

MAY 2014

**P/ID 77805/PMSF5**

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Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. What is cost management? Explain its objectives.
2. What are the pitfalls of activity based cost system?
3. What is activity identification? Explain briefly.
4. What are the advantages of responsibility accounting?
5. What are the benefits of JTT?
6. What is target costing? Explain briefly.
7. How is quality cost is classified in manufacturing organization?
8. What is internal failure cost? Explain briefly.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. What are the inadequacies of traditional method of overhead absorption?
10. Discuss the types of responsibility centres.
11. Discuss the need and significance of value chain analysis.
12. Distinguish between estimated cost and standard cost.
13. Explain the role of management accountant in achieving the competitive advantage through value chain analysis.
14. How business can use life cycle management to create opportunities?
15. Discuss the steps in tactical decision making.
16. How do you measure the quality cost effects on productivity?

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. From the following particulars, calculate

- (a) Sales price variance
- (b) Sales volume variance
- (c) Sales value variance.

Product	Budgeted quantity		Actual quantity	
	Unit	Price	Unit	Price
A	1000	20	1300	21
B	2000	15	2300	14

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