QP Code: P25DRIS035 **Reg. No : .....**
Name : .....

ST MARY'S COLLEGE (AUTONOMOUS), THRISSUR-20

I SEMESTER (CBCSS - PG) DEGREE EXAMINATIONS, NOVEMBER 2025
(Regular/Improvement/Supplementary)
M. Com.
MCM1C05 : Advanced Management Accounting
2024 Admission Onwards

Time: 3 Hours **Maximum Weightage: 30**

Part A

*Short answer type questions. Answer **any four**. Weightage **2** for each.* ***(4x2 = 8 Weightage)***

1. Explain the strategic role of management accountant.
2. State the various perspectives of a balanced scorecard.
3. What is performance measurement?
4. Write a note on cost volume profit analysis.
5. What are the different types of systematic risks?
6. Describe the steps involved in the construction of decision tree.
7. Discuss the procedure for setting standards.

Part B

*Short essay-type questions. Answer **any four**. Weightage **3** for each .* ***(4x3 = 12 Weightage)***

8. Briefly explain the diagnostic and predictive tools included in management accounting.
9. The cost sheet of a product is given below:

Particulars	Rs.	Rs.
Direct Material		5.50
Direct wage		3.50
Factory Overhead Fixed Variable	 0.75 0.50	 1.25
Administrative Expenses		0.75
Selling and distribution Overhead Fixed Variable	 0.50 0.50	 1.00
Total		12.00

Selling price per unit is Rs. 13.00. The above figures are for an output of 60,000 units. The capacity for the firm is 75,000 units. A foreign customer is desirous of buying 15,000 units at a price of Rs.11 per unit.

Turn Over

Advice the manufacturer whether the order should be accepted. What will be your advice if the order is from a local merchant?

10. Emirates Industries earnings before interest and taxes for the financial year 2023 amounted to Rs.5,130 million. Applicable tax rate is 35%. 60% of the company's assets are financed by debt which has an after tax cost of 3.8%, while 40% is financed by equity with a cost of 9.8%. Emirates Industries average total capital employed over the period amounted to Rs.50,420 million. Find the Economic Value Added of Emirates Industries.

11. M/s Rohtas Industries Ltd. is considering the acceptance of a proposal that entails an initial cash flow of Rs.11,000 and is expected to provide the following cash flows for five years.

Years	1	2	3	4	5
Expected cash inflow	4,50,000	3,50,000	3,00,000	2,50,000	1,50,000

Assuming the company's cost of capital to be 12%, the risk index and risk-free rate of 8%, calculate the risk adjusted discount rate to find out the NPV of this proposal.

12. Standard cost of a certain chemical mixture is as follows:
40% of material A at Rs.40 per tone
60% of material B at Rs.30 per tone
A standard loss of 10% is expected in production.
Actual cost of material used:
90 tons of material A at a cost of Rs.42 per ton
160 tons of material B at a cost of Rs.28 per tone
Actual output is 230 tons.
Calculate material variances.

13. Product 'X' can be manufactured either by machine No.1 or by machine No.2. Machine No.1 can produce 10 units of 'X' per hour and machine No.2, can purchase 20 units per hour. Total machine hours available are 3,000 hours per annum. Taking into account the following comparative costs and selling price, determine the profitable method of manufacturing.

	Machine No.1 (₹)	Machine No.2 (₹)
Direct materials	30	30
Direct wages	15	18
Overhead:		
Variable	18	21
Fixed	5	5
Total cost	68	74
Selling price	90	90

14. A toy manufacturer has developed new toys. His development executive has suggested three possible retails prices *viz* Rs.20 for Sun; Rs.15 for Moon and Rs. 10 for Star. His marketing manager opines that the wholesalers and retailers have to be given at least 25% discount.
    The estimated fixed cost would be Rs. 80,000 and variable cost per unit Rs.5.00
    i) Calculate the break-even point in terms of units for each model of toy.
    ii) How much should the manufacturer sell in order to make a profit of Rs.25,000 (in units).
    Work out for each model of toy.?

Part C

Essay-type questions. Answer ***any two****. Weightage* ***5*** *for each.* ***(2x5 = 10 Weightage)***

15. Define management accounting. Discuss the nature and scope of management accounting.

16. What is ABB? Explain the advantages and disadvantages of ABB.

17. There are two projects X and Y. Each involves an investment of ₹ 40,000. The expected cash inflows and the certainty coefficients are as under:

	Project X		Project Y	
Year	Cash inflow ₹	Certainty Co-efficient	Cash inflow ₹	Certainty Co- efficient
1	25000	.8	20000	.9
2	20000	.7	30000	.8
3	20000	.9	20000	.7

Risk-free cut off rate is 10%. Suggest which of the two projects should be preferred.

18. From the following data calculate.
    (a) OH cost variance
    (b) Expenditure variance
    (c) Volume variance
    (d) Efficiency variance
    (e) Capacity variance
    (f) Calendar variances for the month of June 2023:

	Std budget	Actual
No. of working days	24	22
No. hours worked	2,200	1,950
Overhead cost(Rs)	1,100	1,200
Production (units)	1,100	1,000

****