

Advanced Cost Accounting Assignment

Assignment Rules and Regulations

Formatting Guidelines

1. **APA Format:**
 - Include in-text citations and a reference list.
 - Follow APA guidelines for headings, subheadings, and references.
2. **Document Layout:**
 - Font: Times New Roman, 12 pt.
 - Line Spacing: 1.5
 - Margins: 1 inch on all sides.
3. **Page Requirements:**
 - Minimum: 15 pages (excluding title page, table of contents, and references).
 - Maximum: 19 pages.

Mandatory Sections

1. Title Page: Title, student name, and student ID.
2. Table of Contents: With clear section titles and page numbers.
3. Introduction: Background, objectives, and scope.
4. Main Body: Organized with appropriate headings and subheadings.
5. Conclusion: Summarize findings and implications.
6. References: All sources cited in APA format.
7. Appendices: Include supplementary materials such as charts, graphs, or data tables.

Submission Rules

1. **File Format:** Submit as a PDF document.
2. **Submission Platform:** Upload through the institute's learning management system.
3. **Deadline:** February 15th, 2025.

Plagiarism Policy

1. Assignments must be original and will be checked for similarity to ensure academic integrity.
 2. **Maximum Allowed Similarity:** 10%.
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Choose One of the Following Topics

Option 1: Comprehensive Cost Analysis for a Tourism Start-Up

- You are hired as the cost consultant for "EcoTreks Adventures," a new eco-tourism startup offering guided hiking tours with three pricing tiers: Basic, Standard, and Premium.
- The startup's financial and operational details are as follows:
 1. **Fixed Costs:**
 - Annual Park Permits: €30,000
 - Insurance: €10,000
 - Marketing Expenses: €15,000
 2. **Variable Costs:**
 - Basic Tour: €50 per participant
 - Standard Tour: €100 per participant
 - Premium Tour: €200 per participant
 3. **Pricing:**
 - Basic: €100 per participant
 - Standard: €200 per participant
 - Premium: €400 per participant
 4. **Expected Participants Per Year:**
 - Basic: 500
 - Standard: 300
 - Premium: 200

Tasks:

1. Perform a **cost allocation analysis** using activity-based costing (ABC) to determine the profit margin for each pricing tier.
2. Calculate the **break-even point** for each pricing tier.
3. Develop a **budget plan** for the startup's first operational year, considering possible variations in participant numbers ($\pm 10\%$).
4. Propose strategies to improve profitability by optimizing costs and pricing.

Option 2: Strategic Decision-Making Through Cost-Volume-Profit (CVP) Analysis

- Assume you are the financial manager of a startup selling innovative travel gadgets.
- Perform a detailed CVP analysis based on the following data:
 - Selling Price Per Unit: €50
 - Variable Cost Per Unit: €30
 - Fixed Costs: €60,000 per month
- Propose strategies to:
 1. Reduce the break-even point.
 2. Increase the margin of safety.
 3. Forecast profits for a 15% increase in monthly sales and a 10% price reduction.

Option 3: Budgeting and Forecasting in Service Industry

- Design a flexible budget for a digital marketing agency offering subscription-based services.
- The agency's current monthly metrics:
 - Fixed Costs: €25,000
 - Variable Costs: €1,000 per subscription
 - Average Subscriptions: 50 per month
- Include:
 1. A forecast for a 20% increase and 10% decreases in subscriptions.
 2. A break-even analysis and its implications for resource allocation.
 3. Recommendations to optimize costs and enhance scalability.