

MANAGEMENT ACCOUNTING



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Short Description

MANAGEMENT ACCOUNTING case study

Description

Q1. If the variable cost(VC) be Rs 5 and the sales revenue(SR) be Rs 8 then the V/V ratio is given by

1. 1.6
2. 3
3. 40
4. 0.625

Q2. Re-order level =

1. Minimum level + (normal usage * average delivery time)
2. (Daily usage + lead time) * safety stock
3. (Daily usage * lead time) + average stock

4. **(Average stock level – minimum level)/2**

Q3. Acid test ratio is the ratio between

1. **Quick assets and current liabilities**
2. **Net credit sales and average debtors**
3. **Cost of goods sold and average inventory**
4. **None**

Q4. In select account standards AS-17 is a

1. **Related party disclosure**
2. **Segment reporting**
3. **Discontinuing operation**
4. **Interim financial reporting**

Q5. Ledger is

1. **A kind of payment**
2. **A kind of strategy**
3. **A book in which bank accounts are kept**
4. **It is a receipt of selling**

Q6. Which of the following industries does not use process costing?

1. **Oil refineries**

2. **Distilleries**
3. **Sugar**
4. **Chemical**
5. **Aircraft manufacturing**

Q7. The demand curve is also called the

1. **Total revenue curve**
2. **Marginal revenue curve**
3. **Average revenue curve**
4. **Marginal cost curve**
5. **Profit curve**

Q8. To decrease the Break Even Point one must

1. **Increase the fixed Cost**
2. **Decrease the unit contribution**
3. **Decrease the selling price**
4. **Increase variable Cost**
5. **Decrease fixed Cost**

Q9. Rent to be paid for a factory premises is an example of

1. **Discretionary Cost**
2. **Programmed Cost**
3. **Future Cost**

4. **Committed Cost**
5. **Opportunity Cost**

Q10. Performa statements are otherwise called as

1. **Master budget**
2. **Capital budget**
3. **Strategic plan**
4. **Rolling budget**
5. **There is no such budget**

Part Two:

1. **Define 'Liquidity Ratio'.**
2. **Define 'Debt Equity' ratio.**
3. **What do you mean by 'Batch costing'?**
4. **Explain 'The margin of safety'.**
5. **Based on the financial analysis, what recommendation would you, as the finance manager, make to the CEO of PCL?**
6. **Managerial accounting information is sometimes described as a means to an end whereas financial accounting information is described as an end in itself. In what sense is this true?**
7. **Absorption and variable costing are two different methods of measuring profit and valuing inventory. Explain.**

Details

1. **Case study solved answers**
2. **pdf/word**

3. Fully Solved with answers