

Register No.: Name.:

SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

THIRD SEMESTER MBA DEGREE EXAMINATION (R), DECEMBER 2023**(2021 Scheme)****Course Code : 21MBA263****Course Name: Strategic Cost Management****Max. Marks : 60****Duration: 3 Hours****PART A***(Answer all questions. Each question carries 2 marks)***No****Questions**

1. What do you mean by cost sheet? What are the elements of cost sheet?
2. What is angle of incidence?
3. Outline the concept of zero-base budgeting
4. Illustrate on cost centre and profit centre.
5. What do you mean by batch costing

PART B*(Answer any 3 questions. Each question carries 10 marks)*

6. a. For the supply of 1000 toys estimated cost data is given below

Direct material	Rs.30,000
Direct labour	Rs.20,000
Direct expenses	Rs.8,000
Factory overhead	60% of direct labor
Administrative overhead	20% of work cost
Selling and distribution overhead	10% of work cost

The company plans to charge a profit of 20% on cost of goods. Estimate the price to be quoted. (5 marks)

- b. Explain the various types of functional budgets? (5 marks)

7. Distinguish between budgetary control and standard costing.
8. Compute material cost variance, material price variance, material usage variance and material mix variance from the following information:

Material	Standard price per kg. Rs	Standard quantity (Kg)	Actual price per kg. Rs	Actual quantity (Kg)
A	5	10,000	7	12,000
B	9	5,000	6	6,000

A TV manufacturing company finds that the cost of making a part in its own workshop is Rs. 1200. The same part is available in the market for Rs 1120 with an assurance of continuous supply. The cost data to make the part are:

	Material	400
	Direct labor	500
9.	Variable cost	100
	Fixed cost	200
	Total	1200

- a) Should the part be made or bought?
b) Will your answer be different if the market price is Rs 930?

10. From the following information for the month of May, build a cost sheet to show the following components: (a) prime cost (b) factory cost (c) cost of production (d) Total cost (e) profit

Cost of raw material in stock on 1 st May 2019	Rs.30,000	Stock of finished goods in 1 st May 2019	Rs.60,000
Raw material purchased during the month	Rs.2,90,000	Stock of finished goods in 31 st May 2019	Rs.80,000
Direct labor paid	Rs.40,000	Stock of raw material on 31 st May 2019	Rs. 45,000
Factory overhead	Rs.24,000	Selling and distribution overhead	Rs.20,000
Direct expenses	Rs.6,000	Sales	Rs.4,00,000
Office overhead	Rs.12,000		

PART C

(Compulsory question, the question carries 20 marks)

Prepare cash budget for the months October, November and December 2020

Months	Sales (Rs)		Purchase (Rs)		Wages (Rs)	Sundry exp (Rs)
	Cash	Credit	Cash	Credit		
2020						
August	4,50,000	3,20,000	4,10,000	2,20,000	22,000	20,000
September	5,20,000	4,80,000	3,20,000	3,20,000	36,000	28,000
October	3,80,000	5,20,000	2,60,000	3,60,000	28,000	24,000
November	3,00,000	5,60,000	6,80,000	4,20,000	32,000	30,000
December	5,80,000	6,00,000	4,20,000	4,70,000	30,000	32,000

Additional information:

1. Debtors are collected equally in two subsequent months of sale and creditors of a month are paid as to 25% and 75% in the subsequent two months respectively (25% in the next month and 75% in the month subsequent to the next month)
2. Wages are paid in the next month.
3. 75% of sundry expense is paid in the same month and the balance in the next month.
4. In October, rent of the quarter is to be paid in advance @ 3000 per month.
5. The expected cash balance on closing of September is 12000.
