Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER–IV • EXAMINATION – SUMMER 2013

Subject Code: 840003 **Date: 27-05-2013**

Subject Name: Management Control System

Time: 14:30pm – 17:30pm **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)**	Define a responsibility center and describe its significance in management control.	**07**
	(b)	Explain terms 'Task Control' & 'Management Control'. Draw the distinction between the two.	**07**
Q.2	**(a)**	What is a Profit Center? What are the advantages & disadvantages of establishing organization units as Profit Centers?	**07**
	(b)	Distinguish Corporate Level Strategy and Business Level Strategy.	**07**
		OR	
	(b)	What is transfer pricing? Why and how it is used? Explain with an example.	**07**
Q.3	**(a)**	What is Value Chain Analysis? How it is useful in management control? Explain with an example.	**07**
	(b)	Define Key Success Factors (KSFs). How does one determine KSFs? Explain with an example.	**07**
		OR	
Q.3	**(a)**	"Balanced Scorecard measures are linked from top to bottom and tied to specific targets throughout the entire organization". Justify.	**07**
	(b)	How Corporate level strategy is to be formulated in single industry firms and in unrelated diversified firms? Explain with an example.	**07**
Q.4	**(a)**	Define the concepts: 'EVA' and 'ROI'. Explain how they differ from each other.	**07**
	(b)	Briefly explain how an operating budget is prepared in case of a manufacturing organization. What would be the impact of inventory policy on the budget?	**07**
		OR	
Q.4	**(a)**	"Budgetary control system cannot be operated unless the human factor in management is given adequate consideration". Justify.	**07**
	(b)	What is a standard? How are budgetary standards determined and used?	**07**
Q.5	**(a)**	What are the main objectives of Project Evaluation? How is Project Evaluation carried out?	**07**
	(b)	What makes management control of projects different from the management control of ongoing activities? Explain.	**07**
		OR	
Q.5	**(a)**	How is Management Control different in case of a Service organization compared to a Manufacturing organization?	**07**
	(b)	How is transfer pricing used in Multinationals? What are additional considerations?	**07**

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