

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight questions.

9. Discuss the Nature of good management control systems.
10. Explain the Advantages and Disadvantages of Flexible budget.
11. Explain the types of Audit.
12. Discuss the types of Responsibility centers.
13. Define Transfer prices. Explain its objectives.
14. Discuss the twelve steps process of designing controlling system.
15. What is Participative management? Explain its merits and demerits.
16. Explain the special characteristics of non-profit.

PART C — (1 × 20 = 20 marks)

(Compulsory) – Case Study

17. Profit Center Problems :

AMAX Automobiles

AMAX Automobiles was a car company with three product lines. Line A was aimed at the luxury segment, line B at the upscale segment and line C at the mass market segment. Each of the three

product lines was sold under a different brand name and used different distribution systems. Lines A, B and C were currently produced and marketed by Divisions A, B and C respectively.

Some components were common to the three divisions. Some of these common components were sourced externally while others were manufactured inside the company. Also, there existed considerable scope for technology and know-how transfer across divisions. Specifically, product innovations seemed to originate in division A and then migrate to divisions B and C. However, process innovations seemed to originate in division C and then migrate to Divisions A and B.

How should AMAX be organized and controlled?