Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER–IV • EXAMINATION – SUMMER • 2015

Subject Code: 840003 **Date: 11-05-2015**

Subject Name: Management Control System (MCS)

Time: 10.30 am - 13.30 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)**	What is meant by term management control? Is there any difference between strategy formulation, management control, operational control and financial control?	**07**
	(b)	Define Goal Congruence? What role does the management control system play in ensuring goal congruence?	**07**
Q.2	**(a)**	Discuss in brief the criteria adopted for the measurement of the performance of responsibility centers?	**07**
	(b)	"Discretionary Expense centers have some general control characteristics". Discuss.	**07**
		OR	
	(b)	Describe the yardsticks available for measuring the performance of a profit center?	**07**
Q.3	**(a)**	What is Interactive Control? State its features? How it can be considered as a tool for strategy formulation?	**07**
	(b)	Discuss the methods available for measurement of performance of investment centers?	**07**
		OR	
Q.3	**(a)**	Discuss the guiding principles in setting transfer prices?	**07**
	(b)	From the following information compute Economic Value Added (EVA) and also state your interpretation. 1. Net Profit = Rs. 5,00,000 , 2. Cost of Capital = 10%, and 3. Total Capital Employed = Rs. 40,00,000.	**07**
Q.4	**(a)**	What is Strategic Planning? Explain its benefits and limitations?	**07**
	(b)	What is budgeting? Discuss how it is different from strategic planning and forecasting?	**07**
		OR	
Q.4	**(a)**	What is performance measurement system? Describe the process of implementing the performance measurement system in an organization?	**07**
	(b)	Explain in brief Market Penetration Variance and Industry Volume Variance? Also state its limitations?	**07**
Q.5	**(a)**	Incentives are a motivational tool? In this context describe the various features of incentive compensation plans?	**07**
	(b)	What do you mean by project organization? Outline the management control systems for the project organization?	**07**
		OR	
Q.5	**(a)**	Outline the management control systems for the service organizations such as banks and saving institutions?	**07**
	(b)	Discuss the implications of different business unit strategies on management control?	**07**

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