

MAY 2011

**P/ID 37504/PBAD**

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Time : Three hours

Maximum : 80 marks

PART A — (5 × 5 = 25 marks)

Answer any FIVE question.

All questions carry equal marks.

1. What are the managerial uses of balance sheet?
2. What are accounting conventions? Explain briefly.
3. What are the advantages of ratio analysis?
4. What are the advantages of net-present value method?
5. What are the limitations of budgetary control?
6. What are the advantages of standard costing?
7. What are the disadvantages of marginal costing?
8. Discuss the importance of job costing.

PART B — (4 × 10 = 40 marks)

Answer any FOUR questions.

All questions carry equal marks.

9. From the following information calculate
  - (a) P/V ratio
  - (b) BEP.

(c) Margin of safety.

	Rs.
Total sales	3,60,000
Selling price per unit	100
Variable cost per unit	50
Fixed cost	1,00,000

(d) If the selling price is reduced to Rs. 90, by how much is the margin of safety reduced?

10. From the following information, calculate the marginal mix variance.

Material	Standard	Actual
A	200 units @ Rs. 12	160 units @ Rs. 13
B	100 units @ Rs. 10	140 units @ Rs. 10

Due to shortage of material A, it was decided to reduce consumption of A by 15% and increase that of material B by 30%.

11. Briefly explain the various method of capital budgeting.
12. Discuss the different techniques of analysis and interpretation of financial statements.
13. Explain how budgeting and budgetary control operating together in a total management system.
14. What do you mean by report? Explain its various types.

PART C — (1 × 15 = 15 marks)

Compulsory.

15. The budgeted production of 10,000 units in a factory are given below.

	Rs. per unit
Materials	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 1,00,000)	10
Variable overheads (Direct)	5
Selling expenses (10% fixed)	13
Administrative expenses (Rs. 50,000)	5
Distribution expenses (20% fixed)	<u>7</u>
	<u>155</u>

Prepare a budget of the production.

- (a) 8000 units  
(b) 6000 units.

Assume that the administrative expenses are rigid for all levels of production.