

Roll No. ....

**Subject Code—8129**

**M. Com. (First Year) EXAMINATION**

(Main/Re-appear Batch 2009 Onwards)

MC-105

**MANAGEMENT ACCOUNTING**

*Time : 3 Hours*

*Maximum Marks : 70*

**Section A**

**Note :** Attempt any *Seven* questions. **7×5=35**

1. What are the objectives of brand valuation and accounting ?
2. Explain the limitations of Human Resource Accounting.
3. Distinguish between historical costing and standard costing.

4. What are the various modes of reporting ?
5. Explain the use of computers in Management Accounting.
6. Discuss the objectives of Management Accounting.
7. What is the significance of Solvency Ratios ?
8. Write a detailed note on trend percentages.
9. Enumerate the practical applications of P/V ratio.
10. Explain the scope of budgetary control.

### **Section B**

**Note :** Attempt all the questions.

11. To what extent does Management Accounting differ from (a) Financial Accounting and (b) Cost Accounting.

*Or*

Do you consider that there is necessity for presenting inflation adjusted financial reports as a supplement to the historical reports ? Discuss. 12

12. "Ratio analysis is only a technique, for making judgements and not a substitute for judgements." Examine.

*Or*

Do Cash Flow and Funds Flow Statements denote the same ? If not, how do you distinguish between the two ? 12

13. ABC Ltd. makes a single product, which sells for Rs. 30 per unit, and there is great demand for the product. The variable cost of the product is Rs. 16 as detailed below :

	Rs.
Direct Material	8
Direct Labour (2 hrs)	4
Variable Overheads	4
	<hr/>
	16

The labour force is currently working at full capacity and no extra time can be made available. Mr. Roy, a customer has approached the company with a request for the manufacture of a special order at Rs. 8,000. The cost of the order would be Rs. 3,000 for Direct Material and 600 labour hours will be required and variable overhead per hour shall be Rs. 2. Should the order be accepted ? 11

*Or*

Animation Ala Children, factory engaged in manufacturing plastic toys, is working at 40% capacity and produces 10000 toys per month. The present cost breakup for one toy is as under :

Material	Rs. 10
Labour	Rs. 3
Overhead	Rs. 5 (60% fixed)

The selling price is Rs. 20 per toy. If it is decided to work the factory at 50% capacity, the selling price falls by 3%. At 90% capacity the selling price falls by 5% accompanied by a similar fall in the price of material. You are required to prepare a flexible budget showing capacity utilization at 50% and 90% capacities.

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