

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER-IV • EXAMINATION-WINTER • 2014

Subject Code: 2840007

Date: 01-12-2014

Subject Name: Management Control System (MCS)

Time: 10.30am - 13.30pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) “Management Control Systems help managers to move an organization towards its strategic objectives”. Do you agree with the statement? Explain. **07**

(b) “A firm develops its strategies by matching its core competences with industry opportunities” – Discuss the statement in light of Corporate and Business Level Strategies. **07**

Q.2 (a) “Individuals work in different hierarchies handle different responsibilities & may have different goals but their action must speak company’s language” – Justify the statement in support of Goal Congruence. **07**

(b) Discuss the analytical techniques applicable for Analyzing Proposed New Programs and Analyzing Ongoing Programs. **07**

OR

(b) Explain the concept of Balanced Score Card (BSC). State importance of BSC in an organization. **07**

Q.3 (a) What is Cost Center? Distinguish Engineered and Discretionary Cost Center. **07**

(b) Define Profit Center. Discuss the types of profitability measures. **07**

OR

Q.3 (a) What does it mean by variance? Discuss different types of variances of financial performance reports. **07**

(b) Describe the special characteristics of Non-Profit Organization. How management control systems of Non-Profit Organization differ from Profit Organization? **07**

Q.4 (a) What does it mean by budget? Discuss behavioral aspect in budgetary process. **07**

(b) Define ‘EVA; Which measure is the best from EVA and ROI? Justify your view with the help of relevant arguments. **07**

OR

- Q.4 (a)** Explain the concept 'Transfer Pricing'. Discuss pricing policies of corporate services with suitable examples. **07**
- (b)** Discuss the key success factors of performance measurement with suitable examples. **07**
- Q.5 (a)** Differentiate Management Control System in National and Multinational Organisation. **07**
- (b)** Describe management control system for health care organization. **07**

OR

- Q.5 (a)** Nirmal Co. Ltd. has three divisions: X, Y, and Z. These divisions produces A, B and C products respectively which are used as input by the next division. The Products are transferred intra-firm at standard cost. **07**

Calculate transfer price for divisions X and Y and standard cost of Z from the following information:

	<u>A</u>	<u>B</u>	<u>C</u>
Direct Material	Rs. 12	Rs.20	Rs. 8
Direct Labour	Rs. 8	Rs.12	Rs. 8
Variable o/h	Rs. 4	Rs.8	Rs. 4
Fixed o/h	Rs. 1,20,000	Rs.1,60,000	Rs. 40,000
Standard Volume units	10,000 units	10,000 units	10,000

- (b)** Write a note on: Agency Theory of compensation management. **07**
