

2019

(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) Briefly explain the objective and functions of financial accounting. 4+5=9

Or

- (b) "Accounting is an important part of the information system of an organization." Discuss. 9

(2)

2. (a) Compare financial accounting with management accounting. 9

Or

- (b) Discuss the importance and limitation of management accounting. 5+4=9

3. (a) Define marginal costing. How is the concept of marginal costing practically applied? 2+7=9

Or

- (b) From the following information related to production and sales of an article for June and July 2017 :

	June (₹)	July (₹)
Sales	58,000	85,000
Profit	—	3,000
Loss	2,400	—

Calculate— 3+3+3=9

- (i) fixed cost;
(ii) profit or loss at ₹ 20,000 sales;
(iii) BEP.

4. (a) Define ratio analysis. Discuss the different profitability ratios widely practised. 2+7=9

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(Continued)

(3)

Or

- (b) Prepare common-size income statement from the following information : 9

	2003 (₹)	2004 (₹)
Sales	1,01,000	1,12,200
Sales Return	1,000	2,200
Office and Administrative Expenses	30,000	35,200
Selling and Distribution Expenses	5,000	6,600
Non-operating Income	1,000	1,100
Non-operating Expenses	500	500
Tax rate	50%	50%

5. (a) Why is reporting necessary for every business organization? Discuss. 9

Or

- (b) Discuss the essential features of a good report. 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) _____ is concerned with providing information to management for taking managerial decisions.

(i) Management accounting

(ii) Financial accounting

(iii) Cost accounting

(iv) All of the above ()

- (c) Profit of an organization depends on
- (i) selling price
 - (ii) cost of producing the product
 - (iii) volume of sales
 - (iv) All of the above ()
- (d) Management accounting is the branch of accounting concerned with reporting to
- (i) internal managers
 - (ii) shareholders
 - (iii) the government
 - (iv) bankers ()
- (e) Which of the following are tools of management accounting?
- A. Decision accounting
 - B. Standard costing
 - C. Budgetary control
 - D. Human resource accounting
- (i) A, B and D
 - (ii) A, C and D
 - (iii) A, B and C
 - (iv) A, B, C and D ()

- (f) Marginal cost is taken as equal to
- (i) prime cost plus all variable overheads
 - (ii) prime cost minus all variable overheads
 - (iii) variable overheads
 - (iv) None of the above ()
- (g) The main aim of the ratio analysis is to help the _____ of the firm.
- (i) owner
 - (ii) officials
 - (iii) departments
 - (iv) management ()
- (h) Management reporting can be performed as
- (i) internal reporting
 - (ii) external reporting
 - (iii) Both (i) and (ii)
 - (iv) None of the above ()
- (i) Financial statement depicts
- (i) financial position
 - (ii) analysis and interpretation
 - (iii) profit and loss
 - (iv) None of the above ()

(4)

- (j) Oral report does not include
- (i) group meetings
 - (ii) conferences with individuals
 - (iii) interviews
 - (iv) sales reports

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

(a) Management accounting does not provide techniques for assisting strategic decisions.

(T / F)

(b) Costing information fails to meet informational needs for managerial functions.

(T / F)

(c) The size of the MOS is an important indicator of the strength of the business.

(T / F)

(d) Profit and Loss Account shows only various operating expenses.

(T / F)

(e) Reports are generated at the level where business decisions are made.

(T / F)

(5)

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

(a) Strategic decisions

(b) Cost accounting

(c) Break-even analysis

(d) Trend analysis

(c) - Howk even anal...

(e) Investigative reports
