

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER-IV • EXAMINATION – SUMMER • 2014****Subject Code: 840003****Date: 21-05-2014****Subject Name: Management Control System (MCS)****Time: 10.30 am - 13.30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) Define a Responsibility Center and describe its significance in management Control. **07**
- (b) Define Key Success Factors (KSFs). How does one determine KSFs? Explain with an example. **07**
- Q.2** (a) What is a Profit Center? What are the advantages & disadvantages of establishing organization units as Profit Centers? **07**
- (b) Explain in detail of Budget Preparation Process. How simulation and probability are used in budgetary control? **07**
- OR**
- (b) What is transfer pricing? Why and how it is used? Explain with an example. **07**
- Q.3** (a) Briefly explain how an Operating Budget is prepared in case of a Manufacturing organization. What would be the impact of inventory policy on the budget? **07**
- (b) What do you understand by ‘ Non – profit organization ‘ and what are their Special characteristics? **07**
- OR**
- Q.3** (a) What is Value Chain Analysis? How it is useful in Management Control? Explain with an example. **07**
- (b) Explain the characteristics and benefits of Expert system. **07**
- Q.4** (a) What are the roles of ‘Controller ‘or ‘CFO ‘ and ‘ Business Unit Controller in management control ? Explain **07**
- (b) Write a short note on Management Compensation with brief description of various components and their significance. **07**
- OR**
- Q.4** (a) Define the concepts: ‘EVA’ and ‘ROI’. Explain how they differ from each other. **07**
- (b) How profitability can be measured? Explain various types of profitability measurement. **07**
- Q.5** (a) How is Management Control different in case of a Service organization compared to a Manufacturing organization? **07**
- (b) Explain in detail of various formal standards used in evaluation of reports on actual activities. **07**
- OR**
- Q.5** (a) Distinguish Corporate Level Strategy and Business Level Strategy **07**
- (b) Explain in detail of key variables related to customer and to internal business processes. **07**
