

SVKM's NMIMS
School of Distance Learning

Subject: Strategic Cost Management

Semester: III

Date: 9.07.2012

Time: 3.00 p.m. to 6.00 p.m.

Academic Year: 2012-2013

Programme: PGDPM

Marks: 70

Course: New

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book which is provided for their use.

NB:

1. Answer to each new question to be started on a fresh page.
2. Figure in brackets indicates full marks.

Q.1. Attempt any two

(Marks: 2*5=10)

- a) Explain the concept of business process reengineering.
- b) Define total quality management.
- c) Analyse the strength and limitation of cost benefit analysis.

Q.2. Write briefly on any two

(Marks: 2*5=10)

- a) Strategic ABM (Activity based Management)
- b) Limitation of value chain analysis.
- c) Concept of balanced score card.
- d) Advantage of target costing.
- e) Explain product life cycle costing criteria.

Q.3. Answer any three

(Marks: 3*10)

- a) Explain the traditional approach and concept of target costing.
- b) Describe Porter's five forces model.
- c) Discuss the product life cycle model.
- d) Explain the relationship between cost audit and management.
- e) Discuss the methodology of strategic cost benefit analysis.

Q.4) Answer the question

(Marks: 20)

A company's budgeted sales are 3,500 product A per month at a standard price of \$70 each against their unit cost of \$35. At the end of the third month, the actual sales revenue was \$780,000 and 12,000 product A had been sold.

Further details:

	Volume Unit	Selling price	Profit per unit
Budget	10,500	70	35
Actual	12,000	65	30

Compute:

- a) The sales volume profit variance;
- b) The sales price variance.

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