

**M.Com. Part- II Examination, 2021 (DDE)**

**Subject : Commerce**

**(Paper 22: Advanced Cost Management)**

**Time: 2 Hours**

**Full Marks: 40**

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable*

**Answer any four questions:**

**10x4=40**

1. Write short notes on:

a) Fixed Overhead Variance

b) Material Mix Variance.

(5+5)

2. a) In transfer pricing, what is a common conflict between a division and the company as a whole?  
Explain.

b) Briefly explain the objectives of the transfer pricing system.

(5+5)

3. a) Briefly explain the impact of life cycle costing on profitability.

b) State the advantages of life cycle costing.

(5+5)

4. a) Write a short note on 'Cost Control'.

b) Briefly explain the various areas covered by a cost reduction program.

(5+5)

5. a) Distinguish between Activity-Based Costing (ABC) System and Traditional Costing System.

b) What are the benefits of the Activity-Based Costing (ABC) System? Explain.

(5+5)

6. a) Draw a statement with imaginary figures for working out the running cost per kilometer of a taxi.

b) Distinguish between Operation Costing and Operating Costing.

(5+5)