Name : .....

Roll No. : .....

Invigilator's Signature : .....

CS/BCA/SEM-3/BBA-301/2009-10

2009
MANAGEMENT & 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 : 10 × 1 = 10

   i) 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.

   ii) During inflation which method shows higher profitability from material issue ?

      a) FIFO b) LIFO

      c) Simple average d) Weighted average.

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iii) Which is the function of management ?

a) planning b) staffing

c) directing d) all of these.

iv) Father of Management, Frederick Winslow Taylor wrote which of the following book ?

a) The Shop Management

b) Practices of Management

c) Management Studies

d) Leading the Revolution.

v) A process organization is viewed as

a) mechanical entity b) dynamic entity

c) humanistic entity d) both (b) & (c).

vi) MBO stands for

a) Management By Objetives

b) Model Budget Operation

c) Management By Organization

d) Management By Orientation.

vii) Trial Balance is

a) an account

b) a statement

c) real account

d) pseudonominal account.

viii) Current ratio is used to measure

a) long-term solvency

b) financial stability

c) short-term solvency

d) efficiency of an organization.

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ix) Goodwill is

a) fixed asset

b) current asset

c) intangible fixed asset

d) tangible financial asset.

x) EPS is the measure of

a) profitability

b) credibility

c) operational efficiency

d) measure of central tendency.

xi) All indirect cost is called

a) total cost b) mix cost

c) overhead cost d) none of these.

xii) Which of the following is not credited to the Trading A/c. ?

a) sales

b) closing stock

c) bad debt

d) abnormal loss of stock.

xiii) Which of the following is a capital budgeting technique ?

a) pay-back period

b) entity concept

c) going concern concept

d) none of these.

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GROUP – B
(Short Answer Type Questions)

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

2. Find out the EOQ from the following particulars and also find out the no. of order placing :

   Annual usage : 6000 units

   Cost of material per unit : Rs. 20

   Cost of placing and receiving one order : Rs. 60

   Annual carrying cost of one unit : 10% of inventory value.

3. Differentiate between cost centre and cost unit.

4. Distinguish between trial balance and balance sheet. What are the decision to be taken from the balance sheet and trial balance ?

5. What do you mean by Margin of Safety in cost volume — Profit analysis ?

6. Distinguish between real and personal accounts.

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GROUP – C
(Long Answer Type Questions)
Answer any *three* of the following. 3 × 15 = 45

7. From the following particulars, prepare cost sheet, assuming sales are made on the basis of "FIFO" principle :

   Raw materials Rs. 16000 (as on 1. 01. 08)

   Rs. 19600 (as on 31. 21. 08)

   Working in progress Rs. 12600 (as on 1. 01. 08)

   Rs. 4600 (as on 31. 12. 08)

   Finished goods Rs. 16400, 3000 units (as on 1. 01. 08)

   2500 units (as on 31. 12. 08)

   Purchase of raw material Rs. 111600, sale of finished goods (40500 units) Rs. 283500 distribution overheads 50 paise per unit sold, machine hour rate Rs. 2·50, machine hours worked 8000 hours. 15

8. What do you mean by Break-even point (BEP) ? How is BEP determined for a multi-product company ? State with examples the business decision taken from this analysis.
   4 + 5 + 6

9. a) Determine maximum stock and buffer stock at a reasonable level while providing a good service where

	Maximum	Average	Minimum
Daily consumption	75 units	50 units	25 units
Delivery period	5 days	2 days	1 day

Ideal order size = 125 units
Reorder level = 375 units.
5

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b) The average annual consumption of material is 20,000 kg at a price of Rs. 2 per kg. The storage cost is 16% on average inventory and the cost of placing one order is Rs. 50. How much is to be purchased at a time ? 5

c) Define planning and decision making. What are its characteristics ? 5

10. The following information is obtained from the records of Sylvania Ltd.

Sales Rs. 16,00,000

Variable cost Rs. 8,00,000

Fixed costs Rs. 3,00,000

You required to

a) Find the P/V ratio, Break-even point and Margin of Safety.

b) Calculate the effect of the following on the above :

i) 10% increase in fixed cost

ii) 20% increase in fixed cost

iii) 10% increase in variable cost

iv) 10% decrease in variable cost. 15

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11. a) What is meant by Budgeting ? State its importance in financial management.

b) A company has an investment opportunity amounting Rs. 40,000. The following expected Net Cash Flow (after tax & before depreciation) is as follows :

Year	1	2	3	4	5	6	7	8	9	10
Cash Flow	7,000	7,000	7,000	7,000	7,000	8,000	10,000	15,000	10,000	4,000

Assuming 10% as cost of capital, determine

i) pay back period

ii) NPV at 10% discounting factor

iii) PI at 10% discounting factor. 5 + 3 + 5 + 2

12. Explain how planning, scheduling, stuffing and controlling help a multinational company to usher in growth. 15

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