

Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2026

Course	:	BBA	Date	:	12-07-2026
Subject Code	:	BBACC301	Time	:	11:30am to 01:45pm
Subject Name	:	Management Accounting	Duration	:	02.15 Hours
			Max. Marks	:	70

Write the following questions and answers.

Marks

Q-1 Write about the Tools and Techniques of Management Accounting.

14

OR

Q-1 Describe the Nature of Financial Statement Analysis.

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

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Particular	Rs.	Particular	Rs.
Equity Share Capital	40,000	Plant & Machinery	24,000
Capital Reserve	8,000	Land & Buildings	40,000
8% Loan on Mortgages	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank overdraft	4,000	Debtors	12,000
Taxation: Current	4,000	Investments (Short-term)	4,000
Future	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.

OR

Q-2 The comparative balance sheet of Iceland's Ltd. as at 31st December, 2022 and 2023 are as under:

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	Investments	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 Rs. 90,000.

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

Q-3 Describe the Zero Base Budgeting in detail. **14**

OR

Q-3 How many types of Methods of preparation of a Flexible Budget.

Q-4 What are the advantages of having a system of Standard Costing? Do they have any significance in effective Budgetary Control? **14**

OR

Q-4 (a) The standard cost card shows the following detail relating to material need to produce 1 kg of coconut hair oil: -
Quantity of coconut required : 3kg
Price of coconut Rs.2.5 per kg.
Actual production data:
Production during the month : 1000kg
Quantity of material used : 3500 kg
Price of coconut : Rs. 3 per kg.
Calculate material cost variance, material price variance and material usage variance.
(b) A factory has estimated its overheads for some year at Rs. 96,000. The factory runs for 300 days in a year, it works 8 hours a day. The total budgeted production for the year is 24,000 articles: Actual data are also given to you as under for the month of April 2024. Actual overhead Rs. 8,500, Output 2,100, articles, Idle time 4 hours. Calculate:
(a) Fixed Overhead Cost Variance (b) Fixed Overhead Budget Variance (c) Fixed Overhead Efficiency Variance (d) Idle time Variance

Q-5 (A) Write a short note. (any three) **09**

- 1 Role of Management Accounting
- 2 Difference between Management Accounting & Cost Accounting
- 3 Significance of the Funds Flow Statement
- 4 Advantages of Cash Budget
- 5 Types of Variance

(B) Multiple Choice Questions **05**

1. Which of the following accounting systems helps in pricing, decision-making and selection of suitable product mix?
a) Financial Accounting b) Responsibility accounting
c) Management Accounting d) None
2. The process of comparing various financial factors of a company over a period of time is known as ...
a) Inter-firm comparison b) Ratio Analysis
c) Intra-firm comparison d) Inter-industry comparison

3. In _____ figures of two or more periods are placed side by side to facilitate easy and meaningful comparisons...
- a. Common-size statement analysis
 - b. Comparative statement analysis
 - c. Trend percentage analysis
 - d. None
4. Which of the following is the source of funds?
- a. Issue of shares
 - b. Raising long term loans
 - c. Sale of fixed assets
 - d. All of these
5. Which of the following is a cash outflow in a cash & Flow statement?
- a) Purchase of raw materials
 - b) Sale of finished goods
 - c) Depreciation expense
 - d) Interest revenue
