PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 12 – 12- 2025   **Time:** 09:30am – 12:30pm

School: SOC	**Program**: B.COM CMA
Course Code: CBS1035	**Course Name:** Financial Planning and Performance
Semester: I	**Max Marks**:100 **Weightage**:50%

CO - Levels	CO1	CO2	CO3	CO4	CO5	CO6
Marks	20	20	15	15	15	15

Instructions:

   (i) Read all questions carefully and answer accordingly.

   (ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2 marks.   **10Q x 2M=20M**

1.	Outline the purpose of vision statement.	2 Marks	L1	CO1
2.	Outline the basic features of products that are identified as star in the BCG Growth-Share Matrix.	2 Marks	L2	CO1
3.	Describe the concept of flexible budgets.	2 Marks	L1	CO2
4.	Identify various factors considered in establishing standards.	2 Marks	L2	CO2
5.	Explain how ignoring learning curve effect will affect labour budgets and utilization.	2 Marks	L1	CO3
6.	Show the formula for trend in multiplicative model.	2 Marks	L2	CO3
7.	Compare between profit and investment centers.	2 Marks	L2	CO4
8.	Outline the concept of idle time.	2 Marks	L2	CO4
9.	List down two benefits of product profitability analysis.	2 Marks	L1	CO5
10.	Show the formula for calculating return on investment.	2 Marks	L1	CO6

Part B

Answer ALL the Questions. Each question carries 7 Marks.   **Total Marks 35M**

11.	Explain the attributes of successful strategic goals.	07 Marks	L2	CO1
12.	Outline the attributes of successful strategic plans.	07 Marks	L2	CO1

13.	Explain the concept of budgetary slack. Identify and explain the two budgeting models that will discourage budgetary slack.	07 Marks	L3	CO2
14.	Carlisle Manufacturing is trying to estimate the level of production for the month of June. Assume that Carlisle wants safety stock in beginning inventory of 30 percent of estimated sales and that estimated sales for June and July are as follows: June: 40,000 units July: 30,000 units Required: Construct the budget for production quantity for June.	07 Marks	L3	CO2

15.	Explain the limitations of regression analysis.	07 Marks	L2	CO3
16.	A company is considering two mutually exclusive products, named A & B. Product A is expected to earn a profit of $2,500. The estimates for Product B are given below: Demand — Probability — Revenues — Variable Costs; Strong — 0.2 — 28000 — 20000; Moderate — 0.5 — 22000 — 17000; Weak — 0.3 — 18000 — 14000. Fixed costs related to the product is $4,000. Assess the situation and determine the decision of a manager based on EV technique. Provide necessary calculations.	07 Marks	L3	CO3

17.	A company expects each product to take 2 kgs at a budgeted material cost of $5 per kg. Actual production was 1200 units for a cost of $12,800 for 2,480 kgs. Solve the material price and quantity variances.	07 Marks	L3	CO4
18.	Compare the sales price and volume variances.	07 Marks	L2	CO4

19.	Illustrate the difference in usage of return on investment and residual income.	07 Marks	L3	CO6
20.	Oxco has two divisions, A and B. Division A makes a component for air conditioning units which it can only sell to Division B. It has no other outlet for sales. Current information relating to Division A is as follows: Marginal cost per unit $100; Transfer price of the component $165; Total production and sales budgeted 2,200 units; Specific fixed costs of Division A $10,000. If Division B accepts Cold Co's offer, determine the impact on profits per year for the group as a whole.	07 Marks	L3	CO5

Part C

Answer any Three Questions. Each question carries 15 marks   **3Q x 15M=45M**

21.	Explain the concept of Porter's Five Forces model.	15 Marks	L2	CO1

22.	The FLO Corp. produces the Flex-o-Matic, a piece of exercise equipment. Corporate Controller Felix is developing a flexible budget. Felix has already developed a master budget but estimates that the relevant range extends 20 percent above and below the master budget. Required: Prepare the three budgets over the relevant range in dollars assuming a selling price of $60 per unit, variable costs of $40 per unit, fixed costs of $100,000, and anticipated output according to the master budget of 5,000 units.	15 Marks	L3	CO2

23.	Outline the following variances related to material: 1) Price variance 2) Quantity variance 3) Mix variance 4) Yield variance	15 Marks	L3	CO4

24.	Apply the balanced scorecard model to a dine out restaurant and identify at least two components each for all the four perspectives of the model.	15 Marks	L3	CO5

25.	Analyze the application and implications of learning effect.	15 Marks	L4	CO3