



**THE AMERICAN COLLEGE, MADURAI**  
(An Autonomous Institution Affiliated to Madurai Kamaraj University)  
Re-accredited (2<sup>nd</sup> Cycle) by NAAC with Grade “A”, CGPA – 3.46 on a 4-point scale  
**Backlog Arrear Examination, March 2021**

**BBA 3429/3434/3644                      MANAGEMENT ACCOUNTING**

**Time: 3 Hours**

**Marks: 75**

**Part – A**

**Answer any five questions**

**5x15 =75 Marks**

1. Analyse the comparison of financial accounting and management accounting.
2. Convert the following income statement into common size statement.

**Income Statement**

<b>Particulars</b>	<b>2015 Rs.</b>	<b>2016 Rs.</b>
Gross Sales	30,600	36,720
<b>Less:</b> Slaes returns	600	700
Net Sales	30,000	36,020
<b>Less:</b> Cost of good sold	18,200	20,250
Gross Profit	11,800	15,700
<b>Less:</b> Operating expenses		
Administrative expenses	3,000	3,400
Sales expenses	6,000	6,600
Total expenses	9,000	10,000
Income from operations	2,800	5,770
<b>Add:</b> Non operating income	300	400
Total income	3,100	6,170
<b>Less:</b> Non-operating expenses	400	600
Net Profit	2,700	5,570

3. From the following Profit & Loss account, you are required to compute cash from operations.

Profit and Loss Account for the Year ending 30th June, 2000

	Rs.		Rs.
To Salaries	5,000	By Gross Profit	25,000
To Rent	1,000	By profit on sale of land	5,000
To Depreciation	2,000	By Income tax refund	3,000
To Loss on Sale of Plant	1,000		
To Goodwill written off	4000		
To Proposed dividend	5,000		
To Provision for taxation	5,000		
To Net Profit	10,000		
	33,000		33,000

4. The following information relate to Kingston Traders Ltd. for the year ended 31<sup>st</sup> December 2016.

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Trading and Profit & Loss Account

Particulars		Amount	Particulars		Amount
To Opening stock		75,000	By Sales	5,20,000	
To Purchases		3,25,000	Less: Returns	20,000	5,00,000
To Gross Profit		2,00,000	By Closing Stock		1,00,000
		6,00,000			6,00,000
<u>To operating expenses:</u>			By Gross profit b/d		2,00,000
Administrative Expenses	40,000		<u>By Non-operating</u>		
Selling & Dis. Expenses	25,000	65,000	<u>income:</u>		
<u>To Non-operating expenses:</u>			Dividend		9,000
Loss on sale of assets	5,000		Profit on sale of shares		11,000
To Net Profit	1,50,000				
		2,20,000			2,20,000

Balance sheet as on 31.12.2016

Liabilities	Amount	Assets	Amount
<u>Issued Capital:</u>		Land & Buliding	1,50,000
2,000 share capital of Rs.100 each	2,00,000	Plant & machinery	80,000
Reserves	90,000	Debtors	80,000
Current liabilities	1,50,000	Stock	1,60,000
Profit & loss A/c	60,000	Cash	30,000
	5,00,000		5,00,000

Calculate: **1. Gross Profit Ratio, 2. Operating Ratio, 3. Operating Profit Ratio, 4. Net Profit Ratio, 5. Expenses Ratio 6. Stock Turnover Ratio**

5. Explain the comparison of standard costing and budgetary Control.
6. Describe the classification of budgets.
7. The following are the balance sheets of a concern for the years 2015 and 2016.  
Prepare a comparative balance sheet.

Balance Sheet as on 31<sup>st</sup> December

<b>Liabilities</b>	<b>2015 Rs.</b>	<b>2016 Rs.</b>	<b>Assets</b>	<b>2015 Rs.</b>	<b>2016 Rs.</b>
Equity Share Capital	6,00,000	8,00,000	Land & Building	3,70,000	2,70,000
Reserve & Surplus	3,30,000	2,22,000	Plant & machinery	4,00,000	6,00,000
Debentures	2,00,000	3,00,000	Furniture	20,000	25,000
Long-term loans on Mortgage	1,50,000	2,00,000	Other fixed assets	25,000	30,000
Bills Payable	50,000	45,000	Cash	20,000	80,000
Creditors	1,00,000	1,20,000	Bills Receivables	1,50,000	90,000
Other Current liabilities	5,000	10,000	Debtors	2,00,000	2,50,000
			Stock	2,50,000	3,50,000
			Prepaid expenses	-	2,000
	<b>14,35,000</b>	<b>16,97,000</b>		<b>14,35,000</b>	<b>16,97,000</b>

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