

**TERM END EXAMINATION-JUNE, 2019**  
**MASTER OF COMMERCE (MCOM)**

**ACCOUNTING FOR MANAGERIAL DECISIONS**

TIME-3 Hours

FULL MARKS=100

*(Answer any five questions form Group-A, any four questions from Group - 'B', any four questions from Group - 'C' and any two questions from Group - 'D')*

**Group-A**

1. Answer any five questions each within 50 words.

Marks-2x5=10

- (a) What are the steps involved in the Accounting Process?
- (b) Write a note on the element wise classification of Costs.
- (c) Define Fixed Cost. Give an example.
- (d) Which are the two basic financial statements? Why are they prepared?
- (e) Define a budget.
- (f) State two advantages of Standard Costing.
- (g) Define Contingent Liability.
- (h) What is Marginal Cost Equation?

**Group-B**

2. Answer any four questions each within 100 words.

Marks-5x4=20

- (a) Who are the potential users of Financial Statements?
- (b) What are the different tools of Financial Statement Analysis?
- (c) Define the term "Cash Flow". State the objectives of Cash Flow Analysis.
- (d) What are the basic objectives of Budgetary Control?
- (e) What are the methods of classification of Variance?
- (f) State three principal assumption on which Break Even Analysis is based.

**Group-C**

3. Answer any four questions, each within 200 words.

Marks-10x4=40

- (a) What is Trend Analysis? What are its advantages?
- (b) How the following assets will be shown in a Common-Size Balance Sheet?

Assets	Rs.
Cash in hand & at bank	5,000
Sundry Debtors	20,000
Stock	25,000
Land & Buildings	50,000
Plant & Machinery	1,00,000
Total	2,00,000

- (c) Write a note on different types of Accounting Standards.
- (d) Define Transfer Pricing. What is its Significance?
- (e) Define the Concept of Contribution. How it is helpful in financial decision making?
- (f) Write two application of Marginal Costing. Give suitable examples.

**Group-D**

4. Answer any two questions, each within 300 words.

**Marks-15x2=30**

- (a) What do you mean by analysis and interpretation of Financial Statements? Discuss their utility and significance to the management & others stakeholders.
- (b) Calculate the current ratio from the following information:

	<b>Rs.</b>		<b>Rs.</b>
Stock	60,000	Sundry Creditors	20,000
Sundry Debtors	70,000	Bills Payable	15,000
Cash	20,000	Tax Payable	18,000
Bills Receivables	30,000	Outstanding Expenses	7,000
Prepaid Expenses	10,000	Bank Overdraft	25,000
Land & Building	1,00,000	Debentures	75,000
Goodwill	50,000		

- (c) What is the Significance of Budgetary Control? What are the salient features of an ideal budget?

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