

S.No. : 102

BBAP 4203

No. of Printed Pages : 05

Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 47309

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BBA (P) Examination 2021-22

(Even Semester)

MANAGEMENT ACCOUNTING - II

Time : Three Hours]

[Maximum Marks : 60

Note :- Attempt all questions.

SECTION - A

1. Attempt all parts of the following : $8 \times 1 = 8$

- (a) What is comparative income statement?
- (b) Define the concept of "Fund Flow" in management accounting.
- (c) State three objectives of responsible accounting.
- (d) Describe two basic characteristics of management accounting.

[P. T. O.]

- (e) Give two objectives of analysis of financial statement.
- (f) Describe acid test ratio.
- (g) Define NPV.
- (h) Give the formulae of geometric mean.

SECTION – B

2. Attempt any two parts of the following : $2 \times 6 = 12$
- (a) Describe the importance of ratio analysis with relevant examples.
 - (b) Define cost accounting. How does it differ from financial accounting.
 - (c) Explain five advantages of management accounting.
 - (d) Compare absorption and variable costing giving their merits and demerits.

SECTION – C

Note :- Attempt all questions. Attempt any two parts from each questions. $5 \times 8 = 40$

3. (a) Explain the concept of activity based costing and why it is needed.
- (b) Describe budgeting and budget control techniques.
- (c) Explain the difference between vertical balance sheet and horizontal balance sheet.
4. (a) Explain discounted model capital budgeting with relevant examples.
- (b) A company is considering whether to purchase a new machine. Machines A and B are available for \$80,000 each. Earnings after taxation are as follows :

Year	Machine A	Machine B
1	24,000 \$	8,000 \$
2	32,000 \$	24,000 \$
3	40,000 \$	32,000 \$
4	24,000 \$	48,000 \$
5	16,000 \$	32,000 \$

Required : Evaluate the two alternatives using the following :

- (i) Payback method

[P. T. O.]

(ii) Rate of return on investments method

(iii) Net present value method

You should use a discount rate of 10%.

(c) Suppose Mr. Joshi has decided to invest his ₹ 2,00,000 of saving in share market. But he gets confused inw hich companies he should invest to get enough return after 5 years :

(i) Company A : Rate of return 8% annually, expected cash flow ₹ 1,80,000 per year.

(ii) Company C : Rate of return 7% quarterly, expected cash flow ₹ 3,80,000 per year.

(iii) Company P : Rate of return 7.9% semi-annually, expected cash flow ₹ 2,10,000 per year.

Find out which investment is best for Mr. Sharma with the help of payback period.

5. (a) What are the limitations of management accounting? How can these limitations be eliminated?

- (b) Distinguish between traditional costing system and activity-based costing.
 - (c) Describe the different components of total cost.
6. (a) Discuss the methods of risk handling, giving example of each.
- (b) Elaborate job and batch costing with relevant example.
 - (c) Discuss systematic and un-systematic risk with relevant example of each.

