

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.**  
**(For candidates admitted during the academic year 2020–2021 and thereafter)**

**B.COM. DEGREE EXAMINATION - NOVEMBER 2024**  
**HONOURS**  
**FIFTH SEMESTER**

**COURSE** : **MAJOR – CORE**  
**PAPER** : **MANAGEMENT ACCOUNTING & CONTROL**  
**SUBJECT CODE** : **20BH/MC/MA54**  
**TIME** : **3 HOURS** **MAX. MARKS: 100**

**SECTION – A**

**ANSWER ALL QUESTIONS:** **(10 x 2 = 20)**

1. Define management accounting and state its primary objectives.
2. What is the role of management accounting in decision making and control?
3. Define budgetary control and state its significance in management accounting.
4. What is break-even analysis? How is it used in decision making?
5. Management Accounting only makes use of quantitative data. - Do you agree to this statement? Why?
6. Define quality costing and its relevance in management accounting.
7. Write a short note on inflation accounting.
8. What kind of managerial decisions can be made based on Liquidity ratios?
9. What is environmental management accounting?
10. State any two ethical issues in strategy formulation.

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS:** **(5 x 8 = 40)**

11. Describe the Nature and Scope of Management Accounting.
12. Discuss the concept of budgetary control. How can it be used as a traditional technique for financial control in an organisation?
13. Explain the relevance of Mendelow's Matrix in understanding stakeholder influence on organisational strategy.
14. Elucidate Management Audit and its Importance.
15. Discuss in detail the social and ethical issues related to Decision Making.
16. Describe the steps involved in Differential Analysis.
17. Explain the different methods of Human Resource Accounting.

**SECTION – C**

**ANSWER ANY ONE QUESTION:** **(1 x 20 = 20)**

18. Answer the following:
  - a. Explain the characteristics of Decision Making. (8 marks)
  - b. Explain the different types of Managerial Decisions. (8 marks)
  - c. Write short notes on Decision Making Styles. (4 marks)
19. Explain in detail the concept of Value Added Accounting.
20. Discuss the modern techniques of control in detail.

**21. Case Study (Compulsory):****(1 x 20 = 20)**

John Peters is the Senior Management Accountant at Tech Solutions Ltd., a mid-sized company specialising in software development. The company has been facing increasing pressure to deliver improved financial results as it seeks to attract new investors. The CEO, Mr. Stevens, is keen to meet the aggressive financial targets set by the board.

One of the key projects of the company, the development of a cloud-based CRM system, is behind schedule, and costs have been mounting. To avoid negative attention, Mr. Stevens has requested John to manipulate the cost allocation for the project. He asks John to allocate a portion of the expenses to another department's budget that is currently underutilized. This would ensure that the CRM project appears to be on track and within the allocated budget, while still reporting acceptable financial results for the quarter.

John is aware that this request is unethical, but he is also conscious of the potential backlash he might face from Mr. Stevens if he refuses to comply. John values his job and has a family to support, but he is torn between professional integrity and the potential personal consequences of challenging the CEO.

Additionally, John has a colleague, Sara, in the finance department who has noticed discrepancies in the financial reports. Sara is unaware of Mr. Stevens' request, and she has hinted that she might escalate the issue if the anomalies continue.

- a. Identify the ethical issues faced by John in this situation. **(5 marks)**
- b. What are the potential consequences for John if he complies with Mr. Stevens' request? **(5 marks)**
- c. What actions can John take to resolve this ethical dilemma? **(5 marks)**
- d. How should Sara approach the situation if she discovers the ethical breach? **(5 marks)**

\*\*\*\*\*