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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

**Make-Up Examinations, July 2024**

**Semester**: II

**Course Code**: MAH-102 / MAH2002

**Course Name**: Financial Analytics and Control

**Program** : B.Com

**Date**: 01 July 2024

**Time**: 9:30 AM-12:30 PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FIVE Questions. (5 Q x 2 M = 10 M)**

1. Explain any two difference between fixed and variable costs with examples. (C.O.No.1-5) [Bloom’s level]

2. Describe any four advantages of using Activity-Based Costing (ABC) over traditional costing methods. (C.O.No.1-5) [Bloom’s level]

3. Explain the Theory of Constraints (TOC) and its relevance in throughput costing? (C.O.No.1-5) [Bloom’s level]

4. Describe the concept of continuous improvement and its importance in business. (C.O.No.1-5) [Bloom’s level]

5. Discuss the primary purpose of internal control policies related to safeguarding assets? (C.O.No.1-5) [Bloom’s level]

6. Discuss the primary objective of internal auditing within an organization?

(C.O.No.1-5) [Bloom’s level]

7. Explain the concept of business intelligence, and why is it important for organizations? (C.O.No.1-5) [Bloom’s level]

**Part B**

**Answer any FIVE Questions. (5 Q x 10 M = 50 M)**

8. A company manufactures two products, X and Y. The total overhead costs are $90,000. The company uses the following activities and cost drivers to allocate overhead costs:

Machine setups: $30,000 (300 setups)

Quality inspections: $20,000 (400 inspections)

Packaging: $40,000 (1,000 packages)

Product X requires 100 machine setups, 200 quality inspections, and 600 packages. Product Y requires 200 machine setups, 200 quality inspections, and 400 packages.

Calculate the overhead cost allocated to each product using Activity-Based Costing (ABC). (C.O.No.1-5) [Bloom’s level]

9. A company plans to introduce a new product with the following cost estimates over its life cycle:

Research and Development (R&D) Costs: $100,000

Design Costs: $50,000

Manufacturing Costs: $20 per unit (variable cost) for 10,000 units

Marketing and Distribution Costs: $30,000

End-of-Life Disposal Costs: $10,000

Calculate the total life cycle cost for the product if the company plans to produce and sell 10,000 units. (C.O.No.1-5) [Bloom’s level]

10. Consider a manufacturing company that produces electronic gadgets. The company has identified that excessive inventory and long lead times are major issues. Propose a lean manufacturing strategy to address these issues and explain how it will improve the value chain. (C.O.No.1-5) [Bloom’s level]

11. Define Enterprise Resource Planning (ERP) and explain its key benefits for an organization. (C.O.No.1-5) [Bloom’s level]

12. A medium-sized manufacturing company has recently experienced issues with inventory theft and inaccurate financial reporting. Recommend specific internal control policies and practices that can be implemented to safeguard assets and ensure accurate financial reporting.

(C.O.No.1-5) [Bloom’s level]

13. Identify and explain advantages and challenges organizations might face in implementing ERP systems. (C.O.No.1-5) [Bloom’s level]

14. Define Big Data and elaborate on the four Vs (Volume, Velocity, Variety, Veracity). Provide examples of each V in a real-world context. (C.O.No.1-5) [Bloom’s level]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

15. Explain the Monte Carlo technique and its application in risk analysis. Provide a hypothetical scenario where Monte Carlo simulation could be used to assess business risk.

(C.O.No.1-5) [Bloom’s level]

16. Explain the concept of standard costs and discuss their advantages and limitations in controlling costs and performance evaluation. (C.O.No.1-5) [Bloom’s level]

17. Using an example, illustrate how an internal auditor could assess compliance with GASC related to cash disbursement procedures in a manufacturing company. Outline the audit procedures and criteria used to evaluate control effectiveness.

(C.O.No.1-5) [Bloom’s level]