

MMS/DX: 6179

CP-106: ACCOUNTING FOR MANAGERS

Time : Three Hours]

[Maximum Marks : 70

Note:- Attempt FIVE question in all. Question No. ONE is compulsory. All questions carry equal marks.

Q.1. Define the following:

- a) Accounting Entry
- b) Cost Accounting
- c) Liquidity and solvency
- d) Financial statement
- e) Cost Sheet
- f) Absorption costing
- g) Fixed and Variable cost
- h) Fund flow statement

Q.2. Explain the following:

- a) Money measurement concept
- b) Accrual concept
- c) Realisation concept
- d) Cost concept

Q.3. What is depreciation? Why is it provided? Discuss any three methods of charging depreciation.

Q.4. Write notes on:

- a) Usefulness of Cost Accounting
- b) Accounting Standards.

Q.5. Why is a cash flow statement prepared? How is it prepared? Explain & illustrate.

Q.6. What is meant by profit and profitability? Explain the various profitability ratios.

Q.7. X Co. has Rs. 2 lacs investment in his business firm. The company wants a 15 percent return on his money from an analysis of recent cost figures it is found that the variable cost of operating is 60 percent of sales, and fixed cost are Rs. 80,000 per annum. Show computations to answer the following question:

- a) What sales volume must be obtained to break even?
- b) What sales volume must be obtained to get 15 percent return on investment.
- c) The management estimates that even if the business is closed for the time being there would be an expense of Rs. 25,000 per annum. At what

sales would the company be better off by locking business up?

Q.8. The standard cost of a chemical mixture is: 40% material A at Rs. 20 per kg. 60% material B at Rs. 30 per kg.

A standard loss of 10% is expected in production. During a period, the usage of material was:

90 kgs of material A at a cost of Rs. 18 per kg. 110 kgs of material B at cost of Rs. 24 per kg. The weight produced was 182 kg of good product.

Calculate all material variance and comment.