

**BACHELOR OF BUSINESS ADMINISTRATION (CBCS - 2018 COURSE)**

**B.B.A. Sem-V : : SUMMER - 2022**

**SUBJECT : INTRODUCTION TO MANAGEMENT CONTROL SYSTEMS**

Day : Monday  
Date : 30-05-2022

**S-18844-2022**

Time : 02:00 PM-05:00 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 concept and objectives of Management Audit. [10]
- Q.2** Explain the following: [10]  
a) Objectives of Transfer Pricing      b) Zero Base Budgeting
- Q.3** Explain the concept and advantages of Budgetary Control. [10]
- Q.4** Elaborate upon the concept and process of Control. [10]
- Q.5** Write short notes on **ANY TWO** of the following: [10]  
a) Nature of Management Control System  
b) Objectives of Cost Audit  
c) Efficiency and Effectiveness of Control  
d) Any Two Transfer Pricing Methods

**SECTION – II**

- Q.6** What do you mean by Management by Objectives (MBO)? Explain the merits of establishment of MBO in Organizations. [15]
- Q.7** What do you mean by Responsibility Centre? Explain the types of Responsibility Centre. [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 1<sup>st</sup> January, 2019 is ₹ 1, 00,000.
- 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 Machinery in March, 2019 is ₹ 3, 50,000.
- e) Dividend payable in March, 2019 is ₹ 40,000.
- f) Rent receivable is ₹ 30,000 in January, 2019.
- g) Lag in the payment of overhead expenses is two months.

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