

CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE

FOR WOMEN, NUVEM – GOA

M.COM PART (SEMESTER-III) EXAMINATION, FEBRUARY 2022

COO 336 : COST MANAGEMENT & CONTROL

Duration: 3 Hours

Max Marks: 60

Instructions:

1. This paper consists of Nine Questions carrying equal marks.
2. Question no.1 consists of 5 compulsory questions of 2 marks each.
3. Answer any 5 questions from question 2, 3, 4, 5, 6, 7, 8 and 9.
4. Each question carries 10 marks. Figures to the right indicate marks.

1. Write a short note on the following: 5X2 = 10M

- a) Cost Pools.
- b) Activity Based Costing.
- c) Competitive advantage.
- d) Cost Avoidance.
- e) Limitations of Linear Programming.

2. Write a note on Transfer Pricing.

3. Balanced Scorecard is a fairly new concept in performance measurement. Explain this concept.

4. Do you think Strategic Cost Management is necessary? Elaborate.

5. A small project consisting of ten activities has the following characteristics

Activity	Preceding activity	Time estimate (weeks)		
		Optimistic	Most Likely	Pessimistic
A	-	4	5	12
B	-	1	1.5	5
C	A	2	3	4
D	A	3	4	11
E	A	2	3	4
F	C	1.5	2	2.5
G	D	1.5	3	4.5
H	B, E	2.5	3.5	7.5
I	H	1.5	2	2.5
J	F, G, I	1	2	3

- i. Draw the PERT network for the project.
 - ii. Prepare the activity schedule for the project indicating the estimated duration, variance and standard deviation.
 - iii. Determine the critical path.
6. A furniture manufacturer wishes to maximise his profits. You are furnished with the following information. You are required to formulate a Linear Programming Problem and solve it graphically.

Resources	Desks	Tables	Available
Wood (Board feet)	10	20	140
Labour (hours)	06	08	72
Unit profit	08	12	

7. The following details of three products sold by PQR Ltd. are provided along with relevant information.

Product	P	Q	R
Output in units	80	100	120
Cost per unit:			
Direct Material	30	50	60
Direct Labour	14	21	21
Machine hours (p.u)	2	3	3

The three products are usually produced in production runs of 10 units. The total number of requisitions raised was 20 for each product.

The total production overhead for the period has been analysed as follows:

Machine Department cost is Rs.8200. The remaining costs are given below

Costs (Cost drivers)	Amount
Set up cost (productions runs)	Rs.5100
Inspection (production runs)	Rs.3000
Stores receiving (requisitions raised)	Rs.4200

You are required to prepare a statement showing total cost of each product using Activity Based Costing.

8. The following table shows the details of six machines and five jobs. Processing cost is also given in the table. You are required to make an assignment and find out the optimal cost.

Machines	Jobs				
	Job 1	Job 2	Job 3	Job 4	Job 5
Machine 1	6	2	5	2	6
Machine 2	2	5	8	7	7
Machine 3	7	8	6	9	8
Machine 4	6	2	3	4	5
Machine 5	9	3	8	9	7
Machine 6	4	7	4	6	8

9. A project has the following time schedule

Activity	Predecessor	Durations (Days)
A	-	3
B	A	4
C	A	2
D	B	5
E	C	1
F	C	2
G	D, E	4
H	F, G	3

Construct the network and calculate EST, EFT, LST, LFT and Total Float to determine the critical path of the project and the duration to complete it.
