



SDV – 16

M.Com. (Semester – IV) Examination, April 2014

ACCOUNTING AND FINANCE

CO4A3 : Cost Management

Duration : 2 Hours

Total Marks : 50

1. Discuss briefly the following **five** questions :

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- a) Cost Management Information
- b) Cost objects
- c) Value Engineering
- d) Economic value added method
- e) Network Analysis.

2. A) How is cost management applied in the field of Accountancy, Production and Administration ?

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OR

B) What is labour turn over ? How is it measured ? What is the effect of cost benefit analysis on training and development programme.

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3. A) What is ABC system ? How is it developed and implemented ?

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OR

B) What is programme evaluation review technique ? How is it different from critical path method ?

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4. A) A firm makes 2 products X and Y and has a total production capacity of 9 tonnes per day. X and Y requiring the same production capacity. The firm has a permanent contract to supply at least 2 tonnes of X and at least 3 tonnes of Y per day to another company. Each tonne of X requires 20 machine hours production time and each tonne of Y requires 50 machine hours production time. The daily maximum possible number of machine hour is 360. All the firms output can be sold and the profit made is ₹ 80 per tonne of X and ₹ 120 per tonne of Y. It is required to determine schedule for maximum profit and calculate this profit.

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OR

P.T.O.



- B) Solve the following transportation maximisation problem using Vogel's Approximation Method and check for the degeneracy of the solution.

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Sources	Destinations				Supply
	D ₁	D ₂	D ₃	D ₄	
S ₁	45	60	41	65	150
S ₂	48	53	55	73	200
S ₃	52	61	70	59	300
S ₄	62	61	67	60	350
Demand	150	350	300	200	

5. A) The following table gives the cost of the jobs if a network along with their time estimates.

Jobs	Duration (days)		Pessimistic
	Optimistic	Most Likely	
1 - 2	3	6	15
1 - 6	2	5	14
2 - 3	6	12	30
2 - 4	2	5	8
3 - 5	5	11	17
4 - 5	3	6	15
6 - 7	3	9	27
5 - 8	1	4	7
7 - 8	4	19	28

- 1) Draw the project network.
- 2) Calculate the length of critical path.
- 3) Find the floats and EFT, EST, LFT and LST of the activities on the critical path.

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OR



B) A production supervisor is considering, how he should assign five jobs that are to be performed, to five mechanists working under him. He wants to assign the jobs to the mechanists in such a manner that the aggregate cost to perform the job is the least. He has following information about the wages paid to the mechanists for performing these jobs.

Duration : 2 Hours

Total Marks : 50

Mechanists	Job 1	Job 2	Job 3	Job 4	Job 5
A	10	3	3	2	8
B	9	7	8	2	7
C	7	5	6	2	4
D	3	5	8	2	4
E	9	10	9	6	10

2. A) Assign the jobs to the mechanists so that the aggregate cost is the least. 10

Administration ?

OR

B) What is labour turn over ? How is it measured ? What is the effectual cost benefit analysis on training and development programme?

3. A) What is ABC system ? How is it developed and implemented ?

OR

B) What is programme evaluation review technique ? How is it different from critical path method ?

4. A) A firm makes 2 products X and Y and has a total production capacity of 9 tonnes per day. X and Y requiring the same production capacity. The firm has a permanent contract to supply at least 2 tonnes of X and at least 3 tonnes of Y per day to another company. Each tonne of X requires 20 machine hours production time and each tonne of Y requires 50 machine hours production time. The daily maximum possible number of machine hours is 600. All the firms output can be sold and the profit made is ₹ 80 per tonne of X and ₹ 120 per tonne of Y. It is required to determine schedule for maximum profit and calculate this profit.

OR