

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER- IV EXAMINATION – WINTER 2019****Subject Code: 3549285****Date: 29-11-2019****Subject Name: Management Control Systems****Time: 2.30 PM to 5.30 PM****Total Marks: 70****Instructions:**

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

Q. No.	Question Text and Description	Marks
Q.1	Terms (1) Strategic Planning (2) Interactive Control (3) Agency theory (4) Efficiency and effectiveness (5) Benchmarking (6) Core competency (7) KSF	14
Q.2	(a) What are the various elements of control system? Discuss the nature and purpose of management control system? (b) Discuss the application of management control system in Multinational organization.	07 07
OR		
	(b) What is Responsibility center? Discuss the concept of cost center in detail.	07
Q.3	(a) Discuss profit center as responsibility center. Explain advantages of having profit center and difficulties with creation of profit center. (b) In Goal congruent process, the actions people are led to take in accordance with their perceived self interest are also in best interest of organization” –Do you agree? Justify. Explain the informal factors that influence Goal Congruence.	07 07
OR		
Q.3	(a) Differentiate Management control system in manufacturing and service organization. (b) Define EVA. Which measure is the best from EVA and ROI? Justify your view with the help of relevant example.	07 07
Q.4	(a) Explain concept of “Transfer Pricing”. Discuss pricing policies of corporate services with suitable examples. (b) Discuss Balanced score card as a performance measurement framework- with the help of an illustration.	07 07
OR		
Q.4	(a) Explain concept of performance measurement system and framework for designing PMS. (b) Discuss the various characteristics of incentive compensation plan. And suggest ideal compensation plan for corporate CEO and business unit managers.	07 07

Q.5

LAVA Ltd. is manufacturing mobile phones both for domestic Indian market as well as for export. It has enjoyed a substantial market share and also had a loyal customer following. But latterly it has been experiencing problems because its targets have not been met with regard to sales and customer satisfaction. Also mobile market in India has grown tremendously and new player have come with better technology and pricing. This is causing problems for the company. It is planning to revamp its controlling system and take other steps necessary to rectify the problems it is facing.

- (a) Identify the benefits the company will derive from a good control system **07**
- (b) Give the steps in the control process that the company should follow to remove the problems it is facing **07**

OR

- Q.5**
- (a) How can the company relate its planning with control in this line of business to ensure that their plans are actually implemented and targets attained? **07**
 - (b) Suggest various measures to increase effectiveness. **07**

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