MGT705 Midterm 2012 paper

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Q1. Why the book value of the equipment is considered as irrelevant for making equipment replacement decisions? 3marks

Q2. Suppose you are a management of Q-Mobile Company, they are about to introduce new mobile with features of high prices mobiles for people with low income. Which pricing policy you will suggest for pricing of new mobile? 3marks

Q3. What is the relationship between Activity Based Budgeting (ABB) & Activity Based Costing (ABC)? 3marks

Q4. Differentiate between conventional & alternative approach for budgeting?

5marks

Q5. A scenario of Textile Company was given and i have to tell about the LIMITATIONS of cost plus pricing method. Justify with the examples. 5marks

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