MAULANA ABUL KALAM AZAD UNIVERSITY OF TECHNOLOGY, WEST BENGAL

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Paper Code : BBA-301

MANAGEMENT AND ACCOUNTING

Time Allotted: 3 Hours *Full Marks*: 70

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)

1. Choose the correct alternatives for *any ten* of the following: 1×10=10

(i) The firm's decision to invest its funds in fixed and long-term assets is known as

(a) Capital budgeting (b) Asset planning

(c) Long-term budgeting (d) Short-term budgeting

(ii) Lead time represents

(a) time required for placing an order.

(b) time required for receiving materials.

(c) time required between placing an order and receiving the materials in store.

(d) time to store the supply of materials.

(iii) Identify the one which is *not* a commercial bank:

(a) HDFC (b) Canara Bank

(c) Bandhan Bank (d) UCO Bank

(iv) A plan expressed in quantitative term would be called a/an

(a) objective (b) target

(c) policy (d) budget

(v) Margin of safety is equal to

(a) profit divided by P/V ratio.

(b) profit divided by P/V ratio and multiplied by 100.

(c) margin of safety × P/V ratio.

(d) P/V divided by profit.

(vi) Which one is called the basic accounting equation?
   (a) Assets – Liabilities = Capital
   (b) Assets + Liabilities = Capital
   (c) Assets + Capital = Liabilities

(vii) Balance Sheet is prepared
   (a) to check the accuracy of recording the transactions.
   (b) to know the financial position.
   (c) to know the net profit or loss of a financial year.
   (d) to find out the value of assets.

(viii) At the break-even point, any business experience—
   (a) Total Cost = Total Sales
   (b) Fixed Cost = Variable Cost
   (c) Total Sales = Fixed Cost
   (d) Total Sales = Variable Cost

(ix) Which of the following is a method of inventory valuation?
   (a) FIFO
   (b) WIP
   (c) Written down value method
   (d) Annuity method

(x) Indirect cost is referred to as
   (a) Materials cost
   (b) Labour cost
   (c) Overhead cost
   (d) Prime cost

(xi) EOQ provides the optimum level at which
   (a) labour cost is minimum.
   (b) sales is maximum.
   (c) profit is maximum.
   (d) material cost is minimum.

(xii) Father of Management F.W. Taylor's pioneering book was
   (a) The Shop Management
   (b) Practices of Management
   (c) Management Studies
   (d) Leading the Revolution

Group – B

(Short Answer Type Questions)

Answer *any three* of the following. 5×3=15

2. 'Planning is an important part of management'.—Briefly expand the statement.

3. From the following information, calculate EOQ and the number of orders to be placed in one quarter of the year:

Quarterly consumption of materials	2,000 kg
Cost of placing one order	Rs. 50
Cost per unit	Rs. 40
Storage and Carrying cost	8% of average inventory

4. List different roles played by a manager.
5. Differentiate long-term and short-term sources of finance.
6. What do you mean by a sound plan?

Group – C

(Long Answer Type Questions)

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Answer *any three* of the following. 15×3=45

7. (a) What is meant by capital budgeting? State the acceptance rules using Net Present Value, Profitability Index and Internal Rate of Return. 5+10=15

(b) ABC Ltd. is considering to start a project, initial cost of which is Rs. 8,00,000 with no scrap value. Cash inflows are expected as follows:

Year	1	2	3	4	5
Cash inflows (Rs.)	2,00,000	2,50,000	3,00,000	2,50,000	1,50,000
Discounting factor	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 technique:

(i) Net Present Value
(ii) Internal Rate of Return 12% 14%
(iii) Profitability Index 5+10=15

8. X Ltd. has four production departments named A, B, C, D and two service departments namely Transport and Power Supply. The particulars of expense of the respective Departments are as follows:

Production Department	Rs.	Service Department	Rs.
A	100	Transport	500
B	900		
C	800	Power Supply	380
D	700		

The service departments expenses are charged out on a percentage basis given below:

	Production Department				Transport	Power Supply
	A	B	C	D		
Transport	10%	30%	20%	20%	—	20%
Power Supply	30%	20%	30%	10%	10%	—

Using the above particulars, apportion the service department expanses to various production departments on simultaneous equation method and repeated distribution method.

9. (a) Elucidate the importance of productivity management of a global automobile company with various plants located in different parts of the world.

(b) State the importance of scheduling in the process of receivables management. 8+7=15

10. The following are budgeted expenses for production of 10000 units of a product:

	Rs. (per unit)
Direct materials	60
Direct wages	30
Variable overheads	25
Fixed expenses (Rs. 1,50,000)	15
Variable expenses (Direct)	5
Selling expenses (10% fixed)	15
Administration expenses (Rs. 5,000)	5
Distribution expenses (20% fixed)	5
Total cost of sale per unit	160

Prepare a budget for production of 6000, 7000 and 8000 units showing distinctly marginal cost and total cost.

11. Write short notes on *any three* of the following: 5x3=15

(i) Net Present Value

(ii) Contribution as per C-V-P Analysis

(iii) Fixed Assets

(iv) Works Cost

(v) Preference Share