

BACHELOR OF BUSINESS ADMINISTRATION (CBCS - 2018 COURSE)
B.B.A. Sem-V : WINTER : 2021
SUBJECT: INTRODUCTION TO MANAGEMENT CONTROL SYSTEMS

Day : Monday
Date : 07-02-2022

W-18844-2021

Time : 10:00 AM-01:00 PM
Max. Marks: 60

N.B.:

- 1) Attempt **ANY THREE** questions from Section – I and **ANY TWO** questions from Section – II.
- 2) Answers to both the sections should be written in **SAME** answer book.
- 3) Figures to the right indicate **FULL** marks.

SECTION – I

- Q.1** Explain the methods of Transfer Pricing. **[10]**
- Q.2** Explain the following: **[10]**
a) Objectives of Budgetary Control b) Management by Objectives (MBO)
- Q.3** What do you mean by Zero Base Budgeting? Explain how Zero Base Budgeting works? **[10]**
- Q.4** Elaborate upon the concept and importance of Standard Costing with suitable examples. **[10]**
- Q.5** Write short notes on **ANY TWO** of the following: **[10]**
a) Objectives of Transfer Pricing
b) Nature of Management Control System
c) Profit Centre
d) Advantages of Management Audit

SECTION – II

- Q.6** Explain the concept, objectives and advantages of Cost Audit. **[15]**
- Q.7** What do you mean by Management Control? Explain the process of Control. **[15]**
- Q.8** From the following particulars, prepare a Cash budget from January to March, 2019. **[15]**

Month	Sales	Purchases	Overheads		
			Administrative	Production	Selling
			₹	₹	₹
Nov. 2018	12,00,000	7,00,000	1,25,000	1,30,000	90,000
Dec. 2018	14,50,000	9,00,000	1,25,000	1,60,000	1,15,000
Jan. 2019	16,00,000	11,00,000	1,75,000	1,70,000	1,45,000
Feb. 2019	19,00,000	13,00,000	2,00,000	1,95,000	1,60,000
Mar. 2019	19,00,000	14,00,000	2,10,000	2,00,000	1,70,000

Additional information:

- a) Expected cash balance as on 1st January, 2019 is ₹ 1, 20,000.
- b) Out of the total sales 50% are Cash Sales. Credit allowed to debtors is one month.
- c) All the purchases are on credit. The suppliers allow 2 months credit.
- d) Capital expenditure proposed to be incurred on acquisition on land in March, 2019 is ₹ 5, 00,000.
- e) Income-tax payable in March, 2019 is ₹ 80,000.
- f) Interest receivable on Investment ₹ is 40,000 in January, 2019.
- g) Lag in the payment of overhead expenses is one month.

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