



Register Number:  
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ST. JOSEPH'S COLLEGE (AUTONOMOUS) BENGALURU-27

BBASF - III SEMESTER

SEMESTER EXAMINATION: NOVEMBER 2020

BBASF 3319: FINANCIAL ANALYTICS AND CONTROL

This paper contains two printed pages and four parts

Time: 2 1/2 hrs

Max marks: 70 marks

**SECTION A**

Answer any FIVE of the following questions. Each question carries two marks. (5x2= 10)

1. What is Financial Accounting Information System?
2. What is lean accounting?
3. State the Porter's 4 steps value chain analysis.
4. What are period costs?
5. What is Life-Cycle Costing?
6. What is Corporate Governance?

**SECTION B**

Answer any THREE of the following questions. Each question carries five marks. (3x5=15)

7. Enterprise Resource planning becomes an important technology tool to integrate various systems for the success of any business. – explain the importance of ERP in business
8. How Enterprise Resource Management manage risk of business strategies and objectives. Explain.
9. Explain the advantages of internal controls.
10. Shell Co. produces two joint products: A and B. Joint production costs for Sep 2012 were \$54,000. During Sep, further processing costs beyond the split off point, needed to convert the products into saleable form, were \$30,000 and \$20,000 for 1,000 units of A and 600 units of B, respectively. A sells for \$90 per unit, and B sells for \$100 per unit.  
Calculate
  - o Net Realisable value
  - o Relative NRV
  - o Joint Cost

### SECTION C

Answer any TWO of the following questions. Each question carries fifteen marks. (2x15=30)

11. Discuss COSO framework's principles of effective internal control.
12. The Molding Co. is the first of a two-stage production process. The direct materials cost is incurred at the beginning of the process. The following information concerns the conversion costs in Sep 2020:

|  | Units | Conversion costs |
|--|-------|------------------|
| Beginning work in process (60% complete) | 30    | \$ 136.00        |
| Units started                            | 60    | \$192.00         |
| Spoilage – normal                        | 0     |                  |
| Units completed and transferred          | 50    |                  |
| Ending work in process (80% complete)    | 40    |                  |

Using the Weighted-average and the FIFO methods, calculate equivalent whole units, the cost of goods completed and transferred, and ending inventory.

13. a) ABC Company is leasing factory equipment with rental payments of \$5,000 per quarter (\$20,000 per year) paid to the lessor. Over the course of the year, the company manufactures 2,000 units using 4,000 labor hours, so rental costs are \$5 per labor hour (\$20,000/4,000 labor hours). However, production is not paced evenly since demand for the product varies through the year. Actual rent per labor hour and labor hours each quarter are:

|                  | Q1      | Q2     | Q3       | Q4     |
|------------------|---------|--------|----------|--------|
| Actual Rent      | 5,000   | 5,000  | 5,000    | 5,000  |
| Labour hours     | 500     | 1,000  | 500      | 2,000  |
| Rent/Labour hour | \$10.00 | \$5.00 | \$ 10.00 | \$2.50 |

Calculate

- i. Predetermined overhead (3 marks)
  - ii. Applied overhead (3 marks)
- b) What are predetermined costs? Discuss the uses of pre-determined costs.(4 marks)

### SECTION D

Answer the following compulsory question. (1x15=15)

14. a) Payal Company produces chocolate candies. The chocolates sell for Rs.14 per box. During its first quarter of operations, the company produced 12,000 boxes of chocolates and sold 9,000 boxes of the candies. The company's cost information includes the following:
- Direct materials Rs. 4.00 per unit
  - Direct Labour Rs. 2.50 per unit
  - Fixed Manufacturing Overhead Rs 21,000.00
  - Fixed Selling & administrative overhead Rs.15000
  - Variable manufacturing overheads. 1 per unit
  - Variable selling & administrative overhead Rs. 2 per unit

Compute the unit product cost prepare an income statement using marginal costing method and Absorption costing method. (10 marks)

- b) State the assumptions of Absorption costing method (5 marks)

--- End of the question paper ---