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**{ 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) Explain the meaning and functions of  
Financial Accounting. 2+7-9

*Or*

- (b) Explain how financial accounting be  
useful for the management. State its  
limitations. 5+4-9

2. (a) What do you understand by Management Accounting? Discuss some of the important tools and techniques used in Management Accounting. 2+7=9

Or

- (b) Discuss the nature and scope of Management Accounting. 4+5=9

3. (a) What is Break-even Analysis? State the assumptions and limitations of break-even analysis. 1+4+4=9

Or

- (b) X Ltd. sells 8000 units of its products at a loss of ₹ 16,000. Variable cost per unit is ₹ 12 and total fixed cost is ₹ 48,000. Calculate—

- (i) profit-volume ratio;  
(ii) the number of units to be sold to earn a profit of ₹ 10,000;  
(iii) the amount of profit from a sale of 20000 units. 3+3+3=9

4. (a) What is meant by Analysis of Financial Statement? Explain the different methods used for the analysis and interpretation of financial statements. 2+7=9

*Or*

- (b) From the following information, make out a statement of Proprietor's Fund with as many details as possible :

Current Ratio—2.5

Liquid Ratio—1.5

Proprietary Ratio—0.75

(Fixed Assets/Proprietor's Fund)

Working Capital—₹ 60,000

Reserves and Surplus—₹ 40,000

Bank Overdraft—₹ 10,000

There is no long-term loan or fictitious assets. 9

5. (a) What is management reporting? Explain the various methods of reporting. 2+7=9

*Or*

- (b) Discuss the various kinds of reports prepared for different levels of management. 9

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( 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 records only
- (i) qualitative information
- (ii) quantitative information
- (iii) both qualitative and quantitative informations
- (iv) None of the above (      )

(b) The term 'Management Accounting' was first used in the year

(i) 1930

(ii) 1950

(iii) 1952

(iv) None of the above ( )

(c) The Break-even Point is the point at which

(i) there is no profit or loss

(ii) contribution margin is equal to total fixed cost

(iii) total revenue is equal to total cost

(iv) All of the above ( )

(d) Horizontal analysis is also known as

(i) static analysis

(ii) dynamic analysis

(iii) cross-sectional analysis

(iv) None of the above ( )

- (e) Special reports may deal with
- (i) technological changes in the industry
  - (ii) purchase of raw materials
  - (iii) reports on production
  - (iv) None of the above ( )

2. Fill in the blanks : 1×5=5

(a) The purpose of using accounting information is to increase ..... of the concern.

(b) The total of direct material, labour and other direct cost is termed as ..... cost.

(c) Profit-volume graph is a ..... representation of the profit-volume relationship.

(d) Cashflow Statement is useful for ..... financial planning.

(e) The cost of producing one additional unit of product is called ..... cost.

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

(a) Management Accounting is an alternative to administration.

( T / F )

(b) Contribution helps the management in fixation of selling prices.

( T / F )

(c) Analysis of financial statements does not ignore price level changes.

( T / F )

(d) Debt-equity ratio measures short-term financial position of the business.

( T / F )

(e) Visual reporting through graph, charts and diagrams should be preferred to descriptive reports.

( T / F )

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

(a) Characteristics of Financial Accounting



(b) Comparative income statements

(c) Make or buy decisions

(d) Types of leverages

(e) Routine reports

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