(6 pages)

DECEMBER 2023 **P/ID 77928/RMB1D**

Time : Three hours Maximum : 80 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions in 50 words each.

1. Define Separate entity Concept.
2. What is Accrual concept?
3. Define Fixed Overhead.
4. What is cost center?
5. Give the objective of master budget
6. Describe the graphic report.
7. Describe the material usage variance.
8. Define Ratio of Profitable.
9. What is Budget for material requirement?
10. Explain the important profit margin ratio.
11. Discuss the DuPond analysis.
12. What is Revenue expenditure?

PART B — (5 × 6 = 30 marks)

Answer any FIVE questions in 250 words each

13. Discuss the Accounting principles. What are the accounting conventions?

14. Justify the need for analysis and interpretation of financial statement

15. From the following information calculate:

(a) P/V ratio

(b) B.E.P.

(c) Margin of safety

	Rs.
Total sale	360,000
Selling price per unit	100
Variable cost per unit	50
Fixed Cost	100,000

(d) If the selling price is reduced to Rs.90, by how much is the margin of safety reduced?

16. X Ltd provided the following information from the costing records for the month March 2009:

	Budgeted	Actual
Product: A Sales Quantity	5,000	4,700
Selling Price Per Unit	70	75
Product: B Sales Quantity	6,000	7,000
Selling Price Per Unit	50	45

The cost of production for Product A and B are Rs.60 and Rs.39 respectively,

Calculate

(a) Sales Margin Variance

(b) Sales Price Variance

(c) Sales Volume Variance

(d) Sales Mix Variance and

(e) Sales Quantity Variance by Sales Margin Method.

17. Write a short note of the following:

(a) Cash Budget

(b) Overhead Budget

(c) Fixed Budget

(d) Flexible Budget

18. Cost of material is Rs.350 p.u. Total annual needs are 800 units. Annual return on investments is 10%; Rent, insurance and taxes per unit, per annum Rs.1. Cost of placing an order is Rs.100, Calculate the Economic Order Quantity.

19. Describe the uses of balance sheet.

PART C — (3 × 10 = 30 marks)

Answer any THREE questions in 500 words each.

20. "If the market price per share is equal to the book value per share, the following are equal: return on equity, earnings price ratio, and total yield". Prove the statement.

21. Prepare the Trial Balance as on 31st March 2009 from the following balances

Particulars	Rs.
Plant and Machinery	7,50,000
Land and Building	9,00,000
Discount received	24,000
Sales	9,40,000
Return onwards	15,000
Salaries	72,000
Bank Account	74,000
Interest received	40,000
Purchases	4,00,000
Rent Paid	35,000
General Reserve	2,40,000

Particulars	Rs.
Bills Payable	30,000
Bad debts	5,000
Investments	4,35,000
Returns inwards	13,000
Bills Receivables	43,000
General Expenses	19,000
Cash	1,17,000
Opening Stock	74,500
Creditors	77,500
Carriage inwards	20,000
Discount allowed	32,000
Debtors	75,000
Capital	9,69,000
Profit and Loss Account	2,43,000
Loan	5,50,000
Provision for bad debts	12,000
Stationary paid	23,000

22. Discuss the factors affecting make or buy decision and explain its characteristics.

23. What is meant by analysis and interpretation of financial statement? Explain Trend Percentage method of financial statement analysis with imaginary example.

24. List out explain the various functional budgets and discuss its objectives.
