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EXECUTIVE MBA (EXMBA)

Term-End Examination

December, 2012

MCT-052 : MANAGERIAL ACCOUNTING

Time : 3 hours　　　　　　　　*Maximum Marks : 100*

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

1.　"Budgetary control is a tool of planning and　20
control."

In the light of the above statement explain the process of preparing a budget. How does budgetary control process contribute to efficiency in an organisation ? How can zero-base budgeting help in better budgeting ?

2.　State the purpose behind use of Generally　20
Accepted Accounting Principles. List and explain the important accounting concepts and conventions with suitable examples.

3.　"For effective decision making accounting data is　20
very useful." Do you agree ? Give specific examples of business situations where accounting data is useful for better decision making.

4. Briefly state the process of 'activity based costing'. **20**
How does it differ from conventional costing ?
What are its major advantages to an organisation ?

5. State the meaning and purpose of financial **20**
statement analysis. List the various methods of
such an analysis. What ratios would you calculate
to know the profitability of a firm ?

6. (a) State the various managerial applications of **20**
cost-volume profit relationship.
   (b) From the following data compute :
      (i)   Break-even point
      (ii) P/V ratio
      (iii) Margin of Safety
      (iv) Contribution and
      (v)   Units to be sold to earn profit of rupees
            2 lacs :
            Fixed cost per annum = Rs. 3 lacs
            Variable cost per unit = Rs. 50
            Selling price per unit = Rs. 80
            Present sales per annum   = 15,000
            units.

7. Why should an accountant prepare a Trial **20**
Balance ? If a trial balance reconciles, does it
guarantee the correctness of accounting
transactions ? What errors are not revealed by a
trial balance and how are these detected and
corrected ?

8. Write short notes on *any two* of the following :   20

    (a) Funds Flow Statement and its uses.

    (b) Common-sized Financial Statements

    (c) IFRS

    (d) Double Entry System Vs. Single Entry System.

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