



MMPF-003: Management Control Systems – Important Questions

1. Define Management Control System. How does it differ from Strategic Planning and Operational Control?
2. Discuss the components and characteristics of an effective Management Control System.
3. Explain the concept of Responsibility Centres. What are the different types and their roles in control?
4. What is a Balanced Scorecard? Discuss its perspectives and how it improves organizational performance.
5. Differentiate between formal and informal control systems with suitable examples.
6. Explain the role of management control in a service organization versus a manufacturing organization.
7. What is Transfer Pricing? Discuss the different methods used and their implications on divisional performance.
8. Describe the behavioral aspects of Management Control Systems. How can motivation and goal congruence be achieved?
9. What do you understand by Budgetary Control? How does it contribute to performance evaluation?
10. Explain the concept of Performance Measurement. How are both financial and non-financial measures used?

11. Discuss the Management Control process in Non-Profit Organizations (NPOs) and Government organizations.

12. What is Strategic Control? How does it differ from Tactical Control in a business context?

13. Discuss the issues and challenges in implementing Management Control Systems in a multinational company.

14. Explain the importance of Ethical and Social Considerations in Management Control Systems.

15. Case Study Question

ABC Ltd. is a diversified company with various strategic business units (SBUs). The company's top management is concerned about poor coordination among divisions and sub-optimal performance. The internal audit team recommends revamping the transfer pricing method and establishing a result-based performance evaluation system.

Questions:

(i) Identify the key control problems in ABC Ltd.

(ii) Suggest measures to improve divisional coordination and performance.

(iii) What kind of control system should be designed to overcome the issues?