

# Accounting For Managerial Decisions



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## **Short Description**

**Accounting For Managerial Decisions**

## **Description**

**Accounting For Managerial Decisions**

1. Discuss various methods of costing giving examples of Industries where they are applicable.
2. Distinguish between Reserves and Provisions. Explain the various types of Reserves usually Created by business firms.
3. Explain the various Techniques of Financial Analysis. In this context, give the format of common size statements.
4. Distinguish between cash flow and fund flow statement. How will you arrive at cash flow from investing and financing activities ? Explain with example.
5. (a) Explain three budgetary control ratios with examples.  
(b) Define performance budgeting and state its main objectives.
6. Write explanatory notes on :

(a) Environmental Accounting

(b) Strategic Cost Management

7. A retail dealer in Auto Parts is currently selling 15,000 Auto Parts annually. He supplies the following details for the year ended December 31, 2009 :

Details	Amount (Rs.)
Selling Price Per unit	200
Variable Cost Per unit	120
Fixed costs :	
Staff Salaries	3,00,000
General Office Cost	1,00,000
Adversting Cost	80,000

(a) Calculate the break even point and margin of Safety.

(b) Assume that 12,000 Auto Parts were sold during the year. Find out the net profit of the firm. Assuming that in 2010 the rate of factory over heads went up by 20%, dist. expenses went down 1 by 10%, and selling expenses went up by 12 —2 %; at what price should the work be quoted so as to earn the same rate of profit on the selling price as in 2009. Show full working. It may be noted that factory overheads are based on direct wages while administration, selling and distribution expenses are based on factory cost.

9. The standard labour component and the actual labour component engaged in a week for a job are as under :

Details	Skilled workers	Semi skilled workers	Unskilled workers
Standard number of workers in the gang	40	24	16
Standard wage rate Per	35	25	15
Hour (Rs.) Actual number of workers engaged in the gang	35	30	15

Actual wage rate per hour (Rs.)	36	28	14
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During the 45 hour working week, the gang produced 3,240 standard labour hours of work. Calculate different labour variances.

(c) If it is decided to introduce Selling Commission of Rs. 5 per Auto Part, how many Auto Parts would require to be sold in a year to earn a net income of Rs. 1,20,000.

(d) Assuming that for the year 2010 an additional Salary of Rs. 1,50,000 is anticipated, and price of one Auto Part is likely to be increased by 10%, what should be the break-even point in number of Auto Parts and Sales revenue.

8. The following figures have been obtained from the cost records of a manufacturing company for the year 2009 :

	Rs.
Cost of materials	2,40,000
Direct wages	2,00,000
Factory overheads	1,20,000
Distribution expenses	56,000
Admin. Expenses	1,34,400
Selling expenses	89,600
Profit	1,68,000
A work order was executed in 2010, and the following expenses were incurred :	
Cost of materials	32,000
Direct wages	20,000

## Details

**1. Case study solved answers**

**2. pdf/word**

**3. Fully Solved with answers**