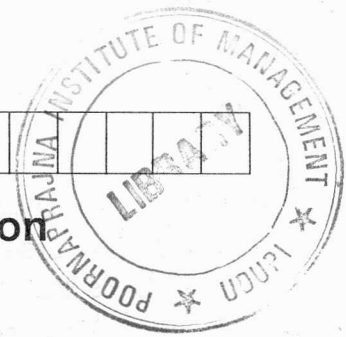


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**First Semester M.B.A Degree Examination**  
**December 2007**

**BUSINESS ADMINISTRATION**  
**Paper 101: Principles and Practice of Management**

Time : 3 Hours

Max.Marks:75

**Note: Answer all sections.**

**Section -A ( 1x15)**

1. Explain the essence of modern approaches to management analysis. Discuss their characteristics and contributions as well as their limitations.

**Section -B ( 5x9=45)**

**Answer any 'FIVE' of the following. Each question carries nine marks.**

2. What are the major social responsibilities of Business manager ? Have these responsibilities changed over the years?
3. Define planning. Explain the process of planning with suitable example.
4. What basic factors in MBO make it a logical technique for setting objectives. Explain its merits and limitations.
5. Explain the concept of "Delegation of Authority" what contingency factors are to be considered while delegating authority.
6. With suitable example explain line, staff, and functional authority. Distinguish between 'Power' & "Authority".
7. All thing being equal which is more efficient, a wide or a narrow span of control? What does Graicuna's mathematical model say?
8. Identify the characteristic features of excellent companies, explain them with suitable example.
9. **Write short notes on :**
  - a) Peter . F. Drucker
  - b) Easternisation of Management.

**Section -C ( 1x15=15)**

10. The Seattle Consulting Group (SCG) is well known in the Pacific Nothwest for the quality of its executive and supervisory development courses. One of its more popular courses is a three-day seminar, restricted to twelve participants, that helps supervisors with high potential think about the problems of middle-management positions and the abilities necessary to succeed in these jobs.

**Contd... 2**

In January 2007 four companies each sent three of their supervisors to the SCG course. The participants flew into Seattle and then took the short ferry ride to SCG's development headquarters on Vashon Island in Puget Sound. They arrived on a late Tuesday afternoon, prepared to begin their course on Wednesday morning.

Marc Stern and John Mather were two participants in the seminar, Marc and John were employed by a major paper and forest products firm headquartered in Oregon. In the few years they had been with the company, both had displayed outstanding abilities and were expected to move quickly into its upper echelons. But the two had distinctly different backgrounds. Marc was an accountant, held a C.P.A. certificate, and was currently a supervisor in the accounting office. John, on the other hand, had a degree in psychology and was a supervisor in the corporate relations group.

The seminar began promptly at 8.00 am. on Wednesday morning, and the participants showed no reluctance to talk, share experiences, or disagree with comments made by others. After lunch on the first day, the SCG discussion leader asked the question: "What are the qualities of a good manager?" While no one lacked for an opinion, it was rapidly evident that John and Marc were the most dogmatic and polarized.

John summed up his position curtly: "It's clear to me that a good manager knows the behavioral sciences and can apply their findings. It's obvious that the factors that make or break a manager are things like: Can he communicate effectively? These are the issues that the behavioral sciences can help answer. So I'm convinced a good manager understands behavior."

Marc's summary indicated that he couldn't have disagreed more: "You look at the good managers and compare them with the poor ones. What I see is that the good ones know their numbers. They know how to allocate scarce resources. They understand economics. The difference between success and failure lies in the ability to design jobs, identify efficient work methods, know what equipment is necessary, lay out and coordinate work flow, schedule personnel and the work to be completed, and establish and monitor controls over things like the quality and quantity of output and costs."

### Questions

1. What evidence can you provide to support John's argument? What negative consequences might result from John's following this view of management?
2. What evidence can you provide to support Marc's argument? Are there any negative consequences that might result from Marc's following this view of management?
3. Is one more right than the other? Support your position.
4. Do you think the department in which managers work or their major in college has any bearing on their approach to management? Support your position.



**First Semester M.B.A Degree Examination**  
**December 2007**

**BUSINESS ADMINISTRATION**  
**Paper 102: Accounting for Managers**

Time : 3 Hours

Max.Marks: 75

**Note: Answer all sections.**

**Section -A ( 2x12=24)**

**Note: Answer any TWO questions. Each one carries 12 marks.**

1. What is meant by GAAP? Critically evaluate the relevance of any four concepts, of your choice, to financial accounting.
2. Discuss the various elements of costs. How are the costs classified? Write a proforma cost sheet incorporating all the elements of costs.
3. How should the finance function of an enterprise be organized? What functions does the finance officer perform?

**Section -B ( 3x12=36)**

**Answer any THREE questions. Each question carries 12 marks.**

4. What are the objectives of charging depreciation? Mention the main features of straight line method of depreciation.
5. The sole proprietary firm of Mohan Kumar engaged in the following transactions in September 2007.

- 2007 September
1. Commenced business with Rs. 50,000
  3. Purchased goods for cash Rs. 10,000 @ 5% trade discount.
  4. Paid carriage Rs. 50
  8. Purchased Machinery for Rs. 20,000
  9. Sold goods to Manohar on account for Rs. 15,000
  14. Purchased goods on credit Rs. 3,000
  19. Purchased building for Rs. 10,000
  22. Drew from bank cash for office Rs. 1,000
  24. Paid trade expenses Rs.100
  27. Received cash from Krishna Rs. 590 and allowed him cash discount Rs. 10.

Pass necessary journal entries; post them to respective ledger accounts.

6. Deepak company issued 10,000 shares of Rs. 10 each at par payable as follows: Rs. 3 with application, Rs. 2 on allotment, and the balance when called. On April 3, the company receives applications for 15,000 shares. On May 20, the company's board allotted 10,000 shares and refunded the application money for the remaining shares.

**Contd... 2**

The amounts payable on allotment were received on June 25. On August 7, the boards made the first call for Rs. 3 per share and the amounts were received on September 16. The second and final call was made on November 22 and the amounts were received on December 29. Pass the entries to record these transactions and also prepare respective ledgers.

7. The following data relates to Process A. There was no opening work-in-process or losses.

Materials introduced at the beginning of the process	5,000 units.
Units completed and passed to Process B	4000
Units remaining in Work-in process	1000
Materials introduced at the beginning of the process	Rs. 20,000
Direct wages	Rs. 11,750
Factory overheads	Rs. 9,400
Degree of completions	
Material	100%
Labour	70%
Overhead	70%

From the above compute 1) equivalent production ii) Cost per unit of equivalent production and iii) Process Account A

8. What is stable dividend policy? Why should it be followed? What can be the consequences of changing stable dividend policy?

**Section -C ( 1x15=15)**  
**(Compulsory)**

9. The following is the trial balance of XYZ. Co Ltd. as on 31-03-2007.

Particulars	Debit (Rs)	Credit(Rs)
Purchases & Sales	1,46,800	3,56,400
Returns	1,400	2,600
Capital & Drawings	10,000	1,50,000
Land & Buildings	1,00,000	
Plant & Machinery	78,500	
Furniture & Fixtures	65,000	
Opening Stock	32,000	
Wages	16,000	
Salaries	12,000	

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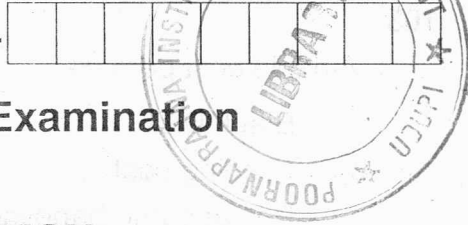
Carriage Inwards	1,500	
Carriage outwards	1,200	
Bad Debts	500	
Commission	2,350	
Debtors & Creditors	68,000	28,000
Traveling expenses	6,000	
General expenses	800	
Cash	6,100	
Interest Received		650
Rent		2,500
Loan from Bank		8,000
Total	5,48,150	5,48,150

## Adjustments :

- i. The value of closing stock Rs. 38,500
  - ii. Depreciate plant & Machinery @ 10% and furniture @ 5%.
  - iii. Further bad debts amounted to Rs. 500. Create provision for bad debts @ 5% and provision for discount @ 2%.
  - iv) Outstanding salary was Rs. 1000 and prepaid commission Rs. 150.
- Prepare XYZCo's Trading and Profit & Loss account and Balance sheet

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**First Semester M.B.A Degree Examination**  
**December 2007**

**BUSINESS ADMINISTRATION**  
**Paper 103: Economics for Managers**

Time : 3 Hours

Max.Marks: 75

**Note: Answer all sections.**

**Section -A ( 1x15=15)**  
**(Compulsory)**

1. Define credit control and explain the various measures used to control credit in India and their impact on business and economic development.

**Section -B ( 5x9=45)**

**Answer any Five questions. Each question carries nine marks.**

2. What are iso-quants? Explain their significance in managerial decision making.
3. What are the characteristic features of Monopolistic competition?
4. Explain the salient features of the fiscal policy of India.
5. What do you mean by profit policy? Explain the various methods of measuring profit.
6. Discuss the problems of pricing new products.
7. What do you mean by employment multiplier? What are its determinants ?
8. Explain the various techniques of achieving least cost combination of inputs.
9. Describe the nature and scope of business economics.

**Section -C ( 1x15=15)**

10. Read the following case and answer the questions given below.

Case let

Alpha applications Ltd. is a small firm that specializes in the production and mail order distribution of computer programs for micro computers. The accounting department has gathered the following data on development and production costs for a typical program and the documentation (i.e. manual ) that must accompany the program. The cost details are

Development costs (fixed):

a. Program development	Rs. 10,000
b. Manual preparation and type setting	Rs. 3,000
c. Advertising	Rs. 10,000
Total	<u>Rs. 23,000</u>

**Contd... 2**

Variable cost per unit:

a. Blank Disk	Rs. 2.00
b. Loading cost	0.50
c. Postage and handling	1.25
d. Printing of the manual	2.75
Total	<u>Rs. 6.50</u>

A typical program of this type, including the manual, sells for Rs. 40. Based on these information.

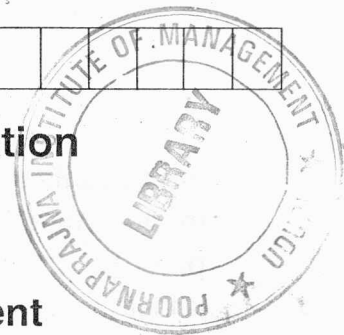
- Determine the break-even number of programs and the total revenue associated with this volume.
- Alpha applications has a minimum profit target of Rs. 40,000 in each new program it develops. Determine the unit and rupee volume of sales required to meet this goal
- While this program is still in the development stage market price for software fall by 25 percent due to a significant increase on the number of programs being supplied to the market. Determine the new break-even unit and rupee volumes.

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**First Semester M.B.A Degree Examination**  
**December 2007**

**BUSINESS ADMINISTRATION**  
**Paper 104: Indian Business Environment**

Time : 3 Hours

Max.Marks: 75

**Note: Answer all sections.**

**Section -A ( 1x15=15)**  
**(Compulsory)**

1. "Capacity to understand the environment and develop a suitable strategy for growth, survival and profitability is the key factor of business success". Elucidate.

**Section -B ( 5x9=45)**

**Answer any FIVE questions. Each question carries nine marks.**

2. Explain the role of SEBI in the development of Indian capital market.
3. Discuss the ethical issues in business.
4. Describe in detail the procedure for registration of patents.
5. What are the salient features of consumer movement in India?
6. How directive principles of state policy impact business?
7. Explain the contradiction between sustainable development and business activities.
8. Describe the socio-cultural environment of Indian business.
9. How macro economic factors influence the Indian business?

**Section -C ( 1x15=15)**  
**(Compulsory)**

10. Read the following case and answer the questions given below.

Hero Honda is considered to be the single largest manufacturer of two-wheelers in the world market. Their best selling model, Splendour, is the world's largest selling motor cycle brand at present.

The domestic motorcycle market has expanded in the past few years due to easy availability of loans and fall in interest rates. Its net profit increased by 25% and market share in motor cycles increased by 4% to 48% in 2003-04, compared to the previous year.

**Contd... 2**



However, the company faces huge challenge. The motorcycle market in India has become extremely competitive with the technology evolving constantly. Motorcycle manufacturers have been launching a variety of models across all segments and product launches are often accompanied by heavy discounts. The company will find it increasingly difficult to withstand this onslaught, without cutting prices, a difficult proposition given that the input costs are rising. Competition is also expected to intensify with the entry of foreign companies.

But the future is not that gloomy for Hero Honda. It is the market leader by a wide margin and has a very good distribution network. The company also has a large cash hoard to face competition.

**Questions:**

1. Do you think that Hero Honda would remain as market leader in motorcycle market?
2. Develop a strategy to face the competition.
3. How the technology policy of our country affect Hero Honda?

\* \* \*



8. From the data given below fit a straight line trend by the method of least square

Year	1995	96	97	98	99	2000	01	02
Sales (00,000 Rs.)	6.7	5.3	4.3	6.1	5.6	7.9	5.8	6.1

**Section -C ( 1x15=15)**

**(Compulsory)**

9. A Computer while calculating the correlation coefficient between the variables X and Y obtained the following results:

$$N = 30, \sum x = 120, \sum x^2 = 600, \sum y = 90,$$

$$\sum y^2 = 250, \sum xy = 356,$$

It was however discovered at the time of checking that two pairs of observations were not correctly copied. They were taken as (6,14) and (8,6) while the correct value were (8,12) and (6,8). Obtain the correct value of the correlations coefficient between x and y.

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