2653-A (Pages : 4) Name.......................................

Reg. No...................................

ST SEMESTER M.Com. (CBCSS) DEGREE (REGULAR/SUPPLEMENTARY) EXAMINATION, NOVEMBER 2022

MCM 1C 05—ADVANCED MANAGEMENT ACCOUNTING

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

Time : 20 Minutes	Total No. of Questions : 20	Maximum : 5 Weightage

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

MCM 1C 05—ADVANCED MANAGEMENT ACCOUNTING

(Multiple Choice Questions for SDE Candidates)

1. Which of the following are advantages of marginal costing ?

   (A) Makes the process of cost accounting more simple.

   (B) Helps in proper valuation of closing stock.

   (C) Useful for standard and budgetary control.

   (D) All of the above.

2. The valuation of stock in marginal costing as compared to absorption costing

   (A) Higher.

   (B) Lower.

   (C) Same.

   (D) None of the above.

3. _____ is concerned with providing information to management for decisions.

   (A) Management Accounting.

   (B) Financial accounting.

   (C) Cost accounting.

   (D) All of these.

4. A document that records the standard cost of a single unit of product is known

   (A) Bill of materials.

   (B) Bill of product.

   (C) Standard cost card.

   (D) Product expense card.

5. As production increases within the relevant range.

   (A) Variable costs will vary on a per unit basis.

   (B) Variable costs will vary in total.

   (C) Fixed costs will vary in total.

   (D) Fixed and variable cost stays the same in total.

6. A management concept under which all managers and employees at all stages strive toward higher standards and a reduced number of defective units are

   (A) Continuous Improvement.

   (B) Total Quality Management (TQM).

   (C) Theory of Constraints (TOC).

   (D) Total Quality Control (TQC).

7. During the month of January, the standard cost of actual hours worked amounted to Rs. 25,000, the standard direct labor rate was Rs. 10 per hour and the direct labor efficiency variance amounted to Rs. 1,000 favorable. The standard hours allowed for actual production were :

    (A)   2,500 hours.

    (B)   2,400 hours.

    (C)   10,000 hours.

    (D)   2,600 hours.

8. A situation in which a decision maker must choose between strategies that have more than one possible outcome when the probability of each outcome is unknown is referred to as :

    (A)   Diversification.

    (B)   Certainty.

    (C)   Risk.

    (D)   Uncertainty.

9. Which of the following is a way to deal with decision making under uncertainty ?

    (A)   Simulation.

    (B)   Diversification.

    (C)   Acquisition of additional information.

    (D)   Application of the maximin criterion.

10. Match the following general applications of performance assessment with their specific purposes.

    I. Administrative Uses / Decisions   — A. Performance Feedback.

    II. Documentation   — B. Lay-offs.

    III. Organizational Maintenance/ Objectives   — C. Helping to meet legal requirements.

    IV. Developmental Uses   — D. Evaluation of HR systems.

    (A)   I-C, II-D, III-B, IV-A.

    (B)   I-B, II-C, II1-D, 1V-A.

    (C)   I-B, II-C, III-D, IV-D.

    (D)   I-A, II-B, III-D, IV-C.

11. How performance appraisal can contribute to a firm's competitive advantage ?

    (A)   Ensures legal compliances.

    (B)   Minimizing job dissatisfaction and turnover.

    (C)   Improves performance.

    (D)   All of the above.

12. Which of the following is not likely to be a reason of unfavorable direct labor efficiency variance ?

    (A)   Increase in direct materials prices.

    (B)   Lack of proper supervision.

    (C)   Frequent break downs during production process.

    (D)   Use of old, outdated or faulty equipment.

Turn over

(A) Administrative causes.

(B) Productive causes.

(C) Economic causes.

(D) All of the above.

14. Which of the following cannot be a reason of unfavorable direct materials

(A) Unmotivated workers.

(B) Lack of supervision.

(C) Frequent power failures.

(D) Uneconomical order size.

15. Sales Budget is a forecast expressed in :

(A) Quantity.

(B) Money.

(C) Both (A) and (B).

(D) None of the above.

16. Who coined the concept of management accounting ?

(A) R.N Anthony.

(B) James H. Bliss.

(C) J. Batty.

(D) American Accounting Assn.

17. What would be the most likely cause of an unfavourable labour rate var
favourable labour efficiency variance ?

(A) The employment of more highly skilled staff than budgeted.

(B) Poor wage negotiation by the Human Resources manager.

(C) The employment of less well-trained staff than in.

(D) Improved production efficiencies.

18. The responsibility accounting stresses on ――――――.

(A) Decentralization.

(B) Centralization.

(C) Both (A) and (B).

(D) None of these.

19. The responsibility accounting is a controlling tool for ――――――.

(A) Top-level management.

(B) Lower level management.

(C) Middle level management.

(D) None of these.

20. If the responsibility centre gets more revenue from output, then it is called

(A) Investment centre.

(B) Cost centre.

(C) Profit centre.

(D) Expense centre.