

FYBCOM (A & F)/SEM I/REG/Vocational Skills in Accounting & Finance -II

Time: 1 hr.

Marks:30

Note:

1. Draw neat diagrams wherever necessary.
2. Figures to the right indicate full marks.
3. Write any **TWO** questions from the following
4. Each question carry **15 Marks**.

Q.1

M Ltd. provides you the following information:

[15]

Production and Sales at 60% capacity.

Particulars	Amount (Rs.)
Variable expenses:-	
Production	1,50,000
Administration	1,50,000
Selling and distribution	1,20,000
Semi-variable expenses:-	
Production	50,000
Administration	60,000
Selling and distribution	70,000
Fixed expenses:-	
Production	3,40,000
Administration	3,20,000
Selling and distribution	3,00,000
Total sales	15,00,000

Note: Semi-variable expenses are constant between 55% and 75% of capacity, increasing by 10% if the capacity exceeds 75% but does not exceed 90% of capacity and by 20% if the capacity exceeds 90% of capacity.

You are to prepare a Flexible budget at 70%, 80% and 100% capacity level.

Q.2

a) Explain types of budgets.

[08]

b) Explain Relative, Absolute and Mixed reference in excel.

[07]

Q.3

At 90% capacity, ABC Ltd. produces 10,800 units and incurred the expenses as under:

[15]

Particulars	Cost per unit (Rs.)
Direct material	7
Direct labour	5
Other variable expenses	4.50
Administrative overheads	6 (40% variable)
Selling overheads	3 (75% variable)
Production overheads	3 (20% variable)

Selling price per unit Rs. 60.

Explain the preparation of Flexible budget in excel for 70%, 80% and 100% utilization of the capacity.

---X---X---