

2023

(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) State the objectives of Financial
Accounting. Explain the advantages of
Financial Accounting. 4+5=9

2. (a) Discuss the importance and limitations
of Management Accounting. 9

(2)

Or

(b) Who is a management accountant? Explain the duties of management accountant. 2+7=9

3. (a) What is break-even analysis? State the assumptions of break-even analysis. 2+7=9

Or

(b) The particulars are given below :

Profit—₹ 200

Sales—₹ 2,000

Variable cost—75% of sales

(i) Calculate P/V ratio and fixed cost.

(ii) Calculate break-even sales.

(iii) What would be the sales volume to realize a profit of ₹ 500? 3×3=9

4. (a) What is ratio analysis? Discuss the managerial uses of ratio analysis. 2+7=9

Or

(b) The income statements of a concern are given for the year ending on 31st December, 2020 and 2021.

Rearrange the figures in a comparative form and interpret the profitability position of the concern :

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	2020 ₹ ('000)	2021 ₹ ('000)
Net sales	785	900
Cost of goods sold	450	500
Operating expenses :		
General and administrative expenses	70	72
Selling expenses	80	90
Non-operating expenses :		
Interest paid	25	30
Income tax	70	80

5. (a) Discuss the essential features of a good report.

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Or

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

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COMMERCE

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(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 : $1 \times 10 = 10$

(a) Which of the following is **not** a feature of Financial Accounting?

(i) Service function

(ii) Historical in nature

(iii) Cause and effect analysis

(iv) Provides quantitative information []

(b) In Financial Accounting recording of financial transactions is done in

- (i) Balance Sheet
- (ii) Profit & Loss Account
- (iii) Journal and other subsidiary books
- (iv) None of the above []

(c) The main objective of Management Accounting is to

- (i) take managerial decision
- (ii) provide accounting information to the management
- (iii) record financial transaction
- (iv) prepare final accounts []

(d) Which of the following is **not** limitation of Management Accounting?

- (i) Not an alternative to administration
- (ii) Personal bias
- (iii) Top heavy structure
- (iv) Planning and forecasting []

(e) In Marginal Costing, fixed cost is treated as

- (i) period cost
- (ii) standard cost
- (iii) marginal cost
- (iv) opportunity cost []

(f) If Sales—₹ 50,000; Profit—₹ 15,000; Fixed Cost—₹ 15,000, then P/V ratio is

(i) 30%

(ii) 50%

(iii) 60%

(iv) 80%

(g) The study of relationship of the various items in the financial statements of one accounting period is known as

(i) horizontal analysis

(ii) vertical analysis

(iii) intra-firm analysis

(iv) inter-firm analysis

(h) Current ratio may be defined as the relationship between

(i) Current Assets and Current Liabilities

(ii) Current Assets and Long-term Liabilities

(iii) Fixed Assets and Current Liabilities

(iv) Debt and Equity

[]

(i) Financial statement is a type of

(i) written reporting

(ii) graphic reporting

(iii) oral reporting

(iv) None of the above

[]

(j) On the basis of function, reports may be classified as

(i) operating reports and financial reports

(ii) routine reports and special reports

(iii) enterprise reports and control reports

(iv) external reports and internal reports

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

(a) Financial Accounting is concerned with the presentation of accounting information to the management.

(T / F)

(b) Management Accounting is governed by Generally Accepted Accounting Principles.

(T / F)

01-6 (c) In marginal costing, all elements of cost are classified into variable and fixed components.

(T / F)

(d) Horizontal analysis is also known as dynamic analysis.

(T / F)

(e) Reports are means of upward communication.

(T / F)

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

(a) Historical Nature of Financial Accounting

(b) Horizontal analysis is also known as dynamic analysis.

(c) Reports are means of upward communication.

(b) Management Accounting

(c) Contribution



(c) Contribution

(d) Cash Flow Statement

(e) Balance Sheet

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(e) . Routine Reports

(b) Cash Flow Statement

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