

BA5103 ACCOUNTING FOR MANAGEMENT

IMPORTANT QUESTIONS AND QUESTION BANK

UNIT-I FINANCIAL ACCOUNTING

2-Marks

1. Definition of accounting?
2. Definition of cost accounting?
3. Objectives of cost accounting?
4. Definition of management accounting?
5. Functions of management accounting?
6. What are the money measurement concept?
7. What is accounting conventions?
8. What is periodic matching of cost and revenue concept?
9. What is limitation of cost accounting?
10. What is account period concept?
11. What is Balance Sheet Equation?
12. What is financial accounting?
13. What is human resource accounting?
14. What is double entry system of book keeping?
15. What is inflation accounting?

13-Marks

1. Explain the various accounting concepts and conventions which are used in the preparation of accounts?
2. What are the various methods of measuring human resource accounting?
3. Functions of financial accounting?
4. Explain the limitations of financial accounting.
5. Explain the cost accounting.
6. Tools and techniques of management accounting?
7. Advantages of management accounting?
8. Explain the concept related to balance sheet?
9. Differentiate between management accounting and cost accounting.
10. Define human resources accounting? Explain other uses and abuses.
11. Explain the generally accepted accounting principles (GAAP)?
12. Explain the different methods of price level Changes accounting.

UNIT-II COMPANY ACCOUNTS

2-Marks

1. What is inventory?
2. Define Specific identification method?
3. What is Retained Earning?
4. Is Divided considered as an expense for the company?
5. What is of share capital?
6. What is preferential allotment?
7. What do you mean by Comparative financial statements?
8. What is preferential allotment?
9. Explain buyback of securities
10. Differentiate profit and loss.

13-Marks

1. What is inventory? Describe the various methods of pricing issue of materials?
2. Explain proforma of a final account?
3. Write a note on employee stock option and explain its features.
4. Explain Company Accounts in detail.
5. Define the terminologies: (i) Gross Profit (ii) EBITDA (iii) COGS (iv) Retained Earnings (v) Preference Share (vi) Current Assets with examples
6. Explain employees' stock option.
7. Explain share capital with neat diagram.
8. Explain the merits of company accounts.

UNIT-III ANALYSIS OF FINANCIAL STATEMENT

2-Marks

1. What are the tools of financial statement analysis?
2. What is the meaning of fund?
3. What is the fund from operations or trading profit?
4. What is working capital?
5. Write note on adjusted profit and loss percentage.
6. Write different capital structure ratios?
7. Write note on fund flow statement.
8. Write note on fund flow statement.
9. What is the statement of changes in working capital?
10. Write note on comparative and common size financial statements.
11. What is Buyback of securities?
12. What is capital reduction account?
13. Write Debtor turnover ratio formula.
14. Name the various tools used for financial statement analysis.
15. Write about fund flow statement analysis.

13-Marks

1. Explain different methods of financial statement analysis.
2. Explain detail about the types of ratios.
3. Classify a financial ratio based on what measures in a company?
4. Explain the detail about uses and limitation of ratio analysis.
5. Explain about the methods and format for preparing fund flow statement.
6. Differentiate fund flow statements and cash flow statements.
7. Draw a specimen form of cash flow statements as per accounting standard 3 (AS3)
8. Elaborate the most common ratio types and the various formulas within each category?
9. Explain in detail about the advantages and disadvantages of fund flow statements.
10. What are the accounting ratios? Explain its uses and limitations.
11. State the uses and significance of cash flow statements.
12. Explain the importance of preparing fund flow statement and cash flow statement.
13. From the following Balance Sheet of Gupta Ltd., prepare Schedule of Changes in working Capital:

Balance Sheet					
Liabilities	2016 Rs.	2017 Rs.	Assets	2016 Rs.	2017 Rs.
Creditors	55,000	83,000	Cash in Hand	15,000	10,000
Bills Payable	20,000	16,000	Cash at Bank	10,000	8,000
Share Capital	1,00,000	1,50,000	Debtors	1,60,000	2,00,000
General Reserve	7,000	8,000	Stock	77,000	1,09,000
Debenture	1,00,000	1,00,000	Bills Receivable	20,000	30,000
	<u>2,82,000</u>	<u>3,57,000</u>		<u>2,82,000</u>	<u>3,57,000</u>

14. The following information is supplied to you for the year ending 31st Dec 2015. Closing stock is less by Rs. 6,000 than opening stock. Derive as much additional information as you can.

Gross Profit ratio	=	20%
EPS	=	Rs.2
No. of shares (Rs. 10 each)	=	25,000
Profit	=	25% of share capital
Current ratio	=	3:1
Acid test ratio	=	1.50:1
Quick assets	=	Rs. 30,000
Inventory turnover	=	10 times
Operating ratio	=	90%

15. Discuss briefly the different techniques of analysis and interpretation of financial statement.

UNIT-IV COST ACCOUNTING

2-Marks

1. Definition of cost accounting?
2. What are the cost?
3. Objectives of cost accounting?
4. What is investment centre?
5. What is cost centre?
6. What is operating costing?
7. Advantages of marginal costing technique.
8. Steps in budgetary control?
9. What is budget?
10. Definition of budget.
11. What is job order costing?
12. What is target costing?
13. Define Process Costing.
14. What is the use of variance analysis?
15. State the objectives of Activity-Based Costing.

13-Marks

- 1) Explain the difference between job costing and process costing?
- 2) Explain the advantages of standard costing?
- 3) Marginal cost are primarily used in guiding decision yet to be made. Explain the statement giving examples.
- 4) Define budgetary control. Explain the organization for budgetary control?
- 5) Discuss various basis of classification of cost and various types of cost.
- 6) Explain the elements of costs?
- 7) What are the advantages and disadvantages of marginal costing technique?
- 8) Essentials of successful budgetary control?
- 9) Write a basis of flexibility?
- 10) Write the basis of functions?

11) The budgeted output of a factory specializing in the production of single product at the optimum capacity of 6,400 units per annum amounts to Rs. 1,76,048 as detailed below:

Fixed Cost:		20,688
Variable Cost:		
Power	1,440	
Repair etc.	1,700	
Miscellaneous	540	
Direct Materials	49,280	
Direct Labour	1,02,400	1,55,360

12) Explain the concept of 'Job Order Costing', with an illustration.

13) Explain the concept of Activity based costing?

14) Find the capacity sales when fixed cost are Rs.90,000. Also compute profit at 75% of the capacity sales.

a) If margin of safety is Rs. 2,40,000 (40% of sales) and P/V ratio is 30% of XY Ltd.; Calculate its (1) break-even point, and (2) amount of profit on sales Rs. 9,00,000.

b) X Ltd. has earned a contribution of Rs 2,00,000 and net profit of Rs. 1,50,000 on sales of Rs 8,00,000. What is its margin of safety?

c) The ratio of variable cost to sales is 70%. The break-even point occurs at 60% of the capacity sales

15) From the following information of products No.888, calculate

- Material cost variance.
- Material price variance.
- Material usage variance.
- Material mix variance.
- Material subusage variance.

Material	Standard quantity in kgs	Standard price in Rs.	Actual Qty in kgs	Actual price in Rs.
X	20	5	24	4.00
Y	16	4	14	4.50
Z	12	3	10	3.25
Total	48		48	

UNIT-V ACCOUNTING IN COMPUTERIZED ENVIRONMENT

2-Marks

1. What is accounting information systems?
2. Write a management information system.
3. What are types of development?
4. What are the features of computer or computerized accounting?
5. Write about cost of installation.
6. What is cost of training?
7. Define self-decision making.
8. What is flexible reporting?
9. Write about accounting queries.
10. What is codification?
11. What do you understand by computerized accounting system?
12. State the basic requirements of the computerized accounting system.
13. What is accounting software?
14. Write about dangers for health.
15. What is hierarchy of ledgers?

13-Marks

1. Write a detailed note on Pre-packaged Accounting Software.
2. Enumerate the advantages and disadvantages of computer accounting.
3. What are the functions performed by the accounting system?
4. What are the difference between manual accounting and computerized accounting?
5. Enumerate the basic requirements of any computerized accounting system?
6. What are the limitations of computerized accounting system?
7. Discuss the significance of computerized accounting system?
8. Explain the advantages of pre-packaged accounting software.
9. What is pre-packaged software? Discuss its merits and demerits. What are the factors to be considered while selecting pre-packaged software?
10. Discuss the steps involved in computerized accounting system.
11. Explain the importance and features of computer in accounting.
12. Explain the roles of computer in accounting.
13. Differentiate computerized accounting management and manual account management.
14. Explain the merits and demerits of maintaining accounts through spreadsheet software.
15. Differentiate Spreadsheet Software and Pre-packaged accounting software.