#### **BBA-301**

## MANAGEMENT AND ACCOUNTING

Time Allotted: 3 Hours

Full Marks: 70

The questions are of equal value.

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

# GROUP A (Multiple Choice Type Questions)

		(Multiple C	hoice Type Quest	ions)		
1.	Answer any ten que	stions.			10×1 = 10	
(i)	The firm's decision	to invest its funds in fi	xed and long-term as	ssets is known as		
	(A) capital budgetin	g	(B) asset plann	ing		
	(C) long term budge	ting	(D) short term	budgeting	5	
(ii)	Factory cost is comp	orises of				
	(A) prime cost and a	ıdministration overhead	1			
	(B) prime cost and f	actory overhead		,		
	(C) cost of production and selling and distribution overhead					
	(D) factory overhead	donly		,		
(iii)	Fixed cost, variable	cost and semi variable o	ost are the classificat	tion of cost on the basis of		
•	(A) function	(B) elements	(C) time	(D) variability		
(iv)	Lead time represents	S		•		
	(A) time required fo	r placing order				
	(B) time required for receiving materials					
	(C) time required between placing order and receiving the materials in store					
	(D) time to store the	supply of materials				
(v)	ABC Analysis is a n	nethod of				
	(A) stock codification	on ,	(B) stock classi	fication		
	(C) both (A) and (B)	) · .	(D) stock remo	val in order of priority		
3185			1		[Turn over]	

### CS/BCA/odd/Sem-3rd/BBA-301/2014-15

(vi)	Which of the following is not an example of Selling and Distribution overhead?						
•	(A) advertisement (C) carriage outward		(B) salesmen salary (D) carriage inward				
(vii)	Margin of safety is equal to						
	(A) profit divided by P/V ratio						
	<ul><li>(B) profit divided by P/V</li><li>(C) margin of safety × P</li><li>(D) P/V divided by prof</li></ul>	//V ratio	l by 100				
(viii)	A plan expressed in quantitative terms would be called a/an						
	(A) objective	(B) target	(C) policy	(D) budget			
(ix)	Unity of commend is vie	olated in the	organization				
	(A) line	(B) line and staff	(C) functional	(D) all of these			
(x)	Current ratio is a						
	<ul><li>(A) Balance sheet ratio</li><li>(C) combined ratio</li></ul>		(B) profit and loss ra (D) fictitious ratio	tio			
(xi)	ICICI was						
	(A) taken over by ICICI	bank					
	(B) merged with Nabard		•				
	<ul><li>(C) made a subsidiary o</li><li>(D) ICICI exists as an ir</li></ul>		•	·			
(xii)	Identify the one which is	s not a commercial ba	ınk				
	(A) HDFC Bank	(B) Canara Bank	(C) IFCI	(D) UCO Bank			
•							
			OUP B Type Questions)				
• .	Answer any three questi	ons.			3×5 = 15		
2.	Briefly state the relevan	ce of managerial skill	and skill mix.		. 5		
3.	Describe different roles	played by a manager.			5		
3185	·		2				

#### CS/BCA/odd/Sem-3rd/BBA-301/2014-15

- 4. "High wages do not necessarily mean high labour cost" Elucidate through bullet points.
- 5
- 5. A manufacturing company produces a special product 'altom', the monthly demand for which is 500 units. The following particulars are available in respect of the material use for manufacturing the product:

"Contingent liabilities reflect the concept of Conservatism"— Explain it.

5

- (i) Cost of placing an order Rs 120
- (ii) Carrying cost per unit is Rs 12

Calculate EOQ of the product.

6. "Contingent liabilities reflect the concept

5

## GROUP C (Long Answer Type Questions)

Answer any three questions.

 $3 \times 15 = 45$ 

7. (a) What is meant by Capital budgeting? State its importance.

5+10

(b) Solution Ltd. is considering to start a project initial cost of which is Rs.5,00,000 with no scrap value. Cash inflows are expected as follows:

Year	1	2	. 3	4	. 5
Cash Inflows(Rs)	1,50,000	2,00,000	2,50,000	1,50,000	1,00,000
Discounting factor @10%	0.909	0.826	0.751	0.683	0.621

Cost of capital is 10%. Indicate whether the project is acceptable or not using following evaluation techniques. (i) Net Present Value (ii) Profitability Index and (iii) Internal Rate of Return.

8. The following figures for the month of April 2014 were extracted from the records of a factory:

15

Opening stock of Finished Goods (5,000 units)

Rs 45,000

Rs 2,57,100

Direct wages

Rs 1,05,000

Factory overhead

100% of direct wages.

Administrative overhead Re 1 per unit

Selling and distribution exp. 105 of sales

Sales(45,000 units) Rs 6,60,000

Closing stock(10,000 units)

Prepare cost sheet for the month of April 2014, assuming sales are made under FIFO Principle.

[Turn over]

#### CS/BCA/odd/Sem-3rd/BBA-301/2014-15

9. (a) A factory is currently running at 50% capacity and produces 10,000 units at a cost of Rs 180 per unit as per details below:

10

Material

Rs 100

Wages

**Rs 30** 

Factory overheads

Rs 30(40% fixed)

Administration Overheads

Rs 20(50% fixed)

The current selling price is Rs 200 per unit.

At 60% capacity working, material cost per unit increases by 2% and selling price per unit falls by 2%. At 80% capacity working, material cost per unit increases by 5% and selling price per unit falls by 5%.

Prepare a marginal cost statement showing the total cost and profit for the three capacity levels. Also give your comments on the profitability at these levels of performance.

(b) Discuss the advantages and limitations of Budgetary control

5

15

10. The expenses for the production of 5,000 units in a factory are given as follows:

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Particulars Particulars	Per unit(Rs)	
Materials	50	
Labour	20	
Variable overheads	15	
Fixed overhead(Rs.50,000)	10	
Administrative expenses(5% variable)	10	
Selling expenses(20% Fixed)	6	
Distribution expenses(10% Fixed)	5	
Total cost	116	

You are required to prepare the budget for the production of 7,000 units and 8,000 units.

11. Write short notes on any three of the following:

3×5

- (a) Scheduling in Airline operation— The challenges
- (b) Cost control of an IT company
- (c) Cost determination process
- (d) Application of C-V-P analysis
- (e) Fixed assets

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