

SL. No. of Q.P. 2316

Roll No: \_\_\_\_\_

Name of the Course : B. M. S  
 Semester : II  
 Name of the Paper : Accounting for Managers  
 Unique Paper Code : ~~#~~ 1091201  
 Duration : 3 Hours

Max Marks: 75

**Instructions:**

**Attempt any five questions. All Questions carry equal marks.  
 Use of simple calculator is allowed.**

1. (a) "Financial statements are summarized financial reports prepared and presented by entities for various user-groups". Explain. (7)
- (b) Explain the procedure of preparing cash flow statement. Comment on its utility. (7)
2. Analyze the following given financial statements of ABC Ltd. by computing the following ratios and comment on its performance over the period of two years: (8)
  - (i) Current ratio
  - (ii) Net profit ratio
  - (iii) Debtors turnover ratio
  - (iv) Average collection period
  - (v) Debt Equity ratio
  - (vi) Earnings per share

**Balance Sheet of ABC Ltd. as at 31<sup>ST</sup> March, 2014**

Particulars		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		Rs. (in Crores)	Rs. (in Crores)
<b>A</b>	<b>Equity &amp; Liabilities</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share Capital (Rs. 10 per share)	60	55
	(b) Reserves & Surplus	1200	1100
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Long-term borrowings	1000	900
	(b) Other long-term liabilities	120	110
<b>3</b>	<b>Current Liabilities</b>		
	(a) Short-term borrowings	20	55
	(b) Trade Payables	100	130
	(c) Other current liabilities	400	450
	<b>Total</b>	<b>2900</b>	<b>2800</b>
<b>B</b>	<b>Assets</b>		

<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets		
	Tangible assets	1900	1600
	(b) Non-current investments	30	10
	(c) Long term loans and advances	380	360
<b>2</b>	<b>Current Assets</b>		
	(a) Current investments	380	450
	(b) Inventories	110	120
	(c) Trade receivables	50	40
	(d) Cash & Cash Equivalents	20	90
	(e) Short-term loans & advances	30	130
	<b>Total</b>	<b>2900</b>	<b>2800</b>

**Statement of Profit and Loss of ABC Ltd. for the year ended 31<sup>st</sup> March, 2014**

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
	Rs. (in Crores)	Rs. (in Crores)
Revenue from operations (net)*	2000	1700
<b>Other Income</b>		
<b>Total Revenue</b>	<b>2000</b>	<b>1700</b>
<b>Expenses</b>		
(a) Cost of materials consumed	830	780
(b) Purchases of stock-in-trade	130	80
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	10
(d) Employee benefits expense	250	220
(e) Finance costs	80	90
(f) Depreciation & amortization	150	130
(g) other expenses	40	30
<b>Total expenses</b>	<b>1500</b>	<b>1340</b>
<b>Profit before Tax</b>	<b>500</b>	<b>360</b>
Tax expense for current year	180	130
<b>Profit after tax</b>	<b>320</b>	<b>230</b>

*\*Note: 80% of the revenue from operations (sales) is on credit basis.*

(15)

3 (a) Differentiate between any two of the following:

- (i) Primary and Secondary Distribution of Overhead
- (ii) Relevant cost and Irrelevant cost
- (iii) Cost control and Cost reduction

(8)

(b) Briefly describe various methods of costing used in different manufacturing and service industries.

(7)

4. (a) Define P/V ratio. Discuss its usefulness. How can it be improved?

(5)

(b) The cost information computed by a cost accountant is as follows:-

Sales	25,000 units
Selling price	Rs. 10 per unit
Variable cost	Rs. 6 per unit
Fixed cost	Rs. 60,000 per annum

Compute the following:-

- Break-even point expressed both in units and value.
- Margin of safety ratio.
- Sales required to earn a profit of Rs. 2 per unit.

(10)

5. A Producer installed a machine which can produce product 'A' as well as product 'B'. Annual maximum machine running capacity is 4,000 hours. Various information pertaining to the machine and the products are as follows:

Particulars	Product A	Product B
Selling price	Rs. 50	Rs. 30
Variable cost per unit	Rs. 30	Rs. 14
Machine hours required (per unit of product)	10 hours	2 hours
Annual market demand	300 units	1600 units
Annual fixed cost is Rs. 10,000		

Required:-

- Calculate optimum product mix and a statement showing annual contribution and profit at this mix.
- How would the answer change if there were no market limitation?
- How would the answer change if there were no market limitation and no limitation on hours available?

(15)

6. ABC Ltd. has prepared the following budget for the first quarter of a year.

	Budgeted Sales (units)
January	10,800
February	15,600
March	12,200
April	10,400
May	9,800

Inventory of finished goods at the end of every month is to be equal to 25% of sales estimates for the next month. On 1<sup>st</sup> January of the year, there were 2,700 units on hand. There is no work in progress at the end of any month.

Every unit of product requires two types of materials in the following quantities:

Material 'A' – 4 kg.    Material 'B' – 5 kg.

Materials equal to one half of the requirement of next month's production are to be in hand at the end of every month. This requirement was met on 1<sup>st</sup> January of the year.

Prepare the following quantitative budgets for the quarter ending 31<sup>st</sup> March of the year:

- (i) Production Budget
- (ii) Material Purchase Budget

(15)

7. Calculate from the following data:

- (i) Material cost variance
- (ii) Material price variance
- (iii) Material usage variance
- (iv) Material mix variance
- (v) Material yield variance

Material	Standard weight per unit of output (kgs.)	Standard price per kg. (Rs.)	Actual usage for 36 units of output (kgs.)	Actual price per kg. (Rs.)
A	2	10	72	12
B	4	1	108	1
C	<u>3</u>	5	<u>126</u>	4
	<u>9</u>		<u>306</u>	

**OR**

Write explanatory notes on ***any three*** of the following;

- (i) Generally Accepted Accounting Principles
- (ii) Absorption of Overhead
- (iii) Fixed budget and Flexible budget
- (iv) Make or Buy Decisions
- (v) Responsibility Centres

(15)

This question paper contains three printed pages

Roll No. \_\_\_\_\_

Serial No. of Question paper: 2320

Unique Paper Code: ~~22~~ 1091202 *pre-1*

Name of the Course: Bachelor of Management Studies

Name of the Paper: Principles of Marketing Management

Semester: II

Duration: 3 hours

Max Marks: 75

**Instructions:**

Attempt **ALL** questions.

F-4

Q1.(a) Describe the Boston Consulting Group's approach to portfolio analysis using relevant examples from the Indian context. (7)

(b) What strategies are available to companies managing their product portfolio under this approach? (6)

Q2. (a) A company proposes to launch new toothpaste in India. Which segmenting variables(s) do you think the company can use? (6)

(b) Develop a positioning statement for this new toothpaste. (6)

Q3. (a) What are the steps involved in New Product Development? What could be the probable reasons for failure of new products in the market? (6)

(b) Explain with examples the pricing strategies a company can follow while introducing a new product in the market. (6)

Q.4 (a) How do characteristics of services render "services marketing" different from "product marketing" ? (7)

(b) Explain with reasons the key elements you would emphasise while designing the marketing strategy for the following:

A luxury hotel

OR

A Beauty Saloon

(6)

Q5. (a) What are the considerations taken into account in selecting an appropriate promotion mix. (6)

(b) Suggest an appropriate promotion mix for Greenpad. Greenpads are note pads that contain 25 sheets of white paper that have been UV gloss-coated to create an exceptionally smooth writing surface. This enables dry erasing just as erasing is done on white boards-- thereby enabling reuse of the sheets. These pads provide the flexibility and convenience of paper with eco-friendly whiteboards into one portable bundle. (7)

OR

(b) Suggest an appropriate promotion mix for home furniture. Justify with appropriate reasoning. (7)

Q6. (a) Describe the functions of marketing channels.

(6)

(b) Blazon is a middle class brand of jackets. It is presently in the metros and planning a foray into the B class towns. Recommend an appropriate channel level for Blazon giving reasons. (6)