

Roll

**MBA-10 (Master of Business Administration)
M.B.A- Second Year (Fourth Semester)
Examination-2012
Strategic Cost Management
FM-2110**

Time: 3 Hours

Maximum Marks: 60

Note- The question paper is divided into three sections A, B and C

**Section-A
(Long Answer Type Questions)**

Section 'A' contains 04 long answer-type questions of 15 marks each. Learners are required to answers 02 questions only.

2×15=30

1. "Strategic cost management has become an essential area these days. While formulating the strategy for the accomplishment of overall organizational objectives, different cost drivers should be clearly identified." In light of this statement, explain the role of strategic cost management in achieving long term growth and survival of organisations.
2. What is "Activity-Based Costing" and "Activity-based Management?" How are the costs of the organization's significant activities accumulated and then assigned to goods or services where activity-based costing is used?
3. What is 'Value Analysis'? How is it carried out? Also explain the difference between value analysis and value engineering.
4. "Balance Score Card is a strategic tool for measuring and evaluating the performance of an organisation". Justify this statement. Also explain the steps for developing a BSC.

Section-B

(Short Answer Type Questions)

Section 'B' contains 08 short answer type questions of 5 marks each. Learners are required to answer 4 questions only. Answers of short answer-type questions must be restricted to 250 words approximately.

4×5 = 20

1. What do you understand by the Cost Breakdown Structure (CBS)?
2. Differentiate between Cost Management and Cost Accounting.
3. What do you mean by benchmarking?
4. Write a short note on TQM and Cost Control.
5. "Target costing helps the organisation to balance all the aspects that are beyond the control of an organisation." Discuss
6. Is JIT responsible for bringing changes in a firm? Explain
7. Define Multi Factor Productivity Measurement.
8. What are the considerations that should be kept in mind while forming cost audit report?

Section- C

(Objective Type Questions)

Section 'C' contains 10 objective-type questions of 01 mark each. Learners are required to answer all the questions.

10×1=10

Write True/False against the following.

1. Life Cycle Costing is also known as whole life costing.
2. Recognizing important cost relationships among activities in a value chain and managing those relationships to the firm's advantage is known as optimal cost management.
3. A CHAID analysis can include RFM models but can examine other variables in order to increase predictive power.

4. Cost Audit is a systematic process of objectively evaluating evidences related to the performance of the organization as mentioned in the environmental statement.
5. Re-engineering in spite of high returns, involves the risk of failure and disturbance.

Choose the correct alternative.

6. Which of the following does not include the ways through which customer profitability can be determined?
- a) Customer Revenue
 - b) Customer product cost
 - c) Asset Opportunity Cost
 - d) Break Even Cost
7. Which technique gives the management an idea of the point at which its total revenue equals its total costs (fixed and variable)?
- a) Value Chain Analysis
 - b) Value Break- Even Analysis
 - c) PEST Analysis
 - d) Control Charts
8. What are the four elements of the mentoring process in Mentoring for Change Model?
- a) Sustaining, Freeing Up, Implementing and Envisioning
 - b) Sampling, Freeing Up, Implementing and Envisioning
 - c) Sustaining, Decision Making, Implementing and Envisioning
 - d) Sustaining, Change Management, Inspection and Freeing Up
9. What is Kaizen?
- a) Another word for just in time (JIT) systems) The Japanese philosophy of quality control
 - c) Also known as PEST Analysis) Pre-production Analysis
10. Which strategy among the following is adopted in situations where generating cash flow is of prime concern for maintaining stability?
- a) Sustainable Growth Strategy) Profit Sub-Strategy
 - c) Stability Strategy) Turnaround Strategy

