



‘समानो मन्त्रः समितिः समानी’

**UNIVERSITY OF NORTH BENGAL**  
BBA/B.Com. LL.B. Honours 3rd Semester Examination, 2022

**MANAGEMENT ACCOUNTING**

**PAPER CODE: FC08**

Time Allotted: 3 Hours

Full Marks: 100

*The questions are of equal value  
The figures in the margin indicate full marks.*

**Answer any four questions and Question No. 7 is compulsory to attempt**

1. (a) State and explain the limitations of Management Accounting. 10  
(b) Explain vividly the significance of Working Capital Management. 10
2. The following is the Balance Sheet of a company as on 31st March, 2021. 3+3+3+3+3+2

Liabilities	Amount	Assets	Amount
Share Capital	2,00,000	Land & Building	1,40,000
Profit & Loss Account	30,000	Plant & Machinery	3,50,000
General Reserve	40,000	Stock	2,00,000
12% Debentures	4,20,000	Sundry Debtors	1,00,000
Sundry Creditors	1,00,000	Bills Receivables	10,000
Bills payable	50,000	Cash at Bank	40,000
	<b>8,40,000</b>		<b>8,40,000</b>

Calculate:

- (i) Current ratio  
(ii) Quick Ratio  
(iii) Inventory to Working Capital Ratio  
(iv) Debt to Equity Ratio  
(v) Proprietary Ratio  
(vi) Capital Gearing Ratio  
(vii) Current Assets to Fixed Assets Ratio.
3. (a) Explain the concept of Pay Back Period. 8  
(b) State and explain the difference between Financial Accounting and Management Accounting. 12

4. (a) Calculate Inventory Turnover Ratio from the following information: 10
- |  |               |
|--|---------------|
| Revenue from operations:                     | Rs. 10,00,000 |
| Gross profit: 20% of Revenue from operations |               |
| Purchase:                                    | Rs. 8,40,000  |
| Closing inventory:                           | Rs. 1,80,000  |
- (b) Calculate Total Assets to Debt Ratio from the following information: 10
- |                      |               |
|----------------------|---------------|
| Shareholder's Funds: | Rs. 14,00,000 |
| Total Debts:         | Rs. 16,00,000 |
| Current Liabilities: | Rs. 4,00,000  |
5. (a) Explain the concept of marginal costing. 6
- (b) State and explain the significance of marginal costing in management accounting. 14
6. (a) State and explain the scope of budget and budgetary control. 10
- (b) State and explain the difference between preference share and equity shares. 10
7. Write short notes: (any *four*) 5×4 = 20
- (a) Flexible budget
  - (b) Master budget
  - (c) Relationship between Risk and Return
  - (d) Explicit and Implicit cost
  - (e) Retained earnings
  - (f) Capital budgeting.

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