

CDOE
BACHELOR OF BUSINESS ADMINISTRATION (2006 COURSE)
B.B.A. Sem-V : WINTER :- 2021

SUBJECT: INTRODUCTION TO MANAGEMENT CONTROL SYSTEMS (FIN)

Day : Tuesday
Date 8/3/2022

W-5404-2021

Time : 10:00 AM-01:00 PM
Max. Marks: 80

N.B.

- 1) Attempt any **FIVE** questions from Section – I. Each question carries 10 marks.
 - 2) Attempt any **TWO** questions from Section – II. Each question carries 15 marks.
 - 3) Answers to both the sections should be written in the **SAME** answer book.
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SECTION – I

- Q.1** Define 'Management Control System'. Explain the importance of Management Control System from an organisation's point of view.
- Q.2** Explain how different Management Accounting techniques of Marginal Costing and Variance Analysis are integrated into a control system.
- Q.3** Discuss how the integration of Motivation, Morale and Participative Management work in a Management Control System.
- Q.4** What is a Non Profit Organisation? Explain the need of Management Control System (MCS) in a Non Profit Organisation.
- Q.5** What are functional budgets? Explain the relationship of Functional Budgets with Management Control System (MCS).
- Q.6** Explain the concept, need and advantages of Responsibility Centers.
- Q.7** Write short notes on any **TWO**:
- a) Internal Audit under Management Control System (MCS)
 - b) Process of Control
 - c) Variance Analysis

P.T.O.

SECTION – II

Q.8 From the following data, calculate :

- 1) Material Cost Variance
- 2) Material Price Variance
- 3) Material Usage Variance

Particulars	Standard		Actual	
	Quantity (Kgs)	Price ₹	Quantity (Kgs)	Price ₹
Material A	5,800	50	5,750	48
Material B	2,900	45	2,920	49
Material C	1,500	32	1,580	30

Q.9 Neeraj Ltd. fixes inter-divisional transfer prices for its products on the basis of Cost plus Return on Investment in that division. The budget for Division 'P' for the year 2018-19 is as under:

Particulars	Amount Per Unit ₹
Investment in Division 'P'	
Fixed Assets	20,00,000
Current Assets	12,00,000
Debtors	8,00,000
Annual fixed cost of the division	32,00,000
Variable cost per unit of product	40
Budgeted volume : 4,00,000 units p.a.	
Desired R.O.I. : 25%	

Determine the transfer price for Division 'P'.

Q.10 What is the meaning of transfer price? State and explain the significance and problems of transfer pricing.

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