

Dr. Babasaheb Ambedkar Open University

Term End Examination February – 2026

Course	: BBA	Date	: 13-Feb-26
Subject Code	: BBAR24602	Time	: 11:30am to 01:45pm
Subject Name	: Management Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

Question Paper

Write the following question and answers. Marks

Que-1 Explain the Scope of Management Accounting in detail. 14

OR

Que -1 Discuss the Limitations of Financial Statement Analysis.

Que -2 State the purpose and mode of determining the following ratios: 14

- (i) Inventory ratio (ii) Debtors Ratio (iii) Operating Ratio (iv) Shareholders Equity Ratio (v) Current Ratio

OR

Que -2 The Balance Sheet of Punjab Auto Limited as on 31-12-2022 was as follows:

Particular	Rs.	Particular	Rs.
Equity Share Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Buildings	40,000
8% Loan on Mortgage	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank overdraft	4,000	Debtors	12,000
Taxation: Current 4,000 Future 4,000	8,000	Investments (Short-term)	4,000
Profit and Loss A/c	12,000	Cash in hand	12,000
	1,20,000		1,20,000

From the above, compute (a) the Current Ratio, (b) Quick Ratio, (c) Debt-Equity Ratio, and (d) Proprietary Ratio.

Que -3 The comparative balance sheet of Iceland's Ltd. as at 31st December, 2022 and 2023 are as under: 14

Liabilities	2022 Rs.	2023 Rs.	Assets	2022 Rs.	2023 Rs.
Share capital	10,00,000	15,00,000	Building at cost	7,50,000	11,50,000
Share premium	-	50,000	Machinery (Less depreciation)	8,75,000	11,25,000
P&L A/c	2,00,000	4,25,000	Investment	1,00,000	1,00,000
5% debentures	5,00,000	3,80,000	Stock	2,25,000	2,45,000

Creditors	3,00,000	5,20,000	Debtors	75,000	90,000
Provision for taxation	1,00,000	25,000	Bank balance	1,25,000	2,40,000
Proposed dividend	50,000	50,000			
	21,50,000	29,50,000		21,50,000	29,50,000

The additional information is as under:

1. During the year 2023 the company sold machinery costing Rs. 75,000 for Rs. 25,000. The accumulated depreciation on the said machinery was Rs. 40,000.
2. Depreciation written off during the year 2023 was Rs. 90,000.
3. Taxation paid during the year amounted to 90,000.

From the above information prepare a statement of Sources and Application of Funds for the year 2023.

OR

Que -3 Discuss the Objectives of Budgetary Control in detail.

Que -4 What are the Advantages & Disadvantages of Standard Costing.

14

OR

Que -4 The details of Overheads of Gopi Ltd. for the month of March are as follows:

Particulars	Standard	Actual
Hours	18,000	20,000
Production (in Units)	9,000	12,000
Days	25	26
Fixed Overhead Expenses (Rs.)	36,000	40,000
Variable Overhead Expenses (Rs.)	18,000	25,000

Find the following variances:

- (1) Variable Overheads Cost Variance
- (2) Variable Overheads Expenditure (rate) Variance
- (3) Variable Overheads Efficiency Variance
- (4) Fixed Overheads Cost Variance
- (5) Fixed Overheads Volume variance
- (6) Fixed Overheads Capacity Variance
- (7) Fixed Overheads Calendar Variance

Que -5 Write a short note. (any two)

14

- 1 Difference between Management Accounting & Cost Accounting
- 2 Trend Percentage
- 3 Effects of Fund Flow on Working Capital
- 4 Advantages and Limitations of Cash Budget
- 5 Flexible Budget
