

manager reports to Director marketing who along with Director Technical reports to the Managing Director. The following data have been extracted from the books for a particular period.

Expenses	Budget	Variance
Travelling expense	40,000	2,000 A
Publicity Department Salaries & Administration	1,20,000	10,000 A
Sales Commission	2,50,000	10,000 F
Spinning Department Labour	8,00,000	40,000 A
Weaving Department Labour	6,00,000	20,000 A
Raw Materials	28,00,000	1,20,000 A
Process House material	7,00,000	60,000 F
Maintenance Stores	2,00,000	10,000 F
Processing Dept. Labour	5,00,000	12,000 A
Maintenance Dept. labour	2,60,000	5,000 F
Utilities - Spinning Dept	1,50,000	15,000 A
- Weaving Dept	2,00,000	10,000 F
- Processing dept.	3,00,000	50,000 A
Maintenance Dept.	50,000	10,000 A
Weaving Materials	1,00,000	5,000 A
Sales Dept., salaries & administration	1,00,000	5,000 F
Publicity Expenses	2,00,000	2,000 F
Director (technical)Office administration	1,75,000	25,000 A
Director(Marketing)Office administration	2,00,000	10,000 F
MD's Office Salaries & administration	2,50,000	20,000 A
Mill Manager's Salaries & Administration	1,00,000	5,000 A
Sales	1,00,00,000	12,00,000 A

A= adverse; F = favorable

Prepare responsibility accounting reports for the Managing Director, Director (Marketing), Director (Technical) and Mill Manager

Question 4 Answer any THREE

- Compare Budgets with Standards as a control measure
- Explain the problems of using ROI as a performance measure
- How does a Balanced Scorecard translate a company's strategy to a control measure?
- Market based transfer pricing and its pros and cons

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