



**IV Semester B.B.A. Examination, June/July 2025**  
**(NEP Scheme) (F+R)**  
**BUSINESS ADMINISTRATION**  
**Paper – 4.1 : Management Accounting**

Time : 2½ Hours

Max. Marks : 60

**Instruction :** Answers should be written in **English** only.

**SECTION – A**

Answer **any six** of the following sub-questions. **Each** sub-question carries 2 marks. **(6×2=12)**

1. a) State any two objectives of management accounting.
- b) Give the meaning of Ratio Analysis.
- c) What do you mean by sources of funds ? Give any two examples.
- d) Mention any two differences between fund flow statement and cash flow statement.
- e) What is cash budget ?
- f) Write the meaning of working capital.
- g) State the major classification of cash flows with example.
- h) Gross profit of a firm is 25%, sales is ₹ 1,00,000. Find out cost of goods sold.

**SECTION – B**

Answer **any three** of the following questions. **Each** question carries 4 marks. **(3×4=12)**

2. Briefly explain any four advantages of budgetary control.
3. From the following information, prepare a comparative income statement :

	<b>31-3-2024</b>	<b>31-3-2025</b>
	₹	₹
Sales	5,00,000	4,00,000
Cost of goods sold	3,00,000	1,80,000
Administration and selling expenses	1,00,000	70,000
Other incomes	20,000	10,000
Income tax	60,000	70,000

P.T.O.



4. The following information is given relating to Venus Company :  
 Average stock – ₹ 40,000  
 Closing stock is ₹ 15,000 more than opening stock.  
 Find out opening stock and closing stock.
5. The profit and loss a/c of a company for the year ended 31-3-2024 and 31-3-2025 showed profits of ₹ 20,000 and ₹ 30,000 respectively after considering the following :  
 Provision for dividends ₹ 50,000  
 Transferred to general reserve ₹ 40,000  
 Depreciation written off ₹ 25,000  
 Profit on sale of investment ₹ 3,000.  
 Commission received on a non-trading activity ₹ 4,000.  
 From the above information, find out funds from operation.
6. You are given below the information of SR Ltd. for the year ended 31-3-2025.
- Loss on sale of building ₹ 35,000
  - Depreciation ₹ 1,50,000
  - The balances relating to current assets and current liabilities are :
- | Particulars     | 31-3-2024 | 31-3-2025 |
|-----------------|-----------|-----------|
| Trade debtors   | 1,20,000  | 1,75,000  |
| Inventory       | 2,84,000  | 1,98,000  |
| Trade creditors | 95,000    | 75,000    |
| Bills payable   | 65,000    | 95,000    |
- Compute cash from operating activities.

### SECTION – C

Answer **any three** of the following questions. **Each** question carries **12 marks**.

(3×12=36)

7. From the following Balance Sheet of EY Co., prepare common size analysis and also interpret the financial position of the company.

Liabilities	31-3-2024	31-3-2025	Assets	31-3-2024	31-3-2025
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Preference Share (PS) capital	1,50,000	1,00,000	Land and Building	2,00,000	1,70,000
General reserve	40,000	70,000	Plant	80,000	2,00,000
P & L A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills receivables	20,000	30,000
Bills payable	60,000	66,000	Cash	25,000	18,000
	<b>6,77,000</b>	<b>8,17,000</b>		<b>6,77,000</b>	<b>8,17,000</b>



8. The following is the Balance Sheet of ST Ltd. as on 31-3-2025.

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Equity share capital	5,00,000	Land and building	9,00,000
8% P.S. capital	4,00,000	Plant and machinery	8,00,000
Reserves and surplus	4,00,000	Closing stock	3,00,000
9% debentures	6,00,000	Debtors	2,00,000
Current liabilities	4,00,000	Bank and cash	1,00,000
	<b>23,00,000</b>		<b>23,00,000</b>

**Additional information :**

Sales during the year ₹ 8,00,000

Cost of goods sold ₹ 6,00,000

Net profit ₹ 1,20,000

You are required to calculate :

- Current ratio
- Liquid ratio
- Stock turnover ratio
- Gross profit ratio
- Net profit ratio
- Debt-equity ratio.

9. The following is the Balance Sheet for the year ending 31-3-2024 and 31-3-2025 of XZ Ltd.

<b>Liabilities</b>	<b>31-3-2024</b>	<b>31-3-2025</b>	<b>Assets</b>	<b>31-3-2024</b>	<b>31-3-2025</b>
Share capital	5,85,000	5,85,000	Fixed assets	5,20,000	4,16,000
General reserve	3,90,000	4,03,000	Long-term		
P & L A/c	72,800	88,400	investment	65,000	78,000
Creditors	2,18,400	1,74,200	Stock	3,12,000	2,73,000
Provision for tax	97,500	13,000	Debtors	2,73,000	5,91,500
Mortgage loan	—	3,51,000	Bank	1,93,700	2,56,100
	<b>13,63,700</b>	<b>16,14,600</b>		<b>13,63,700</b>	<b>16,14,600</b>

**Additional information :**

1) Provision for tax during the year ₹ 1,10,000.

2) Interim dividend paid ₹ 52,000.

3) During the year fixed assets costing ₹ 13,000 were sold for ₹ 15,000.

4) Investments costing ₹ 10,000 were sold during the year for ₹ 13,000.

You are required to prepare a statement of changes in working capital and fund flow statement. (Treat provision for tax as Non-current).



10. Following is the Balance Sheet of MN Ltd. as on 31-3-2024 and 31-3-2025.

<b>Liabilities</b>	<b>31-3-2024</b>	<b>31-3-2025</b>	<b>Assets</b>	<b>31-3-2024</b>	<b>31-3-2025</b>
Share capital	6,84,000	9,00,000	Goodwill	2,30,000	1,80,000
9% P.S. capital	3,00,000	2,00,000	Land and Building	4,00,000	3,40,000
General Reserve	80,000	1,40,000	Plant	1,60,000	4,00,000
P & L A/c	60,000	96,000	Stock	1,54,000	2,18,000
Creditors	1,10,000	1,66,000	Debtors	3,20,000	4,00,000
Bills payable	40,000	32,000	Bills receivables	40,000	60,000
Provision for tax	80,000	1,00,000	Cash	50,000	36,000
	<b>13,54,000</b>	<b>16,34,000</b>		<b>13,54,000</b>	<b>16,34,000</b>

**Additional information :**

- a) Dividend paid ₹ 40,000
- b) Depreciation on Land and Building ₹ 40,000 and Plant ₹ 20,000.
- c) Tax paid during the year ₹ 70,000.

Prepare cash flow statement.

11. Prepare a flexible budget for production at 50%, 80% and 100% activity on the basis of the following information :

Production at 50% capacity – 5000 units

Raw materials – ₹ 80 per unit

Direct labour – ₹ 50 per unit

Direct expenses – ₹ 15 per unit

Factory expenses – ₹ 50,000 (50% fixed)

Administration expenses – ₹ 60,000 (60% variable).