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MB-926 Management Control Systems

Time allowed: 3 hours Max. Marks: 60

Important instructions: Section A is compulsory and all the 10 questions have to be attempted. Each question carries 2 marks. The candidate should answer each question in 2-5 lines. From section B, attempt any four questions. Each question carries 10 marks.

Section A - Answer the following:

1. What are Grand Strategies?
2. What are the four elements of Management Control Systems?
3. Differentiate between Engineered and Discretionary Expense Centres.
4. What are Profit Centres?
5. Explain the concept of budgetary slack?
6. Differentiate between Budgeting and Budgetary Control.
7. What are Arm's Length Prices?
8. What are the principles of deciding management compensation?
9. What is JIT system of control?
10. What is residual income?

Section B

1. Differentiate between Strategy formulation, Business unit control and Operational Control. Does Management Control cover all these? What is its exact scope?

2. What are the specific considerations/features of Management Control System in case of MNCs.

3. What is the significance of Goal Congruence in Management control systems? What do you suggest to enhance goal congruence in an organization?

4. What are the objectives of transfer pricing? Which method of transfer pricing do you advocate for a highly diversified and decentralised organisation and why?

5. Discuss various behavioural aspects of budgeting which a controller must take into consideration while designing management control system.

6. Explain the framework of Total Quality Management. Discuss its role in Management Control Systems.

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