

(6 pages)

MAY 2014

**P/ID 77716/MBN2A/
MBS2A**

Time : Three hours

Maximum : 100 marks

SECTION A — (10 × 3 = 30 marks)

Answer any TEN questions.

Write a short notes on the following :

1. Cost centers.
2. Cost Sheet.
3. Tenders.
4. ABC analysis.
5. EOQ Analysis.
6. LIFO.
7. Allocation.
8. Manufacturing.
9. Liquidity.

10. Profitability.
11. Fund flow statement.
12. Absorption costing.

SECTION B — (5 × 6 = 30 marks)

Answer any FIVE questions.

13. Describe briefly any two methods of costing with their scope and characteristics.
14. The annual demand for an item is 3,200 units. The unit cost is Rs.6 and inventory carrying charges 25% per annum. If the cost of one procurement is Rs. 150, determine.
 - (a) Economic Order Quantity
 - (b) Number of orders per year
 - (c) Time between two consecutive orders.
15. Explain the importance of good store-keeping in an organization. What are the duties of a store-keeper?

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16. Distinguish between the chargeable overheads and overhead charges.
17. Perfect Ltd. gives the following Balance Sheet. you are required to compute the following ratios:
- (a) Liquid Ratio
 - (b) Debt-Equity Ratio
 - (c) Solvency Ratio
 - (d) Stock-Working Capital Ratio.

Balance Sheet as on 31st Dec.

	Rs.		Rs.
Equity share	15,00,000	Fixed Assets	14,00,000
Reserves and Surplus	1,00,000	Stock	5,00,000
6% Debentures	3,00,000	Debtors	2,00,000
Overdraft	1,00,000	Cash	1,00,000
Creditors	2,00,000		
	<u>22,00,000</u>		<u>22,00,000</u>

18. What is meant by Ratio analysis? Discuss the objects and limitations.

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19. What is the meaning of schedule of changes in working capital? What are its features?
20. From the following particulars, calculate the sales required to earn a profit of Rs.1,20,000.

Rs.

Sales	6,00,000
Variable costs	3,75,000
Fixed costs	1,80,000

SECTION C — (2 × 20 = 40 marks)

Answer any TWO questions.

All questions carry equal marks.

21. A Factory produces 100 units of a commodity. The cost of production is :

Rs.

Direct material	10,000
Direct wages	5,000
Direct expenses	1,000
Factory overheads	6,500
Administrative overheads	3,480

If a profit of 25% on sales is to be realized, what would be the selling price of each unit of the commodity?

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[P.T.O]

22. From the following transactions prepare stores ledger accounts separately using the FIFO pricing methods.

Jan 2. Purchased 4,000 units @ Rs.4 per unit.

20 Purchased 500 units @ Rs.5 per unit

Feb. 5 Issued 2000 units

10. Purchased 6000 units @ Rs.6 per unit

12. Issued 4000 units

March 4 Issued 1000 units

8 Issued 2000 units

20 Purchased 4500 units @ Rs.5.50 per unit

30 Issued 2500 units

23. Explain the break even analysis in the profit planning.

24. You are given the following data for the year 1994 of the company.

	Rs.
Variable cost	6,00,000
Fixed cost	3,00,000
Net profit	1,00,000
Sales	10,00,000

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Find

- (a) P/V ratio
 - (b) B.E.P.
 - (c) Profit when sales amount to Rs.12,00,000
 - (d) Sales required to earn a profit of Rs.2,00,000
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