

# **B.Com Part – III Examination 2020**

## **Sub. - EAFM Paper II: Business Budgeting**

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**Exam. Related Important Questions (Reference Book: Garima Publication M. R. Agrawal)**

### **Unit – I**

#### **Chapter: 1 Business Budget and Budgeting**

Q.1 Define Budget and Budgeting. Explain the advantages and limitations of Budgeting.  
Or

“Budget is an essential tool for managers.” Explain this statement. What are the essentials of an effective Budgeting system?

#### **Chapter: 2 Types of Budget – I Fixed and Flexible Budget**

Q. 2 Explain the difference between Fixed and Flexible Budget. Explain the procedure of construction of Flexible Budget.

Practical Illustration No. - 3, 4, 5, 6, 9, and 10  
Practical Question No.- 4, 10, and 13

#### **Chapter: 3 Types of Budget – II Functional and Master Budget**

Q. 3 Write short note on-

1. Sales Budget
2. Master Budget
3. Production Budget
4. Financial Budget

Practical Illustration No. - 1, 8, 12, 16 and 17  
Practical Question No.- 5, 9, 13, 15, and 17

#### **Chapter: 5 Zero Base Budgeting**

Q. 4 Zero Base Budgeting is an improvement over Traditional Budgeting. How?

### **Unit - II**

#### **Chapter: 6 Business Forecasting**

Q.5 Define Business Forecasting. Explain the qualities of good Business Forecasting.  
Or

Explain the various methods of Business Forecasting.

Practical Illustration No. - 4, 5 and 8  
Practical Question No.- 1, 5, 9 and 12

### **Unit - III**

#### **Chapter: 7 Cash Budgeting**

Q.6 Define Cash Budget. How it is prepared? Discuss its importance.

Practical Illustration No. - 1, 2, 7, 9, 10 and 11  
Practical Question No.- 2, 4, 9, 10, 12 and 15

### **Chapter: 11 Standard Costing and Variance Analysis**

Practical Illustration No. - 8, 9, 12, 14, 20, and 22  
Practical Question No.- 2, 4, 5, 7, 13, 14 and 23

## **Unit - IV**

### **Chapter: 13 Product and Production Decisions**

Q.7 What is meant by Product and Production decisions? What types of decisions are taken under Product and Production decisions?

Or

Explain the basic principles in the following decisions –

1. Use of the alternative production facilities
2. Starting a new product in place of old
3. Utilization of full production capacity

Q.8 Define Product - mix. Which factors are taken into consideration while selecting the best Product - mix?

Practical Illustration No. - 2, 3, 4, 6, 9, 12 and 13  
Practical Question No.- 4, 5, 7, 9, 11, 12 and 15

## **Unit - V**

### **Chapter: 12 Project Planning and Feasibility Study**

Q.9 What do you mean by Project Planning? Explain the stages of Project Planning.

Q.10 Define Project Appraisal. Explain in brief the various types of appraisal of a project.

### **Chapter: 9 Cost of Capital**

Q.11 Define Cost of Capital. How will you determine the cost of capital from different sources?

Practical Illustration No. - 1, 2, 4, 15, 16, 17 and 19  
Practical Question No.- 5, 11, 12, 20, 22, 25, 26, and 27