

**PAPER – 13**  
**MANAGEMENT ACCOUNTING-STRATEGIC MANAGEMENT**  
**TEST PAPER – III/13/MSM/2008/T-1**

Time Allowed: 3 Hours

Full Marks: 100

**Answer Part A and any five Questions from Part B**  
**Part A**

**Objective type** **2 x 10 = 20**

1. Improving quality is not due to?
  - a. Pressure from customers
  - b. Good training programmes
  - c. Motivated supervision
  - d. Inadequate documentation
  - e. Modern machinery
  
2. SEBI stands for?
  - a. Securities and exchange body of India
  - b. Securities and exchange board of India
  - c. Shares equities board of India
  - d. Stock exchange board of India
  - e. Stock exchange board of investors
  
3. Reducing headcount and selling assets / belt-tightening to face business downturn is called by Prahalad and Hamel as:
  - a. Numerator Management
  - b. Denominator Management
  - c. Turnaround Management
  - d. Crisis Management
  - e. Transition Management

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4. The Government encourages industry, investment and FDI by creating SEZ's.  
The term SEZ stands for:-
  - a. Special Equity Zones
  - b. Software Export Zones
  - c. Special Economic Zones
  - d. Special Entitlement Zones
  - e. Special Effort Zones
5. Value drivers identified in cost leadership model do not include?
  - a. Sales growth rate
  - b. Operating profit margin
  - c. Differentiation
  - d. Working capital investment
  - e. Cost of capital
6. Post-hoc segmentation method does not include
  - a. Preferences to product attributes and values
  - b. Basic demographic groups (Age, sex and household composition)
  - c. Brand preferences and brand loyalty
  - d. Price sensitivity
  - e. Usage groups (Volume users, lean users, and non-users)
7. Contribution of management accountant in environmental scan and SWOT analysis is
  - a. Research information on competitive activity
  - b. Collate information on key environmental factors and statutory regulations
  - c. Research, collect and collate information on statutory regulations
  - d. Research, collect and collate information on key environmental factors including statutory regulations and competitive activity
  - e. None of the above

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8. Risk management techniques do not include
  - a. Risk avoidance
  - b. Risk premium
  - c. Risk retention
  - d. Risk reduction
  - e. Risk transfer
9. Ruin probability relates to
  - a. Insurable interest
  - b. Marine insurance
  - c. Burglary insurance
  - d. Fire insurance
  - e. Insolvency of a company
10. Variability in return on investments in the market is referred to as
  - a. Market risk
  - b. Physical risk
  - c. Financial risk
  - d. Pooling risk
  - e. Business risk

### Part B

**Answer any five questions**

**5 x 16 = 80**

11. Good governance practices stem from the culture mind set and shared values of the organization. Comment on the statement in the context of Agency theory and Stewardship theory.
12. Not all joint ventures lead down the garden path. They end up many a time on the way side due to various reasons. Enumerate.
13. "Agricultural sector is poised for a second green revolution during the eleventh five year plan period" Comment.

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14. What are the types of simulation models? What are the advantages and disadvantages of simulation models?
15. Customer now articulates his own option to create a new product, as he has become “the boss”. How does this reflect change from product orientation to market orientation?
16. From a cost plus pricing model, a market driven model for pricing has lead to “target price”. How has it lead to target costing method for cost reduction?
17. What are the types of risks? What are the characteristics of insurance contract?

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