

(2½ Hours)

(Total Marks : 75)

Notes :- 1) All questions are compulsory.

2) Each question carries 15 Marks.

3) Figures to the right indicate full marks.

4) Working should form part of answer.

Q.1 A) Match the Column (Any 8) :**(8)**

Column A	Column B
1) Master Budget	A) Always Unfavorable
2) Limiting Factor	B) Variable Cost
3) BEP	C) Based on Marginal Cost
4) Sales Budget	D) Limiting Factor
5) Minimum Price	E) Decrease in BEP
6) Increase in Selling Price	F) Equal to Marginal Costing
7) Key Factor	G) Estimate of sales
8) Make or Buy	H) No Profit, No loss stage
9) Marginal Cost	I) Constraint
10) Idle Time Variance	J) Summary of all functional budget

B) State whether the statements True or False (Rewrite the sentence) (Any 7) :**(7)**

- 1) Excess of actual cost over standard cost is a favorable variance.
- 2) Cost incurred in the past is future cost.
- 3) Flexible budget is rigid.
- 4) Budget manual is budget prepared annually.
- 5) Sales manager is responsible for efficient buying.
- 6) Labour strike causes idle time variance.
- 7) The most profitable sales mix is the one which gives maximum contribution.
- 8) Contribution variance is under the control of management.
- 9) P/V ratio shows the relationship between contribution & sales.
- 10) At shutdown point operating loss is equal to loss due to shutdown.

Q.2. The Jayawant Battery Co, furnishes you the following income information :**(15)****Year 2019**

	First Half Year	Second Half Year
	Rs.	Rs.
Sales	8,10,000	10,26,000
Profit earned	21,600	64,800

From the above , you are asked to compute the following assuming that the fixed cost remains

the same in both the periods:-

1. Profit / Volume Ratio
2. Fixed Cost
3. Break Even Point in Rs.
4. Amount of profit or loss when sales are Rs. 6,48,000
5. Amount of sales required to earn a profit of Rs. 1,08,000

OR

Following information is available :

	Product 'X' Per Unit Rs.	Product 'Y' Per Unit Rs.
Direct Material	80	100
Direct Wages	40	50
Variable Overheads	30	50
Selling Price	200	275

Total Fixed Overheads Rs. 20,000/-

From the following alternative which sales mixed will bring higher profits.

- 250 units of X and 150 units of Y
- 150 units of X and 250 units of Y
- 400 units of X only
- 400 units of Y only
- 200 units of X and 200 units of Y

Support your answer with working.

Q.3. A department company, **Gunjal** stores attains a sale of Rs.12,00,000 at 80% of its normal capacity and as expenses are given below:

(15)

Particulars	Rs.
<u>Administration Cost</u>	
Office Salaries	1,80,000
General Expenses	2% of Sales
Depreciation	15,000
Rates and Taxes	17,500
<u>Selling Cost</u>	
Salaries	8% of Sales
Travelling Expenses	2% of Sales
Sales Office Expenses	1% of Sales
General Expenses	1% of Sales
<u>Distribution Cost</u>	
Wages	30,000
Rent	1% of Sales
Office Expenses	4% of Sales

Draw up flexible administration , selling and distribution costs budget operating at 90% , 100% and 110% of capacity.

OR

An estimate shows that there is a market for 10,00,000 units of an electric bell. Two big companies, producing this electric bell will probably divide 80% of the market. Among other companies, producing the bell **Avadhut Ltd.** should get 15% of the total market. 60% of Avadhut sales will probably be evenly divided between the first and the last calendar quarter of the year, with twice as many sales being made in the second quarter as in the third.

The bell sells for Rs. 30 a unit, with manufacturing costs as follows:-

Particulars	Rs.
Direct Material Cost	15
Direct Labour Cost	7.50
Variable Overhead Cost	2.50
Fixed Overhead Cost	1,00,000

Prepare a sales budget for the year showing cost of production and gross profit by calendar quarter. Assume no change in the inventory levels during the year.

Q.4. Calculate material and labour variances from the following data:-

(15)

For 5 units of product X the standard data are:

Material – 80 Kg @ Rs. 50 per kg

Labour – 200 Kg @ Rs. 5 per hour

Actual Data:-

Actual Production – 5,000 units

Material – 79,800 kg @ Rs. 52 per kg

Labour – 2,00,000 Hours @ Rs. 4.90 per hour

OR

From the following information about sales, variances:

a) Total Sales Variance ,

b) Sales Price Variance ,

c) Sales Volume Variance

d) Sales Mix Variance,

e) Sales Quantity Variance

	Units	Standard Rate in Rs. Per unit	Rs.	Units	Actual Rate in Rs per unit	Rs.
A	5,000	5	25,000	6,000	6	36,000
B	4,000	6	24,000	5,000	5	25,000
C	3,000	7	21,000	4,000	8	32,000
Total	12,000		70,000	15,000		93,000

Q.5. (A) What is budget? Explain its types.

(8)

(B) Explain Marginal Costing. What are its advantages Marginal Costing?

(7)

OR

(C) Write a note on any Three :

(15)

1. Absorption Costing
2. Benefits of Standard Costing
3. Condition for budgetary control
4. Break Even Chart
5. Zero Base Budgeting