

Roll No.

50)

MBA 2 Year
Examination -

I Semester)
December, 2013

STRATEGIC COST MANAGEMENT AND CONTROL

Paper -311

Time : Three Hours]

[Maximum Marks : 80

Before answering the questions
have been supplied the correct
complain in this regard, will be

lates should ensure that they
complete question paper. No
ined after examination.

Note : Attempt *four* questions
one question from
compulsory.

in *Section-B* by selecting
in Unit. *Section-A* is

SEC . A

1. Give meaning of the following terms. Limit your answer within fifty words.
- (a) High-value-added activities
 - (b) Balanced Scorecard
 - (c) Critical success factors
 - (d) Product sustaining activities

ION - B
T - I

2. Discuss concept benchmarking and strategic position.

characteristics and types of benchmarking and how it is helpful in gaining competitive advantage.

3. Discuss concern management. Develop a framework for strategic cost management.

objectives of strategic cost management and develop a framework for strategic cost management.

4. Doreen Company gathered the following data pertaining to activities performed for two of its major customers.

gathered the following data pertaining to activities performed for two of its major customers.

Number of orders
Units per order
Sales returns :
 Number of r
 Total units re
Number of sales c

	Jerry Inc.	Donald Co.
Number of orders	5	30
Units per order	1,000	200
Sales returns :		
Number of r	2	5
Total units re	40	175
Number of sales c	12	4

Doreen sells its p
firm's gross marg
Donald pay their

t at \$200 per unit, net 30. The
o is 25 percent. Both Jerry and
nts promptly and no accounts

Activity	Cost	Rate
Sales calls	\$1,000	per visit
Order processing	\$30	per order
Deliveries	\$50	per order
Sales returns	\$1	per return and \$5 per unit
Sales salary	\$10	per month

Required :

- Classify activity into cost categories and compute the total cost for Doreen Company to service Jerry Inc. and Donald Co.
- Compare the profitability of these two customers (ignore cost of financing).
- Discuss in detail the chain analysis as a concept for strategic cost management.
- Discuss the following financial data

6. Benjamin, Joseph, Inc. for 2010 for its three divisions :

Region	Operating Income	Net Book Value	Current Cost		
			Replacement Value	Replacement Cost	Liquidation Value
North	\$ 55,000	\$ 2,25,000	50,000	\$ 9,90,000	\$ 3,50,000

Answer the following

Calculate return on

The sales in the Nor
are \$ 2,350,000, \$ 1,

Calculate investme
each of the four mea

7. Explain the objectiv
methods of transfer
transfer price in pre

8. How balanced scor
each of the four are
list two or three
success factor that sl

9. Name *three* cost ass
categories :

(a) Prevention.

(b) Appraisal.

(c) Internal failure.

(d) External failure.

itions :

or each division for 2010.

d and South Atlantic regions

) and \$ 500,000 respectively.

set) turnover and ROI for
of investment.

transfer pricing, the different
ing and when market based

- IV

in linked to strategy ? For

hin the balanced scorecard,
les of measurable critical
be included.

with each of following cost