



ID NO.

PRESIDENCY UNIVERSITY, BENGALURU

SCHOOL OF LAW

Weightage: 40 %

Max Marks: 40

Max Time: 3 HRS.

8 May Tuesday 2018

END TERM EXAMINATION MAY 2018

Even Semester 2017-18

Course: **BBL 102 Management Accounting**

IV Sem. Law

Instruction:

- (i) Read the question properly and answer accordingly.
- (ii) Question paper consists of 3 parts.

Part A

(2 Q x 5 M = 10 Marks)

1. Define marginal cost and marginal costing. How would you treat variable cost and fixed costs in marginal costing?
2. Define standard costing. Point out the differences between historical costing and standard costing.

Part B

3. 'The effect of price reduction is always to reduce P/V ratio, raise the break-even point and shorter the margin of safety.' Explain and illustrate with assumed figures. (7 Marks)
4. Outline the primary objects of standard costing. Describe briefly its uses under each of the following heads: (8 Marks)
 - (a) As a measuring rod of performance
 - (b) As a basis of inventory valuation,
 - (c) As an aid in preparing earnings budget,
 - (d) As a guide in fixing selling prices.

Part C

5. Recently a conference speaker discussing budgets and standard costs made the following statement – 'Budgets and standards are not the same things, they have different purposes and are set up and used in different ways, yet a specific relationship exists between them.' (7 Marks)
 - (a) Identify differences between budgets and standards
 - (b) Identify similarities between budgets and standards

6. State briefly the effect of the following on break-even point and profit-volume ratio:

(8 Marks)

- (i) Reduction in variable cost ratio
- (ii) Increase in total fixed cost
- (iii) Increase in price of the product
- (iv) Increase in quantity of sales



ID NO:

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Weightage: 30 %

Max Marks: 30

Max Time: 2 HRS.

2 March Friday 2018

MID TERM EXAMINATION

SET B

Even Semester 2017-18

Course: **BBL 102 Management Accounting**

IV Sem. Law

Instruction:

- (i) Read the question properly and answer accordingly.
- (ii) Question paper consists of 3 parts.

Part A

(2 Q x 5 M = 10 Marks)

1. 'There is an intimate relationship between management accounting and finance function.' Elucidate.
2. "Major policy decisions in business are based on cost factors." Comment on the possible uses of cost information to management.

Part B

(2 Q x 5 M = 10 Marks)

3. Why is it necessary to calculate the profitability ratios in relation to sales? Illustrate your answer.
4. What is the firm's earning power? How are the net profit margin and the assets-turnover related?

Part C

(2 Q x 5 M = 10 Marks)

5. Which of the financial ratios of a company would you most likely refer to in each of the following situations? Give reasons.
 - (i) The company asks you to sell material on credit.
 - (ii) You are thinking of investing Rs. 25,000 in the company's debentures.
 - (iii) You are thinking of investing Rs. 25,000 in the company's shares.
6. Explain the ratios which you, as an analyst, will focus your attention to in the following cases:
 - (a) A bank is approached by a company for a loan of Rs. 50 lakh for working capital purpose.
 - (b) A company requests a financial institution to grant a 10 year loan of Rs. 5 crore.