

QP CODE

H2121

Enrollment Number:

Name:

M.COM DEGREE EXAMINATIONS, MARCH 2026

Third Semester

M.Com

M21CM02DE – Advanced Cost and Management Accounting

(2024 July admissions)

Time: 3 Hours

Max Marks: 70

Section A

Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.

1. Define marginal cost.
2. What do you mean by Enterprise Performance Management?
3. What is standard costing?
4. What are overheads?
5. Define activity-based costing.
6. How does labour cost variance help in cost control?
7. What is business intelligence?
8. What is behavioural cost management?

(2X5=10)

Section B

Answer any six of the following questions in a paragraph each. Each question carries 5 marks.

9. Discuss the uses of Marginal Costing.
10. Identify and explain the stages involved in designing ABC systems.
11. Calculate the cost-plus markup transfer price of a wristwatch when the total fixed cost of production is ₹1,250, the total variable cost is ₹2,000, the profit earned during the year amounts to ₹4,000, and the markup on profit is fixed at 25%.
12. State Objectives of intercompany transfer pricing scheme.
13. Explain the process of standard costing.

14. Calculate Labour cost variance from the following details of Dream Ride Pvt. Ltd., which manufactures electric bicycles:

Labour Category	Standard		Actual	
	Total Hours	Rate (₹)	Total Hours	Rate (₹)
Production labour	13	60	14	84
Inspection labour	9.5	35	12	33

15. Explain any two bench marking techniques in cost accounting.
16. Determine the amount of fixed expenses from the following particulars:
Sales. ₹2,40,000, Direct materials ₹80,000, Direct labour ₹50,000, Variable overheads ₹20,000 and profit ₹50,000.
17. What are the steps in Driver Caused Budgeting?
18. You are required to determine the contribution from the following particulars:
Sales: ₹ 5,00,000, Fixed Cost: ₹1,30,000, Profit: ₹ 80,000.

(5X6=30)

Section C

Answer any two of the following questions in four pages each. Each question carries 15 marks.

19. Explain the managerial application of marginal costing.
20. For producing 10kg of CEMEX, the standard material requirements is:

Material	Quantity	Rate per kg
A	8kg	6.00
B	4kg	4.00

During April, 1000 kg of CEMEX were produced. The actual consumption of materials is as under:

Material	Quantity	Rate per kg
A	7.5	7.00
B	5	5.00

Calculate (a) Material cost variance, (b) Material price variance, and (c) Material usage variance.

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21. Sigma Manufacturing Ltd manufactures two products — Product P and Product Q. The annual operational data of the company is given below:

Production and Activity Data

Products	Annual Output (Units)	Total Labour Hours	Total No. of Material Requisitions	Total No. of Production Setups
P	15,000	45,000	300	20
Q	60,000	1,20,000	600	40

The annual overhead costs are as follows

Particulars	Amount (₹)
Labour-related overhead costs	7,20,000
Set-up related overhead costs	9,60,000
Material handling overhead costs	6,00,000

You are required to calculate the cost per unit of each product (P and Q) using:

- (a) Traditional Costing Method
- (b) Activity-Based Costing (ABC) Method

22. What are Cost Accounting Standards? Explain any five Cost Accounting Standards with examples. Also, briefly state their importance in ensuring accuracy and transparency in financial reporting.

(15X2=30)