

Topic- Different control System

1. Responsibility accounting: It is the first system of control. It is a sophisticated name for the entire exercise of:

- (1) fixing responsibility on executives in accordance with the objectives of the organisation.
- (i) measurement of actuals by means of systematic accounting. (iii) comparison, calculation and analysis of variation.

The basis emphasis in responsibility accounting is on the accounting function which constitutes the basic frame work for the information system.

2. Control by exception: This refers to the control action initiated by a controlling authority on the basis of information from the controller. Their attention should be drawn to prominent and noticeable variations. It is for the controller to decide as to which variation are significant and which are significant.

3. Self-control: Peter F. Drucker. has discarded the term "control and has advocated the use of term "self-control' according to this concept, the executives should be free to correct a higher authority, to exercise control and imitate, since the corporate objectives and executives' targets are fixed beforehand. Thus, the system of self-control is just the like 'management by objectives' which is self-generating and self -initiating.

4. Information system: Information system or management reporting system is also known as 'Feedback system of control. This refers to the systematic and authentic information provided to the various levels of right to enable control action. This is particularly important in case of the control of executives at higher levels of management.