

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME
B.B.A FOURTH SEMESTER DEGREE EXAMINATION MAY 2025
BUSINESS ADMINISTRATION
Management Accounting

Duration: 2 Hours

Max Marks: 60

SECTION A

Answer any TWO of the following:

(2×15= 30)

- 1) Define Management Accounting. Explain the scope of Management Accounting.
- 2) With the following ratios and further information given below, prepare a Trading & Profit and loss account and balance sheet.

Gross profit ratio	25%
Net profit ratio	20%
Stock turnover ratio	10
Net profit/capital	1/5
Capital to total liabilities	1/2
Fixed assets/Capital	5/4
Fixed assets/total current assets	5/7
Fixed assets	Rs. 10,00,000
Closing stock	Rs. 1,00,000

- 3) The following are balance sheets and income statement of Hari Ltd, prepare cash flow statement

Liabilities	31/3/2019	31/3/2020	Assets	31/3/2019	31/3/2020
Share capital	180000	222000	Land	24000	48000
P & L a/c	75900	81900	Building	180000	288000
Creditors	120000	117000	Cash	30000	36000
o/s expenses	12000	24000	Debtor	84000	93000
Provision for tax	6000	6600	Stock	132000	48000
Depreciation on building	60000	66000	Advances	3900	4500
	453900	517500		433900	517500

Cost of building was Rs. 36000.

Profit & Loss A/c			
To cost of sales	990000		
To wages & Salaries	120000	By Net sales	1260000
To G/P c/d	150000		
	1260000		1260000

To operating expenses	40000	By gross profit b/d	150000
To depreciation	30000	By profit on sale of building	6000
To provision for taxation	44000		
To net profit c/d	42000		
	156000		156000
To proposed dividend			
To balance carried to balance sheet	36000	By balance b/d	75900
	81900	By net profit b/d	42000
	117900		117900

SECTION B

Answer any **THREE** of the following :

(3×7= 21)

- 4) From the following information Calculate break even point in units and sales value
 Output = 3000 units
 Selling price per unit = Rs.30
 Variable cost per unit= Rs.20
 Total fixed cost =Rs.20000
- 5) Budgetary control means worrying before work rather than after. Its keynotes are planning, coordination and control' Explain this statement.
- 6) Ratio Analysis is only a technique for making judgements and not a substitute for judgements. Examine.
- 7) From the following forecasts of income and expenditure, you are required to prepare a cash budget for three months ending 30th November. The bank balance on 1st September was Rs.10,000.

Month	Sales Rs.	Purchases Rs.	Wages Rs.	Factory expenses Rs.	Office Expenses Rs.
July	80000	40000	5600	3900	10000
August	76500	42000	5800	4100	12000
September	78000	38500	5800	4200	14000
October	90000	37500	5900	5100	16000
November	95000	43000	5900	6000	13000

A sales commission of 4% on sales, due in the month in which sales dues are collected is payable in addition to office expenses. Fixed assets worth Rs.65,000 will be purchased in September to be paid in the following month Rs.20,000 in respect of debenture interest will be paid in October. The period of credit allowed

to customers is two months and one month credit is obtained from supplies of goods. Wages are paid twice in a month on the 1st and 16th respectively. Expenses are paid in the month in which they are due.

SECTION C

Answer any THREE of the following :

(3×3= 9)

- 8) Differentiate between investing and financing activities.
- 9) What do you understand by cost-volume-profit analysis?
- 10) What is the role of a management accountant?
- 11) Write a short note on capital gearing ratio.

**CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME
B.B.A FOURTH SEMESTER DEGREE EXAMINATION MAY 2025**

BUSINESS ADMINISTRATION

Financial Management

Duration: 2 Hours

Max Marks: 60

SECTION A

Answer any TWO of the following:

(2×15= 30)

- 1) What are the various factors determining dividend policy of an organisation? Elucidate.
- 2) A chemical company is considering an investment in a project that costs Rs. 5,00,000. The life of the project is 5 years and estimated salvage value is zero. Tax rate is 55%. The company uses straight line depreciation and proposed project has estimated earnings before depreciation and before tax as follows:

Year	1	2	3	4	5
Cash flows	1,00,000	1,00,000	1,50,000	1,50,000	2,50,000

Determine the following:

- a. Payback period
- b. Net present value method
- c. Profitability Index method.

You are also given the following data.

Year	1	2	3	4	5
Discount Factor at 10%	0.909	0.826	0.751	0.683	0.621

- 3) You are supplied with the following information in respect of Bright Ltd for the year 2020
 - Production for the year 69000 units
 - Finished goods in store 3 months
 - Raw materials in store 2 months consumption
 - Production process one month
 - Credit allowed by creditors 2 months
 - Credit given to debtors 3 months
 - Selling price per unit Rs. 50
 - Raw materials 50% of selling price
 - Direct wages 10% of selling price
 - Overheads 20% of selling price
 - There is a regular production and sales cycle.

Wages accrue evenly.

Wages are paid in the next month of accrual.

Materials are introduced at the beginning of the production cycle.

You are required to calculate the working capital requirement.

SECTION B

Answer any THREE of the following :

(3×7= 21)

- 4) Explain the problems of excess or inadequate working capital.
- 5) A firm creates a depreciation fund for the replacement of a worn – out machinery originally bought at a cost of Rs 5,00,000 at the end of its useful life of 8 years. Assuming that the investments fetch 10% compound interest per year, calculate the amount that should be transferred to depreciation fund at the end of every year.
- 6) Atlas Products Ltd presents the following details; you are required to calculate Operating leverage.
Selling Price per unit Rs 12
Sales 2,00,000 units
Variable cost Rs.7 per unit
Fixed cost Rs 7,00,000.
Analyze the situation with an output and sales of 3,00,000 units.
- 7) A Ltd Company has equity share capital of Rs.5,00,000 divided into shares of Rs. 100 each. It wishes to raise further Rs.3,00,000 for expansion cum modernization plans. The company plans the following financing schemes:
 - a) Rs 1,00,000 in common stock and Rs.2,00,000 in debt at 10% p.a
 - b) Rs 1,00,000 in common stock and Rs.2,00,000 in preference capital with the rate of dividend at 8%.The company's expected earnings before interest and tax is Rs.1,50,000.
The corporate rate of tax is 50%.
Determine the EPS in each plan and comment on the implication of financial leverage.

SECTION C

Answer any THREE of the following :

(3×3= 9)

- 8) A person invests Rs 5,000 at the end of each year at 10% rate of interest per year. State what amount he will receive at the end of 4 years.
- 9) State any three significance of time value of money.
- 10) Give the meaning of Financial Leverage.
- 11) State the meaning of temporary working capital.

CHOICE BASED CREDIT SYSTEM
BBA FOURTH SEMESTER DEGREE EXAMINATION MAY 2025
BUSINESS ADMINISTRATION

Taxation

Duration: 3 Hours**Max Marks: 80****I. Answer any THREE of the following :****(3×16= 48 Marks)**

1. Mr. Jeevan Shastri earns the following incomes during the previous year.
 - a) Profits earned from a business in Bangalore managed from Singapore Rs.2,25,000
 - b) Pension from former employer in India received in Singapore Rs.15,000
 - c) Income from property in Ceylon received in India Rs.10,000
 - d) Profits from profession in Bangladesh deposited in a bank there Rs.12,000
 - e) Income from a business in Ghana, controlled from India Rs.14,000
 - f) Dividend on Indian Company shares received in Japan Rs.10,000
 - g) Profit on sale of building in India received in Hong Kong Rs.25,000
 - h) Interest on Dutch Government securities half of which is received in India Rs.5,000.
 - i) Business income in Bangladesh (controlled from India) Rs.35,000.
 - j) Profit from business in Andamans Rs.25,000.
 - k) Income accrued in India but received in Sri Lanka Rs.30,000.
 - l) Profit from business in Chennai Rs.40,000.
 - m) Income from property in Canada, received outside India Rs.1,10,000.Determine his taxable income if he is i) OR ii) NOR iii) NR.
2. Mr. Prajwal retired from service on 31 Dec 2018 after serving 25 years. He received a gratuity of Rs.2,00,000. His basic as on 1 Jan 2018 was Rs.12,000 and increment of Rs.500 fell due on 1 Sep. He received HRA Rs.3,500 per month. Whereas the rent paid for the house was Rs.4,000 per month, which enters retirement benefits. He had 8 months of earned leave encashment to his credit which he encashed and received Rs.2,10,000. DA was fixed Rs.2,000 pm 50% of which enters retirement benefits. Compute taxable gratuity, Taxable portion of encashment of leave encashed, Taxable HRA assume that assessee is not covered under payment of Gratuity Act.

3. Miss Dishel was working at Delhi. She drew a salary of Rs.23,500 p.m. DA at 30% of her salary. She got HRA at the rate of Rs.1,800 p.m. where as the actual rent paid by her amounted to Rs.2,000 p.m. She contributed 15% of her salary+DA to URPF to which the company contributed 10%. She retired on 31st Oct after serving for 28 years. She received Rs.70,00,000 from URPF which included Rs.3,00,000 towards interest. She got Rs.4,50,000 as gratuity. Her average salary for the last ten months amounted to Rs.26,800 p.m (including DA). Compute the gross total income of Miss Dishel.
4. Mr. Vijay sold the following assets during previous year:
 1. Gold ornaments acquired in July 2018 for Rs.1,00,000 were sold for Rs.1,20,000 in June 2020.
 2. Self- cultivated land was sold for Rs.4,50,000 in June 2020 and its purchase price in 2005-06 was Rs.2,50,000. He purchases new land for cultivation in January 2021 for Rs.4,25,000.
 3. Maruthi Van sold on 1-12-2020 for Rs.90,000 which was purchased by him in January 2020 for Rs.1,40,000. Its written down value on 1-4-2020 was Rs.1,00,000 (Van used for business)
 4. Residential house purchased in July 1998 for Rs.50,000 sold for Rs.16,00,000 on 1st January 2021. During the year he purchased new residential house for Rs.3,00,000 and invested Rs.40,000 in specified bonds.
 Compute taxable capital gains. CII 2001-02:100, 2005-06:117, 2018-19:280, and 2020-21:301

II. Answer any THREE of the following :

(3×8= 24 Marks)

5. What are the kinds of Securities? Explain
6. During the previous year Mr Raj received a basic of Rs 3,000 P.M, DA 50% of basic, CCA at Rs 500 p.m and HRA At Rs 1000 p.m. He pays a rent of Rs 1,200 p.m for the house. Compute the taxable HRA if
 - a) DA is not considered for retirement benefits.
 - b) DA is considered for retirement benefits.
7. From the following particulars compute the perquisite value accommodation provided at concessional rent:

asic Rs. 6,400 per month
 DA Rs. 2,500 per month
 Medical Allowance Rs. 200 per month.
 Conveyance Allowance : Rs. 2,000 per month.

Bonus 2 months basic.

He has been given furnished house at Chennai by the employer for which the company pays a rent of Rs. 6,000 per month. Cost of furniture is Rs. 30,000. The company deducts Rs. 1,000 per month towards rent.

8. Satya owns two houses. He has let out one house throughout the year. II house was used by him for own residence for first 8 months and was let-out on 1st Dec. on monthly rent of Rs 14,000. Compute his income from house property and give necessary notes

	House I	House II
Municipal Valuation	32000	151800
Fair Rent	31,000	140,000
Composite rent payable by the tenant for house & amenities	39500	-
Municipal Taxes paid	-	15000
Municipal taxes due	3000	-
Repairs (met by the tenant)	2000	-
Electricity bill paid by the assessee	1500	-
Water charges paid by the assessee	1600	-
Lift maintenance paid by the assessee	2400	-
Collection Charges	300	500

III. Answer any FOUR of the following :

(4×2= 8 Marks)

9. Explain the concept of Income
10. Write a short note on Earned Leave Encashment.
11. What are the various characteristics of Salary?
12. Explain a) Municipal Value b) Fair Rent
13. Briefly explain the term Income from other sources

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME
B.B.A FOURTH SEMESTER DEGREE EXAMINATION MAY 2025
BUSINESS ADMINISTRATION
Financial Markets & Services

Duration: 2 Hours**Max Marks: 60**

SECTION A

Answer any TWO of the following:**(2×15= 30)**

- 1) Explain the objectives and functions of IFCL.
- 2) What is Merchant banking? Describe the functions and operations of Merchant Banking.
- 3) Define money market. Explain the various Instruments of money market

SECTION B

Answer any THREE of the following :**(3×7= 21)**

- 4) Elucidate the role of financial system in an economy.
- 5) Write a brief note on NIDC.
- 6) Why is money market important in developing the economy of the country?
- 7) Explain the benefits of NSDL.

SECTION C

Answer any THREE of the following :**(3×3= 9)**

- 8) Expand ICICI.
- 9) What is meant by ETFs?
- 10) What are the constituents of financial market?
- 11) What is meant by rolling settlement?
