

(070030302)

M.Com. DEGREE EXAMINATION, NOVEMBER 2017

THIRD SEMESTER

Branch – Commerce

Paper III — ACCOUNTING FOR MANAGERIAL DECISIONS

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

Answer any FIVE of the following questions.

(Marks : 5 × 4 marks = 20 marks)

- (a) Dual pricing.
- (b) Mark up pricing.
- (c) Product line.
- (d) Expand or contract.
- (e) Concept of RA.
- (f) Issues in RA.
- (g) Variance analysis.
- (h) Decentralisation.
- (i) Cost based prices.
- (j) Modes of reporting.

**SECTION – B**

Answer FIVE of the following questions choosing ONE from each unit.

(Marks : 5 × 10 marks = 50 marks)

**UNIT – I**

- (a) Briefly describe the conversion cost method of pricing.

**Or**

- (b) "Pricing is a dexterous game of keeping balance between conflicting extremes". Discuss.

**UNIT – II**

- (a) Explain the meaning and features of relevant costs. Give suitable examples.

**Or**

- (b) Cost-benefit analysis is needed for resolving many managerial problems such in case of change versus status quo.

[P.T.O.]

### UNIT - III

4. (a) Distinguish between a cost centre, a project centre and an investment centre.

Or

- (b) Write about responsibility performance reporting.

### UNIT - IV

5. (a) How will you measure the performance of cost and revenue division?

Or

- (b) "The use of market prices for transfer pricing may lead to dysfunctional decisions for some employees". Explain.

### UNIT - V

6. (a) What are the essentials of a good reporting system?

Or

- (b) What are the reporting practices followed by Indian companies?
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