

Subject Code : BC/AMD-403

Booklet No. A 221

BC/AMD-403

2022

(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 characteristics and limitations of financial accounting. 4+5=9

Or

- (b) What is the primary role of management accounting in managerial decision making? Discuss the functions of management accounting. 2+7=9

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(2)

2. (a) Discuss the nature and scope of management accounting.

Or

- (b) Define management accounting. How does management accounting differ from financial accounting?

3. (a) "Marginal costing is essentially a technique of cost analysis and cost presentation." Discuss the statement with reference to the applications of marginal costing.

Or

- (b) A factory produces 300 units of product per month. The selling price is ₹ 120 and variable cost is ₹ 80 per unit. The fixed expenses of the factory amount to ₹ 80,000 per month. Calculate—

- (i) break-even point in units and value;
- (ii) value of sales to earn a profit of ₹ 7,000 per month;
- (iii) estimated profit in a month where 240 units are produced.

(3)

4. (a) Following are the two Balance Sheets on
M Ltd. and K Ltd. as on 31.03.2021 :

	(₹ in lakhs)	
	M Ltd.	K Ltd.
<i>Assets</i>		
Cash	27	72
Sundry Debtors	220	226
Stock	100	174
Prepaid Expenses	11	21
Other Current Assets	10	21
Fixed Assets (Net)	635	513
	<u>1003</u>	<u>1027</u>
<i>Liabilities & Capital</i>		
Sundry Creditors	42	154
Other Current Liabilities	78	62
Fixed Liabilities	225	318
Capital	658	493
	<u>1003</u>	<u>1027</u>

From the above data, prepare a
Common Size Balance Sheet. Compare
and comment on the financial positions
of the two companies. 9

Or

- (b) What is a cash flow statement? Explain
the uses and significance of cash flow
statement. 2+7=9

(4)

5. (a) Explain the objectives and methods of reporting. 4+5=9

Or

- (b) Discuss the various kinds of reports prepared by the management accountant.

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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 the correct answer and place its code in the
brackets provided : 1×10=10

(a) Accounting is the application of knowledge
comprising of

- (i) accepted theories
- (ii) principles and rules
- (iii) concepts and conventions
- (iv) All of the above

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(b) Financial Accounting deals with

- (i) determination of profits
- (ii) determination of costs
- (iii) determination of price
- (iv) None of the above

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(c) Which of the following is concerned with providing information to management for taking managerial decisions?

- (i) Financial Accounting
- (ii) Cost Accounting
- (iii) Management Accounting
- (iv) Social Responsibility Accounting [

(d) Management Accounting is concerned with

- (i) providing accounting information
- (ii) policy formulation
- (iii) controlling performance
- (iv) All of the above]

(e) Marginal costing is known as

- (i) Fixed Cost
- (ii) Variable Cost
- (iii) Semi-variable Cost
- (iv) None of the above]

(f) Sales—₹ 1,50,000; Fixed Cost—₹ 40,000; Profit—₹ 40,000, then Variable Cost is

- (i) ₹ 1,00,000
- (ii) ₹ 80,000
- (iii) ₹ 60,000
- (iv) ₹ 40,000

(g) Which of the following is not tool of Management Accounting?

- (i) Standard costing
- (ii) Human resource accounting
- (iii) Budgetary control
- (iv) Marginal costing

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(h) Repayment of long-term loan is a cash from

- (i) operating activities
- (ii) financing activities
- (iii) investing activities
- (iv) None of the above

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(i) Oral report includes

1. Group meetings
2. Conferences with individuals
3. Interviews
4. Sales reports

Select the correct answer using the codes given below :

- (i) 1, 2 and 4
- (ii) 1, 3 and 4
- (iii) 1, 2 and 3
- (iv) 1, 2, 3 and 4

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(4)

- (j) Special reports may deal with
- (i) reports on production
 - (ii) purchase of raw materials
 - (iii) technological changes in the industry
 - (iv) reports on sales

2. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=

- (a) Management Accounting deals with only quantitative data.

(T / F)

- (b) Financial Accounts are of historical in nature.

(T / F)

- (c) Contribution helps the management in fixation of selling prices.

(T / F)

- (d) Debt-equity ratio measures short-term financial position of the business.

(T / F)

- (e) Reporting is not equivalent to communication.

(T / F)

(5)

3. Write short notes on the following :

2×5=10

(a) Cost Accounting

(6)

(b) Management Information System

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(7)

(c) Break-even Analysis

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(8)

(d) Ratio Analysis

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(9)

(e) Graphic Reporting

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