

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER-IV • EXAMINATION-SUMMER • 2015

Subject Code: 2840007

Date: 18-05-2015

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)** “The scope of Management control System is not limited to the Top level Management but it spreads around the whole organization.” Justify. **07**
- (b)** Define Goal Congruence. Discuss various factors affects the goal congruence in organisation. **07**
- Q.2 (a)** Define responsibility center. Enumerate various types of responsibility centers. Discuss various types of expense centers along with relevant examples. **07**
- (b)** “Implementing the concept of Profit Center in organization will help in grooming good general managers.” Discuss. **07**
- OR**
- (b)** ABC pharmaceutical is growing company and want to introduce the concept of responsibility center in its organisation. Discuss how it can implement the concept in their organisation in various units. **07**
- Q.3 (a)** What is transfer pricing? When can we use Two step transfer pricing method and Two sets of transfer price? Also discuss merits and demerits of each method. **07**
- (b)** Difference between EVA and ROI. **07**
- OR**
- Q.3 (a)** Explain fundamental principle underlying transfer pricing and ideal situation for implementing transfer pricing and constraints of sourcing. **07**
- (b)** Enlist various forms of Assets employed to be measured for evaluating the performance of investment center. **07**
- Q.4 (a)** How budget is different from forecast. Discuss advantages and disadvantages of zero based budgeting. **07**
- (b)** Define Variance Analysis. Discuss various limitations of Variance analysis as technique to control the operations. **07**
- OR**
- Q.4 (a)** Explain the strategic planning process in detail. **07**
- (b)** Discuss with example how Balanced scorecard can be used as framework to measure the performance. **07**
- Q.5 (a)** What are key success factors? How can we use them in performance measurement? Explain with appropriate example. **07**
- (b)** Define control variables and check point for managing consumer Expo event. **07**
- OR**
- Q.5 (a)** “Management control is essential for Non Profit Organisation.” Justify. **07**
- (b)** Discuss characteristics of incentive compensation plan. What will be the ideal compensation plan for CAO and business unit managers? **07**
