

FACULTY OF MANAGEMENT**M.B.A. (CBCS) II – Semester (New) Examination, July / August 2017****Subject: Strategic Management Accounting****Paper – MB – 205 - 2****Open Elective – IV****Time: 3 Hours****Max.Marks: 80****Note: Answer all the questions from Part-A and Part-B.****Each question carries 4 marks in Part-A and 12 marks in Part-B.****PART – A (5x4 = 20 Marks)****[Short Answer Type]**

- 1 CVP analysis
- 2 Zero based budgeting
- 3 Performance evaluation
- 4 ABC
- 5 Product life cycle costing

PART – B (5x12 = 60 Marks)**[Essay Answer Type]**

- 6 a) What is Break-even Chart? Mention its uses and significance.

OR

- b) Sing Radios Ltd find the while it costs Rs. 6.25 each to make a component XQ / 192, the same is available in the market at Rs. 5.75 with an assurance of continued supply. The cost of making consists of

	Rs.
Materials	2.75 P.U
Labour	1.75 P.U
Other variable overheads	0.50 P.U.
Depreciations and other fixed costs	1.25 P.U.

- i) Should you make or buy?

- ii) What would be your decision if supplier offers the component at Rs. 4.85 each?

- 7 a) What is variance analysis? Explain the different types of labour variances.

OR

- b) With the following data for a 60% activity prepare a budget for production at 80% and 100% capacity.

Production at 60% activity	600 units
Materials	Rs. 100 per unit
Labour	Rs. 40 per unit
Direct expenses	Rs. 10 per unit
Factory overheads	Rs. 40,000 (40% fixed)
Administrative expenses	Rs. 30,000 (60% fixed)

- 8 a) In transfer pricing what is common conflict between a division and a company as a whole.

OR

- b) Describe the types of responsibility centers.

- 9 a) Explain the limitations of traditional costing allocation methods.

OR

- b) AB Co. is considering a selective control for its inventories using the following data:

Units	Unit cost
7,000	10.00
8,000	9.00
10,000	2.00
6,000	8.00
8,000	1.00
2,000	60.00
5,000	0.40
4,000	40.00

You are required to prepare the ABC plan.

- 10 a) Discuss the nature and significance of the PLC.

OR

- b) Explain the importance of competitor information.
