Seat No.: ________ Enrolment No.___________

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER–IV • EXAMINATION – SUMMER • 2014

Subject Code: 840003 **Date: 21-05-2014**

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)**	Define a Responsibility Center and describe its significance in management Control.	**07**
	(b)	Define Key Success Factors (KSFs). How does one determine KSFs? Explain with an example.	**07**
Q.2	**(a)**	What is a Profit Center? What are the advantages & disadvantages of establishing organization units as Profit Centers?	**07**
	(b)	Explain in detail of Budget Preparation Process. How simulation and probability are used in budgetary control?	**07**
		OR	
	(b)	What is transfer pricing? Why and how it is used? Explain with an example.	**07**
Q.3	**(a)**	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**
	(b)	What do you understand by ‘ Non – profit organization ‘ and what are their Special characteristics?	**07**
		OR	
Q.3	**(a)**	What is Value Chain Analysis? How it is useful in Management Control? Explain with an example.	**07**
	(b)	Explain the characteristics and benefits of Expert system.	**07**
Q.4	**(a)**	What are the roles of ‘Controller ‘or ‘CFO ‘ and ‘ Business Unit Controller in management control ? Explain	**07**
	(b)	Write a short note on Management Compensation with brief description of various components and their significance.	**07**
		OR	
Q.4	**(a)**	Define the concepts: ‘EVA’ and ‘ROI’. Explain how they differ from each other.	**07**
	(b)	How profitability can be measured? Explain various types of profitability measurement.	**07**
Q.5	**(a)**	How is Management Control different in case of a Service organization compared to a Manufacturing organization?	**07**
	(b)	Explain in detail of various formal standards used in evaluation of reports on actual activities.	**07**
		OR	
Q.5	**(a)**	Distinguish Corporate Level Strategy and Business Level Strategy	**07**
	(b)	Explain in detail of key variables related to customer and to internal business processes.	**07**

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