GNANAM
SCHOOL OF BUSINESS
Wisdom in Business
AUTONOMOUS

Reg. No.: | | | | | | | | | | | | |

Question Paper Code :25M101

MBA DEGREE EXAMINATION APRIL/ MAY 2026
First Semester
MB25101- Accounting for Decision Making
(Regulation: 2025)

Time : 3 Hours | Answer ALL Questions | Max. Marks 100

PART-A (10 x 2 = 20 Marks)

1. Define Cost Accounting?
2. Describe a transaction is recorded in the journal.
3. Define DuPont Analysis.
4. Describe solvency ratios.
5. Describe t is classification of costs?
6. Describe the steps involved in ABC.
7. Define is break-even point (BEP)?
8. Examine market trends for expansion.
9. Define standard costing.
10. Explain ethical issues in accounting

Part – B (5 x 13 = 65 marks)

11. a) Explain the accounting cycle from recording transactions to preparation of final accounts.

OR

b) From the following information, prepare Profit & Loss Account of M/s Sarthak Traders for the year ending on 31.03.2024

`Gross Profit	43,000
Discount allowed to customers	7,000
Salaries	45,000
Interest paid on loan	13,000
Postage	2,400
Discount received from creditors	6,000

GNANAM
SCHOOL OF BUSINESS
Wisdom in Business
AUTONOMOUS

Commission received	1,000
Sales expenses	10,000

12. a) You are required to calculate the following: a) Working capital turnover, b) Fixed assets turnover, c) Capital turnover. The information available is as under: Capital employed Rs.4,00,000 Current assets Rs.2,00,000; Current liabilities Rs.40,000 Net fixed assets Rs.2,50,000; Sales Rs.5,00,000

OR

b) Describe the concept of trend analysis and its role in financial forecasting.

13. a) Describe the structure and components of a job cost sheet.

OR

b) Describe the concept and steps involved in Activity-Based Costing.

14. a) Define marginal costing and explain its key features and assumptions.

OR

b) Wane Company sells only one product with a selling price of $200 and a variable cost of $80 per unit. The company's monthly fixed expense is $60,000. Required:

A) Determine the breakeven point in units sold and sales dollars.

B) Determine the breakeven point in units sold and sales dollars if the company wants a net income of $30,000.

C) Determine rnargin of safety if current sales are $175,000.

15. a) Using the following information, prepare a flexible budget for the production of 80% and 100% activity.

Production at 50% Capacity	5,000 Units
Raw Materials	$80 per unit
Direct Labor	$50 per unit
Direct Expenses	$15 per unit
Factory Expenses	$50,000 (50) (Fixed)
Administration Expenses	$60,000 (Variable)

OR

b) Illustrate the role of analytics in financial reporting and performance evaluation.

GNANAM
SCHOOL OF BUSINESS
Wisdom in Business
AUTONOMOUS

PART C (1 X 15 = 15)

16. a) From the following balances extracted from the books of a trader, prepare Trial Balance as on 31st March, 2025

Cash in hand	4,200
Cash at Bank	16,800
Bills Receivable	18,000
Bills payable	16,000
Sundry debtors	24,600
Sundry creditors	32,400
Capital	50,000
Drawings Computers	18,000
Sales	1,05,000
Purchases	75,000
Carriage Inward	2,700
Salaries	12,000
Advertisement	2,400
Insurance	1,600
Furniture	7,500
Stock	18,600
Office Rent	2,000

b) ABC Ltd. produces three components X, Y and Z. The profit and Loss budget, for the year ending 31.03.10 are as follows:

Particular	X	Y	Z	TOTAL
Sales	21.0	15.0	5.0	41.0
Materials	7.5	4.0	1.0	12.5
Labour	3.0	3.0	0.5	6.5

Overheads are absorbed on the basis of labour hours.

The following are the further data regarding cost volume and the cost drivers

Overheads	Rs.
Set-up costs	50,000
Machine repairs & Maintenance	7,70,000
Material handling and receiving costs	5,00,000
Packing	3,00,000
Production order cost	3,80,000
	20,00,000

Particulars	Product		
	X	Y	Z
Selling price per unit	Rs.700	Rs.750	Rs.500
Labour Cost per hour	100	75	50
Labour hours per unit	1	2	1
Machine hours per unit	1	1	2
Number of set-ups	15	10	25
Number of receipts	10	15	225
Number of deliveries	10	8	22
Number of production orders	10	9	19

All costs are avoidable. From the above information you are required to: compute the product costs using a traditional volume related costing system based on the assumptions that: All overheads are recovered on the basis of direct labour hrs. (i.e. the Co's product costing system). Prepare statement of profit under both the methods and give your comments.