MBA(IB)II/05.14 .0541

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MBA (INTERNATIONAL BUSINESS) DEGREE IV SEMESTER EXAMINATION MAY 2014

SMI 2201 ACCOUNTING FOR MANAGERIAL DECISIONS

(Supplementary - Prior to 2012 Admissions)

Time: 3 Hours

Maximum Marks: 50

(5 x 10 = 50)

I. Define management accounting. Explain the tools used in management accounting.

OR

II. What is responsibility accounting? Explain its advantages.

III. Define budgetary control? Briefly explain the essential requirements to implement budgetary control system in an organisation.

OR

IV. A Ltd. produces a standard product. The estimated cost per unit is given below:

	Amount ₹
Raw material	10
Direct wages	8
Direct expenses	2
Variable overhead	3
Total	23

Semivariable overhead at 100% activity level (10,000 units) are expected to be ₹40,000/- and these overhead vary in steps of ₹2,000/- for each change in output of 1,000 units. Fixed overheads are estimated at ₹50,000/-. Selling price per unit is expected to be ₹40/-

Prepare a Flexible budget at 50%, 70% and 90% level of activity.

V. What is variance analysis? Explain the reasons for material cost and labour cost variances.

OR

VI. From the following particulars, calculate material cost variance, material price variance, material usage variance and material mix variance.

Material	Standard Mix	Total ₹	Actual mix	Total ₹
x	110kgs@ ₹2/-	220	120kgs@₹2.25	270
y	90 kgs @ ₹4/-	360	80kgs@ ₹3.50/-	280
Total	200	580	200	550

Standard output is 180 units and actual output is 162 units.

(P.T.O.)

VII. Write notes on the following:

(i) Contribution Margin
(ii) Limiting Factor
(iii) C-V-P Analysis
(iv) Absorption costing

OR

VIII. The following figures related to Jaya Stores Pvt. Ltd. for the year 2011 and 2012.

Year	Sales ₹	Profits ₹
2011	5,00,000	70,000
2012	6,00,000	90,000

Assuming that there is no change in the fixed expenses, selling price and variable cost per unit, calculate the following;

(i) P/V Ratio
(ii) BEP
(iii) Sales to earn a profit of ₹1,80,000/-
(iv) Profit when sales are for ₹12,00,000/-
(v) Margin of safety, if sales are for ₹5,00,000/-

IX. Write notes on the following:
(i) Capital gearing ratio
(ii) Trading on equity
(iii) Cash from operations
(iv) Working capital turnover ratio

OR

X. Draw the balance sheet of XYZ Ltd. from the following information:

Current Ratio	-	2.5
Liquidity ratio	-	1.5
Networking capital	-	₹3,00,000/-
Stoke turnover ratio	-	6 times
Gross profit ratio	-	20%
Fixed Assets turnover ratio (on cost of sales)	-	2 times
Debtors velocity	-	2 months
Fixed assets to shareholders' Networth	-	0.8
Reserves and surplus to capital	-	0.5

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