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[A-56/A-57] Seat No: ___________ No. of printed pages: 02

SARDAR PATEL UNIVERSITY
B.B.A.(VIth Semester) Examination
Tuesday, 9th April, 2019
02.00 pm - 04.00 pm
UM06CBBA02/07 – Accounting for Decision making (2010 Batch)

Total Marks : 60

Note: Figures to the right indicate full marks of the question.

Q.1
(A) (10)

	Sales Rs.	Profit Rs.
Period - I	10000	2000
Period - II	15000	4000

You are required to calculate
(1) P/V Ratio
(2) Fixed cost
(3) Break even Sales volume
(4) Sales to earn a profit of Rs.3000
(5) Profit when sales are Rs.8000

(B) If margin of safety is Rs.240000 (40% of Sales) and P/V ratio is 30% of ABC Ltd. Calculate its (i) Break even sales (ii) Amount of Profit on sales of Rs.900000 (5)

OR

Q.1
(A) Explain the term Break even Analysis and discuss on Break even chart and its utilyty (8)

(B) Define cost volume profit Analysis. Discuss its Limitations. (7)

Q.2 The Cost per Unit of the three product A, B and C of a concern as Follows. (15)

Particulars	A (Rs.)	B(Rs.)	C(Rs.)
Variable cost	40	40	36
Fixed cost	6	6	4
Total Cost	46	46	40
Profit	18	14	12
Selling Price	64	60	52
Number of Units introduced	10000	5000	8000

Production arrangements are that if one product is given up, the production of the others can be raised by 50%. The directors propose that C should be given up because the contribution in that case is the lowest. Do you agree?

OR

(P.T.O.)

Q.2 Vidit Co.Ltd. which produces three products furnishes the following particulars for the year-2018 (15)

	Product		
	A	B	C
Selling price per units(Rs.)	200	140	100
P/V Ratio (%)	20	25	30
Raw material content as % of variable costs	60	60	60

The fixed expenses are estimated at Rs.770000. The Company uses raw material in all the three products. Raw material is in short supply.

(A) Assuming that there is no market constraint for the out put of any product. You are required to recommend for manufacture in order of priority the different Products for maximising profits.

(B) If the maximum sales potential expected is 50000 units of A, 30000 units of B and 20000 units of C and the total raw material available to the company during the year 2018 is of the value of Rs.2070000. Determine the product mix that will help in maximising profits of the company.

Q.3

(A) Compare and contrast between Differential cost Analysis and Marginal cost Analysis. (8)

(B) Define Differential cost Analysis and Discuss its importance. (7)

OR

Q.3 Vrunda Co.Ltd. manufacturing toys gives you the following imformation. (15)

Paritculars	**Rs.**
Materials	600000
Wages	1200000
Fixed overheads	600000
Variable overheads(25% of wages)	300000
Units produced	60000 units
Selling price per Unit	Rs.50
Production capacity (Annual)	100000 Units

A Company has received an offer for an additional 25000 units to purchase at a selling price per unit Rs.40 from one overseas customer. It is assumed that if this offer is accepted the material cost of all production units would result in saving Rs.1=0 per Unit. Fixed overhead will increase by Rs.170000 and in all production there will be an increase of 2% on wages. You are requested to determine whether this offer should be accepted by the company or not. Show your calculations in Support of Your answer.

Q.4 Explain the concept " Stretegy" and Strategic Management Accounting and What information is to be provided by strategic Management Accounting. (15)

OR

Q.4 What are the Factors affecting strategic Management Accounting? How would you carryont Strategic cost Analysis. (15)