Register No : ________________

THE KAVERY ENGINEERING COLLEGE

(An Autonomous Institution)

MBA DEGREE END SEMESTER THEORY EXAMINATIONS, NOV/DEC 2025

First Semester

Master of Business Administration

PMBT2404 - Accounting for Decision Making

Regulations - 2024

Duration : 3 Hrs *Maximum : 100 Marks*

*PART – A (ANSWER ALL QUESTIONS) (Marks 10*2=20)*

Q.No	*Questions*	*BTL*	*CO*	*Marks*
1.	Define Double Entry System in accounting.	L1	1	2
2.	What is meant by Trial Balance?	L1	1	2
3.	List the components of DuPont Ratios.	L1	2	2
4.	Which is called common-size statements?	L1	2	2
5.	Define the term Job order costing.	L1	3	2
6.	Explain the concept of Activity-Based Costing.	L2	3	2
7.	State the meaning of term Break-Even Point.	L2	4	2
8.	Find the meaning of term “Make or Buy”.	L2	4	2
9.	Define a flexible budget.	L1	5	2
10.	Write short note on: “Standard Costing”.	L2	5	2

*PART – B (ANSWER ALL QUESTIONS) (Marks 5*16 = 80)*

Q.No		*Questions*	*BLT*	*CO*	*Marks*
11.	a	Demonstrate the process of preparing Journal, Ledger and Trial Balance with suitable examples.	L2	1	16
		Or			
	b	Construct, Trading, Profit & Loss Account and Balance Sheet for the year ended 30th June 2000. From the Trial balance, extracted from the books of Mr. Suresh:	L2	1	16

DEBIT BALANCES	RS	CREDIT BALANCES	RS
Cah In Hand	540	Sales	98,780
Purchases	40,675	Return Outwards	500
Wages	10,480	Capital	71,000
Carriage Inwards	2,040	Sundry Creditors	6300
Stock (1st July 1998)	5,760		
Machinery	20,000		
Goodwill	7,500		
Salaries	15,000		
Insurance	3,600		
Sundry Debtors	14,500		
Drawings	5,245		
Cash at Bank	2,630		
Return Inwards	680		
Fuel	4,730		
Carriage Outwards	3,200		
Building	40,000		
	176,580		176,580

Consider the following adjustments:

(a) Depreciate Building at 10% and Machinery at 20%.
(b) Salaries outstanding Rs. 2000.
(c) Create a Reserve for Bad debts and doubtful debts at 5% on sundry debtors.
(d) Closing stock was valued at Rs.6800.
(e) Insurance Prepaid Rs. 200.

12.	a	Interpret the various financial ratios used for decision-making. Illustrate with examples.	L2	2	16
		Or			
	b	Illustrate the preparation of a Cash Flow Statement as per Accounting Standard.	L2	2	16
13.	a	Classify the different types of costs with suitable examples.	L3	3	16
		Or			
	b	Develop a Job Cost Sheet and evaluate the importance of Target Costing.	L3	3	16
14.	a	Analyse the role of Marginal Costing and Profit Planning and their role in decision making.	L4	4	16
		Or			
	b	Assess the role of Marginal Costing in the decision to drop a product line using suitable calculations.	L4	4	16
15.	a	Compare and contrast Sales, Production, and Cash Budgets in terms of preparation and purpose.	L4	5	16
		Or			
	b	Examine the role of Variance Analysis in assessing business performance.	L4	5	16