

EXECUTIVE MBA (EXMBA)

00373

Term-End Examination

December, 2013

MCT-052 : MANAGERIAL ACCOUNTING

Time : 3 hours

Maximum Marks : 100

Note : *Attempt any five questions. All questions carry equal marks.*

1. Outline the meaning and purpose of 'book-keeping', 'accounting' and 'management accounting'. State the users and uses of 'management accounting'. Give appropriate examples also.
2. State the need for accounting standards. Briefly write about various accounting concepts and conventions.
3. What do you understand by the term 'financial statements' ? Can these be analysed to know the profitability of a firm ? If so, how ?
4. How would you prepare budget for a commercial organisation ? Differentiate between a traditional budget and a flexible budget.
5. Explain the meaning, utility and process of 'activity' based costing' with the help of a suitable example.

6. Distinguish between a 'funds flow' and a 'cash flow' statement. Which statement is more important for a firm ? How does a cash flow statement differ from a cash budget ?
7. The expenses budgeted for product of 10,000 units in a factory are furnished below.

	Rs. per unit
Materials	70
Labour	25
Variable overheads	20
Fixed overheads	10
(Rs. 1,00,000)	
Variable expenses (direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administrative expenses (Rs. 50,000)	5
Total	155

Now prepare a budget for the production of :

- (a) 8,000 units and
 (b) 6,000 units

Assume that administrative expenses are rigid for all levels of production.

8. From the following data of XYZ Ltd.

Fixed expenses → Rs. 4, 000/-

Break - even point → Rs. 10,000/-

Calculate :

- (a) P/V Ratio
 (b) Profit when sales are Rs. 20,000/-
 (c) New break even point if selling price is reduced by 20%.