

## MBA in BEPF/PP/EM Sem.-1 Examination

## EPF/PPM/EM-104

## FA

Time : 2-30 Hours]

January-2025

[Max. Marks : 70

- Q.1 (A) ABC entity manufactures big size machinery. The time between purchasing of (14)  
underlying raw materials to manufacture the big size machinery and the date the  
entity completes the production and delivers to its customers is 11 months.  
Customers settle the dues after a period of 8 months from the date of sale.  
(a) Will the inventory and the trade receivables be current in nature?  
(b) Assuming that the production time was say 15 months and the time lag between  
the date of sale and collection from customers is 13 months, will the answer be  
different?
- (B) As per the roadmap, Ind AS is applicable to Company X from the financial year  
2017-18. Company X (non-finance company) is a subsidiary of Company Y  
(NBFC). Company Y is an unlisted NBFC company having net worth of ` 400  
crores. What will be the date of applicability of Ind AS for company X and company  
Y? If Ind AS applicability date for parent NBFC is different from the applicability  
date of corporate subsidiary, then, how will the consolidated financial statements of  
parent NBFC be prepared?

- Q.2 From the following information extracted from the records XYZ co. relating to a (14)  
commodity, prepare the cost sheet showing total profit and profit per unit. Also find out  
Percentage of Office indirect expenses to Factory cost and Percentage of Selling and  
distribution expenses to administration cost.  
(Show required calculation as part of your answer)

Particulars	Rs.
Purchase of raw material	1,15,000
Carriage inwards	4,000
Direct Wages	96,000
Machine hours worked	10,000 hours
Machine hour rate	Rs. 4 per hour
Opening stock of raw material	25,000
Opening stock of Finished goods (4000 units)	40,000
Closing stock of raw material	20,000
Closing stock of finished stock	5000 Units
Opening work-in-progress	Rs. 5,000
Closing work-in-progress	Rs. 15,000
Office Overheads	4% of work cost
Selling and Distribution expenses	Rs. 1 per unit
Sales	3,00,000
Production during the year	26,000 units

OR

- Q.2 From the following information of ABC Ltd. prepare a statement showing: Prime cost, Works cost, cost of production, cost of sales, and Net Profit, Profit Per Unit, during march 2021, there was production of 1,000 units. (14)

Particulars	Rs.	Particulars	Rs.
Opening Stock:		Carriage outward	1,500
Raw Material	24,000	Power-coal	5,000
Finished Goods	16,000	Office salaries	13,000
Closing Stock		Office rent, rates & taxes	7,000
Raw Material	20,000	Postage and telegram	2,000
Finished Goods	17,000	Printing and stationery	1,000
Purchase of Raw Material	82,000	Salesmen's salary	3,000
Sales	1,90,000	Advertisement expenses	2,000
Direct Wages	32,000	Factory rent, rates, & tax	2,000
Factory Wages	1,000	Depreciation on plant & machinery	3,000
Carriage inward	2,000	Bad Debts	500

- Q.3 PQR co. is manufacturing five products A,B,C,D,E; the cost of their manufactures is as follows; (14)

Particulars	Product: A	Product: B	Product: C	Product: D	Product: E
Direct Material	7	5	3	8	2
Output (Units)	1,000	2,000	3,000	4,000	5,000
Selling Price	12	14	16	18	20
Direct Labour	6	4	2	7	3

The total overheads are of Rs. 80,000, out of which 40% are fixed and remaining are variable. It is decided that these cost over different products will be used in the ratio of output,

You are required to prepare a statement showing cost of each product and amount of profit According to 1. Absorption Costing; 2. Marginal Costing.

(Show required calculation as part of answer)

OR

- Q.3 ABC co. want to produce any of three product X,Y and Z; the demand , selling price and total cost per unit for all three products are same, the estimated sales and cost for three products of a year are given below; (14)

Particulars	Product: X	Product: Y	Product: Z
Sales (70,000 Units)	70,000	70,000	70,000
Variable Cost	48,000	52,000	60,000
Fixed Cost	6,000	14,000	22,000

From the above-mentioned information Calculate;

1. Profit volume ratio.
2. Break Even Point
3. Margine of safety (With Graph)

How these three will be affected in the following circumstances :

1. Increase of 20% in number of units sold.
2. Increase of 5% in Variable Cost.
3. Increase of 10% in Fixed Cost.
4. Decrease of 20% in Unit Sold with 10%Increase in Selling Price.

- Q.4 Write a detailed note on: 'Budgetary Control and Classification of Budget' (14)

OR

Q.4 The expense for budget production of 20,000 Units in a factory are given below; (14)

Particulars	Per Unit (Rs.)
Direct Material	70
Actual Wages	25
Marginal O/h	20
Direct variable Expense	5
Selling Expense (10% Fixed)	13
Fixed Overheads (Rs. 1,00,000)	10
Distribution Expense (20% Fixed)	7
Office Expense	5

Prepare a budget for production of;

1. For 6,000 Units
2. For 8,000 Units
3. For 2,000 Units
4. Indicate cost per unit at both the level of production.

Q.5 Answer the following Questions. (14)

1. Define: Business Entity Concept (With Example).
2. Explain the classification of cost according to Time.
3. Explain the concept of Cost side analysis (With Graph).
4. What is the difference between Office Cost v/s Work Cost.
5. Define: Rolling Budget (With Example)
6. Explain the types of audit opinion in brief.
7. B Ltd. produces aircrafts. The length of time between first purchasing raw materials to make the aircrafts and the date the company completes the production and delivery is 9 months. The company receives payment for the aircrafts 7 months after the delivery.
  - (a) What is the length of operating cycle?
  - (b) How should it treat its inventory and debtors