

SC

No. of Printed Pages: 02

(A-64)

SARDAR PATEL UNIVERSITY
BBA Semester VI Examination

Accounting for Decision Making
UM06CBBA02/07

18th March, 2015
Time: 2:30 pm to 4:30 pm

Total Pages: 02 (Two)
Total marks: 60

Note: Figures to right indicates the marks

Que.1 (A) (08Marks)
Explain Break Even Point and Break Even Chart.

Que.1 (B) (07 Marks)
During the year 2011, sales of a Company was Rs.5,00,000, Break Even Point and P/V Ratio of Mayur Ltd. was 50% and 75% respectively. You are required to find out profit of the year.

OR

Que.1 (A) (08Marks)
ABC Company produces three types of products A, B, & C. For which company provides you following Information.

Particulars	A	B	C
Selling Price per Unit (Rs.)	200	150	120
Variable Cost Per unit (Rs.)	120	80	60
Demand per month in market (units)	1,000	1,500	2,000

During the month of March, 2012 availability of Raw Material is 15,000 K.G. and product A, B & C consumes 5, 4, & 3 K.G. of raw material per unit. You are required to find out Optimum Production Mix.

Que.1 (B) (07 Marks)
Nilay Co. Ltd. provides you following information.

Particulars	2010	2011
Sales (Rs.)	6,00,000	8,00,000
Total Cost (Rs.)	5,00,000	5,75,000

You are required to calculate:

- 1) P/V Ratio, Break-Even-Point.
- 2) Sales required to earn profit of Rs.3, 00,000.

Que. 2

(15 marks)

ABC Company produces three types of products A, B, & C. For which company provides you following Information.

Particulars	A	B	C
Selling Price per Unit (Rs.)	150	125	100
Variable Cost Per unit (Rs.)	80	70	60
Demand per month in market (units)	2,000	3,000	1,000

During the month April, 2012 availability of Raw Material is 15,000 K.G. and product A, B & C consumes 2, 3, & 4 K.G. of raw material per unit. You are required to find out Optimum Production Mix. If total fixed cost during the month is Rs.25,000 then find out the profit under Optimum Production Mix.

OR

Que. 2

(15 marks)

Explain the Cost Classification for Decision Making.

Que.3

(15 Marks)

Excel engineering company has manufacturing capacity of 10,000 units, but at present company operates at 80% capacity, for which per unit details are as follows:

Particulars	Amt. (Rs.)
Raw Material (5 KG @ Rs.10 Per KG)	50
Direct Wages (3 Hrs. @ Rs. 20 Per Hr.)	60
Variable OH (25% of Direct Wages)	15
Fixed OH	25

Company received an export order to supply 5000 units at Rs. 130 in next three months, for which company required to incur special packing expense of Rs. 2 per unit, and total export expense of Rs. 3000. You are required to advice company whether this export order should be accepted or not?

Alternatively company receives order from domestic market to supply 5000 units at Rs.140 per Unit. Whether Company should accept offer from domestic market by rejecting export order or not? Why?

OR

Que.3

(15 Marks)

Explain the meaning of differential costing. Also explain role of Fixed Cost and Variable cost in Differential Costing.

Que.4

(15 Marks)

Explain the meaning and concept of strategic Management Accounting. Which information should be provided by SMA?

OR

Que.4

(15 Marks)

Which are the factors to be considered for the Strategic Decision Making? Also explain the various factors effecting Strategic Cost Analysis.

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