

<b>ST. PHILOMENA'S COLLEGE (AUTONOMOUS), MYSORE</b>			
<b>PG DEPARTMENT OF COMMERCE</b>			
<b>QUESTION BANK (Revised Curriculum 2018-20)</b>			
<b>SECOND YEAR-FOURTH SEMESTER (2018-20 Batch)</b>			
<b>COURSE TITLE (PAPER TITLE): MANAGEMENT ACCOUNTING: TOOLS AND TECHNIQUES OF CONTROL - PAPER 2</b>			<b>QP Code: 53305</b>
<b>Unit</b>	<b>Sl. No.</b>	<b>Question</b>	<b>Marks</b>
1	1.	Briefly explain the advantages and disadvantages of budgetary control	5
1	2.	Explain how an activity-based budget is prepared.	5
1	3.	How would management evaluate performance without budget?	5
1	4.	Write a note on zero base budgeting.	5
1	5.	Define budget and budgetary control?	5
1	6.	Mention the objectives of "budgetary control" with brief explanation	5
1	7.	Define Plant utilization budget? state its features	5
1	8.	Define flexible budget?	5
1	9.	Explain the relationship between planning and control process and budgeting	5
1	10.	Define and explain the sales budget	5
1	11.	Define and explain the cost budget	5
1	12.	Define and explain the capital expenditure budget	5
1	13.	Define and explain the selling and distribution budget	5
1	14.	Define and explain the zero-base budget	5
1	15.	Define and explain the plant utilization budget	5
1	16.	Define production budget?	5
1	17.	How does budgeting help management in the discharge of their functions? Briefly explain	5
1	18.	Define and explain the purchase budget	5
1	19.	With the following data for an 80% activity, prepare a budget for production at 100% <ul style="list-style-type: none"> <li>• Production at 80% activity 800 units</li> <li>• Materials Rs 200 per unit.</li> <li>• Labor Rs 80 per unit.</li> <li>• Direct expenses Rs 20 per unit.</li> <li>• Factory overheads Rs 60000(40% fixed).</li> <li>• Administration expenses Rs 90000(60% fixed).</li> </ul>	5

1	20.	<p>A manufacturing company submits the following figures relating to Product X for the first quarter of 2019:</p> <ul style="list-style-type: none"> <li>• Sales target unit :-</li> <li>• JAN - 60,000</li> <li>• FEB - 48,000</li> <li>• MAR -72,000</li> <li>• Stock position of 1/01/2019 is 50%</li> <li>• Stock position for 31st march 2019 40,000units</li> <li>• Stock position at the end of Jan and Feb is 50% is based on the percentage of subsequent month sale.</li> </ul> <p>You are required to prepare production budget for the 1st quarter of 2020.</p>	5
1	21.	<p>With the following data for a 60% activity, prepare a budget for production at 80%</p> <ul style="list-style-type: none"> <li>• Production at 60% activity 600 units</li> <li>• Materials Rs 100 per unit</li> <li>• Labor Rs 40 per unit</li> <li>• Direct expenses Rs 10 per unit.</li> <li>• Factory overheads Rs 40000(40% fixed)</li> <li>• Administration expenses Rs 30000(60% fixed)</li> </ul>	5
1	22.	<p>A manufacturing company submits the following figures of product ‘X’ for the first quarter of 2019.</p> <p>Sales per unit :-</p> <ul style="list-style-type: none"> <li>• JAN - 50,000</li> <li>• FEB - 40,000</li> <li>• MAR -60,000</li> <li>• Selling price per unit is Rs.100</li> <li>• The target sales quantity increases by 20% and sales price increases by 10%.</li> </ul> <p>Prepare sales budget for the first quarter of 2020.</p>	5
1	23.	<p>With the following data for a 40% activity, prepare a budget for production at 100% .</p> <ul style="list-style-type: none"> <li>• Production at 40% activity 400 units.</li> <li>• Materials Rs 100 per unit.</li> <li>• Labor Rs 40 per unit.</li> <li>• Direct expenses Rs 10 per unit.</li> <li>• Factory overheads Rs 60000(40% fixed).</li> <li>• Administration expenses Rs 90000(60% fixed)</li> </ul>	5
2	24.	Distinguish between standard costing and budgetary control	5
2	25.	Explain in brief the advantages and limitations of standard costing	5
2	26.	Define Standard Costing? State its objectives.	5
3	27.	Write a note on material variance.	5
3	28.	Write a note on Labour variance	5
3	29.	Write a note on Overhead variance	5
3	30.	Write a note on Sales variance	5
3	31.	Write a note on Profit Variance	5
3	32.	<p>Budgeted hours for month of March = 180 hours</p> <ul style="list-style-type: none"> <li>• Standard rate of article produced per hour = 50units</li> <li>• Budgeted fixed overhead = Rs 27, 000</li> </ul>	5

		<ul style="list-style-type: none"> <li>• Actual Production = 9, 2000 units</li> <li>• Actual hours for Production = 175 hours</li> <li>• Actual fixed Overhead Costs = Rs 28, 000</li> <li>• Calculate Overhead Cost Variances.</li> </ul>	
3	33.	The standard materials required for producing 200 units is 150kgs. A standard price of 1 per kg is fixed and 2, 40,000 units were produced during the period. Actual materials purchased were Rs 3, 00,000 kgs at a cost of Rs 1, 65,000 calculate material variances	5
3	34.	From the following information calculate MCV and MPV <ul style="list-style-type: none"> <li>• Standard price of material per kg Rs 20</li> <li>• Actual price of material per kg Rs 10</li> <li>• Standard quantity of material required to produce 1 unit of output Rs 30 kg</li> <li>• Actual quantity of material required to produce 1 unit of output Rs 40 kg</li> <li>• Actual Output 50,000units</li> </ul>	5
3	35.	The standard materials required for producing 100 units is 120kgs. A standard price of 0.50 per kg is fixed and 2, 40,000 units were produced during the period. Actual materials purchased were Rs 3, 00,000 kgs at a cost of Rs 1, 65,000 calculate material variances	5
3	36.	From the following information calculate MCV and MUV <ul style="list-style-type: none"> <li>• Standard price of material per kg Rs 15</li> <li>• Actual price of material per kg Rs 10</li> <li>• Standard quantity of material required to produce 1 unit of output Rs 25 kg</li> <li>• Actual quantity of material required to produce 1 unit of output Rs 30kg</li> <li>• Actual Output 30,000units</li> </ul>	5
3	37.	From the following information calculate MCV and MUV <ul style="list-style-type: none"> <li>• Standard price of material per kg Rs 10</li> <li>• Actual price of material per kg Rs 8</li> <li>• Standard quantity of material required to produce 1 unit of output Rs 20 kg</li> <li>• Actual quantity of material required to produce 1 unit of output Rs 24 kg</li> <li>• Actual Output 20,000units</li> </ul>	5
3	38.	From the following information calculate MCV MPV and MUV <ul style="list-style-type: none"> <li>• Standard price of material per kg Rs 15</li> <li>• Actual price of material per kg Rs 9</li> <li>• Standard quantity of material required to produce 1 unit of output Rs 25 kg</li> <li>• Actual quantity of material required to produce 1 unit of output Rs 26 kg</li> <li>• Actual Output 10,000units</li> </ul>	5
4	39.	Mention and briefly explain the types of Audit.	5
4	40.	Briefly outline Sachar committee report	5
4	41.	Briefly explain the steps underlying social audit Programme.	5
4	42.	Define "Management Audit". Explain the objectives of management audit.	5
4	43.	Define "Social audit"? Explain the objectives and limitations of social audit.	5
4	44.	State two limitations of social audit.	5
4	45.	Mention the steps underlying social Audit Programme	5
4	46.	Briefly explain the advantages and disadvantages of Mangement Audit	5
4	47.	Define Cost Audit program?	5

4	48.	Define the term uniform costing? Explain the advantages of having uniform costing in an industry	10														
1	49.	Explain the role of a sales forecast in budgeting. Distinguish between sales forecast and sales budget.	10														
1	50.	Explain various types of functional budget?	10														
1	51.	Explain the difference between functional and activity-based budget	10														
1	52.	Explain cash budget. How is it prepared? Explain with an example?	10														
1	53.	Explain the advantages and disadvantages of zero-base budgeting	10														
1	54.	Describe the fundamental functions of a business budgets	10														
1	55.	Explain the interrelationship between budgetary control and the standard costing system	10														
1	56.	Explain the difference between static and flexible budgets. Why are flexible budgets superior to static budgets for performance reporting?	10														
1	57.	Describe the procedure for the preparation of a sales budget	10														
1	58.	List and explain the major components of a planning and control process.	10														
1	59.	Explain zero base budgeting and its steps	10														
1	60.	Explain the difference between fixed and flexible budgeting. Why flexible budgets are considered superior to fixed budget?	10														
1	61.	Explain functional budgets. Which functional budgets are most commonly used by the management?	10														
1	62.	How does budgeting serve as an instrument of control?	10														
1	63.	How important are the behavioral aspects of budgetary control system? Explain.	10														
1	64.	<p>The factory overhead per unit of PQR Company for the year ending December 2019 For Supplies, Repairs, Indirect Labour and other is estimated to be Rs 1.00, Rs 0.50, Rs 1.00 and Rs 0.40 respectively.</p> <p>The company is based on the budgeted capacity of Rs 2, 70,000 direct Labour.</p> <p>It expects to incur Rs 4, 00, 00 on supervision, Rs 5, 50,000 on Depreciation, Rs 2, 50,000 on Property tax and on other fixed costs of Rs 1, 77,000.</p> <p>You are requested to prepare a factory overhead budget.</p>	10														
1	65.	<p>The Bombay textiles has estimated sales of particular variety of cloth for the first six months of the coming year as follows</p> <table border="1" data-bbox="341 1391 683 1675"> <tr> <td>January</td> <td>48000 meters</td> </tr> <tr> <td>February</td> <td>50400 meters</td> </tr> <tr> <td>March</td> <td>54000 meters</td> </tr> <tr> <td>April</td> <td>55200 meters</td> </tr> <tr> <td>May</td> <td>57000 meters</td> </tr> <tr> <td>June</td> <td>62100 meters</td> </tr> <tr> <td>July</td> <td>60000meters</td> </tr> </table> <p>At the beginning of the year, there were 8000meters of cloth expected in inventory. At the end of each month, the firm plans to have an inventory equal to one sixth of the sales of the next month. Prepare the purchase budget.</p>	January	48000 meters	February	50400 meters	March	54000 meters	April	55200 meters	May	57000 meters	June	62100 meters	July	60000meters	10
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1	66.	<p>The factory overhead per unit of ABC Company for the year ending December 2019 For Supplies, Repairs, Indirect Labour and other is estimated to be Rs 0.50, Rs 1.00, Rs 0.60 and Rs 0.50 respectively.</p> <p>The company is based on the budgeted capacity of Rs 3, 00,000 direct Labor.</p> <p>It expects to incur Rs 4, 50, 00 on supervision, Rs 600,000 on Depreciation, Rs 2, 00,000 on Property tax and on other fixed costs of Rs 1, 50,000.</p>	10														

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1	67.	<p>The Bombay textiles has estimated sales of particular variety of cloth for the first six months of the coming year as follows</p> <table border="1"> <tr> <td>January</td> <td>18000 meters</td> </tr> <tr> <td>February</td> <td>20400 meters</td> </tr> <tr> <td>March</td> <td>34000 meters</td> </tr> <tr> <td>April</td> <td>45200 meters</td> </tr> <tr> <td>May</td> <td>27000 meters</td> </tr> <tr> <td>June</td> <td>32100 meters</td> </tr> <tr> <td>July</td> <td>40000meters</td> </tr> </table> <p>At the beginning of the year, there were 10000 meters of cloth expected in inventory. At the end of each month, the firm plans to have an inventory equal to one sixth of the sales of the next month. Prepare the purchase budget.</p>	January	18000 meters	February	20400 meters	March	34000 meters	April	45200 meters	May	27000 meters	June	32100 meters	July	40000meters	10
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1	68.	<p>The factory overhead per unit of ABC Company for the year ending December 2019 For Supplies, Repairs, Indirect Labour and other is estimated to be Rs 0.50, Rs 1.00, Rs 0.60 and Rs 0.50respectively.</p> <p>The company is based on the budgeted capacity of Rs 4, 00,000 direct Labour.</p> <p>It expects to incur Rs 5, 50, 00 on supervision, Rs 7, 00,000 on Depreciation, Rs 3, 00,000 on Property tax and on other fixed costs of Rs 2,50,000.</p> <p>You are requested to prepare a factory overhead budget.</p>	10														
1	69.	<p>The factory overhead per unit of ABC Company for the year ending December 2019 For Supplies, Repairs, Indirect Labour and other is estimated to be Rs 0.50, Rs 1.00, Rs 0.60 and Rs 0.50respectively.</p> <p>The company is based on the budgeted capacity of Rs 3, 00,000 direct Labour.</p> <p>It expects to incur Rs 4, 50, 00 on supervision, Rs 500,000 on Depreciation, Rs 1, 50,000 on Property tax and on other fixed costs of Rs 1,00,000.</p> <p>You are requested to prepare a factory overhead budget.</p>	10														
2	70.	Mention and explain the setting of standards.	10														
2	71.	Mention and explain the determination of standards.	10														
2	72.	Describe briefly how standard costs are set for a Material and Labour.	10														
2	73.	How does standard costing improve the cost control?	10														
3	74.	The budget variance for variable production costs is broken down into quantity and price variances. Explain why the quantity variance is more useful for control purposes than the price variance.	10														
3	75.	Explain the significance of overhead variances with suitable illustration.	10														
3	76.	Explain the sales variance with examples	10														
3	77.	Which do you is more important for control of fixed overhead costs, spending variance or volume variance? Explain.	10														
3	78.	Explain the material variance and Labour variance with examples	10														
3	79.	The standard cost of a chemical mixture is 40% materials A@ RS20 PER KG , 60% materials B @Rs 30 per kg .A standard loss of 10% is expected in production , during the period the usage is 90 kgs materials A @ a cost of Rs 18 per kg 110 kgs materials B @ cost of Rs 34 per kg The weight produced is 182 kgs of good product .	10														

		<p>Calculate</p> <p>a) Material price variance  b) Material cost variance  c) Material mix variance  d) Material yield variance  e) Conclude for yield variance</p>	
3	80.	<p>The standard cost of a chemical mixture is 40% materials A@ Rs 30 PER KG, 60% materials B @Rs 50 per kg .A standard loss of 10% is expected in production, during the period the usage is 80 kgs materials A @ a cost of Rs 20per kg 120 kgs materials B @ cost of Rs 40 per kg . The weight produced is 190 kgs of good product .</p> <p>Calculate</p> <p>a) Material price variance  b) Material cost variance  c) Material mix variance  d) Material yield variance  e) Conclude for yield variance</p>	10
3	81.	<p>In a department A the following data is submitted for the week ending 31st October 2019.</p> <ul style="list-style-type: none"> <li>• Standard output for 40 hours per week- 1400 units</li> <li>• Standard fixed overhead- Rs 1,40,000</li> <li>• Actual output -1200 units</li> <li>• Actual hours worked - 32 hrs.</li> <li>• Actual fixed overhead - Rs 1,50,000</li> </ul> <p>Prepare Statement of variances</p>	10
3	82.	<p>The following information has been extracted from the books of Asha enterprises which is using standard costing system</p> <p>a. Actual Output- 9000 units  b. Direct wages paid 1,10,000 hrs. at Rs 22 per hour, of which 5000 hour, being idle time, were not recorded in production  c. Standard Hours 10 hours per unit  d. Labour efficiency variance Rs 375000 (A)  e. Standard variable overhead Rs 150 per unit  f. Actual variable overhead Rs 16,00,000</p> <p>You are required to calculate</p> <ul style="list-style-type: none"> <li>• Idle time variance</li> <li>• Total variable overhead variance</li> <li>• Variable overhead expenditure variance</li> <li>• Variable overhead efficiency variance</li> </ul>	10
3		<p>The following information has been extracted from the books of guru enterprises which is using standard costing system</p> <p>a. Actual Output 8000 units  b. Direct wages paid 1,00,000 hrs. at Rs 20 per hour, of which 3000 hour, being idle time, were not recorded in production  c. Standard Hours 15 hours per unit  d. Labour efficiency variance Rs 400000 (A)  e. Standard variable overhead Rs 200 per unit  f. Actual variable overhead Rs 18,00,000</p>	10

		<p>You are required to calculate</p> <ul style="list-style-type: none"> <li>• Idle time variance</li> <li>• Total variable overhead variance</li> <li>• Variable overhead expenditure variance</li> <li>• Variable overhead efficiency variance</li> </ul>																																									
3		<p>The standard cost of a chemical mixture is 40% materials A@ Rs 30 PER KG , 60% materials B @Rs 50 per kg .A standard loss of 10% is expected in production , during the period the usage is 80 kgs materials A @ a cost of Rs 20per kg 120 kgs materials B @ cost of Rs 40 per kg The weight produced is 190 kgs of good product .</p> <p>Calculate</p> <ol style="list-style-type: none"> <li>Material price variance</li> <li>Material cost variance</li> <li>Material mix variance</li> <li>Material yield variance</li> <li>Conclude for yield variance</li> </ol>	10																																								
1	85.	<p><b>Based on the following information, prepare a cash budget for ABC Ltd.</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th> <th>1<sup>st</sup> Quarter</th> <th>2<sup>nd</sup> Quarter</th> <th>3<sup>rd</sup> Quarter</th> <th>4<sup>th</sup> Quarter</th> </tr> </thead> <tbody> <tr> <td>Opening Cash</td> <td>10,000</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Collection from</td> <td>1,25,000</td> <td>1,50,000</td> <td>1,60,000</td> <td>2.21,000</td> </tr> <tr> <td><b>Payments</b></td> <td>20,000</td> <td>35,000</td> <td>35,000</td> <td>17,000</td> </tr> <tr> <td>Other expenses</td> <td>25,000</td> <td>20,000</td> <td>20,000</td> <td>17,000</td> </tr> <tr> <td>Salary and wages</td> <td>90,000</td> <td>95,000</td> <td>95,000</td> <td>1,09,200</td> </tr> <tr> <td>Income Tax</td> <td>5,000</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Purchase of</td> <td>-</td> <td>-</td> <td>-</td> <td>20,000</td> </tr> </tbody> </table> <p>The company desires to maintain a cash balance of Rs 15,000 at the end of each quarter. Cash can be borrowed or repaid in multiple of Rs 500 at an interest of 10% per annum. Management does not want to borrow cash more than what is necessary and wants to repay as early as possible. In any event, loans cannot be extended beyond four quarters. Interests is computed and paid when the principal is repaid. Assume that borrowing take place at the beginning and repayments are made at the end of the quarters.</p>	Particulars	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Opening Cash	10,000	-	-	-	Collection from	1,25,000	1,50,000	1,60,000	2.21,000	<b>Payments</b>	20,000	35,000	35,000	17,000	Other expenses	25,000	20,000	20,000	17,000	Salary and wages	90,000	95,000	95,000	1,09,200	Income Tax	5,000	-	-	-	Purchase of	-	-	-	20,000	15
Particulars	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter																																							
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Purchase of	-	-	-	20,000																																							
4	86.	<p><b>Read the following case and answer the questions</b></p> <p><b>Victor toys had budgeted the following sales for May 2019</b></p> <p>Toy A=900 units at Rs 50 per unit  Toy B= 650 units at Rs 100 per unit  Toy C=1200 units at Rs 75 per unit</p> <p><b>As against this, the actual sales were:</b></p> <p>Toy A=1000 units at Rs 55 per unit  Toy B =700 units at Rs 95 per unit  Toy C =1100 units at Rs 78 per unit</p> <p>The cost per unit AB and C was Rs 45, Rs 85 and Rs 65 respectively.</p> <p><b>Compute the sales variance and sales margin variances.</b></p>	15																																								
4	87.	<p><b>The following data is taken out from the books of a manufacturing concern.</b></p> <p>Budget Labour composition for producing 100 articles  20 men @ Rs 1.25 per hour for 25 hrs.</p>	15																																								

		<p>30 women @ Rs 1.10 per hour for 30 hrs.  <b>Actual Labour composing for producing 100 articles</b>  25 men @ Rs 1.50 per hour for 24 hrs.  25 women @ Rs 1, 20 per hour for 25 hrs.  <b>Calculate</b>  a. Labour cost variance.  b. Labour rate variance  c. Labour efficiency variance  d. Labour mix variance</p>	
4	88.	<p><b>Read the following case and answer the questions</b>  <b>Ajay toys had budgeted the following sales for October 2019</b>  Toy A=800 units at Rs 50 per unit  Toy B= 550 units at Rs 100 per unit  Toy C=1400 units at Rs 75 per unit  <b>As against this, the actual sales were:</b>  Toy A=900 units at Rs 55 per unit  Toy B =600 units at Rs 95 per unit  Toy C =1000 units at Rs 78 per unit  The cost per unit AB and C was Rs 55, Rs 80 and Rs 60 respectively.  <b>Compute the sales variance and sales margin variances.</b></p>	15
4	89.	<p><b>The following data is taken out from the books of a manufacturing concern.</b>  Budget Labour composition for producing 100 articles  15 men @ Rs 1.50 per hour for 25 hrs.  25 women @ Rs 1.20 per hour for 30 hrs.  <b>Actual Labour composing for producing 100 articles</b>  35 men @ Rs 2 per hour for 24 hrs.  15 women @ Rs 1.50 per hour for 25 hrs.  <b>Calculate</b>  a. Labour cost variance.  b. Labour rate variance  c. Labour efficiency variance  d. Labour mix variance</p>	15

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**Note: The attached question paper is to be taken as a model question paper and all the M. Com IV semester Question papers will have the similar pattern.**



Q.P Code: 53305

**St. Philomena's College (Autonomous) Mysore**  
**IV M.Com Semester Makeup Examination August - 2019**

**Subject: COMMERCE**

**Title: Management Accounting -Tools and Techniques of Control (SC)**

**Time: 3 Hours**

**Max Marks: 70**

**PART -A**

**Answer any FIVE questions:**

**5×5=25**

1. Distinguish between standard costing and budgetary control.
2. Write a note on material variance.
3. Explain the term management audit with its objectives and functions.
4. Write a note on zero base budgeting.
5. Briefly explain the advantages and limitations of uniform costing.
6. Compare and contrast the usefulness of ideal standards, basic standards and currently attainable standards.
7. From the following information calculate MCV MPV and MUV:

Standard price of material per kg.	₹ 10
Actual price of material per kg.	₹ 8
Standard quantity of material required to produce 1 unit of	₹ 20 kg.
Actual quantity of material required to produce 1 unit of output	₹ 24 kg.
Actual output	20,000 units

8. State two limitations of social audit.

**PART -B**

**Answer any THREE questions:**

**3×10=30**

9. Mention and explain the determination and setting of standards.
10. Define social audit. Briefly explain the steps underlying social audit programme.
11. With the following data for a 60% activity, prepare a budget for production at 80% and 100% capacity:

Production at 60% activity	600 units
Materials	₹ 200 per unit
Labor	₹ 50 per unit
Direct expenses	₹ 20 per unit
Factory overheads	₹ 50,000 (40% fixed)
Administration expenses	₹ 20,000 (60% fixed)

**PTO**

12. From the data given below, calculate labour cost variance, labour rate variance and labour efficiency variance for the two departments:

Actual wages	₹ 2,00,000	₹ 1,80,000
Standard hours produced	8,000 hrs	6,000 hrs
Standard rate per hour	₹ 30	₹ 35
Actual hours worked	8,200 hrs	5,800 hrs

13. Explain the term inter-firm comparison? Explain the advantages and disadvantages of inter-firm comparison.

#### PART-C

#### CASE STUDY (COMPULSORY)

14. Read the following Case and answer the questions:

1×15=15

Based on the following information, prepare a cash budget for ABC Ltd., :

Particulars	1 <sup>st</sup> Quarter (₹)	2 <sup>nd</sup> Quarter (₹)	3 <sup>rd</sup> Quarter (₹)	4 <sup>th</sup> Quarter (₹)
Opening cash balance	10,000	-	-	-
Collection from customers	1,25,000	1,50,000	1,60,000	2,21,000
Payments	20,000	35,000	35,000	17,000
Other expenses	25,000	20,000	20,000	17,000
Salary and Wages	90,000	95,000	95,000	1,09,200
Income Tax	5,000	-	-	-
Purchase of Machinery	-	-	-	20,000

Additional Information:

- Cash can be borrowed or repaid in multiple of ₹ 500 at an interest of 10% per annum
- Management does not want to borrow cash more than what is necessary and wants to repay as early as possible
- In any event, loans cannot be extended beyond four quarters
- Interests is computed and paid when the principal is repaid
- Assume that borrowing takes place at the beginning and repayments are made at the end of the quarters

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