

**GUJARAT TECHNOLOGICAL UNIVERSITY****M.B.A -IV<sup>th</sup> SEMESTER–EXAMINATION – MAY- 2012****Subject code: 2840007****Date: 18/05/2012****Subject Name: Management Control System (MCS)****Time: 10:30 am – 01:30 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 Task Control & Management Control. Write a note on Task Control. Discuss distinctions between Task Control & Management Control. **07**
- (b) Discuss in detail different informal factors which affect goal congruence in organization's control system. **07**
- Q.2** (a) Why can't competitors imitate Nucor's performance so far? **07**
- (b) Write a note on Profit Centre. "Responsibility Centers constitute the structure of management control system and it functions as performance measurement tool for the managers". – Discuss in context with Profit Center. **07**
- OR**
- (b) Mr. Gupta owns a franchisee of "Pizza Day!" in Ahmedabad city. Explain in detail how can he consider his franchisee as a profit center? **07**
- Explain meaning and function of a franchisee.
  - Explain how a marketing centre can behave as a profit center.
- With the help of your own logic decides how a franchisee can be considered as profit center.
- Q.3** (a) What is transfer pricing? Why and how it is used? Explain with example. **07**
- (b) Compare the two measures of relating profit with assets employed: EVA vs. ROI **07**
- OR**
- Q.3** (a) An investment centre is necessarily a profit centre but a profit centre may not be an investment centre." explain what are the different types of influences which an investment centre manager may exercise on their investment decision? **07**
- (b) Describe the benefits and limitations of Strategic Planning. **07**
- Q.4** (a) Write a note on Activity Based Costing. How do we use it in strategic planning process? **07**
- (b) "Relying solely on financial measures is inadequate and can be dysfunctional." Justify the statement with appropriate arguments. **07**
- OR**
- Q.4** (a) Write a note on Interactive Control. **07**
- (b) What is a standard? Explain types of standards. How are budgetary standards determined and used? **07**
- Q.5** (a) What are key success factors? How do we use them in performance measurement? Explain with an example. **07**
- (b) Discuss various long term incentive plans. **07**

**OR**

- Q.5** (a) “Balanced Scorecard measures are linked from top to bottom and tied to specific targets throughout the entire organization”. – Justify. **07**
- (b) What should be the objectives of Management Control System of a Banking organization? Discuss some of the indicators of performance of a Bank. **07**

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