

PGDIFA Sem.-1 Examination

Paper-4

Accounting for Managers

February-2025

Time : 2-30 Hours]

[Max. Marks : 70

NOTE: ALL QUESTIONS CARRY EQUAL MARKS

Q=1 (A)

- (1) Explain general and qualitative objectives of Corporate Financial Statement. (07)
- (2) Do As Directed: (07)
1. Full form of IASB.
 2. What is the importance of Accounting Standards?
 3. Give names of any four users of Financial Statement.
 4. What are the functions of IFRS?
 5. The full form of NACAS is –
 - a) National Advisory Committee on Accounting Standards
 - b) National Advisory Council on Accounting Standards
 - c) National Accounting Committee on Advisory Standards
 - d) National Advisory Committee on Auditing Standards
 6. Which of the following is a part of long-term borrowings in balance sheet of Companies?
 - a) Equity Share Capital
 - b) Debentures
 - c) Reserves and Surplus
 - d) Provision for Taxation
 7. Which of the following is?
 - a) Reorganization
 - b) Provide material information
 - c) Measurement
 - d) All of the above

OR

Q-1 (A.)

- (1) Give the illustrative format of Balance Sheet of a company as per revised Schedule-VI of the Companies Act, 2013. (07)
- (2) Do As Directed: (07)
1. What are the Qualitative Characteristics of Financial Statement
 2. Which set of accounting details mainly cover by Corporate Financial Reports?
 3. Accounting Standard 14 deals with _____?
 4. What is the Scope of Accounting Standards?
 5. The full form of ICAI is –
 - a) Indian Chartered Accountant Institute
 - b) Institute of Chartered Accountant of India
 - c) Institute of Cost Accountant
 - d) International Cost Accountant Institute
 6. Which of the following is a Current Assets?
 - a) Furniture
 - b) Plant and Machinery
 - c) Goodwill
 - d) Debtors
 7. Which of the following Financial Statement is not mandatory to prepare for a listed Company?
 - a) Cash Flow Statement
 - b) Fund Flow Statement
 - c) Balance Sheet
 - d) None of the Above

Q=2 A

1. The following figures are extracted from the books of a manufacturing concern for the year. (07)
- | | Rs. |
|--------------------|----------|
| Direct Material | 4,10,000 |
| Direct labour | 1,50,000 |
| Fixed overheads | 1,20,000 |
| Variable overheads | 2,00,000 |
| Sales | 5,00,000 |
- Calculate the break-even point. What will be the effect on B.E.P of an increase of 10% in fixed expenses
2. Do As Directed: (07)
1. What is Margin of safety?
 2. If Margin of Safety is 4,80,000 which is 30% of Sales, then what is break-even point sales?
 3. What is Semi-Variable expense?
 4. What are the main features of budgetary control.

[P.T.O.....

5. Contribution Received from the sales of margin of safety= _____.
 a) Fixed Cost b) Loss c) Profit d) Variable Cost
6. The classification of fixed and variable cost is useful for the preparation of _____.
 a) Master Budget b) Flexible Budget c) Cash Budget d) Capital Budget
7. Profit volume ratio + Variable Cost Ratio = _____.
 a) 100% b) 75% c) 50% d) None of the Above

OR

Q=2 Prepare a flexible budget for overheads on the basis of the following data. Ascertain the overhead rates at 60% and 70% capacity. (14)

Variable overheads:	At 60% Capacity (₹)
Material	6,000
Labour	18,000
Semi-variable overheads: Electricity	30,000
40% Fixed	
60% variable	
Repairs:	
80% fixed	3,000
20% Variable	3,000
Fixed overheads:	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	93,000
Estimated direct labour hours	1,86,000

Q=3 Delhi Head Office has branch situated at New York. Trial Balances of head office and branch as on 31-03-2023 are as follows: (14)

DEBIT BAL.	H.O.(₹)	BRANCH(\$)	CREDIT BAL.	H.O.(₹)	BRANCH(\$)
Land & Building	75,000	-	Share Capital	3,75,000	-
Goodwill	37,500	-	Goods sent to Branch		
Plant- Machinery	6,00,000	45,000	Actual Sales	5,89,000	-
Furniture	22,500	3,000	Head Office A/c		1,56,000
Stock	2,55,000	21,000	Sundry Creditors	17,41,250	42,750
Purchases	15,84,000	90,000		-	6,375
Goods Received from H.O.				8,34,250	
Salary- Wages	-	30,000			
Rent-Taxes	72,000	3,000			
Insurance	9,000	750			
Trading Exp.	5,250	375			
London Branch A/c	13,500	750			
Sundry Debtors	6,16,750	-			
Cash & Bank	1,65,000	9,000			
	84,000	2,250			
	35,39,500	2,05,125		35,39,500	2,05,125

Additional Information:

- (1) Closing Stock: Head Office - ₹ 2,19,000 and Branch- \$ 19,500.
- (2) Calculate Depreciation at 10% p.a. on Plant & Machinery and Furniture.
- (3) Details of Exchange Rate:

On purchase of Fixed Assets 1\$ = ₹ 70

As on 1/4/2022 1\$ = ₹ 72

Average of the year 1\$ = ₹ 74

As on 31/3/2023 1\$ = ₹ 73

Prepare: -1) Converted Trail Balance of New York.

- 2) Prepare Final accounts of head office contain Profit & Loss A/c and Balance Sheet including translated accounts of branch.

OR

- Q-3 1. Explain Accounting Approaches of International Transactions. (07)
2. Do as Directed (07)
- 1) What is concept of single rate translation method?

- 2) What are the factors affecting the foreign currency exchange rates?
- 3) Give names of types of Multiple rate approach.
- 4) Explain Monetary items and non-monetary items.
- 5) Under _____ approach, Profit or Loss arising out of conversion of currency is not recorded in the income statement of current year.
 - a) Non-deferral
 - b) Amortization
 - c) Deferral
 - d) Partial-Deferral
- 6) When need of currency translation arises?
 - a) When settlement of import- export is not to done in foreign currency.
 - b) When Loan is not obtained in foreign currency or not lent in foreign currency.
 - c) Both (a) and (b)
 - d) None of the above.
- 7) _____ is a transaction where currency of one country will be lent to another country which has a different currency.

Q=4 A

1. Define Human Resource Accounting and Explain Advantages of HRA. (07)
2. Do as directed (07)
 1. Name any two methods being used for human resource.
 2. The Lev and Schwartz model of HRA was developed in Which Year?
 3. Explain role of Forensic Accountant.
 4. What is Market Value Added?
 5. Value Added Shows: - _____.
 - a) Employee Morale
 - b) Employee Efficiency
 - c) Employee Productivity
 - d) None
 6. Hekiaman and Jones Competitive bidding model is also known as _____.
 - a) Opportunity Cost Method
 - b) Historical Cost Method
 - c) Replacement Cost Method
 - d) Economic Value-Added Method
 7. Forensic Accounting is very much useful to _____ Industry.
 - a) Banking
 - b) Communication
 - c) Insurance
 - d) None

OR

Q-4

1. Explain difference between statutory Audit and Forensic Audit. (07)
2. Do as directed: (07)
 1. Discuss the role of financial fraud examiner.
 2. Define Environment Accounting.
 3. Define Economic Value Added
 4. State Area Covered by Forensic Accountants.
 5. National Domestic Product = GDP Less _____.
 - a) Depreciation
 - b) Taxes
 - c) Consumption of Goods and Services
 - d) All of the Above Given
 6. Environment clearance is required for _____.
 - a) All the old Projects
 - b) All the Completed Projects
 - c) All the New Projects
 - d) None
 7. MVA = Market Value of Company less _____.

Q-5

1. Explain Evolution of Transfer Pricing. (07)
2. Explain transfer pricing for intangibles, Services and Cost Sharing Arrangements. (07)

OR

Q-5

1. Explain Various Approaches to Transfer Pricing. (07)
2. Short Note on: Arm's Length Principle of Transfer Pricing. (07)