INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management

Dec 2015

PAPER No. 15 (New)

COST AND FINANCIAL MANAGEMENT

Date :16.12. 2015 **Max. Marks :100**

Time : 2.00 p.m to 5.00 pm **Duration : 3 Hrs.**

Instructions:

1. The question paper is in three parts
2. Part A is compulsory. Each sub question carries one mark. **Total marks-32**
3. In Part B answer any 3 questions out of 5. Each question carries 16 marks **Total marks-48**
4. Part C is a case study with sub questions and it is compulsory. **Total marks-20**

PART A (32 marks)

(compulsory. Each sub question carry one mark)

Q.1 Give the expansion of

a. MSUV
b. ROCE
c. CHIPS
d. ARR
e. CARE
f. WACC
g. DCF
h. CAPM

Q.2 State True or False

a. Cloth is an indirect material for the Garment industry
b. Coupon offer is an advertising expense
c. Flexible budget is designed to change in accordance with level of activities
d. Perpetual debt provides permanent fund
e. Dealers act as agents for buying and selling securities
f. UTI is not an investment company
g. Treasury bill is a capital market instrument
h. Sales budget is a functional budget

Q.3 Fill up the blanks

a. The relation between current asset and current liability is given by___________ ratio
b. Liquid assets is current assets less ___________.
c. When EPS is same for different capital structure it is called ____________point
d. The value of debenture is determined by______________ technique
e. A graphical representation of marginal costing is called ___________.
f. Rent of factory is_______________ cost
g. A detailed plan of operation for some specific period is called______________ .
h. The NOI approach is given by ______________.
i. Cost which is ascertained only after the incurrence is called ______________cost

Q. 4 Match the following

Column A	Column B
1. EOQ	a. Activity Based
2. BEP	b. Time value
3. Gross Profit ratio	c. Marginal costing
4. Variance	d. Traditional method
5. Absorbtion cost	e. Standard costing
6. Decision making	f. Profitability ratio
7. Annuity	g. Zero profit
8.Cost Drive	h. Inventory

PART B

(Answer Any Three Questions each question carry 16 marks) **48 marks**

Q 5.

Sales 12, 00,000

Variable cost 80%

Profit 90,000

a. Find P/V ratio, BEP sales and Margin of Safety

b. Find profit if sales is INR 20,00,000

c. Find sales required if profit is 10% of sales

Q2. Discuss in detail factors affecting working capital

Q3. Explain the different methods of analyzing financial statements

Q4. Explain the importance of financial management

Q 5. Cash flow after tax for 4 years are as follows:

Year 1 – 50,000

Year 2- 40,000

Year 3- 30,000

Year 4- 10,000

Initial investment 1,00,000

a. Find pay back period

b. ARR

c. Profitability index

d. NPV at 10%

PART- C (Compulsory**)** **20 Marks**

Material	**Standard**		**Actual**	
	Quantity (Kg)	**Price**	**Quantity (Kg)**	**Price**
A	50	10	480	11
B	30	12	270	14
C	20	8	250	6
TOTAL	100		1000	
Loss	10		10	
Output	90		990	

Calculate MPV, MUV, MCV, MMV and MSUV

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