2015

(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) Financial accounting deals with

(i) determination of profits

(ii) determination of costs

(iii) determination of price

(iv) None of the above ( )

(b) Management accounting relates to

(i) recording of costing data

(ii) recording of accounting data

(iii) presenting of accounting data

(iv) None of the above ( )

(c) Tool of management accounting is

(i) standard costing

(ii) marginal costing

(iii) decision accounting

(iv) All of the above ( )

(d) Marginal costing is known as

(i) fixed cost

(ii) variable cost

(iii) semi-variable cost

(iv) None of the above ( )

(e) The reports meant for different levels o management are called

(i) external reports

(ii) internal reports

(iii) special reports

(iv) None of the above (

2. Fill in the blanks :

(a) The use of management accounting i

....

(b) Only .... data are recorded i financial accounting.

(c) The capital structure of a company is made

.... and ....

(d) Capital gearing refers to the relationshi

between equity capital and ....

(e) .... supplies informatic to top level management.

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

(a) Management accounting deals with only quantitative data.

(T / F)

(b) Management accounting is used to communicate with shareholders and outside agencies.

(T / F)

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

(T / F)

(d) At break-even point the company earns only a marginal profit.

(T / F)

(e) Increased use of debt increases the financial risk of equity shareholders.

(T / F)

4. Write on the following in *4* to *5* sentences each : $2 \times 5 = 10$

(a) Margin of Safety

(b) Debt Financing

(c) Break-even Analysis

(*d*) Levels of Management

(e) Causes of Overcapitalization

★★★