

Roll No.

Question Booklet Number

O. M. R. Serial No.

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B. Com. (Honors) (Fourth Semester)

EXAMINATION, July, 2022

MANAGEMENT ACCOUNTING

Paper Code

BCOMH	4	0	0	1
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Questions Booklet
Series

A

Time : 1:30 Hours]

[Maximum Marks : 100

Instructions to the Examinee :

1. Do not open the booklet unless you are asked to do so.
2. The booklet contains 100 questions. Examinee is required to answer any 75 questions in the OMR Answer-Sheet provided and not in the question booklet. If more than 75 questions are attempted by student, then the first attempted 75 questions will be considered for evaluation. All questions carry equal marks.
3. Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.

परीक्षार्थियों के लिए निर्देश :

1. प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
2. प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को किन्हीं 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। यदि छात्र द्वारा 75 से अधिक प्रश्नों को हल किया जाता है तो प्रारम्भिक हल किये हुए 75 उत्तरों को ही मूल्यांकन हेतु सम्मिलित किया जाएगा। सभी प्रश्नों के अंक समान हैं।
3. प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, तो उसे तुरन्त बदल लें।

(Remaining instructions on the last page)

(शेष निर्देश अन्तिम पृष्ठ पर)

(Only for Rough Work)

1. 'Principle' for preparation of working capital statement increase in current asset :
 - (A) increases working capital
 - (B) decreases working capital
 - (C) decreases fixed capital
 - (D) increases fixed capital
2. Permanent working capital _____.
 - (A) will vary at all times
 - (B) will vary with volumes
 - (C) fixed at all times
 - (D) fluctuates according to the season
3. Which one of the following is correct ?
 - (A) $\text{Cost of goods sold} = \text{Sales} - \text{Gross profit}$
 - (B) $\text{Cost of goods sold} = \text{Opening stock} - \text{Purchases} + \text{Closing stock}$
 - (C) $\text{Cost of goods sold} = \text{Opening stock} + \text{Purchases} + \text{Closing stock}$
 - (D) $\text{Cost of goods sold} = \text{Opening stock} - \text{Purchases} - \text{Closing stock}$
4. Operating costs include the cost of goods sold and _____.
 - (A) Purchases
 - (B) Sales
 - (C) Gross profit
 - (D) Other operating expenses
5. In common-size income statement analysis, which is taken as 100 percent ?
 - (A) Sales
 - (B) Cost of goods sold
 - (C) Purchases
 - (D) Total assets
6. Profit on sale of fixed assets is _____.
 - (A) Non-trading income
 - (B) Operating income
 - (C) Non-trading gains
 - (D) Long-term gain
7. The ratios which reveal the final result of the managerial policies and performance is _____.
 - (A) turnover ratios
 - (B) profitability ratios
 - (C) short-term solvency ratio
 - (D) long-term solvency ratio
8. The ratio which measures the profit in relation to capital employed is known as _____.
 - (A) return on investment
 - (B) gross profit ratio
 - (C) operating ratio
 - (D) operating profit ratio

9. Prepaid expenses is an example of _____.
- (A) fixed assets
 - (B) current assets
 - (C) fictitious assets
 - (D) current liabilities
10. The costing method in which fixed factory overheads are added to inventory is known as :
- (A) Direct costing
 - (B) Marginal costing
 - (C) Absorption costing
 - (D) Activity-based costing
11. Which of the following costs treated as product cost under variable costing ?
- (A) Only direct costs
 - (B) Only variable production costs
 - (C) Only material and labour costs
 - (D) All variables and fixed manufacturing costs
12. Make or buy decisions are made by comparing cost with the outside purchase price :
- (A) Fixed
 - (B) Variable
 - (C) Sunk
 - (D) Joint
13. Difference between selling price and variable cost refers to :
- (A) Direct costing
 - (B) Contribution
 - (C) Profit
 - (D) None of the above
14. A budget is all of the following, except :
- (A) A plan which will ensure the generation of future profits.
 - (B) A system which helps to co-ordinate internal activities.
 - (C) A system to integrate the operations for future activity.
 - (D) A financial plan for the future.
15. If actual output is lower than budgeted output which of the following costs would you expect to be lower than the original budget ?
- (A) Total variable costs
 - (B) Total fixed costs
 - (C) Fixed costs per unit
 - (D) Variable costs per unit
16. Which of the following will not appear in a cash budget ?
- (A) Machinery bought on hire purchase
 - (B) Depreciation of machinery
 - (C) Sales revenue
 - (D) Wages

17. Debt-equity ratio is a sub-part of :
- (A) Short-term solvency ratio
 - (B) Long-term solvency ratio
 - (C) Debtors turnover ratio
 - (D) None of the above
18. Management Accounting is :
- (A) Subjective
 - (B) Objective
 - (C) Both Subjective and Objective
 - (D) None of the above
19. Management Accounting is related to :
- (A) recording to accounting data
 - (B) recording to costing data
 - (C) presentation of accounting data
 - (D) with all these
20. Management Accountancy is a framework for :
- (A) Accounting
 - (B) Costing
 - (C) Decision-making
 - (D) Management
21. Responsibility Accounting is also known as :
- (A) Profitability Accounting
 - (B) Activity Accounting
 - (C) Both (A) and (B)
 - (D) None of the above
22. If fixed and variable cost at 60% capacity are ₹ 9,000 and ₹ 12,000 respectively total cost at 80% capacity would be :
- (A) ₹ 28,000
 - (B) ₹ 25,000
 - (C) ₹ 24,000
 - (D) ₹ 50,000
23. Which of the following is not the tool of management accounting ?
- (A) Human Resource Accounting
 - (B) Standard Costing
 - (C) Budgetary Control
 - (D) Decision-making
24. Marginal costing lays emphasis on _____.
- (A) production
 - (B) sales
 - (C) marketing
 - (D) advertising
25. Selling price – Marginal cost = _____.
- (A) Fixed cost
 - (B) Semi-variable cost
 - (C) Contribution
 - (D) Break-even point

26. P/V Ratio is 25% and Margin of Safety is ₹ 3,00,000, the amount of profit is _____.
- (A) ₹ 1,00,000
 (B) ₹ 80,000
 (C) ₹ 75,000
 (D) ₹ 60,000
27. Total sales ₹ 20,00,000; Fixed expenses ₹ 4,00,000; P/V ratio 40 percent Break-even capacity in percentage is _____.
- (A) 40
 (B) 60
 (C) 50
 (D) 45
28. Budgetary control ends with _____.
- (A) planning
 (B) organizing
 (C) budgeting
 (D) control
29. Which one is the long-term solvency ratio ?
- (A) Current ratio
 (B) Net profit ratio
 (C) Debt-equity ratio
 (D) Debtors turnover ratio
30. Production cost under marginal costing includes _____.
- (A) prime cost only
 (B) prime cost and fixed overhead
 (C) prime cost and variable overhead
 (D) prime cost, variable overhead and fixed overhead.
31. Marginal cost considers only the _____ for reporting to management.
- (A) variable cost
 (B) fixed cost
 (C) standard cost
 (D) production cost
32. The term financial statement includes :
- (A) Statement of Profit & Loss
 (B) Statement of P & L and Balance Sheet
 (C) Balance Sheet
 (D) None of the above
33. The form of Balance Sheet is :
- (A) Horizontal
 (B) Vertical
 (C) Horizontal or Vertical
 (D) Horizontal and Vertical

34. The term current assets does not include :
- (A) Stock
 - (B) Debtors
 - (C) Car
 - (D) Prepaid Expenses
35. Statement of Profit & Loss is also known as _____.
- (A) Statement of Earnings
 - (B) Statement of Operations
 - (C) Statement of Income
 - (D) All of the above
36. Financial statements provide a summary of :
- (A) Accounts
 - (B) Assets
 - (C) Liabilities
 - (D) All of the above
37. Financial statements are :
- (A) Estimated facts
 - (B) Recorded facts
 - (C) Anticipated facts
 - (D) None of the above
38. Investment can be :
- (A) Current Assets
 - (B) Fixed Assets
 - (C) Intangible Assets
 - (D) Either (A) or (B)
39. Which of the following is non-current assets ?
- (A) Trade Investment
 - (B) Bills Receivable
 - (C) Prepaid Expenses
 - (D) Debtors
40. Low turnover of stock ratio indicates _____.
- (A) Solvency position
 - (B) Monopoly situation
 - (C) Over-investment in inventory
 - (D) Liquidity position
41. Which one of the following would not be classified as manufacturing overhead ?
- (A) Indirect labour
 - (B) Direct materials
 - (C) Insurance on factory building
 - (D) Indirect materials
42. The difference between actual and planned results is referred to as a(n) :
- (A) variance
 - (B) exception
 - (C) budget
 - (D) life cycle

43. Comparative statement analysis sheet is :
- (A) vertical analysis
 - (B) horizontal analysis
 - (C) either vertical or horizontal analysis
 - (D) neither vertical nor horizontal analysis
44. The term 'cash' in the context of cash flow analysis includes the 'cash balance' and the _____.
- (A) working capital
 - (B) bank balance
 - (C) capital
 - (D) fixed assets
45. In funds flow statement, sale of fixed assets is _____.
- (A) applications of funds
 - (B) sources of cash
 - (C) applications of cash
 - (D) sources of funds
46. Management accounting information is used by _____.
- (A) management
 - (B) banks
 - (C) creditors
 - (D) government
47. Ideal level of current ratio is :
- (A) 4 : 1
 - (B) 2 : 1
 - (C) 1 : 1
 - (D) 0.5 : 1
48. If the operating ratio is 70%, the net profit ratio will be :
- (A) 5%
 - (B) 30%
 - (C) 35%
 - (D) None of the above
49. Liquid or Quick Assets :
- (A) Current Assets – Prepaid Exp.
 - (B) Current Assets – Stock – Prepaid Exp.
 - (C) Current Assets + Stock – Prepaid Exp.
 - (D) Current Assets – Stock + Prepaid Exp.
50. Turnover Ratios help the management in :
- (A) Managing the resources
 - (B) Evaluating the performance
 - (C) Planning the finance
 - (D) All of the above

51. Which is not included in quick assets ?
- (A) Inventories
(B) Trade Receivables
(C) Cash at bank
(D) Cash in hand
52. Debtors ₹ 40,000; B/R ₹ 20,000; Credit sales for the year ₹ 2,40,000 and hence average collection period in months is :
- (A) 4 months
(B) 3 months
(C) 5 months
(D) None of the above
53. The most rigorous test of liquidity is :
- (A) Current Ratio
(B) Absolute Liquid Ratio
(C) Quick Ratio
(D) All of the above
54. "Higher the ratio, the more favourable it is." This does not apply to :
- (A) Net Profit Ratio
(B) Stock Turnover
(C) Operating Ratio
(D) None of the above
55. Collection of debtors :
- (A) Increases Current Ratio
(B) Decreases Current Ratio
(C) Has no effect on the Current Ratio
(D) All of the above
56. Profit after interest and tax is used in calculating return on :
- (A) Total Assets
(B) Capital Employed
(C) Shareholders' Funds
(D) All of the above
57. Current Ratio 2.7 : 1; Quick Ratio 1.8 : 1; Current Liabilities ₹ 60,000; then the value of inventory is :
- (A) ₹ 60,000
(B) ₹ 54,000
(C) ₹ 1,08,000
(D) ₹ 1,62,000
58. Operating Ratio is :
- (A) Profitability Ratio
(B) Activity Ratio
(C) Solvency Ratio
(D) None of the above
59. Ideal acid test ratio is :
- (A) 1 : 1
(B) 1 : 2
(C) 2 : 1
(D) None of the above
60. If net sales for the year is ₹ 2,50,000 and Debtors ₹ 50,000, then average collection period will :
- (A) 45 days
(B) 60 days
(C) 73 days
(D) 55 days

61. The term 'Management Accounting' was first coined in :
- (A) 1950
 - (B) 1945
 - (C) 1955
 - (D) 1960
62. The purpose of management accounting is to :
- (A) Help banks to make decisions
 - (B) Past orientation
 - (C) Help investors to make decision
 - (D) Help managers to make decisions
63. The correct order of process of establishing the standards, is :
- (A) Decision about types of standards to be used, Study of technical details, Study of existing costing system.
 - (B) Study of existing costing system, Study of technical details, Decision about types of standards to be used.
 - (C) Study of technical details, Study of existing costing system, Decision about types of standards to be used.
 - (D) None of the above
64. Management Accounting assists the management :
- (A) In planning, direction and control
 - (B) Only in planning
 - (C) Only in direction
 - (D) Only in control
65. Which of the following are tools of management accounting ?
- (a) Standard Costing
 - (b) Decision Accounting
 - (c) Human Resources Accounting
 - (d) Budgetary Control
- Codes :**
- (A) (a), (c) and (d)
 - (B) (a), (b) and (d)
 - (C) (a), (b), (c), (d)
 - (D) (a), (b) and (c)
66. The concept of management accounting was coined by :
- (A) R. N. Anthony
 - (B) J. Batty
 - (C) James H. Bliss
 - (D) American Accounting Association
67. An accounting approach, in which the expected benefits exceed the expected cost is classified as :
- (A) cost-benefit approach
 - (B) benefit approach
 - (C) cost approach
 - (D) accounting approach

68. Management Accounting deals with :
- (A) Qualitative information
 - (B) Quantitative information
 - (C) None of the above
 - (D) Both (A) and (B)
69. Decisions regarding usage of material, kind and changes in plant processing are a part of :
- (A) help management
 - (B) future management
 - (C) cost management
 - (D) past management
70. In management accounting, an emphasis and focus must be :
- (A) past-oriented
 - (B) future-oriented
 - (C) bank-oriented
 - (D) communication-oriented
71. While computation of profit in marginal costing :
- (A) Total marginal cost is deducted from total sales revenues.
 - (B) Total marginal cost is added to total sales revenues.
 - (C) Fixed cost is added to contribution.
 - (D) None of the above
72. When contribution is negative but less than fixed cost :
- (A) There is loss equal to fixed costs.
 - (B) There is loss more than fixed costs.
 - (C) There will be loss less than fixed costs.
 - (D) All of the above are false
73. When contribution is positive but equal to fixed cost :
- (A) There is loss equal to fixed costs.
 - (B) There is loss more than fixed costs.
 - (C) There will be loss less than fixed costs.
 - (D) There will be neither profit nor loss.
74. Absorption costing is also known as :
- (A) Historical costing
 - (B) Total costing
 - (C) Both (A) and (B)
 - (D) None of the above
75. In context of net operating profit, which of the following statements are true ?
- (A) If all costs are variable, the amount of profit obtained in marginal costing and absorption costing will be same.
 - (B) If the volume of sales and output is equal in a period, profit will be same in absorption costing and marginal costing.
 - (C) Both (A) and (B)
 - (D) None of the above

76. Under absorption costing, managerial decisions are based on :
- (A) Profit
 (B) Contribution
 (C) Profit/Volume ratio
 (D) None of the above
77. Managers utilizes marginal costing for :
- (A) Make or buy decision
 (B) Utilization of additional capacity
 (C) Determination of dumping price
 (D) All of the above
78. _____ is not suitable where selling price is determined on the basis of cost-plus method.
- (A) Absorption costing
 (B) Marginal costing
 (C) Both (A) and (B)
 (D) None of the above
79. Which of the following are characteristics of B.E.P. ?
- (A) There is no loss and no profit to the firm.
 (B) Total revenue is equal to total cost.
 (C) Contribution is equal to fixed cost.
 (D) All of the above
80. Which of the following are limitations of break-even analysis ?
- (A) Static concept
 (B) Capital employed is taken into account.
 (C) Limitation of non-linear behaviour of costs
 (D) Limitation of presence of perfect competition
81. Using equation method, break-even point is calculated as :
- (A) $\text{Sales} = \text{Variable expenses} + \text{Fixed expenses} + \text{Profit}$
 (B) $\text{Sales} = \text{Variable expenses} + \text{Fixed expenses} - \text{Profit}$
 (C) $\text{Sales} = \text{Variable expenses} - \text{Fixed expenses} + \text{Profit}$
 (D) None of the above
82. Given selling price is ₹ 10 per unit, variable cost is ₹ 6 per unit and fixed cost is ₹ 5,000. What is break-even point ?
- (A) 500 units
 (B) 1000 units
 (C) 1250 units
 (D) None of the above

83. Contribution is also known as :
- (A) Contribution margin
 - (B) Net margin
 - (C) Both (A) and (B)
 - (D) None of the above
84. Determine contribution if sales is ₹ 1,50,000 and P/V ratio is 40% :
- (A) ₹ 60,000
 - (B) ₹ 70,000
 - (C) ₹ 30,000
 - (D) None of the above
85. Which of the following statements are true ?
- (A) Contribution doesn't include fixed cost whereas profit includes fixed cost.
 - (B) Contribution is not based on the concept of marginal cost.
 - (C) Contribution above break-even point becomes profit.
 - (D) All of the above
86. Direct material cost + direct labour cost + Other variable costs is equal to
- (A) Contribution
 - (B) Total cost
 - (C) Marginal cost
 - (D) Sales
87. A budgeting process which demands each manager to justify his entire budget in detail from beginning is :
- (A) zero-based budgeting
 - (B) master budget
 - (C) functional budget
 - (D) None of the above
88. If the actual output is more than the budgeted output, then volume variance is :
- (A) Favourable
 - (B) Non-favourable
 - (C) No impact
 - (D) None of the above

89. To get to labour efficiency variance, the formula to be applied is :
- (A) Total standard labour cost of actual output – Total actual cost of actual output
- (B) (Standard rate per hour – Actual rate per hour) × Actual hours
- (C) (Standard time – Actual time) × Standard rate per hour
- (D) Abnormal idle hours × Standard hourly rate
90. Which of the following is technique of financial statement analysis ?
- (A) Common-size statement
- (B) Comparative statement
- (C) Trend analysis
- (D) All of the above
91. For calculating trend percentages any year is selected as :
- (A) Current year
- (B) Previous year
- (C) Base year
- (D) None of the above
92. If total cost of 100 units is ₹ 5,000 and those of 101 units is ₹ 5,030, then increase of ₹ 30 in total cost is :
- (A) Marginal cost
- (B) Prime cost
- (C) All fixed overheads
- (D) None of the above
93. Which of the following statements are true ?
- (A) In absorption costing, cost is divided into three major parts while in marginal costing, cost is divided into two main parts.
- (B) In absorption costing, period is important and in marginal costing, product is important.
- (C) Both (A) and (B)
- (D) None of the above
94. In case of other enterprises cash flow arising from interest paid should be classified as cash flow from _____ while dividends and interest received should be stated as cash flow from _____.
- (A) Operating activities, financing activities
- (B) Financing activities, investing activities
- (C) Investing activities, operating activities
- (D) None of the above

95. Determine contribution if fixed cost is ₹ 50,000 and loss is ₹ 20,000 :
- (A) ₹ 60,000
 - (B) ₹ 70,000
 - (C) ₹ 30,000
 - (D) None of the above
96. Which of the below is an Accounting Concept ?
- (A) Materiality
 - (B) Separate Legal Entity
 - (C) Consistency
 - (D) Conservatism
97. The factor which limits the volume of output of different products of an understanding at a particular point of time is known as _____.
- (A) Key factor
 - (B) B.E.P.
 - (C) Contribution
 - (D) None of the above
98. Which of the following is an example of semi-variable costs ?
- (A) Salary
 - (B) Tax
 - (C) Telephone Expenses
 - (D) Office Expenses
99. The break-even chart helps the management in _____.
- (A) Forecasting costs and profits
 - (B) Cost control
 - (C) Long-term planning and growth
 - (D) All of the above
100. Profit/Volume ratio is also known as :
- (A) Contribution ratio
 - (B) Contribution/Sales ratio
 - (C) Marginal income percentage
 - (D) All of the above

4. Four alternative answers are mentioned for each question as—A, B, C & D in the booklet. The candidate has to choose the most correct/appropriate answer and mark the same in the OMR Answer-Sheet as per the direction :

Example :

Question :

Q. 1 (A) ● (C) (D)

Q. 2 (A) (B) ● (D)

Q. 3 (A) ● (C) (D)

Illegible answers with cutting and over-writing or half filled circle will be cancelled.

5. Each question carries equal marks. Marks will be awarded according to the number of correct answers you have.
6. All answers are to be given on OMR Answer sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.
7. Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.
8. After the completion of the examination candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.
9. There will be no negative marking.
10. Rough work, if any, should be done on the blank pages provided for the purpose in the booklet.
11. To bring and use of log-book, calculator, pager and cellular phone in examination hall is prohibited.
12. In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

Impt. : On opening the question booklet, first check that all the pages of the question booklet are printed properly. If there is any discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.

4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर— A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से एक सबसे सही अथवा सबसे उपयुक्त उत्तर छोटना है। उत्तर को OMR आन्सर-शीट में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

उदाहरण :

प्रश्न :

प्रश्न 1 (A) ● (C) (D)

प्रश्न 2 (A) (B) ● (D)

प्रश्न 3 (A) ● (C) (D)

अपठनीय उत्तर या ऐसे उत्तर जिन्हें काटा या बदला गया है, या गोले में आधा भरकर दिया गया, उन्हें निरस्त कर दिया जाएगा।

5. प्रत्येक प्रश्न के अंक समान हैं। आपके जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
6. सभी उत्तर केवल ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर-पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
7. ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।
8. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें। परीक्षार्थी अपने साथ प्रश्न-पुस्तिका ले जा सकते हैं।
9. निगेटिव मार्किंग नहीं है।
10. कोई भी रफ कार्य, प्रश्न-पुस्तिका के अन्त में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।
11. परीक्षा-कक्ष में लॉग-बुक, कैलकुलेटर, पेजर तथा सेल्युलर फोन ले जाना तथा उसका उपयोग करना वर्जित है।
12. प्रश्न के हिन्दी एवं अंग्रेजी रूपान्तरण में भिन्नता होने की दशा में प्रश्न का अंग्रेजी रूपान्तरण ही मान्य होगा।

महत्वपूर्ण : प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्न-पुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्न-पुस्तिका प्राप्त कर लें।