Madras University

M.B.A Management Accounting (Distance Education)

MAY 2010 P/ ID 77504 / PMBD
TIME: THREE HOURS **MAXIMUM : 100 MARKS**

PART –A (5X6 = 30 MARKS)(Any 5)

1.Explain the scope of management accounting.

2.Discuss non discounted cash flow techniques.

3.Explain Zero base budgeting.

4.Bring out the element of costings.

5.Explain the nature of budgetary control.

6.Explain the concept of marginal costing.

7.Bring out the limitation of financial accounting.

8.Bring out the advantages of ratio analysis.

PART –B (5X10 = 50 MARKS)

9.Explain functions of Management Accounting.

10.Make out a proforma cost sheet.

11.Explain how accounting information is used in managerial decision making.

12.Explain the advantages of fund flow statements.

13.Calculate:
(a) Debt equity ratio
(b) Liquidity ratio
(c)Fixed assets to current assets ratio
(d)Fixed assets turn over ratio with the help of following information.
Rs.
Sales 5,60,000
Equity Capital 1,00,000
Reserves 50,000
Secured loan 1,00,000
Good will 60,000
Land and Buildings 1,40,000

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Stock 30,000
Debtors 40,000
Cash 10,000

14.Prepare a flexible budget for overhead expenses at 90% capacity

Particulars Cost at 80% capacity
Variable Over heads Rs
Indirect labour 12,000
Stores 4,000
Semi- variable overheads
Power(30% fixed) 20,000
Repairs(50% variable) 10,000
Fixed Over heads
Depreciation 11,000
Insurance 3,000
Salary 6,000

15.A company has fixed expenses of Rs.90,000 with sales at Rs.3,00,000 and a profit of Rs.60,000. Calculate profit volume ratio. If the next year, the company suffered a loss of Rs.30,000. Calculate sales volume.

16. Prepare a statement showing changes in working capital from the following balance sheet.

Liability 2005 2006 Assets 2005 2006
Capital 5,00,000 4,00,000 Land 1,00,000 1,50,000
P/L 1,50,000 50,000 Buildings 3,00,000 4,00,000
Creditors 3,50,000 4,00,000 Stock 750000 700000
Bank o/d 5,00,000 6,00,000 Debtors 3,50,000 2,00,000

Total 15,00,000 14,50,000 15,00,000 14,50,000

PART –C (1X20=20 MARKS)
17. A firm whose cost of capital is 10% considering two mutually exclusive projects X and Y. Evaluate the project based on Net Present Value.

Particulars Projects X Projects Y
Rs. Rs.

Investments 70,000 70,000
Cash flow year 1 10,000 50,000
Cash flow year 2 20,000 40,000
Cash flow year 3 30,000 20,000
Cash flow year 4 45,000 10,000,Cash flow year 5 60,000 10,000

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