

Required :

Should the offer of Division B be accepted by Division A ? Give analysis to support your answer. [10]

UNIT-IV

8. Explain the important features of service organisations and explain how management controls are used in commercial banks and insurance companies in India.[10]
9. Explain the special features and types of management control system required for :
- (a) Multinational Companies
- (b) Project Organisations [5+5=10]

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(4)

Question Paper Code : 1673

MBA(MS) (Semester-II) Examination, 2018

MANAGEMENT CONTROL SYSTEM

[MS-021]

Time : Three Hours]

[Maximum Marks : 70

Note : Answer **five** questions in **all**. Question **No. 1** is **compulsory**. Besides this, **one** question is to be attempted from each unit.

1. Write short notes on the following : [3x10 = 30]
- (a) Features of MCS
- (b) MCS Vs. Task Control
- (c) Zero Base Budgeting
- (d) Goal Congruence
- (e) Negotiated Transfer Pricing
- (f) Control Systems in Non-profit Organisations
- (g) Formal Vs. Informal Control Systems
- (h) Essentials of Responsibility Accounting
- (i) Autonomy of Divisional Managers

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(1)

[P.T.O.]

(j) Contingency Approach of MCS

UNIT-I

2. What is the importance of Control Systems for a Business Concern ? Differentiate among strategic planning task control and management control systems. [10]
3. Discuss the significance and objectives of diagnostic interactive, belief and boundary systems. Suggest an appropriate mix of these four control systems. [10]

UNIT-II

4. What are the essential requirements for the implementation of Budgetary Control System in any organisation ? Differentiate between Budgetary Control System and Responsibility Accounting. [10]
5. The Sales manager of Co X is judged by total sales. Exceeding the sales budget is considered as good performance. The sales budget and cost data for the current year are given below :

Particular	Product			Total
	A	B	C	
Sales Budget (Rs.)	4,50,000	9,00,000	16,50,000	30,00,000
Variable cost (Rs.)	(2,25,000)	(4,05,000)	(4,95,000)	(11,25,000)
Contribution (Rs.)	2,25,000	4,95,000	11,55,000	18,75,000
Actual sales (Rs.)	15,00,000	12,00,000	6,00,000	33,00,000

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(2)

Actual prices were equal to the budget prices and variable cost incurred were as budgeted per unit.

Required :

- (a) Did the sales manager perform well ? Support your answer with proper computation.
- (b) Suggest better performance measurement basis to be used by the firm. [5+5 = 10]

UNIT-III

6. What are the objectives of transfer pricing ? Discuss the pre-requisites for achieving goal congruence under the transfer pricing mechanism. [10]
7. Division A has a product which can be sold to Division B and can be sold in the open market as well. Market price of the product is Rs. 50. It's VC is Rs. 15 and Fc is Rs. 50,000. Division A utilises 50 percent of plant production capacity and is presently selling 4,000 units in the open market at a price of Rs. 50 per unit. B offers Rs. 45 per unit to A for the purpose of selling 4,000 units to B only in addition to open market sale.

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(3)

[P.T.O.]