FINAL EXAMINATION

December 2014

F–P15(EPM)
Syllabus 2008

Management Accounting—Enterprise Performance Management

Time Allowed: 3 Hours Full Marks: 100

The figures in the margin on the right side indicate full marks.

Attempt Question No. 1 *(carrying 25 marks), which is compulsory and* any five *more questions (each carrying 15 marks) from the rest.*

Please (i) Answer all part of a question at one place only.
(ii) Open a new page for answer to a new question.

1. (a) State whether the following statements given below are 'True' or 'False'. If True, simply rewrite the given statement (= 1 mark). If False, state it as False (= ½ marks) and rewrite the correct statement (= ½ mark): 1×5=5

(i) The term 'Control' is used in management parlance in a synergetic sense.

(ii) Redundant Relationship is one in which the connected systems cannot function alone.

(iii) Theory 'Y' style of Management is a highly autocratic style.

(iv) The key factors of 'Theory of Constraints' is Contribution and Profit.

(v) Options, which can be used to increase or decrease capacity to match current demand include : Hire/Lay-off, Overtime, sub-contracting and pricing.

(b) Out of the different options given against each of the following statements, only one is the most appropriate option. You are required to write it down. 2×5=10

(i) Given :

Given :	Proposal A	Proposal B
Standard Deviation :	548	1,140
Expected Value :	4,000	4,000

Ascertain which proposal has a greater degree of risk?

A. Proposal A B. Proposal B
C. Both proposals have same degree of risk D. Insufficient information

(ii) ABC Co. has the capacity of production of 80,000 units and presently sells 20,000 units at ₹ 100 each. The demand is sensitive to selling price and it has been observed that for every reduction of ₹ 10 in Selling Price, the demand is doubled. If the Profit Margin on Sale is 25%, the Target Cost at full capacity would be

A. ₹ 60 B. ₹ 80
C. ₹ 100 D. None of these

(iii) Ramdev Manufacturing Co. produces the following Products, using 5,000 tons of Coal at a cost of ₹ 15 per ton into a common process :
Coke - 3,500 Tons, Tar - 1,200 Tons, Sulphate of Ammonia - 52 Tons and Benzol - 48 Tons. 200 Tons of material is lost in Process as waste and air evaporation. Labour and Overheads for the process are ₹ 15,000 and ₹ 6,000 respectively. The Joint-Cost apportioned in the above ratio for Coke will be

A. ₹ 50,000 B. ₹ 70,000
C. ₹ 80,000 D. ₹ 90,000

Please Turn Over