

D 50020

(Pages : 5)

Name.....

Reg. No.....

**FIFTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

*Answer all **ten** questions.
Each question carries 1 mark.*

Choose the correct answer :

1. _____ analysis of Financial statements is made by those who do not have access to the detailed accounting records of the concern.
 - a) Vertical Analysis.
 - b) Internal Analysis.
 - c) Horizontal Analysis.
 - d) External Analysis.
2. _____ is the difference between the actual sales and sales at break-even point.
 - a) Contribution.
 - b) Angle of Incidence.
 - c) Margin of safety.
 - d) None.
3. Which of the following is not a non-operating expense ?
 - a) Loss on sale of Fixed assets.
 - b) Preliminary Expenses.
 - c) Direct expenses.
 - d) None of the above.
4. _____ is one of the simplest and powerful tools of analysis of financial statements.
 - a) Ratio Analysis.
 - b) Fund flow statement.
 - c) Cash flow statement.
 - d) None.
5. Debt Equity ratio is one of the _____.
 - a) Profitability ratios.
 - b) Liquidity Ratios.
 - c) Leverage Ratios.
 - d) None of the above.

Turn over

Fill in the blanks :

6. _____ are the summarized statements and reports prepared by business to disclose their accounting information and to communicate them to the interested parties
7. A firm's ability to meet the interest charge and repayment dues on long term obligations is referred to it as _____.
8. Current ratio denotes _____.
9. _____ is the amount at any given volume of output by which aggregate costs are changed if the volume of output is increased or decreased by one unit
10. Increase in amounts of Bills Payable results in _____.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any **eight** out of ten questions in two **or** three sentences.
Each question carries 2 marks.

11. What is Contribution ?
12. What do you mean by financial analysis ?
13. Find out break-even sales in units and value from the following details Selling price per unit Rs. 12, Variable cost per unit Rs. 8 ; Fixed Cost Rs. 40,000.
14. Define Ratio.
15. Calculate current assets when current ratio is 2.5 ; 1 and current liabilities Rs. 1,00,000.
16. State the important features of Management accounting.
17. Is depreciation a source of fund ?
18. Compute Return on capital employed from the following : Net profit before interest and tax Rs. 2,75,000 : Net profit after tax - 2,20,000 ; Capital employed - 11,00,000.
19. What is Marginal costing ? State any *two* features.
20. Mention any *two* examples of Cash flow from Financing Activities.

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any **six** out of the eight questions, in about 200 words.

Each question carries 4 marks.

21. Explain the utility of financial statements.
22. From the following details ascertain Gross profit and calculate Gross profit ratio.
Revenue from Operations Rs. 5,00,000 : Revenue from Operations returns Rs. 50,000 ;, Purchases - Rs. 3,00,000 : Purchase Returns -Rs. 75,000 : Opening Inventory - Rs. 1,00,000 : Closing inventory - Rs. 32,500
23. What are the differences between Income statement and Fund flow statement ?
24. Prepare a schedule of Changes in working capital from the following balance sheets on 31st December 2020 and 2021.

Balance Sheet as on December 31st of 2020 and 2021

<i>Liabilities</i>	2021	2020	<i>Assets</i>	2021	2020
Share Capital	13,00,000	12,00,000	Buildings	20,40,000	18,00,000
8 % Debentures	6,00,000	8,00,000	Plant and		
P and L	6,80,000	4,00,000	Machinery	3,60,000	4,00,000
Trade Creditors	3,92,000	3,00,000	Stock	4,40,000	3,20,000
Outstanding Creditors	8,000	20,000	Debtors	1,20,000	1,84,000
			Cash	20,000	16,000
	29,80,000	27,30,000		29,80,000	27,30,000

25. Distinguish between Financial Accounting and Management Accounting.
26. Explain about the procedure of preparing Cash flow statement.
27. The net profit of a company before tax is Rs. 5,00,000 as on 31st March 2021 after considering the following.
Depreciation on Fixed assets — Rs. 50,000 ; Loss on sale of Machine - Rs. 12,000 : Goodwill Witten off — Rs. 15,000 ; Tax Paid — Rs. 83,000.

Turn over

The current assets and current liabilities of the company in the beginning and at the end of the year were as follows ;

<i>Particulars</i>		31.3.2020 (Rs.)	31.3.2021 (Rs.)
Account Receivable	...	50,000	31,000
Account payable	...	20,000	25,000
Debtors	...	60,000	75,000
Stock in hand	...	30,000	28,000
Outstanding expenses	...	15,000	10,000

Calculate Cash Flow from operating activities by indirect method.

28. From the following information calculate inventory in the beginning and at the end ; Inventory turnover ratio is 3 times. Cost of revenue for operations is Rs. 2,40,000. Inventory in the beginning is Rs. 20,000 more than the inventory in the end .

(6 × 4 = 24 marks)

Part IV (Essay Questions)

Answer any **two** out of the three questions in about 800 words.

Each question carries 15 marks.

29. Prepare fund flow statement from the following information :

Balance Sheet as on December 31st of 2020 and 2021

<i>Liabilities</i>	2020	2021	<i>Assets</i>	2020	2021
Share capital	4,50,000	4,50,000	Fixed assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
P and L	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for Tax	75,000	10,000	Bank	1,49,000	1,97,000
Loan		2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Investment costing Rs. 8,000 was sold during the year for Rs. 8,500 ; Fixed assets costing Rs. 10,000 was sold for Rs. 12,000 ; Dividend paid during the year Rs. 40,000 ; Provision for tax made during the year was Rs. 90,000

30. With the following ratios and further information given below, Prepare Trading Account Profit and Loss account and Balance Sheet.

- (a) Gross Profit Ratio — 25 %
- (b) Net Profit Ratio — 20 %
- (c) Sales/ Inventory Ratio — 8
- (d) Fixed Assets / Total current Assets — $\frac{3}{4}$
- (e) Fixed Assets / Capital — $\frac{3}{2}$
- (f) Capital / Total Outside Liabilities — $\frac{2}{5}$.
- (g) Fixed Assets—Rs. 30,00,000
- (h) Closing Stock—4,00,000

31. What do you mean by Marginal Costing ? What are the managerial applications of Marginal costing ?

(2 × 15 = 30 marks)

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(Pages : 4)

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**FIFTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2022**

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2017—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A*This part consists of two bunches of questions carrying equal mark 1.**Each bunch consists of five objective type questions.**Answer all questions.*

(A) Fill in the blanks :

- 1 Sales - Variable cost = _____.
- 2 Ideal quick ratio is _____.
- 3 In the fund flow statement fund means _____.
- 4 Comparison of financial variables of a firm over a period of time is known as _____.
- 5 Decrease in creditors is a _____ of cash.

(B) Choose the correct answer from the bracket :

- 6 Market price for share divided by earning per share is :
 - A) Price Earning Ratio.
 - B) Return on Equity.
 - C) Market test ratio.
 - D) Dividend Payout Ratio.
- 7 Collection of book debt has :
 - A) Decrease the Current ratio.
 - B) Increase the current ratio.
 - C) No effect on current ratio.
 - D) None of these.
- 8 Solvency of an organization depends on paying capacity of :
 - A) Short term debts.
 - B) Long term debts.
 - C) Recovery of bad debts.
 - D) Sales turn over.

Turn over

- 9 Which of the following does not affect the working capital ?
- A) Bank overdraft. B) Cash.
C) Bank. D) Debentures.
- 10 Period cost are :
- A) Overhead cost. B) Prime cost.
C) Variable cost. D) Fixed cost.

(10 × 1 = 10 marks)

Part B

*Answer any **eight** questions in one or two sentences each.
Each question carries 2 marks.*

- 11 What is common size statement ?
- 12 What is liquidity ratio ?
- 13 What is Capita gearing ratio ?
- 14 How is debtors velocity calculated ?
- 15 What do you mean by flow of fund ?
- 16 State two difference between fund flow statement and Balance sheet.
- 17 What is investing activities ?
- 18 Define marginal costing.
- 19 What is CVP analysis ?
- 20 What is Break even Chart ?

(8 × 2 = 16 marks)

Part C

*Answer any **six** questions.
Each question carries 4 marks.*

- 21 What are the limitations of accounting ratios ?
- 22 What are the uses of fund flow statement ?
- 23 Explain different techniques of financial statement analysis.
- 24 What are the assumptions of Break Even Chart ?

25 Determine the value of closing stock from the following details :

Sales	Rs. 4,00,000
G/P ratio	10% on sales
Stock velocity	4 times

Closing stock was Rs. 10,000 in excess of opening stock.

26 From the following balance sheet of X Ltd. Prepare Schedule of changes in working capital.

Balance sheet as on 31st March

Liabilities	2019	2020	Assets	2019	2020
Share capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6000	Debtors	14,900	17,700
Creditors	10,360	11,840	Stock	49,200	42,700
Profit and loss a/c	10,740	11,360	Goodwill	10,000	5,000
			Land	20,000	30,000
	1,03,100	1,03,200		1,03,100	1,03,200

27. Sales Rs. 1,00,000

Variable cost	60,000
Fixed Cost	30,000

Find : i) P/ V ratio ii)BEP iii)Sales required to earn a profit of Rs. 20,000.

28 From the following details of ABC Ltd. Calculate :

- | | |
|------------------------|---------------------|
| i) Current liabilities | ii) Current Assets |
| iii) Liquid assets | iv) Working Capital |

Current ratio = 1.6:1

Quick ratio = 1.1:1

Stock = Rs. 50,000

(6 × 4 = 24 marks)

Turn over

Part D

*Answer any two questions.
Each question carries 15 marks.*

29. Discuss the objectives and scope of management accounting.
30. The comparative balance sheet of a company are given below :

	2018	2019		2018	2019
Share capital	35,000	37,000	Cash	4,500	3,900
Debentures	6,000	3,000	Book debt	7,450	8,850
Creditors	5,180	5,920	Stock	24,600	21,350
Prov. for doubtful			Land	10,000	15,000
Debt	350	400	Goodwill	5,000	2,500
Profit and loss a/c	5,020	5,280			
	51,550	51,600		51,550	51,600

Additional information available are :

- Dividend paid amounted to Rs. 1,750.
- Land was purchased for Rs. 5,000 and amount provided for the amortization of goodwill amounted to Rs. 2,500.
- Debentures were repaid to the extent of Rs. 3,000.

You are required to prepare cash Flow Statement as per AS-3 (Indirect Method).

- 31 Sunrise Co. Ltd are considering the sales budget for the next budget period. The following information has been made available from the cost records :

	Product A	Product B
Direct Material	Rs. 20	Rs. 25
Direct wages @ Rs.2/hr	5 hours	7½ hours
Selling price	60	100

Variable overheads 100% of direct wages

Fixed overhead Rs. 10,000 per annum

You are required to present to the management a statement showing the marginal cost of each product, and to recommend which of the following sales mix should be adopted :

- 450 units of A and 300 units of B.
- 900 units of A only.
- 600 units of B only.
- 600 units of A and 200 units of B.

(2 × 15 = 30 marks)

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FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A*This part consists of two bunches of questions carrying equal mark 1.**Each bunch consists of five objective type questions.**Answer all questions.*

(A) Fill in the blanks :

- 1 Contribution is the difference between Sales and _____.
- 2 The ideal quick ratio is _____.
- 3 Common size income statements present the various items as a percentage of _____.
- 4 Funds flow refers to change in _____.
- 5 Income tax paid should be shown separately as the cash flow from _____ activities.

(B) Choose the correct answer from the bracket :

- 6 Management accounting provides valuable services to management in performing ;
 - A) Coordinating function.
 - B) Controlling function.
 - C) Planning Function.
 - D) All managerial function.
- 7 When financial statements for a number of years are analysed ,the analysis is called _____.
 - A) Vertical Analysis.
 - B) Internal Analysis.
 - C) Horizontal Analysis.
 - D) None of these.
- 8 The difference between actual sales and break even sales is :
 - A) P/V ratio.
 - B) Cost Margin.
 - C) Retention money.
 - D) Margin of safety.

Turn over

- 9 Cash flow statement :
- A) Sources and Application of fund .
 - B) Schedule of changes in working capital.
 - C) Change in cash position.
 - D) Inflow and outflow of fund.
- 10 Proprietary ratio is one of the :
- A) Liquidity ratio.
 - B) Leverage ratio.
 - C) Activity ratio.
 - D) Profitability ratio.

(10 × 1 = 10 marks)

Part B

*Answer any **eight** questions in one or two sentences each.
Each question carries 2 marks.*

- 11 What is Window Dressing ?
- 12 State any two functions of management accounting.
- 13 What are common size statements ?
- 14 What is EPS ?
- 15 How would you classify financial ratios according to nature ?
- 16 What is capital gearing ratio ?
- 17 What is fund from operation ?
- 18 Define key factor.
- 19 What you mean by non cash items ?
- 20 What you mean by financing activities ?

(8 × 2 = 16 marks)

Part C

*Answer any **six** questions.
Each question carries 4 marks.*

- 21 Distinguish between financial accounting and management accounting.
- 22 What are the tools of financial statement analysis ?
- 23 Discuss the uses of fund flow statement.
- 24 The cost of goods sold of Sunrise Ltd. is Rs. 5,00,000. The opening inventory is Rs. 40,000 and closing inventory is Rs. 60,000. Find out inventory turnover ratio.

25 From the following information, calculate Break-Even Point in amount and in units.

Units Produced	..	20,000 units
Sales revenue	..	Rs.2,50,000
Fixed costs	..	Rs.40,000
Variable costs	..	Rs. 1,45,000

26 Calculate cash from operations from the following information :

(a) Profit made during the year Rs. 2,00,000 after considering the following items

Depreciation	Rs. 10,000
Goodwill written off	Rs.5,000
Transfer to reserve	Rs.5,000
Profit on sale of machinery	Rs.2,000

(b) Following is the position of current assets and current liabilities :

	Opening balance	Closing balance
Debtors	10,000	15,000
Creditors	15,000	10,000
Bills receivable	12,000	10,000
Prepaid expenses	4,000	2,000

27 From the following two balance sheets as on 31.12.2017 and 31.12.2018, you are required to prepare a Schedule of changes in working capital for 2018 ;

Assets :	31.12.2017	31.12.2018
Cash	30,000	47,000
Debtors	1,20,000	1,15,000
Stock in trade	80,000	90,000
Land	50,000	66,000

Capital and Liabilities :

Share capital	2,00,000	2,50,000
Trade creditors	70,000	45,000
Retained earnings	10,000	23,000

Turn over

- 28 From the following details find out : (i) Current assets ; (ii) current liabilities ; (iii) Liquid assets ; (iv) Stock :

Current Ratio 2.5

Liquid ratio 1.5

Working capital 60,000

(6 × 4 = 24 marks)

Part D

Answer any two questions Each question carries 15 marks.

- 29 The sales turnover and profit of a company during two years were as follows.

Year	Sales	Profit
2019	1,50,000	20,000
2020	1,70,000	25,000

Calculate :

- P/V Ratio
 - Break-Even Point
 - Fixed expenses
 - Profit, when sales are Rs.2,50,000.
30. From the following particulars prepare the Balance Sheet of Sun Ltd., which has only one class of share capital. The term turnover refers to cost of sales and the term stock refers to closing stock.

Sales for the year	Rs. 20,00,000
G/P ratio	25%
Current ratio	1.5
Acid test ratio	1.25
Stock turn over ratio	15
Debtors collection period	$1\frac{1}{2}$ months
Turnover of fixed assets	1.5
Ratio of reserves to share capital	1/3
Fixed assets to net worth	5/6

- 31 Define management accounting. Explain its objectives and bring out the tools used in management accounting.

(2 × 15 = 30 marks)

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**FIFTH SEMESTER U.G. DEGREE EXAMINATION
NOVEMBER 2021**

(CUCBCSS-UG)

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2014 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A*Answer all questions.**Each question carries 1 mark.*

I. Choose the correct answer from the following :

- 1 When current liability is paid ; current ratio ?
 - (a) Increases.
 - (b) Decreases.
 - (c) Does not change.
 - (d) Becomes negative.
- 2 Dividend paid under AS-3 is :
 - (a) Cash flow from financing activity.
 - (b) Cash flow from operating activity.
 - (c) Cash flow from investing activity.
 - (d) None of these.
- 3 Management accounting involves :
 - (a) Recording transactions.
 - (b) Classifying transactions.
 - (c) Preparation of financial statements.
 - (d) Analysis and interpretation of data.
- 4 Which among the following is a static statement ?
 - (a) Income Statement.
 - (b) Balance sheet.
 - (c) Fund Flow Statement.
 - (d) Cash Flow Statement.
- 5 When sales are Rs. 1,00,000 and P/V Ratio is 30%, contribution is ?
 - (a) 70,000.
 - (b) 30,000.
 - (c) 1,30,000.
 - (d) 1,00,000.

II. Fill in the blanks with appropriate words :

- 6 An increase in current liability results in notional _____ of cash.
- 7 Other things remain same ; BEP increases when fixed cost _____.
- 8 In common size income statement _____ is taken as 100.
- 9 When creditors are paid in cash, the amount of working capital would _____.
- 10 Debtors Turnover ratios are also called _____.

(10 × 1 = 10 marks)

Turn over

Part B

Answer any **eight** questions.
Each question carries 2 marks.

- 11 What is vertical analysis ?
- 12 What do you mean by management reporting ?
- 13 What is CVP analysis ?
- 14 What are comparative financial statements ?
- 15 What is cash from operations ?
- 16 Define accounting ratio.
- 17 What do you mean by shut down points ?
- 18 Define Fund.
- 19 What is the significance of P/E ratio ?
- 20 Differentiate between net profit and fund from operation.

(8 × 2 = 16 marks)

Part C

Answer any **six** questions.
Each question carries 4 marks.

- 21 Explain the different tools of financial statement analysis.
- 22 Explain the functions of management accountant.
- 23 From the following data, prepare a common-size income statement :

	2010 Rs.	2011 Rs.
Sales	10,50,000	16,75,000
Return inward	50,000	75,000
Cost of goods sold	7,50,000	10,00,000
Administrative expenses	60,000	1,60,000
Selling expenses	40,000	80,000
Interest on loan	10,000	30,000
Income tax	15,000	40,000

- 24 From the following information calculate :
 - (a) BEP.
 - (b) Fixed cost.

Margin of safety — Rs. 80,000 (40% of sales).
P/V ratio — 30%.
- 25 You are given the following data relating to a company for 2018 :

	Rs.
Net sales	20,00,000
Cost of sales (variable cost)	12,00,000
Operating expenses	3,00,000
Interest charges	1,00,000
Tax rate 30%	

Calculate :

- (a) Operating leverage.
- (b) Financial leverage.
- (c) Combined leverage.

- 26 B. M. Company presents the following information and you are required to calculate funds from Operation :

Profit and Loss Account

	Rs.		Rs.
To expenses :		By Gross profit	2,00,000
operation	1,00,000	By Gain on sale of plant	20,000
depreciation	40,000		
To Loss on sale of building	10,000		
To Advertisement suspense A/c	5,000		
To Discount (allowed to customers)	500		
To Discount on issue of shares written-off	500		
To Goodwill	12,000		
To Net profit	52,000		
	2,20,000		2,20,000

- 27 Calculate net cash flows from investing activities from the following information :

	31.12.2007	31.3.2008
	Rs.	Rs.
Building (W.D.V.)	6,00,000	7,50,000

Additional information :

- (i) Building costing Rs. 1,00,000 on which Rs. 30,000 had accumulated as depreciation was sold for Rs. 60,000.
- (ii) Depreciation charged on buildings for the year ended 31.3.2008 Rs. 50,000.
- 28 Rani Ltd. purchases goods on cash and credit terms. From the following information, calculate Creditors' turnover ratio and Average payment period :

	Rs.
Total purchases	... 4,20,000
Cash purchases	... 40,000
Purchase returns	... 20,000
Creditors at the end of the year	... 70,000
Bills payable at the end of the year	... 10,000
Provision for discount on creditors	... 3,750

(6 × 4 = 24 marks)

Turn over

Part D

Answer any two questions.
Each question carries 15 marks.

- 29 From the following information, you are required to prepare a Cash Flow Statement of C.P. Ltd. for the year ended 31st December, 2011 using indirect method :

Balance Sheet

<i>Liabilities</i>	2010 Rs.	2011 Rs.	<i>Assets</i>	2010 Rs.	2011 Rs.
Share capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Inventory	49,200	42,700
Reserve for doubtful debts	700	800	Debtors	14,900	17,700
Trade creditors	10,360	11,840	Land	20,000	30,000
P and L A/c	10,040	10,560	Goodwill	10,000	5,000
	1,03,100	1,03,200		1,03,100	1,03,200

Additional information :

- Dividend of Rs. 3,500 was paid.
 - Land was purchased for Rs. 10,000.
 - Amount provided for amortization of Goodwill was Rs. 5,000.
 - Debentures paid of Rs. 6,000.
- 30 A company had incurred fixed expenses of Rs. 4,50,000 with sales of Rs. 15,00,000 and earned a Profit of Rs. 3,00,000 during the first half year. In the second half, it suffered a loss of Rs. 1,50,000 Calculate :
- The profit volume ratio, break-even point and margin of safety for the first half year.
 - Expected sales volume for the second half year assuming that selling price and fixed expenses remained unchanged during the second half year.
 - The break-even point and margin of safety for the whole year.

- 31 Following are the summarized balance sheets of Beta Ltd. as on 31st March 2014 and 2015.

You are required to prepare a statement of funds flow :

<i>Liabilities</i>	2014 Rs.	2015 Rs.	<i>Assets</i>	2014 Rs.	2015 Rs.
Share capital	2,00,000	2,50,000	Land and Building	2,00,000	1,90,000
General reserve	50,000	60,000	Plant	1,50,000	1,74,000
P and L A/c	30,500	30,600	Stock	1,00,000	74,000
Bank loan (Short term)	70,000	—	Sundry Debtors	80,000	64,200
Sundry Creditors	1,50,000	1,35,200	Cash	500	600
Provision for tax	30,000	35,000	Bank		8,000
	5,30,500	5,10,800		5,30,500	5,10,800

Additional information :

- Depreciation on Plant written-off Rs. 14,000 in 2015.
- Dividend of Rs. 20,000 was paid in 2015.
- Income tax provision made during the year was Rs. 25,000.
- A piece of land has been sold during the year at cost.

(2 × 15 = 30 marks)

D 10000-A

(Pages : 4)

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FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2014 Admissions)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes**Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(Multiple Choice Questions for SDE Candidates)

1. The Branch of accounting concerned with collection, determining and controlling cost of products and services is called _____.
(A) Management Accounting. (B) Financial Accounting.
(C) Cost Accounting. (D) All of these.
2. The _____ Management is mainly concerned with the policy decisions.
(A) Top. (B) Middle.
(C) Bottom. (D) All of these.
3. Management accounting provides invaluable services to Management in performing _____.
(A) All management functions. (B) Co-ordination functions.
(C) Controlling functions. (D) None of these.
4. Management accounting has a _____ scope than cost accounting.
(A) Wider. (B) Narrow.
(C) No. (D) None of these.
5. _____ are prepared so as to provide time perspective to the consideration of various elements of financial position embodied in such statements.
(A) Comparative Statements. (B) Common size statements.
(C) Both of these. (D) None.
6. The following is a recorded fact :
(A) Market value of investment.
(B) Debtors.
(C) Replacement cost.
(D) None.

7. Assets and liabilities in a Balance Sheet may be arranged in the order of _____.
- (A) Liquidity. (B) Permanence.
(C) Both of these. (D) None of these.
8. _____ is only internal source of funds :
- (A) Fund from operations. (B) Net profit.
(C) Both of these. (D) None of these.
9. Net profit earned plus non-working capital expenses is equal to _____.
- (A) Fund provided by operations. (B) Use of funds.
(C) Sinking fund. (D) None of these.
10. _____ means cash and other assets which are expected to be sold or consumed during the normal operating cycle of business.
- (A) Liquid assets. (B) Quick assets.
(C) Cash equivalents. (D) Current assets.
11. Increase in Accounts payable when compared to previous year results in _____ of working capital.
- (A) Increase. (B) Decrease.
(C) No change. (D) None of these.
12. Fund lost in operations represent _____.
- (A) Inflow of funds. (B) Outflow of funds.
(C) Neither inflow nor outflow. (D) None of these.
13. According to SEBI requirements Cash flow statement is prepared by categorizing cash flows into operating, investing and _____ activities.
- (A) Financing. (B) Routine.
(C) Long term. (D) None of these.

Turn over

14. Which among the following is not an example of cash flow from operating activities ?
- (A) Cash payments of insurance premiums.
 - (B) Cash payments of income taxes.
 - (C) Cash payments to employees.
 - (D) Cash receipts from disposal of fixed assets.
15. _____ cost is defined as the aggregate of variable costs or prime costs plus variable overheads.
- (A) Variable cost.
 - (B) Marginal cost.
 - (C) Fixed cost.
 - (D) None of these.
16. Marginal cost and differential cost are the same when _____ costs do not change with change in output.
- (A) Variable costs.
 - (B) Fixed costs.
 - (C) Semi variable cost.
 - (D) None of these.
17. The Profit/Volume ratio or marginal ratio expresses the relation of _____ to sales.
- (A) Profit.
 - (B) Marginal cost.
 - (C) Contribution.
 - (D) None of these.
18. Given sales = 1,00,000, Profit = 10,000, variable cost = 70%. The sales required to earn a profit of Rs.40,000 is _____.
- (A) 15,00,000.
 - (B) 1,00,000.
 - (C) 2,00,000.
 - (D) None of these.
19. When sales are Rs.30,000 and P/V ratio is 20% then contribution will be _____.
- (A) 2,000.
 - (B) 4,000.
 - (C) 6,000.
 - (D) 8,000.
20. Responsibility accounting aims to _____.
- (A) Ensure that costs become the responsibility of a specific manager.
 - (B) Reduce the costs that a department incurs.
 - (C) Allocate costs to all areas of a business.
 - (D) Ensure that a manager is punished if things go wrong.