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SVKM'S NMIMS

Shobhaben Pratapbhai Patel / School of Pharmacy & Technology Management

Programme: M. Pharm + MBA (Pharmaceutics/PQÁ/PT/IP)

Year: II ✓

Semester: III ✓

Academic Year: 2019-20

Marks: 50 ✓

Subject: Financial Management I ✓

Time: 10.00 am to 12.00 noon

Duration: 2 hrs. ✓

Date: 04 December 2019 ✓

No. of Pages : 03

FINAL EXAMINATION

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for their use.

- 1) Question No. 1 is compulsory (Section I)
- 2) Out of remaining questions, attempt any 3 questions (Section II)
- 3) In all 4 questions to be attempted
- 4) Answer to each new question to be started on a fresh page
- 5) Figures in brackets on the right hand side indicate full marks
- 6) Assume suitable data if necessary

Section I (20 Marks)

Q1(a). Prepare the cost sheet on the basis of following information. Indicate the Prime Cost, Factory Cost, Cost of Production, Cost of Goods Sold and Cost of Sales- (10 Marks)

Particulars	Rs.
Opening Stock of finished goods	60000
Opening Work-in-progress	25000
Opening Stock of Raw Materials	95000
Purchase of Raw Materials	555000
Direct Wages	95000
Carriage inward	25000
Indirect wages	43000
Other Factory Expenses	32000
Closing Stock of Raw Material	30000
Closing Stock of Finished Goods	43000
Closing Stock of Work in Progress	31000
Office and Administrative overhead	64000
Selling and Distribution overhead	62000
Carriage Outward	17000
Factory manager's Salary	45000
Director Salary (30% Factory, Balance Administrative)	90000

Q1(b) Explain various types of Costs and its importance for various types of business decisions. Support your answer with suitable examples from Pharma Industry (10 Marks)

Section II (30 Marks)

Q2. Based on the given trial balance prepare the Balance Sheet and Profit and Loss Account (10 Marks)

Account Name	Debit	Credit
Ms. Manu's Share Capital		8,20,000
General Reserves		60,000
Long Term Loan		7,23,170
Land & Building	5,54,670	
Plant and Machinery	9,00,000	
Bank Loan		1,45,100
Payable to Vendors		82,000
Advance Paid	25,000	
Long Term Investments	1,68,000	
Interest Payable		32,400
Advances Given to Employees	50,000	
Sales		5,60,000
Inventory	1,25,000	
Receivables	1,35,000	
Purchases	2,87,000	
Salary Expenses	56,000	
Other Expenses	78,000	
Other Income		34,000
Cash balance	78,000	
	24,56,670	24,56,670

Q3. Provided herewith the information of manufacturing of Tablet "Polocin". You are required to compute the cost per units, selling price per unit and determine the profit per unit assuming sale of 5000 units. Also calculate the break even point in Units and Sales Value. Provided herewith the information for production of one Unit of tablets. (10 Marks)

Information of Costs per Unit

- Material Costs – Rs. 35
- Labour Costs – Rs. 12
- Packaging Costs – Rs. 14
- Other variable Overheads – Rs. 18
- Total Fixed Costs are Rs. 60000
- Assume Margin of 20% of the Selling price.

Q4. Based on the inputs formulate a Flexible Budget for Avita Pharma Limited for Product "Kimex" indicating the Total Cost of Production and Per Unit Cost of Production at each capacity utilization levels. Also calculate break even point and break even sales, contribution per unit and margin of safety. Assume PV ratio is 10% (10 Marks)

- Total Capacity of the plant is 80000 Units. You are required to prepare flexible budget assuming 90%, 75% and 60% capacity utilisation levels
- Material Costs per unit Rs. 85
- Labour costs per unit Rs. 55
- Other variable costs per unit Rs. 40
- Total Fixed Costs of the Plant Rs. 850000

Q5 Write Short notes on any 2 with suitable examples (10 marks)

- a. Difference between Budget and Forecast
 - b. Key Accounting Assumptions
 - c. Golden rules of accounting
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