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Reg. No. : .....

Name : .....

Third Semester M.Com. Degree Examination, March 2022

Paper IV: CO 234 F – STRATEGIC COST AND MANAGEMENT ACCOUNTING

(2018 Admission Onwards)

Elective: Finance

Time : 3 Hours Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** mark.

1. What is differential costing?
2. What is angle of incidence?
3. What is normal loss?
4. What are the main objects of inter process profit?
5. What is standard cost card?
6. What is volume variance?
7. What is meant by international transfer price?
8. What is meant by CRM?
9. What is sunk cost?
10. Write a short note on 'predictive methods'.

(10 × 2 = 20 Marks)

P.T.O.

SECTION – B

Answer any **five** questions. **Each** question carries **5** marks.

11. What are the factors taken into consideration while deciding whether to make or buy?

12. What are equivalent units? Explain any two methods of calculating it.

13. Describe the managerial uses of variance analysis.

14. Why do transfer pricing system exist? What are the criteria to be considered in assessing a system of transfer pricing?

15. Write short notes on:

    (a) Lifecycle cost

    (b) Driver caused budgeting

16. Explain 'optimization techniques'.

17. A-One Co. produces 4,00,000 components of a machinery annually at 80% of full capacity. Regular selling price of the component is ₹ 33. Budgeted annual production costs and other expenses for the year are as follows:

expenses for the year are as follows :	₹
Raw materials cost per unit	4.25
Direct labour cost per unit	5.75
Variable factory overhead per unit	7.75
Variable selling costs	5% of selling price
Fixed factory and administrative overheads	39,50,000

During the year the company received a one-time order to sell 25,000 components for which no selling expenses will be incurred. What should be the minimum price quoted by the company if it wants to earn minimum of ₹1 per component on this order?