

**2025****( 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. 5+4=9

Or

- (b) What is management accounting?  
Discuss the functions of management accounting. 2+7=9

2. (a) Explain the scope and tools of management accounting. 4+5=9

Or

- (b) Discuss the responsibility and position of management accountant. 4+5=9

3. (a) Discuss the merits and demerits of marginal costing. 9

Or

- (b) The sales and profit during two years as given below :

Year	Sales	Profit
	₹	₹
2018	1,50,000	20,000
2019	1,70,000	25,000

You are required to calculate the following :

- P/V ratio
- Break-even point
- The sales required to earn a profit of ₹ 40,000
- The profit made when sales are ₹ 2,50,000
- Margin of safety at a profit of ₹ 50,000

4. (a) What is financial statement analysis? Discuss the different types of financial statement analysis. 2+7=9

Or

- (b) From the following information, prepare a Comparative Income Statement of Sachin Ltd. from the following : 9

## Income Statement

	(₹ in lakhs)	
	2015	2016
Net Sales	600	750
Cost of Goods Sold	400	600
Administrative Expenses	20	20
Selling Expenses	10	10
Net Profit	170	120

5. (a) Explain the various objectives of reporting to management. 9

Or

- (b) Discuss the reporting needs at different managerial levels.

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2025

( 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 : 1×15=15

(a) Main emphasis of management accounting is

(i) planning

(ii) controlling

(iii) decision-making

(iv) All of the above

[ (iv) ]

(b) Break-even point is obtained at intersection of

- (i) total expenses and total cost line
- (ii) total cost and variable cost line
- (iii) variable cost and fixed cost line
- (iv) fixed cost and total cost line [ ]

(c) A method used in a comparative analysis of financial statement is

- (i) returning analysis
- (ii) common-size analysis
- (iii) preference analysis
- (iv) graphical analysis [ ]

(d) Cash receipts received from the sales of fixed assets are recorded under the head of

- (i) other activities
- (ii) investing activities
- (iii) financing activities
- (iv) operating activities [ ]

(e) "Management accounting is concerned with accounting information that is useful to management." Who said this statement?

- (i) J. Batty
- (ii) Robert N. Anthony
- (iii) F. W. Taylor
- (iv) Eric L. Kohler [ ]

(f) The scope of management accounting includes

- (i) cost accounting
- (ii) budgeting
- (iii) forecasting
- (iv) All of the above [ ]

(g) The transactions which increase working capital are

- (i) sources of funds
- (ii) applications of funds
- (iii) utilizations of funds
- (iv) diversions of funds [ ]



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(h) Which analysis is based only on one year's data?

(i) Cash-flow statement

(ii) Dividend analysis

(iii) Vertical analysis

(iv) Horizontal analysis

(i) In a common-size Balance Sheet, total liabilities are assumed to be equal to

(i) 1

(ii) 10

(iii) 100

(iv) 1000

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(j) In the cash-flow statement, if the company invests more in fixed assets and short-term financial investment, it would result to

(i) decreased cash

(ii) increased cash

(iii) increased equity

(iv) increased liability

(k) Contribution margin in marginal costing is also known as

(i) net income

(ii) gross profit

(iii) marginal income

(iv) None of the above

(l) An important tool and technique of management accounting is

(i) responsibility accounting

(ii) budgeting

(iii) cash-flow statement

(iv) Both (ii) and (iii)

(m) Shutdown point occurs when

- (i) net profit is zero
- (ii) Sale Revenue - Variable Cost + Fixed Cost
- (iii) losses are greater than fixed cost
- (iv) None of the above

[ ]

(n) The margin of safety point lies

- (i) to the left of break-even point
- (ii) to the right of break-even point
- (iii) on break-even point
- (iv) All of the above

[ ]

(o) Telephone charge is a

- (i) fixed cost
- (ii) variable cost
- (iii) semi-variable cost
- (iv) marginal cost

[ ]

2. Write short notes on any *five* of the following : 2×5=10

(a) Accounting Standards



## (b) Decision-making

- (i) net profit is zero
- (ii) Sale Revenue - Variable Cost + Fixed Cost
- (iii) losses are greater than fixed cost
- (iv) None of the above

## (c) The margin of safety point lies

- (i) to the left of break-even point
- (ii) to the right of break-even point
- (iii) on break-even point
- (iv) All of the above

## (d) Telephone charge is a

- (i) fixed cost
- (ii) variable cost
- (iii) semi-variable cost
- (iv) marginal cost

## (c) Cost Accounting

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(d) Ratio Analysis

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(e) Margin of Safety

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(f) Horizontal Financial Statement Analysis

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(g) Levels of Management

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