

**ACCOUNTING AND MANAGEMENT CONTROL  
(HMTS 1101)**

**Time Allotted : 3 hrs**

**Full Marks : 70**

*Figures out of the right margin indicate full marks.*

*Candidates are required to answer Group A and  
any 5 (five) from Group B to E, taking at least one from each group.*

*Candidates are required to give answer in their own words as far as practicable.*

**Group – A  
(Multiple Choice Type Questions)**

1. Choose the correct alternative for the following: **10 × 1 = 10**
- (i) Rent Received is an example of  
(a) Capital receipt (b) Revenue receipt  
(c) Both of these (d) Expenditure
- (ii) Debtors are considered as  
(a) Assets (b) Liabilities  
(c) Capital (d) Investment
- (iii) Furniture A/C is an example of  
(a) Personal a/c (b) Real A/c  
(c) Nominal a/c (d) Special Mention A/C
- (iv) Benefit-Cost ratio implies  
(a) Present value of Cost/Present value of Benefit  
(b) Present value of Benefit/Present value of Cost  
(c) Future value of Cost/Future value of Benefit  
(d) Future value of Benefit/Future value of Cost
- (v) Margin of safety is determined by  
(a) (Breakeven Sales-Actual Sales)/Total units sold  
(b) (Actual sales-Breakeven Sales)/Total units sold  
(c) (Actual Sales-Actual Cost / Total units sold  
(d) (Actual Profit-Estimated Profit)/ Total units sold
- (vi) Concept Management By Objectives (MBO) was founded by  
(a) Elton mayo (b) Frederick Winslow Taylor  
(c) Peter Drucker (d) Henri Fayol

- (vii) At the bottom level management strategies are mostly  
(a) Strategic (b) Tactical  
(c) Operational (d) Statutory
- (viii) In case of declining balance method of depreciation , the rate of depreciation:  
(a) increase every year (b) Decreases every year  
(c) Remains constant (d) Can not be determined
- (ix) An example of non-current asset is  
(a) Inventory (b) Bond.  
(c) Accounts Receivable (d) Prepaid Expenses
- (x) In LIFO method of inventory valuation:  
(a) cost of most recent products purchased first to be expensed.  
(b) cost of earliest products purchased first to be expensed  
(c) Any one of the above.  
(d) Purchase time not taken into consideration

### **Group – B**

2. (a) Highlight the main differences between Management Accounting and Financial accounting.  
(b) Why is computation of depreciation essential? Discuss any one method of depreciation.

$$6 + (3 \times 2) = 12$$

3. (a) What do you mean by double entry system of accounting? What are its advantages?  
(b) What are the major advantages and disadvantages of FIFO method of inventory valuation?

$$(2 + 4) + (3 + 3) = 12$$

### **Group – C**

4. (a) How does journal and ledger differ in significance in preparation of final accounts?  
(b) Journalize the following transactions:  
1/3/20 :Started business with Rs 10,00,000 in bank.  
13/3/20: Paid Friends co. by cheque Rs 45,000.  
16/3/20: Sold furniture for Rs 30,000.  
19/3/20: Paid wages by cash Rs 75,000.  
24/3/20: Returned goods to XYZ co Rs 12,000.  
28/3/20: Purchased stationary for Rs 7,000

$$6 + 6 = 12$$

5. (a) Find out the differences between debt capital and equity capital.  
(b) Discuss the significance of corporate social responsibility with respect to public limited company.

7 + 5 = 12

### Group – D

6. (a) Draw up a breakeven chart and list up its main components, including price and output determination.

(b) **Standard:** Material quantity 220 Kgs.@ Rs.15/ Kg.

**Actual:** Material quantity 325 Kgs.@ Rs.35/ Kg.

Compute all the Material variances.

(6 + 6) = 12

7. (a) The Selling Price of a product is Rs.300/unit. The Variable Cost is Rs. 140/unit. The Fixed Cost is Rs.8, 00,000/-.

Compute

i) Breakeven Quantity

ii) P/V ratio

iii) Breakeven Sales.

- (b) Discuss any two types of budgets in cost accounting.

(3 × 2) + (2 × 3) = 12

### Group – E

8. (a) What do you mean by transfer pricing method? Discuss any one method in very brief.

(b) Write short note on any two of the following

i) Revenue centers

ii) Expense centers.

iii) Responsibility centers.

(2 + 4) + (3 + 3) = 12

9. (a) Discuss the significance of budgeting as a tool of management control.

(b) Discuss the concept of span of control. How is it related to hierarchy positioning?

6 + (3 + 3) = 12

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