



MBA(IB).II/10. 19

M.B.A.(IB) DEGREE II SEMESTER EXAMINATION, APRIL 2010

SMI 2201 ACCOUNTING FOR MANAGERIAL DECISION

Time: 3 Hours

Maximum marks : 50

(All questions carry EQUAL marks)

(5 x 10 = 50)

I. A. Define management accounting. What are its functions?

OR

B. What is Responsibility Accounting? Explain the pre-requisites of responsibility accounting.

II. A. Explain the process of Zero Base Budgeting. Also list out the advantages and limitations of Zero Base Budgeting.

OR

B. What is meant by principal budget factor? Give a list of such factors and explain how you would proceed to prepare budgets in the case of a manufacturing firm.

III. A. Explain the technique of marginal costing and state its importance in decision making.

OR

B. The sales turnover and profit during 2008 and 2009 were as below:

<u>Year</u>	<u>Sales</u> Rs.	<u>Profit</u> Rs.
2008	1,50,000	20,000
2009	1,70,000	25,000

You are required to calculate

- (i) P/V Ratio
- (ii) BEP
- (iii) The sales required to earn a profit of Rs.40,000/-.
- (iv) Amount of profit when sales are of Rs.2,50,000/-
- (v) Margin of safety at a profit of Rs.50,000/-

IV. A. What is meant by variance analysis? Explain its importance.

OR

B. From the following Balance Sheet of M/s.Govind Enterprises Ltd., Calculate

- (i) Debt-Equity Ratio
- (ii) Quick Ratio
- (iii) Capital Clearing Ratio
- (iv) Working Capital Turnover Ratio
- (v) Fixed Assets to Current Assets Ratio

(Turn over)