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**Presidency University**

**Bengaluru**

**SCHOOL OF LAW**

**MAKE UP EXAMINATION – SEPTEMBER 2023**

**Course Code**: BBL102

**Course Name**: Managerial Accounting

**Program & Sem**: BBA LLB IV Sem **Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Normal calculators are allowed*

**Date**: 01.10.2023

**Time**: 1:00PM – 4:00PM

**Max Marks**: 100 marks

Weightage: 50%

**Instructions:**

1. *Read all the questions carefully and answer accordingly.*
2. *Normal calculators are allowed*

**Part A [Memory Recall Questions]**

**I. Answer all the Questions. (10Qx 3M= 30M)**

**1. The main objective of management accounting is \_\_\_\_\_\_\_\_\_** C.O.No.2 [Knowledge]

A. To maintain the accounting records

B. To know the amount due from customers and suppliers

C. To ascertain analyse and interpret the results of business operations

D. To record all the business transactions

**2. The purpose of management accounting is to help \_\_\_\_\_\_ make decisions**

C.O.No.2 [Knowledge]

**A. managers B. investors**

**C. marketers D. banks**

**3. \_\_\_\_\_\_\_\_\_shows how the accounting function can be represented so as to fit it within the framework of Management activity.** C.O.No.2 [Knowledge]

**A. Management accounting B. Cost accounting**

**C. Financial accounting D. Tax accounting**

**4. Goodwill is one of the** C.O.No.2 [Knowledge]

**A. Current assets B. Tangible assets**

**C. Intangible assets D. Liquid assets**

**5. Management accounting is mainly \_\_\_\_\_** C.O.No.2 [Knowledge]

**A. Future oriented B. Past oriented**

**C. Customer oriented D. Bank oriented**

6. Reports present conclusion based on: C.O.No.5 [Comprehension]

A. Intuition B. Belief

C. Impression D. Investigation

7. Cash flow example from a financing activity is C.O.No.4 [Comprehension]

A. Payment of Dividends B. Receipt of Dividend on Investment

C. Cash Received from Customers D Purchase of Fixed Asset

8. The technique of converting figures into percentage in some common base is called

C.O.No.2 [Knowledge]

1. Ratio analysis B. Common size statement analysis

C. Trend percentages D. None

9. While calculating cash flow from operating activities which will be deducted?

C.O.No.4 [Comprehension]   
 A. Increase in Creditors B. Increase in Debtors  
 C. Decrease in Debtors D. Decrease in Prepaid Expenses

10. Cash balance Rs 15000, Trade Receivables Rs 35000, Inventory Rs 40,000. Trade payables

Rs 24,000 and Bank Overdraft is Rs 6000. Current ratio will be C.O.No.2 [Knowledge]

A. 3.5:1 B. 1:3

C. 3:1 D.1:3.5

**Part B [Thought Provoking Questions]**

**II. Answer all the Questions. (5Qx8M=40M)**

1. Briefly discuss the difference between financial and management accounting.

C.O.No.1 [Knowledge]

2. Following information is extracted from the Statement of Profit and Loss of Gold Coin Ltd. for the year ended 31st March, 2015:

|  |  |  |
| --- | --- | --- |
| **Particulars** | **31st March,**  **2015** | **31st March, 2014** |
| Revenue from Operations | ₹ 60,00,000 | ₹ 45,00,000 |
| Employee Benefit Expenses | ₹ 30,00,000 | ₹ 22,50,000 |
| Depreciation | ₹ 7,50,000 | ₹ 6,00,000 |
| Other Expenses | ₹ 15,50,000 | ₹ 10,00,000 |
| Tax Rate | 30% | 30% |

Prepare Comparative Income statement C.O.No.2 [Comprehension]

3. Management reporting is a key term for a type of business intelligence that involves reports meant to help managers to oversee operations and performance. These types of reports are core pieces of many new enterprise technologies that aim to automate or enhance the process of management reporting. Identify the different types of reporting. C.O.No.5 [Comprehension]

4. An effective management reporting system Improve decision making. Improves management effectiveness. Improves responsiveness to issues. Improve efficiency of resources in the delivery of organizational services. Brief the requisites of good reporting system CO 05 [Comprehension]

5. Calculate ‘Liquidity Ratio’ from the following information:

 Current liabilities = Rs. 50,000  
 Current assets = Rs. 80,000  
 Inventories = Rs. 20,000  
 Advance tax = Rs. 5,000  
 Prepaid expenses = Rs. 5,000

**Part C [Problem Solving Questions]**

**III. Answer the following Questions. (2Qx15M=30M)**

1. From the information given below, Calculate the following ratios

a. Quick ratio

b. Stock Turnover ratio

c. Debt equity ratio

d. Current ratio

e. Gross profit ratio C.O.No.2 [Knowledge]

**Information:**

Current Assets- Rs 5,00,000 Opening stock – Rs 50,000;

Closing Stock – Rs 1,50,000 Cost of goods sold – Rs 12,00,000;

Gross profit – Rs 1,80,000 Equity share capital – Rs 7,00,000;

10% Preference share – Rs 3,00,000 12% Debenture – Rs 2,00,000;

Current liabilities- Rs 2,00,000 General Reserve –Rs 1,00,000

Net Sales = Rs 15,00,000

2. The balance sheet of LMN Ltd as at 31st December of two years are given below

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Liabilities** | **Rs(2021)** | **Rs (2020)** | **Assets** | **Rs(2021)** | **Rs (2020)** |
| Equity shares | 2,40,000 | 2,00,000 | Cash balance | 60,000 | 50,000 |
| Debentures | 90,000 | 1,50,000 | Trade debtors | 1,00,000 | 75,000 |
| Retained earnings | 1,60,000 | 1,25,000 | Inventory | 1,20.000 | 1.40.000 |
| Provision for depreciation on plant | 80,000 | 60,000 | Land | 80,000 | 1,00,000 |
| Trade Creditors | 40,000 | 30,000 | Plant & Machinery | 2,50,000 | 2,00,000 |
| **Total** | **6,10,000** | **5,65,000** | **Total** | **6,10,000** | **5,65,000** |

Cash dividend of Rs 25,000 paid during the year.

You are required to prepare Cash flow Statement CO 04 [ Comprehension]