

BCOM H 3RD SEM	MANAGEMENT ACCOUNTING		203		
Question	A	B	C	D	Answer
1.Type of accounting which specialises in providing information about detailed cost of products?	Cost Accounting	Management Accounting	Financial Management	Financial Accounting	A
2.What is included in scope of management accounting? I)Internal Control II)Budgeting III)Reporting to management IV)Office Services	Only II,III,IV	ALL I,II,III,IV	Only II and IV	Only I,II,IV	B
3.Which of the following is the basis of difference between Financial and Management Accounting?	Publication and Audit	Periodic v/s Continuous reporting	Statutory Requirements	All of the above	D
4.What are the objectives of Cost accounting?I)Cost Ascertainment II)Cost Control	Only I	Both I & II	Only II	None of the Above	B
5.The status of management accountant is at what level as compared to cost accountant?	Lower	Equal	Higher	No status at all	C
6.Which statement is true.I)Financial accounts are prepared according to Accounting Standards. II)Management Accounting reports are also prepared according to accounting standard.	Only II	Both I and II	Only I	None is true	C
7.What indicate the relationship of different items of a financial statement with some common item by expressing each item as a percentage of the common item.	Comparative Statements	Ratio	Common size Statements	None of the Above	C
8.Which is not the limitation of financial analysis?I)Effect of personal Bias II)Identify Trend III)Judge Efficiency IV)Different accounting policies	Only I	Only II and III	Only II , III and IV	Only I and IV	B
9.Given inventory of 24,000, other current assets of 12,000 and current liabilities of 20,000, the acid test (quick ratio) will be:	1.8 :1	0.6 :1	1.2:1	1.6 :1	B
10.Quick assets do not include I)Prepaid Expense II)Advance Tax III)Marketable securities IV)Inventory	Only I,II and IV	Only III	All I,II,III,IV	Only II and III	A
11.If debt equity ratio exceeds_____,it indicates risky position.	1:1	2:1	1:2	3:1	B
12.Which of these is false?	Working Capital=Current Assets-Current Liabilities	CL=CA-Working capital	Current Liabilities=Working capital -CA	Current Assets=Working capital+CL	C

BCOM H 3RD SEM	MANAGEMENT ACCOUNTING		203		
Question	A	B	C	D	Answer
13.If average T/R are 1,00,000 ,Closing T/R are 3 times that of opening T/R .What is Closing T/R?	2,00,000	75,000	1,50,000	50,000	C
14.A firm that issues stocks and bonds to raise funds results in ____ in cashflow.	Decreased Cash	Increased Cash	Increased Equity	Increased Liabilities	C
15.Which are not Investing activity? I)Receipts from sale of fixed asset II)Interest received III)Dividend paid IV)Cash Payment to acquire share of other Companies	Only II and III	Only III and IV	Only III	All are not investing activities	C
16.Which of the following is not the objective of budgetary control? I)Control II)Danger of rigidity III)Motivation IV)Based on estimates	Only II	Only II and IV	Only II,III and IV	All I,II,III and IV	B
17.Which statement is true.I)Fixed budget assumes Changing business conditions. II)Flexible budget is prepared for only one level of activity.	None is true	Both are true	Only I	Only II	A
18.The fixed administration expenses are Rs 50,000 at 10,000 units of production.What will be the per unit fixed cost at 8000 units?	Rs 5 per unit	Rs 8.33	Rs 6.25 per unit	Rs 10	C
19.The wages due from Mar 20 ,Apr 20 and May 20 are Rs8000,Rs9000 and Rs 10,000 respectively.There is delay in payment of wages of 2 months.What will be the wages paid in May 20 in the Cash Budget.	Rs 9000	Rs 8000	Rs 10000	Rs 27000	B
20.Which of the following is/are the responsibility centres.I)Cost centre II)Investment Centre III)Profit center IV)Revenue Centre	All	Only I,II and III	Only I and IV	Only II,III and IV	A
21. Labour Efficiency Variance is the sum total of I)Labour Mix variance II)Labour Cost Variance III)Idle time Variance IV)Labour yield variance	Only I and IV	All	Only II and III	Only I,III and IV	D
22.Total Actual material is 1250 Kg.The Standard qty of Material A=800Kg and B=400Kg.What is the revised Std qty of A and B respectively.	825kg,425Kg	950Kg,300Kg	833Kg,417Kg	750Kg,500Kg	C
23.SH=800 Hours,AR=Rs 7 ,SR=6,AH=750 Hours.Calculate labour rate variance(LRV).	750 A	300 F	300 A	750 F	A
24.Fixed cost=8000,Profit=5600 .Calculate Contribution.	8000	2400	13600	5600	C

BCOM H 3RD SEM	MANAGEMENT ACCOUNTING		203		
Question	A	B	C	D	Answer
25.Yr 2019 :sales 1,20,000 and Profit8,000 ;Yr 2020:Sales 1,40,000 an profit 13,000.Calculate P/v ratio.	25%	40%	30%	35%	A
26.Calculate Break Even Point in units if Fixed cost is 15,000 ,SP=15 and VC=12	1000 units	1250 units	1500 units	5000 units	D
27.Actual Sales=40,000 and Break Even Point =25,000.Calculate Margin of safety(MOS).	65,000	15,000	40,000	25000	B
28.What are the sales required to earn a profit of 12,000 if Fixed cost are 22,000 and P/V ratio is 25%.	1,36,000	40,000	8,500	2,500	A
29.Actual Sales=80,000,P/V ratio=20% and Fixed cost=10,000.Calculate Profit.	16,000	3,000	5,000	6,000	D
30.Variable cost ratio =80% and Mos=40%.Calculate P/V ratio and BEP(in Percentage) respectively.	60%,60%	20%,60%	60%,20%	20%,20%	B
31.Write any 2 advantages of management accounting.					
32.Write any 2 difference between Cost and Management accounting.					
33.Write any 2 limitations of financial statement analysis.					
34.Write any 2 characteristics of Zero based Budgeting.					
35.What is the formula for calculating Material Price variance and Material Usage Variance.					