Roll No											

PRESIDENCY UNIVERSITY
BENGALURU

SCHOOL OF COMMERCE
END TERM EXAMINATION - JUN 2023

Semester : Semester II - 2022
Course Code : MAH2002
Course Name : Sem II - MAH2002 - Financial Analytics and Control
Program : BCH

Date : 23-JUN-2023
Time : 1.00PM - 4.00PM
Max Marks : 100
Weightage : 50%

Instructions:
(i) Read all questions carefully and answer accordingly.
(ii) Question paper consists of 3 parts.
(iii) Scientific and non-programmable calculator are permitted.
(iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS **(10 X 2 = 20M)**

1. What is variable cost and explain its behavior?
(CO4) [Knowledge]

2. What is the role of supply chain management in business process improvement?
(CO4) [Comprehension]

3. What is the difference between actual costs and standard costs in cost accounting?
(CO5) [Comprehension]

4. what is process costing?
(CO5) [Comprehension]

5. What is the significance of the CEO and CFO certification requirement under Section 302 of the Sarbanes-Oxley Act?
(CO1) [Knowledge]

6. What does SOX stand for?
(CO2) [Knowledge]

7. What is a database management system (DBMS)?
(CO4) [Comprehension]

8. Write two Advantages of data governance.
(CO3) [Comprehension]

9. What are two advantages of Activity-Based Costing (ABC) in cost accounting?
(CO4) [Knowledge]

10. What is the difference between fixed costs and variable costs in costing?

(CO3) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS **(4 X 10 = 40M)**

11. Mahindra Manufacturing Company produces three main products: Product X, Product Y, and Product Z. The company incurs joint costs in the production process before the products are split off and further processed separately. The joint costs for a particular production run amount to $200,000. The estimated sales values for Product X, Product Y, and Product Z are $150,000, $60,000, and $50,000, respectively. Using the estimated sales value at split-off method, allocate the joint costs to the three products based on their respective sales values. Calculate the joint cost allocated to each product and the overall profit or loss for each product if the individual processing costs after the split-off point are $35,000 for Product X, $28,000 for Product Y, and $22,000 for Product Z.

(CO4) [Comprehension]

12. Describe the five components of internal controls according to COSO (Committee of Sponsoring Organizations of the Treadway Commission) and explain how they work together to establish an effective internal control system.

(CO4) [Comprehension]

13. Selected information concerning the operations of a company for the year ended December 31 is as follows:-

Units produced	20,000
Units sold	18,000
Direct materials used	$80,000
Direct labor incurred	$40,000
Fixed factory overhead	$50,000
Variable factory overhead	$24,000
Fixed selling and administrative expenses	$60,000
Variable selling and administrative expenses	$9,000

Work-in-process inventories at the beginning and end of the year were zero. Calculate the company's finished goods inventory cost as on December 31 under the variable (direct) costing method.

(CO3) [Comprehension]

14. Tata Inc. manufactures and sells two products. Data with regard to these products are given below.

	Product A	Product B
Units produced and sold	10,000	22,000
Machine hours required per unit	2	3
Receiving orders per product line	110	150
Production orders per product line	8	18
Production runs	8	12
Inspections	10	20

Total budgeted machine hours are 100,000. The budgeted overhead costs are shown below.

Receiving costs	$350,000
Engineering costs	400,000
Machine setup costs	45,000
Inspection costs	300,000

The cost driver for engineering costs is the number of production orders per product line. Using activity-based costing, the engineering cost per unit for Product A would be.

(CO5) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS **(2 X 20 = 40M)**

15. Sweetums Syrup adds raw materials costs at the beginning of its manufacturing process and incurs conversion costs uniformly throughout the process. At the beginning of last month, Sweetums had 20,000 units that were 40% complete in its Beginning Work-in-Process Inventory. Over the course of the month, the company began production of 150,000 units; at month's end, 90,000 of those units were finished and transferred out, while the remaining units were 90% complete. Using the Weighted Average method, what was Sweetums' equivalent units of production for materials for the month?

(CO5) [Application]

16. Kimbeth Manufacturing uses a process cost system to manufacture dust density sensors for the mining industry. The following information pertains to operations for the month of May.Units
Beginning work-in-process inventory, May 1 16,000
Started in production during May 100,000
Completed production during May 92,000
Ending work-in-process inventory, May 31 24,000
The beginning inventory was 60% complete for materials and 20% complete for conversion costs. The ending inventory was 90% complete for materials and 40% complete for conversion costs.
Costs pertaining to the month of May are:

- Beginning inventory costs are materials, $54,560; direct labor, $20,320; and factory overhead, $15,240.
- Costs incurred during May are materials used, $468,000; direct labor, $182,880; and factory overhead, $391,160.

Using the weightage average method, calculate the per unit cost of the unit transferred out.

(CO4) [Comprehension]