

Bc/AMD-403

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(4th Semester)

COMMERCE

Paper : BC-403

(Accounting for Managerial Decision)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

- 1.** Choose and write the correct answer from the options provided : 1×10=10
- (a) Classification of data is done in a book, called
- (i) Journal
 - (ii) Accounts
 - (iii) Ledger
 - (iv) Balance Sheet
- (b) Financial Accounting Information is made more reliable by
- (i) preparing Profit and Loss Account
 - (ii) Auditing
 - (iii) preparing Trial Balance
 - (iv) using internationally accepted accounting principles and standards

(2)

- (c) Management Accounting is a branch of accounting concerned with reporting to
- (i) internal manager
 - (ii) shareholders
 - (iii) government
 - (iv) bankers
- (d) Which of the following does not describe Management Accounting?
- (i) Evaluation of segments or products within the firm
 - (ii) Emphasis on the future
 - (iii) Externally focused
 - (iv) Detailed examination
- (e) Managers utilize marginal costing
- (i) to make or buy decision
 - (ii) for exploring new market
 - (iii) for utilization of additional capacity
 - (iv) All of the above
- (f) Given production is 1000 units, fixed cost is ₹ 2,000, selling price is ₹ 10 per unit and variable cost is ₹ 4 per unit. What will be the profit as per marginal costing?
- (i) ₹ 2,000
 - (ii) ₹ 3,000
 - (iii) ₹ 4,000
 - (iv) ₹ 5,000

- (g) The purpose of financial analysis is to diagnose the information in financial statements so as to judge the
- (i) profitability of the firm
 - (ii) efficiency of the management
 - (iii) profitability and financial soundness of the firm
 - (iv) financial position of the firm
- (h) Which of the following is not a cash flow from operating activity?
- (i) Receipts from interest and commission
 - (ii) Cash proceeds from issuing shares or other similar instruments
 - (iii) Payment of interest on loan
 - (iv) Payments to employee
- (i) Which of the following reports indicate the variances and the reasons behind such variances?
- (i) Control reports
 - (ii) Enterprise reports
 - (iii) Special reports
 - (iv) External reports

(4)

- (j) On the basis of users or purpose, the managerial reports are categorized as
- (i) enterprise reports and control reports
 - (ii) operating reports and financial reports
 - (iii) trend reports and analytical reports
 - (iv) internal reports and external reports

2. State whether the following statements are *True* or *False* : 1×5=5

- (a) Financial Accounting is not helpful in fixation of prices.
- (b) Management Accounting reports are published for the benefits of the public.
- (c) Cost-volume-profit analysis is also known as break-even analysis.
- (d) Purchase of new building is an investing activity.
- (e) Reports are means of downward communication.

3. Write short notes on the following : 2×5=10

- (a) Managerial decisions
- (b) Management Accounting
- (c) Margin of safety
- (d) Debt-equity ratio
- (e) Routine reports

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(4th Semester)

COMMERCE

Paper : BC-403

(Accounting for Managerial Decision)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Explain the meaning and functions of Financial Accounting. 2+7=9

Or

- (b) What are the objectives of Financial Accounting? State the advantages of Financial Accounting. 4+5=9

2. (a) “Management Accounting aims at providing financial results of the business to the management for taking decision.” Explain the statement by bringing out the importance of Management Accounting. 9

Or

- (b) Who is a Management Accountant? What important role does he play in the organization? 2+7=9

3. (a) What is break-even analysis? State the assumptions and uses of break-even analysis. 2+4+3=9

Or

- (b) The sales turnover and profit during two years were as follows :

Year	Sales (₹)	Profit (₹)
2019	1,40,000	15,000
2020	1,60,000	20,000

You are required to calculate (i) P/V ratio, (ii) sales required to earn a profit of ₹ 40,000 and (iii) profit when sales are ₹ 1,20,000. 3+3+3=9

4. (a) What is meant by analysis of financial statement? Explain the different methods used for the analysis and interpretation of financial statement.

2+7=9

Or

- (b) The Income Statements of a concern are given for the year ending on 31st December, 2019 and 2020. Rearrange the figures in a comparative form and comment on the profitability position of the concern :

5+4=9

	2019 ₹ ('000)	2020 ₹ ('000)
Net Sales	785	900
Cost of Goods Sold	450	500
Operating Expenses :		
General Expenses	70	72
Selling Expenses	80	90
Non-operating Expenses :		
Interest Paid	25	30
Income Tax	70	80

5. (a) What is management reporting? State its objectives and explain the modes of reporting.

2+3+4=9

Or

- (b) How is reporting done at various levels of management? Explain.

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