



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/MHA/SEM-2/MHA-206/2013**

**2013**

**FINANCIAL MANAGEMENT - II**

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**

**( Very Short Answer Type Questions )**

1. Answer any *ten* of the following : 10 × 1 = 10

- i) What is cost ?
- ii) Mention costing methods and costing techniques.
- iii) What is service costing ?
- iv) What is marginal costing ?
- v) What is *c-v-p* analysis ?
- vi) What is zero base budgeting ?
- vii) Who discovered the zero base budgeting ?
- viii) What is budgeting ?
- ix) What is money market ?

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- x) What is capital market ?
- xi) What is activity base costing ?
- xii) What is cash budget ?
- xiii) What is EOQ ?

**GROUP – B**

**( Short Answer Type Questions )**

Answer any *three* of the following.  $3 \times 5 = 15$

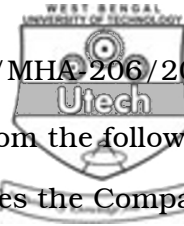
- 2. Write a short note on variances.
- 3. Discuss briefly the zero base budgeting.
- 4. Write a short note on activity base budgeting.
- 5. Discuss briefly *c-v-p* analysis.
- 6. Discuss cash budget in brief.

**GROUP – C**

**( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

- 7. ABC Company wishes to arrange overdraft facilities with its banker during the period April to June 2008, when it will be manufacturing mostly for stock.



Prepare a cash budget for the above period from the following data, indicating the extent of the bank facilities the Company will require at the end of each month :

a)

| 2008     | Sales ( Rs. ) | Purchases ( Rs. ) | Wages ( Rs. ) |
|----------|---------------|-------------------|---------------|
| February | 1,80,000      | 1,24,800          | 12,000        |
| March    | 1,92,000      | 1,44,000          | 14,000        |
| April    | 1,08,000      | 2,43,000          | 11,000        |
| May      | 1,74,000      | 2,46,000          | 10,000        |
| June     | 1,26,000      | 2,68,000          | 15,000        |

b) 50% of credit sales are realized in the month following the sales and remaining 50% in the second month following. Credits are paid in the month following the month of purchase.

c) Cash at bank on 01. 04. 2008 ( estimated ) Rs. 25,000.

8. Compute the cost per running km for a motor van from the following particulars :

Kilometerage run ( annual ) 15000, cost motor van Rs. 60000

Annual expenses :

Road license Rs. 1200, Insurance Rs. 800, Garage rent Rs. 600, Supervision expenses Rs. 2800, Driver monthly wage Rs. 800. Cost of petrol per litre Rs. 4, repairs and maintenance per km Rs. 1.80. Tyre cost ( average ) per km Re. 0.80. Kilometres run per litre of petrol 20. Estimated life of motor van 60000 km.



9. A manufacturing company furnishes you the following data :

| <b>Year 2002</b> |                         |                         |
|------------------|-------------------------|-------------------------|
|                  | <b>1st Half ( Rs. )</b> | <b>2nd Half ( Rs. )</b> |
| Sales            | 90,000                  | 1,00,000                |
| Total cost       | 80,000                  | 86,000                  |

Assuming that there is no change in price and variable cost and that the fixed expenses are incurred equally in the two half year period, calculate for the year 2002,

- Profit/volume ratio
  - Fixed expenses
  - Break even sales, and
  - Percentage of margin of safety.
10. The books of a manufacturing company presents the following data for the month of April 2002 :

Direct labour cost Rs. 17,500 being 175% of works overhead. Cost of goods sold excluding administrative expenses Rs. 56000. Inventory accounts showed the following opening and closing balance :

| <b>Particulars</b> | <b>April 1 ( Rs. )</b> | <b>April 30 ( Rs. )</b> |
|--------------------|------------------------|-------------------------|
| Raw material       | 8,000                  | 10,600                  |
| Work in progress   | 10,500                 | 14,500                  |
| Finished goods     | 17,600                 | 19,000                  |

Other data are :

Selling expenses Rs. 3,500, general and administration expenses Rs. 2,500, Sales for the month Rs. 75,000

You are required to compute the value of raw material purchase

Prepare statement of cost sheet.

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