

Exam. Code: 0311
Sub. Code: 25380

2125
M.Com. (E. & F.B.) First Semester
FB-106: Accounting for Managerial Decisions

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt five questions in all, selecting atleast two questions from each Unit. All questions carry 16 marks.

x-x-x

UNIT - I

1. Explain the fundamental accounting concepts such as Business Entity, Going Concern, Money Measurement, and Accrual Concept. How do they form the foundation of the accounting process?
2. ABC Ltd., has a margin of safety 37.5% with an overall contribution to sale ratio of 40%. The fixed cost is Rs. 5 lakhs. Calculate the following:
a) Break-even point, b) Total Sales, c) Total variables costs, and d) Profit
3. Describe the various types of budgets prepared by an organization. Explain in detail the difference between a Functional Budget and a Master Budget.
4. Discuss the process of setting standards in standard costing. Why is periodic revision of standards necessary?
5. A manufacturing concern which has adopted standard costing furnishes the following information:
Standard: Materials for 70 kgs. of finished product 100 kgs., Price of materials Rs 1 per kg.
Actual: Output 2,10,000 kgs. Material used 2,80,000 kgs. Cost of materials Rs 2,52,000.
Calculate: a) Material Usage Variance; b) Material Price Variance; c) Material Cost Variance.

UNIT - II

6. Explain the concept of Activity-Based Costing (ABC). How does it overcome the limitations of traditional costing systems? Illustrate with an example.
7. "Target costing is both a cost management tool and a strategic tool." Discuss this statement in detail with practical illustrations.

P.T.O.

Sub. Code: 25380

(2)

8. What are the challenges and opportunities in integrating Corporate Social Responsibility (CSR) reporting with management accounting practices?
9. Define and differentiate between Cost Centre, Profit Centre, and Investment Centre. Explain with suitable examples from business organizations.
10. Explain the concept of transfer pricing. Discuss its methods and significance in evaluating performance of responsibility centers.

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