

SVKM's NMIMS

School of Distance Learning

Programme: PGDFM/PGDBFM/PGDBM/ADBFBM

Academic Year: 2011-2012

Subject: Management Control System

Date: 5.1.2012

Semester III/IV

Marks: 70

Time: 3.00 p.m to 6.00 p.m

Course old

TIME: 3 hours

Instructions : Candidates should read carefully the instructions printed on the question paper and on the Answer Book, which is provided for their use.

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- NB : 1. Answer to each question to be started on a fresh page
2. Figures in bracket indicate full marks

Question 1. Attempt any 2 out of 4 (Marks 10) - Answer Briefly

- a. Discuss the Concept of Management Control
- b. Discuss concept of Enterprise Resource Planning
- c. Explain concept of Business Process Re-engineering
- d. What is Total Quality Management?

Question 2. Write Short notes on any 2 out of 5 (Marks 10) - Answer Briefly

- d. Functional structure
- b. Profit Center
- c. Transfer Pricing
- d. Master Budget
- e. Goal Congruence

Question 3. Attempt any 3 out of 5 (Marks 30)

- a. Define purpose of Management Control. Distinguish it from strategic planning, strategy formulation and operational control.
- b. Bring out various factors that have impact on "Control of Multinational organization".
- c. Explain concept of "Responsibility Accounting". What are the essential requirements of effective Responsibility Accounting?

- d. In what way the development organizations differ from normal commercial organizations?
Explain with appropriate examples
- e. How is service organization different from manufacturing organization? How do these differences impact the control system design in a service organization?

Question 4. Case Study (Marks 20)

"FRANK" Fashions is leading fashion store, focused on customer age group of 16-30 year old men and women. There are over 1000 products attracting over one lakh shoppers a month. It has 250 employees. Fashion store was founded in 2005.

"FRANK" fashions is planning to expand business and wants to gain from economies of scale.

Strategy is to grow same business at multiple locations through new markets as well as acquisitions. It is aiming at horizontal integration by way of acquiring other fashion stores. It is also looking into backward vertical integration by acquiring ownership of its supply chain & thereby reduce input costs. In doing so it expects to double the turnover & profit over next 3 years.

At present organization is structured on the basis of current single location and within that functionally. It is more centralized in nature, simple and personalized in reporting.

You need to advise CEO on restructuring organization for expected business growth and expansion.

Which controls, reporting structure would you recommend in order to achieve better integration between various and diverse functional segments/entities of the business that is expected to grow rapidly.

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