

Smt. S. I. Patel Ipcowala College of Commerce, PETLAD
M.Com. SEM-I

Internal Test- Oct.-2018

Sub: Management Control System – I

Course Code: PB01ECOM21

Date:- 20 /09/2018

Time:- 09.45 to 10.45

Max Marks:- 40

Q.1 Clarify the concept of MCS and state the distinguish between strategic planning and task control. 20

OR

The Annual flexible budget of a company is a follows :

	60%	80%	100%
Costs :	Rs.	Rs.	Rs.
Direct material	1,80,000	2,40,000	3,00,000
Direct wages	2,40,000	3,20,000	4,00,000
Factory overheads	1,40,000	1,60,000	1,80,000
Administrative overheads	60,000	70,000	80,000
Sell. and Dist. overheads	1,00,000	1,16,000	1,32,000

The company is presently working at 50% capacity. The sales value of production at current prices is Rs. 6,40,000. It is anticipated that a 5% discount in the selling price will enable the company to improve its competitive position, thereby enabling it to operate at 75% capacity.

Prepare flexible budget for 50% and 75% capacity, find out profit and give your recommendations to management.

Q.2 What is Management Audit? Explain its significant & Scope.

OR

Attempt any one :

- (i) Explain types of Responsibility Center.
- (ii) Explain techniques of performance appraisal in brief.