



‘সমানো মন্ত্র: সমিতি: সমানী’

UNIVERSITY OF NORTH BENGAL

BBA/B.Com. LL.B. Honours 3rd Semester Examination, 2023

MANAGEMENT ACCOUNTING**PAPER CODE: FC08**

Time Allotted: 3 Hours

Full Marks: 100

*The figures in the margin indicate full marks.***Answer Question No. 7 and any four questions from the following**

1. Calculate Current Ratio and Quick Ratio from the following. Also give your opinion about the short-term financial position of the company 10+8+2

	Rs.
Cash and Cash Equivalents	10,000
Trade Receivables	71,000
Short-term Investments	20,000
Long-term Investments	40,000
Inventory:	
Raw Materials	80,000
Finished Goods	60,000
Loose Tools	50,000
Prepaid Expenses	9,000
Plant and Machinery	2,00,000
Trade payables	1,00,000
Provision for Taxation	25,000
Outstanding Expenses	5,000
Profit & Loss Balance	80,000

2. (a) Explain the role of Management Accountant. 10
 (b) Make a comparative analysis between Financial Accounting and Management Accounting. 10
3. (a) State and explain the nature of working capital. Mention the need of working capital. 5+5
 (b) Make a comparative analysis between Absorption Costing and Marginal Costing. 10

4. (a) Elaborate the relationship between risk and return. 10
 (b) Explain the concept of Capital Budgeting. 10
5. Wonder Ltd. manufactures a single product, ZEST. The following figures relate to ZEST for one year period. 4+4+6+6

Activity Level	50%	100%
Sales and production (units)	400	800
	(₹)	(₹)
Sales	8,00,000	16,00,000
Production Costs:		
Variable	3,20,000	6,40,000
Fixed	1,60,000	1,60,000
Selling and Distribution Costs:		
Variable	1,60,000	3,20,000
Fixed	2,40,000	2,40,000

The normal level of activity for the year is 800 units. Fixed costs are incurred evenly throughout the year and actual fixed costs are the same as budgeted. There were no stocks of ZEST at the beginning of the year. In the first quarter, 220 units were produced and 160 units were sold.

Required:

- (a) Compute the fixed production costs absorbed by ZEST if absorption costing is used.
 (b) Calculate the under/over recovery of overheads during the period.
 (c) Calculate the profit using absorption costing.
 (d) Calculate the profit using Marginal Costing.
6. (a) Elaborate the components of working capital. 10
 (b) Explain the types of budgets. 10
7. Write short notes: (Attempt any *four*) 5×4 = 20
 (a) Flexible budget
 (b) Master budget
 (c) Capital budget
 (d) Fixed and variable cost
 (e) Pay Back Period
 (f) Discounted cash flow.

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