Registration Number:

Date & session:



**ST. JOSEPH’S UNIVERSITY, BENGALURU -27**

**BBASF – I SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November /December 2023)**

**BASF 1323: FINANCIAL PLANNING & PERFORMANCE**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains two printed pages and four parts**

**Section A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. State the meaning of tactics.
2. What is controlling?
3. Give the meaning of financial budget.
4. What do you mean by responsibility centre.
5. What is residual income?
6. Write a note on standard cost.

**Section B**

**II.** Answer ***any four*** of the following (**4x5 = 20 Marks)**

1. A. Write two differences between cash budget and cash flow statement budget. (3 marks)

B. Mention the components of master budget. (2 master)

1. Distinguish between strategic and operational plans.
2. Examine the importance of flexible budgets to analyse performance.
3. From the below given different levels of units compute average time, total time and labour cost by applying Learning Curve Analysis.

Units: 4, 8, 16, 32

Time taken to produce per unit is 5 hours, learning effect is 80% and labour cost is $50 per hour, leaning effect works only when production is doubled.

1. From the following information, compute material cost variance and material price variance.

Standard quantity of materials per unit 8 kgs

Standard price per kg of material $100

Actual production 1000 units

Material actually used 8600 kgs

Actual purchase price per kg of material $110

**Section C**

**III.** Answer ***any two*** of the following (**2x10 = 20 Marks)**

1. From the following data prepare static budget, flexible budget, actual budget and flexible variance.

|  |  |
| --- | --- |
| **Standard cost per unit** | **$** |
| Materials cost (per Kg) | 10 |
| Labour cost (for 2 hours $ 12) | 12 |
| Direct expenses | 9 |
| Fixed cost | 9 |

Budgeted sale price per unit is $75 and budgeted units 1250, however company actually sold 1000 units at $80 and incurred actual following expenses

material cost $10 per unit, labour cost per unit $12, direct expense per unit $10 and total fixed cost $16000.

1. Discuss how various external factors affect the strategic planning.
2. Briefly explain customer profitability and product profitability analysis.

**Section D**

**IV. Answer the following (1x10=10 Marks)**

1. Prepare a cash budget from April to June, 2023 from the following information.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Months | Sales ($) | Materials ($) | Wages ($) | Overheads ($) |
| February | 28000 | 19200 | 6000 | 3400 |
| March | 30000 | 18000 | 6000 | 3800 |
| April | 32000 | 18400 | 6400 | 4000 |
| May | 34000 | 20000 | 7200 | 4400 |
| June | 36000 | 20800 | 8000 | 4600 |

Credit terms: 20% of sales are on cash basis and the remaining amount is collected in two equal instalments in the following two months.

Cash balance on 1st April 2023 is expected to be $12000.

Lag in payment of wages is ¼ a month. Overheads and creditors are paid in same month.

Dividends from investment amounting to $1000 are expected to be received in June.