

E153

B.B.A. EXAMINATION, 2020

(Fifth Semester)

(Old Scheme) (Re-appear Only)

(BBA)

BBA305

MANAGEMENT ACCOUNTING

Time : 2½ Hours]

[Maximum Marks : 70

Before answering the question-paper candidates should ensure that they have been supplied to correct and complete question-paper. No complaint, in this regard, will be entertained after the examination.

Note : Attempt *Four* questions in all. All questions carry equal marks.

1. What do you mean by Management Accounting ? Explain its objectives and functions.
2. From the following details find out Break-Even Sales and Fixed Cost and required sales to earn a profit of ₹ 3,00,000.
Sales ₹ 9,00,000, Margin of Safety = 40%, PV Ratio = 2/3.
3. What do you mean by Budgeting ? Explain its need and scope in an organization.
4. What do you mean by responsibility centre ? Explain its types and need.
5. What do you mean by Fund Flow Statement ? Prepare a fund flow statement using imaginary figures.

6. What do you mean by financial statement analysis ? Explain its importance in decision-making.
7. ABC Ltd. is considering purchase a machine. Two models, each costing ₹ 3,50,000 are available. Earnings after taxation, but before charging depreciation are :

Year	Cash Flows	
	A Model	B Model
	₹	₹
1	1,00,000	70,000
2	1,35,000	1,20,000
3	1,50,000	1,80,000
4	1,12,500	1,40,000
5	80,000	1,00,00

Evaluate the two alternatives according to :

- (a) Pay-Back Period Method
- (b) Return on Investment Method
- (c) Net Present Value Method of Cost of Capital @ 10%

Note : Years 1 2 3 4 5 Present Value of Rs. @ 10%. .909 .826 .751 .683 .621.

8. Write short notes on the following :

- (a) Importance of process decision in managing accounting.
- (b) Explain the importance of management accounting information for activity.