PG Odd Semester (CBCS) Exam., December—2017

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. Explain the nature and scope of management accounting. 8+7=15

2. Discuss the objectives of management accounting. How is management accounting different from cost accounting? 7+8=15

UNIT—II

3. What is responsibility accounting? What are its significances? 3+12=15

4. Briefly outline the concept of transfer pricing. Also explain various problems in transfer pricing. 5+10=15

UNIT—III

5. What is marginal costing? How is marginal costing technique useful in managerial decision making? 3+12=15

6. *(a)* From the following information, calculate—

(i) P/V ratio;

(ii) break-even point;

(iii) margin of safety :

	₹
Total sales	90,000
Selling price per unit	25
Variable cost per unit	12·50
Fixed cost	25,000

If the selling price is reduced to ₹ 22·50, how much is the margin of safety reduced? 9

(b) Write the assumptions of break-even analysis. 6

UNIT—IV

7. What is standard costing? How is it different from budgetary control? 3+12=15

8. From the following data prepare all possible material and labour variances : 15

	Product A		*Product B*	
		Price per unit (₹)		Price per unit (₹)
Material :				
Standard	600 kg	5	90 kg	3·00
Actual	580 kg	5·50	100 kg	2·50
Labour :	*Hours*	*Rate*	*Hours*	*Rate*
Standard	80	2·00	16	2·80
Actual	92	1·75	14	2·60

UNIT—V

9. Explain the objectives of reporting. Also explain various reporting practices at different levels of management. 7+8=15

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

(a) Quality costing

(b) Life cycle costing

(c) Activity-based costing

★ ★ ★