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**University Examinations 2015/2016**

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF

BACHELOR OF COMMERCE

**BFC 3487: CONTEMPORARY ISSUES IN MANAGEMENT ACCOUNTING**

**DATE: AUGUST 2016 TIME: 3 HOURS**

**INSTRUCTIONS:** *Answer question* ***one*** *and any other* ***three***questions.

**QUESTION ONE (30 MARKS)**

1. Discuss the current trends in Management Accounting. How do they differ with the traditional trends? (6 marks)
2. If organizations have to succeed or prosper, they must identify factors that are critical to their success. From the managerial accounting view discuss any four. (4 marks)
3. Explain the following operations with relevant examples as used in Management Accounting today.
4. Activity based management (5 marks)
5. Cost of quality operations (5 marks)
6. Target costing (5 marks)
7. Discuss any three major factors causing changes in management accounting today. (5 marks)

**QUESTION TWO (20 MARKS)**

1. Practitioners of management accounting have an obligation to the public and their profession, the organization they serve and themselves. Discuss. (15 marks)
2. Explain some of the resolutions of ethical conflicts. (5 marks)

**QUESTION THREE (20 MARKS)**

1. Distinguish between the features of a traditional management accounting control system and cost management (5 marks)
2. Explain live-cycle costing and describe the typical pattern of cost commitment and cost occurrence during the three stages of a product’s lifecycle. (5 marks)
3. Explain the role of benchmarking within the cost management framework. (5 marks)
4. Outline the main features of a just-in-time philosophy. (5 marks)

**QUESTION FOUR (20 MARKS)**

Discuss the following models showing their objectives in the performance of business organizations today.

1. Target setting and performance appraisal (5 marks)
2. Management by objectives (5 marks)
3. The balanced scorecard (Bsc) (5 marks)
4. Management by crisis (5 marks)

**QUESTION FIVE (20 MARKS)**

1. Compare and contrast traditional cost systems and activity based costing system (5 marks)
2. Discuss the advantages and disadvantages of ABC systems. (10 marks)
3. Differentiate between performance management and performance measurement (5 marks)