

Roll No.

Total No. of Pages : 2

Total No. of Questions : 15

MBA/MBA (IB) (Sem.–1st)

ACCOUNTING FOR MANAGEMENT

Subject Code : MBA-103 (2012 Batch)

Paper ID : [C0103]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.
2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consist of ONE CASE STUDY carrying EIGHT marks.

SECTION-A

- 1) What is the need of accounting?
- 2) What are the limitations of financial accounting?
- 3) How fund flow statement is differ from cash flow statement?
- 4) Discuss in detail benefits of break even analysis.
- 5) Define transfer pricing.
- 6) What do you mean by tally software package ?

SECTION-B

UNIT - I

- 7) Why accounting is considered as information system? Discuss in detail relevance of concepts and conventions for preparation of financial statement and its evolution.
- 8) Discuss in detail with the help of example how to prepare final account for insurance and banking companies.

UNIT - II

- 9) Discuss in detail concept, nature and limitation of financial statement. What are latest techniques of financial statement analysis?
- 10) Discuss in detail with the help of example, how to prepare schedule of changes in working capital and statement of sources and application of funds.

UNIT - III

- 11) What do you mean by cost accounting? Discuss in detail classification, advantages and disadvantages of costing.
- 12) Describe the concept of marginal costing. Discuss in detail managerial applications of marginal costing with the help of examples.

UNIT - IV

- 13) Define activity based costing. Discuss in detail procedure and managerial applications of activity based costing with the help of example.
- 14) Write down the following :
 - i) Human resource accounting. 4
 - ii) Tally software package in accounting 4

SECTION-C

CASE STUDY :

- 15) A company has two divisions, A and B Division, A manufactures a component which is used by division B to produce a finished product. Input and costs have been budgeted as follows :

| | Division A | Division B |
|----------------------|--------------|--------------|
| Component units | 50,000 | - |
| Finished units | - | 50,000 |
| Total variable costs | Rs. 2,50,000 | Rs. 6,00,000 |
| Fixed costs | Rs. 1,50,000 | Rs. 2,00,000 |

The fixed costs are separable for each division. You are required to advise on the transfer price to be fixed for Division A's component under the following circumstances.

- i) Division A can sell the component in a competitive market for Rs. 10 per unit. Division B can also purchase the component from the open market at that price.
- ii) As per the situation described in (i) above, and further assume that Division B currently buys the component from an external supplier at the market price of Rs. 10 and there is reciprocal agreement between the external supplier and another Division C, within the group. Under this agreement the external supplier agrees to buy one product unit from Division C, at the profit Rs. 4 per unit to that division, for every component which division B buys from the supplier.