

B.B.A. SEM – V (2015 CBCS COURSE) : WINTER - 2017
SUBJECT : Elective-II 2) INTRODUCTION TO MANAGEMENT CONTROL SYSTEMS
(FINANCIAL MANAGEMENT)

Day : **Thursday**
Date : **16/11/2017**

W-2017-1544

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

N.B.

- 1) Answer any **FOUR** questions from Section - I and **TWO** questions from Section - II.
- 2) Answers to each section should be written in the **SEPARATE** answer books.
- 3) Figures to the right indicate the **FULL** marks.

SECTION – I

- Q.1** Define “Management Control System”. State and explain the “Areas of Control” and “Process of Control” (15)
- Q.2** Examine the merits of “Management by Objective” (MBO) (15)
- Q.3** Explain in detail the need for Strategic Planning Process. (15)
- Q.4** Explain the concept of Cost Centre, Profit Centre, Revenue Centre and Investment Centre (15)
- Q.5** Write short notes on any **THREE** (15)
- i) Area of Control.
 - ii) Internal Audit.
 - iii) Zero Base Budgeting.
 - iv) Cost Audit.
 - v) Effectiveness of Control.

SECTION - II

- Q.6** PQR Company Ltd. has two departments viz. (1) Machining and (2) Assembly. Following data is extracted from the cost ledger of the company. (20)

Particulars	Machining Dept. (Rs.)	Assembly Dept. (RS)
Direct Material	70,000	15,000
Direct Labour	15,000	35,000
Direct Expenses	15,000	25,000

The Machining department transfers its output to Assembly department by loading 25% on its cost. You are required to find out:

- i) The amount at which the output of Machining Dept is transferred to Assembly Dept.
- ii) The total cost for the output of the Assembly Dept.

P.T.O

Q.7 Prepare Cash Budget for November and December 2016 from the following data about Futures Limited. (20)

Particulars	October 2016	November 2016	December 2016
Sales	50,000	70,000	80,000
Purchases	25,000	30,000	15,000
Rent	5,000	4,000	4,000
Selling Expenses	2,500	3,500	3,750
Wages	5,000	5,600	6,000
Administrative Expenses	1,500	2,250	2,750

Additional information.

- i. Closing cash as on 31/10/2016 was 22,500/-
- ii. 50% of the Sales are for cash and remaining amount of Sales is realised in the following month.
- iii. Suppliers are paid in the following month.
- iv. All other expenses are paid in the same month.
- v. Epson printer worth Rs.10,000/- is purchased on cash in the month of November 2016.

Q.8 What is Management Audit? State and explain its objectives and advantages giving suitable examples. (20)

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