1505E569 Candidate's Seat No :_____

M.Phil Commerce Account Examination
Paper-II : Accountancy
May-2017

Time : 3 Hours]   [Max. Marks : 70

Note: (i) Attempt any five questions. (ii) All questions carry equal marks.

1. A firm makes two types of furniture, chairs and tables. The contributions for each product as calculated by accounting department are Rs. 20 per chair and Rs. 30 per table. Both products are processed on three machines M , N, and P. The time required in hours by each product and total time available in hours per week on each machine are as follows:

Machine	Chairs	Table	Available hours per week
M	3	3	36
N	5	2	50
P	2	6	60

How should the manufacturer schedule his production in order to maximise contribution? Solve this problem by Graphical Method of Linear Programming.

2. "Linear Programming is one of the most frequently and successfully applied mathematical approaches to managerial decision."- Comment.

3. Distinguish between CPM and PERT. Which one is most commonly used? Justify your answer.

4. It is agreed that, in many areas of modern technology, the 'learning curve' effect is of diminishing significance. A 'experience curve 'effect would still be present and possibly strengthened in importance. However, experience curve has little to do with short-term standard setting and product costing.

   You are required to discuss the validity of the above statement in particular the assertion that the experience curve has little relevance to costing.

5. Explain the potential impact of learning curve analysis on:
   (a) Job cost estimation and bid prices
   (b) Standard cost system in terms of:
      (i)   Setting standards and
      (ii) Measuring and interpreting variance.
   (c) Define Learning Curve Ratio.
   (d) What are the limitations of Learning Curve?

6. Discuss new format of balance sheet.

7. What is financial statement analysis? Explain objectives of it. Discuss different techniques of financial statement analysis.

8. Discuss Accounting Standard 3 in the context of financial statement analysis

9. How would you evaluate profitability, liquidity, solvency and efficiency status of any business enterprise? Explain.

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