

**E 6264**



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Reg. No.....

Name.....

**B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, SEPTEMBER 2024**

**Sixth Semester**

Core Course—MANAGEMENT ACCOUNTING

(Prior to 2013 Admissions)

Time : Three Hours

Maximum Weight : 25

**Part A**

*Answer all questions from this part.*

*Each bunches of four questions carries a weight of 1.*

- I. 1 Horizontal analysis is known as :
- (a) Dynamic analysis. (b) Structural analysis.  
(c) Static analysis. (d) None of these.
- 2 The Term 'Fund' refers to :
- (a) Reserves. (b) Working Capital.  
(c) Profits. (d) None of these.
- 3 Current ratio is a :
- (a) Balance Sheet Ratio. (b) Profit and Loss Ratio.  
(c) Combined Ratio. (d) None of these.
- 4 Funds from operations is :
- (a) Gross Profit . (b) Net Profit.  
(c) Operating Profit. (d) None of these.
- II 5 Activity Ratios help the management in :
- (a) Managing the resource. (b) Planning the finance.  
(c) Evaluating the performance. (d) All the above.





6 As a general rule, quick ratio of ————— is considered to be satisfactory.

- (a) 1 : 1.
- (b) 2 : 1.
- (c) 3 : 1.
- (d) 1 : 5.

7 An arithmetical relationship of one number to another number.

- (a) Ratio.
- (b) Unit.
- (c) Cost.
- (d) Percentage.

8 Cash flow statement is important for —————.

- (a) Long Term Financial Analysis.
- (b) Medium Term Financial Analysis.
- (c) Short Term Financial Analysis.
- (d) Working capital Analysis.

III. 9 Working capital includes :

- (a) Cash.
- (b) Debtors or receivables.
- (c) Inventories.
- (d) All the above.

10 Management Accounting helps management in :

- (a) Preparation of final accounts.
- (b) Raising finance.
- (c) Filing tax returns.
- (d) Decision making.

11 The flow of fund is said to be have taken place when :

- (a) Cash is paid to creditors.
- (b) Cash is received from debtors.
- (c) Machinery is purchaser for cash.
- (d) All the above.





E 6264

12. Cash budget is a \_\_\_\_\_ term budget.
- (a) Short. (b) Long.  
(c) Medium. (d) All the above.

IV. 13 The stock turnover ratio is :

- (a) Financial ratio. (b) Activity ratio.  
(c) Solvency ratio. (d) Profitability ratio.

14 Which of the following ratio is the Indicator of the long term solvency of the firm ?

- (a) Current Ratio. (b) Acid test ratio.  
(c) Debt - Equity Ratio. (d) Time interest earned ratio.

15 Budgeting is :

- (a) A technique.  
(b) A method of costing.  
(c) Maintaining ledger accounts.  
(d) None of these.

16 Net worth of a business means :

- (a) Equity capital.  
(b) Total assets.  
(c) Total assets minus total liabilities.  
(d) Fixed assets minus current assets.

(4 × 1 = 4)

### Part B

*Answer any five questions.*

*Each question carries a weight of 1.*

17 What is Cost Control ?

18 Explain the term Budget.

Turn over





E 6264

- 19 What it a Fund Flow Statement ?
- 20 What is ideal acid test ratio ?
- 21 What is budgetary control ?
- 22 What is EPS ?
- 23 What is trend analysis ?
- 24 Explain Current Ratio ?

(5 × 1 = 5)

### Part C

*Answer any **four** questions.*

*Each question carries a weight of 2.*

- 25 What are the limitations of Management Accounting ?
- 26 What are the essential points of a good finanacial statements.
- 27 What is Zero Based Budgeting ?
- 28 From the Following Compute :
  - (a) Current Asset.
  - (b) Quick Asset.
  - (c) Stock

Current Liabilities Rs. 9,00,000 Current Ratio = 2.5

Acid Test Ratio = 2

- 29 Distinguish between Cash Flow Statement and Fund Flow Statement.
- 30 Explain various types of Financial Analysis.

(4 × 2 = 8)



**Part D**

Answer any **two** questions.

Each question carries a weight of 4.

31 From the following information, prepare balance sheet as many details as possible :

Rs.

(a) Working Capital	...	1,20,000.00
(b) Reserves and Surplus	...	80,000.00
(c) Bank Over Draft	...	20,000.00
(d) Proprietary Ratio	...	0.75
(e) Current Ratio	...	2.5
(f) Liquid Ratio	...	1.5

32 From the following two balance sheets you are required to prepare a statement of sources and application of funds :

*Balance Sheet*

<i>Liabilities</i>	2022	2023	<i>Assets</i>	2022	2023
Share Capital	40,000.00	45,000.00	Cash	30,000.00	47,000.00
Trade Creditors	10,000.00	23,000.00	Debtors	1,20,000.00	1,15,000.00
Profit and Loss Account	2,30,000.00	2,50,000.00	Stock in Trade	80,000.00	90,000.00
			Land	50,000.00	66,000.00
	_____	_____		_____	_____
	2,80,000.00	3,18,000.00		2,80,000.00	3,18,000.00
	_____	_____		_____	_____

33 Write a note on Importance and limitation of ratio analysis.

(2 × 4 = 8)

