

Roll No. ....

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**332102**

**December, 2019**  
**MBA 1st Semester**  
**Accounting for Managers (MB/102)**

Time : 3 Hours]

[Max. Marks : 75

*Note : Attempt five questions in all, selecting four questions from Part-B in addition to compulsory Part-A.*

**PART - A**

1. (a) What are the significance of Indian Accounting Standards? (1.5)
- (b) Explain the objectives of financial statements. (1.5)
- (c) Define IFRS. (1.5)
- (d) What is meant by terms 'Fund' and 'Funds Flow'? (1.5)
- (e) Discuss the performa of cost sheet. (1.5)
- (f) What are the causes of material variance? (1.5)
- (g) What is meant by zero-base budgeting? (1.5)

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- (h) Define cash budget. (1.5)
- (i) What is BEP analysis? (1.5)
- (j) What do you mean by standard cost? (1.5)

## PART - B

- 2. (a) "Accounting principles are the rules and guidelines that companies must follow when reporting financial data". Comment. (10)
- (b) What are the important things to analyse while reading an annual report? Explain. (5)
- 3. Marginal costing is essentially a technique of cost analysis and cost presentation. Discuss the statement with reference to the application, merits and limitations of marginal costing. (15)
- 4. "The statement of cash flows provides valuable information about a company's gross payments and receipts and allows insights into its future income needs". Comment. (15)
- 5. "The basic objective of standard costing is to measure the differences between standard costs and actual costs, and analyzing them to maintain productivity". Comment. (15)

6. (a) What do you mean by ratio analysis? What ratios would you use to measure long-term solvency position of a firm? Explain. (10)
- (b) Define accounting. What are the scope of different types of accounting? Discuss. (5)
7. A company is at present working at 90 per cent of its capacity and produces 13,500 units per annum. It operates a flexible budgetary control system. The following figures are obtained from its budget :

| Particulars   | 90%                 | 100%                |
|---|---------------------|---------------------|
|   | 13,500 units<br>Rs. | 15,000 units<br>Rs. |
| Sales   | 15,00,000           | 16,00,000           |
| Fixed Expenses  | 3,00,500            | 3,00,500            |
| Semi-variable Expenses                                | 97,500              | 1,00,500            |
| Variable Expenses<br>(other than material and labour) | 1,45,000            | 1,49,500            |

Labour and material cost per unit remains the same under present conditions. Profit margin has been 10 per cent on sales.

You are required to determine the differential cost of producing 1,500 units by increasing capacity to 100 per cent.

What would you suggest for an export price for these 1,500 units taking into account that the overseas price is lower than those of the home market? (15)

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