

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER- 4 • EXAMINATION – SUMMER 2018

Subject Code:840003

Date: 25/05/2018

Subject Name: MANAGEMENT CONTROL SYSTEM

Time:02:30 PM To 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) “ Management Control System (MCS) is the fine tune combination of Control, Management and System (MCS).” Critically analyse with the issues in the process. **07**
- (b) Explain the concept of Strategy Formulation & Task Control with the implication of different corporate level strategies in designing Management Control Systems. **07**
- Q.2** (a) Elucidate the term Goal Congruence. Discuss the role of informal factors having influence over the Goal Congruence in organizational control system. **07**
- (b) Analyse the impact of internet on Management Control System. **07**
- OR**
- (b) Explain the term Organisational Structure with its classifications and influence on the Management Control System. **07**
- Q.3** (a) Critically analyse the term Responsibility Center . Justify by your logical mention that Franchisee is a Profit Center with the purpose served for the same. **07**
- (b) Elucidate the term Profit Center. Analyse the merits and limitations of Profit Center to depict the important role in MCS. **07**
- OR**
- Q.3** (a) Analyse the term ‘ Transfer Pricing’. Explain the important contribution of Transfer Pricing with the illustrative reference. **07**
- (b) How the measure of relating Profits & Assets are employed : EVA V/S ROI with hypothetical practical application. **07**
- Q.4** (a) What do you understand by Variance Analysis as element of Budgetary Control. Explain one variance Analysis with hypothetical example. **07**
- (b) Describe the benefits and limitations of strategic Planning. **07**
- OR**
- Q.4** (a) Critically explain the Activity base costing. How do we use it in the strategic planning process. **07**
- (b) What is a standard ? Explain classification of standard. How the budgetary standards are determined & used ? **07**
- Q.5** (a) Discuss highlighting features of incentive compensation plan and suggest an ideal compensation plan for corporate CEO & Business managers. **07**
- (b) What should be the objectives of Management Control System of a banking organization ? Discuss some of the indicators of performance of a bank. **07**
- OR**
- Q.5** (a) There are two business units, one levered and another unlevered each with a sales revenue and operating expenses of RS 100 And RS 50 respectively. The levered business has interest expense of RS 10.Tax is lent at 40% of earning. Find out the cash flow available to investors for each of the business units. **07**
- (b) Discuss various long term incentive plans. **07**