Total No. of Questions : 7]

SEAT No. :

P2326

[Total No. of Pages : 2

[4670] - 32
M.B.A.
302 : MANAGEMENT CONTROL SYSTEMS
(2008 Pattern) (Semester - III)

Time : 3 Hours] ***[Max. Marks : 70***

Instructions to the candidates:

1) ***Q.No. 7 is Compulsory.***
2) ***Attempt any 4 questions from Q.No.1 to Q.No.6.***
3) ***All questions carry equal marks.***

Q1) What do you understand by MCS? Discuss the process of development of MCS in an organisation.

Q2) a) Distinguish between Business Unit Level and Corporate Level Strategic Planning.

b) State and discuss the factors that affect goal congruence.

Q3) State and discuss the various measures used to evaluate the performance of responsibility centers.

Q4) "Capital Budgeting is one of the important tools for Management Control Systems". Comment.

Q5) Explain the perspectives of BSC with suitable examples on financial and non financial performance measurement parameters.

Q6) Write short notes on (Any Two):

a) Budgetary Control as a tool of MCS.

b) MCS in Manufacturing Vs Service Organisation.

c) Audit as a Control Tool.

d) ROI Vs EVA

P.T.O.

Q7) Bharat Ltd. has two divisions, P & Q. The product manufactured by Div. P can be sold to outside market as well as transferred to Div. Q. Div. Q further process the product and sells to external market. The following information is available of both the divisions:

Particulars	Div.P	Div.Q
Direct Material (Rs. Per unit)	17	2
Direct Labour (Rs. Per unit)	8	3
Variable overhead per unit(Rs.)	4	5
Fixed overhead(Rs.)	90,000	50,000
Market Price	40	63

Div. P can produce 60,000 units at 100% capacity utilisation. However Div. P can sell 27,000 units in outside market whereas Div. Q can process 33,000 units.

If Div. Q gets an external supplier ready to supply at a price of Rs. 35 for which currently Div. Q is paying Rs. 40 to Div. P, what course of action should Div. P's manager take?

a) Should Div. P manufacture and sell to external market only?

b) Should Div. P revise the transfer price from Rs. 40 to Rs. 35?

Offer Your suggestion in the perspective of Div. P and the organisation as a whole?

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