PG Odd Semester (CBCS) Exam., December—2016

COMMERCE

(3rd Semester)

Course No. : COM–305 (C)

(Accounting for Managerial Decisions)

Full Marks : 75

Pass Marks : 30

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. "Management accounting is the presentation of accounting information in such a way as to assist management in the creation of policy and in the day-to-day operations of the undertaking." Elucidate the statement. 15

2. Discuss in detail the functions of management accounting. Discuss briefly some of the conventions of management accounting. 9+6=15

UNIT—II

3. "The aim of responsibility accounting is not to place blame. Instead it is to evaluate performance and provide feedback so that future operations can be improved." Examine the statement. 15

4. What is transfer price? What are the different types of transfer price? Discuss the usefulness and appropriateness of transfer pricing under different circumstances. 3+3+9=15

UNIT—III

5. Explain the concept of 'marginal costing'. What are the characteristics and assumptions of marginal costing? 7+8=15

6. *(a)* How are variable cost and fixed cost treated in marginal costing? Discuss. 6

(b) From the following information, calculate—

(i) P/V ratio;

(ii) break-even point;

(iii) margin of safety :

	₹
Total sales	3,60,000
Selling price per unit	100
Variable cost per unit	50
Fixed cost	1,00,000

If the selling price is reduced to ₹ 90, how much is the margin of safety reduced? 9

UNIT—IV

7. *(a)* Define budgetary control. What are the advantages of this system? 4+4=8

(b) Explain in brief the various types of variances used in standard costing. 7

8. The standard mix of a product is as under :

	₹
A — 60 units at 15 paise per unit	9
B — 80 units at 20 paise per unit	16
C — 100 units at 25 paise per unit	25
240	50

10 units of finished product should be obtained from the above mentioned mix.

During the month of January 2000, 10 mix were completed and the consumption was as follows :

	₹
A — 640 units at 20 paise per unit	128
B — 960 units at 15 paise per unit	144
C — 840 units at 30 paise per unit	252
2440	524

The actual output was 90 units.

Calculate the various material variances. 15

UNIT—V

9. Define the term 'reporting'. What are the different issues in management reporting? What are the different types of reporting? 3+6+6=15

10. Write short notes on any *two* of the following : 7½×2=15

(a) Value Chain Analysis

(b) Quality Costing

(c) Target and Life Cycle Costing

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