

1/04/2016



DOON UNIVERSITY, DEHRADUN

School of Management

Mid Term Examination, 2016

(MBA-2 yrs 2<sup>nd</sup> Sem)

(MMS-512) Accounting for Managerial Decisions

**Time Allowed: 2 Hours**

**Maximum Marks: 30**

**Attempt any three of the following. Each question carries 10 marks**

1. Assuming that the cost structure and selling price remain the same in both the periods.

Calculate:

- (a) P/V Ratio.
- (b) BEP for Sales.
- (c) Profit when sales are \$100,000.
- (d) Sales required earning a profit of \$20,000.
- (e) Safety margin in both the periods.

Periods	Sales (\$)	Profit (\$)
I	120,000	9,000
II	140,000	13,000

2: (a) Define Profit-Volume Ratio ?

(b) Explain how Break-Even point is useful for decision making process at different stages of business.

3. From the following data calculate break-even point expressed in terms of units and also the new BEP if selling price is reduced by 10%.

**Fixed Expense**

Depreciation (\$ 200,000

Salaries (\$ 200,000

**Variable Expenses**

Materials \$6 per unit

Labor \$4 per unit

Selling Price \$20 per unit

4. Differentiate between Management Accounting and Cost Accounting.