

JK LAKSHMIPAT UNIVERSITY, JAIPUR
INSTITUTE OF MANAGEMENT
END TERM EXAMINATION (DECEMBER 2021)
BBA-III Semester

Time: 2 Hours
MM: 40 Marks

Course: Management Accounting
Course Code: FA1102

Instructions: All questions are compulsory. Questions are application oriented. Use appropriate language which reflects critical thinking in taking decision making related to applicability of theoretical concepts.

Q.1 The standard inputs required for 1,000 kgs. Of finished product are given below:

Material	Quantity (in Kgs.)	Standard Rate per kg. (in Rs.)
P	450	20
Q	400	40
R	250	60
Total Input	1,100	
Less: Standard Loss	100	
Standard Output	1,000	

Actual production in a period was 20,000 kgs. Of the finished product for which the actual quantities of material used and prices paid there of are as under:

Material	Quantity (in Kgs.)	Standard Rate per kg. (in Rs.)
P	10,000	19
Q	8,500	42
R	4,500	65

Based upon above information compute:

1. Compute various material variances. 7
2. Based upon variance analysis, for which materials you will suggest purchase manager to change the supplier. Give proper logics to validate your answer. 1.5
3. Based upon variance analysis, for which material usage, production manager should exercise extra control. Give proper logics to validate your answer. 1.5

Q.2 From the following forecasts of income and expenditure of Omkara Pvt. Ltd, prepare a cash budget for the months January to April 2021: 8

	Months	Sales (credit) Rs.	Purchase (credit) Rs.	Wages Rs.	Manufac-turing expenses	Admin Expenses Rs.	Selling exp. Rs.
2020	Nov.	30,000	15,000	3,000	1,150	1,060	500
	Dec.	35,000	20,000	3,200	1,225	1,040	550
2021	Jan.	25,000	15,000	2,500	990	1,100	600
	Feb.	30,000	20,000	3,000	1,050	1,150	620
	March	35,000	22,500	2,400	1,100	1,220	570
	April	40,000	25,000	2,600	1,200	1,180	710

Additional Information:

- a) The debtors are allowed a credit period of 2 months.
- b) A dividend of Rs. 10,000 is payable in April.
- c) Capital expenditures to be incurred: Plant purchased on 15 January for Rs. 5,000, a building will be purchased on 1 March and the payment are to be made in monthly installment of Rs. 2,000 each.
- d) The creditors are allowing a credit of 2 months.
- e) Wages are paid on the first of the next month.
- f) Lag in payment of other expenses is one month.
- g) Balance of cash in hand on 1 January 2021 is Rs. 15,000.

Manager of Omakra is thinking to arrange an overdraft facility of Rs. 20,000 for May 2021 start as he thinks company will have liquidity crunch after April. IS it advisable, provide proper reasoning behind your answer?

2

Q.3 From the following data, calculate:

- a. PV ratio
- b. Break even point expressed in amount of sales in rupees and units
- c. Number of units that must be sold to earn a profit of Rs. 60,000 per year.
- d. How many units must be sold to earn a profit of 10% of sales?

2

3

2

3

Particulars	Amount in Rs.
Selling price	20 per unit
Variable Manufacturing costs	11 per unit
Variable selling costs	3 per unit
Fixed factory overheads	5,40,000 per year
Fixed selling costs	2,52,000 per year

Q.4 With the following data for a 60% activity, Prepare a budget for production at 80% and 100 % capacity for Saundraya Ltd:

8

Production at 60% activity	600 units
Materials	RS. 100 per unit
Labour	RS. 40 per unit
Direct expenses	RS. 10 per unit
Factory expenses	RS. 40,000 (40% fixed)
Administrative expenses	RS. 30,000 (60% fixed)

Based upon your solution reasoning, explain which law of return is applicable in context of Saundraya Ltd.

2

Course Code		FA1151		
Duration		2 hours		
Student Name				
Roll Number				
End Term Examination		Fintech in Retail Banking and Insurance		
B Tech and BBA		7th and 5th Sem		
Date		17/12/2021 and 21/12/2021		
Q1		Please prepare a detailed note on this product or company covering	Paisabazaar.com	Marks
	a)	How and with what purpose was this company started or product launched		10
	b)	How has been the journey and what are the major milestones achieved by the product/ company		10
	c)	Illustrate one usage of machine learning or AI or digitization initiative that has been used by this product/ company and how has the same been a game changer		20
	d)	How is this product or company transforming the financial landscape in its country/ India		50
Q2		HDFC Fixed Maturity Plan offers insurance and saving product options. Your Date of Birth is 01/01/2000, your gender is male and you are looking at single life insured. For a set of premiums paid monthly/ annually as detailed below, at the end of specified period, if you are alive, HDFC Life promises to pay you a fixed sum (detailed below). Please calculate your IRR for this insurance plan assuming you live for the period and collect the fixed maturity value. The maximum sum assured will be 10 Lac in this case, however you can ignore this for the purpose of IRR computation		
	Annual premium	XX	100000	10
	Number of years of premium payment	YY	20	
	Future value after 40 years	ZZ	1,20,24,100	
	IRR	Interest rate	Please calculate	

100000*20 total monies paid
12024100 collected in future

Course Code		FA1151		
Duration		2 hours		
Student Name				
Roll Number				
End Term Examination		Fintech in Retail Banking and Insurance		
B Tech and BBA		7th and 5th Sem		
Date		17/12/2021 and 21/12/2021		
Q1		Please prepare a detailed note on this product or company covering	Stashfin.com	Marks
	a)	How and with what purpose was this company started or product launched		10
	b)	How has been the journey and what are the major milestones achieved by the product/ company		10
	c)	Illustrate one usage of machine learning or AI or digitization initiative that has been used by this product/ company and how has the same been a game changer		20
	d)	How is this product or company transforming the financial landscape in its country/ India		50
Q2		HDFC Fixed Maturity Plan offers insurance and saving product options. Your Date of Birth is 01/01/2000, your gender is male and you are looking at single life insured. For a set of premiums paid monthly/ annually as detailed below, at the end of specified period, if you are alive, HDFC Life promises to pay you a fixed sum (detailed below). Please calculate your IRR for this insurance plan assuming you live for the period and collect the fixed maturity value. The maximum sum assured will be 9 Lac in this case, however you can ignore this for the purpose of IRR computation		
	Monthly premium	XX	7500	10
	Number of years of premium payment	YY	20	
	Future value after 35years	ZZ	77,48,340	
	IRR	Interest rate	Please calculate	

7500*12*20 total monies paid
7748340 collected in future