647510 **BBA6MacA605x** **Seat No :________**

# B.B.A. Semester - 6 (*CBCS*) Examination
# March/April-2025 (NEW COURSE)
# Management Accounting (Allied (New))

**Time: 2:30 Hours** **Marks: 70**

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

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Que-1 What is Management Accounting? Explain the Limitations of Management Accounting in Detail. (14)

OR

Que-1 Define Management Accounting. Differentiate Financial Accounting from Management Accounting in Details.

Que-2 The following information is obtained from the records of the Shah Co. Ltd: (14)

| | |
|---|---|
| Selling price per unit | Rs. 60 |
| Variable expenses per unit | Rs. 36 |
| Fixed expenses | Rs. 1,80,000 |

From the above data, Find out:
1) The sales to earn a profit of Rs. 1,08,000 (in units)
2) The sales to make a loss of Rs. 1,08,000 (in units)
3) The sales to earn a profit of Rs. 8 per unit. (in units)
4) The sales to make a loss of Rs. 8 per unit (in units)
5) Break Even Point (in Rupees)

OR

Que-2 Nayana Ltd. manufactures 10,000 units of products X per annum for which the cost of production is as under :

| | |
|---|---|
| Materials: | Rs. 15,000 |
| Labour: | Rs. 11,000 |
| Variable overheads: | Rs. 6,000 |
| Fixed overheads: | Rs. 8,000 |

Present selling price per unit is Rs. 5

Due to depression the company is able to sell only 8,000 in local market. It has received an offer from China to buy 2,000 units at Rs. 3.60 per unit. As this offer is at the price below total cost, management is of the opinion to reject this offer. You are asked to help in taking proper decision.

Que-3 Bhakti Company Ltd. has prepared a budget for production of 5,000 units which is as under: (14)

| | |
|---|---|
| Raw Materials: | Rs. 150.00 per unit |
| Direct Labour: | Rs. 75.00 per unit |
| Direct Expenses,: | Rs. 20.00 per unit |
| Production overheads (60% fixed) | Rs. 80.00 per unit |
| Administrative overheads (80% fixed) | Rs. 40.00 per unit |
| S & D overheads (50% fixed) | Rs. 20.00 per unit |

Production during the month is expected to be 6,000 units or 7,000 units. Prepare a revised budget for 6,000 and 7,000 units.

OR

Que-3 Jay Ltd. manufactures a particular product, the standard direct labour cost of which is Rs. 120 per unit whose manufacture involves the following:

| Types of workers | Hours | Rate (Rs.) | Amount (Rs.) |
|---|---|---|---|
| A | 30 | 2.0 | 60 |
| B | 20 | 3.0 | 60 |
| | 50 | | 120 |

During a period, 100 units of the product were produced, the actual labour cost of which was as follows:

| Types of workers | Hours | Rate (Rs.) | Amount (Rs.) |
|---|---|---|---|
| A | 3,200 | 1.5 | 4,800 |
| B | 1,900 | 4.0 | 7,600 |
| | 5,100 | | 12,400 |

Calculate:

1) Labour cost variance
2) Labour rate variance
3) Labour efficiency variance
4) Labour sub-efficiency variance
5) Labour mix variance

Que-4 The Balance Sheets of Nayana Ltd. as on Dec. 31, 2019 and 2020 are as under: (14)

| Capital | 2023 (Rs.) | 2024 (Rs.) | Assets | 2023 (Rs.) | 2024 (Rs.) |
|---|---|---|---|---|---|
| Equity Share Capital | 2,00,000 | 2,25,000 | Fixed Assets | 3,50,000 | 4,75,000 |
| Retained Earnings | 1,60,000 | 3,00,000 | Merchandise Inventory | 1,00,000 | 95,000 |
| Premium on Shares | - | 5,000 | Accounts Receivables | 43,000 | 50,000 |
| Accumulated Depreciation | 80,000 | 60,000 | Prepaid Expenses | 4,000 | 5,000 |
| | | | Cash | 15,800 | 10,200 |
| Debentures | 60,000 | - | Commission on Shares | 25,000 | 20,000 |
| Accounts Payables | 37,800 | 40,200 | | | |
| | **5,37,200** | **6,55,200** | | **5,37,200** | **6,55,200** |

**Additional Information:**

1) An addition to the fixed assets was made during the year at a cost of Rs. 1,65,000 and fully depreciated machinery costing Rs. 400 was discarded, no salvage value being realized.
2) Depreciation for the year was Rs. 20,000.
3) Income Tax paid was Rs. 40,000.
4) Interim Dividend paid during the year Rs. 20,000.

You are required to prepare a Cash Flow Statement.

OR

Que-4 What is Cash Flow Statement. Give a Detailed Format of Cash Flow Statement per AS-3 with Imaginary Figures.

Que-5 What is Responsibility Accounting? Explain Types of Responsibility Centers. (14)

OR

Que-5 Explain the Concept of Responsibility Accounting? Explain the Significance and Limitations of Responsibility Accounting.

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