

PC-10030/NJ

F-33/2110

STRATEGIC COST MANAGEMENT – 301

Semester–III

(Syllabus Dec.-17)

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt *two* questions each from Section A and B Section C will be compulsory.

SECTION – A

- I. What are the Traditional Costing and its main drawbacks? What is absorption costing? Is this the same as Traditional Costing? Describe the key elements of Traditional Costing. How do you calculate overhead rate in Traditional Costing? Illustrate the calculations by assuming suitable data. (10)

- II. What is meant by strategic cost management? Describe the key elements of strategic management. Explain the advantages of strategic cost management. Explain the main principles and the importance of strategic cost management. (10)

- III. Explain ABC costing and the features of this costing. Describe the following implementation steps of ABC Costing to prepare the Management Report :
- (a) Activity Identification and Analysis.
 - (b) Assignment of Costs to Cost Objects.
 - (c) Calculate Activity Rates. (10)
- IV. Write illustrative notes on the following :
- (a) Allocation in Cost Management System.
 - (b) Driver Tracing. (5,5)

SECTION – B

- V. Explain activity based cost management. Describe the difference between activity based costing and activity based management? How Activity Based Management is used in decision-making? (10)
- VI. Explain the basics of activity based budgeting. What are the different types of budgets? Describe the advantages of budgeting. (10)
- VII. What do you understand by Performance Evaluation? What are the objectives of Performance Evaluation? Describe various Steps of Performance Evaluation Process. (10)
- VIII. Describe Transfer Pricing and its important? What are the steps in Transfer Pricing and its types in International Business? (10)

SECTION – C

IX. Attempt any *ten* parts :

- (a) What are examples of cost drivers? Do fixed costs have cost drivers?
 - (b) What is strategic positioning and what are the three principles that underlie it?
 - (c) Explain cost behaviour. What are the different types of cost behaviour?
 - (d) What are the objectives of cost management?
 - (e) What is the concept of cost accounting?
 - (f) What are the benefits of value chain analysis?
 - (g) What is target cost per unit? Why do firms use target costing?
 - (h) What are the Kaizen process and its objectives?
 - (i) Explain back flushing costing in (SAP) Systems Applications and Products.
 - (j) What is the balanced scorecard and how is it useful?
 - (k) What are strategic evaluation and control and its types?
 - (l) What are the main problems and their solutions in implementing balanced scorecard? (3×10=30)
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