



POORNIMA UNIVERSITY, JAIPUR.
MID SEMESTER EXAMINATION 2020-21 (ODD Semester)

School : School of Management & Commerce
Course : III Year V SEM – B.Com
Subject Name : Budgeting
Subject Code : BCH05107

Max. Time: 1.5 hrs.

Max. Marks: 12

NOTE:- Attempt four questions. There is internal choice in Q. 1 & 2, Q. 3 & 4, Q. 5 & 6 & Q. 7 & 8.

Sec-A (CO 3) (Max. Marks-6)

Marks

Q.1 What is the cash budget ? How it is prepared ? Discuss its importance.

(3)

OR

Q.2 On the basis of the data given below, prepare a cash budget of Kalkata Fruit Co. Ltd. For the quarter ending June 2020 and estimate its cash requirement for June 2020.

(3)

(i)	Sales	Feb 2020	-	25000
		Mar 2020	-	20000
		April to June 2020	-	30000 pm

Roughly half of the sales are for cash, 90% of Credit Sales are collected in the month following the month of sales and balance one month later.

- (ii) Fruits are always bought for cash to avail of the cash discount of 5%. The purchase budget for the second quarter (April to June) was 1500 baskets per month @ 10 per basket.
- (iii) Wage and salaries for second quarter are budgeted as 5000 per month.
- (iv) Manufacturing and other expenses budgeted for the quarter are as follows.

Cash Manufacturing Exp	4500
Depreciation	7500
Selling Exp	3000
Administrative Exp	2000 (in April and May only)

Q.3 Explain the concept of budgeting control.

(3)

OR

Q.4 From the following information, calculate material variance.

(3)

	Standard		Actual	
	SS	SP	AG	AP
A	40	12	600	8
B	60	8	400	12
Input	100		Input	1000
Loss 20% <u>20</u>			Loss 30% <u>300</u>	
Output <u>80</u>			Output <u>700</u>	

Sec-B (CO 4) (Max. Marks-6)

Q.5 What do you understand by product mix ? Which factors are taken into consideration while selecting the best product mix ?

(3)

OR

Q.6 What is meant by product and production decisions ?

(3)

Q.7 A manufacturer is planning to drop one item from his product line and replace it with another. His present cost and output figures are as follows.

(3)

Product	SP per unit	MC per unit	% sale volume
A	40	20	40
B	50	30	35
C	60	36	25

FC = 3,00,000
Total Sales = 10,00,000

Dropping the product C and replacing it with product D. If this change is made, the forecasts regarding cost and production are as follows.

Product	SP per unit	MC per unit	% sale volume
A	40	20	50
B	50	30	30
D	36	28	20

Comment upon the plan of the manufacturer.

OR

Q.8

Discuss Product and Production Decision Areas.

(3)
