

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET-A

**SCHOOL OF COMMERCE
END TERM EXAMINATION – MAY/JUNE 2024**

Semester: Semester II - 2023 - 24

Course Code: MAH2001

Course Name: Financial Planning and Performance

Program: B.Com. Honors

Date: June 11, 2024

Time: 9:30 AM – 12:30 PM

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 ANY 5 QUESTIONS

5Q X 2M = 10M

1. Explain strategic planning and the key shortcomings of strategic planning. (CO1) [Knowledge]
2. Discuss the importance of annual business plans, often referred to as master budgets. (CO2) [Knowledge]
3. Describe the concept of competitive advantage and its significance in formulating a successful strategic plan. (CO2) [Knowledge]
4. Define zero-based budgeting. (CO1) [Knowledge]
5. Describe material usage variance? Describe how it is calculated and discuss its importance in analyzing production costs. (CO3) [Knowledge]
6. What is material price variance? Explain how it is calculated and discuss its significance in cost analysis. (CO3) [Knowledge]
7. A company expects its plant manager to control manufacturing costs and to set prices for the products manufactured. The company's plant manager is evaluated as directing which type of responsibility center and explain about the responsibility center. (CO4) [Knowledge]

PART - B

ANSWER ANY 5 QUESTIONS

5Q X 10M = 50M

8. Imagine you are a manager at a company that has recently implemented a successful new strategy. Explain what organizational strategy and describe the benefits the company might experience because of this successful strategy.
(CO1) [Comprehension]
9. CEO of a newly formed social enterprise that aims to provide educational resources to underprivileged communities. As the CEO of the firm, explain what you mean by long term Vision, mission, goals and objectives with relevant examples.
(CO1) [Comprehension]
10. Explain Situational analysis and describe the 5 C's model.
(CO2) [Comprehension]
11. You have recently been promoted to the role of Chief Financial Officer (CFO) at a mid-sized technology company. As part of your new role, you are tasked with reviewing and improving the company's budgeting process to better align with its strategic goals.
1. Describe the key characteristics of a successful budget. In your response, consider aspects such as accuracy, flexibility, alignment with strategic objectives, involvement of stakeholders, and regular monitoring and updating.
 2. Identify and discuss common shortcomings in a budgeting process. Provide examples of how these shortcomings can impact the overall effectiveness of the budget and suggest potential solutions to address them.
- (CO2) [Comprehension]
12. Imagine you are the production manager at a manufacturing company. The standard overhead rate is \$4 per machine hour, and the company budgeted 3,000 machine hours for the quarter. At the end of the quarter, you find that the actual overhead costs were \$9,500 for 2,800 machine hours worked.
- a) Calculate the overhead spending variance.
 - b) Calculate the overhead efficiency variance.
 - c) As the production manager, interpret these results and discuss the implications for overhead cost control and machine hour efficiency in your department.
- (CO3) [Comprehension]
13. Imagine you are the CFO of a multinational corporation that has various subsidiaries operating in different countries. Your CEO has asked you to explain transfer pricing and its significance for the company. Additionally, you are required to evaluate different transfer pricing models to determine which would be most suitable for your organization.
1. Explain what transfer pricing is and discuss its purpose in a multinational corporation.
 2. Describe four transfer pricing models, for each model highlight one key advantage and how it might benefit your company's operations.
- (CO4) [Comprehension]
14. Imagine you are the financial controller of a rapidly expanding retail chain. The CEO has asked you to conduct a comprehensive business profitability analysis to guide strategic decisions and improve overall profitability.
Can you explain how to approach this task using different methods?
(CO5) [Comprehension]

PART - C

ANSWER ANY 2 QUESTIONS

2Q X 20M = 40M

15. Describe internal factors and external factors of strategic planning and their potential impact on the company's strategic plans.
(CO1)[Application]

- 16.**
1. Define and explain the concept of standard costing and its relationship to variance analysis. Discuss how standard costs are established and their role in performance evaluation. (4 marks)
 2. Demonstrate how variance analysis is utilized to assess the performance of a company's production process, with an emphasis on material price and usage variances. Provide examples of the impact these variances can have on managerial decisions. (4 marks)
 3. Describe how labor rate and efficiency variances are employed to evaluate workforce performance. Explain the influence of these variances on decisions related to hiring, training, and managing the workforce. (4 marks)
 4. Analyze the importance of overhead variances in assessing resource utilization efficiency. Discuss how overhead spending and efficiency variances inform decisions regarding production processes and cost control. (4 marks)
 5. Critically evaluate the limitations of variance analysis in performance evaluation and decision-making. Propose strategies to address these limitations and enhance the effectiveness of variance analysis as a managerial tool. (4 marks)

(CO3) [Application]

- 17.** Imagine you are a manager at ABC Manufacturing, a company looking to implement the Balanced Scorecard to improve strategic management and performance measurement. Describe the Balanced Scorecard by explaining its four perspectives and outlining its key characteristics, tailored to the context of ABC Manufacturing.

(CO4) [Application]