

Roll No.

Total No. of Pages : 03

Total No. of Questions : 17

**M.COM.(Sem.-4)**  
**MANAGEMENT CONTROL SYSTEM**

Subject Code : MCOP-401-18

M.Code : 77939

Date of Examination : 02-07-22

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. SECTION-A contains EIGHT questions carrying TWO marks each and students have to attempt ALL questions.
2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and students have to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consists of ONE Case Study carrying TWELVE marks.

**SECTION-A**

**Write briefly :**

1. What is Venture Capital?
2. What are the prerequisites of a successful management control system?
3. Define Debt Securitization.
4. What do you mean by Participative Management?
5. Define Revenue Centers.
6. What is Depository?
7. Explain Activity Based Management
8. What do you understand by Liquidity Risk Management?

**SECTION-B**

**UNIT-I**

9. What is Goal congruence? What are the informal factors that influence goal congruence?

10. What is a management control system? Explain in detail the basic elements of a control process.

#### UNIT-II

11. Define Transfer Pricing. Describe the various transfer pricing methods in detail.
12. What are “Profit Centers”? What are the advantages and disadvantages of Profit Centers?

#### UNIT-III

13. What is Balanced Scorecard? What is the need for balanced scorecard? Also, discuss various benefits of Balanced Scorecard.
14. What do you understand by Activity Based Costing? Distinguish between Traditional Cost system and Activity Based Costing.

#### UNIT-IV

15. What is Management Compensation? What are the various principles of Management Compensation?
16. “Implementation and administration of control systems faces many problems”. Discuss the various problems faced in the implementation and administration of control systems.

#### SECTION-C

#### 17. Case Study :

Mr. Kamal Nayan joined as Office Manager, Industrial Products Limited, Mumbai after coming back from U.S.A. from where he got his M.B.A. degree with specialization in Personnel Management. He was young and energetic and believed in results. Before proceeding to U.S.A., he had several years of experience in India in different capacities.

When Mr. Nayan joined Industrial Products Limited, its office time was 10.30 A.M. to 5.30 P.M. He felt that the timing should be changed to 10.00 A.M. to 5.00 P.M. because he knew that office personnel in U.S.A. did not work after 5.00 P.M. He thought this to be true for India also and to ensure more availability of effective time for office, he changed it to 10.00 A.M. to 5.00 P.M. He announced the change officially, No one reacted initially but after two days, Mr. Nayan received a written memorandum by all

office personnel that old office timing be restored. Mr.Nayan did not yield to this demand. However, he was convinced that the first step was to build co-operative spirit among his employees through informational get together.

Therefore, he prepared a scheme of having monthly dinner party of all members of the office. In the party, all members were to bring their home-madedishes. Their wives and children were to be encouraged to attend the monthly dinner party. The scheme was announced through placing it on the information bulletin of the company. The notice also invited suggestions from the members for making the scheme successful. Two weeks elapsed and no suggestion came.

On one occasion when the day was nearing for the first dinner meeting, he overheard the following conversation between two of his office members.

First employee:“*So, what are you bringing for the party? As for myself, I Will bring Bhelpuri*”.

Second employee : “*I will bring Chana*”. (Both laughed).

Mr.Nayan felt that nobody seemed to be concerned in his scheme.

Questions :

- a) What were the reasons for not supporting the actions of Mr.Kamal Nayan by his employees?
- b) Advise Mr.Kamal Nayan how he should proceed in the matter.

**NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.**