

P.G.D.I.F.A. (Sem.-I) Examination
Paper IV : Accounting for Managers
May-2017

Time : 3 Hours]

[Max. Marks : 70

Q.1

- a) What is financial Accounting? Give detail about users of financial accounting. (06)
 b) Explain disclosure of accounting policies (AS-1) in detail. (06)

OR

Q.1

- a) Explain money measurement concept and entity concept in detail. (06)
 b) Explain depreciation accounting standard (AS- 6) in detail. (06)

Q.2

- a) Explain Break Even Point analysis and CVP Analysis. (06)
 b) With the following data for a 50% activity, prepare budget at 80% and 100% activity (06)

Production at 50% capacity	5000 units
Materials	Rs.1000 per unit
Labour	Rs.500 per unit
Expenses	Rs.100 per unit
Factory Expenses	Rs.500000 (50% Fixed)
Administration Expenses	Rs.400000 (40% Fixed)

OR

Q.2

- a) Explain zero base budgeting in detail. (06)
 b) Differentiate between fixed and flexible budgeting. (06)

Q.3 Explain various translation methods for foreign exchange rates used to translate asset and liabilities in International Accounting with example. (06)

OR

Q.3

- a) Explain the difference between domestic accounting and international accounting. (06)
 b) Describe advantages and disadvantages of decentralization. (06)

Q.4 Explain the approaches to Transfer Pricing. (12)

OR

Q.4 Explain Transfer Pricing with an example. Also explain the Arm's length principle. (12)

Q.5

- a) Explain HR Accounting and also mention advantages of HR Accounting. (06)
 a) Explain the meaning and Importance of Social Accounting. (06)

OR

Q.5 Explain the Current Purchasing Power Method and Current Cost Accounting Method in detail with an example. (12)

Q.6 Each question is of one marks (10)

- Preparation of Financial statements is optional.
 (i) True (ii) False
- Accounting standard- 10 deals with?
 a) Revenue recognition b) Accounting for Fixed assets
 c) Intangible assets d) Depreciation Accounting
- Variable cost per unit _____ with decrease in the size of output
 a) Increase b) Constant c) Decrease

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4. Fixed budget is prepared for more than one level of activity.
 - a) True
 - b) False
 5. Labour Efficiency variance is
 - a) $(\text{Std Labour hr} - \text{Actual Labour hr}) * \text{Actual Wage rate}$
 - b) $(\text{Std Labour hr} - \text{Actual Labour hr}) * \text{Standard Wage rate}$
 - c) $(\text{Actual Labour hr} - \text{Std Labour hr}) * \text{Actual Wage rate}$
 - d) None of the above
 6. Material quantity variance equals to
 - a) $(\text{Std Qty} - \text{Actual Qty}) * \text{Actual Price}$
 - b) $(\text{Std Qty} - \text{Actual Qty}) * \text{Standard Price}$
 - c) $(\text{Std Price} - \text{Actual Price}) * \text{Actual Price}$
 - d) $(\text{Actual Qty} - \text{Std Qty}) * \text{Standard Price}$
 7. Direct Exchange Rate (DER) is?
 - a) The number of local currency units (LCUs) needed to acquire one foreign currency unit (FCU)
 - b) The number of foreign currency unit (FCUs) needed to acquire one local currency unit (LCU)
 - c) The number of local currency units (LCUs) needed to acquire the number foreign currency (FCUs)
 8. From the following which is not the objective of Social Accounting
 - a) Help to society
 - b) Help to customers
 - c) Calculation of Profit
 - d) Effective utilization of natural resources
 9. Environmental Accounting is not mandatory for all the companies.
 - a) True
 - b) False
 10. Which one of the following is the formula for Residual Income (RI)?
 - a) Profit before tax + notional interest charge
 - b) Net cash flow for year + notional interest charge
 - c) Profit before tax – notional interest charge
 - d) Net cash flow for year – notional interest charge
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