

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION MO/2022)**

**CLASS: MBA
BRANCH: MBA**

**SEMESTER: III
SESSION: MO/22**

TIME: 03 Hours

SUBJECT: MT561 FINANCIAL PLANNING AND CONTROL

FULL MARKS: 50

INSTRUCTIONS:

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
 2. Attempt all questions.
 3. The missing data, if any, may be assumed suitably.
 4. Tables/Data handbook/Graph paper etc., if applicable, will be supplied to the candidates
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- Q.1(a) Discuss the process of Financial Planning and its limitations. (CO-1, BT-2) [5]
- Q.1(b) Identify the need of lean accounting and its advantage. (CO-1, BT-2) [5]
- Q.2(a) Suggest the factors in which any budgeting system describe the necessity of coordination between sales and production budget. (CO-2, BT-3) [5]
- Q.2(b) The expenses budgeted for the production of 10,000 units in a factory are furnished below: [5]
- Material 70/-
Labour 25/-
Variable Overheads 20/-
Administration Expenses 50,000
Fixed Overheads 1,00,000
Variable expenses direct 5/-
Selling Expenses (10% fixed)
Distribution Expenses (20% fixed) 7/-
Prepare a budget for the production of 8,000 units and 6,000 units assume administration expenses are fixed for all levels of production. (CO-2,BT-6)
- Q.3(a) Working Capital Management is the art of balancing liquidity and profitability, investment and financing. Comment. (CO-3, BT-4) [5]
- Q.3(b) Explore what are benefits and costs are associated with the extension of credit? How should they be combined to obtain an appropriate credit policy. (CO-3, BT-4) [5]
- Q.4(a) A manufacturer has planned his level of operation at 50% of his plant capacity of 30,000 units. His expenses are estimated as follows, if 50% of the plant capacity is utilized: [5]
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|---|------------|
| Direct materials | Rs. 8,280 |
| Direct wages | Rs. 11,160 |
| Variable and other manufacturing expenses | Rs. 3,960 |
| Total fixed expenses irrespective of capacity utilization | Rs. 6,000 |
- The expected selling price in the domestic market is Rs.2 per unit. There is an offer by an organization to purchase 6,000 units at a price of Rs.1.45 per unit. What would you suggest regarding accepting or rejecting the offer? Support your answer with Quantitative information. (CO-4, BT-4)
- Q.4(b) Demonstrate the various steps involved in decision making of 'Make or Buy decision' (CO-4, BT-3) [5]
- Q.5(a) Now a days nonfinancial performance indicators has equal importance as financial performance indicators. Justify the statement (CO-5, BT-5) [5]
- Q.5(b) Discuss the major perspective of a Balance Score Card. (CO-5, BT-2) [5]

:::28/11/2022:::E