

EXECUTIVE MBA (EXMBA)

Term-End Examination

December, 2011

MCT-052 : MANAGERIAL ACCOUNTING

Time : 3 hours

Maximum Marks : 100

Note : *Attempt any FIVE questions. All questions carry equal marks.*

1. How does 'financial accounting' differ from 'managerial accounting' ? How would you use your knowledge of managerial accounting for decision making in a business organisation ? Give specific instances to clarify your viewpoint. 20
2. Briefly state the various 'generally accepted accounting principles.' Also explain the basic features of the IFRS. 20
3. State the meaning of 'financial statement analysis'. Which ratios would you calculate to find out the short term and long term solvency of a firm ? Explain with the help of an appropriate example. 20
4. What are the uses of 'budgets' and 'budgetary control' ? How is the budget of an organisation prepared ? How does Zero Base Budgeting contribute to this process of budget making ? 20

5. Explain the meaning of the term 'activity based costing'. How does it differ from traditional costing? What are its advantages? 20
6. (a) "The effect of a price reduction is to reduce the p/v ratio, increase the break-even point and shorten the margin of safety." Explain this statement with the help of an example. 20
- (b) If selling price is Rs. 10/- per unit, variable cost is Rs. 6/- per unit, fixed costs are 20,000/- rupees per annum and units sold per year are 6,000, find out the following :
- (i) Contribution
 - (ii) p/v ratio
 - (iii) Break - even point
 - (iv) Margin of safety.
7. Explain the difference between a 'standard' and 'budget'. How is a 'standard cost card' prepared? How are direct material cost variances computed and analysed? 20
8. Write short notes on *any two* of the following : 10x2=20
- (a) Funds Flow Statement
 - (b) Managerial uses of marginal costing
 - (c) Common - size Financial Statements
 - (d) Profitability Ratios
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