Anjuman Islam Janjira Degree College of Science Murud-Janjira, Raigad-402401 Affiliated to University of Mumbai	
Class: -F.Y.B.AF	**Subject: - Vocational Skills in Accounting and Finance II**
Semester:- I	**Course code: -**
Exam Event:- Winter2024 (FH)	**Marks: -30**
Date: - 23/11/2024	**Duration: - 01:00 Hours**

N.B. – 1 – All questions are compulsory.
2 – All questions have internal choice.
3 – Figures to the right indicate full marks.

<u>Attempt Any 2 Out Of 3 Questions</u>.

Q.1. A. The following information at 50% capacity is given. Prepare a Flexible budget and forecast the profit or loss at 60%, 70% and 90% capacity, will rise by 10% **08**

	Expenses at 50% capacity
Fixed Expenses:	**₹**
Salaries	50,000
Rent and Taxes	40,000
Depreciation	60,000
Administrative Expenses	70,000
Variable Expenses:	
Materials	2,00,000
Labour	2,50,000
Others	40,000
Semi-Variable:	
Repairs	1,00,000
Indirect Labour	1,50,000
Others	90,000

It is estimated that fixed expenses will remain constant at all capacities. Semi-variable expenses will not change between 45% and 60% capacity, will rise by 10% between 60% and 75% capacity, a further increase of 5% when capacity crosses 75%.

Capacity	**Sales(₹)**
60%	11,00,000
70%	13,00,000
90%	15,00,000

Q.1. B. A department of Tek India Company attains sales of ₹6,00,000 at 80% of its normal capacity. Its expenses are given below. **07**

Administration Cost:	**₹**
Office Salaries	90,000
General Expenses	2% of sale
Depreciation	7,500
Rent and Rates	8,750
Selling Cost:	
Salaries	8% of sales
Travelling Expenses	2% of sales
Sales Office	1% of sales
General Expenses	1% of sales
Distribution Cost:	
Wages	15,000
Rent	1% of sales
Other Expenses	4% of sales

Draw up Flexible Administration, Selling and Distribution Costs Budget, Operating at 70, 90 percent 100 percent and 110 percent of normal capacity.

Q.2.A. A factory is currently working at 50% capacity and produces 10,000 units. Prepare a Flexible Budget and estimate the Profit of the Company when it works to 60% and 80% capacity and advice to the Company. **07**

At 60% working, Raw Material Cost increases by 2%, and selling price falls by 2%. At 80% Raw material cost increases by 5% and selling price falls by 5%.At 50% Capacity working the product costs ₹180 /- per unit and is sold at 200/- per unit.

The unit cost of 180/- is made up as follows:

Material	₹100/-
Labour	₹30/-
Factory overheads	₹30/-(40% fixed)
Adm. Overheads	₹20/-(50% fixed)

Also find out Even Point at the above stated capacity utilization.

Q.2.B. The following information relates to the productive activities of Dalta Ltd. For 3 months ending on 31 March 2024**:** **08**

Particulars	
Variable Expenses: fat 50% capacity)	**₹**
Materials	6,00,000
Labour	6,40,000
Salesman Commission	95,000
Semi-variable Expenses: (at 50% capacity)	
Plant maintenance	62,500
Indirect Labour	2,47,500
Salesmen's Salaries	72,500
Sundry	65,000
Fixed Expenses:	
Management Salaries	2,10,000
Rent and Taxes	1,40,000
Depreciation of Machinery	1,75,000
Sundry Office Expenses	2,22,500

It is further noted that semi-variable expenses remain constant between 40% and 70% capacity, increases by 10% of the above figures between 70% and 85% capacity and increased by 15% of the above figures between 85% and 100% capacity.

Fixed expenses remain constant whatever the level of activity may be. Sales at 60% capacity are ₹25,50,000, at 80% capacity are ₹34,00,000 and at 100% capacity are ₹42,50,000.

Assuming that all items produced are sold, you are required to prepare a flexible budget at 60%, 80% and 100% capacity.

Q3. A. Write types of budgets. **07**

B. How do you prepare a flexible budget report? **08**