

Code: 9E00304a

MBA III Semester Supplementary Examinations May 2018

**MANAGEMENT CONTROL SYSTEM**

(For students admitted in 2013 as a last chance)

Time: 3 hours

Max. Marks: 60

Answer any FIVE questions  
All questions carry equal marks

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- 1 Define goal congruence and discuss various factors influencing goal congruence.
- 2 What is a responsibility centre? Explain its objectives and the three types of responsibility centers.
- 3 (a) Transfer pricing is confined to profit centre. Do you agree? Explain.  
(b) Discuss interrelated criteria used to evaluate the transfer pricing methods that are currently being used by profit or investment centers.
- 4 (a) Mitanshi & company manufacture three products. The following is the cost data relating to products A, B and C.

Products	A	B	C	Total
	Rs.	Rs.	Rs.	Rs.
Sales	1,50,000	90,000	60,000	3,00,000
Variable cost	1,20,000	63,000	36,000	2,19,000
Contribution	30,000	27,000	24,000	81,000
Fixed cost				40,500
Profit				40,500

Prove that knowledge of BEP can help management in changing the sales mix in order to increase profit of the company.

- (b) Write a brief note on angle of incidence.
- 5 Define budgetary control. Discuss in detail the essentials of a successful budgetary control system.
- 6 What is standard costing? Discuss the elements of standard costing system and advantages of standard costing.
- 7 (a) What is inventory control and discuss the objectives of effective inventory control?  
(b) Briefly discuss what is meant by ABC analysis. What is the purpose of this inventory technique?
- 8 How management control system in service organizations is different from manufacturing organizations?

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