

No. of Printed Pages : 4

MS-4

MANAGEMENT PROGRAMME (MP)

Term-End Examination

June, 2021

**MS-4 : ACCOUNTING AND FINANCE FOR
MANAGERS**

Time : 3 Hours

Maximum Marks : 100

Note : (i) Attempt any **five** questions.

(ii) All questions carry equal marks.

1. Define Accounting. Discuss the scope of accounting and the information needs of various users of Accounting Information.
2. Discuss the classification of items appearing in the balance sheet.
3. You are required to compute all material and labour variances for February 2021, for XYZ Ltd. The information available from the cost records of the company for February 2021 is as follows :

P. T. O.

[2]

MS-4

Materials purchased	20000 pieces	₹ 88,000
Materials consumed	19000 pieces	
Actuals wages paid for	4950 hours	₹ 24,750
Factory overheads incurred		₹ 44,000
Factory overheads budgeted		₹ 40,000
Units produced	1800	

Standard rates and prices are :

Directed material rates	₹ 4 per piece
Standard input	10 pieces per unit
Direct labour rate	₹ 4 per hour
Standard requirement	2.5 hours per unit
Overhead	₹ 8 per labour hour

4. What do you understand by Zero Base Budgeting ? Explain the steps involved in the process of zero base budgeting. What are the advantages of zero base budgeting ?
5. Discuss the factors that are taken into consideration by a company while making decision on the dividends to be declared.

[3]

MS-4

6. Distinguish between the following :
- Net working capital and Gross working capital
 - Profit maximisation and Wealth maximisation
 - Out of pocket costs and Opportunity costs
 - Fixed Budget and Flexible Budget
7. The information available for Firm A, Firm B, Firm C and Firm D is as follows :

Sales (in units)	Firm A	Firm B	Firm C	Firm D
	20000	25000	30000	40000
Selling price per unit (₹)	15	20	25	30
Variable Cost per unit (₹)	10	15	20	25
Fixed Costs (₹)	30,000	40,000	50,000	60,000
Interest (₹)	15,000	25,000	35,000	40,000
Tax (%)	40	40	40	40
Number of Equity Shares	5000	9000	10000	12000

P. T. O.

[4]

MS-4

- You are required to calculate the EBIT, the EPS, the operating leverage and the financial leverage.
8. Write short notes on any **four** of the following :
- Money measurement concept
 - Cost Accounting
 - Accounts Receivable
 - Payback Period
 - Break-Even Analysis

MS-4