

PGIVS 1608 A-16
M.F.C. IVth Semester (CBCS) Degree Examination
COMMERCE
(Strategic Cost Management)
Paper : HC - 401
(New)

Time : 3 Hours

Maximum Marks : 80

SECTION - A

1. Answer all the sub - questions. Each sub - question carries 2 marks. (5×2=10)
- a) Define strategic cost management
 - b) What is Kaizen costing?
 - c) What is duration cost driver?
 - d) What are down stream costs?
 - e) Define Target costing.

SECTION - B

Answer any **three** questions. Each question carries **five** marks. (3×5=15)

- 2. Explain the benefits of kaizen costing
- 3. State the traditional attitudes towards inventory and also JIT view points.
- 4. What is the effect of learning on productivity and cost per unit?
- 5. Explain the core, concepts of TQM.
- 6. MacLean Ltd. currently produces only 10,000 units of Product - X which is selling at Rs. 80 per unit. The cost of producing Product - X is Rs. 75 per unit. Production can be increased to 12,500 units by utilizing idle Facilities provided additional output can be sold in the market. On the basis of market research, the company introduced target costing. Cost of Product - X can be brought down substantially through new design for the product and changes in the process of manufacture. The estimates for the next year are :

Target selling price	Rs. 70 per unit
Target sales volume	12,000 units
Target profit margin	10% on sales

Required :

- i) Calculate target cost per unit and target cost for the expected volume :
- ii) Compare existing profit with target profit.

SECTION - C

Answer any **three** questions. Each question carries **15** marks.

(3×15=45)

7. What is life cycle costing? Explain the important categories of product life cycle costs.
8. Discuss in detail the requirements of reengineering process.
9. Discuss the importance of strategic cost management to the modern business organizations.
10. A company manufacturing two products furnishes the following data for a year :

Product	Annual output (units)	Total machine hours	Total number of purchase	Total Number of set - ups
A	5,000	20,000	160	20
B	60,000	1,20,000	384	44

The annual overheads are as follows :

	Rs
Volume related activity costs	5,50,000
Set - up related costs	8,20,000
Purchase related costs	6,18,000

You are required to calculate the overhead charge per unit of each product A and B, based on :

- 1) Traditional method of charging overheads :
- 2) Activity - based costing method.

11. An electronics firm which has developed a new type of fire - alarm system has been asked to quote for a prospective contract. The customer requires separate price quotations for each of the following possible orders.

Order :	First	Second	Third
Number of fire - alarm systems :	100	60	40

The firm estimates the following cost per unit for the first order.

Direct materials : Rs. 500 Variable overheads : 20% of direct labour

Direct labour - Department : Fixed overhead absorbed - Department :

A (highly automatic), 20 hours at Rs. 10 per hour A : at Rs. 8 per hour

B (skilled labour) 40 hours at Rs. 15 per hour B : at Rs. 5 per hour

Determine a price per unit for each of the three orders assuming the firm uses a markup of 25% on total cost and allows for an 80% learning curve.

Extract from 80% learning curve table :

X :	1.0	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0
Y (%) :	100	91.7	89.5	87.6	86.1	84.4	83.0	81.5	80.0

- 'X' represents the cumulative total volume produced to date expressed as a multiple of the initial order.
- 'Y' is the learning curve factor, for a given X value, expressed as a percentage of the cost of the initial order.

SECTION - D

(Compulsory)

12. Analyse the following case and answer to the questions given at the end of the case.

(1×10=10)

Nitin, the manager of an electronics division, is not pleased with the results concerning the division's activity management implementation project. Firstly, the project has taken eight months more than the projected schedule and has over half the budget by about 35 per cent. More troublesome is the reports that activity based product costs of three - fourth of the plants were not much different than those under the old costing system. Plant managers were indicating that they were using old costs as these were easier to compute and understand.

At the same time they were complaining that they could not meet the bids of competitors. Market reports were revealing that division's product costs were higher than that of many competitors. It almost perplexed the plant managers because their control system still continued to report favorable materials and labour efficiency variances. The plant managers complained that Activity Based Management has failed to produce any significant improvement in cost performance.

Questions :

- a. What are the possible causes of the poor performance?
 - b. What are the steps to be taken for improvement in cost performance?
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PGIVS 1609 A-16
M.F.C. IVth Semester(CBCS) Degree Examination
COMMERCE
(Management Information System)
Paper : HC - 402
(New)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Attempt all sections.

Section - A

1. Answer all the following sub - questions. **(5×2=10)**
- a) Define Decision support system.
 - b) What is MIS? List two areas of application of MIS.
 - c) What is Mesh topology?
 - d) State any two advantages of MIS in Finance.
 - e) What do you mean by 'COBIT' approach?

Section - B

Answer any **three** questions. Each question carries **five** marks. **(3×5=15)**

- 2. What is an encryption? How can it be used for security purposes?
- 3. Explain the normalization process.
- 4. Write a note on procurement options and outsourcing information system services.
- 5. Discuss the kinds of network topology.
- 6. What is the role of information systems in business systems?

Section - C

Answer any **three** questions. Each question carries **15** marks.

(3×15=45)

7. Explain the types of databases. What do you understand by structured and unstructured databases?
8. Discuss the Enterprise Resource Planning (ERP) system.
9. Explain the vulnerabilities of information systems. Discuss the security measures to safeguard the system.
10. How information system works? What are its management, organization and technology components? Discuss.
11. Explain the evolution of information system.

Section - D

Following question is **compulsory**.

(1×10=10)

12. a) Explain System Development Life Cycle.
b) Explain the methods used for designing structured programs.
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PGIVS 1610 A-16
M.F.C. IVth Semester (CBCS) Degree Examination
Commerce
(Human Resource Management)
Paper : HC - 403
(New)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Attempt all sections. Section D is compulsory.

Section - A

1. Answer all sub - questions. Each sub - question carries **2** marks. **(5×2=10)**
- a) Explain future role of HR manager.
 - b) What do you mean by job design?
 - c) What is sensitivity training?
 - d) What is potential appraisal?
 - e) What are the consequences of labour turnover?

Section - B

- Answer any **three** questions. Each question carries **five** marks. **(3×5=15)**
- 2. How do you differentiate human resource management from personnel management?
 - 3. How do you address mid - career crisis?
 - 4. Do you think education, training and development are synonyms?
 - 5. What are the principles of wage and salary administration?
 - 6. What do you mean by defense mechanism? How it is exhibited in organization?

Section - C

Answer any **three** questions. Each question carries **15** marks.

(3×15=45)

7. Explain the nature and scope of HRM.
8. Explain the significance of Human Resource Planning (HRP). Explain the process of HRP.
9. How do you identify training need and how do you evaluate the effectiveness of training programme?
10. Explain the significance and process of performance appraisal.
11. Explain leadership styles. Which one you consider as the best leadership style and why?

Section - D

12. Case Study

(1×10=10)

On Monday morning Sanjay Nagpal, a recent recruit from a reputed management institute in Manipal walked into the sales office at Chennai as a new sales trainee. Raghavan, the Zonal Sales Manager for a large computer hardware firm was there to greet him. Raghavan's job consisted of overseeing the work of sales officers, field executives and trainee salesmen numbering over 50 of three areas namely Chennai, Bangalore, Trivendrum. The sales growth of computers, parts and other office equipment in his area was highly satisfactory, especially in recent years - thanks to the developmental initiatives taken by respective State Governments in spreading computer education in offices, schools, colleges, banks and other institutions.

Raghavan has collected several sales reports, catalogues and pamphlets describing in details the type of office equipment sold by the company. After a pleasant chat about their backgrounds, Raghavan gave Sanjay the collected material and showed him to his assigned desk. Therefore, Raghavan excused himself and did not return. Sanjay spent the whole day scanning the material and at 5.00 pm he picked up his things and went home.

Questions :

1. What do you think about Raghavan's training programme?
2. What type of sales training programme would you suggest?
3. What method of training would have been best under the circumstances? Would you consider simulation or experiential methods?

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PGIVS 1611 A-16
M.F.C. IVth Semester (CBCS) Degree Examination
Commerce
(Electric Group : B Corporate Financial Services)
Paper : SC - 405 (B)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Attempt all sections.

Section - A

1. Answer all the sub - questions. Each sub - question carries **2** marks. **(5×2=10)**
- a) Define economic environment
 - b) What is rating?
 - c) Define operating lease
 - d) What do you mean venture capital?
 - e) State the salient role of SEBI in investors protection.

Section - B

Answer any **three** questions. Each question carries **five** marks. **(3×5=15)**

- 2. Explain in brief the role of financial service in economic environment.
- 3. Distinguish between factoring and bill discounting.
- 4. Explain the merits, of venture capital
- 5. Explain in brief the functions merchant - banker
- 6. Describe the role credit rating in marketing debt - instruments.

Section - C

Answer any **three** questions. Each question carries **15** marks.

(3×15=45)

7. Discuss in detail the role of merchant banker in new issue management.
8. Explain the mode of openadi adopital by the rating agencies for rating the instruments of a company.
9. Describe the various types of factoring serives and their relative merits and demerits.
10. Critically examine the various types of mutual funds scheme offered in India.
11. The Sun India Ltd is considering the acquisition of a large equipment to set up plant in a backward region for Rs. 12,00,000. The equipment is expected to In arc an economic life of 8 years. The equipment can be financial with wit an 8 year term loan at 14% interest repayable in equal annual instalment of Rs. 2,58,676. The company acquire the similar and on lease also with a yearly lease rental of Rs. 2,58,676. In both the cases the payments are due at the end of the year. The equipment is subject to depreciation under straight line method of depreciation for tax purpose. Assume no salvaze, value at the end of 8 years and 50% tax bracket advice the company which alternative it should select

Note : Present value factors.

1. Year	1	2	3	4	5	6	7	8
PVF @ 7%	.935	.873	.816	.763	.713	.666	.623	.583

2. Present value interest factor for an annuity at 7% discount rate for 8 years = 5.971

Section - D

Compulsory

(1×10=10)

12. Write a critical note on status of functioning of renture capital companies promoting new generation entrepreneurship.
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