

Bc/AMD-403

2 0 2 1

(4th Semester)

COMMERCE

Paper : BC-403

(Accounting for Managerial Decision)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

- 1.** Choose and write the correct answer from the options provided : 1×10=10
- (a) Classification of data is done in a book, called
- (i) Journal
 - (ii) Accounts
 - (iii) Ledger
 - (iv) Balance Sheet
- (b) Financial Accounting Information is made more reliable by
- (i) preparing Profit and Loss Account
 - (ii) Auditing
 - (iii) preparing Trial Balance
 - (iv) using internationally accepted accounting principles and standards

(2)

- (c) Management Accounting is a branch of accounting concerned with reporting to
- (i) internal manager
 - (ii) shareholders
 - (iii) government
 - (iv) bankers
- (d) Which of the following does not describe Management Accounting?
- (i) Evaluation of segments or products within the firm
 - (ii) Emphasis on the future
 - (iii) Externally focused
 - (iv) Detailed examination
- (e) Managers utilize marginal costing
- (i) to make or buy decision
 - (ii) for exploring new market
 - (iii) for utilization of additional capacity
 - (iv) All of the above
- (f) Given production is 1000 units, fixed cost is ₹ 2,000, selling price is ₹ 10 per unit and variable cost is ₹ 4 per unit. What will be the profit as per marginal costing?
- (i) ₹ 2,000
 - (ii) ₹ 3,000
 - (iii) ₹ 4,000
 - (iv) ₹ 5,000

- (g) The purpose of financial analysis is to diagnose the information in financial statements so as to judge the
- (i) profitability of the firm
 - (ii) efficiency of the management
 - (iii) profitability and financial soundness of the firm
 - (iv) financial position of the firm
- (h) Which of the following is not a cash flow from operating activity?
- (i) Receipts from interest and commission
 - (ii) Cash proceeds from issuing shares or other similar instruments
 - (iii) Payment of interest on loan
 - (iv) Payments to employee
- (i) Which of the following reports indicate the variances and the reasons behind such variances?
- (i) Control reports
 - (ii) Enterprise reports
 - (iii) Special reports
 - (iv) External reports

(4)

- (j) On the basis of users or purpose, the managerial reports are categorized as
- (i) enterprise reports and control reports
 - (ii) operating reports and financial reports
 - (iii) trend reports and analytical reports
 - (iv) internal reports and external reports

2. State whether the following statements are *True* or *False* : 1×5=5

- (a) Financial Accounting is not helpful in fixation of prices.
- (b) Management Accounting reports are published for the benefits of the public.
- (c) Cost-volume-profit analysis is also known as break-even analysis.
- (d) Purchase of new building is an investing activity.
- (e) Reports are means of downward communication.

3. Write short notes on the following : 2×5=10

- (a) Managerial decisions
- (b) Management Accounting
- (c) Margin of safety
- (d) Debt-equity ratio
- (e) Routine reports

★ ★ ★