

2072

B. Voc. (Food Processing and Preservation)
Sixth Semester
FPP-603: Budgetary Control of Optimization

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt five questions in all, including Question No. 1 which is compulsory and selecting one question from each Unit.

x-x-x

I. Explain the following in 50 words each:-

- a) What is zero base budgeting?
- b) State objectives of budgetary control.
- c) Compare fixed and flexible budget.
- d) Advantages of budgetary control.
- e) How would you calculate variance analysis?
- f) What factors need to be considered when preparing production budget?
- g) State some corrective measures to keep budget under control.
- h) Write the principles of financial accounting.

(8x2)

UNIT - I

II. What is budgetary control? What are the different budgets are prepared in food processing operations? (16)

III. 'Budgeting is a profit planning'. Elaborate this statement. What accounting devices would you use where output varies. (16)

UNIT - II

IV. Why do responsible people in an organization tend to accept budgetary control in theory but resist in practice? Explain. (16)

V. How does a production budget help the production manager to plan for the future? (16)

UNIT - III

VI. What is variance analysis? Explain the various variances in food processing operations. (16)

P.T.O.

(2)

- VII. A food processing company operating a system of budgetary control finds that their production capacity during the year varies between 75 percent and 90 percent as against the budgeted capacity of 80 percent for the year. It has been suggested that a system of flexible budget should be introduced to effectively control costs. Outline the steps you would take to implement this suggestion keeping in mind that the management would still require periodic comparison with these overall budget during the year. (16)

UNIT - IV

- VIII. 'Revenue control plays an important role in control process'. Justify the statement. (16)
- IX. Explain in detail the impact on budget of production related decisions. (16)

x-x-x