

GUJARAT TECHNOLOGICAL UNIVERSITY**M.B.A. Sem - IV Examination May 2011****Subject code: 840003****Subject Name: Management Control System****Date: 19/05/2011****Time: 02.30 pm – 05.30 pm****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) Define a responsibility center and describe its significance in management control. **07**
- (b) Explain similarities and differences between a Revenue Center and an Expense Center. **07**

- Q.2** (a) What is a profit center? What are the advantages of establishing organisation units as profit centers? What are the difficulties? **07**
- (b) What is transfer pricing? Why and how it is used? Explain with example. **07**

OR

- (b) What is depreciation? What is amortization? Give examples for both. What role do they play in measurement and control of assets? **07**

- Q.3** (a) Briefly explain how an operating budget is prepared in case of a manufacturing organisation. What would be the impact of inventory policy on the budget? **07**
- (b) What is value chain analysis? How it is useful in management control? Explain with an example. **07**

OR

- Q.3** (a) What is activity based costing? How do we use it in strategic planning process? **07**
- (b) For XYZ company budgeted and actual figures for product A are given as below: **07**
- Budgeted price = Rs.100/- per unit,
Budgeted sales = 250 units,
Actual price realized = Rs.90 per unit,
Actual sales achieved = 300 units.
Carry out variance analysis for product A.

- Q.4** (a) What is a standard? How are budgetary standards determined and used? **07**
- (b) What are key success factors? How do we use them in performance measurement? Explain with an example. **07**

OR

- Q.4** (a) Describe Balanced Scorecard method. What are its advantages? **07**
- (b) Write a short note on Management Compensation with brief description of various components and their significance. **07**

- Q.5** (a) How is Management Control different in case of a Service Organisation compared to a manufacturing organisation? **07**
- (b) Prepare an outline of a Management Control System for Projects. **07**

OR

- Q.5** (a) How is transfer pricing used in Multinationals? What are additional considerations? **07**
- (b) Prepare an outline of a Management Control System for an NGO (a non-profit organisation). What are important considerations which are different from a commercial organisation? **07**