D 114520 **(Pages : 4)** **Name.......................................**

Reg. No..................................

FIRST SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY) EXAMINATION, NOVEMBER 2024

(CBCSS)

M.Com.

MCM 1C05—ADVANCED MANAGEMENT ACCOUNTING

(2019 Admission onwards)

Time : Three Hours Maximum : 30 Weightage

Answers should be written in English only.

Section A

Answer any **four** *questions.*
Each Question carries 2 weightage.

1. What is Social cost-benefit analysis ?
2. Which are the diagnostic tools of management accounting ?
3. What are the functions of a management accountant ?
4. Define the term performance measurement.
5. What is significance of Cost-volume-profit (CVP) analysis ?
6. What is the significance of the co-efficient of variation ?
7. Which are the elements of standard costing ?

(4 × 2 = 8 weightage)

Section B

Answer any **four** *questions.*
Each Question carries 3 weightage.

8. What is the scope of management accounting
9. Explain the predictive toots of management accounting ?
10. Explain the aspects to be considered in measurement of economic value added.
11. What are the merits and demerits Activity-based budgeting ?

Turn over

12. There is 40% chance that a patient admitted to the hospital is suffering from cancer. A doctor has to decide whether a serious operation should be performed or not. If the patient is suffering from cancer and the serious operation is performed, the chance that he will recover is 70%, otherwise it is 35%. On the other hand, if the patient is not suffering from cancer and the serious operation is performed, the chance that he will recover is 20%, otherwise it is 100%. Assume that recovery and death are the only possible results. Construct an appropriate decision tree. What decision should the doctor take ?

13. In Dept. A the following data is submitted for the week ended 31st October: Standard output for 40 hours per week 1,400 units. Standard fixed overhead Rs. 1,400. Actual output 1,200 Units. Actual fixed overhead Rs, 1,500, Actual hours worked 32 Hours. Prepare a statement of variances

14. A company produces and markets industrial containers and packing cases. Due to competition. the company proposes to reduce the selling price. If the present level of profit is to be maintained, indicate the number of units to be sold if the proposed reduction in selling price is: (a) 5%; (b) 10%;. The following additional information is available.

	Rs.	Rs.
Present Sales Turnover (30,000 units)		3,00,000
Variable Cost (30,000 units)	1,80,000	
Fixed Cost	70,000	2,50,000
Net Profit		50,000

(4 × 3 = 12 weightage)

Section C

Answer any **two** *questions.*
Each Question carries 5 weightage.

15. Which are the different techniques used for decision making under risk and uncertainty ?

16. A production department of a large manufacturing organisation has furnished the following data for May, 2020.

	Budget Rs.	Actual Rs.
Direct Materials	4,00,000	5,10,000
Direct wages	250,000	3,25,000
Repairs and Maintenance (Rs. 1,00,000 Fixed)	2,00,000	2,20,000
Supervision (Fixed)	1,00,000	1,10,000
Consumable stores (Variable)	75,000	95,000
Factory Rent (Fixed)	50,000	50,000
Depreciation (Fixed)	1,00,000	1,00,000
Tools (Variable)	25,000	30,000
Power and Fuel (Variable)	1,50,000	1,80,000
Administration (Fixed)	2,50,000	2,65,000

The department has 50 identical machines. During May, 2013 the budgeted and actual production of the department are 10,000 and 12,500 units respectively. However, if the department was closed and the machine production services were hired from outside, the cost of hiring the services of similar machines would be Rs. 150 per unit.

You are required to present reports showing the evaluation of the performance of the department based on the concept of (a) Cost Centre (b) Profit Centre and (c) Responsibility Centre.

17. The standard costs of a certain chemical mixture is: 40% Material A at Rs. 200 per ton and 60% Material B at Rs.300 per ton; Standard loss of 10% is expected in production. During a period they used 90 tons of Material A at the costof Rs. 180 per ton, 110 tons of Material B at the cost of Rs. 340 per ton. The weight produced is 182 tons of good production. Calculate Material price, usage, Mix variances.

18. The following data are available in respect of product 'A' manufactured by Pankaj Ltd :

	Rs.
Sales	2,50,000
Direct materials	1,00,000
Direct wages	50,000
Variable overhead	25,000
Fixed overhead	50,000

The company now proposes to introduce a new product 'B' so that sales may be increased by Rs. 50,000. There will be no increase in fixed costs and the estimated variable costs of the product 'B' are : Direct materials Rs. 24,000 ; Direct wages Rs. 11,000 ;Overhead Rs. 7,000. Advise whether product B will be profitable or not

(2 × 5 = 10 weightage)