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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)(071)/
BBA IN SPORTS MANAGEMENT (472)
EXAMINATION: MAY - 2025
SEMESTER - IV
Sub.: Management Accounting (BBA22-411/BBA23-411)

Date : 20/05/2025**Total Marks : 60****Time: 2.00 pm to 4.30pm**

Instructions: 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Which of the following best defines management accounting?

a) The process of recording business transactions	b) The system of preparing reports and accounts to assist management in decision-making
c) The preparation of budgets and forecasts only	d) The method of statutory reporting for external users
2. What does marginal cost refer to?

a) Total cost of production	b) Cost of producing one additional unit
c) Fixed cost of production	d) Overhead cost allocation
3. Which of the following best defines an accounting ratio?

a) A comparison of two unrelated financial figures	b) A mathematical relationship between two related accounting figures
c) A formula to calculate total assets	d) A method to allocate indirect costs
4. How does standard costing relate to budgetary control?

a) It replaces budgetary control entirely	b) It provides benchmarks for budgetary control
c) It only applies to indirect costs	d) It focuses on profit forecasts rather than costs
5. Which of the following best describes a budget?

a) A plan for future financial performance	b) A prediction of future market trends
c) A summary of past financial results	d) An estimate of a company's fixed costs

Q. 2. State True / False (05)

1. "Angle of Incidence" in a break-even chart indicates the speed at which profit is earned after the break-even point.

a) True	b) False
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2. Debt-to-Equity Ratio is used to evaluate the financial leverage of a company.

a) True	b) False
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3. Depends on historical data that may not be relevant for future decisions is a limitation of ratio analysis.

a) True	b) False
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4. Analyzing inefficiencies in material, labor, and overhead usage represents the analysis of variance causes.

a) True	b) False
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5. Employee resistance to unrealistic budget targets is a behavioral aspect in budgeting.

a) True	b) False
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Q. 3. Write Short notes on (Any Three) (15)

1. Relationship of Management Accounting with Other Branches of Accounting
2. Break-Even Chart

3. Utility of ratios
4. Standard Costing and Budgetary Control
5. Various Types of Budgets

Q. 4. Answer in detail (Any Two)

(20)

1. Explain “Management Accounting as a decision making tool”.
2. Selling Price per unit: ₹ 60
Variable Cost per unit: ₹ 35
Fixed Costs: ₹ 25,000 per month

Calculate the following using Marginal Costing:

1. Contribution Margin per unit.
2. PV Ratio.
3. Break-Even Point in units.
4. Profit at a sales volume of 1,800 units.
5. Margin of Safety Percentage at a sales volume of 2,500 units.

3. Ganga Metal Ltd. manufactures spare parts for automobile industry. Various metals are used as per the requirement of the product. The company provided the following cost data related to three different metals:

Material	Standard		Actual	
	Quantity in Kg	Price per Kg (₹)	Quantity in Kg	Price per Kg (₹)
Iron	90	25	50	65
Steel	50	45	30	45
Aluminum	60	90	70	70

Calculate the following:

1. Material Cost Variance (MCV)
 2. Material Price Variance (MPV)
 3. Material Usage Variance (MUV)
4. The following Trading and Profit and Loss Account of Surya Ltd. For the year 31-3-2024 are given below:

Particulars	₹	Particulars	₹
To Opening stock	1,50,000	By Sales	15,00,000
To purchases	9,00,000	By Closing stock	2,40,000
To Carriage inward	30,000		
To Wages	60,000		
To Gross profit c/f	6,00,000		
	17,40,000		17,40,000
To Administrative exp.	3,00,000	By Gross profit b/d	6,00,000
To Selling Exp.	60,000	By interest on securities	30,000
To Non operating exp.	30,000	By Dividend on shares	45,000
To financial exp.	45,000	By Profit on sale of shares	60,000
To Net profit c/d	3,00,000		
	7,35,000		7,35,000

Calculate:

- 1) Gross Profit Ratio
- 2) Expense Ratio
- 3) Operating Ratio
- 4) Net Operating Profit Ratio
- 5) Net Profit Ratio.

Q. 5. From the following information relating to Satywan Ltd., Mumbai, prepare a Flexible Budget at 60% and 70% capacity. **(15)**

Particulars at 50% (500 units) Capacity

Particulars	Amt. ₹
A) Variable Overheads	
Material	1,00,000
Labour	50,000
Direct Expenses	20,000
B) Semi - Variable Overheads	
· Electricity	20 ,000
Variable - 60%	
Fixed - 40%	
· Repairs and Maintenance	10,000
Variable - 65%	
Fixed - 35%	
C) Fixed Overhead	
· Salaries to staff	40,000
· Depreciation on machines	10,000
· Insurance on machines	5,000