Code No. 1171 / O / E

FACULTY OF MANAGEMENT

M.B.A. III – Semester (OLD) & M.B.A. V – Semester (Evening) Examination, May / June 2019

Subject: Strategic Management Accounting

Course No. 3.4.2 / 5.3 (F)
Elective – II – Finance

Time: 3 Hours **Max. Marks: 80**

Note: Answer all the questions.

PART – A (10x2 = 20 Marks)
[Short Answer Type]

1. Answer the following in not more than 75 words.

a) Responsibility Centres
b) Activity based costing
c) Profit Centre
d) Cost Drivers
e) Plant Shutdown
f) Fixed Cost
g) Variable Cost
h) Zero Based Budgeting
i) Standard Costing
j) Management Control System

PART – B (5x12 = 60 Marks)
[Essay Answer Type]

Note: Answer all the questions by using internal choice.

2 a) State the pre-requisities for the implementation of Budgetary control.

OR

b) Given the following information of XYZ Co. Ltd.

Year	Sales (Rs.)	Profit (Rs)
2016	20,000	2,000
2017	30,000	4,000

Calculate:

i) P/V ratio
ii) Fixed Cost
iii) Break-even Sales
iv) Profit when Sales is Rs.19,000

3 a) Define standard costing and state its objectives.

OR

b) Define Marginal Costing. How does this costing differ from total cost?

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4 a) What is Target Costing? State the importance cost analysis for pricing decisions.

OR

b) State the importance of activity based costing.

5 a) What are the types of responsibility centres?

OR

b) A factory engaged in manufacturing Plastic Buckets is working at 40% capacity and produces 10,000 buckets per annum. The present cost break-up for one bucket is as under:

	Rs.
Material	10
Labour Cost	3
Overheads	5 (60% Fixed)

The selling price is Rs. 20/- per bucket.

If it is decided to work the factory and 50% capacity, the selling price falls by 3%. At 90% capacity the selling price falls by 5% accompanied by a similar fall in the prices of material. You are required to calculate the profit at 50% and 90% capacities and also the break even points for the same capacity productions.

6 a) Write all about Responsibility Accounting.

OR

b) A company fixes inter divisional prices for its product on the basis of cost plus an estimated return on investment in its divisions. The relevant portion of the budget for the division 'A' for the year 2017-18 is as follows:

	Rs.
Fixed Cost	10,00,000
Current Assets (Other than Debtors)	6,00,000
Debtors	4,00,000
Annual Fixed cost of the Division	16,00,000
Variable cost per unit of the product	10
Budgeted Volume of production per year (unit)	8,00,000
Desired Return on Investment	30%

You are required to determine the transfer price for the Division 'A'.

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Code No. 1174 / O / E

FACULTY OF MANAGEMENT

M.B.A. III – Semester (OLD) & M.B.A. V – Semester (Evening) Examination,
May / June 2019

Subject: International Finance

Course No. 3.4.3 / 5.4 (F)
Elective – III – Finance

Time: 3 Hours **Max. Marks: 80**

Note: Answer all the questions.

PART – A (10x2 = 20 Marks)
[Short Answer Type]

1 Write short notes on the following:

a) ADR

b) Eurobonds

c) Foreign Direct Investment

d) Country Specific Risk

e) Project Financing

f) Transaction Exposure

g) Financial Goals of MNC

h) Financial Reporting

i) Foreign Tax Credit

j) Tax Planning

PART – B (5x12 = 60 Marks)
[Essay Answer Type]

Note: Answer all the questions by using internal choice.

2 a) Explain the factors responsible for growing importance of International Financial Management.

OR

b) Discuss the European Monetary System.

3 a) Discuss about the different types of accounts of BOP. Can a country run a current account deficit (surplus) indefinitely? Give reasons.

OR

b) Explain the risk and country specific risk; describe how it effects the exchange rate.

4 a) Distinguish between 'Foreign Direct Investment' (FDI) and 'Portfolio Investment' and discuss the different strategies of portfolio investment.

OR

b) Write a note on:
   i) Euro Loans
   ii) Euro Deposits
   iii) Euro Bonds

5 a) Discuss the different techniques available for currency risk management.

OR

b) Explain the multinational capital budgeting.

6 a) Explain the multinational transfer pricing and performance measurement.

OR

b) Minimization of Global Tax Liability is not the only objective of transfer pricing. Discuss.

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