

B.B.A. (2010 COURSE) SEM- V : WINTER - 2017
SUBJECT : ELECTIVE – II : b) INTRODUCTION TO MANAGEMENT
CONTROL SYSTEMS (FM)

Day : **Thursday** Time : **02.00 PM TO 05.00 PM**
Date : **16/11/2017** **W-2017-1580** 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** What is 'Management Control System'? State the importance of Management Control System. [14]
- Q.2** What do you mean by 'Management By Objectives'? Explain the merits of establishment of MBO in organization. [14]
- Q.3** Explain: [14]
a) Revenue Centre and Cost Centre.
b) Strategic Planning.
- Q.4** Explain the objectives and advantages of Management Audit. [14]
- Q.5** From the following forecast of incomes and expenditures of Aadesh Ltd., prepare a Cash Budget for the period from June to August. [14]

Months	Sales	Purchases	Labour cost	Overheads
April	50,000	40,000	5,000	6,000
May	80,000	50,000	5,000	5,000
June	60,000	52,000	6,000	7,000
July	70,000	38,000	6,000	6,000
August	60,000	28,000	7,000	7,000

Additional Information:

- a) 20% of the sales are on cash basis. 50% of the credit sales are to be recovered in next month and remaining in the next-to-next month.
 - b) Purchases are made on two months credit period.
 - c) Lag in payment of wages and overheads one month.
 - d) Advance income tax is to be paid in the month of June amounting to ₹ 20,000/-.
 - e) On 31st May estimated cash balance is ₹ 36,000/-.
- Q.6** A company fixes the inter-divisional transfer prices for its product on the basis of cost plus estimated return on investment in its divisions. The relevant portion of the budget for division 'A' for the year 2016-17 is given below: [14]

Particulars	₹
Fixed Assets	5,00,000
Current Assets (other than debtors)	3,00,000
Annual fixed cost of division	8,00,000
Debtors	2,00,000
Variable cost per unit of product	10

Budgeted volume of production per year 4,00,000 units. Desired return on investment is 25%. You are required to determine transfer price for the division A.

- Q.7** Write short notes on **ANY TWO** of the following: [14]
a) Internal Audit Under MCS
b) Zero Base Budgeting
c) Transfer Pricing Methods

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