**Strategic Cost Management**

**June 2022 Examination**

**Q1. ABC GAMA Ltd has a special product to sell some of its old stock, quantity 5000 units, in the market as a limited period offer. The total cost of production of these products wasRs15000 and these products would have normally been sold out in the market at Rs40per unit. The enterprise is looking for three alternatives –**

**a. Repackage the products at Rs25000 and sell all the quantities at Rs10 per unit**

**b. Sell the items as scrap, at the discounted prize of Rs 2 per unit**

**c. Dispose them off to another enterprise at an additional cost of Rs3000**

**Discuss the important consideration in a decision-making process of a firm, identify the three alternatives available here, and evaluate the three alternatives reflecting which of the three alternatives to be accepted?(10 Marks)**

**Ans 1.**

**Introduction**

Decision-making is the most critical part of the company. While taking any selection in the business regarding any product or service, its miles essential to make the excellent selection. So, for making a decision, it has to be necessary to follow all of the essential steps for choosing the commercial enterprise—the selection-making needs to now not be based totally on emotional thought and so forth. As opposed to that, it ought to be based on the proper research and assessment. Even as making decisions correct data approximately every and the whole lot is

Its Half solved only

Buy Complete from our online store

<https://nmimsassignment.com/online-buy-2/>

NMIMS Fully solved assignment available for**session June 2022,**

your**last date is 29th May 2022**.



Lowest price guarantee with quality.

Charges**INR 299 only per assignment.**For more information you can get via mail or Whats app also

Mail id is aapkieducation@gmail.com

Our website [www.aapkieducation.com](http://www.aapkieducation.com/)

After mail, we will reply you instant or maximum

1 hour.

Otherwise you can also contact on our

whatsapp no 8791490301.

Contact no is +91 87-55555-879

**Q2. You are planning to launch an innovative and unique product in the market in the Upcoming year. You are brainstorming on the pricing aspect of the product with yourteam. Your team decided that let’s charge the maximum price in the initial stage of the product and then lower the costs gradually.**

**Discuss which pricing strategy your team planned to adopt here and what advantages your team would have been observed here to employ this specific strategy. (10 Marks)**

**Ans 2.**

**Introduction**

Through proper research and collecting data, we then come to know approximately the particular pricing strategies used by the distinct companies and how the organizations set the rate. Pricing is an essential aspect after the production of the product, and it's miles necessary to hold all the things in thoughts while setting the charge of a product that either this fee will suit the product or no longer and is that this fee is perfect in the market or now not. Additionally, it's necessary to keep in mind the alternative expenses of the products in the market. So there are distinct

**Q3. From the following data of Megh Enterprises.**

**a. Calculate the combined breakeven sales. The Company is producing three products.(5 Marks)**

|  |  |  |
| --- | --- | --- |
| **product** | **sales** | **Variable cost** |
| **A** | **10000** | **6000** |
| **B** | **5000** | **2500** |
| **C** | **5000** | **2000** |
| **The company incurred a fixed cost of Rs5700.** |

**Ans 3a.**

**Introduction**

The breakeven point is the point in the sales in which there is neither profit nor loss regarding the earnings and the value. So the breakeven sales are just like that the sales that can be breakeven are the equal component, which means the earnings are zero of the enterprise while making the sales that can be breakeven. Those breakeven sales have their significance, enabling the decision

**b. Also, Discuss the concept and relevance of breakeven sales for an enterprise (5 Marks)–**

**Ans 3b.**

**Introduction**

An opinion at which there are no sales and no damage is named because of the breakeven factor, which enables the business to assess the want of the goods for the incomes of the income. The breakeven sales also are the income that gives the organization no profit. Still, it makes the