

Bc/AMD-403

2018

(4th Semester)

COMMERCE

Paper No. : 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) Briefly discuss the merits and demerits
of financial accounting. $4\frac{1}{2}+4\frac{1}{2}=9$

Or

- (b) Define management accounting. How
does management accounting help in
managerial decision-making? $2+7=9$

8L/436a

(Turn Over)

2. (a) "Management accounting is nothing more than the use of financial information for management purposes." Elucidate this statement. 9

Or

- (b) Define Cost Accounting. Distinguish between Cost Accounting and Management Accounting. 3+6=9

3. (a) Explain the concept of 'marginal costing'. What are the characteristics and assumptions of marginal costing? 3+6=9

Or

- (b) From the following data, you are required to calculate—

(i) P/V ratio;

(ii) break-even sales with the help of P/V ratio;

(iii) sales required to earn a profit of ₹ 4,50,000 : 3+3+3=9

Fixed Expenses—₹ 90,000

Variable cost per unit :

Direct Material—₹ 5

Direct Labour—₹ 2

Direct Overheads 100% of direct labour

Selling price per unit—₹ 12

(3)

4. (a) What do you understand by financial statements? Describe various characteristics of ideal financial statements. 2+7=9

Or

- (b) From the following information, prepare a comparative income statement of Swastik Ltd., Mumbai from the following data :

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Income Statement

	2015	2016
	(₹ in lakh)	
Net sales	600	750
Cost of goods sold	400	600
Administrative expenses	20	20
Selling expenses	10	10
Net profit	170	120

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

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Or

- (b) Discuss the informational needs of various levels of management.

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