

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -3 EXAMINATION- 2024

BBA III Semester

COURSE CODE (CREDITS):23BB1HS313

MAX. MARKS: 35

COURSE NAME: Management Accounting

COURSE INSTRUCTORS: TGM

MAX. TIME: 2 Hours

Note: (a) All questions are compulsory.

(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

Q.No	Question	CO	Marks																																																																		
Q1	Differentiate between the cash flow and funds flow statement as techniques of financial statement analysis.	CO3	5																																																																		
Q2	Prepare the cash flow statement from the following information.	CO3	6																																																																		
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	<p>Additional Information: During the year, plant costing Rs.50,000 was sold for Rs.10,000. Accumulated depreciation on this plant was Rs.30,000. Loss on sale of plant was charged to Profit & Loss account. Income tax paid during the year was Rs.60,000.</p>																																																																				

Q3	<p>Calculate the activity and profitability ratios for the following company and comment on its performance on this basis.</p> <table border="1" data-bbox="323 293 1225 792"> <thead> <tr> <th></th> <th>31/3/2011</th> <th>31/3/2012</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>2,00,000</td> <td>1,60,000</td> </tr> <tr> <td>Sundry Debtors</td> <td>3,20,000</td> <td>4,00,000</td> </tr> <tr> <td>Temporary Investments</td> <td>2,00,000</td> <td>3,20,000</td> </tr> <tr> <td>Stock</td> <td>18,40,000</td> <td>21,60,000</td> </tr> <tr> <td>Prepaid expenses</td> <td>28,000</td> <td>12,000</td> </tr> <tr> <td>Fixed Assets</td> <td>30,12,000</td> <td>33,48,000</td> </tr> <tr> <td>Total Assets</td> <td>56,00,000</td> <td>64,00,000</td> </tr> <tr> <td>Current Liabilities</td> <td>6,40,000</td> <td>8,00,000</td> </tr> <tr> <td>10% Debentures</td> <td>16,00,000</td> <td>16,00,000</td> </tr> <tr> <td>Equity Share capital</td> <td>20,00,000</td> <td>20,00,000</td> </tr> <tr> <td>Retained earnings</td> <td>4,68,000</td> <td>8,12,000</td> </tr> </tbody> </table> <p>Statement of Profit for the year ended 31st March, 2011</p> <table border="1" data-bbox="323 831 1225 1205"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>40,00,000</td> </tr> <tr> <td>Less: Cost of goods sold</td> <td>28,00,000</td> </tr> <tr> <td>Less: Interest</td> <td>1,60,000</td> </tr> <tr> <td>Net Profit</td> <td>10,40,000</td> </tr> <tr> <td>Less: Taxes @ 50%</td> <td>5,20,000</td> </tr> <tr> <td>Profit after taxes</td> <td>5,20,000</td> </tr> <tr> <td>Dividends declared on equity shares</td> <td>2,20,000</td> </tr> </tbody> </table>		31/3/2011	31/3/2012	Cash	2,00,000	1,60,000	Sundry Debtors	3,20,000	4,00,000	Temporary Investments	2,00,000	3,20,000	Stock	18,40,000	21,60,000	Prepaid expenses	28,000	12,000	Fixed Assets	30,12,000	33,48,000	Total Assets	56,00,000	64,00,000	Current Liabilities	6,40,000	8,00,000	10% Debentures	16,00,000	16,00,000	Equity Share capital	20,00,000	20,00,000	Retained earnings	4,68,000	8,12,000		Rs.	Sales	40,00,000	Less: Cost of goods sold	28,00,000	Less: Interest	1,60,000	Net Profit	10,40,000	Less: Taxes @ 50%	5,20,000	Profit after taxes	5,20,000	Dividends declared on equity shares	2,20,000	CO2	6
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Q4	Comment on the utility of Du Pont analysis for any organization.		4																																																				
Q5	<p>Answer the following in one or two lines.</p> <ol style="list-style-type: none"> Describe any two uses of break even analysis. What is a master budget? Which overheads are a part of Prime cost? Why is marginal cost more relevant for make or buy decision? 'Budgets will always lead to inflexibility.' Comment 	CO1	5																																																				
Q6	Evaluate the balance sheets given in Q3 on the basis of composite analysis.	CO2	5																																																				
Q7	Given the limitations of financial statements, how useful is financial statement analysis for evaluating any company.	CO2	4																																																				