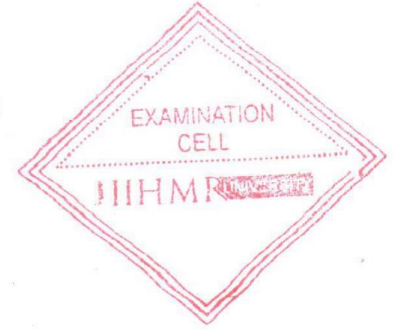


IIHMR UNIVERSITY
School of Pharmaceutical Management
MBA Pharmaceutical Management
Batch-07th (2015-2017) Second Year
Financial Management-2
Term Examination



Time - 3 Hour

MM-70

- Q. 1.** What is the difference between Marginal Costing and Standard Costing? Explain with examples. **10**
- Q. 2.** Write short notes on (Not more than 50 words, otherwise marks will be cut)
- a) Batch Costing
 - b) Job Costing
 - c) ABC Costing
 - d) Zero Based Budgeting
 - e) Flexible Budget
- 15**
- Q. 3.** A company is venturing into a new product line and it estimates that it would sell 15000 units during a full year at a price of Rs. 10 each. It also estimates that the total fixed cost as applicable to this product would be Rs. 34000 and variable cost of production per unit would be Rs. 6. Now the question is of how much one should sell to avoid losses. Let us further suppose that the company also contemplates a) a decrease in 10% in selling price because of fierce competition or b) an increase of 10% in its material cost because of scarcity or c) an increase of Rs. 6000 in fixed costs because of extra establishment. The company now would like to know the impact of these likely changes on its profit for its product. **10**
- Q. 4.** Prepare a hypothetical cost sheet for Farewell Party at IIHMR. **25**
- Q. 5.** Selling price per unit - Rs. 3.00
Contribution margin per unit – Rs. 1.50
Fixed Costs – Rs. 20000
Find out profit if sales in unit are 20% above BEP. **10**