



‘সমানো মন্ত্র: সমিতি: সমানী’

UNIVERSITY OF NORTH BENGAL

BBA/B.Com. LL.B. Honours 3rd Semester Examination, 2021

MANAGEMENT ACCOUNTING

PAPER CODE: FC08

Time Allotted: 3 Hours

Full Marks: 100

The figures in the margin indicate full marks.

The students are advised to follow the word limit mentioned below strictly while answering questions.

The marks will be deducted if answers exceed word limit.

16-20 marks- 400 words / 10-15 marks- 300 words / 6-9 marks- 200 words / 2-5 marks- 100 words

Answer Question No.7 compulsorily and any four questions from rest

1. (a) Explain the concept of Capital Budgeting. Why Capital Budgeting is such an important Technique in Investment decision? 5+5+10
(b) State and explain the relationship between Risk and Return on Investment.

2. (a) Calculate Gross Profit Ratio from the following information: 10+10
 - (i) Opening Inventories : Rs. 50,000
 - (ii) Purchases : Rs. 1,50,000
 - (iii) Returns Outwards : Rs. 20,000
 - (iv) Wages : Rs. 10,000
 - (v) Revenue from Operations : 2,50,000
 - (vi) Closing Inventories : Rs. 40,000
(b) Calculate Inventory Turnover Ratio from the following information:
Revenue from Operations : Rs. 10,00,000
Gross Profit : 20% of Revenue from Operations
Purchases : Rs. 8,40,000
Closing Inventory : Rs. 1,80,000

3. (a) Calculate Working Capital Turnover Ratio from the following: 10+10
 - (i) Cost of Revenue from Operations : Rs. 18,00,000
 - (ii) Inventory : Rs. 3,60,000
 - (iii) Trade Receivables : Rs. 1,70,000
 - (iv) Marketable Securities : Rs. 50,000

- (v) Cash and Bank : Rs. 20,000
- (vi) Trade Payables : Rs. 1,40,000
- (vii) Provision for Tax : Rs. 10,000

(b) Calculate Total Assets to Debt Ratio from the following information:

Shareholder's Funds : Rs. 14,00,000

Total Debts : Rs. 16,00,000

Current Liabilities : Rs. 4,00,000

4. (a) State and explain the difference between Cash flow and Fund flow. 10+10
- (b) Explain in detail the advantages and limitations of Management Accounting.
5. Explain the concept of Marginal Costing. Why Marginal Costing is such an important field of Management Accounting? 8+12
6. The sales turnover and profit during two years were as follows: 20

Year	Sales ₹	Profit ₹
2010	1,40,000	15,000
2011	1,60,000	20,000

You are required to calculate:

- (i) P/V ratio.
- (ii) Sales required to earn a profit of Rs. 40,000.
- (iii) Profit when sales are Rs. 1,20,000.

7. Write short notes on: (Attempt any **four** questions) 5×4 = 20
- (a) Limitations of Management Accounting
 - (b) Significance of Working Capital Management
 - (c) Current Liabilities and Current Assets
 - (d) Pay Back Period
 - (e) Importance of Ratio Analysis
 - (f) Write the formula of any five accounting ratios

—x—