VVM's
Shree Damodar College of Commerce and Economics
Comba –Margao Goa
M.Com. (Semester-IV) Examination, April 2015

CO4A3: Cost Management

Duration: 2Hour **Total Marks: 38**

Instructions: 1) Answer all the questions
2) Figures to the Right Indicate Full Marks

1. **Answer the following questions:-** **(3x2=6)**
   a) Kaizen costing
   b) Distinguish between value analysis and value engineering
   c) Limitations of responsibility accounting

Q.2) (A) State and explain the various uses of cost management in the field of production, sales and distribution and administration of a business unit? **(8)**

OR

(B) What is a balance scorecard? Discuss the process of implementation of a good balance scorecard. **(8)**

Q.3) (A) Elaborate on the different areas in which the applications of learning curve theory can help an organization? **(8)**

OR

(B) What is project life cycle cost? How is project life cycle costs classified? **(8)**

Q.4) (A)From the following information draw the project network and find critical path using total float **(8)**

Activity	1-2	1-3	1-4	2-5	2-6	3-6	4-7	5-7	6-7
Optimistic (weeks)	3	2	6	2	5	3	3	1	4
Most likely (weeks)	6	5	12	5	11	6	9	4	19
Pessimistic (weeks)	15	14	30	8	17	15	27	7	28

What is the probability that the project will be completed in 38 weeks?

Given probality:-

Z value	0.21	0.25	0.41	0.82
Probability	0.0832	0.0987	0.1591	0.2939

OR

Q.4 (B) A firm makes two products X and Y and has a total production capacity of 9tons per day, X and Y requiring the same production capacity. The firm has a permanent contract to supply atleast 2 tons of X and atleast 3 tons of Y per day to another company. Each ton of X requires 20 machine hours production time and each ton of Y requires 50 machine hours production time, the daily maximum possible number of machine hours is 360. All the firms output can be sold and the profit made is Rs 80 per ton of X and Rs120 per ton of Y. Draw the feasible region which corresponds graphically to each constraints and find the optimal solution using linear programming technique.

Q.5 (A) A company has four factories from which it transports the product to four warehouses which are the distribution centers. Transportation cost per unit between various combinations of factories and warehouses are as follows: **(8)**

	W1	**W2**	**W3**	**W4**	**AVAILABILITY**
F1	48	60	56	58	**140**
F2	45	55	53	60	**260**
F3	50	65	60	62	**360**
F4	52	64	55	61	**220**
REQUIREMENTS	**200**	**320**	**250**	**210**	**980**

Find the transportation schedule using: Lowest Cost Entry method, Vogel's Approximation method

OR

Q.5 (B) A manufacturing company dealing in cosmetic products has five sales regions Kolkata Delhi, Mumbai, Pune, and Goa and five sales executives Mr Vishnu, Mr John, Mr Amit, Mr Raj and MrKeshav. Based on the past performance the following table is prepared showing the annual sales (in Rs lakhs) that can be generated by each salesman in each territory. Find the optimal assignment **(8)**

Sales Executives	**Sales regions (annual sales)**				
	Kolkata	**Delhi**	**Mumbai**	**Pune**	**Goa**
Mr Vishnu	26	14	10	12	9
Mr John	31	27	30	14	16
Mr Amit	15	18	16	25	30
Mr Raj	17	12	21	30	25
Mr Keshav	20	19	25	16	10

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