

FIRST SEMESTER M.Com. DEGREE EXAMINATION, MAY 2013**Paper 1.3—ACCOUNTING FOR MANAGERIAL DECISIONS**

(2004 admission onwards)

Time : Three Hours

Maximum : 80 Marks

Section A

*Answer all the questions.
Each question carries 2 marks.*

1. State any four objectives of Management Accounting.
2. Define Capital Rationing.
3. Define Limiting Factor.
4. What is Activity Based Costing ?
5. What is Transfer Pricing ?

(5 × 2 = 10 marks)

Section B

*Answer any four questions.
Each question carries 10 marks.*

6. (a) Define the terms : Cost centre and Profit centre. (4 marks)
(b) Discuss any four methods of Transfer Pricing. (6 marks)
7. (a) State the importance of Cost control. (4 marks)
(b) List out the benefits of Cost Audit. (6 marks)
8. (a) What are the functions of Financial Controller ? (4 marks)
(b) State any six limitations of Management Accounting. (6 marks)
9. (a) Write a note on Decision Tree analysis. (4 marks)
(b) List out any six assumptions of ——— Break Even Chart. (6 marks)
10. From the following information relating to Quick Stds Ltd., you are required to find out :
 - (a) Contribution.
 - (b) BEP in units and in Rs.
 - (c) Margin of Safety.
 - (d) Profit.

Total Fixed costs Rs. 4,500 ; Total variable costs Rs. 7,500 ; Total sales Rs. 15,000 ; Units sold 5000 units. Also calculate the volume of sales to earn a profit of Rs. 6,000.

(10 marks)

Turn over