No. of Printed Pages : 4

BFW-023

B.Sc. FASHION MERCHANDISING AND RETAIL MANAGEMENT (BSCFMRM)

Term-End Examination

00044

June, 2014

BFW-023 : FINANCIAL MANAGEMENT

Time : 3 hours *Maximum Marks : 70*

Note : *Attempt **all** the questions. All questions carry equal marks.*

1. ABC Ltd. have prepared the budget for the production of 1,00,000 units of the only commodity manufactured by them for a costing period as under : 10

   Raw material — ₹ 2·52 per unit

   Direct wages — ₹ 0·75 per unit

   Direct expenses — ₹ 0·10 per unit

   Works overheads (60% Fixed) — ₹ 2·50 per unit

   Administration overheads (80% Fixed) — ₹ 0·40 per unit

   Selling overheads (50% Fixed) — ₹ 0·20 per unit

   The actual production during the period was only 60,000 units. Calculate the revised Budgeted Cost per unit.

2. You are given the following data :

Fixed Expenses — ₹ 4,000

Break-even Point — ₹ 10,000

Calculate :

A. P/V Ratio

B. Profit when Sales are ₹ 20,000.

C. New Break-even Point if Selling Price is reduced by 20%. *10*

3. Prepare a Cash Budget for the first two months estimated from the following data :

Month	Sales (₹)	Purchase (₹)	Wages (₹)	Distribution Expenses (₹)
April	60,000	60,000	12,000	2,000
May	66,000	42,000	14,000	2,200
June	72,000	40,000	16,000	2,400
July	78,000	36,000	18,000	2,600

Additional information :

(i) Cash Balance as on 1st April was ₹ 35,000.

(ii) 50% of Sales are on Cash and remaining will be paid after one month of Cash Sales.

(iii) Suppliers are paid after one month.

(iv) Wages are paid monthly and Distribution overheads are paid after one month credit. *10*

4. Define Break-even Analysis. Draw a graph of Break-even Point. Write down the merits and demerits of Break-even Analysis. *10*

5. What is Process costing. How is it different from Job costing. Write down the procedure of calculation of Normal Loss and Abnormal Loss in Process A/cs. *10*

6. The following data are related to the manufacture of standard product during the month of January :

	(₹)
Opening Stock of Raw Material	20,000
Purchase	1,50,000
Closing Stock of Raw Material	11,500
Direct Labour	60,000
Factory overheads (40% of Direct Labour)	
Office overheads	27,500
Opening Stock of finished stock — 500 units @ 11.20 per unit	
Closing Stock of finished stock — 1,500 units @ current cost price	
Profit on Sales	20%
Units produced	25,000

Prepare Cost Sheet. *10*

7. From the following information, prepare a Process A/cs. *10*

1,000 units at ₹ 40 per unit were introduced in Process I.

	₹
Labour Cost	5,000
Material	20,000
Production overheads	3,500

The Normal Loss has been estimated at 10% of input which can be sold at ₹ 10 per unit. Actual Production was 920 units.