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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 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

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

Or

- (b) Define management accounting. How does management accounting differ from financial accounting? 2+7=9

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. 9

Or

- (b) A factory produces 300 units of a 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 wherein 240 units are produced. 3×3=9

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.
<b>Assets</b>		
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>
<b>Liabilities &amp; Capital</b>		
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. 9

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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**

**[       ]**

**(b) Financial Accounting deals with**

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

**[       ]**

- (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—₹ 30,000; 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 [       ]

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

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

(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 [       ]



- (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=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 )



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

(a) Cost Accounting

01-7 (b) Management Information System

(c) Break-even Analysis

(d) Ratio Analysis

(e) Graphic Reporting

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