



**LUUPDATE**

## **Lucknow University MBA (LUMBA)**

**First Semester Examination, 2026**

(New Syllabus w.e.f. July 2026)

### **QUESTION BANK**

Model Question Papers – 5 Sets (Set A – Set E)

## **ACCOUNTING FOR MANAGERS**

Paper : MBACC105 (CORE) – 4 Credits

Time : 3 Hours

Maximum Marks : 70

***Answer any five questions. All questions carry equal marks.***

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| Unit | Topic Coverage                                                                                                                                                                                  |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I    | Introduction to Accounting - Basic Concepts, GAAP, Ind AS, IFRS convergence; Ethical & IKS-based Dimensions in Financial Reporting; AI-generated Financial Disclosures                          |
| II   | Financial Statement Analysis - Ratio Analysis, DuPont Analysis, Trend Analysis, Common Size Statements, Corporate Annual Reports & BRSR; AI-driven Analysis Tools; Arthashastra's Varshapatrika |
| III  | Cash Flow Statement - Operating, Investing & Financing Activities; Creditworthiness Assessment; FinTech Platforms; Arthashastra's Mudra-Lekhaka Audit Trail                                     |
| IV   | Costing Techniques - Cost Behaviour, Absorption vs. Marginal Costing, Contribution Analysis, Managerial Decisions; AI-enabled Dynamic Costing; Concept of Mulya                                 |
| V    | Planning & Control - Budgets, Budgetary Control, Flexible & Zero Base Budgeting, Responsibility Accounting, Transfer Pricing; AI-powered Budgeting Platforms; Arthashastra Budget Mandate       |

This question bank contains five model question papers (Set A to Set E), each with ten unified 14-mark questions balanced across all five units of the syllabus, prepared for practice ahead of the LUMBA First Semester Examination.

*Compiled for internal examination preparation and practice.*

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**LUMBA First Semester Examination, 2026**

(New Syllabus w.e.f. July 2026)

**ACCOUNTING FOR MANAGERS**

Paper : MBACC105 (CORE)

**[ SET – A ]**

Time : 3 Hours ]

[ M.M. : 70

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**Note :- Answer any five questions. All questions carry equal marks.**

**Q.1.** Explain the meaning, nature, scope and limitations of financial accounting, and discuss why accounting is often described as the language of business. **[14]**

**Q.2.** Discuss the various users of accounting information, both internal and external, and examine how their information needs differ from one another. **[14]**

**Q.3.** Explain the meaning, objectives and limitations of ratio analysis as a tool of financial statement analysis. **[14]**

**Q.4.** From the following data of a company: Current Assets Rs. 6,00,000; Current Liabilities Rs. 3,00,000; Inventory Rs. 1,50,000; Net Profit Rs. 90,000; Net Sales Rs. 9,00,000. Calculate the Current Ratio, Quick Ratio and Net Profit Ratio, and comment on the short-term liquidity and profitability position of the company. **[14]**

**Q.5.** Explain the meaning and managerial uses of a cash flow statement, along with its limitations as a tool of financial analysis. **[14]**

**Q.6.** Classify and explain the three main types of activities - operating, investing and financing - reported in a cash flow statement. **[14]**

**Q.7.** Explain the meaning and behaviour of fixed, variable and mixed (semi-variable) costs, illustrating each with suitable examples relevant to a manufacturing enterprise. **[14]**

**Q.8.** Distinguish between absorption costing and marginal costing as techniques of cost ascertainment, bringing out their effect on the valuation of closing stock and reported profit. **[14]**

**Q.9.** Explain the meaning, objectives and process of budgetary control as a tool of managerial planning and control. **[14]**

**Q.10.** Distinguish between a fixed budget and a flexible budget, and explain the circumstances under which a flexible budget is preferable. **[14]**

**LUMBA First Semester Examination, 2026**

(New Syllabus w.e.f. July 2026)

**ACCOUNTING FOR MANAGERS**

Paper : MBACC105 (CORE)

**[ SET – B ]**

Time : 3 Hours ]

[ M.M. : 70

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**Note :- Answer any five questions. All questions carry equal marks.**

**Q.1.** Explain the meaning of Generally Accepted Accounting Principles (GAAP) and discuss the role they play in ensuring comparability, consistency and reliability of financial statements. **[14]**

**Q.2.** Discuss the framework of Indian Accounting Standards (Ind AS) and examine the process and progress of their convergence with International Financial Reporting Standards (IFRS). **[14]**

**Q.3.** Explain DuPont Analysis and discuss how it decomposes Return on Equity (ROE) into profitability, efficiency and leverage components for a more meaningful managerial interpretation. **[14]**

**Q.4.** A company reports a Net Profit Margin of 8 percent, an Asset Turnover Ratio of 2 times, and an Equity Multiplier of 1.5 times. Using the DuPont three-step model, calculate the Return on Equity (ROE) and discuss the managerial implications of each component. **[14]**

**Q.5.** From the following information, calculate the Cash Flow from Operating Activities using the indirect method: Net Profit before Tax Rs. 5,00,000; Depreciation Rs. 80,000; Increase in Trade Receivables Rs. 40,000; Decrease in Trade Payables Rs. 20,000; Increase in Inventory Rs. 30,000. **[14]**

**Q.6.** Discuss how cash flow analysis is used by banks and financial institutions for assessing the creditworthiness of a borrowing enterprise. **[14]**

**Q.7.** A company sells a product at Rs. 100 per unit with a variable cost of Rs. 60 per unit and fixed costs of Rs. 2,00,000 per annum. Calculate the contribution per unit, the Profit-Volume (P/V) ratio, and the Break-Even Point in units and in sales value. **[14]**

**Q.8.** Explain the concept of contribution and discuss its significance in managerial decision-making under marginal costing. **[14]**

**Q.9.** A company budgets for a production of 10,000 units incurring a variable cost of Rs. 40 per unit and fixed cost of Rs. 3,00,000. Prepare a flexible budget for production levels of 8,000 units and 12,000 units, showing the total cost at each level. **[14]**

**Q.10.** Explain the meaning, process and advantages of Zero Base Budgeting (ZBB) over traditional incremental budgeting. **[14]**



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**LUMBA First Semester Examination, 2026**

(New Syllabus w.e.f. July 2026)

**ACCOUNTING FOR MANAGERS**

Paper : MBACC105 (CORE)

**[ SET – C ]**

Time : 3 Hours ]

[ M.M. : 70

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**Note :- Answer any five questions. All questions carry equal marks.**

**Q.1.** Explain the meaning and objectives of International Financial Reporting Standards (IFRS), and discuss the need for global convergence of financial reporting standards along with India's convergence status. **[14]**

**Q.2.** Discuss the ethical dimensions involved in financial reporting, with particular reference to common malpractices such as earnings management and creative accounting. **[14]**

**Q.3.** Explain trend analysis and common size statements as tools of financial statement analysis, bringing out their usefulness and limitations. **[14]**

**Q.4.** Discuss the main contents of a corporate annual report and examine the significance of Business Responsibility and Sustainability Reporting (BRSR) for various stakeholders. **[14]**

**Q.5.** Explain the growing use of FinTech platforms in cash flow management, and discuss how such platforms help firms forecast, monitor and optimise their cash positions in real time. **[14]**

**Q.6.** A company purchased fixed assets worth Rs. 3,00,000 during the year, sold an old machine for Rs. 50,000 having a book value of Rs. 40,000, and received dividend income of Rs. 10,000. Calculate the Cash Flow from Investing Activities. **[14]**

**Q.7.** A firm manufactures two products, X and Y, with a contribution per unit of Rs. 40 and Rs. 30 respectively. If machine hours are the limiting factor and Product X requires 2 machine hours while Product Y requires 1 machine hour per unit, advise the firm on the most profitable product mix using marginal costing principles. **[14]**

**Q.8.** Discuss the application of marginal costing in managerial decisions such as make-or-buy, accepting a special export order at a price below the normal selling price, and the decision to discontinue a product line. **[14]**

**Q.9.** Discuss the concept of responsibility accounting and explain the different types of responsibility centres - cost centre, revenue centre, profit centre and investment centre. **[14]**

**Q.10.** Explain the problem of transfer pricing between divisions of a decentralised organisation and discuss the various methods used for fixing an appropriate transfer price. **[14]**

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**ACCOUNTING FOR MANAGERS**

Paper : MBACC105 (CORE)

**[ SET – D ]**

Time : 3 Hours ]

[ M.M. : 70

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**Note :- Answer any five questions. All questions carry equal marks.**

**Q.1.** Examine the Indian Knowledge System (IKS) based ethical dimensions in financial reporting, drawing on the values of Satya (truthfulness) and Nyaya (fairness) as they apply to modern accounting practice. **[14]**

**Q.2.** Discuss the emerging use of Artificial Intelligence in generating financial disclosures and reports, along with the opportunities and risks associated with AI-generated financial reporting. **[14]**

**Q.3.** Examine how AI-driven financial analysis tools are transforming the preparation of management reports and enhancing the speed and accuracy of financial statement analysis. **[14]**

**Q.4.** Discuss the Arthashastra's mandate of annual state accounts (Varshapatrika), and examine what modern corporate annual reporting and BRSR disclosures can learn from this ancient practice of periodic accountability. **[14]**

**Q.5.** During the year, a company issued equity shares worth Rs. 2,00,000, redeemed debentures of Rs. 1,00,000, and paid dividends of Rs. 60,000. Calculate the Cash Flow from Financing Activities. **[14]**

**Q.6.** Examine the Arthashastra's Mudra (seal) and Lekhaka (scribe) system as an ancient mechanism for authenticated documentation of cash flows, and discuss its relevance as an early precursor of the modern audit trail. **[14]**

**Q.7.** A company has fixed costs of Rs. 1,50,000 and a P/V ratio of 30 percent. Calculate the Break-Even Sales and the sales required to earn a desired profit of Rs. 90,000. **[14]**

**Q.8.** Discuss how AI and digital tools generating real-time cost data are enabling dynamic updating of marginal costing decisions, such as pricing and product-mix decisions, in modern manufacturing enterprises. **[14]**

**Q.9.** Discuss how performance appraisal is carried out under responsibility accounting, and examine the problems commonly encountered in evaluating the performance of divisional managers. **[14]**

**Q.10.** Examine how AI-powered budgeting platforms are enabling real-time responsibility accounting through automated cost centre dashboards, and discuss the benefits this offers to managerial control. **[14]**



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**LUMBA First Semester Examination, 2026**

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**ACCOUNTING FOR MANAGERS**

Paper : MBACC105 (CORE)

**[ SET – E ]**

Time : 3 Hours ]

[ M.M. : 70

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**Note :- Answer any five questions. All questions carry equal marks.**

**Q.1.** Distinguish between GAAP, Ind AS and IFRS, bringing out their interrelationship and the principal challenges in achieving full convergence in India. **[14]**

**Q.2.** "Accounting is as much an art as it is a science." Discuss this statement with reference to the basic concepts, purpose and importance of accounting for managerial decision-making. **[14]**

**Q.3.** From the balance sheet of a firm, Total Assets are Rs. 40,00,000, Total Debt is Rs. 16,00,000 and Net Sales are Rs. 60,00,000 with Net Profit of Rs. 3,00,000. Compute the Debt-Equity Ratio, Total Assets Turnover Ratio, and Net Profit Ratio, and interpret the financial position revealed by these ratios. **[14]**

**Q.4.** Discuss the significance of comparative financial statements, and explain how trend percentages and common size statements together help management evaluate the growth and structural changes in a firm's financial position over time. **[14]**

**Q.5.** Discuss the difference between profit and cash flow, and explain why a profitable firm may still face a liquidity crisis in the absence of proper cash flow planning. **[14]**

**Q.6.** Distinguish between the direct method and the indirect method of preparing the cash flow statement from operating activities, bringing out the relative merits of each. **[14]**

**Q.7.** Examine the concept of Mulya in ancient Indian commerce, and discuss its relevance to the modern understanding of cost, value and price determination in managerial costing. **[14]**

**Q.8.** Explain the treatment of fixed overheads under absorption costing and marginal costing, and discuss with a numerical illustration how reported profits may differ between the two methods when production and sales volumes are not equal. **[14]**

**Q.9.** Discuss the Arthashastra's mandate for systematic annual budget preparation with departmental allocations, and examine its relevance to the modern concept of budgetary control in organisations. **[14]**

**Q.10.** A division has an investment of Rs. 10,00,000, earns a net profit of Rs. 1,50,000, and the cost of capital is 10 percent. Calculate the Return on Investment (ROI) and Residual Income (RI) of the division, and comment on its performance. **[14]**

