

years, the company had paid around sixty per cent overtime unnecessarily.

After a year, impressed by the work of Mr. Ramesh and his overall suitability, the distribution manager offered him the position of distribution supervisor. The basis duty of supervisor was to look after the distribution system and to develop new customers in a given area. Beside Mr. Ramesh, there were four other supervisors also. Mr. Ramesh was sure of making distribution system effective as he was aware about the delaying tactics of the crew. He was quite sure about cutting the overtime cost and impressing upon the manager about fixing the quota of work per day in two parts before lunch and after lunch. The distribution manager left convinced and introduced the system. However the efficiency dropped down considerably and no crew member was near the target.

Questions :

- (a) What were the reasons for decreased efficiency in the new system?
- (b) Advise Mr. Ramesh and distribution manager about the future courses of action.

MBGN 3004

M.B.A. DEGREE EXAMINATION,
DECEMBER 2014/JANUARY 2015.

Third Semester

MBA (General)

MANAGEMENT CONTROL SYSTEMS

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of the following.

1. What are the benefits of balanced score cards?
2. Explain Robert Simons concept of four levels of control.
3. What do you mean by mutual supportive management systems?
4. Explain about project control environment.
5. Explain the concept of Cost-volume and profit analysis.
6. Describe the four new paradigms in control systems.

7. Distinguish between internal audit and external audit.

8. Explain the steps involved while adopting the ABC model.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of the following.

9. Describe Newman's twelve point guidelines for designing control systems.

10. Explain the role of an auditor in carrying out audit procedure for an organization.

11. Explain management control system model.

12. Explain the methods of determining transfer price.

13. State the essentials of a successful budgetary system.

14. Describe the Hansmann's concept of rationale of cooperative.

15. Explain human resource accounting with the methods for measuring HRA.

16. Give details on :

(a) Flexible budget

(b) Zero based budget

(c) Master budget.

PART C — (1 × 20 = 20 marks)

Compulsory.

17. Milk products limited is engaged in collecting processing and distributing milk and milk products in a large city in South India. Most of the products of the company are such that these have to be distributed in daily basis. The company has a crew of distributors who approach the fixed customers, both bulk buyers and individuals. Mr. R. Ramesh joined the crew of distributors after graduating in commerce. The distribution manager was quite impressed by Mr. Ramesh but initially could not offer him a better job than that of a distributor, however he promised to give him better opportunity whenever available. Mr. Ramesh joined gladly.

The distributors are employed on monthly salary basis. In order to ensure distributions of the products, the company has a provision of overtime pay. Normally, crew members works slowly in the beginning just to accumulate overtime pay. The pace becomes hectic towards the end of the day with some over time to meet the distributions schedule. There is no group leader but there are several old-timers who influence newcomers regarding the work rules. Mr. Ramesh did not like this method of working but had to follow the group to be a good team mate. He gathered that over the