Management accounting question bank Sem III

1A. Fill in the blanks with appropriate answers from the bracket. (Answers are marked in Bold)

1. Management accounting statements are useful to the _____________. (Auditors/ **Management**/ Employees)
2. ______________________ is a part of Own Funds. (Debentures/ Bank Loan/ **Reserves and Surplus)**
3. Cost of Goods sold = Opening Stock + Purchases+ Direct Expenses related to Production - _______ (Direct Income/ Gross Profit/ **Closing stock**)
4. ____________ is an operating Expense. (**Commission to employees**/ penalty for breach of law/Deferred revenue expenses written off)
5. ______________ uses both monetary as well as non monetary information. (**Management Accounting**/ Financial Accounting/ Cost Accounting)
6. ___________________ helps in inter- period as well as inter- firm Comparisons. (Common size statement/ **Comparative statement**/ Trend Analysis Statement)
7. ________________ is not a Quick Asset. (Debtors/ Cash/ **Stock- in- trade**)
8. In common size statements the items in the income statement are expressed as a percentage of ______. (Net Profit/ **Net Sales**/ Gross Sales)
9. ____________________ is a Balance sheet Ratio. (Stock Turnover ratio/ **Stock working Capital Ratio**/ Return on Investment Ratio)
10. ______________ ratio is also known as acid test ratio. (**Liquid Ratio**/ Current Ratio/ Profitability ratio)
11. Standard Current Ratio is ____________.(**2:1**/ 1:1/ 1:2)
12. Increase in _____________________will result in decrease in net working capital. (Debtors/ **Creditors/** cash balance)
13. Management Accounting involves _______________________. (**Analysis of Financial Statements**/ Preparation of Financial Statements/ Presentation of financial Statements)
14. Proprietors Fund includes ______________________. (**Preference Share Capital**/ Working Capital/ Fixed Assets)
15. ________________ analysis treats the first year as base year and compares the figures of all other years with the base year to ascertain the trend in figures. (Common size statement/ Comparative statement/ **Trend Analysis Statement**)
16. Total assets are sum of Fixed Assets, Investments and _________________. (**Current Assets**/ Working Capital/ Own Funds)
17. ________________ is a Quick Asset. (**Debtors**/ Advance Tax / Stock- in- trade)
18. ____________________ is a composite Ratio. (**Stock Turnover ratio**/ Stock working Capital Ratio/ Debt Equity Ratio)
19. _________________ shows Capital Structure of a concern. (Current Ratio/ Stock Turnover ratio/ **Debt Equity Ratio**)
20. Standard Quick Ratio is ____________.(2:1/ **1:1**/ 1:2)
21. Net operating Cycle period is period between from ______________. (Raw material to be converted to Finished Goods/ **Cash payment for purchases to cash collection from sales**/ Investment in shares and receipt of dividend)

22. Initial Cash outflow = _______________. (Cost of Asset + Installation Expenses + Working Capital/ Cost of Asset + Installation Expenses - Working Capital/ **Cost of Asset + Installation Expenses + Salvage - Working Capital)**
23. ___________________________ is a non Operating Income. (Sales/ Gross Profit/ **Dividend on Investment**)
24. Management Accounting _____________________. (**helps in decision making**/ shows financial position/ is not useful)
25. Finance charges includes__________________. (Discount to customers/ **bank charges**/ Employees salaries)
26. ________________ is a form of Vertical Analysis.(**Common size statement**/ Comparative statement/ Trend Analysis Statement)
27. ________________ is not a Quick liability. (Creditors/ Bills payable/ **Bank Overdraft**)
28. In common size statements the items in the balance sheet are expressed as a percentage of ______. (**Capital Employed**/ Total Assets/ Own Funds)
29. Loss on sale of Fixed asset is ___________________. (**Non Operating loss**/ Operating Loss/ Non operating Income)
30. ____________________ is a Revenue statement Ratio. (**Stock Turnover ratio**/ Stock working Capital Ratio/ Return on Investment Ratio)
31. ____________________ ratio shows average collection period. (**Debtors velocity**/ Stock Velocity/ Creditors Velocity)
32. Standard Debt equity ratio is _____________.(2:1/ 1:1/ **1:2**)
33. The payback period under capital budgeting is the period required to____________. (**recover the cost of investment**/ recover the business loss / recover the bad debts)
34. Under ______________ method of capital budgeting all cash flows are discounted to present values at some pre determined rate of interest.(Accounting Rate of Return/ **Net Present Value**/ Payback period)
35. If annual cash flows are not constant , the payback period is calculated by taking ________________. (**Average cash flows**/ Total cash Flows/ Cumulative cash flows)