

**FACULTY OF MANAGEMENT****M.B.A. III-Semester Examination, May / June 2016****Subject: Strategic Management Accounting****Course No : 3.4.2 : Elective – II (Finance)****Time : 3 Hours****Max. Marks: 80****Note: Answer ALL the questions.****Part – A (10x2=20 Marks)**  
**(Short Answer Type)**

- 1 Write short notes on the following.
- Management control system
  - Decision making process
  - Budget and Budgetary control
  - Objectives of standard costing
  - Investment centre
  - Performance reports
  - Distinguish between product and services
  - Activity cost drivers
  - Sources for competitor information
  - Target costing

**Part – B (5x12=60 Marks)**  
**(Essay Answer Type)**

- 2 (a) Distinguish between Financial Accounting and Management Accounting system.

**OR**

- (b) From the following details, you are required to calculate :
- P/V ratio, B/E sales and M/S sales of each company
  - State value of sales to earn a profit of Rs.30,000
  - State which company is likely to earn greater Profits in the conditions of :
    - Heavy demand for the product
    - Low demand for the product

Details/Particulars	P Ltd.	Q Ltd.
Sales	3,00,000	3,00,000
Less: VC	2,00,000	2,25,000
FC	<u>50,000</u>	<u>25,000</u>
Profit	<u>50,000</u>	<u>50,000</u>

- 3 (a) Discuss the applicability and relative merits of Management Control And Operational Control System.

**OR****..2**

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(b) Calculate the labour variances from the following data:

Standard wages;

Grade – X 90 workers at Rs. 2 per hour

Grade – Y 60 workers at Rs. 3 per hour

Actual wages:

Grade – X 80 workers at Rs. 2.50 per hour

Grade – Y 70 workers at Rs. 2.00 per hour

Budgeted hours 10000 ; Actual hours 900

Budgeted gross production – 5000 units

Standard loss – 20% ; Actual loss 900 units

- 4 (a) Define Responsibility Accounting and state resources for establishment of Responsibility centres in an organization.

**OR**

- (b) A company has 10 cars in operation. The budget for the transport department based on 25000 km of run for a month is Rs.87500, out of which a sum of Rs.25000 is fixed.

During the last month, the total kilometers by all the 10 cars were 22400 and the costs incurred were Rs.83,150. The cost of hiring a car would have been Rs.4 per km.

Evaluate the performance of the transport department on the basis of (i) cost centre (ii) profit centre.

- 5 (a) Define ABC approach of costing and describe the features of ABC system.

**OR**

- (b) Explain the significance and applicability of CAP analysis.

- 6 (a) Describe the assessment of cost and prices in various stages of PLC.

**OR**

- (b) Discuss the concept and importance of competitor accounting.

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**FACULTY OF MANAGEMENT****M.B.A. III-Semester Examination, May / June 2016****Subject: International Finance****Course No : 3.4.3 (Finance)****(Elective – Finance)****Time : 3 Hours****Max. Marks: 80****Note: Answer ALL the questions.****Part – A (10x2=20 Marks)****(Short Answer Type)**

- 1 Write short notes on the following.
  - (a) International Financial System
  - (b) Objectives of IMF
  - (c) Tax deferral
  - (d) Foreign Exchange Quotations
  - (e) Forward contract
  - (f) Components in BOP statement
  - (g) Euro currency market
  - (h) Translation Exposure
  - (i) OLI theory
  - (j) Tobin tax

**Part – B (5x12=60 Marks)****(Essay Answer Type)**

- 2 (a) Explain the features and significance of Bretton Woods Agreement.  
**OR**  
(b) Describe the salient features of various international financial instruments.
- 3 (a) Discuss the participants in the Foreign exchange markets in India.  
**OR**  
(b) Explain PPP and IRP theories.
- 4 (a) Describe the process of calculating APV.  
**OR**  
(b) The current spot rate is Rs.67.40 \$. The spot rate at the end of a 6 month investment horizon is Rs. 68/\$. An investor from USA buys stocks in Indian stock market for Rs.10000. At the end of 6 months he sells his investment for Rs.12,000. Calculate the return on his overseas portfolio.
- 5 (a) Discuss the features of different contractual hedges.  
**OR**  
(b) What is Translation exposure? What are the features of Accounting Standard for translation exposure in India?
- 6 (a) Describe the types of taxes imposed on different incomes and gains.  
**OR**  
(b) What is transfer pricing? Explain any two methods for finding arms length price.

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