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DOON UNIVERSITY, DEHRADUN

End Semester Examination, B.Com IV Semester, 2023-2024

Academic Year 2023—2024 (EVEN Semester)

School of Management

Programme Name: B.Com IV

Course Code with Title: B.Com—COG 251 Accounting of Managerial Decision

Time Allowed 2 Hours

Maximum Marks: 50

Section A

4*3=12 Marks

Q1 Write short Notes on any three:

- A) Marginal Costing
- B) Absorption Costing
- C) Budgeting
- D) Budgetary Control

Section B

6*3=18 Marks

Attempt any three.

Q1 From the following calculate Current Ratio when inventory is Rs 80,000, prepaid expenses are Rs 20,000 quick ratio is 2.5 to 1 and current liabilities are Rs 50,000.

Q2 From the following calculate

- A) Current Liabilities
- B) Inventory

Current Ratio 2.5

Liquid Ratio 1.7

Current Assets 250,000

Q3 Explain difference between Budgets and Forecasting



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Q4 Accompany has earned a profit of Rs 25,000 during the year 2016. If the marginal cost and selling price of a product are 7.50 and Rs 10 per unit respectively, find out the margin of safety.

Q5 Flexible Budget vs Fixed Budget.

Section C

10 *2=20

Attempt any two questions

Q1 The management of a company finds that while the cost of making a component part is Rs 15, the same is available in the market at Rs 13 with an assurance of continuous supply. Give suggestion whether to make or buy this part. Give also your views in case the supplier reduces the prices from Rs 13 to Rs 11.

Q2 Define Budget, Budgeting and Budgetary Control. Explain the objectives, requisites, advantages and limitations of budgetary control.

Q3 A company is expecting to have Rs 25,000 cash in hand on first April 2010. Prepare cash budget for three months, April to June 2010. The following information is supplied to you.

	Sales	Purchases	Wages	Expenses
February	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	100,000	60,000	10,000	8,000
June	120,000	55,000	12,000	9,000

Other information:

1. Period of credit allowed by suppliers is 2 months.
2. 25% of sale is for cash and period of credit allowed to customer is 1 month.
3. Delay in payment of wages and expenses one month.
4. Income tax Rs 25,000 to be paid in June 2010

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