1. (a) It is a theory question on the pricing policy of a manufacturing set up for 3 marks, would definitely a welcome question under compulsory segment.

   (b) It is a problem on learning curve as what is the time taken for the 2nd unit with two different learning curve rates given. Students are expected to find the cumulative average time per unit for two units to find the total time for two units so as to reduce the time taken for the first unit to arrive at the time for the second unit. Further on to it, a question is asked as which of the two rates [between 80% and 90%] will show faster learning, sounding too simple at final level.

   (c) It is a regulation problem on ABC. 7 marks is too low for the computations involved.

   (d) It is a problem involving budgetary control, Marginal costing and Absorption costing. It is not to be considered difficult at all.

2. (a) It is a theory question on TQM. Benefits accrued in the implementation of TQM, is the area of discussion expected of from the students for 4 marks.

   (b) 3 examples of relevant costs are to be given after explaining the concept of relevant cost, is also an easier theory question for 4 marks.

   (c) It is a problem on standard costing wherein all variances except volume (both in sales and fixed overhead) variances are provided. From the given data it is also understood that the company follows marginal costing system in accounting for variances. Had the company followed absorption costing system the break up of Fixed overhead volume variance would have been there in the form of capacity, efficiency and calendar variances. A good problem for 11 marks.

3. (a) It is a theory question on bench marking for 4 marks.

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(b) Advantages of JIT, is an easier question also for 4 marks.

(c) For 11 marks, PERT question is asked. A complete coverage on the elementary side of this topic has seen students in a great mood.

4. (a) Methods of solving initial basic feasible solution under three different methods in transportation, is definitely the easiest theory question for 3 marks.

   (b) Routine theory on the advantages and disadvantages of zero based budgeting fetching 5 marks.

   (c) A novel question on Transfer pricing topic under service industry is a very interesting question to answer for 11 marks.

5. (a)Features of a database creation for operational control and decision making, is a good theory question for 4 marks.

   (b) Basics of Target costing is another theory question for 4 marks would have been a easy question for students.

   (c) It is problem on Linear Programming for 11 marks. There is a printing error in this problem. Direct material information is given twice. However with the help of the other information such as Fixed Overhead rate of Rs.17.5 per hour, any student can understand that the second item of variable cost in the name of direct material is indeed direct labour. Fixed overhead per unit is given but the number units used to arrive at the cost per unit is not given. Hence for formulation purposes, fixed cost is to be deducted without giving any number value but taken up as a constant factor. Profit is Rs.11000 *minus* fixed cost constant factor. Yet another question was made with change of data for re-computation and re-formulation.

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6. (a) It is a short notes question on Pareto analysis. It is oft-repeated question and students would definitely find it very easy to latch on. It is for 3 marks
7. (b) It is a nice problem for 8 marks on simulation. It involves lots of workings and it is very difficult to go wrong.
8. (c) It is a surprise question on operating costing cum marginal costing. Co-payment is an additional charge the hospital makes on adult patients besides getting the normal charge from the insurance company. The charge on adult patients spells one more patient equivalent in the computation. A very nice problem.

General Comments:

Students generally commented that the paper was difficult to attend within the given time frame. They never complained on the quality of the question (in terms of complexity and clarity) except for the LPP formulation problem. In my personal opinion this paper is far better than the previous years' cost management paper and other papers of the present examination. Theory content is diluted and the questions are fairly very easy to attempt. Very well prepared student even in problem areas, can attempt theory questions (as they are prominent/popular/oft-repeated ones) with ease can go on to score 80+. A welcome relief for students in Group II.