D1ACM2505 **(2 Pages)** **Name.....**
Reg. No.....

FIRST SEMESTER M. Com DEGREE EXAMINATION, NOVEMBER 2025
(Regular/Improvement/Supplementary)

COMMERCE
FMCM1C05- ADVANCED MANAGEMENT ACCOUNTING

Time: 3 Hours **Maximum Weightage: 30**

Part A: Answer any *four* questions. Each carries *two* weightage.

Write short notes on:

1. Standard cost.
2. Control ratios.
3. Differential costing.
4. Decision Tree Analysis.
5. Marginal Costing.
6. The descriptive tools included under management accounting.
7. Sensitivity analysis.

(4 × 2 = 8 weightage)

Part B: Answer any *four* questions. Each carries *three* weightage.

8. "Management accounting is an extension of the managerial aspect of cost accounting." Explain.
9. There are two projects X and Y. Each involves an investment of ₹40000. Risk free cut off rate is 10%. Suggest which of the two projects should be preferred considering the following expected cash inflows and certainty coefficients.

Year	Project X		Project Y	
	Cash inflow ₹	Certainty coefficient	Cash inflow ₹	Certainty coefficient
1	25000	0.8	20000	0.9
2	20000	0.7	30000	0.8
3	20000	0.9	20000	0.7

10. Define ABB. What are its advantages and disadvantages?
11. Write a note on Optimistic and Pessimistic estimates.
12. Explain the concept Economic Value Added (EVA) and list its advantages.

(P.T.O.)

13. The standard cost of material for 5 units of a certain product is estimated as under: Material 80 kgs @ ₹1.50 per kg. On completion of the production of a unit it was found that 75 kgs of material costing ₹ 1.75 per kg has been consumed. You are required to analyse material variances.

14. The following are the budgeted data of a company: Sales ₹6,00,000, Variable costs ₹3,00,000 Fixed costs ₹1,80,000. Find out BEP at: i) the budgeted data; ii) assuming 20% increase in variable cost; and iii) assuming 20% increase in fixed cost.

(4 × 3 = 12 weightage)

Part C: Answer any *two* questions. Each carries *five* weightage.

15. Discuss the principles and core concept of TQM.

16. Define management accounting and elaborate its scope.

17. Following are the details of Project A. The cost is ₹30000. Given below the NPV probability distribution of the project. Compute the expected Net present value of project A and also its standard deviation.

NPV Estimate ₹	Probability
3000	0.1
6000	0.4
12000	0.4
15000	0.1

18. ABC Ltd. is working at 70% capacity producing 7000 units. Following information is taken from the cost records.

Item	Amount ₹
Direct material	21000
Direct labour	14000
Variable overheads	14000
Fixed overheads	20000

Selling price per unit ₹10. The company receives foreign order for the supply of 3000 units at ₹8. Suggest whether the foreign order can be accepted or not.

(2 × 5 = 10 weightage)