

S.D.E.

M.B.A. SEM-V (2010 COURSE)(3 YEAR COURSE) :
WINTER - 2017

SUBJECT : ELECTIVE-VII: (E) MANAGEMENT CONTROL SYSTEM
(Financial Management)

Day : Friday
Date : 15/12/2017

Time : 10.00 A.M. TO 01.00 P.M.
Max. Marks: 70.

W-2017-4313

N.B.:

- 1) Attempt any **FOUR** questions from Section-I and any **TWO** questions from Section-II.
- 2) Both the sections should be written in **SEPARATE** answer books.
- 3) Figures to the **RIGHT** indicate full marks.

SECTION-I

- Q.1** Define Management Control. Explain the nature and scope of Management Control System. (10)
- Q.2** Write a detailed note on Strategic Planning and Implementation. (10)
- Q.3** Explain the Meaning and importance of Responsibility Center and Cost Center. (10)
- Q.4** Explain the relationship between Motivation and Control. Give suitable examples. (10)
- Q.5** Write short notes on any **TWO** of the following: (10)
- a) Goal congruency
 - b) Internal Audit
 - c) Responsive management.

SECTION-II

- Q.6** The expenses for the production of 5,000 units in a factory are given as follows: (15)

Particulars	Cost per Unit Rs.
Materials	50
Labour	20
Variable overheads	15
Fixed Overheads (Rs.50,000/-)	10
Administrative expenses (10% variable)	10
Selling expenses (20% fixed)	6
Distribution expenses (10% fixed)	5
Total cost of sales per unit	Rs.116/-

You are required to prepare a budget for the production of 6,000 and 7,000 units.

P.T.O.

- Q.7** From the following information, calculate Labour Rate Variance, Labour Efficiency Variance and Labour Cost Variance for skilled and unskilled labour. (15)

Particulars	Standard		Actual	
	Time (Hrs)	Rate (Rs.)	Time (Hrs)	Rate (Rs.)
Skilled labour	5000	800	5100	820
Unskilled labour	4000	400	3900	400

- Q.8** A company has two departments as profit centers viz. Assembly and Finished Products. Assembly center transfers its product to Finished Product Department. The following is the cost structure of Assembly Department per unit. (15)

Particulars	Amount in Rs.
Materials	20/-
Labour	10/-
Overheads	20/-
Total	50/-

There are no fixed costs. Finished product division spends further Rs.50/- per unit. It charges 50% on sales price as profit and sells it in open market. What would be the transfer price per unit of Assembly center?

- If it supplies the product at marginal cost to Finished Product Department.
- If it supplies the product with 10% markup.
- If it supplies the product with 20% markup and Rs.10 per unit as recovery of investment cost.
- If it transfers the product with 10% profit on transfer price.

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