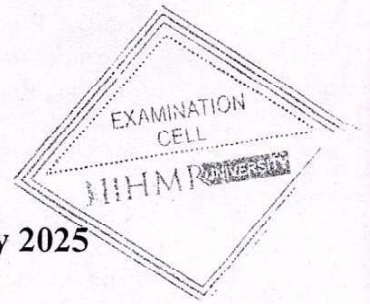


School of Pharmaceutical Management**MBA Pharmaceutical Management****Batch-15th (2023-2025)****Second Year, Term 5 End Term Examination, February 2025****PHRM-748 Cost and Managerial Accounting in Pharma****Time - 3 Hours****Maximum Marks: 50 (Minimum Marks : 20)****Instructions to students:**

- This question paper contains 2 printed pages.
- Don't write anything on the Question Paper except writing your Enrolment No.

Part A**(Maximum Marks: 5)****MCQ's / Fill in the blanks**

- Q 1**
- a. A firm has total of current asset ₹550000 and current liabilities of ₹30000, the current ratio is.....
 - b. Depreciation of plants comes under
 - i. Prime cost ii. Works cost iii. Office cost iv. Direct cost
 - c. At break-even sales Fixed cost will be contribution.
 - i. More than ii. Less than iii. Equal to iv. Double to
 - d. Which of the following is most likely to be a variable cost?
 - i. Depreciation ii. Cost of materials iii. Rent iv. Advertising
 - e. Under analysis of constraints, the priority moves from the contribution margin per unit to the

Part B**(Maximum Marks: 15)****Short Answer Questions**

- Q 2** Following information provided from the books of Pharma Manufacturing co. Calculate current ratio and quick ratio and comment on the liquidity position of the company.

Liabilities	₹	Assets	₹
Equity Capital	300000	Land & Building	150000
Sundry Creditors	48000	Plant & Machinery	85000
Bills payable	10000	Short-term investments	16000
Bank overdraft	5000	Stock in Trade	50000
Outstanding Expenses	2000	Debtors.	59000
		Prepaid Expenses	1000
		Cash in hand	4000
	365000		365000

- Q 3** The standard cost card shows the following details relating to material needed to produce one unit of Type A medicine.
 Quantity required: 3 units of materials, Price: ₹ 2.5 per unit
 Actual production during the month: 1000 units of Type A
 Quantity of material used: 3500 units of materials,
 Purchase price: ₹3 per unit.

Calculate Material price variance, Material cost variance and Material usage variance.

- Q 4** The success of the standard costing depends upon the establishment of correct standards. Explain this statement taking into consideration the setting of standards for direct material costs.

Part C

(Maximum Marks: 30)

Long Answer / Descriptive Questions

- Q 5** From the following information prepare cost sheet for 6 months.
 (₹)

Raw material as April 1, 2021.	40000
Raw material as September 30, 2021.	20000
WIP as April 1, 2021.	10000
Finished Goods as September 30, 2021.	30000
Purchase of raw materials from April-September	250000
Direct wages	55000
Indirect wages	35000
Factory rent, rates and power	15000
Depreciation of plant & Machinery	4500
Expenses on purchases	1500
Carriage outward	3000
Advertisement	2500
Sales	510000

- Q 6** Some organization employs a method of budgeting where the previous year's figures are not taken as a base for preparing next year's budget. Why is this method used, and what are the advantages of using this method of budgeting?

- Q 7**
- If the safety margin is 240000(40% of sales) and P/V ratio is 30% for AB Ltd., calculate (i) break-even sales and (ii) profit on sales of ₹900000.
 - X Ltd has earned a contribution of ₹200000 and a net profit of ₹150000 on sales of ₹800000, calculate (i) margin of safety and (ii) break-even point.

