8. Write short notes on the following :– (6×3=18)

(a) Material planning process

(b) Challenges in material planning

(c) Functions of material management

[This question paper contains 4 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 3673 **H**

Unique Paper Code : 6322482401

Name of the Paper : Material Planning and Control (DSC-10)

Name of the Course : **B.Voc. - Retail Management & IT**

Semester : IV

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.

2. **All** questions carry equal marks.

3. Attempt **five** out of the **given** questions.

1. What do you mean by fixed cost, variable cost and semi-variable cost, explain with examples.

Calculate the marginal cost of production per unit from the below mentioned data. The following information relates to a factory manufacturing fans :– (18)

Production (in units)	Direct material cost (Rs.)	Direct labour cost (Rs.)	Other variable cost (Rs.)	Fixed cost (Rs.)
500	1000	750	500	1000
1000	2000	1500	1000	1000
1500	3000	2250	1500	1000
2000	4000	3000	2000	1000
2500	5000	3750	2500	1000

2. What do you mean by functional budget ? KMC Pvt. Ltd. manufactures product X and product Y, the following information is available about product X and Y :– (18)

Product	Budgeted sales	Actual sales
X	400 at Rs. 9	500 at Rs. 9
Y	300 at Rs. 21	200 at Rs. 21

The company decides to increase price of product X by Re. 1 and decrease price of product Y by Re. 1. Incorporating the above price changes prepare a budget for future period and also show budgeted and actual sales for current period.

3. What are the advantages and disadvantages of standard costing ? A factory manufacturing machines has capacity to produce 500 machines per annum. The variable cost of each machine is Rs. 200 and each machine is sold for Rs. 250. Fixed overheads are Rs. 12,000 per annum. Calculate the break-even point for output. (18)

4. What is the difference between product cost and period cost? Explain with examples. (9,9)

5. Explain the concept of the principal budget factor and its importance in budget planning and allocation of resources. What is the purpose and structure of a budget manual in the budgeting process? (9,9)

6. Explain the concept of a favourable variance and an unfavourable variance, and how each type of variance is addressed. What are the limitations of material cost variance analysis and how organizations can overcome these limitations? (9,9)

7. What is material management evaluation? Explain the concept of inventory accuracy and its significance in evaluating material management effectiveness. (8,10)