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## **B.Com SEM V**

### **15-16**

# **Question Papers**



NUC – 01

**B.Com. (Semester – V) Examination, October 2015**  
**INDUSTRIAL MANAGEMENT (New Course)**

12/10/2015

Duration : 2 Hours

Total Marks : 80

- Instructions:** i) *All questions are compulsory, however internal choice is available.*  
ii) *Answer sub-questions in Q. 1 and Q. 2 in not more than 100 words each.*  
iii) *Answer Q. No. 3 to 6 in not more than 400 words each.*  
iv) *Figures to the right indicate marks.*

1. Write short notes on the following (**any four**) : 16
- a) Importance of Industrial Management.
  - b) Any four principles of scientific management.
  - c) Industrial management process.
  - d) Role of National Productivity Council.
  - e) Any four advantages of work study.
  - f) Features of rationalization.
2. Write in brief on the following (**any four**) : 16
- a) Any four benefits of TQM.
  - b) Features of just in time.
  - c) Standards of ISO 9000 in brief.
  - d) Significance of Industrial Safety (any four).
  - e) Effects of Industrial accidents on workers.
  - f) Any four causes of industrial pollution.
3. a) What is productivity ? Elaborate the various factors influencing industrial productivity. 12
- OR
- b) Discuss the basic procedure involved in conducting method study. 12

P.T.O.





4. a) Explain the technological aspects and organizational aspects of rationalization. 12
- OR
- b) Explain in detail the principles of Total Quality Management. 12
5. a) What is Critical Path Method ? Explain the advantages and limitations of CPM. 12
- OR
- b) Describe the mechanical and human causes of industrial accidents. 12
6. a) What is meant by industrial pollution ? Explain the effects of industrial pollution. 12
- OR
- b) Discuss the factors affecting work environment. 12
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2  
NUC – 03

**B.Com. (Semester – V) Examination, October 2015**  
**ENTREPRENEURSHIP DEVELOPMENT – I**  
**(New Course) 16/10/15**

Duration : 2 Hours

Max. Marks : 80

- Instructions :**
- 1) **All questions are compulsory, however internal choice is available.**
  - 2) **Answer sub-questions in Question No. 1 and Question No. 2 in not more than 100 words each.**
  - 3) **Answer Question No. 3 to Question No.6 , each in not more than 400 words.**
  - 4) **Figures to the right indicate maximum marks allotted to the questions/sub-questions.**
  - 5) **Paper carries maximum of 80 marks.**

1. Answer **any four** of the following : 16
  - a) Four skills of entrepreneurs.
  - b) Sociological theory of entrepreneurship.
  - c) Benefits of SWOT analysis.
  - d) Field Survey Technique.
  - e) Imitative Entrepreneur.
  - f) Features of Intrapreneurs.
  
2. Answer **any four** of the following : 16
  - a) Meaning of Project Appraisal.
  - b) Concept of Break even analysis.
  - c) Incongruity as a factor of Purposeful Innovation.
  - d) Sources of project idea.
  - e) Process need as a factor of Purposeful Innovation.
  - f) Role of Self help groups.



P.T.O.



- 3. a) "An entrepreneur has certain unique traits". Explain. 12  
OR  
b) Explain in brief any six functions of entrepreneurship. 12
  - 4. a) Explain in brief the recent trends in entrepreneurship. 12  
OR  
b) State and explain the factors influencing environment scanning. 12
  - 5. a) Explain in brief the contents of a project report. 12  
OR  
b) Explain in brief the elements of project formulation. 12
  - 6. a) Explain in brief the steps involved in identification of Business Opportunities. 12  
OR  
b) State and explain the principles of innovation as suggested by Peter Drucker. 12
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NUC – 02

**B.Com. (Semester – V) (New Course) Examination, October 2015**  
**INTERNATIONAL ECONOMICS** 14/10/15

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- All questions are **compulsory**, however **internal** choice is available.
  - Figures to the **right** indicate **marks**.
  - Start **each new** question on a **fresh** page.
  - Answer to question no. **3 to 6** must be of approximately **400 words each**.

- Answer **any four** of the following in approximately **100 words each** : 16
    - How scale of production affects international trade ?
    - What are countervailing duties in trade ?
    - Any four gains arising out of international trade.
    - Define Foreign Portfolio Investment.
    - What is licensing ?
    - Relationship between FPI and exchange rates.
  - Answer **any four** of the following in approximately **100 words each** : 16
    - Structural disequilibrium in Balance of payments.
    - Four features of foreign exchange market.
    - What is the meaning of convertibility of rupee in capital account ?
    - What is managed floating ?
    - What is 'National Treatment' principle under WTO ?
    - What is regionalism in trade ?
  - a) What is Terms of Trade ? Explain different types of terms of trade used in International trade. 12
- OR
- Differentiate free trade from protection. Explain any three protectionist measures adopted by countries in international trade. 12



P.T.O.



- 4. a) Explain various determinants of Foreign Direct Investment (FDI) in a host country. 12
  - OR
  - b) Describe various entry modes adopted by the Multinational Corporations in international business. 12
  - 5. a) Explain different methods used to correct disequilibrium in Balance of Payment of a Country ? 12
  - OR
  - b) What are the different types of foreign exchange transactions carried out in foreign exchange markets ? 12
  - 6. a) Briefly explain the following trade agreements of WTO : 12
    - i) TRIPs
    - ii) GATS.
  - OR
  - b) Give five reasons for the growth of Regional Economic Cooperation in the world trading system. 12
-



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NUC – 05

**B.Com. (Semester – V) Examination, October 2015**  
**Major – I : COST AND MANAGEMENT ACCOUNTING**  
**Methods of Costing (New Course)**

19/10/15

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- 1) Question No. 1 is compulsory.
  - 2) Answer any three questions from Question No. 2 to Question No. 6.
  - 3) Figures to the right indicate maximum marks.
  - 4) Working notes should form part of the answer.

1. Bonny Electronics Ltd., provides you the following information from its costing records for the year ended 31<sup>st</sup> March, 2014. Production and sales for the year ending 31<sup>st</sup> March, 2014 was 15,000 units.

20

Direct material	Rs. 3,30,000
Factory overhead	Rs. 2,25,000
Sales overhead	Rs. 90,000
Direct wages	Rs. 2,70,000
Administration overhead	Rs. 1,05,000
Sales	Rs. 12,75,000

Due to intense competition in the market, the company had estimated the following changes in the subsequent year ending 31<sup>st</sup> March, 2015.

- a) Production as well as sales activities will increase by one-third over the previous year's level.
- b) Direct material rate will be lower by 25%. However, there will be an increase in consumption of direct material by 20% due to quality differences.
- c) Direct wages cost would get reduced by 20% due to automation.
- d) Off the factory overheads incurred during the year ended 31<sup>st</sup> March, 2014, Rs. 45,000 was fixed. The remaining factory overheads are variable and will rise in proportion to the number of units produced.
- e) Total administrative overhead will be lower by 40%.
- f) Sales overhead per unit would remain the same as in the previous year.
- g) Sale price per unit would be lower by 20%.

Prepare a Cost Sheet for the year ending 31<sup>st</sup> March, 2014 and an Estimated Cost Sheet for the year ending 31<sup>st</sup> March, 2015 showing total as well as per unit cost.

P.T.O.







2. Mr. Sony a contractor undertook a Contract No. 14 to construct a Garage on 1<sup>st</sup> April, 2014. The following is the trial balance of Mr. Sony for the financial year ended 31<sup>st</sup> March, 2015.

Particulars	Debit (Rs.)	Credit (Rs.)
Mr. Sony's Capital	-	4,00,000
Cash received from the Contractee's (80% of work certified)	-	4,00,000
Creditors	-	25,000
Bank balance	1,00,000	-
Materials	2,20,000	-
Wages	2,00,000	-
Expenses	65,000	-
Plant	2,40,000	-
	<b>8,25,000</b>	<b>8,25,000</b>

**Additional information :**

- Materials costing Rs. 2,10,000 were sent to the site of the contract but those costing Rs. 6,000 were destroyed in an accident.
- Wages of Rs. 2,00,000 were paid on contract no. 14 during the year.
- Plant costing Rs. 40,000 was used on the contract all through the year.
- Another plant with a cost of Rs. 2,00,000 was used from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> December, 2014 and was then returned to the stores.
- Materials costing Rs. 5,000 were at site as on 31<sup>st</sup> March, 2015.
- The contract was for Rs. 8,00,000 and the contractee pays 80% of the work certified.
- Uncertified work was estimated at Rs. 22,000 on 31<sup>st</sup> March, 2015.
- Expenses are charged to contract no. 14 at 30% of wages.
- All the plants are to be depreciated @ 20% per annum.

Prepare Contract No. 14 account for the year ending 31<sup>st</sup> March, 2015 and the balance sheet of the contractor as on 31<sup>st</sup> March, 2015.

3. Patel Transport Company has been given a thirty kilometers long route to ply a bus. The bus costs the company a sum of Rs. 25,00,000. It has been insured at 6% per annum. The annual road tax amounts to Rs. 90,000. Garage rent is Rs. 3,000 per month. Annual repairs are estimated to cost Rs. 1,08,000. The bus will have a life of ten years and at the end of which it will be sold as scrap for Rs. 1,00,000.





The salary of the driver and the conductor are Rs. 18,000 and Rs. 15,000 per month respectively in addition to 10% of the takings as commission to be shared by the driver and the conductor equally. The manager's salary is Rs. 12,000 per month and stationery will cost Rs. 2,000 per month. Diesel and lubricants will cost Rs. 80 per 10 kilometers. Tyres and tubes will cost Rs. 0.80 per kilometre. The bus will make three round trips per day carrying on an average 50 passengers in each trip. Assuming 20% profit on takings and the bus will ply on an average 25 days a month.

Prepare operating cost statement for the month and also calculate the bus fare to be charged per passenger kilometre. 20

4. The product of a company passes through three distinct processes for completion. The processes are known as Process A, Process B and Process C. The following information is obtained from the costing records of the company for the year ended 31<sup>st</sup> March, 2015. 20

Particulars	Process A	Process B	Process C
	(Rs.)	(Rs.)	(Rs.)
Raw materials introduced in Units	12,000	2,440	2,600
Cost of raw materials per unit (Rs.)	15	10	12
Direct wages	34,000	29,000	15,000
Production overheads	25,760	16,280	15,880
Normal loss (% of the total number of units entering the process concerned)	4%	5%	3%
Wastage (% of the total number of units entering the process concerned)	6%	5%	4%
Scrap value of wastage per unit (Rs.)	3	4	5
Output transferred to the subsequent process	70%	60%	Nil
Output sold at the end of the process	30%	40%	100%
Selling price per unit (Rs.)	25	30	35

Prepare Process A, B and C accounts and also calculate the cost of output per unit in each process.





5. i) In manufacturing the main product 'Alpha', a company processes the resulting waste material into two by-products: Beta and Gama. Using reverse cost method of by-products, prepare a Comparative Profit and Loss statement of the three products from the following data and also prepare a statement to apportion the joint cost.

10

Total cost upto separation point (Joint Cost) was Rs. 98,000.

Particulars	Alpha	Beta	Gama
Sales (all production)	Rs. 1,80,000	Rs. 32,000	Rs. 48,000
Cost after separation	-	Rs. 9,600	Rs. 14,200
Estimated net profit percentage to sale value		20%	30%
Estimated selling expenses as percentage of sales value	20%	10%	20%

5. ii) The information given below has been taken from the cost records of a factory in respect of Job No. 24.

10

Direct Materials Rs. 18,000.

Direct wages :

- Department P : 12 hours @ Rs. 40 per hour
- Department Q : 10 hours @ Rs. 50 per hour
- Department R : 8 hours @ Rs. 75 per hour

The variable overheads were as follow :

- Department P : Rs. 25,000 for 2,500 hours
- Department Q : Rs. 30,000 for 5,000 hours
- Department R : Rs. 20,000 for 2,500 hours

Fixed overheads estimated for the job were Rs. 50,000 for 10,000 working hours.

Prepare a Job Cost Sheet for Job No. 24 showing the total cost of the job and also calculate the price of the job so as to give a profit of 20% on selling price.

6. Answer **any four** of the following :

(4x5=20)

- i) What is unit costing ? Give any four industries in which this method of costing is applied.
- ii) Write a short note on "Economic Batch Quantity".
- iii) Explain the classification of costs in Electricity Costing.
- iv) Write a short note on "Joint Products".
- v) Explain the terms : Abnormal Gain and Abnormal Loss.





NUC – 09

**B.Com. (Semester – V) Examination, October 2015**  
**Major 2 : COST AND MANAGEMENT ACCOUNTING**  
**Techniques of Costing – I (New Course)**

Duration : 2 Hours

21/10/2015

Total Marks : 80

- Instructions :**
- 1) Question No. 1 is **compulsory**.
  - 2) Answer **any 3** questions from Q. No. 2 to Q. No. 6.
  - 3) Give working notes **wherever** necessary.
  - 4) **All** questions carry **equal** marks.

1. A company working at 50% capacity manufactures 10,000 units of a product. At 50% capacity, the product cost is Rs. 180 and sale price is Rs. 200. The break up of cost is as below.

**Cost per Unit**

Materials	Rs. 100
Wages	Rs. 30
Factory overheads	Rs. 30 (40% fixed)
Administration overhead	Rs. 20 (50% fixed)

At 60% working, raw material cost goes up by 2%, and sales price falls by 2%.  
At 80% working, the raw material cost increases by 5% and the sale price decreases by the same percentage i.e., 5%.

Prepare a statement to show profitability at 60% and 80% capacity. 20

2. SKN Ltd. is considering the purchase of a machine. Two machines X and Y are available. Following is the information given relating to the two machines. Ascertain which of the two machines will be profitable under : 20

- 1) Average rate of return method
- 2) Pay back period method.



P.T.O.

Both the machines have to be depreciated under straight line method. Income tax rate is 50%

Particulars	Machine X	Machine Y
Cost	5,00,000	6,00,000
Working life	4 years	6 years
Profits (before tax but after depreciation)		
1	1,00,000	80,000
2	1,50,000	1,40,000
3	1,20,000	2,50,000
4	1,50,000	3,00,000
5	-	1,80,000
6	-	1,30,000

3. A company is expecting to have Rs. 25,000 cash in hand on 1<sup>st</sup> April 2015 and it requires you to prepare an estimate of cash position during the three months, April to June 2015. The following information is supplied to you.

	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
February	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	1,00,000	60,000	10,000	8,000
June	1,20,000	55,000	12,000	9,000

**Other information :**

- Period of credit allowed by supplier is two months.
- 25% of sale is for cash and period of credit allowed to customers for credit sale is one month.
- Delay in payment of wages and expenses – one month.
- Income tax of Rs. 25,000 is to be paid in June 2015.



4. a) Prepare a production budget for each month for six-month ended 31<sup>st</sup> December, 2014 from the following data relating to Product 'X'.
- i) The units to be sold for different months are as under :
- |           |      |      |
|-----------|------|------|
| July      | 2014 | 1100 |
| August    | 2014 | 1100 |
| September | 2014 | 1700 |
| October   | 2014 | 1900 |
| November  | 2014 | 2500 |
| December  | 2014 | 2300 |
| January   | 2014 | 2000 |
- ii) There will be no work in progress at end of any month
- iii) Finished units equal to half the sales for the next month will be in stock at the end of each month (including June 2014). 10
- b) What do you mean by capital budgeting ? Explain the nature of capital investment. 10
5. a) Define 'Management Accounting'. Enumerate its objectives and limitations. 10
- b) What do you mean by inter-firm comparison ? Give its advantages and disadvantages. 10
6. Answer **any four** of the following : 20
- a) Uniform Costing Manual
  - b) Requisites for installation of a uniform costing system
  - c) Management accountant
  - d) Tools of management accounting
  - e) Master budget
  - f) Net present value.





NUC - 13

**B.Com. (Semester - V) Examination, October 2015**  
**Major - 3 : COST AND MANAGEMENT AUDIT**  
**Cost and Management Accounting (New Course)**

23/10/15

Duration : 2 Hours

Total Marks : 80

- Instructions:**
- 1) **All questions are compulsory.**
  - 2) **Figures to the right indicate maximum marks allotted to questions/sub-questions.**
  - 3) **Answer sub-questions in Question No. 1 and Question No. 2 in not more than 100 words each.**
  - 4) **Answer Question No. 3 to Question No. 6 in not more than 400 words each.**

1. Answer **any four** of the following : 16
  - i) Social Audit
  - ii) Procedure for appointment of cost auditor.
  - iii) General objectives of cost audit.
  - iv) Removal of cost auditor.
  - v) Professional ethics for cost auditor.
  - vi) Qualities of cost auditor.
  
2. Answer **any four** of the following : 16
  - i) Familiarisation with the industry.
  - ii) Familiarisation with the manufacturing process.
  - iii) Cost audit notes.
  - iv) Cost audit working papers.
  - v) Qualification of cost auditor.
  - vi) Books of accounts.
  
3. a) What is cost audit ? Enumerate the scope of cost audit. 12  

OR

  
 b) Distinguish between cost audit and financial audit. 12

P.T.O.



4. a) Explain the status of cost auditor as an officer, an agent and a servant.

OR

b) What are the liabilities of a cost auditor?

5. a) Explain the techniques of cost audit.

OR

b) State the list of records required by the cost auditor for the purpose of cost audit.

6. a) Describe in detail the ceiling on number of cost audits for cost auditor.

OR

b) Explain the disqualifications of cost auditor.

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SUY – 15



**B.Com. (Semester – V) (New Course) Examination, October/November 2016**  
**COST AND MANAGEMENT ACCOUNTING**  
**Major – 3 : Cost and Management Audit**

Duration : 2 Hours

Total Marks : 80

**Instructions :** 1) **All questions are compulsory.**

2) **Figures to the right indicate maximum marks allotted to the question or sub-questions.**

3) **Answer sub-questions in Question No. 1 and Question No. 2 in not more than 100 words each.**

4) **Answer Question No. 3 to Question No. 6 in not more than 400 words each.**

1. Answer **any four** of the following :

16

- i) Social audit.
- ii) General objectives of cost audit.
- iii) Rights of cost auditor.
- iv) Duties of cost auditor.
- v) Contractual liability of cost auditor.
- vi) Status of cost auditor.

2. Answer **any four** of the following :

16

- i) Cost audit notes.
- ii) Qualifications of cost auditor.
- iii) Depreciation as per Section 350.
- iv) Familiarization with the production process.
- v) List of cost records.
- vi) Advantage of cost audit programme.



P.T.O.

**SUY - 15**

3. a) Distinguish between cost audit and financial audit.

OR

- b) Explain in detail the scope of cost audit.

4. a) Explain in detail the procedure adopted for appointment of a cost auditor.

OR

- b) What are the special penal provisions applicable to the cost auditor ?

5. a) Explain in detail the techniques of cost audit.

OR

- b) What are cost audit working papers ? Explain various types of cost audit working papers.

6. a) What are the disqualifications of the cost auditor as per Section 233B ?

OR

- b) State the ceiling on number of cost audits for cost auditor.
-



SUY – 01

**B.Com. (Semester – V) Examination, October/November 2016**  
**INDUSTRIAL MANAGEMENT**  
**(New Course)**

Duration : 2 Hours

Max. Marks : 80

- Instructions :**
- i) **All questions are compulsory, however internal choice is available.**
  - ii) **Answer sub-questions in question No. 1 and question No. 2 in not more than 100 words each.**
  - iii) **Answer question 3 to question 6 in not more than 400 words each.**
  - iv) **Figures to the right indicate marks assigned to the questions.**

1. Answer in brief the following questions (**any four**) : 16
  - a) Explain any four principles of scientific management.
  - b) State the input elements in industrial management process.
  - c) State any four points of importance of industrial management.
  - d) Explain the financial aspect of rationalisation.
  - e) Mention any four factors affecting industrial productivity.
  - f) Explain the concept of work study.
  
2. Write short notes on the following (**any four**) : 16
  - a) Role of National Productivity Council.
  - b) Just in time concept.
  - c) Performance benchmarking.
  - d) Advantages of C.P.M. (any 4)
  - e) Effects of industrial accidents on employers.
  - f) Chemical hazards.

P.T.O.

**SUY - 01**

3. A) "Higher industrial productivity leads to prosperity". Discuss.

OR

B) Explain the importance of work measurement and the steps involved in work measurement.

4. A) What is rationalisation ? Examine the role of government of India to facilitate rationalisation of Indian industries.

OR

B) Explain the principles of TQM.

5. A) Describe the objectives of safety management.

OR

B) What do you mean by Failure Mode and Effect Analysis ? Explain the steps in Failure Mode and Effect Analysis.

6. A) Discuss the factors affecting work environment.

OR

B) Explain the effects of industrial pollution.

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SUY – 04

**B.Com. (Semester – V) Examination, Oct./Nov. 2016**  
**ENTREPRENEURSHIP DEVELOPMENT – I**  
**(New Course)**

Duration : 2 Hours

Max. Marks : 80

- Instructions :**
- 1) **All** questions are **compulsory**, however **Internal choice** is available.
  - 2) Answer sub-questions in question No. 1 and question No. 2 in **not more than 100 words each**.
  - 3) Answer question No. 3 to question No. 6, **each** in **not more than 400 words**.
  - 4) Figures to the **right** indicate maximum marks **allotted** to the questions/sub-questions.
  - 5) Paper carries **maximum** of **80** marks.

1. Answer **any four** of the following :

16

- a) Concept of entrepreneurship.
- b) Economic theory of entrepreneurship.
- c) Test marketing.
- d) Four differences between Intrapreneur and Entrepreneur.
- e) Benefits of Environment Scanning.
- f) Delphi technique.

2. Answer **any four** of the following :

16

- a) Uses of Project report.
- b) Meaning of Project Appraisal.
- c) Incongruity as a factor of Purposeful Innovation.
- d) Sources of project idea.
- e) Role of incubation centres.
- f) Role of self help groups.

**SUY - 04**



3. a) "An entrepreneur has certain unique traits". Explain.

12

OR

b) Explain in brief any six skills of entrepreneurs.

12 DU

4. a) Explain in brief any six types of entrepreneurs.

12

OR

b) Explain the steps involved in Identification of Business Opportunities.

12

5. a) Explain SWOT analysis and its benefits to entrepreneurs.

12

OR

b) Explain in brief the elements of project formulation.

12

6. a) Explain in brief the contents of a Project Report.

12

OR

b) State and explain the principles of innovation as suggested by Peter Drucker.

12

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SUY – 02

**B.Com. (Semester – V) Examination, Oct./Nov. 2016**  
**INTERNATIONAL ECONOMICS (New Course)**

Duration : 2 Hours

Max. Marks : 80

- Instructions :** i) **All questions are compulsory, however internal choice is available.**  
ii) **Figures to the right indicate marks.**  
iii) **Start each new question on a fresh page.**  
iv) **Answer to questions 3 to 6 must be of approximately 400 words each.**

1. Answer **any four** of the following in approximately **100 words each**. **16**
- i) Four features of international trade.
  - ii) List four gains arising out of international trade.
  - iii) What is protection in foreign trade ?
  - iv) Meaning of Foreign Direct Investment (FDI).
  - v) Any four forms of foreign portfolio investment in India.
  - vi) Relationship between FPI and Capital market.
2. Answer **any four** of the following in approximately **100 words each**. **16**
- a) Difference between Balance of Trade and Balance of Payments.
  - b) Meaning of structural disequilibrium in BoP.
  - c) Differentiate devaluation from exchange rate depreciation.
  - d) What is Capital Account Convertibility ?
  - e) What is National Treatment (NT) principle of WTO ?
  - f) List four objectives of World Trade Organisation (WTO).



3. a) Explain how factor endowments and technology can influence international trade flows. 12
- OR
- b) List and explain any four Non Tariff Barriers (NTBs) used by countries in international trade. 12
4. a) Explain any four entry modes adopted by Multi National Enterprises in the present time. 12
- OR
- b) State and explain any four determinants affecting the flows of Foreign Direct Investment into a country. 12
5. a) Define Balance of Payments. Explain the components of Current and Capital Account in Balance of Payments. 12
- OR
- b) Explain any four types of foreign exchange transactions used in foreign exchange market. 12
6. a) Briefly explain the following trade agreements of WTO. 12
- i) Agreement on Agriculture.
  - ii) TRIMs.
- OR
- b) Briefly explain various forms of Regional integration found across the world. 12
-





SUY – 07

**B.Com. (Semester – V) Examination, October/November 2016**  
**Major – I : COST AND MANAGEMENT ACCOUNTING**  
**Methods of Costing (New Course)**

Duration : 2 Hours

Total Marks : 80

**Instructions :** 1) Question No. 1 is **compulsory**.

2) Answer **any three** questions from Question No. 2 to Question No. 6.

3) Figures to the **right** indicate **maximum** marks.

4) **Working notes** should form part of the **answer**.

1. In November, 2015, a manufacturer desired to quote for the supply of 700 calculators. From the following information, prepare a Cost Sheet for the period from 1<sup>st</sup> April to 30<sup>th</sup> September 2015 and a statement showing the price to be quoted for the supply of 700 calculators to give the same percentage of profit on selling price as was realized during six months ending on 30<sup>th</sup> September, 2015. **20**

<b>Particulars</b>	<b>Rs.</b>
Stock of materials as on 1 <sup>st</sup> April, 2015	20,000
Stock of materials as on 30 <sup>th</sup> September, 2015	10,000
Purchases of materials during six months	1,50,000
Direct wages during six months	1,20,000
Overheads during six months	60,000
Sales during six months	4,00,000

1000 calculators were manufactured during the six months ending on 30<sup>th</sup> September, 2015. The calculators manufactured are of uniform quality and size as were manufactured during the six months up to September 2015. For November, 2015, the material cost per unit and direct wage rate per unit will rise by 10% and 5% respectively. Overheads are absorbed as a percentage of direct wages.

P.T.O.



2. Mr. Amit, a contractor, commenced his business on 1<sup>st</sup> January, 2015. During the year 2015, he was engaged on only one contract of which the contract price was Rs. 5,00,000. 20

The Trial Balance of the contractor as on 31<sup>st</sup> December, 2015 was as follows :

Particulars	Debit (Rs.)	Credit (Rs.)
Mr. Amit's capital		1,30,000
Creditors		13,000
Cash received from contractee (80% of work certified)		2,00,000
Land and building at cost	50,000	
Bank balance	18,000	
Charged to contract		
Materials	1,00,000	
Plant	25,000	
Wages	1,20,000	
Expenses	30,000	
	<b>3,43,000</b>	<b>3,43,000</b>

**Other information :**

- i) Of the plant and materials charged to the contract, plant costing Rs. 5,000 and materials costing Rs. 2,000 were destroyed at the site on 1<sup>st</sup> January, 2015.
- ii) On 31<sup>st</sup> December, 2015; plant costing Rs. 5,000 was returned to store, materials costing Rs. 2,000 were on site and cost of work uncertified was Rs. 6,000.
- iii) Plant and land and building are to be depreciated at 10% and 5% per annum respectively.

Prepare :

- a) Contract Account for the year ending 31<sup>st</sup> December, 2015 and
- b) Balance Sheet of the contractor as on 31<sup>st</sup> December, 2015.



SUY - 07

3. A transport service company is running four buses between two towns which are 50 miles apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books for the month of June 2015 :

20

Particulars	Rs.
Wages of a driver per month	10,000
Wages of a conductor per month	8,000
Diesel and oil expenses of one bus	15,000
Repairs and maintenance for four buses	7,000
Road tax for four buses	2,000
Depreciation per bus per month	500
Rent of the garage for four buses	8,200

Actual passengers carried were 90% of the seating capacity. All four buses ran on all the days of the month of June, 2015. Each bus made one round trip per day.

Calculate the cost per passenger mile.

4. A product is produced in three consecutive processes – Process I, Process II and Process III. 5,000 units of raw materials at the rate of Rs. 2 per unit were issued to Process I at the beginning of the year.

20

**Other information :**

Particulars	Process I	Process II	Process III
Output (Units)	4,700	4,300	4,050
Normal loss (% of input)	5%	10%	5%
Scrap value per unit (Rs.)	1	5	6
Direct wages	3,000	5,000	8,000
Direct expenses	9,750	9,910	15,560

The overheads were Rs. 32,000 and they are chargeable to the three processes on the basis of direct wages.

Prepare : Process Accounts, Normal Loss Account and Abnormal Gain Account.



5. a) Following are the details relating to By-product R and By-product N. 10

Particulars	By-product R	By-product N
Selling price per unit (Rs.)	12	24
Cost per unit after separation (Rs.)	3	5
Units produced (units)	500	200

Selling expenses amounted to 20% of total cost. Selling prices are arrived at by adding 20% to total cost.

Prepare a statement showing total and per unit pre-separation cost of By-product R and By-product N.

- b) The following information is extracted from the job ledger in respect of Job No. 50 of a company : 10

Materials :

Material A

1000 Kg. @ Rs. 20 each per Kg.

Material B

24 Kg. @ Rs. 100 each per Kg.

Wages (@ Rs. 40 per hour per dept.)

Dept. X

30 hours

Dept. Y

50 hours

Proportionate fixed overheads

Rs. 3,000

The total variable overheads for all the jobs undertaken

Rs. 20,000 for 4,000 labour hours

Expected Profit

20% on total cost

Prepare a Job Cost Sheet for Job No. 50.

6. Answer the following (any four) :

(5×4=20)

- I) Write a note on 'Batch Costing'.
- II) What is a cost sheet ? What are its advantages ?
- III) Write a note on 'Power House Costing'.
- IV) Explain in brief any one method of Joint product accounting.
- V) What is 'Equivalent Production' ? How is it computed ?

SUY - 11

**B.Com. (Semester - V) Examination, October/November 2016**  
**Major 2 : COST AND MANAGEMENT ACCOUNTING**  
**Techniques of Costing - I (New Course)**

Duration : 2 Hours

Total Marks : 80

- Instructions:** 1) Question No. 1 is **compulsory**.  
2) Answer **any 3** questions from Q. No. 2 to Q. No. 6.  
3) Give working notes **wherever** necessary.  
4) **All** questions carry **equal** marks.

1. Orpat Manufacturing Company Limited is engaged in the business of manufacturing calculators. It has prepared a six monthly budget for 40000 units, which shows the following particulars :

Particulars	40000 Units
<b>Variable Costs :</b>	
Manufacturing	Rs. 12 per unit
Selling	Rs. 2 per unit
Distribution	Rs. 0.50 per unit
<b>Semi-Variable Costs :</b>	
Manufacturing	Rs. 1,20,000 (40% variable)
Selling	Rs. 60,000 (60% variable)
Administration	Rs. 32,000 (75% fixed)
<b>Fixed Costs :</b>	
Manufacturing	Rs. 1,20,000
Selling	Rs. 80,000
Administration	Rs. 1,60,000

Prepare a Flexible Budget for 60000 units, 80000 units and 100000 units and determine cost per unit.

20

P.T.O.

2. Modern Steels Ltd. is considering two mutually exclusive projects. Both require an initial cash outlay of Rs. 1,50,000 each and have a life of five years. The projects will be depreciated on straight line basis and corporate tax rate is at 50%. The net profit before depreciation and tax expected to be generated by the projects are as follows :

Year	Project I	Project II
Year 1	60,000	90,000
Year 2	60,000	45,000
Year 3	60,000	36,000
Year 4	60,000	75,000
Year 5	60,000	75,000

Calculate :

- Payback period of each project
  - Accounting rate of return of each project.
3. Prepare a cash budget in respect of six months, July to December, 2016 from the information given below :

Month	Credit sales	Materials	Wages	Production and Administrative Overheads	Selling Overheads
	Rs.	Rs.	Rs.	Rs.	Rs.
April	2,00,000	80,000	20,000	94,000	6,800
May	2,40,000	1,20,000	22,000	1,01,800	10,000
June	1,60,000	80,000	16,000	1,18,000	6,800
July	2,00,000	1,20,000	16,000	91,800	7,600
August	2,40,000	1,40,000	20,000	1,18,000	8,800
September	2,80,000	1,60,000	20,000	1,14,000	9,200

-3-

October	3,20,000	1,80,000	20,000	1,22,000	10,400
November	3,60,000	2,00,000	22,000	1,26,000	9,800
December	4,00,000	2,20,000	22,000	1,34,400	6,200

- 1) Cash balance on 1<sup>st</sup> July 2016 was expected to be Rs. 30,000.
- 2) Plant and machinery to be installed August at a cost of Rs. 80,000 will be payable on 1<sup>st</sup> September.
- 3) Extension to research and development department amounting to Rs. 20,000 will be completed on 1<sup>st</sup> August, payable Rs. 4,000 per month from completion date onwards.
- 4) Under hire purchase agreement Rs. 8,000 is payable per month.
- 5) Cash sales of Rs. 4,000 per month are expected. No commission is payable on cash sales.
- 6) Sales commission of 5% on credit sales is to be paid within the month following the sale.
- 7) Credit policy :
  - a) Period of credit allowed by suppliers      3 months
  - b) Period of credit allowed to customers      2 months
  - c) Delay in payment of wages                      1 month
  - d) Delay in payment of overheads                1 month
- 8) Income tax of Rs. 2,00,000 is due to be paid on 1<sup>st</sup> October. Preference dividend of 10% on Rs. 4,00,000 is to be paid on 1<sup>st</sup> November.
- 9) Calls on ordinary shares of Rs. 4,00,000 each are due on 1<sup>st</sup> July and 1<sup>st</sup> September.
- 10) Dividend from investments amounting to Rs. 60,000 is expected on 1<sup>st</sup> November.





4. A) A company manufactures two products A and B by making use of two types materials i.e. X and Y. Product A requires 10 kg of X material and 3 kg of Y material. Product B requires 5 kg of material X and 2 kg of material Y. The price of material X is Rs. 2 per kg and that of material Y is Rs. 3 per kg.

The following is the information related to products and material :

Particulars	Product A	Product B
Estimated sales during budgeted period	6000 units	12000 units
Estimated opening stock during budgeted period	1500 units	2500 units
Desirable closing stock during budgeted period	2500 units	4500 units

Particulars	Material X	Material Y
Estimated opening stock during budgeted period	3500 kg	4500 kg
Desirable closing stock during budgeted period	4500 kg	5000 kg

Prepare :

- a) Production budget for product A and B.
  - b) Material usage budget and material purchase budget for material X and Y. 10
- B) What is management accounting ? Explain the scope of management accounting. 10
5. A) Explain uniform costing and describe essential requisites for installation of uniform costing. 10
- B) What is capital budgeting ? Explain different methods of evaluation of capital investment. 10
6. Write notes on the following (any four) : 20
- a) Role of Management Accountant.
  - b) Sales Budget
  - c) Types of inter-firm comparison
  - d) Limitations of Management Accounting
  - e) Objectives of Uniform Costing
  - f) Master Budget.





SID

**B.Com. (Semester V) Examination, April 2016**  
**ENTREPRENEURSHIP DEVELOPMENT – I**  
**(New Course)**

Duration : 2 Hours

Total Marks

**Instructions :** 1) **All questions are compulsory, however internal choice available.**

2) **Answer sub-question in Question No. 1 and Question No. 2 not more than 100 words each.**

3) **Answer Question No. 3 to Question No. 6, each in not more than 400 words.**

4) **Figures to the right indicate maximum marks allotted to question/sub-question.**

5) **Paper carries maximum of 80 marks**

1. Write short notes on **any four** of the following :

- i) Concept of an entrepreneur.
- ii) Features of women entrepreneurs.
- iii) Four qualities of an entrepreneur.
- iv) Sociopreneurs.
- v) Intrapreneurs Vs Entrepreneurs.
- vi) Psychological Theory of Entrepreneurship.

2. Write short notes on **any four** of the following :

- i) Sources of identifying Business opportunities.
- ii) Socio-Cost Benefit analysis.
- iii) SWOT analysis.
- iv) Role of Self Help groups.
- v) Significance of a Project Report.
- vi) Role of Entrepreneurial incubating centres.

3. a) State and explain the various functions of an Entrepreneur.

OR

b) Explain the skills required in Entrepreneurship.

SID - 03

4. a) Explain six types of entrepreneurs.

OR

b) Explain the role of an entrepreneur in economic development.

5. a) Explain in detail the various factors to be considered for screening of business environment.

OR

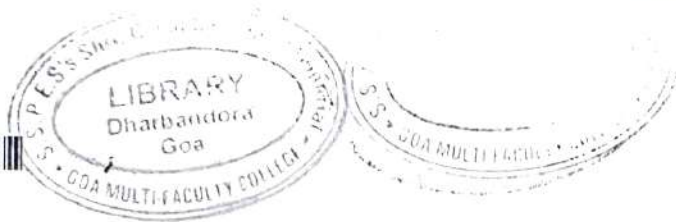
b) Describe the steps involved in identifying business opportunities.

6. a) What is Project Formulation? Explain the elements in Project Formulation.

OR

b) What is Purposeful Innovation? State and explain the principles of Purposeful Innovation by Peter Drucker.

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**B.Com. (Semester – V) (New Course) Examination, October/November 2016**  
**COST AND MANAGEMENT ACCOUNTING**  
**Major – 3 : Cost and Management Audit**

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- 1) **All questions are compulsory.**
  - 2) Figures to the **right** indicate maximum marks allotted to the question or sub-questions.
  - 3) Answer sub-questions in Question No. 1 and Question No. 2 in **not more than 100 words each.**
  - 4) Answer Question No. 3 to Question No. 6 in **not more than 400 words each.**

1. Answer **any four** of the following : 16
- i) Social audit.
  - ii) General objectives of cost audit.
  - iii) Rights of cost auditor.
  - iv) Duties of cost auditor.
  - v) Contractual liability of cost auditor.
  - vi) Status of cost auditor.
2. Answer **any four** of the following : 16
- i) Cost audit notes.
  - ii) Qualifications of cost auditor.
  - iii) Depreciation as per Section 350.
  - iv) Familiarization with the production process.
  - v) List of cost records.
  - vi) Advantage of cost audit programme.



3. a) Distinguish between cost audit and financial audit. 12  
OR  
b) Explain in detail the scope of cost audit. 12
4. a) Explain in detail the procedure adopted for appointment of a cost auditor. 12  
OR  
b) What are the special penal provisions applicable to the cost auditor ? 12
5. a) Explain in detail the techniques of cost audit. 12  
OR  
b) What are cost audit working papers ? Explain various types of cost audit working papers. 12
6. a) What are the disqualifications of the cost auditor as per Section 233B ? 12  
OR  
b) State the ceiling on number of cost audits for cost auditor. 12
-



SUY – 01

**B.Com. (Semester – V) Examination, October/November 2016**  
**INDUSTRIAL MANAGEMENT**  
**(New Course)**

Duration : 2 Hours

Max. Marks : 80

- Instructions :**
- All questions are compulsory, however internal choice is available.**
  - Answer sub-questions in question No. 1 and question No. 2 in not more than 100 words each.**
  - Answer question 3 to question 6 in not more than 400 words each.**
  - Figures to the right indicate marks assigned to the questions.**

- Answer in brief the following questions (**any four**) : 16
  - Explain any four principles of scientific management.
  - State the input elements in industrial management process.
  - State any four points of importance of industrial management.
  - Explain the financial aspect of rationalisation.
  - Mention any four factors affecting industrial productivity.
  - Explain the concept of work study.
- Write short notes on the following (**any four**) : 16
  - Role of National Productivity Council.
  - Just in time concept.
  - Performance benchmarking.
  - Advantages of C.P.M. (any 4)
  - Effects of industrial accidents on employers.
  - Chemical hazards.

P.T.O.



3. A) "Higher industrial productivity leads to prosperity". Discuss. 12  
OR  
B) Explain the importance of work measurement and the steps involved in work measurement. 12
4. A) What is rationalisation ? Examine the role of government of India to facilitate rationalisation of Indian industries. 12  
OR  
B) Explain the principles of TQM. 12
5. A) Describe the objectives of safety management. 12  
OR  
B) What do you mean by Failure Mode and Effect Analysis ? Explain the steps in Failure Mode and Effect Analysis. 12
6. A) Discuss the factors affecting work environment. 12  
OR  
B) Explain the effects of industrial pollution. 12
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SUY – 04

**B.Com. (Semester – V) Examination, Oct./Nov. 2016**  
**ENTREPRENEURSHIP DEVELOPMENT – I**  
**(New Course)**

Duration : 2 Hours

Max. Marks : 80

- Instructions :**
- 1) **All questions are compulsory, however internal choice is available.**
  - 2) **Answer sub-questions in question No. 1 and question No. 2 in not more than 100 words each.**
  - 3) **Answer question No. 3 to question No. 6, each in not more than 400 words.**
  - 4) **Figures to the right indicate maximum marks allotted to the questions/sub-questions.**
  - 5) **Paper carries maximum of 80 marks.**

1. Answer **any four** of the following :

- a) Concept of entrepreneurship.
- b) Economic theory of entrepreneurship.
- c) Test marketing.
- d) Four differences between Intrapreneur and Entrepreneur.
- e) Benefits of Environment Scanning.
- f) Delphi technique.

16

2. Answer **any four** of the following :

- a) Uses of Project report.
- b) Meaning of Project Appraisal.
- c) Incongruity as a factor of Purposeful Innovation.
- d) Sources of project idea.
- e) Role of incubation centres.
- f) Role of self help groups.

16

P.T.O.



3. a) "An entrepreneur has certain unique traits". Explain. 12

OR

b) Explain in brief any six skills of entrepreneurs. 12

4. a) Explain in brief any six types of entrepreneurs. 12

OR

b) Explain the steps involved in Identification of Business Opportunities. 12

5. a) Explain SWOT analysis and its benefits to entrepreneurs. 12

OR

b) Explain in brief the elements of project formulation. 12

6. a) Explain in brief the contents of a Project Report. 12

OR

b) State and explain the principles of innovation as suggested by Peter Drucker. 12

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**SUY – 02**

**B.Com. (Semester – V) Examination, Oct./Nov. 2016  
INTERNATIONAL ECONOMICS (New Course)**

Duration : 2 Hours

Max. Marks : 80

**Instructions :** i) *All questions are compulsory, however internal choice is available.*

ii) *Figures to the right indicate marks.*

iii) *Start each new question on a fresh page.*

iv) *Answer to questions 3 to 6 must be of approximately 400 words each.*

1. Answer **any four** of the following in approximately **100 words each**. **16**
- i) Four features of international trade.
  - ii) List four gains arising out of international trade.
  - iii) What is protection in foreign trade ?
  - iv) Meaning of Foreign Direct Investment (FDI).
  - v) Any four forms of foreign portfolio investment in India.
  - vi) Relationship between FPI and Capital market.
2. Answer **any four** of the following in approximately **100 words each**. **16**
- a) Difference between Balance of Trade and Balance of Payments.
  - b) Meaning of structural disequilibrium in BoP.
  - c) Differentiate devaluation from exchange rate depreciation.
  - d) What is Capital Account Convertibility ?
  - e) What is National Treatment (NT) principle of WTO ?
  - f) List four objectives of World Trade Organisation (WTO).

P.T.O.



3. a) Explain how factor endowments and technology can influence international trade flows. 12

OR

b) List and explain any four Non Tariff Barriers (NTBs) used by countries in international trade. 12

4. a) Explain any four entry modes adopted by Multi National Enterprises in the present time. 12

OR

b) State and explain any four determinants affecting the flows of Foreign Direct Investment into a country. 12

5. a) Define Balance of Payments. Explain the components of Current and Capital Account in Balance of Payments. 12

OR

b) Explain any four types of foreign exchange transactions used in foreign exchange market. 12

6. a) Briefly explain the following trade agreements of WTO. 12

i) Agreement on Agriculture.

ii) TRIMs.

OR

b) Briefly explain various forms of Regional integration found across the world. 12

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SUY – 07

**B.Com. (Semester – V) Examination, October/November 2016**  
**Major – I : COST AND MANAGEMENT ACCOUNTING**  
**Methods of Costing (New Course)**

Duration : 2 Hours

Total Marks : 80

**Instructions :** 1) Question No. 1 is **compulsory**.

2) Answer **any three** questions from Question No. 2 to Question No. 6.

3) Figures to the **right** indicate **maximum** marks.

4) **Working notes** should form part of the **answer**.

1. In November, 2015, a manufacturer desired to quote for the supply of 700 calculators. From the following information, prepare a Cost Sheet for the period from 1<sup>st</sup> April to 30<sup>th</sup> September 2015 and a statement showing the price to be quoted for the supply of 700 calculators to give the same percentage of profit on selling price as was realized during six months ending on 30<sup>th</sup> September, 2015. 20

<b>Particulars</b>	<b>Rs.</b>
Stock of materials as on 1 <sup>st</sup> April, 2015	20,000
Stock of materials as on 30 <sup>th</sup> September, 2015	10,000
Purchases of materials during six months	1,50,000
Direct wages during six months	1,20,000
Overheads during six months	60,000
Sales during six months	4,00,000

1000 calculators were manufactured during the six months ending on 30<sup>th</sup> September, 2015. The calculators manufactured are of uniform quality and size as were manufactured during the six months up to September 2015. For November, 2015, the material cost per unit and direct wage rate per unit will rise by 10% and 5% respectively. Overheads are absorbed as a percentage of direct wages.

2. Mr. Amit, a contractor, commenced his business on 1<sup>st</sup> January, 2015. During the year 2015, he was engaged on only one contract of which the contract price was Rs. 5,00,000.

The Trial Balance of the contractor as on 31<sup>st</sup> December, 2015 was as follows :

Particulars	Debit (Rs.)	Credit (Rs.)
Mr. Amit's capital		1,30,000
Creditors		13,000
Cash received from contractee (80% of work certified)		2,00,000
Land and building at cost	50,000	
Bank balance	18,000	
Charged to contract		
Materials	1,00,000	
Plant	25,000	
Wages	1,20,000	
Expenses	30,000	
	<b>3,43,000</b>	<b>3,43,000</b>

**Other information :**

- i) Of the plant and materials charged to the contract, plant costing Rs. 5,000 and materials costing Rs. 2,000 were destroyed at the site on 1<sup>st</sup> January, 2015.
- ii) On 31<sup>st</sup> December, 2015; plant costing Rs. 5,000 was returned to store, materials costing Rs. 2,000 were on site and cost of work uncertified was Rs. 6,000.
- iii) Plant and land and building are to be depreciated at 10% and 5% per annum respectively.

Prepare :

- a) Contract Account for the year ending 31<sup>st</sup> December, 2015 and
- b) Balance Sheet of the contractor as on 31<sup>st</sup> December, 2015.

3. A transport service company is running four buses between two towns which are 50 miles apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books for the month of June 2015 :

20

Particulars	Rs.
Wages of a driver per month	10,000
Wages of a conductor per month	8,000
Diesel and oil expenses of one bus	15,000
Repairs and maintenance for four buses	7,000
Road tax for four buses	2,000
Depreciation per bus per month	500
Rent of the garage for four buses	8,200

Actual passengers carried were 90% of the seating capacity. All four buses ran on all the days of the month of June, 2015. Each bus made one round trip per day.

Calculate the cost per passenger mile.

4. A product is produced in three consecutive processes – Process I, Process II and Process III. 5,000 units of raw materials at the rate of Rs. 2 per unit were issued to Process I at the beginning of the year.

20

Other information :

Particulars	Process I	Process II	Process III
Output (Units)	4,700	4,300	4,050
Normal loss (% of input)	5%	10%	5%
Scrap value per unit (Rs.)	1	5	6
Direct wages	3,000	5,000	8,000
Direct expenses	9,750	9,910	15,560

The overheads were Rs. 32,000 and they are chargeable to the three processes on the basis of direct wages.

Prepare : Process Accounts, Normal Loss Account and Abnormal Gain Account.



5. a) Following are the details relating to By-product R and By-product N. 10

Particulars	By-product R	By-product N
Selling price per unit (Rs.)	12	24
Cost per unit after separation (Rs.)	3	5
Units produced (units)	500	200

Selling expenses amounted to 20% of total cost. Selling prices are arrived at by adding 20% to total cost.

Prepare a statement showing total and per unit pre-separation cost of By-product R and By-product N.

- b) The following information is extracted from the job ledger in respect of Job No. 50 of a company : 10

Materials :

Material A 1000 Kg. @ Rs. 20 each per Kg.

Material B 24 Kg. @ Rs. 100 each per Kg.

Wages (@ Rs. 40 per hour per dept.)

Dept. X 30 hours

Dept. Y 50 hours

Proportionate fixed overheads Rs. 3,000

The total variable overheads for all the jobs undertaken Rs. 20,000 for 4,000 labour hours

Expected Profit 20% on total cost

Prepare a Job Cost Sheet for Job No. 50.

6. Answer the following (any four) : (5×4=20)

I) Write a note on 'Batch Costing'.

II) What is a cost sheet ? What are its advantages ?

III) Write a note on 'Power House Costing'.

IV) Explain in brief any one method of Joint product accounting.

V) What is 'Equivalent Production' ? How is it computed ?



SUY – 11

**B.Com. (Semester – V) Examination, October/November 2016**

**Major 2 : COST AND MANAGEMENT ACCOUNTING**

**Techniques of Costing – I (New Course)**

Duration : 2 Hours

Total Marks : 80

- Instructions:**
- 1) Question No. 1 is **compulsory**.
  - 2) Answer **any 3** questions from Q. No. 2 to Q. No. 6.
  - 3) Give working notes **wherever** necessary.
  - 4) **All** questions carry **equal** marks.

1. Orpat Manufacturing Company Limited is engaged in the business of manufacturing calculators. It has prepared a six monthly budget for 40000 units, which shows the following particulars :

Particulars	40000 Units
<b>Variable Costs :</b>	
Manufacturing	Rs. 12 per unit
Selling	Rs. 2 per unit
Distribution	Rs. 0.50 per unit
<b>Semi-Variable Costs :</b>	
Manufacturing	Rs. 1,20,000 (40% variable)
Selling	Rs. 60,000 (60% variable)
Administration	Rs. 32,000 (75% fixed)
<b>Fixed Costs :</b>	
Manufacturing	Rs. 1,20,000
Selling	Rs. 80,000
Administration	Rs. 1,60,000

Prepare a Flexible Budget for 60000 units, 80000 units and 100000 units and determine cost per unit.

20

P.T.O.



2. Modern Steels Ltd. is considering two mutually exclusive projects. Both require an initial cash outlay of Rs. 1,50,000 each and have a life of five years. The projects will be depreciated on straight line basis and corporate tax rate is at 50%. The net profit before depreciation and tax expected to be generated by the projects are as follows :

Year	Project I	Project II
Year 1	60,000	90,000
Year 2	60,000	45,000
Year 3	60,000	36,000
Year 4	60,000	75,000
Year 5	60,000	75,000

Calculate :

- Payback period of each project
  - Accounting rate of return of each project.
3. Prepare a cash budget in respect of six months, July to December, 2016 from the information given below :

20

Month	Credit sales	Materials	Wages	Production and Administrative Overheads	Selling Overheads
	Rs.	Rs.	Rs.	Rs.	Rs.
April	2,00,000	80,000	20,000	94,000	6,800
May	2,40,000	1,20,000	22,000	1,01,800	10,000
June	1,60,000	80,000	16,000	1,18,000	6,800
July	2,00,000	1,20,000	16,000	91,800	7,600
August	2,40,000	1,40,000	20,000	1,18,000	8,800
September	2,80,000	1,60,000	20,000	1,14,000	9,200





October	3,20,000	1,80,000	20,000	1,22,000	10,400
November	3,60,000	2,00,000	22,000	1,26,000	9,800
December	4,00,000	2,20,000	22,000	1,34,400	6,200

- 1) Cash balance on 1<sup>st</sup> July 2016 was expected to be Rs. 30,000.
- 2) Plant and machinery to be installed August at a cost of Rs. 80,000 will be payable on 1<sup>st</sup> September.
- 3) Extension to research and development department amounting to Rs. 20,000 will be completed on 1<sup>st</sup> August, payable Rs. 4,000 per month from completion date onwards.
- 4) Under hire purchase agreement Rs. 8,000 is payable per month.
- 5) Cash sales of Rs. 4,000 per month are expected. No commission is payable on cash sales.
- 6) Sales commission of 5% on credit sales is to be paid within the month following the sale.
- 7) Credit policy :
  - a) Period of credit allowed by suppliers 3 months
  - b) Period of credit allowed to customers 2 months
  - c) Delay in payment of wages 1 month
  - d) Delay in payment of overheads 1 month
- 8) Income tax of Rs. 2,00,000 is due to be paid on 1<sup>st</sup> October. Preference dividend of 10% on Rs. 4,00,000 is to be paid on 1<sup>st</sup> November.
- 9) Calls on ordinary shares of Rs. 4,00,000 each are due on 1<sup>st</sup> July and 1<sup>st</sup> September.
- 10) Dividend from investments amounting to Rs. 60,000 is expected on 1<sup>st</sup> November.



4. A) A company manufactures two products A and B by making use of two types materials i.e. X and Y. Product A requires 10 kg of X material and 3 kg of Y material. Product B requires 5 kg of material X and 2 kg of material Y. The price of material X is Rs. 2 per kg and that of material Y is Rs. 3 per kg.

The following is the information related to products and material :

Particulars	Product A	Product B
Estimated sales during budgeted period	6000 units	12000 units
Estimated opening stock during budgeted period	1500 units	2500 units
Desirable closing stock during budgeted period	2500 units	4500 units

Particulars	Material X	Material Y
Estimated opening stock during budgeted period	3500 kg	4500 kg
Desirable closing stock during budgeted period	4500 kg	5000 kg

Prepare :

- a) Production budget for product A and B.
  - b) Material usage budget and material purchase budget for material X and Y. 10
- B) What is management accounting ? Explain the scope of management accounting. 10
5. A) Explain uniform costing and describe essential requisites for installation of uniform costing. 10
- B) What is capital budgeting ? Explain different methods of evaluation of capital investment. 10
6. Write notes on the following (any four) : 20
- a) Role of Management Accountant.
  - b) Sales Budget
  - c) Types of inter-firm comparison
  - d) Limitations of Management Accounting
  - e) Objectives of Uniform Costing
  - f) Master Budget.