

**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 - 2018**

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

Day : **Monday**  
Date : **21/05/2018**

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

**S-2018-1920**

**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 **SEPARATE** answer book.
- 3) Figures to the right indicate **FULL** marks.

**SECTION – I**

- Q.1** What is Management Control System? Explain the nature and characteristics of Management Control System. [15]
- Q.2** What is Strategic Planning Process? Explain the need of strategic planning process from the point of view of Management Control System. [15]
- Q.3** Explain the following concepts: [15]  
a) Areas of control  
b) Process of control  
c) Management by objectives
- Q.4** What is Management Audit? Elucidate the advantages and contents of Management Audit. [15]
- Q.5** Write short notes on **ANY THREE** of the following: [15]  
a) Goal congruence  
b) Cost centre  
c) Investment centre  
d) Areas of control  
e) Variance Analysis

**SECTION – II**

- Q.6** With the help of the following data for a 60% activity, prepare a budget for production at 80% and 100% capacity. [20]  
Production at 60% capacity – 300 units  
Materials Rs. 100 per unit  
Labour Rs. 40 per unit  
Expenses Rs. 10 per unit  
Factory expenses Rs. 40,000 (40% Fixed)  
Administrative expenses Rs. 30,000 (60% Fixed)

**P.T.O.**

- Q.7** From the following data, calculate Material Cost Variance, Material Price Variance and Material Usage Variance: [20]

Particulars	Standard		Actual	
	Quantity (kg.)	Price (Rs.)	Quantity (kg.)	Price (Rs.)
Material X	6,800	60	6,750	58
Material Y	3,900	55	3,920	59
Material Z	2,500	42	2,580	40

- Q.8** Supreme Ltd. fixes interdivisional transfer prices for its products on the basis of cost plus return on investment, in that division. The budget for 2016-17 is as under: [20]

Particulars	Rs.
<b>Investment in Division 'X'</b>	
Fixed Assets	5,00,000
Current Assets	3,00,000
Debtors	2,00,000
Annual fixed cost of division	8,00,000
Variable cost per unit	10

Budgeted volume : 4,00,000 units p.a.

Desired R.O.I. : 28%

Determine the transfer price for division 'X'.

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