Register Number:

DATE:

**ST JOSEPH’S UNIVERSITY, BENGALURU -27**

**B.Com IFA – III SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November /December 2023)**

**BCIFA 3223 Performance Management II**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains THREE printed pages and FOUR parts**

**PART-A**

**ANSWER ANY FIVE QUESTIONS (5 X 3 MARKS = 15 MARKS)**

1. What is flexible budgeting?
2. State the use of Yield variance analysis.
3. Why non financial performance indicators are important?
4. Define ‘Balance Scorecard’.
5. Differentiate between Return on investment and Residual income.
6. Calculate Direct Material Cost Variance with the help of the following information:

Standard Output: 1600 Units

Actual Output: 2000 Units

Standard Quantity required per unit: 2 Kg.

Total Quantity actually consumed: 2400 Kg.

Standard rate per unit: Rs. 8 per Kg.

Actual rate per unit : Rs. 10 per Kg.

PART B

**ANSWER ANY TWO QUESTIONS (2 X 5 MARKS = 1O MARKS)**

1. Explain the features of a management information system.
   1. An investment centre has reported a profit of $50,000. The company’s Balance sheet total is $2,00,000. The company owns trader receivables $20,000 and Trade payables $25,000. Calculate ROI if the centre manager has no responsibility for debt collection. ( 3 marks)
   2. An investment centre has net assets of $400,000, and made profits before interest and tax of $80,000. The notional cost of capital is 12%.

Calculate and comment on the RI for the period. ( 2marks)

1. Following information is given by a company from its books of accounts as on March 31, 2023:

* Inventory $100,000
* Total Current Assets $160,000
* Shareholders’ funds $400,000
* 13% Debentures $300,000
* Current liabilities $100,000
* Net Profit before Tax $351,000
* Cost of revenue from operations $500,000

**Calculate:**

1. Current Ratio ( 2 marks)
2. Liquid Ratio (2 marks)
3. Debt Equity Ratio (1 mark)

**PART C**

**ANSWER ANY TWO QUESTIONS (2 X 10 MARKS = 2O MARKS)**

1. Discuss the use of different performance measures to evaluate divisional managerial performance and the economic performance of the divisions.
2. A closed system has no contact with its environment. Information is not received from or provided to the environment. Discuss
3. A company has two profit centers, Centre A and Centre B. Centre A supplies Centre B with a part-finished product. Centre B completes the production and sells the finished units in the market at $70 per unit.

There is no external market for Centre A's part-finished product.

Budgeted data for the year:

Division A Division B

Number of units transferred/sold 20,000 20,000

Material cost per unit $16 $4

Other variable costs per unit $4 $6

Annual fixed costs $120,000 $60,000

**Required:**

Calculate the budgeted annual profit for each division and for the company as a whole if the transfer price for the components supplied by division A to division B is:

1. Full cost plus 10%
2. Marginal cost plus 10%
3. Evaluate both transfer prices from the perspective of each individual division and from the perspective of the company as a whole

**PART D**

**COMPULSORY QUESTION (1 X 15 MARKS = 15 MARKS)**

1. Discuss Performance measurement in not-for-profit organisations.