

Q.2 The cost statement of 'SHYAM' Ltd. is as follows. [15]

Particulars	Total Amount
Sales (120000 units)	1800000
Direct Material	360000
Direct Labour	480000
Variable overheads	240000
Fixed overheads	480000
Profit	240000

The induction capacity of plant is 200000 units one Foreign buyer intend to purchase 80000 units at Rs. 10 per unit should the offer accepted ?

OR

Q.2 The "RAM" Ltd. flexible budget shows the following data. [15]

Output	Selling Price	Total Semi fixed Expenses	Fixed Cost	Variable Cost
30000	12	37800	37500	209000
60000	11	37800	37500	409000
90000	10	47500	37500	639000
120000	9	47500	37500	789000
180000	8	62500	37500	889000
180000	7	62500	37500	951000

- (1) Prepare the statement showing total differential cost and incremental revenue.
- (2) At what volume the company should sets its production ?
- (3) What selling price should be established to obtain the most profitable operation during the year ?

Q.3 (A) Difference between Cash Flow and Fund Flow Statements. [08]
(B) Discuss the utility of Cash Flow Statement. [07]

OR