

TRIBHUVAN UNIVERSITY

2082 (Regular)

B.B.S. **4 Yrs. Prog.** / II Year / MGMT

Macroeconomics for Business

(MGT 209)

Full Marks: 100

Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Group "A"

Brief Answer Questions

Attempt ALL questions.

[10×2=20]

1. What is dynamic analysis in macroeconomics?
(समष्टिगत अर्थशास्त्र गतिशील विश्लेषण भनेको के हो ?)
2. Prepare a list of types of unemployment.
(वेरोजगारीका प्रकारहरूको सूची बनाउनुहोस्।)
3. What are the components of money market equilibrium under classical theory of employment?
(रोजगारको शास्त्रिय सिद्धान्त अन्तर्गत मौद्रिक बजार सन्तुलनका तत्वहरू के के हुन् ?)
4. Derive government expenditure multiplier.
(सरकारी खर्च गुणकको व्युत्पत्ति गर्नुहोस्।)
5. Write any four determinants of investment function.
(लगानी फलनका कुनै चारवटा निर्धारक तत्वहरू लेख्नुहोस्।)
6. Differentiate between money flow and real flow.
(मौद्रिक प्रवाह र वास्तविक प्रवाह बीचको भिन्नता छुट्याउनुहोस्।)
7. State the scope of macroeconomics.
(समष्टिगत अर्थशास्त्रको क्षेत्र उल्लेख गर्नुहोस्।)
8. Write any two implications of Say's law of market.
(से' को बजार सम्बन्धी नियमका कुनै दुईवटा निष्कर्षहरू लेख्नुहोस्।)

9. Double counting may occur under final product method. Why?
(अन्तिम उत्पादन विधीमा दोहोरो गणना हुन सक्दछ, किन ?)
10. What are the determinants of effective demand?
(प्रभावकारी मागका निर्धारक तत्वहरू के के हुन् ?)

Group "B"

Short Answer Questions (Any Five)

[5×10=50]

11. Derive the LM curve.
(LM वक्ररेखाको व्युत्पत्ति गर्नुहोस्।)
12. Describe the structure of financial market of Nepal.
(नेपालको वित्तिय बजार संरचनाको वर्णन गर्नुहोस्।)
13. Explain the current trends of global economy.
(विश्वव्यापी अर्थव्यवस्थाको वर्तमान प्रवृत्तिको व्याख्या गर्नुहोस्।)
14. What is trade cycle? Describe its characteristics.
(व्यापार चक्र भनेको के हो ? यसका विशेषताहरूको वर्णन गर्नुहोस्।)
15. Let, $C = 400 + 0.7(Y-T)$, $T = 120 + 0.2Y$, $I = 500$, $G = 400$,
 $X = 100$, $M = 5 + 0.1Y$. [4+4+2]
 - i. Determine equilibrium output and trade balance.
 - ii. What will be the effect on equilibrium output and trade balance when government expenditure decreases by Rs. 100 billions and tax rate increases by 5% ?
 - iii. Compute government expenditure and foreign trade multipliers.
16. Suppose, saving functions, $S = -200 + 0.3Y$, investment function,
 $I = 100 + 0.1Y$. [3+4+3]
 - i. Determine equilibrium output, saving and investment.
 - ii. What will be the effect on equilibrium output, saving and investment when (a) planned saving increases by Rs. 40 billions and (b) MPS increases to 0.4?
 - iii. Do these conditions reflect paradox of thrift? Give reasons.

Group "C"

Analytical Answer Questions (Any Two) : [2×15=30]

17. Explain the determinants of financial inclusion. What is the current status of financial inclusion in Nepal? Discuss.

(वित्तीय समावेशिताका निर्धारक तत्वहरूको व्याख्या गर्नुहोस् । नेपालमा वित्तीय समावेशिताको वर्तमान अवस्था कस्तो छ ? विश्लेषण गर्नुहोस् ।)

[8+7]

18. What is fiscal policy? Explain its types and objectives.

(वित्तीय नीति भनेको के हो ? यसका प्रकार र उद्देश्यहरूको व्याख्या गर्नुहोस् ।)

[2+(6+7)]

19. Consider the following data :

Description	Rs. in billions
Dividends	459
Business interest payments	946
Addition to stocks	-3
Personal taxes	413
Personal consumption expenditure	11943
Govt. and business transfers	2000
Net indirect taxes	739
Net fixed capital formation	1671
Depreciation	708
Current transfers from rest of the world	1182
Corporate profits	2059
Exports	1048
Rental income	682
Government consumption	757
Wages and salaries	8000
Imports	1540
Interest	264
Employer's contribution to social security	1186
Social insurance payments	1000

a) Compute GDP MP by both expenditure and income methods.

b) Compute personal income.

c) Differentiate nominal GDP and real GDP.

□ [(4+4)+4+3]

TRIBHUVAN UNIVERSITY

2082 (Regular)

B.B.S. **4 Yrs. Prog.** / II Year / MGMT
Business Communication
(MGT 205)

Full Marks: 100.
Time: 3 hrs

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Attempt ALL the questions.

Group 'A'

1. Rewrite the following paragraph, supplying the appropriate words or phrases, to complete a brief summary of August Strindberg's one act play "The Stronger." 5
Dressed in winter clothes, MME. X enters a ladies café carrying a Japanese basket on her arm. She meets MLLE. Y, her husband's ex-girlfriend, over there. MME. X greets her and then makes her because she is alone there on Christmas Eve. To make Miss Y, MME. X shows gifts she has bought for her family. She reveals that MLLE. Y, whose name is Amelie, was her erstwhile friend. She made her husband, Bob, to be friendly with Amelie. Later, they fell in love. When MME. X came to learn about this, their friendship broke. When MLLE. Y and Bob were in love, Miss Y used to offer him tulips. In fact, MME. X tulips but to please Bob she has bought a pair of tulip embroidered slippers on Christmas Eve for him. MME. X says that Miss Y had destroyed her life. Due to MLLE. Y, she has to like everything MLLE. Y likes only to her husband. She has to change herself a lot to be similar to MLLE. Y. MME. X expresses that Miss Y has eaten her like a worm from within. However, she says that Bob doesn't love Amelie anymore. She invites her to come home to see their love. At last, she says that she has everything but MLLE. Y has nothing. She can't keep a man's love with tulips and thanks her for her husband to love and leaves the cafe saying that she is going home to love her husband.
2. Siddhicharan Shrestha inspires people to move ahead with the promising Nepal in his poem "New Nepal"? Do you agree with his optimistic vision? 5

3. Alfred North Whitehead, in "Religion and Science," explains how science and religion are related. To what extent do you agree with his views? 5
4. Virginia Woolf, in her essay "Professions for Women," describes two hazards all women who aspire to professional life must overcome: their tendency to sacrifice their own interests to those of others and their reluctance to challenge conservative male attitudes. Do you agree with Woolf's argument? How do you think men feel today about women entering what used to be primarily male professions? Does your observation or experience contradict what Woolf says about men's attitudes? 10

OR

- Point out the skills of an excellent sales representative with reference to Phineas T. Barnum's famous lecture "Advertise Your Business." Also examine how some of these skills have been employed in any interesting advertisement you have watched, read or seen.
5. What practices would Brigid Brophy like to see outlawed in England in "The Rights of Animals"? Why? What would you like to see outlawed in Nepal? Answer with reasons. 10

OR

- Why does Phil's wife maneuver the non-verbal cues not to let her true feelings about her late husband show on her face as the company president appreciates Phil's workaholicism? Drawing from the text as well as your own experience, also shed light on the importance of non-verbal cues in business dealings.
6. Modeling on R. Scholes, N.R. Comley and G.L. Ulmer's "Light My Lucky," a commentary on an advertisement of the 'Lucky Strike' cigarette, write a commentary on any popular advertisement highlighting what makes the ad click with the target consumers. 15

Group 'B'

7. Define the following business communication terminologies or phrases. 5
 - a. Context
 - b. Stereotyping
 - c. Downward flow of communication
 - d. Visual ads
 - e. Press releases

P.T.O.

8. Rewrite the following sentences choosing the best alternative. 5

- a.is not related to collaborative communication technique.
i. Offering constructive feedback ii. Sharing responsibility
iii. Handling conflicts prudently.
iv. Avoiding open communication
- b.covers channels like email, telephone call, online chat, social media post, website, blog, webinar, video conferencing, radio/TV report etc.
i. Verbal communication ii. Non-verbal communication
iii Electronic communication iv. Oral communication
- c.is the one you submit to others without their request for proposal.
i. A solicited proposal ii. An informal proposal
ii. An unsolicited proposal iv. An internal proposal
- d. We prefer email because.....
i. we can make lengthy communication
ii. we are already living in digital era
iii. it increases the quicker access and it reaches to a large number of readers at once
iv. it is safer.
- e. is a brief, non -technical statement of the plan at the beginning of a business plan.
i. An executive summary ii. A miniplan
iii. A business plan iv. A report

9. What are the advantages of having excellent interpersonal communication skills? 6

10. Assume that you work for the human resource department of a large company, which is trying to cut down its paper use. Write an email to the employees encouraging them to submit their ideas for reducing paper use. Also assure them that they will be rewarded with cash prizes for their ideas. 8

11. Suppose you are giving an oral presentation on the topic "Digital Marketing." Prepare an outline for your presentation, including your claim, at least three broader categories and their sub categories to support your argument. 8

Group 'C'

12. Read the given case and answer the following questions [2×9=18]

The section head of customer relations office at Saipal Company has decided to send inspirational quotes to his employees repeatedly throughout the day to keep them motivated. He was inspired by a workshop he had attended earlier on the same theme. To maintain good customer relations, the employees are expected to promptly respond to customers' queries and address their complaints through emails, phones, and social media feeds. This could be very stressful, given that currently the number of complaints has exponentially increased due to the recent unrest in the country. Though Tilak has a great record in meeting deadlines, he has also been greatly affected by this situation because he is not able to keep up with an unprecedented increase in inquiries and complaints made by the customers. The inbox is constantly full, the phone keeps ringing and social media notifications keep on popping. Tilak and his colleagues, after consulting the section head, have decided to follow a more organized and strategic approach in finishing their work. Each hour, they will respond to the 5 earliest emails, 5 phone calls and 10 social media feeds. The employees are hugely relieved by this decision because they usually receive only customers' emails in their inboxes and no filtration is required. However, the manager's new approach to motivate the employees has led them to be more stressed than relieved. They start receiving so many inspirational emails from him throughout the day that they have to sift through their inbox to find customers emails; this affects their working pace. Added to that, the company fails to pay its internet bills as frequently leading to slow connection with nonstop customers' complaints for delayed responses. Tilak can't bear with this anymore and explodes at the weekly staff meeting threatening to resign unless the situation is alleviated.

Answer the following questions:

- a) What led to communication failure in this case? Who is primarily responsible for it? Explain in details.
- b) If you were the section head, how would you achieve your goal of motivating employees without disrupting their routine works? Discuss

TRIBHUVAN UNIVERSITY

2082 (Regular)

B.B.S. **4 Yrs. Prog.** / II Year / MGMT

Organizational Behavior and HRM

(MGT 223)

Full Marks: 100

Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Group "A"

Brief Answer Questions

[10×2=20]

Attempt ALL questions.

1. Define Organizational Behaviour.
(संगठनात्मक व्यवहारलाई परीभाषित गर्नुहोस् ।)
2. Define the term "attribution errors" in OB.
(संगठनात्मक व्यवहारमा "आरोपण त्रुटि" भन्नाले के जनाउँछ ?)
3. State any four determinants of personality.
(व्यक्तित्वका चार निर्धारकहरू लेख्नुहोस् ।)
4. What is Human Resource Planning?
(मानव संसाधन योजना भन्नाले के बुझिन्छ ।)
5. What do you mean by job specification?
(कार्य विशिष्टीकरण भन्नाले के जनाउँछ ?)
6. Point out any four benefits of training.
(तालिमका चार फाइदाहरू लेख्नुहोस् ।)
7. What do you mean by performance appraisal?
(कार्य सम्पादन मूल्यांकन भन्नाले के बुझिन्छ ।)
8. Mention any four uses of technology in HRM functions.
(मानव संसाधन व्यवस्थापनका कार्यहरूमा प्रविधिको चार प्रयोगहरू उल्लेख गर्नुहोस् ।)
9. State the factor that create competitive advantages.
(प्रतिस्पर्धात्मक फाइदा सृजना गर्ने तत्वहरू उल्लेख गर्नुहोस् ।)
10. Define group dynamics.
(सतिशीलतालाई परीभाषित गर्नुहोस् ।)

P.T.O.

Group "B"

Descriptive Answer Questions
Attempt any FIVE questions.

[5×10=50]

11. What are the major contributing disciplines to the field of organizational behaviour? Explain.
(संगठनात्मक व्यवहारको क्षेत्रमा प्रमुख योगदान गर्ने विषयहरू के-के हुन् ? व्याख्या गर्नुहोस् ।)
12. Explain the factors affecting perception in short.
(धारणालाई प्रभावित गर्ने मुख्य कारकहरू छोटकरीमा व्याख्या गर्नुहोस् ।)
13. Explain the major effects of job satisfaction on employees' performance.
(कार्य सन्तुष्टिले कर्मचारीको कार्यक्षमतामा पार्ने मुख्य प्रभावहरू व्याख्या गर्नुहोस् ।)
14. Describe the major issues in managing work teams.
(कार्य टोली व्यवस्थापन गर्दा देखा पर्ने मुख्य समस्याहरू वर्णन गर्नुहोस् ।)
15. Explain the concept and techniques of management development.
(व्यवस्थापन विकासको अवधारणा र तरिकाहरू व्याख्या गर्नुहोस् ।)
16. Briefly explain the performance appraisal practices in Nepalese organizations.
(नेपाली संगठनहरूमा प्रयोग हुने कार्य सम्पादन मूल्यांकनका अभ्यासहरू छोटकरीमा व्याख्या गर्नुहोस् ।)

Group "C"

Analytical Answer Questions
Attempt any TWO questions.

[2×15=30]

17. Examine how individual mental processes such as beliefs, attitudes, values, needs, and motives influence behaviour in organizations.
(विश्वास, दृष्टिकोण, मूल्य, आवश्यकता र प्रेरणाजस्ता व्यक्तिगत मानसिक प्रक्रियाहरूले संगठनभित्रको व्यवहारलाई कसरी प्रभावित गर्छन्, विश्लेषण गर्नुहोस्।)
18. Analyze the major internal and external forces that drive organizational change and explain how they influence managerial decisions.
(संगठनात्मक परिवर्तनका प्रमुख आन्तरिक र बाह्य शक्तिहरूको विश्लेषण गर्नुहोस् र ती शक्तिहरूले व्यवस्थापकीय निर्णयहरूलाई कसरी प्रभाव पार्छन्, व्याख्या गर्नुहोस् ।)
19. Critically examine the major causes of organizational stress and assess the effectiveness of managerial strategies adopted to manage it.
(संगठनात्मक तनावका प्रमुख कारणहरूको आलोचनात्मक विश्लेषण गर्नुहोस् र त्यसलाई नियन्त्रण गर्न अपनाइएका व्यवस्थापकीय रणनीतिहरूको प्रभावकारिता मूल्याङ्कन गर्नुहोस् ।)

TRIBHUVAN UNIVERSITY

2082 (Regular)

B.B.S. 4 Yrs. Prog. / II Year / MGMT
 Fundamentals of Financial Management
 (MGT-215)

Full Marks: 100
 Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Group "A"

Brief Answer Questions

[10×2=20]

Attempt ALL questions.

1. What is meant by wealth maximization goal of a firm?
2. What are the major limitations of ratio analysis?
3. How do you calculate value of a zero coupon bond?
4. A stock has required rate of return 12 percent, a beta of 1.5 and the expected return on the market is 10 percent. What must the risk-free rate be?
5. What is the present value of Rs 100,000 due in year 6, discounted at 12 percent?
6. How do you compute profitability index and take investment decision based on profitability index?
7. A company's fixed operating costs are Rs. 800,000, its variable costs are Rs. 30 per unit, and the product's sales price is Rs. 70. What is the company's operating break-even point?
8. Write the meaning of capital structure.
9. How do you determine EOQ using equation? Illustrate.
10. Current market price per share of Sahara Company is Rs. 300. If company declares 20 percent stock dividend, calculate adjusted market price per share after stock dividend.

Group "B"

Descriptive Answer Questions

[5×10=50]

Attempt only FIVE questions.

11. Describe the concept and functions of financial management.

12. Himalaya Tea Company has provided you the following financial statements along with the relevant industry average ratios.

Balance Sheet as on December 31, 2024

Accounts payable	Rs 80,000	Cash	Rs. 50,000
Notes payable	60,000	Marketable securities	40,000
Other current liabilities	40,000	Account receivables	100,000
		Inventories	200,000
Long term debt	100,000	Fixed assets	350,000
Common stock	200,000	Accumulated depreciation	(90,000)
Retained earnings	170,000		
Total liabilities and equities	Rs 650,000	Total assets	Rs. 650,000

Income statement for the year ended December 31, 2024

Sales revenue	Rs 1,500,000
Less: Cost of goods sold	<u>1,050,000</u>
Gross profit	Rs 450,000
Less: Operating expenses	<u>182,000</u>
Earnings before interest & taxes	Rs 268,000
Less: Interest expenses	<u>18,000</u>
Earnings before taxes	Rs 250,000
Less: Tax at 40%	<u>100,000</u>
Net Income after taxes	Rs 150,000

Industry average

Current ratio	= 2 times	Quick ratio	= 1time
Total assets turnover	= 3 times	Profit margin	= 3%
Times interest earned ratio	= 7 times	Return on assets	= 9%
Return on equity	= 12.9%		

- a. Calculate the liquidity, turnover and profitability ratios for the Himalaya Tea Company as indicated above.

P.T.O.

b. Access the strengths and weaknesses of financial position of the company based on above ratios. [7+3]

13. The management of Kantipur Hotel Pvt. Ltd. decided to buy an equipment taking a loan of Rs. 300,000 for 3 years from Kumari Bank. The loan bears an annual interest of 10 percent and calls for equal annual instalment payments at the end of each of the 3 years.

- Calculate amount of annual payment.
- Prepare loan amortization schedule. [4 +6]

14. You are given risk return characteristics of Stock A and Stock B in following table:

	Stock A	Stock B
Return	16%	12%
Standard deviation	10%	6%
Covariance between R_A and R_B	-60	

- Which stock is more profitable?
- Which stock is more risky?
- If you form a portfolio of stock A and B comprising 60 percent wealth in stock A and the rest in stock B, calculate the risk and return on your portfolio.
- Which investment would you prefer? Stock A or Stock B or the portfolio? Why? [2+2+4+2]

15. Mahakali Agro Company was recently formed to manufacture a new product. The company has the following capital structure

9% Debentures	Rs. 6 million
10% Preferred Stock	2 million
Common Stock	8 million

The common stock sells for Rs 300 a share, and the company's expected dividend is Rs 15. Dividend is expected to grow at 8 percent per year forever. The company has a marginal tax rate of 40 percent. Calculate the firm's cost of debt after tax, list of preferred stock cost of common equity and weighted average cost of capital. [2+2+3+3]

16. Write notes on any TWO: [5+5]
 a. Du Pont equation b. CAPM c. Residual dividend policy

Group "C"

Analytical Answer Questions

[2×15=30]

Attempt any TWO questions.

17. Explain the concept and types of working capital. Also discuss about the determinants of size of working capital of a firm.

18. Mountain Energy Company is well known company in energy sector. It produces various equipment used by Hydropower Company. Mountain Energy has issued bonds and common stocks to raise capital. You are given key information related to the bonds and common stocks for valuation purpose.

Bonds: Par value Rs. 1,000, coupon rate 8.5 percent, Total maturity 15 years which was sold 5 years ago.

Stocks: Par value Rs. 100, Current dividend Rs 20 per share, dividend is expected to grow at 10 percent per year for next three years and there after growth rate will be 5 percent per year for ever.

- If investor's required rate of return from bonds is 10 percent, what should be the value of bonds at present?
- Describe the relationship between required rate of return and value of bonds.
- If your required rate from stock is 15 percent, compute value of the stock. [5+3+7]

19. Nepal Mine Company (NMC) is planning to purchase Hydraulic Truck to collect the mines raw material. Truck with compacting system costs Rs. 6,000,000. The company estimates that it will generate the annual net cash flows of Rs. 2,500,000 each year for the first and second year, Rs. 1,500,000 for third year and Rs. 2,000,000 each year for fourth and fifth year. Required rate of return of the company is 10 percent.

- What is the payback period of the project? Should NMC purchase the Truck if its maximum cost recovery period is 3 years?
- What is the NPV of the project? Should NMC purchase the Truck?
- What is the IRR of the project? Should NMC purchase the Truck?
- Which method NPV or IRR is superior? Why? [3+5+5+2]

□

Tribhuvan University

2082 (/Regular)

B.B.S. 4 Yrs. Prog. / II Year / MGMT
Cost & Management Accounting
(MGT. 212)

Full Marks: 100
 Time: 3 hrs.

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Group A

Brief Answer Questions

[10×2=20]

Attempt ALL questions

1. State any two importance of cost accounting.
2. Define direct cost with suitable examples?
3. Write any two motives of holding inventory.
4. Write any two causes of labour turnover.
5. What do you mean by service costing?
6. Following information is given :

Annual requirement	3600 units @ Rs. 20 each
Carrying cost	10 % of inventory value
Cost of placing an order	Rs.400

Required: Number of order of EOQ.
7. Difference in total cost is Rs. 100,000 between 40,000 units and 20,000 units. The total fixed cost is Rs. 200,000.
Required : Total cost for 30,000 units.
8. The following data are given to you:

Standard output	= 1,000 units
Actual output	= 1,200 units
Normal price rate	= Rs. 20

Required: Total wages under Taylor's differential piece rate system.

(1)

9. Following information are supplied to you :

Consumption per day	800 - 1200 units
Re-order period	3 - 5 days
Maximum stock level	6000 units

Required: Re-order quantity.

10. Following particular are provided :

- | | |
|---|------------|
| • Cost of selection | Rs. 25,000 |
| • Training cost | Rs. 20,000 |
| • Cost of welfare services | Rs. 22,000 |
| • Pension scheme | Rs. 15,000 |
| • Loss due to inefficiency of new workers | Rs. 20,000 |
| • Average no. of workers | 1000 |
| • No. of workers replaced | 200 |

Required: Preventive cost per employee.

Group B

Short Answer Questions

(Attempt any Five)

(5×10=50)

11. (a) What is job order costing? Explain the importance of job order costing. [2+3]
- (b) Following are the particulars of an industry manufacturing two products X and Y :

Product	Output in units	Machine hour per unit	No. of set ups	No. of Orders
X	2,000	4	40	20
Y	4,000	3	60	30

The overhead cost and cost drivers are as follows:

Activities	Cost drivers	Overheads
Volume related cost	Machine hours	Rs. 200,000
Set ups cost	No. of set ups	Rs. 200,000
Purchase related cost	No. of orders	Rs. 100,000

(2)

Required: Cost per unit under Activity Based Costing method.

[5]

12. (a) Explain the characteristics of joint product and by-product. [5]

(b) The following information are given:

Materials	Standard		Actual	
	Quantity	Price (RS.)	Quantity	Price (RS.)
A	60%	Rs.8 per kg	50 kg	Rs.9 per kg
B	40%	Rs.5 per kg	250 kg	Rs.8 per kg

Standard loss is 10% and actual output is 280 kg.

Required: Material variances .

[5]

13. A manufacturing company with normal capacity of 30,000 units provides the following particulars:

Productions units	25,000
Sales units	26,000
Closing stock units	4,000
Direct material per unit	Rs. 6
Direct labour per unit	Rs. 4
Variable manufacturing cost per unit	Rs. 5
Variable selling expenses per unit	Rs. 2
Selling price per unit	Rs. 30
Fixed manufacturing OH per unit	Rs. 5
Fixed administrative and selling expenses	Rs. 72,000

Required :

a. Income statement under absorption costing system.

b. Reconciled profit under variable costing system. [7+3]

14. The sales revenue and total cost of a manufacturing company for two years were as follows:

Year	Sales revenues	Total Cost
I	Rs. 450,000	Rs. 400,000
II	Rs. 700,000	Rs. 600,000

Required:

(3)

a. Profit volume ratio

b. Fixed cost

c. Break-even point in Rs.

d. Break-even point in units if selling price per unit is Rs. 10

e. Sales to earn desired profit after tax of Rs. 75,000 if tax rate is 25%

f. Profit when sales are Rs. 80,000

g. Margin of safety if profit is Rs. 125,000 [1+1+2+1+2+1+2]

15. "Budget is an important tool for the development of organizations." Explain. [10]

16. Define management accounting. Explain the importance of management accounting in the modern business world. [10]

Group C

Long Answer Questions

(Attempt any TWO)

(2×15=30)

17. The following is a summary of the entries in a contract ledger as on 31st Chaitra 2081.

Material purchased	Rs. 70,000
Material from store	Rs. 200,000
Direct labour	Rs. 100,000
Site office expenses	Rs. 30,000
Other expenses	Rs. 10,000
Plant installed	Rs. 200,000
Sub -contract cost	Rs. 10,000

The additional information are as follows:

i. 5% of the value of work certified still remained to be certified.

ii. Material returned to store Rs. 8,000.

(4)

P.T.O.

- iii. Material costing Rs. 15,000 sold at a profit of Rs. 1,000.
- iv. Depreciation on plant @ 15 % p.a.
- v. Material at site Rs. 10,000
- vi. Cash received from contractor Rs. 540,000 being 90% of work certified.
- vii. Contract price Rs. 900,000.

Required :

- a. Contract account
- b. Contractee's account
- c. Work in progress account
- d. Balance sheet

[7+2+2+4]

18. The following details are given to you:

Particulars	Process A	Process B	Process C
Raw material used 1,000 kg	Rs. 60,000	—	—
Indirect material	Rs. 52,000	Rs. 39,600	Rs. 59,240
Labour cost	Rs. 40,000	Rs. 60,000	Rs. 80,000
Production overhead			
100% of labour	—	—	—
Actual output kg	950	840	750
Normal loss	5%	10%	15%
Safe of scrap per kg	Rs. 40	Rs. 80	Rs. 100

Required :

- a. Process accounts
- b. Normal loss account
- c. Abnormal gain account
- d. Abnormal loss account

[4+5+4+2]

19. "Cost reduction is the accomplishment of a permanent and real reduction in per unit cost of goods without compromising the value it is intended to deliver." Comment. And also differentiate between cost reduction and cost control.

(5)