PART A                           (32 marks)
( compulsory. Each sub question carry one mark)

Q.1.Select the most appropriate answer from the options given below: 8 marks

A) The Institute of Cost and Works Accountant of India is Situated in :
   i) Delhi          ii) Mumbai
   iii) Chennai      iv) Kolkata

B. The Total volume of direct cost is known as________
   i) Prime Cost     ii) Factory Cost
   iii) Cost of Sales iv) Production Cost

C. P/V Ratio =
   i) S-V/S          ii) S-V/S*100
   iii) Profit/sales*100        iv) None of these

D. Budget Presents :
   i) Past performance     ii) Actual Performance
   iii) Future forecasting  iv) Desired result

E. Financially Decision is related to :
   i) Capital Structure  ii) Purchase of Fixed assets
   iii) Dividend distribution  iv) Maintenance of accounts

F. Working Capital is also known as :
   i) Circulating Capital ii) Revolving Capital
   iii) Long –term capital iv) Both (a) & (b)
G. Traditional approach to Finance function was evolved:
   i) Before 1920
   ii) Between 1920 and 1930
   iii) In 1950
   iv) None of These

H. Cost Accounting is________
   i) An Art
   ii) A Science
   iii) Art and Science both
   iv) None of above

Q.2. State Whether the following statements are True or False . 8 marks

a) The term overhead includes indirect labour expenses.
b) Cost sheet may be prepared on the basis of actual data or an estimated data.
c) Rule 72 is useful in determining the future value of an annuity for six year at interest rate of 12%.
d) The inverse of FVIFA is equal to the PVIFA.
e) Margin of safety is an important concept in marginal costing approach.
f) The term “Variance” means deviation, difference and so on.
g) Financial structure means excess of liabilities over assets.
h) Nature of Business is one of the factor which influencing working capital.

Q.3. Fill in the blanks with appropriate words: 8 marks

a) Cast has been defined in terminology given by the Institute of cost and Management _________.
b) Cost – volume – profit analysis is the analysis of __________ Variables.
c) In standard costing, variance means the difference between the standard cost and the__________cost .
d) “Finance is the backbone of every__________”
e) The Ideal ratio of current Ratio is _________.
f) Capital structure is that part of financial structure which represents___________ sources.
g) Cost of Capital is a central concept in___________management.
h) Financial market may be classified into _________ categories.

Q.4. Expand the following abbreviations - 8 marks

a) NSE
b) CRISIL
c) CARE
d) OTCEI
e) ROE
f) MCV
g) APM
h) EBIT
PART B

(Answer Any Three Questions each question carry 16 marks) 48 marks

Q.5. Write short notes on (any four) -
   a) Unit Costing
   b) Flexible Budget
   c) Financial Decision
   d) Marginal Cost of Capital
   e) Operating Cycle
   f) Money market

(4x4=16 marks)

Q.6. a) Discuss the concept of cost classification?
    b) What is a Break-Even Analysis? Describe its Assumption?

8 marks

Q.7. a) What is Performance budgeting? Enumerate steps in performance budgeting and its
      objectives.
    b) What is Variance Analysis? Discuss its Importance.

8 marks

Q.8. a) Define Financial Management? What is Financial Functions?
    b) Briefly describe the Profitability Ratios.

8 marks

Q.9. a) Write a note on gross working capital and net working capital.
    b) Find the following details find out:

   (i) P/V Ratio, (ii) Break-even Point, and (iii) Margin of Safety.

Sales  Rs.1,00,000
Total cost  Rs. 75,000
Fixed cost  Rs. 20,000
Net Profit  Rs. 25,000

8 marks
Q.10. The following details are extracted from the accounting books of a manufacturer:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material Purchased and Consumed</td>
<td>10,000</td>
</tr>
<tr>
<td>Direct Labour Expenses</td>
<td>20,000</td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>5,900</td>
</tr>
<tr>
<td>Factory Depreciation</td>
<td>100</td>
</tr>
<tr>
<td>Repairs and Renewals</td>
<td>200</td>
</tr>
<tr>
<td>Insurance</td>
<td>500</td>
</tr>
<tr>
<td>Rent, Rates and Taxes</td>
<td>600</td>
</tr>
<tr>
<td>Electric Consumption</td>
<td>100</td>
</tr>
<tr>
<td>Power</td>
<td>100</td>
</tr>
<tr>
<td>Fuel</td>
<td>50</td>
</tr>
<tr>
<td>Water</td>
<td>50</td>
</tr>
<tr>
<td>Watchman’s Wages</td>
<td>100</td>
</tr>
<tr>
<td>Factory Manager’s Salary</td>
<td>500</td>
</tr>
<tr>
<td>Foreman’s Salary</td>
<td>100</td>
</tr>
<tr>
<td>Office Stationary</td>
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<tr>
<td>General Charges</td>
<td>100</td>
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<td>Bank Charges</td>
<td>150</td>
</tr>
<tr>
<td>Office Rent</td>
<td>100</td>
</tr>
<tr>
<td>Postage &amp; Stamps</td>
<td>40</td>
</tr>
<tr>
<td>Telephone &amp; Telegrams</td>
<td>10</td>
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<tr>
<td>Manager’s salary</td>
<td>500</td>
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<tr>
<td>Office Clerk’s Salary</td>
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<tr>
<td>Advertising</td>
<td>100</td>
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<tr>
<td>Commission to Salesmen</td>
<td>200</td>
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<tr>
<td>Discounts</td>
<td>100</td>
</tr>
</tbody>
</table>

Prepare a Cost Sheet.