

**M.B.A. (GEN.) / M.B.A. (HR) / M.B.A. (IT) / Semester - IV (2012
COURSE)(CHOICE BASED CREDIT SYSTEM)/ M.B.A. (FM)
Semester - IV (2013 (CHOICE BASED CREDIT SYSTEM) :
SUMMER - 2019**

SUBJECT : ELECTIVE – VI : MANAGEMENT CONTROL SYSTEMS (FM)

Day : Monday
Date : 13/05/2019

S-2019-2297

Time : 02.00 PM TO 05.00 PM
Max. Marks : 100

N.B.

- 1) Attempt **ANY FOUR** questions from Section – I and **ANY TWO** questions from Section – II.
- 2) Answers to both the sections should be written in **SAME** answer book.
- 3) Figures to the right indicate **FULL** marks.

SECTION – I

- Q.1** “Management Control System plays a crucial role in the success of business”. [15]
Discuss the statement with examples.
- Q.2** What is strategic planning process? Explain the need of strategic planning [15]
process from the point of view of Management System.
- Q.3** Explain the following concepts: [15]
a) Cost centre b) Profit centre c) Investment centre
- Q.4** Define Management Audit. What are the advantages and contents of [15]
Management Audit?
- Q.5** Write short notes on **ANY THREE** of the following: [15]
a) Motivation
b) Goal congruence
c) Investment centre
d) Cost centre
e) Process of control

SECTION – II

- Q.6** A company is expecting to have Rs. 50,000 cash in hand on 1st April, 2018 [20]
and it requires you to prepare an estimate of cash position in respect of three
months from April to June 2018, from the information given below:

Months	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
February	1,40,000	80,000	16,000	12,000
March	1,60,000	1,00,000	16,000	14,000
April	1,84,000	1,04,000	18,000	14,000
May	2,00,000	1,20,000	20,000	16,000
June	2,40,000	1,10,000	24,000	18,000

Additional Information:

- a) Period of credit allowed by suppliers: Two months.
- b) 25% of sale is for cash and the period of credit allowed to customers for credit sales is one month.
- c) Delay in payment of wages and expenses: one month.
- d) Income Tax Rs. 50,000 is to be paid in June 2018.

P.T.O.

- Q.7

From the following information, calculate:

[20]
- a) Labour Cost Variance

b) Labour Rate Variance

c) Labour Efficiency Variance

The particulars of labour force engaged on Job No. 999 of a ship building company, scheduled to be completed in 30 weeks are:

Category	Standard		Actual	
	Number	Wage rate (Rs.)	Number	Wage rate (Rs.)
Skilled	75	60	70	70
Semi-skilled	45	40	30	50
unskilled	60	30	80	20

The actual time taken is 32 weeks.

- Q.8

Sunshine company fixes the inter-divisional transfer prices for its products on the basis of cost plus a return on investment in the division. The budget for division ‘R’ for 2016-17 appears as under:

[20]

Particulars	Rs.
Investment in Division ‘R’:	
Fixed Assets	20,00,000
Current Assets	12,00,000
Debtors	8,00,000
Annual Fixed Cost of the division	32,00,000
Variable Cost per unit of product	40

Budgeted volume 4,00,000 units p.a.
Desired R.O.I.: 25%.
Determine the transfer price of Division ‘R’.

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