

UNIT - II

4. Explain the concept of marginal costing? What are the applications of marginal costing?
5. In a factory there are two service departments S1 and S2 and three production departments P1, P2 and P3. In April 2014 the departmental expenses were:

P1	P2	P3	S1	S2
(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
6,50,000	6,00,000	5,00,000	1,20,000	1,00,000

The service department expenses are allocated on a percentage basis as follows:

	P1	P2	P3	S1	S2
S1	30%	40%	15%	--	15%
S2	40%	30%	25%	5%	--

Prepare statements showing secondary distribution.

UNIT-III

6. What is Budgetary Control? Explain the objectives and steps involved in budgetary control.
7. The standard cost of a certain chemical mixture is:

35% Material A at Rs 25 per Kg

65% Material B at Rs 36 per Kg

A standard loss of 5% is expected in production. During a period the material used was :

125 Kg of Material A at Rs 27 per Kg

275 Kg of Material B at Rs 34 per Kg

The actual output was 365 Kg.

Calculate

- a. Material Cost Variance
- b. Material Yield Variance

UNIT - IV

8. What is cash flow analysis? Explain the advantages and limitations of cash flow analysis.
9. Enumerate and explain which financial ratios will be of interest to the potential investors in a company.