20. A Ltd furnishes the following data relating to the manufacture of a standard product during the month of April 2020.

	Rs.
Raw material consumed	15,000
Direct Wages	9,000
Factory overheads (900 machine hrs @Rs. 5 per hour)	4,500
Administration Overhead	20% on work cost
Selling overhead	Rs.50 per unit
Units produced	17,100
Units Sold	16,000 at Rs. 4 per unit

You are required to prepare a cost sheet showing

a) Cost per Unit and

b) Profit for the period and profit per unit.

(4x3=12)

#### PART - D

Answer **any two** questions. **Each** question carries **5** marks.

21. Explain the scope and objectives of management accounting.
22. Explain the steps involved in the installation of budgetary control system in an organisation.



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23. Calculate :

- 1) The amount of fixed expenses.
- 2) The number of units to break-even.
- 3) The number of units to earn a profit of Rs. 40,000.

The selling price per unit can be assumed at Rs. 100.

The company sold in two successive periods 7,000 units and 9,000 units and has incurred a loss of Rs. 10,000 and earned Rs. 10,000 as profit respectively.

24. From the following information, make out a statement of Proprietors' Fund with as many details as possible :

- |  |            |
|--|------------|
| 1. Current Ratio                                     | 2.5        |
| 2. Liquid Ratio                                      | 1.5        |
| 3. Proprietary Ratio (Fixed Asset/ Proprietors Fund) | 0.75       |
| 4. Working Capital                                   | Rs. 60,000 |
| 5. Reserve and Surplus                               | Rs. 40,000 |
| 6. Bank Overdraft                                    | Rs. 10,000 |
| 7. There is no long term Loan or Fictitious asset.   |            |

(2x5=10)