MBA 24104
MBA DEGREE EXAMINATIONS
FIRST SEMESTER
ACCOUNTING FOR MANAGEMENT
(w.e.f. Admitted Batch 2024 - 25)

Time: 3 Hours **Max. Marks: 75M**

SECTION-A

Answer any **FIVE** Questions not exceeding **One** page each. **(5 X 4 = 20 M)**

1) What does the Business Entity concept mean in accounting?
2) What is a Cost Sheet?
3) Explain the term Management Control.
4) What do you understand by the term Time Span in business?
5) Briefly explain the Full Disclosure Principle.
6) What are the key aspects of Make or Buy Decision?
7) Differentiate between Financial and Operating Budgets.
8) What is Absorption Costing?

SECTION-B

Answer **ALL** Questions not exceeding **Four** pages each. **(5 X 8 = 40 M)**

9. (a) Discuss the role of an accountant in a modern organization and how it has evolved in recent times. (OR)

   (b) Evaluate the nature and scope of accounting for management and how it differs from financial accounting.

10. (a) Describe the key features of Generally Accepted Accounting Principles (GAAP) and explain their importance in financial reporting. (OR)

    (b) A company has the following transactions: Sales Rs 5,00,000; Cost of Goods Sold Rs 3,00,000; Operating expenses Rs 50,000; Interest expenses Rs 10,000; Depreciation Rs 20000; Prepare a model Profit and Loss Account and then discuss the important elements of the same.

11. (a) Explain the importance of cost behaviour in CVP analysis, and explain how it is used to determine the break-even point. (OR)

    (b) A company has the following details:
    Selling price per unit: Rs. 100
    Variable Cost per unit: Rs. 60
    Fixed Costs: Rs. 2,00,000
    i) Calculate the Break Even Point in Units.
    ii) Calculate sales volume to achieve a profit of Rs 1,00,000
    iii) If the selling price increases by 10%, what will be the new break-even point?

12. (a) What factors are considered in a decision for special order pricing and how does it differ from a normal pricing decision? (OR)

(b) A company is currently producing 15000 units, whereas its normal capacity is 20000 units. The cost structure is as follows: with a selling price of Rs. 60 Per Unit
Direct materials: Rs 20
Direct Labour: Rs 10
Variable Overhead: Rs 5
Fixed Overheads: Rs. 75,000
A customer has offered to buy an additional 5000 units at Rs 40 each, should the offer be accepted? What would be your advice?

13. (a) Explain the significance of zero-based budgeting in the context of organizational management.

(Or)

(b) A company has provided the following sales data

Month	January	February	March
Sales	**Rs 50000**	**Rs 60000**	**Rs 70000**

The company collects cash as follows: 50% cash sales; 30 % one-month credit; 20% two-month credit. Prepare a cash budget for March, including calculations.

SECTION-C (Compulsory)

Case Study. **(15 M)**

A manufacturing company, "Sunrise Ltd.", produces a single product. The following information is available:

Current Selling Price per Unit:	₹150
Variable cost per unit:	₹90
Total Fixed costs:	₹6,00,000
Current sales:	15,000 units

Questions:

1. Calculate the company's break-even point in units and in Rupees.
2. Calculate the company's profit or loss at the current sales level.
3. If the company reduces its selling price by 10% to increase sales volume. How many additional units should it sell to maintain the current level of profit, if any?
4. If fixed costs increase by 25%, and other factors remain unchanged, what will be the new Break-even point in units?
5. Suggest ways to reduce the Break-Even point for this company.

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