



KERALA AGRICULTURAL UNIVERSITY
B. Sc. (Hons.) C & B 2016 Admission
IV Semester Final Examination- July-2018
Accounting for Management (1+2)

Mmgt.2207

Marks: 50
Time: 2 hours

- I Fill in the blanks:** **(10x1=10)**
- 1is formed by the intersection of total cost line and sales revenue line.
 - 2 Indian Accounting Standard-7 (Ind.AS-7) relates to preparation of
 - 3 The distinction between fixed and variable costs has a special significance is the preparation of
 - 4 A cash budget is aterm budget.
 - 5 Labour variance is always unfavourable.
 - 6 The termincludes all the long- term funds used in business, both owned and borrowed.

State True or False, also correct the false statements.

- 7 Depreciation is a source of funds.
- 8 Management accounting provides decisions to management
- 9 On the basis of modus operandi, financial analysis can be classified as external analysis and internal analysis
- 10 $\frac{\text{Profit}}{p/v \text{ ratio}} = \text{Margin of safety}$

- II Answer ANY FIVE of the following** **(5x2=10)**
- 1 Window dressing
 - 2 Calculate break-even sales.
Sales ₹ 12,00,000, Fixed cost ₹ 4,00,000, Profit ₹ 2,00,000
 - 3 Activity based costing
 - 4 Common size analysis
 - 5 Zero base budgeting
 - 6 What is P/E ratio? What does it convey?
 - 7 Current ratio-2.5, Working capital ₹ 60, 000. Calculate the amount of current assets and current liabilities.

- III Answer ANY FIVE of the following** **(5x4=20)**
- 1 Limitations of Financial statements.
 - 2 Draw a statement of cost from the following particulars.

	₹		₹
Opening stock:		Materials purchased	5,00,000
Materials	2,00,000	Direct wages	1,50,000
Finished goods	50,000	Manufacturing overheads	1,00,000
Closing stock:		Admn.expenses	1,00,000
Materials	1,80,000	Sales	10,00,000
Finished goods	25,000	Selling distribution expenses	20,000

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- 3 Sales budget and its preparation.
- 4 Turnover ratios and their importance.
- 5 Define Management Accounting. Differentiate between Management Accounting and Financial Accounting.
- 6 What is standard costing? Differentiate between standard costing and budgetary control
- 7 With the following data for 60 % activity, prepare a budget for 80% activity.

Materials	₹ 10 / unit
Wages	₹ 6 / unit
Factory overheads	₹ 60,000 (20 % fixed)
Administration overheads	₹ 30,000 (20 % variable)
Production at 60 %	24,000 units

- IV Write an essay on ANY ONE of the following (1x10=10)**
- 1 "Marginal costing is a valuable aid for managerial decisions", Discuss.
 - 2 Define the term 'funds', 'funds flow', and 'funds flow analysis. Explain in detail the process of funds flow analysis.
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