Exam. Code: 0311
Sub. Code: 2692

2122

M.Com. (E. & F.B.) First Semester

FB-106: Accounting for Managerial Decisions

Time allowed: 3 Hours

Max. Marks: 80

NOTE: *Attempt five questions in all, selecting atleast two questions from each Unit. All questions carry equal marks.*

x-x-x

UNIT - I

I. What is meant by accounting concepts and conventions? Discuss in detail.

II. Distinguish between the following:-

a) Cost Accounting and Management Accounting

b) Absorption Costing and Marginal Costing

c) Fixed Budgeting and Flexible Budgeting

d) Labour variance and Overhead Variances

III. If a company is selling 200,000, units of a product at Rs. 10 per unit and the cost of production comprises of Rs. 15,00,000 (variable) and Rs. 150,000 (fixed), calculate the following:

a. Profit Volume ratio

b. Break-even Point

c. Sales to earn a profit of Rs. 500,000

d. Margin of safety from the sales of Rs. 30,00,000

e. Net profit from the sales of Rs. 30,00,000

f. Profit margin if there is 10% rise in fixed overheads

g. Required sales for the net profit of Rs. 700,000 after tax (corporate tax rate 60%)

h. Additional sales required to cover an increase of Rs.30,000 per annum in other cost.

IV. Explain material variances with suitable examples. How the variance analysis can be used for controlling purpose?

V. a) Cash flow analysis is helpful to analyse the solvency and liquidity position of an organisation, comment upon the statement.

b) Write a short note on Zero Based Budgeting.

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UNIT - II

VI. What is meant by target costing? Discuss its implications in real life.

VII. Explain some contemporary issues in management accounting.

VIII. Explain responsibility accounting. Discuss its need, significance and limitations.

IX. Discuss the objectives and methods of reporting to management.

X. Distinguish between cost centre and profit centre. Also outline different responsibility-centres for any non-financial service provider.

x-x-x