

C-6428

Sub. Code

31011

M.B.A. DEGREE EXAMINATION, APRIL 2022

First Semester

Industry Integrated

ACCOUNTING FOR DECISION MAKING

(2017 onwards)

Duration : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer all questions.

1. What is Management Accounting?
2. List out the different accounting concepts.
3. What do you understand by income statement?
4. What is a financial statement?
5. What is ROI?
6. List out the performance measures in accounting.
7. What is budgeting?
8. What do you understand by overhead?
9. What is meant by marginal costing?
10. Define cost of capital.

Part B $(5 \times 5 = 25)$

Answer all questions.

11. (a) What is accounting? Explain the need for it.

Or

- (b) Explain the regulatory conditions to be taken into account while decision making in accounting.

12. (a) What are the concepts of management accounts?

Or

- (b) Explain the components of financial performance measurement.

13. (a) Explain the steps involved in management decision making.

Or

- (b) Describe the concept of Sustainability reporting.

14. (a) Explain the different types of budget.

Or

- (b) Evaluate the techniques of cost analysis and control.

15. (a) Explain the term cost and profit. Bring out its importance.

Or

- (b) Explain the concept of Short term decision making.

Part C $(3 \times 10 = 30)$

Answer all questions.

16. (a) "The accounting concepts and accounting standards are generally referred to as the essence of financial accounting" Comment.

Or

- (b) Two components A and B are used as follows :

Minimum usage : 50 units per week each

Maximum usage : 150 units per week each

Normal usage : 100 units per week each

Ordering quantities : A – 600 units

B – 1,000 units

Delivery period : A – 4 to 6 weeks

B – 2 to 4 weeks

Maximum reorder period for emergency purchases
A : 2 weeks B : 2 weeks.

Calculate for each component:

(i) Reordering level

(ii) Maximum level

(iii) Minimum level

(iv) Danger level

17. (a) Explain the various concepts and components of Financial Statements with suitable examples.

Or

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(5 × 5 = 25)

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- (ii) Maximum level
- (iii) Minimum level
- (iv) Danger level

17. (a) Explain the various concepts and components of Financial Statements with suitable examples.

Or

(b) From the following information find out

- (i) Current assets
- (ii) Current liabilities
- (iii) Stocks
- (iv) Fixed assets

Current ratio : 2.5

Liquid ratio : 1.5

Fixed assets/Proprietary funds : 0.75

Working capital : Rs.60,000

Reserves and surplus : Rs.40,000

Bank overdraft : Rs.10,000

There is no long-term loan or fictitious asset.

18. (a) Explain significance of budgeting in accounting for decision making.

Or

- (b) With the following data for 60% activity, prepare a budget at 80% activity.

Production at 60% capacity 600 units

Materials Rs. 100 per unit

Labour Rs. 40 per unit

Direct expenses Rs.10 per unit

Factory expenses Rs. 40,000 (40% fixed)

Administration expenses Rs. 30,000 (60% fixed)