

BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)

CLASS: MBA
BRANCH: MBA

SEMESTER : IV
SESSION : SP/2024

SUBJECT: MT561R1 FINANCIAL PLANNING & CONTROL

TIME: 3 Hours

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. Before attempting the question paper, be sure that you have got the correct question paper.
 5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.
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		CO	BL
Q.1(a)	Explain the concept of financial planning and its importance in modern business environments.	[5] 1	1,2
Q.1(b)	Discuss the need for effective financial control systems and highlight the requisites for designing such systems.	[5] 1	1,2
Q.2(a)	Define budgetary control and discuss its significance in organizational performance management.	[5] 1,2	1,2,3
Q.2(b)	Explain the difference between fixed and flexible budgets. Provide examples of situations where each type of budget would be most appropriate.	[5] 1,2	2,3
Q.3(a)	Discuss the strategies for planning and controlling current assets in order to optimize the working capital of a company.	[5] 2,3	3
Q.3(b)	ABC Ltd. has a cash balance of Rs50,000 at the beginning of the month. The company's cash receipts for the month are Rs150,000, and its cash disbursements are Rs120,000. Calculate the ending cash balance for the month.	[5] 2,3	3,4
Q.4(a)	Explain the concept of special costs in management decision making and provide examples of such costs	[5] 3,4	3,4
Q.4(b)	A company is considering whether to continue producing a product or to shut down its plant. The fixed costs associated with the product are Rs 20,000 per month, and the variable costs are Rs10 per unit. If the selling price per unit is Rs15 and the company expects to sell 2,000 units per month, determine whether the company should continue production or shut down the plant.	[5] 3,4	3,4
Q.5(a)	Discuss the techniques of earnings management, focusing specifically on the 'Big Bath' and 'Cookie Jar Reserves' methods. Provide examples to illustrate each technique.	[5] 4,5	3,4,5
Q.5(b)	Define earnings management and outline its purpose and advantages for businesses.	[5] 4,5	4,5

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