Total number of printed pages–7

14 (COM-3) 3046

2018

AMCA

Paper : COM-3046 (Group–A)

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Select the most appropriate answer from the choices given against each : 1×5=5

(a) An Opportunity Cost is the cost of

(i) a lost business

(ii) obtaining new business opportunities

(iii) the next best alternative course of action

(iv) unplanned new business.

Contd.

(b) Which of the following costs is not relevant when considering the closure of a department within a factory ?

(i) Variable overheads

(ii) Direct materials

(iii) Fixed overheads

(iv) Direct labour.

(c) In a Make versus Buy decision, which of the following factor is not relevant ?

(i) Reliability of supplier

(ii) Opportunity cost of alternative activities

(iii) Reliability of bought in products

(iv) Fixed Cost.

(d) State which of the following statements is not correct :

(i) Responsibility accounting is a technique of performance measurement

(ii) Responsibility accounting is used as a control device

(iii) Responsibility accounting is helpful for decision-making and planning

(iv) There is no differences in nature of responsibility centres.

(e) Zero-based budgeting was first used by

(i) Robinson

(iii) K Narayanan

(iii) Jimmy Carter

(iv) Morse.

2. Answer the following questions in brief : (***any three***) 5×3=15

(a) 'Some costs are controllable and some other costs are non-controllable."

— Write how some costs are controllable and other costs are not controllable.

(b) Discuss the importance of 'Value Analysis' in a big production house.

(c) State the concept and objectives of MIS.

(d) Write a note on the application of Computer in Management Accounting purpose.

(e) Explain in brief the market based Transfer Pricing Method.

3. Answer the following : ***(any three)***

$8 \times 3 = 24$

(a) Explain the significance of the following cost concepts in managerial decision-making 2×4

(i) Discretionary Cost

(ii) Opportunity Cost

(iii) Sunk Cost

(iv) Fixed Cost.

(b) What is zerobase budgeting ? How is it different from traditional budgeting ? 3+5

(c) Discuss the Principles of Good Reporting System. 8

(d) Write the distinction of Cost Audit from Financial and Management Audit. 8

(e) What is life cycle costing? How is it different from traditional costing? 3+5

4. Answer as directed:

(a) (i) What steps should be taken to make an effective system of cost control?

(ii) State the basic features of cost reduction programe. 6+6

Or

Elucidate the Cost Accounting record and Cost Audit under the provisions of Company Act, 2013. 12

(b) Write short notes on ***any two*** of the following: 6×2

(i) Behavioural aspect of Budget

(ii) Management Audit

(iii) Human Resource Accounting.

Or

Highlight the basic features of strategy formulation, management control and task control. 3×4

(c) Nivea Co. Limited is using a special material coded as "Ax2" to produce two products Nivea Gold and Nivea Diamond. The cost structure per unit of these two products is given below:

Particulars	**Nivea Gold**	**Nivea Diamond**
Cost per unit:		
Material	Rs. 300	Rs. 200
Labour	Rs. 120	Rs. 90
Overheads:		
Variable	Rs. 40	Rs. 20
Fixed	Rs. 120	Rs. 90
Total	Rs. 580	Rs. 400
Per Unit Selling Price	Rs. 700	Rs. 490

Demand for two products are:

Nivea Gold – 2,00,000 units and Nivea Diamond – 1,60,000 units. It is also decided that the company shall produce at least 50% of the total demand stated as above in all circumstances considering the nature of market. The total availability of materials is restricted to the quantity available for Rs. 5,50,00,000 only.

State how the availability of material should be utilised to get the maximum benefit. Show your calculation. 12

Or

A company manufacturing two products furnishes the following data for a year.

Products	Annual output (units)	Total Machine hours	Total no. of Purchase orders	Total no. of Set-ups
R	6,000	25,000	150	20
S	80,000	1,15,00	350	40

The annual overheads are as under :

Volume related activity costs	Rs. 5,50,000
Setup related costs	Rs. 8,50,000
Purchase related costs	Rs. 6,00,000

You are required to calculate cost per unit of each product R and S based on :

(a) Traditional method of charging overheads

(b) Activity-based costing method.

6+6