

Tentin päivämäärä / Date of exam: September 12 <sup>th</sup> , 2012	
Opintojakson koodi, nimi ja tentin numero / The code and the name of the course and number of the exam: <b>Advanced Cost Accounting</b>	
Tentaattori(t)/ Examiner(s): Janne Järvinen	
Sallitut apuvälineet / The devices allowed in the exam: <input type="checkbox"/> Laskin (ei graafinen/ohjelmoitava)/Calculator (not graphic, programmable) <input type="checkbox"/> Sanakirja/Dictionary <input type="checkbox"/> Muu materiaali, tarkennettu alla/Other material, specified below	
Tenttiin vastaaminen / Please answer the questions <input checked="" type="checkbox"/> suomeksi/ in Finnish <input checked="" type="checkbox"/> englanniksi/ in English	
Kysymyspaperi on palautettava / Paper with exam questions must be returned: <input type="checkbox"/> Kyllä/Yes <input checked="" type="checkbox"/> Ei/No	

The test has four questions and a maximum of 24 points. Please use *complete sentences* in answering the essay questions (i.e. no bullets, lists etc.).

*Kysymyksiin saa vastata suomeksi. Ammattisanastoa tulee tällöin käyttää tarkasti.*

- 1) Relating to Zimmerman's economic analysis of cost allocation
  - a) Internal vs. external reasons/rationales to allocate costs according to Zimmerman
  - b) How does the concept of an *externality* relate to cost allocation?
  - c) What is the relationship between firm's marginal costs, average costs and cost allocations/overhead rates?
  
- 2) In the lecture materials, absorption / full cost systems were broadly categorized as 'push systems' and 'pull systems'
  - a) Describe what the concepts mean in relation to 'traditional' and 'modern' costing.
  - b) How do the concept of *cost* and definition of capacity differ in such systems?
  - c) Relating to the concepts in a) and b), which systems are more broadly used in inventory valuation and why? What about the support of decision-making?
  
- 3) Relating to inventory valuation
  - a) Illustrate the flow of cost through the inventory in accounting terms.
  - b) Compare *absorption costing* and *variable costing* in inventory valuation.
  - c) How do the two systems in b) work when sales do not equal production?
  - d) Describe what is meant by *Backflush costing* and what problems it is intended to solve.
  
- 4) Relating to activity-based costing:
  - a) What principles should guide the decision over how many activities and cost drivers should there be in an ABC system (Cooper and Kaplan, Zimmerman)?
  - b) How does Time-driven activity-based costing (TDABC) differ from the more traditional version with respect to activities and cost drivers?