PART A

Total 20 marks

(Compulsory. Each sub question carries 1 mark)

Q.1: Expand the following.

a. ROI
b. DMU
c. TFC
d. ZBB
e. NPV

Q.2. Match the following.

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Managerial Economist</td>
<td>1. Functional Relationship between physical Inputs and Outputs.</td>
</tr>
<tr>
<td>C. Production Theory</td>
<td>3. Total revenue &amp; Cost of the production are equal.</td>
</tr>
<tr>
<td>D. Financial Statements</td>
<td>4. Consumer can never been entirely satisfied.</td>
</tr>
<tr>
<td>E. Break Even Point</td>
<td>5. Performing Market Research.</td>
</tr>
</tbody>
</table>
Q.3: State True or False.
   a) Demand is the mother of Production.
   b) Demand and Supply do not determine the market equilibrium.
   c) Asset is equal to Liability and Owner’s Equity.
   d) Prime cost is the sum of Material Cost & Direct Labour cost.
   e) Master Budget does not contain all the aspects of an Organisation’s Operations and financial.

Q.4: Fill in the blanks.
   a. Adam Smith had written __________ .
   b. Conservatism concept means anticipate no profit and provide for all possible __________.
   c. Fixed cost remains _________irrespective of changes in the Output.
   d. Budget is prepared for a specific__________.
   e. Budget line is also called __________.

PART B

(Answer any four)              (4 x 20 = 80 Marks)

Q.5: Write short notes on any four. (4 x 5 = 20 marks)
   a. Law of Economics
   b. Factors affecting Supply
   c. Proforma of Balance Sheet
   d. Activity Based Costing
   e. Cost Centre

Q.6: As a manager of an enterprise describe the process of decision making . 20 marks

Q.7: a. Describe various Factors of Production. 10 Marks
     b. Define Demand and its types. 10 Marks

Q.8: Describe the elements and various types of Cost. 20 Marks

Q.9: a. Describe briefly the Materials and Purchases Budget. 10 Marks
     b. Elaborate Budgeting and its Human aspects. 10 Marks
Your Company is exporting 'Madras Checks' to U.S.A. It has received an enquiry from M/s Philby Incorporation, Boston. From the following figures, relating to the last 4 months, you (as an Accountant) are to suggest a suitable price after preparing a cost sheet:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Production (in meter)</td>
<td>2,00,000</td>
</tr>
<tr>
<td>Cost of Raw Materials</td>
<td>2,00,000</td>
</tr>
<tr>
<td>Direct Labour (in factory)</td>
<td>2,50,000</td>
</tr>
<tr>
<td>Indirect Labour (in factory)</td>
<td>50,000</td>
</tr>
<tr>
<td>Expenses on Storage</td>
<td>10,000</td>
</tr>
<tr>
<td>Office Expenses (Direct)</td>
<td>50,000</td>
</tr>
<tr>
<td>Selling Expenses</td>
<td>30,000</td>
</tr>
<tr>
<td>Misc. Expenses, like packing, forwarding etc.</td>
<td>20,000</td>
</tr>
<tr>
<td>Fees of Directors</td>
<td>10,000</td>
</tr>
<tr>
<td>Fees of the Managing Director for four months</td>
<td>15,000</td>
</tr>
</tbody>
</table>

It is noted that the depreciation on Plant and Machine amount to Rs. 1,20,000 per year and profit margin of 20% is kept on sales.

Prepare Cost Sheet Showing.

I. Prime Cost.
II. Work/Factory Cost.
III. Cost of Production.
IV. Cost of Sales.
V. Sales.  

(20 Marks)