

FACULTY OF MANAGEMENT**M.B.A. II – Semester (CBCS) Examination, May / June 2018****Subject: Strategic Management Accounting****Paper – MB – 205 – 2
(Open Elective – IV)****Time: 3 Hours****Max.Marks: 80****Note: Answer all the questions from Part-A and Part-B.****Each question carries 4 marks in Part-A and 12 marks in Part-B.****PART – A (5x4 = 20 Marks)****[Short Answer Type]**

- 1 State assumptions of break even analysis.
- 2 What is meant by Budget, Budgeting and Budgetary control?
- 3 Define responsibility accounting and state its features.
- 4 What is meant by customer account profitability analysis?
- 5 .State the components in PLC costing.

PART – B (5x12 = 60 Marks)**[Essay Answer Type]**

- 6 a) Explain the nature and scope of strategic management accounting.

OR

- b) From the following data, find out:

- i) P/v ratio
- ii) B/E sales
- iii) Profit when sales are Rs. 1,00,000
- iv) Sales required to earn a profit of Rs. 20,000 and
- v) Safety margin in two years

Year	Sales Rs.	Profit Rs.
2016	1,20,000	9,000
2017	1,40,000	13,000

- 7 a) Discuss the significance and applicability of Management control and operational control systems in an organization.

OR

- b) From the following details, calculate LCV, LRPV and variances for the two departments:

Particulars	Department	
	A	B
Actual gross wages	Rs. 2,000	Rs.1,800
Standard hours	8000	600
Standard rate purchaser	Re 0.30	Re 0.35
Actual hours worked	8200	5800

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- 8 a) Discuss the salient features of cost centre, profit centre and investment centre.

OR

- b) Explain the concept and methods of transfer pricing.

- 9 a) A company provides the following data for a year.

Product	Annual Output (Units)	Total Machine Hours	Total no. of Purchase Orders	Total no. of Setups
X	5,000	20,000	160	20
Y	50,000	1,00,000	384	44
	55,000	1,20,000	544	64

The annual overheads are as follows:

Volume related activity costs	5,50,000
Setup related costs	8,20,000
Purchase related costs	6,18,000
	<u>19,88,000</u>

Calculate the cost per unit of X and Y using:

- i) Traditional Costing
ii) ABC Analysis.

OR

- b) Describe vital issues in customer costs analysis.

- 10 a) Discuss the significance of product life cycle costing in strategic decisions.

OR

- b) Describe the sources of competitor information.
