

Time: 1 hr.

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 For production of 5,000 electrical tubes the following are budgeted expenses: [15]

Particulars	Per unit (Rs.)
Direct material	60
Direct labour	30
Direct expenses	10
Variable overheads	25
Fixed overheads (Rs. 1,50,000)	30
Selling expenses (10% fixed)	30
Administrative expenses (Rs. 20,000 fixed)	10
Distribution expenses (20% fixed)	10
Total cost of sales	205

Prepare the flexible budget for production of 3,000; 4,000 and 6,000 units of electrical tubes.

Q.2 a) Explain types of budgets. [08]

b) Explain Relative, Absolute and Mixed reference in excel. [07]

Q.3 XYZ manufacturing company produces 7,500 units by utilizing its 75% capacity supplies you the following cost information: [15]

Particulars	Amount Rs.
Direct materials	9,00,000
Direct labour	6,00,000
Direct expenses	3,00,000
Factory overheads	4,50,000
Office overheads (fixed)	3,00,000
Selling overheads	1,50,000

Additional Information:

- (a) Factory overheads per unit increase by 15%, if capacity utilization goes down below 75% and decrease by 15% if capacity utilization goes up above 75%.
- (b) Selling overheads per unit increases by 25% if capacity utilization goes down below 75% and decreases by 25% if capacity utilization goes up above 75%.
- (c) It is the policy of the company to charge profit at 20% on cost.

Explain the preparation of Flexible budget in excel at 50%, 75% and 100% capacity utilization.

---X---X---