

MAY 2013

P/ID 6005/MBE

Time : Three hours

Maximum : 80 marks

PART A — (8 × 5 = 40 marks)

Answer any EIGHT questions.

All questions carry equal marks.

1. Discuss the characteristics of management accounting.
2. Write a note on the duties of management accountant.
3. Discuss the objectives of financial statement analysis.
4. Discuss the different types of turnover ratio.
5. Differentiate budget with forecasts.
6. Explain zero base budgeting.
7. Explain the different types of variance.
8. Write a detailed note on the capital budgeting process.
9. Discuss the methods of appraising capital expenditure proposals.

10. Discuss Break – even analysis.
11. State the limitations of absorption costing.
12. Discuss the different kinds of report.

PART B — (4 × 10 = 40 marks)

Answer any FOUR questions.

All questions carry equal marks.

13. Calculate BEP from the following data :

	Rs.
Selling price per unit	40
Direct material cost per unit	16
Direct labour cost per unit	4
Direct expenses per unit	4
Overheads per unit	6
Fixed overheads (total)	60,000

Also find out if sales are 20% above the break-even point, determine the net profit.

14. Discuss the importance of ratio analysis for inter firm and intra firm comparisons, including circumstances responsible for its limitations if any.
15. Explain flexible budget. Under what circumstances would you recommend flexible budgeting?

16. Explain the causes of efficiency and idle time variances in the case of direct labour.
 17. “Pay back method is a set of liquidity and non profitability” - Discuss.
 18. “Accounting reports are a matter of necessity for the management and not a matter of convenience” — Explain critically.
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