

**MASTER OF BUSINESS ADMINISTRATION  
MBACT**

**Term-End Examination**

**December, 2011**

**MCT-018 : ACCOUNTING FOR MANAGERS**

*Time : 3 hours*

*Maximum Marks : 100*

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**Note :** *Attempt any five questions.*

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1. Explain the following : 5+5+5+5
  - (a) Matching concept
  - (b) Realization concept
  - (c) Full disclosure concept
  - (d) Conservatism concept
  
2. Define the term 'Depreciation'. What are its objectives ? Describe the factors affecting the amount of depreciation. 20
  
3. Calculate the following from the given information : 20
  - (a) EOQ ;
  - (b) Re-order level ;
  - (c) Maximum stock level ;
  - (d) Minimum stock level and
  - (e) Average stock level.

Information are :

Total cost of purchases Rs.40 per order purchases during the year 10,000 units purchase price Rs. 100 per unit storage cost Rs. .5 per unit per year Re-order period (Lead Time) : Average 20 days ; Maximum 30 days and minimum 12 days. Consumption: Average 30 units per day, Maximum 40 units per day and minimum 20 units per day.

4. State the reasons for disagreement between the costing and financial results. Prepare an imaginary reconciliation statement. 20
5. Write short note on the following : 7+7+6
- (a) Performance Budgeting
  - (b) Balanced scorecard
  - (c) Responsibility Accounting
6. Calculate labour rate variance ; labour efficiency variance ; labour idle time variance and labour yield variance from the following information. 20

gang	Standards Rate per Hour (Rs.)	Gang	Actuals for a week Rate per Hour (Rs.)
Men 10	6.25	Men 13	6.00
Women 5	4.00	Women 4	4.25
Boys 5	3.50	Boy 3	3.25

Out put 1000 units  
in 40 Hours week

960 units were produced  
Abnormal time idel 2 Hrs

7. Discuss the following : 5+5+5+5
- (a) Activity base costing ;
  - (b) Target costing ;
  - (c) Life cycle costing and
  - (d) Uniform costing

8. Following figures have been extracted from the books of a company : 10+5+5

	Period i	Period ii
	(Rs.)	(Rs.)
Sales	4,00,000	6,00,000
Profit	40,000	80,000

Calculate.

- (a) P/V ratio, BEP, fixed overheads
  - (b) Sales to earn a profit of Rs. 1,60,000
  - (c) Profit earned when sales are Rs. 2,00,000
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