

**G.V.M.'s Gopal Govind Poy Raiturcar College of
Commerce and Economics, Ponda Goa**

M.Com. Semester III

ISA I August 2023

COM 626: Cost management and Control

Time: 1 hour

Marks: 20

Instructions: 1. All questions are compulsory, however internal choice is available.
2. Figures to the right indicate full marks.

Q.1. Answer any five questions from the following: - (5x2=10 marks)

- a) Difference between cost control and cost reduction?
- b) What are some factors in contemporary business environment that are causing changes in business firms to use cost management?
- c) Write note on cost leadership and cost differentiation and Give Example?
- d) State Meaning and any two uses of cost management.
- e) What is Differential cost and opportunity cost?

f) Match the Columns:

i. Relevant cost	ii. cost which are influenced by the action of a specified member of an undertaking
iii. Controllable cost	iv. costs which are affected and changed by decision
v. Sunk cost	vi. costs which are not actually incurred
vii. Imputed cost	viii. past payment of resources that cannot be changed by any current or future decision

Q.2. Answer the following question:-

(10 marks)

A company Manufactures two products A and B using common facilities. The following cost data for a month are presented to you

Particulars	Product A	Product B
Units produced	2500	30,000
Total machine hours	10,000	60,000
Total no. of setups	10	40
Total no. of purchase order	80	200

The annual overheads are as follows:

Volume related activity	Rs.3,00,000
Set up related expenses	Rs.4,00,000
Expenses related to orders	Rs.3,20,000

Calculate the overhead per unit absorbed using:

- a) Traditional costing
- b) Activity based costing