B.B.A. (2010 COURSE) SEM- V : SUMMER - 2018

SUBJECT : ELECTIVE – II : b) INTRODUCTION TO MANAGEMENT CONTROL SYSTEMS (FM)

Day : **Friday**
Date : **04/05/2018**

S-2018-1672

Time : **02.00 PM TO 05.00 PM**
Max. Marks : 70

N.B.:

1) **Q.No.1** is **COMPULSORY**.
2) Figures to the right indicate **FULL** marks.
3) Attempt **ANY FOUR** questions from **Q.No.2** to **Q.No.7**.

Q.1 Explain the concept of Management Control. What are the characteristics of Management Control System? **[14]**

Q.2 Define the Budget and Budgetary Control System. What are its advantages? **[14]**

Q.3 Write a note on: **[14]**

a) Need for Strategic Planning
b) Zero Base Budgeting

Q.4 Explain the meaning of transfer pricing. What are its methods? **[14]**

Q.5 Prepare a flexible Budget for 15,000 and 20,000 units of finished products. The following details are available for production of 10,000 units of finished products: **[14]**

Particulars	**Cost per unit (₹)**
Direct Materials	100
Direct Labours	80
Direct Expenses	60
Variable Overheads	25
Administrative Overheads (100% Fixed)	45
Selling Expenses (25% Fixed)	40
Distribution Expenses (60% Variables)	20

Q.6 An Assembly Division of FASTCAR company has offered to purchase 9,000 batteries from the Electric Division (ED) for ₹ 520 per unit. At a normal volume of 25,000 batteries per year, production costs per battery are: **[14]**

Particulars	**₹**
Direct Materials	200
Direct Labours	100
Variable Factory Overheads	60
Fixed Factory Overheads	210
Total	**570**

The Electric Division has been selling 25,000 batteries per year to outside buyers for ₹ 680 each. Capacity is 35,000 batteries per year. The Assembly Division has been buying batteries from outside suppliers for ₹ 650 each. Should the Electric Division Manager accept the offer? Will an internal transfer be of any benefit to company?

Q.7 Write short notes on **ANY TWO** of the following: **[14]**

a) Management By Objectives (MBO)
b) Cost Centre and Investment Centre
c) Objectives of Management Audit

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