

- (c) Works Cost
- (d) Cost of Production
- (e) Total Cost and
- (f) Sales.

Q8 Explain the concept of marginal costing. What are the characteristics and assumptions of marginal costing?

*****END OF PAPER*****

MASTER OF VOCATION
Management (Banking and Finance)
Subject: Management Accounting and Financial Analysis
Subject Code: MFM801
Semester: First
February 2022
Theory (External): 70 Marks
Time: 03 Hours

Instructions to the Students

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

Roll Number									

SECTION -A (SHORT/OBJECTIVE TYPE QUESTIONS)
(10x2=20 Marks)

- A Explain the limitations of accounting.
 B Write the name of different accounts for posting entries in journal?
 C Discuss any two limitations of Ratio Analysis.
 D What is trend analysis?
 E Write a note on the importance of fund flow statement.
 F Write a few lines on the behaviour of fixed cost.
 G What is contribution?
 H Discuss the importance of margin of safety.
 I Give marginal costing equation.
 J Define angle of incidence.

SECTION -B (ESSAY TYPE QUESTIONS)
(5x10=50 Marks)

- Q1 Define accounting, why accounting is necessary? Explain the process of accounting.
 Q2 What do you understand by the analysis and interpretation of financial statements? Discuss their utility and significance to the management and others who are interested in the business.
 Q3 From the following information, calculate any two of the following ratios
 (i)Debt-equity ratio
 (ii)Working capital turnover ratio (iii) Return on investment

Information Equity share capital Rs 10,00,000, general reserve Rs 1,00,000, balance of statement of profit and loss after interest and tax Rs 3,00,000, 12% debentures Rs 4,00,000, creditors Rs 3,00,000, land and buildings Rs 13,00,000, furniture Rs 3,00,000, debtors 12,90,000, cash Rs 1,10,000. Revenue from operations i.e. sales for the year ended 31st March, 2011 was Rs 30,00,000. Tax rate is 50%.

- Q4 What is fund flow statement? Explain briefly the steps to be followed in preparing a fund flow statement.
 Q5 Distinguish between:
 a. Direct and indirect cost
 b. Avoidable and unavoidable cost
 c. Product cost and period cost
 d. Controllable and uncontrollable cost
 e. Fixed and variable cost
 Q6 Explain the term "break-even point" How is it determined and what is its use?
 Q7 The accounts of Basudev Manufactures Ltd. for the year ended 31st December 1988 show the following:

	Rs.
Stock of Material on 1.1.88	6,720
Materials Purchased	1,50,000
Materials returned to suppliers	2,000
Direct Labour	50,000
Direct Expenses	20,000
Factory Expenses	15,300
Office & Administrative Expenses	8,000
Selling & Distribution Expenses	7,900
Stock of Materials on 31.12.88	7,720
Profit	10,000

Find out:

- (a) Material Consumed
 (b) Prime Cost