

2018

(4th Semester)

COMMERCE

Paper No. : 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 : 1×5=5

(a) Which of the following is not an objective of financial accounting?

(i) Recording of information

(ii) Making information more reliable

(iii) Planning and policy making

(iv) Classification of data ()

(b) The use of management accounting is

- (i) optional
- (ii) compulsory
- (iii) legally obligatory
- (iv) compulsory in certain undertakings

()

(c) Margin of safety can be improved by reducing .

- (i) variable cost
- (ii) total cost
- (iii) fixed cost
- (iv) sunk cost

()

(d) Operating ratio is a/an

- (i) liquidity ratio
- (ii) long-term solvency ratio
- (iii) profitability ratio
- (iv) activity ratio

()

(e) The method of reporting may depend upon the

(i) nature of information to be conveyed

(ii) volume of data to be given

(iii) the media available for communication

(iv) All of the above

()

2. Fill in the blanks :

1×5=5

(a) Financial accounting is
in nature.

(b) Management accounting is the study of
..... aspect of accounting.

(c) Break-even analysis is a logical extension
of

(d) The term financial analysis includes both
analysis and

(e) Reports are means of
communication.

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

(a) In financial accounting, no emphasis is given to actual figure.

(T / F)

(b) Human Resource Accounting is a tool of management accounting.

(T / F)

(c) Contribution is also known as gross margin.

(T / F)

(d) Vertical analysis refers to the study of relationship of the various items in the financial statements of several accounting periods.

(T / F)

(e) Reporting is not equivalent to communication.

(T / F)

(5)

4. Write on the following in 4 to 5 sentences each :
2×5=10

(a) Objectives of Financial Accounting .

(b) Management Accountant

(7)

(c) Margin of Safety

(8)

(d) Common Size Statement

(e) Graphic Reporting