

**GOA VIDYAPRASARAK MANDAL'S
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE
ANDECONOMICS, PONDA-GOA
B.COM. (SEMESTER-VI) EXAMINATION, JULY 2021
ADVANCED MANAGEMENT ACCOUNTING (DSE 7B)**

Duration: 2 Hours

Max. Marks: 30

Instructions;

- 1) All questions are compulsory.
- 2) Figures to the right indicate the maximum marks allotted to the questions.
- 3) Give working notes wherever necessary.

Q. 1) Answer any five from the following: (5 x 2= 10)

- a) Marginal cost
- b) Margin of safety
- c) Composite break even point
- d) Service costing
- e) Cost pool
- f) Kaizen costing
- g) Quality cost
- h) Modern business environment

Q. 2) Answer any four from the following: (4 x 5=20)

- a) What is strategic cost management? State the techniques of strategic cost management.
- b) Define the concept of Just - in -Time. Enumerate the features and objectives of Just –in –Time.
- c) ABC Ltd. produces and sells the product 'A'. It provides the following information about its product 'A' for the year ended 31st Dec., 2020:

Sales (15, 000 units)	₹ 1,50,000
Variable cost (15, 000 units)	₹ 90,000
Fixed cost	₹ 35,000
Net profit	₹ 25,000

Due to competition in the market, the company proposes to reduce the selling price by 10% for 2021. Find out the number of units to be sold if the company wants to maintain the same level profit.

- d) Prepare a cost sheet showing the cost of electricity generated per unit of KWh by Rahul thermal power station from the following particulars;

	₹
Labour	45,000
Maintenance	40,000
Consumables	20,000
Supervision	25,000
Office overheads	15,000
Sales proceeds from Ash	1,000
Depreciate the plant and machinery at 10% on cost of ₹ 5,00,000	
Coal consumed per KWh is 5 kgs at Re 0.02 per kg	

contd...2/-

- e) Aaj Hotel has 50 rooms. The room occupied rate of the hotel is 80%. It is assumed that there are 12 months in a year and 30 days in a month. The hotel provides the following information for the year ended 2020:

	₹
Staff salary	50,000
Room attendants' salary	10,000
Lighting and power charges	15,000
Maintenance expenses	10,000
Decoration charges	15,000
General overheads	9,000
Profit on selling price 20%	
Provide depreciation on furniture at 10% on cost of ₹ 7,00,000	

Calculate the total cost and rent per room of the Aaj Hotel.

- f) ARK Ltd. manufactures a product which requires material of ₹ 5,00,000 and labour of ₹ 3,00,000. Prepare a statement showing the total cost of the product under Activity Based Costing from the following information:

Cost Pool	Cost Driver	Volume	Cost Driver Rate
Material handling	NOMs	50	100
Set-up	NOSs	30	150
Machinery	NOMHs	400	200
Maintenance	NOMHs	200	100
Quality control	NOIs	15	80

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