

**QP CODE**

**Enrollment Number: .....**

**C2067**

**Name: .....**

**M.COM DEGREE EXAMINATIONS, JULY 2025**

**Third Semester**

**M.Com**

**M21CM02DE – Advanced Cost and Management Accounting  
(2023 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. What do you mean by Marginal Cost?
2. What is strategic decision making?
3. What do you mean by P/V Ratio?
4. What do you mean by Activity Based Budgeting?
5. What do you mean by ERP?
6. What do you mean by Behavioural Cost Management?
7. What do you mean by Material Cost Variance?
8. What do you mean by Overheads?

**(2X5=10)**

**Section B**

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

9. List out the differences between Marginal costing and absorption costing.
10. List out some of the features of Marginal Costing?
11. List out the process of standard costing.
12. List out some of the advantages of Activity Based Costing?
13. Explain the importance of the cost accounting standards.
14. Calculate P/V Ratio from the following data

Year	Sales (₹)	Profit (₹)
2024	40,00,000	4,00,000
2025	60,00,000	8,00,000

15. From the following information, calculate Break-even sales.

Variable cost per unit ₹ 15

Fixed cost ₹ 54,000

Selling price per unit ₹ 20

16. Given:

Standard Hours 40 @ ₹ 20 per hour

Actual hours 45 @ ₹22 per hour

Calculate Labor Cost Variance, Labor Rate Variance and Labor Efficiency Variance

17. Elucidate the importance of Enterprise Performance Management.

18. Explain the steps involved in Driver Caused Budgeting.

(5X6=30)

### Section C

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

19. What do you mean by transfer pricing. Explain the methods of transfer pricing.

20. Given the following data:

Sales ₹ 60,000

Variable Cost ₹ 30,000, Fixed Cost ₹ 15,000, Calculate:

i. P/V Ratio, BEP and MoS at this level.

ii. Calculate the effect of the above three with 10% increase in sales price

iii. Calculate the effect of the above three with 10% decrease in sales prices

21. A Company manufactures and sell three items, X, Y and Z. All the three products are from the same set of machines. Production is limited by machine capacity. Prioritize the items so as to maximize profits.

	X	Y	Z
Raw material cost per unit	2.25	3.25	4.25
Direct labor per unit	.50	.50	.50
Other variable cost per unit	.30	.45	.71
Selling price per unit	5	6	7
Standard Machine time required per unit	39 mnts	20 mnts	28 mnts

22. Explain the applications of marginal costing in managerial decision making?

(15X2=30)