

January - 2007

Subject Code—5874-X

B.B.A. (Third Year) EXAMINATION

(Re-appear)

BBA-304

COST & MANAGERIAL ACCOUNTING

Time : 3 Hours

Maximum Marks : 80

Note : Attempt any *Five* questions. All questions carry equal marks.

1. "Fund flow statement is more comprehensive than cash flow statement." Do you agree ? Support your answer with a complete example.
2. Discuss the role of marginal costing in the modern times. How can you calculate P/V Ratio, Break-even-point and Key factor ? Give some live examples.

3. Explain and illustrate the term 'overheads'. Discuss its classification, allocation and absorptions procedures. Give some live examples.
4. Explain the meaning, nature and scope of management accounting. Is it different from cost accounting ? Discuss how the cost sheet is prepared and illustrate with example.
5. Explain with example the different methods of cash budgeting. Which method is superior and why ? Also define the concept of zero base budgeting.
6. What are Job and Batch Costing ? Explain with illustrations. Is batch costing relevant in modern times ?
7. What do you mean by analysis and interpretation of financial statements ? What are different methods based on which you can report the financial performance of a company ?

8. Write short notes on the following :

- (a) Margin of safety
- (b) Profit planning.

9. The following are the ratios drawn from the financial statements of ABC Ltd. as on 31st March, 2006. Draw up the Status of Balance Sheet :

(a) Stock Turnover	4.5
(b) Capital Turnover	2.08
(c) Fixed Assets Turnover	4.4
(d) Gross Profit	28%
(e) Debtors Turnover	45 days
(f) Creditors Turnover	80 days

Additional information includes—Gross Profit Rs. 89,000; Reserves and Surplus amounted Rs. 28,000; Closing Stock was Rs. 7,800 in excess of Opening Stock.

10. A proposed investment having an after-tax cost of Rs. 3,44,550 is expected to produce after-tax inflows as shown below. If the firm's hurdle rate (cost of capital) is 11.55%, should the investment be made or the company should take alternative decisions ?

Period (Year)	Inflows (Rs.)
0	-3,44,550
1	76,000
2	68,500
3	76,500
4	89,500
5	94,000