

MAY 2012

P/ID 37504/PBAD

Time : Three hours

Maximum : 80 marks

PART A — (5 × 5 = 25 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. Explain the characteristic features of Management Accounting.
2. Explain the special features of Common Size Statements.
3. Explain the significance of turnover ratios.
4. Explain the nature and concept of capital budgeting.
5. What is master budget? What are its components?
6. Differentiate between standard cost and estimate cost.
7. What are the advantages of calculating breakeven point?
8. Briefly discuss the important elements of MIS.

PART B — (4 × 10 = 40 marks)

Answer any FOUR questions.

All questions carry equal marks.

9. Describe how management Accounting satisfies the various needs for management for arriving at appropriate business decisions.
10. What are the tools used to analyse the financial statements? Discuss the utility and effectiveness of these tools.
11. Listout the important methods of ranking investment proposals and discuss the conflicting opinions on the fundamentals of these different basic approaches.
12. What do you understand by Budget and budgetary control? Give examples of fives budgets that may be prepared and employed by a manufacturing concern.
13. Explain how will you go about the task of installing a cost accounting system in a process industry.
14. Explain the importance of proper system of reporting to the management. How the management accountant helps the management in this respect?

PART C — (15 marks)

(Compulsory question)

15. The Reliable Battery Co. furnishes you the following information.

	Year 2008	
	First half	Second half
Sales	Rs. 8,10,000	Rs. 10,26,000
Profit earned	21,600	64,800

From the above you are required to compute the following assume that the fixed cost remains the same in both the periods

- (a) Profit – Volume ratio
- (b) Fixed Cost
- (c) The amount of profit or loss where sales are Rs. 6,48,000
- (d) The amount of sales required to earn a profit of Rs. 1,08,000.