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Total No. of Pages : 03

Total No. of Questions : 17

MBA (2018 Batch) (Sem.–1)
ACCOUNTING FOR MANAGEMENT AND REPORTING
Subject Code : MBA-104-18
M.Code : 75405

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. **SECTION-A** contains **EIGHT** questions carrying **TWO** marks each and students has to attempt **ALL** questions.
2. **SECTION-B** consists of **FOUR** Subsections : Units-I, II, III & IV. Each Subsection contains **TWO** questions each carrying **EIGHT** marks each and student has to attempt any **ONE** question from each Subsection.
3. **SECTION-C** is **COMPULSORY** and carries **TWELVE** marks.

SECTION-A

Write short notes on the following :

- 1) PE Ratio
- 2) Assumptions of Break-even analysis
- 3) IFRS
- 4) Goals of transfer pricing
- 5) Matching concept
- 6) Cost Driver
- 7) Interest coverage ratio
- 8) Zero Base Review

SECTION-B

UNIT-I

- 9) Why Accounting is called language of business? Explain briefly these various accounting principles and their relevance in accounting system.
- 10) Explain with examples the accounting process which leads to the preparation of financial statements.

UNIT-II

- 11) a) How is breakeven chart prepared? What kind of information can be deduced from Breakeven Chart?

b) Distinguish between Marginal Costing and Absorption Costing.
- 12) How a forecast is different from budget? What is the process of formulation of a Master budget?

UNIT-III

- 13) What do you understand by Financial Statement analysis? Explain briefly the various types of ratios and their interpretation while evaluating the liquidity position of the company.
- 14) Following information has been presented by PND Ltd :

Capital Turnover Ratio: 2, Fixed Asset Turnover Ratio: 3, Gross Profit Ratio: 25%, Stock Velocity: 6, Debtors Velocity: 4 Months, Creditors Velocity: 2 Months, Gross Profit: Rs 1,20,000, Reserves and Surpluses: Rs 40,000, Closing Stock is Rs 12,000 less than opening Stock and Closing Debtors are Rs 20,000 higher than opening debtors.

Prepare a statement of Proprietors fund from the above information. Make necessary assumptions required for this purpose.

UNIT-IV

- 15) What are the objectives of financial reporting? Explain the process of formulation of accounting standards.
- 16) Explain the concept and rationale of Activity Based Costing. What are the limitations of Activity Based Costing?

SECTION-C

- 17) The following particulars are taken from the records of XYZ limited engaged in the manufacturing of two products X and Y from a certain material :

	Product X (Per Unit)	Product Y(Per Unit)
Sales	Rs 2,500	Rs 5,000
Material Cost (Rs 50 per kg)	500	1,250
Direct Labour (Rs 30 per hour)	750	1,500
Variable Overhead	250	500

Comment on profitability of each product when :

- (a) When sales in Value is limited
- (b) Raw material is in short supply
- (c) Production capacity is the limiting factor
- (d) Find the product mix to yield maximum profits if total availability of raw material is 20,000 kg and maximum sales potential of each product is 1,000 units.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.