

S.D.E.

B.B.A. (2006 Course) Sem-V : WINTER - 2018

**SUBJECT : ELECTIVE – II : c) INTRODUCTION TO MANAGEMENT CONTROL SYSTEM
(Finance)**

Day Wednesday
Date 05/12/2018

W-2018-4478

Time 02.00 PM TO 05.00 PM
Max. Marks : 80

N.B.

- 1) Attempt Any Five questions from section –I and Any Two questions from Section -II
 - 2) Answer to both the section should be written in separate answer book.
 - 3) Figures to the right indicate FULL marks.
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SECTION - I

- Q.1** How does flexibility of budget help in Managing and controlling the results? **(10)**
- Q.2** What do you mean by Profit Center? Explain its advantages. **(10)**
- Q.3** Define the term Management Control System and discuss its significance. **(10)**
- Q.4** “Behavioral aspects of Management Control System are equally important for effective management.” Justify this statement. **(10)**
- Q.5** Why do transfer prices become necessary for organization? **(10)**
- Q.6** How is Management Control System useful in non-profit organization? **(10)**
- Q.7** Write short notes on any **TWO**: **(10)**
- a) Objectives of Management Control System
 - b) Functional budgets
 - c) Problems of Transfer price

P.T.O.

SECTION – II

Q.8 Following details are available from the books of XYZ Ltd: **(15)**

	Sales Rs.	Total Cost Rs.
Period I	59,000	54,700
Period II	63,000	57,800

Calculate:

- a) Variable cost
- b) Fixed Cost
- c) Contribution for each period.

Q.9 A factory produces 10,000 units. The budgeted expenses are given below: **(15)**

Particulars	Per unit Rs.
Raw material	30
Direct labour	10
Direct expenses	15
Overheads	10
Fixed overheads (Rs. 1,00,000)	10
Administrative expenses (fixed)	5
Selling expenses (10% fixed)	10
Distribution expenses (30% fixed)	10
Total cost per unit	100

You are required to prepare a budget for 15,000 and 20,000 units.

Q.10 Calculate Material Cost Variance from the following information: **(15)**

- Standard Price of material per kg = Rs. 8
- Standard usage of materials = 1500 kgs
- Actual usage of materials = 1720 kgs
- Actual price of materials per kg =Rs. 7
- Actual cost of materials Rs.5560
- Standard cost of material for actual production Rs. 6200.

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