



Chhatrapati Shahu Ji Maharaj  
University, Kanpur

**Answer Script Details**  
**Barcode** 5526242

**Roll No.** 24154000563  
**Total Mark** 47/75.00

**Exam** MASTER OF COMMERCE\_ODD EXAM-DEC-24  
**Subject** C010702T - ACCOUNTING FOR MANAGERIAL DECISIONS

**Question wise Mark Summary**

**Q.No Mark Q.No Mark Q.No Mark Q.No Mark**

1A 3/5 7 9/15

1B 3/5 8 NA/15

1C 3/5 9A NA/3

1D 3/5 9B NA/3

1E 4/5 9C NA/3

1F 3/5 9D NA/3

1G 3/5

1H 3/5

1I 4/5

2 9/15

3 NA/15

4 NA/15

5A NA/3

5B NA/3

5C NA/3

5D NA/3

6 NA/15

# Chhatrapati Shahu Ji Maharaj University Kanpur, Uttar Pradesh

Date of Exam: 18/12/24 Shift: 8:30-10:30 Room No.: 06  
 Paper Code: C010702T Subject: Accounts for Managers Year: Sem-I  
 Name of Candidate: UMRA IQBAL

Roll No: 24154000563

Signature of Candidate: *Umra Iqbal*  
 Signature of Invigilator: *Samban*  
 COE Facsimile: *Samban*

## PART-II

MARKS OBTAINED										
Q.	1	2	3	4	5	6	7	8	9	10
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Total										
Total Marks in Figures										Max. Marks
Total Marks in Words										



C 0 1 0 7 0 2 T

Paper Code

Signature of Evaluator

Course: M-Com  
 Session: 2024-25 Year/Semester: I  
 Subject Name: Acc. for managerial decisions  
 Medium: English  Hindi   
 Paper Code: C 0 1 0 7 0 2 T  
 Exam Date: 1 8 1 2 2 0 2 4  
 Name of Candidate: U M R A I Q B A L  
 Father's Name: S Y E D I Q B A L M A S O O D

कॉलेज कोड College Code: K N O 1  
 परीक्षा केंद्र कोड Exam Centre Code: K N O 1

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F	D	2	2	2
H	J	3	3	3
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L	L	5	5	5
R	M	6	6	6
S	<input checked="" type="radio"/>	7	7	7
U	T	8	8	8
U	9	9	9	9
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प्रश्न पुस्तिका का प्रकार Type of Exam

Regular  Ex-Student  
 Private  Back Paper Exam

ANSWER BOOKLET NO.

5526242

C 0 1 0 7 0 2 T

Paper Code

Enrolment Number: C S J M A 2 4 0 0 0 1 2 7 8 9 8  
 Candidate's Roll Number: 2 4 1 5 4 0 0 0 5 6 3  
 Paper Code: C 0 1 0 7 0 2 T

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Signature of Candidate: *Umra Iqbal*

Signature of Invigilator: *Samban*

C S Facsimile

COE Facsimile: *Samban*

नोट- 1. परीक्षार्थी को निर्दिष्ट किए गए हैं कि उत्तरपत्र पढ़ने के लिए उत्तरपत्र पर उल्लिखित सभी निर्देशों को सावधानीपूर्वक पढ़ें।  
 2. उत्तरपत्र में भरी जाने वाली प्रतिक्रियाएँ सही तर्क से चुननी होंगी। 3. मोबाईल को बंद करने का निर्देश परीक्षक से प्राप्त होगा।

### INSTRUCTION TO THE CANDIDATE FOR FILLING PART-I

1. Read the instructions carefully given on the answer script and admit card.
2. Write Date of Exam, Shift, Paper Code & Name of Subject Correctly.
3. Write Name & Roll No. Correctly.
4. Write Semester & Branch Correctly.

### INSTRUCTION TO THE CANDIDATE FOR FILLING PART-III

1. Use blue or black ball point pen for writing alphabets & numerals in boxes.
2. Carefully study the example before you start marking.
3. As shown in the example below, blacken the circles completely.



4. Make no Stray marks on this sheet.

### 5. DO NOT WRITE OR MARK ON THE BAR CODE.

### IN ORDER TO AVOID UFM ( UNFAIR MEANS ) :

1. The Roll No. and Answer Book no. found elsewhere or any other symbol found in the answer book will be treated as unfair means.
2. Any tampering of Bar Code and Booklet no shall be treated as Unfair Means.
3. Do Not bring the materials like slip of paper/mobile/digital diaries/ study material/ revision notes in examination hall. Possession of the mobiles/ digital diaries/electronic/digital/ watch and any other electronic gadget except memory less scientific calculator shall be considered as UFM case.
4. Do not keep or paste currency note in answer script it shall be consider as UFM.

### अनुचित साधन से बचने हेतु :

1. उत्तर पुस्तिका में निर्दिष्ट स्वर को कोडकर अनुपयोग्य एवं उत्तरपुस्तिका का प्रयोग नहीं करें और न किसी अन्य कोड को चिह्न न बनाते क्योंकि यह अनुचित साधन प्रयोग की शक्ति में आता है।
2. उत्तर पुस्तिका की बाहरीत अथवा उत्तर पुस्तिका राखा पर चंद्र छाप करने पर अनुचित साधन प्रयोग माना जायेगा।
3. मोबाइल फोन में फिल वॉल्यूम राखा न लाये, जैसे लिखते हुए कागज को टुकड़े, संघड़ान, डिजिटल कालरी, डिजिटल घड़ी, कलम, तुलक पर सभी वस्तु को अनुचित साधन को अन्तर्गत आती है। कोला संश्लेषण प्रणालय में डी वेयोरी लेस साइंटिफिक कैलकुलेटर ले जाने को अनुपयोग्य ठहराये।
4. उत्तर पुस्तिकाओं में रुपये न रखें न ही उत्तर पुस्तिका में लिखाये। ऐसा करने अनुचित साधन प्रयोग की शक्ति में आता है।

### उत्तरपुस्तिका को ठीक ढंग से भरें

1. प्रवेश पर एवं उत्तर पुस्तिका पर दिये गये निर्देशों को ध्यान से पढ़ें।
2. कवर पृष्ठ की दूसरी तरफ कुल न लिखें।
3. उत्तर पुस्तिका को पृष्ठों पर सही ढंग से लिखें।
4. प्रश्न पत्र पर अपने अनुपयोग्य को अतिरिक्त कुल न लिखें।
5. प्रश्न पत्र कोड एवं प्रश्न पत्र ID सावधानी पूर्वक लिखें।
6. अपनी स्थिति स्पष्ट लिखें।
7. उत्तर पुस्तिका को पृष्ठों की संख्या देखें। उत्तर उत्तर पुस्तिका में पृष्ठ ( 1-24 ) से कम है या कटे हुए है, तो परीक्षा शुरू होने से पूर्व दूसरी उत्तर पुस्तिका ले लें।
8. उत्तरपत्र को देख, यदि उत्तरपत्र में चिह्न कोड, चिह्न का नाम तथा प्रश्न न कोड टुटते हैं तो पहले परीक्षा होने से 30 मिनट की अवधि तक निर्देशों को सावधान सुनिए, जहाँ तक विधिवत प्रश्न कोड न चली की जायेगी।
9. उत्तरों को उत्तर लिखने से पहले देखिए का प्रयोग न करें।
10. ही कभी का अतिरिक्त साधन नहीं लेना जायेगा।

### INSTRUCTION TO THE CANDIDATE

1. Read the instructions carefully given on the Question Paper, Admit Card & Answer Script.
2. Do not write anything on back side of the cover page.
3. Write on both sides of pages of answer book.
4. Do not write anything on question paper except Roll Number.
5. Write Paper Code & Question Paper Id carefully.
6. CHECK the number of pages ( 1-24 ) or any other kind of damage in your answer script, if found then change the answer script immediately before the commencement of examination.
7. CHECK the Question Paper for any kind of discrepancy e.g. Subject Code, Subject Name, and Question of the Question Paper during first THIRTY MINUTES of the commencement of the exam, so that it can be corrected in TIME. After that no corrections shall be entertained by the university.
8. Do not use pencil for answering the question.
9. Write status correctly e.g. those appearing in carry over papers should fill in status as Carry Over. Those appearing as Ex-Students should fill in status as ex.
10. No supplementary answer book & graph paper will be provided.

### INSTRUCTION TO THE CANDIDATE FOR FILLING PART-IV

1. Use blue or black ball point pen for writing alphabets & numerals in boxes.
2. Use blue or black ball point pen for filling the circles.

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2	2	2	2	2	2	2	●	2	2	2
3	3	3	3	3	3	●	3	3	3	3
4	4	4	4	4	●	4	4	4	4	4
5	5	5	5	●	5	5	5	5	5	5
6	6	6	6	6	6	6	6	●	6	6
7	7	7	7	7	7	7	7	7	7	7
8	8	●	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9	●

Note- If your Roll No. is of 10 digits. Please leave first three columns .



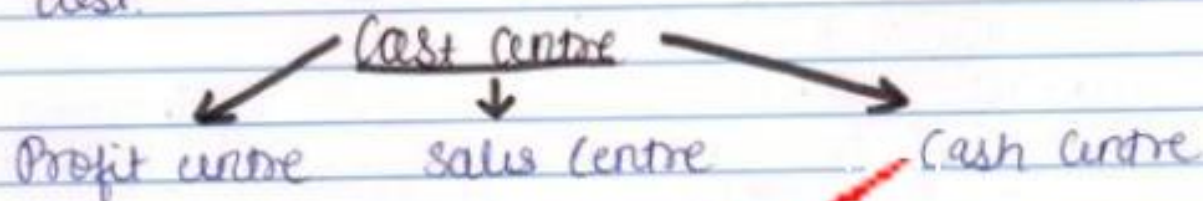
# SECTION-A

## Answer-1(A)

Cost refers to the total of expenses, paid or unpaid, incurred in manufacture or sale of a product.

Cost is measured in monetary terms.

Cost Centre is defined as a place or department which will be responsible for respective field of cost.



Respective centres will be responsible for their activities and get the work done.

Profit Centre is a part of the cost Centre. Profit Centre records all the cost incurred relating to any profit of the firm.

Just like cost centre, cost drivers are also there which drives the cost.

Profit centre will be responsible for all the entries related to profit.

Answer-(b)

Financial accounting and Management accounting are both types of accounting which is followed by any organisation,

<u>Basis of difference</u>	<u>Financial accounting</u>	<u>Management accounting</u>
<u>Final Users</u>	Users of financial accounting are external persons as well as internal.	Users of management accounting are internal users.
<u>Audit</u>	Audit is required in financial accounting.	No audit is required in management accounting.
<u>GAAP Principle</u>	Financial accounting follows GAAP (Generally accepted accounting principle)	Management accounting doesn't follow any special set of rules.
<u>Division of account</u>	Accounts of financial accounting are divided into three parts — Personal account, Nominal account etc. Real account	No such classification is there.



Function	Financial accounting deals with the financial statement which has to be issued to external users.	Management accounting provides financial data to manager so that he can frame policies or plans.
Nature	Financial accounting are more precise.	Management accounting are descriptive.

### Answer - (c)

The difference between standard cost and actual cost is known as variance.

Variance refers to the change between standard and actual cost.

We can use variance in managerial applications in many ways:-

- 1) Make or buy decision - with the help of the variance, decide whether we should make the product or buy the product which will be more effective.
- 2) Removal of unprofitable department - with the help of variance we will know that we should remove the unprofitable



department.

- 3) Budgeting - Variance help managers to make budgeting decisions.
- 4) Cost Control - with the help of variance we can control the cost.
- 5) Decision making - Variance help managers in decision making.
- 6) Change in market - Variance can easily show the change in market terms which will be very useful for managers.
- 7) Cost reduction - Variance helps in cost reduction in the organisations.
- 8) Tax planning - Variance determination also helps in tax planning and forecasting.
- 9) Maximisation of profit - Variance helps in maximisation or increment in profit.



Answer-(d)

Break-even point is a point where Total cost will be equal to Total sales of the product.

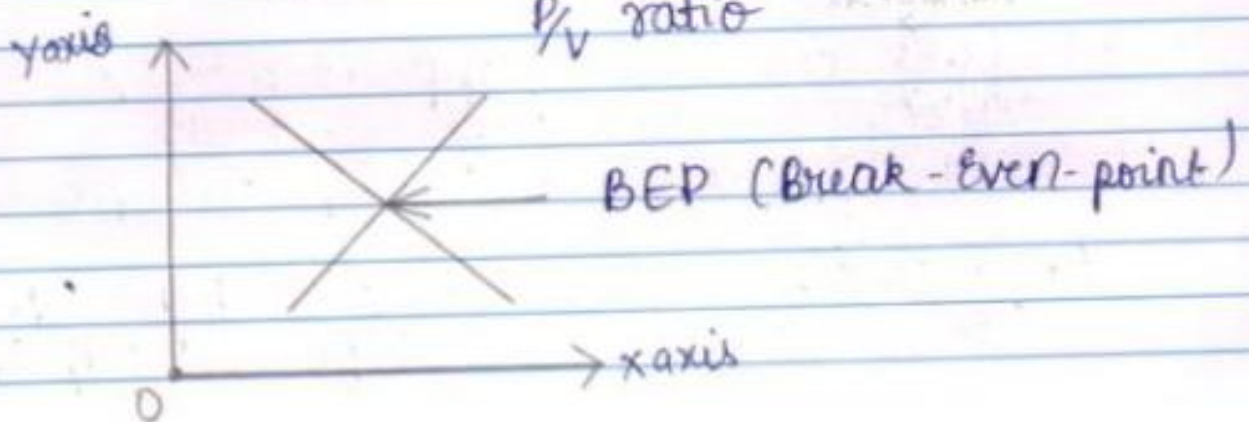
$$\boxed{\text{Total Cost}} = \boxed{\text{Total Sales}}$$

Break even point refers to the point of interaction between total cost & total sales.

It is a point where there is No profit - No loss. The <sup>margin</sup> of the company stagnant at break even point as there will be the situation of no profit no loss.

Break even point analysis is the relationship between three variables Cost-Volume-profit which circulates around Break even point.

$$\text{BEP} = \frac{\text{Fixed cost}}{\% \text{ ratio}}$$





## Answer (e)

Activity Based costing also known as ABC. It is a modern method of costing. It is a product based costing. In activity based costing, costing is done by firstly assigning the cost to the activity and then allocating it to the product.

### Advantages of Activity Based Costing -

- Increase efficiency - activity based costing is used to increase efficiency of the product by reducing all the efficiency by finding highest cost drivers.
- Decision making - activity based costing helps in decision making.
- Cost control - activity based costing helps in cost control.
- Cost drivers are appointed - in activity based costing, cost drivers are appointed for respective products.

ABC costing was first used by (In US)  
(In 1970s-80s) Cooper & Kaplan



Answer - (f)

Margin of safety refers to the difference between actual sales and Break even sales.

$$\text{MOS} = \text{Actual sales} - \text{Break even sales}$$

Margin of safety tells what will be the difference among Break-even sales and the actual sales.

Margin of safety helps to identify the correct situation of the organisation. Margin of safety plays a crucial factor in sales.

It tells us when will be the no profit - No loss situation is going to happen.

Answer - (g)

$$\text{Contribution} = \text{sales} - \text{variable cost}$$

$$\begin{aligned} \text{(i) Contribution} &= 100\,000 - 60\,000 \\ &= 40\,000 \end{aligned}$$

In this the amount of sales is 100,000 given and the amount of variable cost is 60,000 given. We already know that Contribution is the excess



of sales over variable cost.

Hence contribution will be 40000/-

(ii) Contribution per unit =

$$\text{Contribution per unit} = \frac{\text{Contribution}}{\text{unit sold}}$$

$$= \frac{40000}{10000} \times 100$$

$$= 400$$

Answer - (h)

The differentiation between standard cost and actual cost is known as variance. It refers to the change between standard cost and actual cost.

Types of variance :-

↓  
Labour  
Variance

↓  
Material  
varial



~ Labor variance

~ Material variance

→ Labour cost variance

→ Material Cost Variance

→ Labour efficiency variance

→ Material Price Variance

→ Labour Yield Variance

→ Material usage variance

Material Yield Variance

Material Efficiency Variance

Material Revised Usage Variance

Material yield variance is a part of a material usage variance. Material yield variance show the difference between standard material yield and actual material yield.

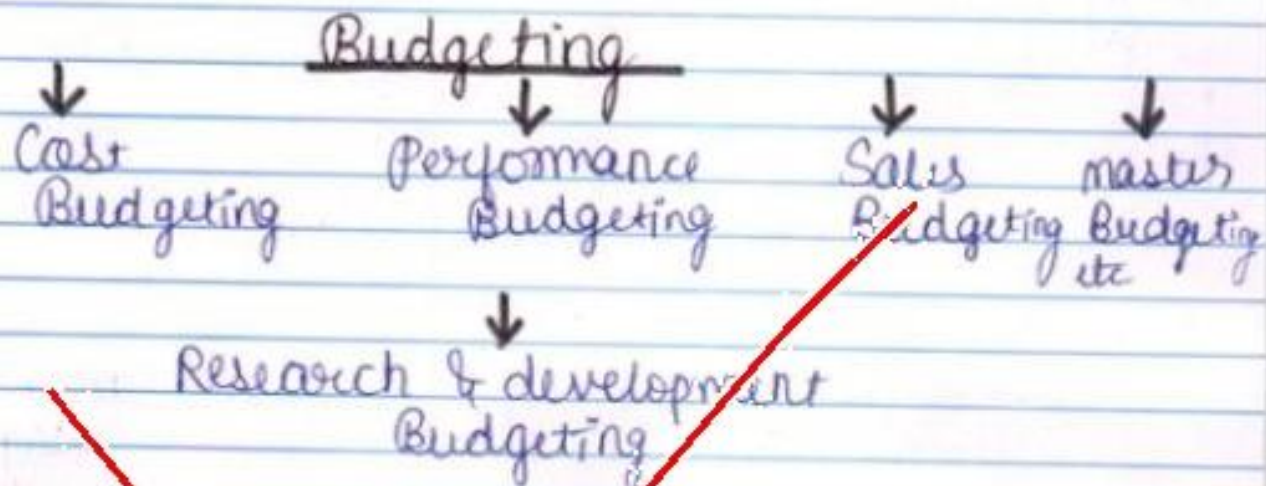


## Answer - (i)

Budget refers to the outcome of estimated plans.

Budgeting refers to the process of making quantitative statement of finance in advance.

There are many types of Budgeting which includes -



Performance Budgeting refers to the preparation of performance Budget. Budget refers to the outcome of planned data.

When all the data will be planned related to Performance of the work done in an organization that will be considered as Performance Budgeting. Performance Budgeting includes all the activities related to the performance.



## SECTION-B

Answer-2

$$\boxed{\text{Management Accounting}} = \boxed{\text{Management}} + \boxed{\text{Accounting}}$$

Management Accounting comprises of two words - Management & Accounting. Management refers to the planning, organising, controlling, staffing, directing and controlling. Accounting includes Book keeping & accountancy. It refers to the recording, classifying, analysis, interpreting data used on specific set of rules and regulations.

"Management accounting is that type of accounting which provide financial data to the managers so that they can make sound dicussions"



The concept of management accounting was first used by James H. Bliss in his book - "Financial & Operating ratios in Management"

Management accounting is for the internal users of the company like managers who make sound decisions after collecting financial data.

### Features / Characteristics of Management Accounting -

- Art and Science - Management accounting is considered as both art and science.
- Systematic approach - Management accounting follows a systematic approach.
- Management oriented - Management accounting is management oriented.
- Decision Making - Management accounting helps in decision making.
- Forecasting - Management accounting facilitates forecasting.



## Functions of Management Accounting -

- 1) Communication - Through management accounting communication is there in the organisation.
- 2) Budgeting - Management accounting helps in Budgeting. It facilitates to prepare Budget.
- 3) Tax planning and strategy - management accounting facilitates tax planning and form strategies related to that.
- 4) Decision making - Management accounting facilitates decision making.
- 5) Production planning - Management accounting facilitates production planning and policies.
- 6) Cost Reduction - Management accounting facilitates Cost Reduction.
- 7) Cost Control - Management accounting facilitates cost control.



## Disadvantages of Management Accounting

- Expensive - ~~Manager~~ management accounting is a expensive form of accounting.
- Time taking - Management accounting is time taking.

## Advantage of Management Accounting

- Management accounting facilitates decision making.
- Management accounting facilitates tax planning and forecasting.

## Trends in Management Accounting

Trends in management accounting includes

- Ratio analysis
- Cost analysis
- Marginal costing
- Absorption costing



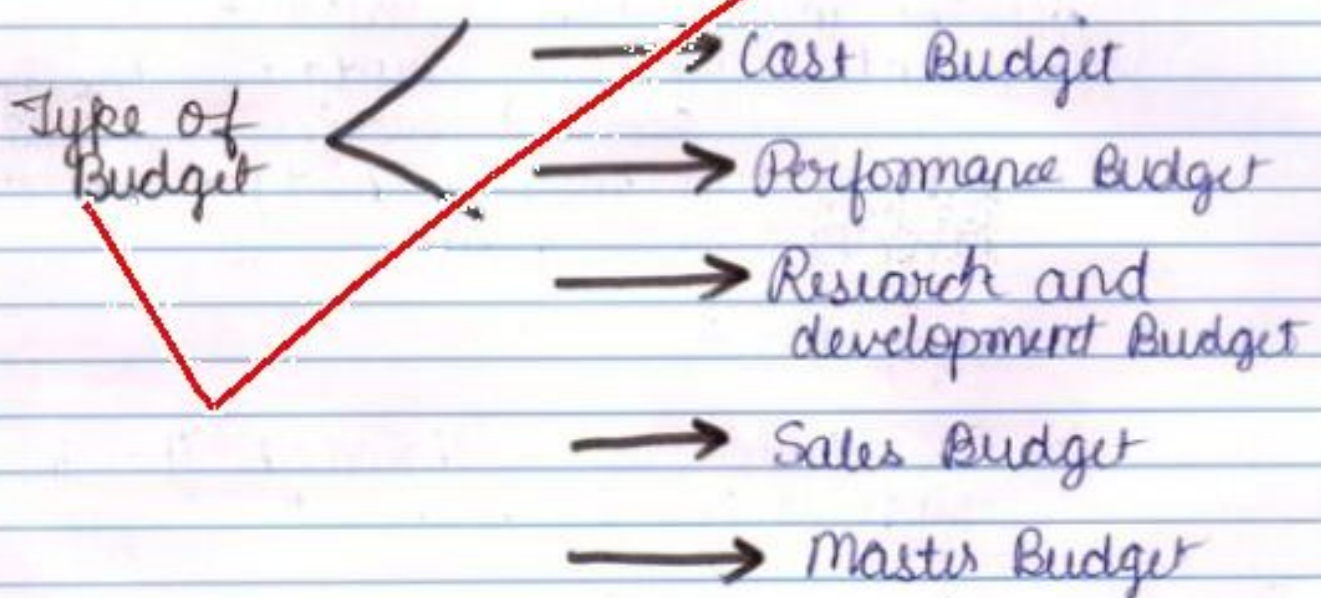
- Standard Costing
- Activity Based Costing
- Responsibility Costing etc.

## SECTION-C

Answer - 7

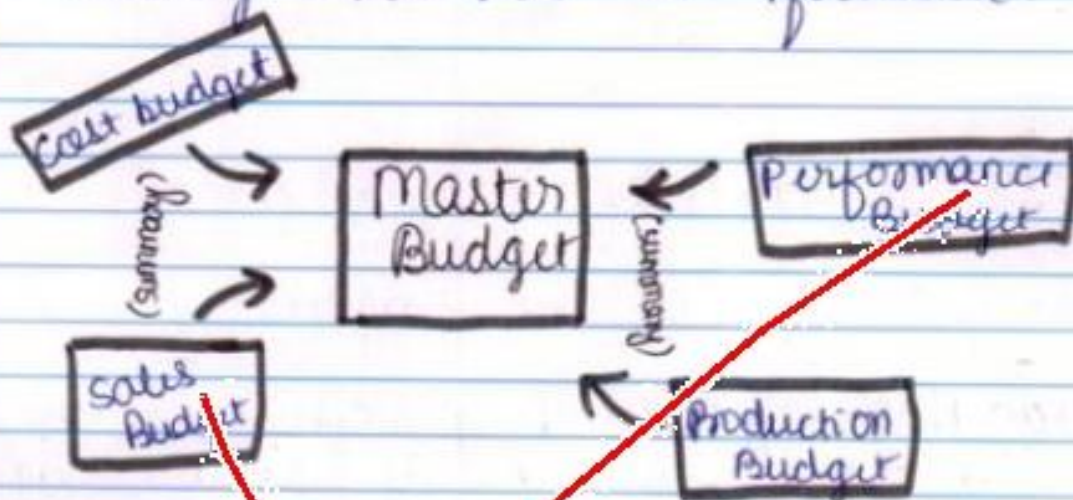
Budget refers to the outcome of estimated plans.

Budgeting refers to the process of making quantitative statement of finance in advance.





Master Budget refers to the summary of all the Budget. The Budget which is in a summarized manner is known as master budget. It comprises all of the summary regarding all the Budgets. Budget are the planned outcomes or activity which will be followed.



All the informations related to the different kinds of budget, the gist of all the budget is presented in master budget in a summarized form.

### Importance -

- Save time to go through all the budgets one by one.
- Save resources as well.



Budgeting is a necessary activity because

Budgeting comprises all the plans which are going to follow, all the quantitative data which will lead to smooth flow in an organisation.

Budgeting is necessary / important because it leads towards →

- efficiency - Budgeting leads towards efficiency of an organisation.
- Coordination - Budgeting leads towards coordination in an organisation.
- Cost Control - Budgeting leads towards cost control.
- Cost reduction - Budgeting leads towards cost reduction.
- Decision making - Budgeting leads towards decision making, a smooth flow in an organisation.
- Tax planning & Strategy - Budgeting leads towards easy tax planning and strategy.



- Maximisation of profit - Budgeting leads towards maximisation of profit in an organisation.
- Cooperation - Budgeting leads towards cooperation.
- Smooth flow - Budgeting leads towards smooth flow of tasks in an organisation.
- Make or buy decisions - Budgeting leads towards clarity in make or buy decisions.

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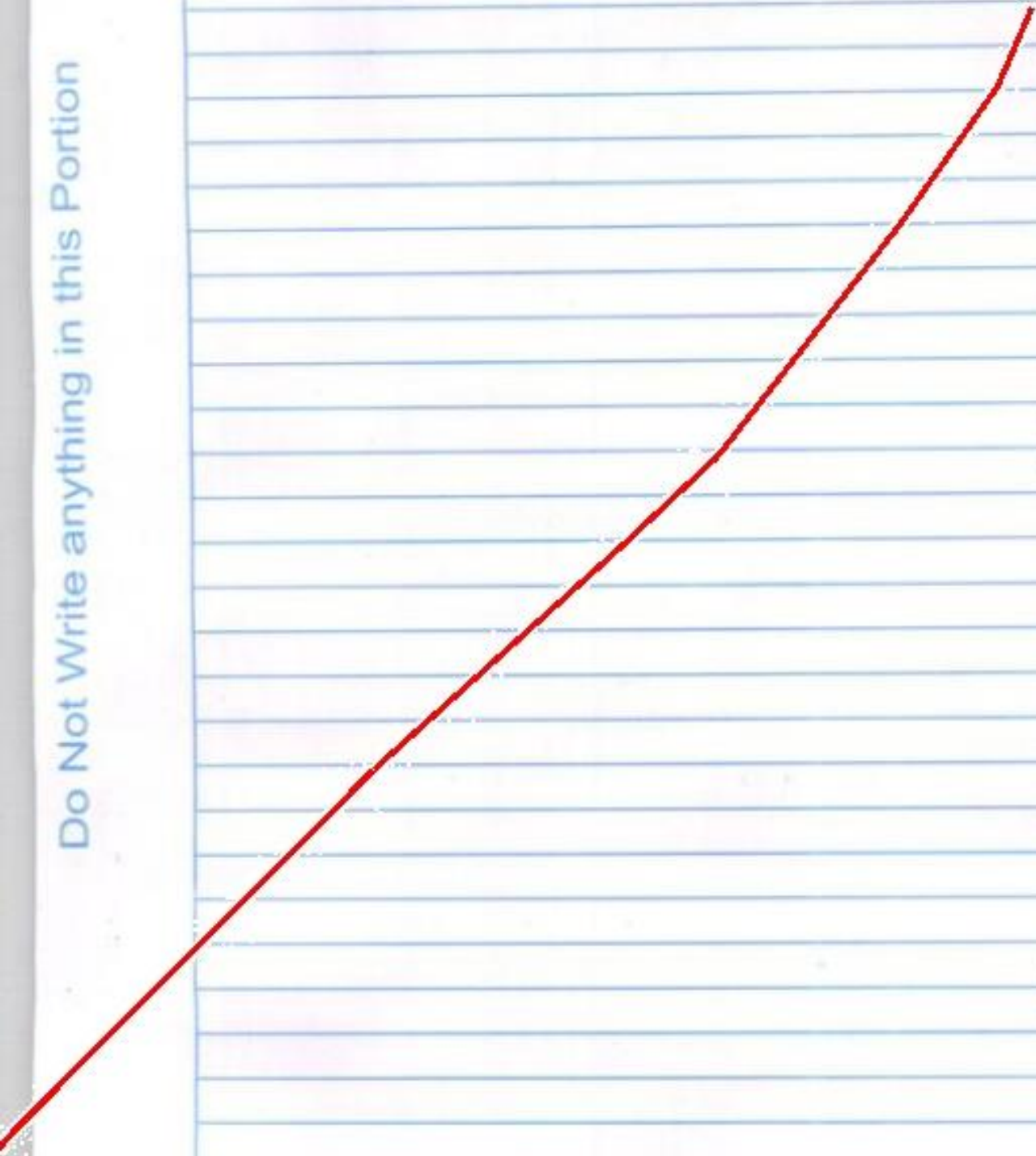
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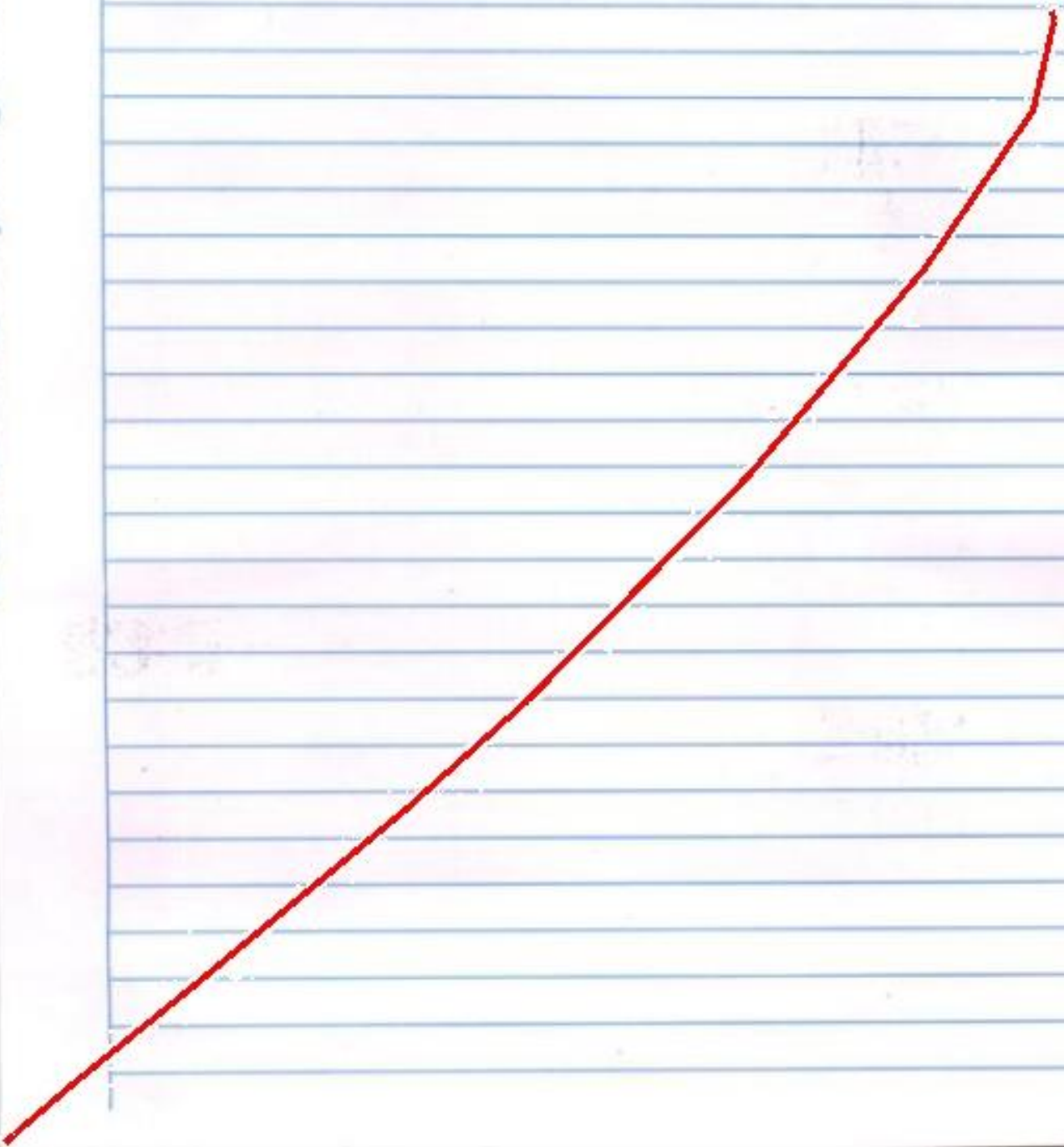
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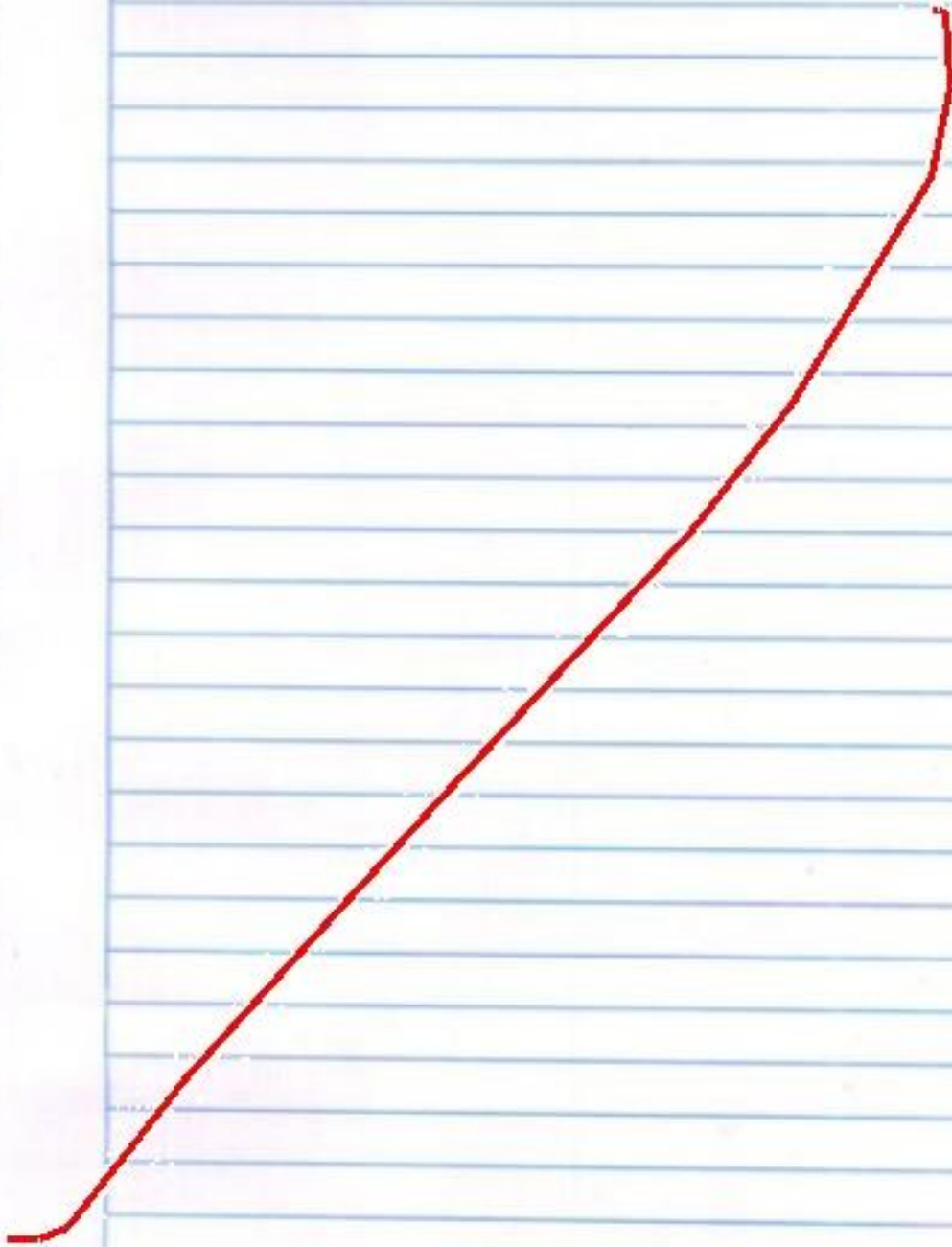


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22





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