

Accounting for Managers

UNIT 1

14 Marks

1. Explain briefly concept of Financial Accounting and write its scope and importance
2. “Every Business Transaction must have a Dual Aspect “ Explain this statement with the help of example.
3. Define Management Accounting.Explain the utility of Management Accounting in Business Management.
4. Explain the accounting Conventions how are they different from accounting concepts.
5. Define the term accounting along with its importance what group of people would be interested in accounting report & why?
6. What is mean by term Generally Accepted Accounting Principles? Explain the meaning and significance of the following principles
 - a) The ongoing concern principle
 - b) Matching principle
7. In what respect does Management Accounting differ from Financial Accounting?
8. Management Accounting is decision making process. Elaborate.
9. What is Generally Accepted Accounting Principles? Is there need to have common GAAP at international level?
10. It is true to say that management accounting includes financial accounting? Give your reasons.
11. Define Accounting. Explain various Principles of Accounting.
12. Describe the international Financial Reporting Standards referred to for financial Reporting.
(14 Marks)
13. “Accounting is what Accounting does” in the light of this statement, Explain various objectives and functions of accounting.
14. What is Financial Accounting? Explain how it is fruitful to the various business concerns.
15. How Financial Accounting is different than the Management Accounting and Cost Accounting?
16. Explain the Principle and convention of Accounting .

7 Marks

1. What is Management Accounting? How does it help Manage?
2. Accountants frequently refer to a procedure of playing safe. Explain what is meant by conservative accounting procedure .State some of the application of the concept of conservations.
3. Why is Accounting regarded as an aid to management?
4. Explain the Principle of Accounting.
5. Explain the nature of management accounting. (7 Marks)
6. Write in brief aspects of Accounting Standards as mentioned in IFRS with respect to treatment of Depreciation and Inventory Management. (7 Marks).
7. What is financial Accounting. State its Utility.

UNIT – II

14 Marks

1. Discuss the concept regarding financial statement and limitation of financial statements.
2. Explain the role of Ratio Analysis in the interpretation of financial statements. Examine the limitations of Ratio Analysis.
3. What is the need of financial analysis? How does the Ratio Analysis technique help in financial analysis?
4. What is Balance Sheet? Illustrate the forms and contents of Balance Sheet.
5. What are different techniques of analyzing Financial Statements? Describe in brief any one of them.
6. How is the Balance Sheet a measure of the firm's liquidity and solvency? Illustrate.
7. Profit and loss account statement indicates firm's financial strength. Explain.
8. "Analysis of Financial Statement is a process evaluating relationships between components of Financial Statements to have a better understanding of the firm's performance". Discuss (14 Marks)

7 Marks

1. Explain the objectives of Financial Statements Analysis.
2. Explain the advantages and limitations of Ratio Analysis.
3. Explain Current Ratio, how is it different from Liquid Ratio.
4. Explain the significance of Current ratio.
5. How do you analyze and interpret financial statement of a company for reporting on the soundness of its capital structure.
6. Define an asset? Explain classification of assets?
7. What is current asset? How does it differ from fixed asset?
8. Define net asset. What is the relationship between net assets and owners equity.
9. What do you mean by the liquidity of a firm? How can the liquidity of a firm be assessed?
10. Write brief note on classifications of Ratio Analysis.
11. Explain profitability ratio as an indication of the efficiency with which the operation of the business are carried on.
12. Discuss External and Internal Analysis of Financial Statements.
13. What do you understand by Trend Analysis.

14. Explain the usefulness of analysis and interpretation of financial statement.
15. Differentiate between Manufacturing Accounting and Trading Account.
16. What is the concept of Common Size Statement Analysis.
17. Define and Differentiate between Fund and Cash.

UNIT – III

14 Marks

1. Explain concept of Depreciation. Write causes and features of depreciation.
2. Define Depreciation and state objectives of providing depreciation.
3. Explain Sinking Fund Method of depreciation? Discuss it's merits and demerits.
4. Explain the need and significance of depreciation. What factor should be considered for determining amount of depreciation?
5. Describe the salient features of accounting standard -6 regarding depreciation accounting.
6. What is depreciation? What are the various methods of calculating depreciation? Describe one of them fully.
7. Explain the meaning and objectives of inventory valuation.
8. Distinguish between SLM and WDV Method of depreciation.
9. Explain the need for charging depreciation.
10. Discuss the nature the following and scope Depreciation valuation.
11. What are the types of inventory? Explain.
12. Difference between FIFO and LIFO method of Inventory valuation.
13. What are the bases to choose suitable methods of Inventory Valuation.
14. Which method will you use for depreciating following items:
 - a. Land
 - b. Goodwill
 - c. Aircraft
 - d. Mines
 - e. Computer
 - f. Building (Leasehold)
15. What are the merits and demerits of FIFO method.
16. What are the merits and demerits of LIFO method.
17. What are the merits and demerits of Weighted Average method.
18. Which factors are considered in measuring amount of depreciation.

19. What do you mean by Fixed Installment Method of Depreciation? State its advantages and disadvantages.
20. Is depreciation a source of fund? Explain.

7 Marks Question

1. Explain following methods of depreciation.
 - a) Straight line method
 - b) Written down value method
2. Define inventory .Why proper valuation of inventory is important?
3. Discuss the different methods of inventory valuation with suitable examples.
4. Briefly discuss any two methods of depreciation.
5. FIFO method correlates the current costs with the market price .Explain.
6. Explain different inventory system.
7. Explain briefly effect of not providing for depreciation.
8. Describe important factor in the measurement of depreciation.
9. Explain in brief Sinking fund Method of Depreciation.

UNIT – IV

14 Marks

1. Describe the concept of management accounting and write its need and importance.
2. Define management accounting. Explain how it differs from financial accounting.
3. What do you understand by 'Budgeting'? Mention the types of budgets that management of a big industrial concern would normally prepare.
4. What do you mean by budgetary control? Explain the objectives of Budgetary control.
5. What do you understand by budget, budgeting and budgetary control?
6. Explain Zero Based Budgeting and distinguish it from traditional practice of budgeting.
7. "Management Accounting is a decision making system" Comment.

7 Marks

1. Discuss the importance of management accounting for managerial decision making.
2. What do you understand by Performance Budgeting?
3. Define Budgetary Control Systems. Explain the essentials of Budgetary Control.
4. What are the objectives of Budgetary Control Systems.
5. State the advantages and disadvantages of Budgetary Control Systems.
6. What is Zero Based Budgeting.
7. State the advantages and disadvantages of Zero Based Budgeting.
8. What steps should be included in Zero Based Budgeting.
9. Differentiate Fixed and Flexible Budget.
10. What steps are required to be taken up for preparing performance budgeting?
11. Differentiate between performance budgeting and programmed budgeting.
12. Explain the objectives and limitations of budgetary control.
13. Differentiate between forecasting and budgeting.
14. What is mean by master budget?
15. Describe the functional budget.
16. What is Cash Budget? Explain how it is useful to the management?

UNIT – V

14 Marks

1. What do you understand by Cost concept write its importance. Give Performa of cost sheet.
2. Define the term cost and write different types of cost. Explain cost-volume-profit relationship.
3. Explain the of decision making write its importance costing for decision making.
4. Define marginal cost and discuss the importance of classifying expenses into variable and fixed.
5. What do you understand by marginal costing state its advantages and limitations of marginal costing?
6. Define marginal cost and marginal costing. How variable cost and fixed cost are treated in marginal costing?
7. What are the assumptions that are made in construction of Break-even chart?
8. Explain the term marginal costing and write the concept of 'limiting factor' in marginal costing.
9. What is cost? How do you classify cost?
10. What is cost sheet? What are the purposes of cost sheet?

7 Marks Questions

1. Differentiate between Absorption costing and Marginal costing.
2. State advantages and limitations of marginal costing?
3. What is Break-Even point? Explain Break-even chart.
4. What are the limitations of Break-even chart?
5. What are the limitations of Break-Even chart?
6. Explain Profit-volume Ratio.
7. How break-even analysis useful in profit planning?
8. Define variable cost and fixed cost.
9. What is relevant costing?
10. "Fixed costs are variable per unit while variable costs are fixed per unit". Comment.
11. Discuss in detail the elements of total cost.
12. Give classification of cost by variability.