

Smt. Hiraben Nanavati Institute of Management & Research for Women

INTERNAL EXAMINATION – Sem IV – (Jan- July 2026)

SUBJECT – ENTERPRISE PERFORMANCE MANAGEMENT

SUBJECT CODE – 652 MJ

Date : 07-05-2026

Pattern : 2024

Duration : 150 min

Max Marks : 50

Instructions for students :

- Marks are indicated for each question.
 - Handwriting should be eligible for evaluation.
 - Marks will be given for quality, not quantity.
 - Each question carries 10 marks.
 - All questions are compulsory.
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Q.1] Answer the following (Any 5 out of 8)

- Define Responsibility Accounting.
- What is Investment Centre?
- List any two limitations of financial performance measures.
- What is Balanced Scorecard?
- Define Transfer Pricing.

f) A company has two divisions. Division A has excess capacity and can transfer goods internally at ₹180 (variable cost), while the market price is ₹250. Division B can purchase externally at ₹230.

What is the **optimal transfer pricing decision** from an organizational perspective?

- Transfer at ₹250 (market price)
- Transfer at ₹230 (external price)
- Transfer at ₹180 (variable cost)
- Do not transfer internally

g) In performance evaluation, when a project shows a **negative Cost Variance (CV)** and a **positive Schedule Variance (SV)**, it indicates that the project is

_____ but _____.

h) State one situation where **Balanced Scorecard may fail** to measure true organizational performance.

Q.2] Short notes (Any 2 out of 3) :

- Compare Revenue Centre and Profit Centre.
- Explain Goal Congruence and its importance.
- Analyse the role of non-financial measures in performance evaluation.

Q.3] a) Explain various parameters of financial performance evaluation such as ROI, EVA and MVA.

OR

b) Evaluate the effectiveness of Malcolm Baldrige Framework in performance management.

Q.4] a) A company transfers goods between two divisions. Cost per unit is Rs. 200 and market price is Rs. 300. Calculate profit under cost-based and market-based transfer pricing methods.

OR

b) Analyse project performance using Schedule Variance and Cost Variance with suitable example.

Q.5] a) Alpha industries have two shops i.e. welding shop and paint shop. welding shop assembles 50,000 purchased items and 1,50,000 internal items converted into 40,000 assemblies and forwards 3/4th of the same to paint shop. variable cost of one assembly is Rs. 200/piece and market price is Rs. 300/piece. The transfer price decided is equal to market price. fixed cost of welding shop is Rs. 10 lacs and of paint shop is Rs. 12lacs. variable cost (including transfer price) is Rs. 500/piece. The sales price for paint shop is Rs. 750/piece.

Calculate:

Profit of individual cost center and overall profitability.

ii) What should be done if paint shop wishes to purchase assemblies

@ Rs 200 from outside due to reduced market price?

OR

b) Design a performance evaluation framework for an E-commerce company using relevant KPIs. (Create)
