

EXECUTIVE MBA (EXMBA)

Term-End Examination

June, 2013

MCT-052 : MANAGERIAL ACCOUNTING

Time : 3 hours

Maximum Marks : 100

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

1. State the meaning and purpose of accounting. 20
How would you use your knowledge of accounting for managerial decision making? Give suitable examples.
2. Explain various accounting concepts and conventions with appropriate examples. What purpose is served by these? 20
3. What do you mean by 'financial statements'? 20
How are these analysed? Briefly write about the process and utility of funds flow statement, cash flow statement and ratio analysis.
4. Outline the utility of a budget to an organisation. 20
How is a budget prepared? Is budget a method of planning or control?

5. State the process of 'activity based costing'. How can this system be used for better cost analysis and control ? 20
6. (a) State the managerial uses of break-even point with suitable examples. 20
- (b) A factory manufacturing sewing machine has the capacity to produce 500 machines per year. The variable cost of each machine is Rs.200 and each machine is sold for Rs.250. Fixed overheads are Rs.12,000 per annum. Calculate the break-even point (in rupees and units). What will be the amount of profit if the output is 90% of capacity which is sold out also ?
7. How would you define the meaning of (a) funds flow and (b) cash flow ? Why are these statements prepared ? Which one of these is more desirable from point of view of liquidity and why ? 20
8. Write short notes on *any two* of the following : 20
- (a) Turnover Ratios and their utility
- (b) Zero-base budgeting
- (c) Accounting Vs Book-keeping
- (d) Cost-volume-profit relationship.