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401

First Semester M.B.A. Degree Examination, Jan./Feb. 2014
BUSINESS ADMINISTRATION
Principles and Practice of Management

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

Note : Answer to the question should **not** exceed **six** pages. **(1×15=15)**

1. Explain the major factors in the external environment of modern day organizations. What implications do they have for management ? Elaborate.

SECTION – B

Note : Answer **any five** questions. **Each** question carries **eight** marks. Answer to the question should **not** exceed **five** pages. **(5×8=40)**

2. Summarise the ideas of classical school of thinking on management. Are these ideas relevant today ? Why ?
3. What are planning premises ? Discuss their role in planning process.
4. What is delegation of authority ? Why do both the supervisors and subordinates resist delegation ? Elaborate your answer.
5. Discuss the merits and demerits of any two emerging organisation structures.
6. What is staffing ? Explain the major components of staffing.
7. What is motivation ? Why should managers concentrate on motivation of employees ? Explain with examples.
8. What is the significance of controlling ? Discuss briefly the control techniques used in organisations.
9. Write a note on Corporate Governance.

P.T.O.



SECTION – C
(Compulsory)

Note : Answer to the question should not exceed six pages.

(1×15=15)

10. Read the following case and answer the questions given at the end.

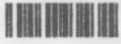
Alan looked anxiously out of his office window. The sky was very dark over the nearby hills, and the storm seemed to be advancing rapidly toward the valley where his auto repair shop was located. Just to be on the safe side, Alan went out and rolled up the windows of the customer's cars in the parking lot. He noticed the creek was already running high, the result of melting snow during the warm spring days. Before he could get back into the shop, a sudden downpour of huge drops of rain soaked his clothing. Some of the mechanics laughingly teased him for "not having enough sense to come in out of the rain".

After 15 minutes of the pelting rain, Alan realized that this was no ordinary rainstorm. He went out to look at the creek again and found that it had already risen to almost the height of its banks. Alan figured it wouldn't be long before the muddy water would flood the parking lot and come swirling around the shop doors. He ran back into the shop and announced in a loud voice that the creek was going to flood. He told three of his mechanics to drop everything and start moving cars. The cars that were parked next to the creek needed to be driven, pushed, or towed up to the high ground across the road. Alan told the other mechanics to put the tools away and help move all the boxes of parts and supplies off the floor and into the storage racks in the storeroom and the office. Alan had everybody's attention, but nobody seemed to be moving. If anything the mechanics seemed to be amused.

Kirk strolled over to Alan with a tolerant smile on his face. "Come on, Alan," he said. "There's no sweat. The water's never been more than an inch deep in the parking lot. We've never had any inside..."

Alan interrupted him, looking him right in the eye and said in an assertive way, "Listen Kirk and listen good ! You and the rest of the crew are going to do what I say and you're going to do it now ! We can talk later about whether it was a good idea."

This time, the mechanics dropped everything and began preparing for a flash flood. Alan barked instructions as he helped them move everything that could be damaged by water. All of the boxes were off the floor before the first trickle of water came under the door. By the time the water was ankle-deep, all the cars inside the shop had been jacked up and were sitting on cement blocks.



At its peak, the water was 10 inches deep in the shop, but by then the rain had stopped and the sun was already shining. The water level began to recede slowly, but it didn't drop below shop-floor level until after 9 p.m. At 10 p.m. the mechanics voluntarily returned to the shop to help with the cleanup, which was not completed until 3 a.m. Alan personally thanked each one and gave them all the next morning off.

The next afternoon, Alan gave an informal speech during the coffee break. He gave the mechanics all the credit for avoiding thousands of dollars of property damage. He even went to the trouble of pointing out particular contributions each of them had made. For instance, he thanked LaMont for his quick thinking in throwing the master switch before the water reached the electric outlets. He thanked Kirk for the idea of jacking up all the disabled cars inside the shop. And so on until everyone's contribution, no matter how minor, had been recognized.

At 5 O'clock, everyone left but Gil, the oldest mechanic. He decided to stay and chat with Alan.

"You really surprised us yesterday !" Gil told Alan. "We could hardly believe it was you."

"Whaddays mean ?" Alan asked, pretending to be offended.

"You sounded like my old drill sergeant !" Gil chuckled. "Usually, you're so mild mannered we forget you're the boss !".

"Maybe I'm a little too mild mannered," Alan replied. "When I told you guys to prepare for the flood you all laughed at me."

Questions :

- 1) Describe Alan's leadership style during the flood and evaluate how appropriate it was for the leadership situation.
- 2) Identify effective behaviours by Alan after the flood subsided.
- 3) How should Alan behave toward his employees in the future ?

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402

First Semester M.B.A. Degree Examination, Jan./Feb. 2014

BUSINESS ADMINISTRATION**Accounting for Managers**

Time : 3 Hours

Max. Marks : 70

SECTION – A**(2×10=20)**

Note : Answer **any two** of the following questions. **Each** question carries **ten** marks. Answer to **each** question should **not** exceed **five** pages.

1. Bring out the legal requirements for preparation of financial statements of limited companies.
2. Explain the factors affecting the dividend decisions of a company.
3. What is the significance of inventory valuation ? Explain different methods of inventory valuation.

SECTION – B**(3×12=36)**

Note : Answer **any three** of the following questions. **Each** question carries **twelve** marks. Answer to **each** question should **not** exceed **six** pages.

4. The following information relates to a contract started on 1-1-2013 and the total cost of contract is Rs. 40,00,000.

Rs.

Material sent to contract	12,00,000
Direct purchase of materials	1,60,000
Wages	4,40,000
Supervisor's salary	90,000
Miscellaneous expenses	2,40,000
Plant and machinery issued	6,60,000
Materials at site on 31-12-2013	60,000

Supervisor's salary is Rs. 7,500 per month and he has spent 2/3 of his time on this contract. Scrap value of the plant and machinery is Rs. 60,000 and its working life is estimated at 4 years. It was used in the contract for 146 days. The architect has certified 60% of the contract value on which the contractor has received payment of 75% of the value of work certified. The contractor claims to have completed 75% of the work. Prepare Contract Account showing the calculation of profit if any to be taken credit for.

P.T.O.



5. During Jan. 2013, 6000 units introduced in to process No. I. The process cost sfor the month were;

Direct materials	Rs. 55,200
Direct labour	Rs. 30,600
Production overhead	Rs. 14,400

The normal loss was estimated to be 10% of the input. At the end of the month, 4000 units had been processed and transferred to process No. II. 500 units had been scrapped and 1500 units were on hand. The work-in-progress at close had reached the following stage.

Materials 100%. labour 80% and overheads 60%.

The units scraped had been completely processed and it was estimated that these had a realisable value of Rs. 2 per unit. Compute equivalent production and prepare the necessary statements together with the process account.

6. On 1-1-2000 a second hand machine was purchased for Rs. 4,00,000, overhauling and installation expense for the machine amount to Rs. 1,00,000. Another machine was purchased for Rs. 2,00,000 on 1-7-2000. On 1-7-2002 the machine installed on 1-1-2000 was sold for Rs. 2,50,000. Dismantling charges for the machine sold on 1-7-2002 were Rs. 10,000. On the same date another machine was purchased for Rs. 8,00,000 and was commissioned on 30-9-2002. The company had adopted calendar year as its financial year. Under the existing practice, the company provided depreciation at 10% p.a. on original cost. In 2003 it has been decided that depreciation will be charged on diminishing balance at 15% p.a. Show Machinery Account from 2000 to 2004. Also show Machine Disposal Account.
7. Enter the following transaction in a three columnar cash book and balance the same.

2013

March	1	Balance of cash in hand Rs. 4,000 and cash with Indian Bank Rs.10,000
	3	Received a bearer cheque from Mohan for Rs. 5,000 and allowed him discount Rs. 130.
	6	Deposited in to bank Mohan's cheque along with cash Rs. 1,000.
	10	Paid to Dev and Co. by bearer cheque Rs. 320 in full settlement of their account for Rs. 350.
	15	Received from cash sales; cash Rs. 275 and crossed cheque Rs. 5,225.
	19	Paid for cash purchases by bearer cheque Rs. 645.
	20	Paid by cheque to Radha and Co. Rs. 725 in full settlement of Rs. 800.



- 21 Drew for office use Rs. 1,900 and Rs. 900 for personal use.
- 22 Cash paid for advertisement Rs. 245.
- 26 Paid salaries to office staff by bearer cheque Rs. 2,250.
- 27 Paid office rent by cash Rs. 400 and house rent by cheque Rs. 375.
- 30 Received a crossed cheque for Rs. 580 from Maya in full settlement of her account for Rs. 620.

8. Jakkur Ltd. issued a prospectus inviting applications for 20000 shares of Rs. 10 each at a premium of Rs. 2/share payable on under :

On application	Rs. 2
On allotment	Rs. 5 (including premium)
On first call	Rs. 3
On final call	Rs. 2

Applications were received for 30000 shares and pro-rata allotment was made to the applications for 24000 shares. Excess money paid on application was utilised towards allotment money.

Mr. Raghu to whom 400 shares were allotted failed to pay the allotment money. On his subsequent failure to pay the first call, his shares were forfeited.

Mr. Naanu, the holder of 600 shares failed to pay the two calls and his shares were forfeited after the second and final call. Of the shares forfeited 800 shares were sold to Mr. Jaanu credited as fully paid for Rs. 9 per share, the whole of Raghu's shares being included.

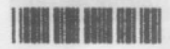
Pass the necessary journal entries in the books of Jakku Ltd.

**SECTION – C
(Compulsory)**

Note : Answer to the question should **not** exceed **six** pages. **(1x14=14)**

9. From the following Trial Balance prepare Trading and Profit and Loss Account for the year ended 31st December 2004 and a Balance Sheet as on that date.

	Dr.	Cr.
	Rs.	Rs.
Stock (1-1-2004)	6,000	
Capital		40,000
Salaries	6,000	
Drawings	6,000	
Carriage inwards	1,000	



Carriage outwards	500	
Return inwards	800	
Retrun outwards		500
Loan to X	3,000	
Loan from Y		5,000
Rent	1,200	
Rent outstanding		100
Purchases	60,000	
Debtors	30,000	
Creditors		13,000
Advertisement	3,000	
Liabilities and other expenses		1,900
Reserve for bad debts		1,000
Bad debts	500	
Discount	600	
Cash		200
Furniture	3,000	
Goodwill	5,000	
Wages	100	
Sales		73,700
Insurance Premium	600	
Rent by sub-letting		800
Bank	8,500	
	1,36,000	1,36,000

- a) Provide 10% depreciation on Furniture.
- b) Closing stock valued at Rs. 9,500.
- c) One quarter of insurance premium falls in next year.
- d) Loan to X carried 8% interest p.a.
- e) Loan from Y carries 6% interest p.a.
- f) Goods worth Rs. 500 have been taken by the proprietor for private use.
- g) Provide 5% Bad and doubtful debts reserve.
- h) Salaries include salary to proprietor at Rs. 200 p.m.

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First Semester M.B.A. Degree Examination, Jan./Feb. 2014
ECONOMICS FOR MANAGERS
Business Administration

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

(1×15=15)

Note : Answer to the question should **not** exceed **six** pages.

1. "Managerial economics consists of the use of economic modes of thought to analyse business situations". Explain.

SECTION – B

(5×8=40)

Note : Answer **any five** questions. **Each** question carries **eight** marks. Answer to the question should **not** exceed **five** pages.

2. Explain the concept of elasticity of demand. Is elasticity of demand the same through out the demand curve ?
3. Explain the Law of Diminishing Returns to scale.
4. Discuss the various cost concepts relevant for decision making at the firm level.
5. Explain the purpose of short term and long term forecasting of demand and the factors taken into account while forecasting.
6. "Profit is the reward for risk bearing function of the entrepreneur". Discuss.
7. Explain price and output determination under monopolistic competition.
8. Discuss the problems faced by the managers in formulating pricing policies on new products.
9. Explain the concept of effective demand and point out the contribution made by Keynes to the branch of economic theory.

P.T.O.



SECTION – C
(Compulsory)

(1×15=15)

Note : Answer to the question should not exceed six pages.

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

The following table gives the information regarding the units produced, total revenue and total cost of production of a toy factory. Complete the table.

Units of Output	Total Revenue (Rs.)	Total Cost (Rs.)	Total profit	Marginal cost	Marginal revenue	Marginal profit
250	1,000	752				
251	1,004	753				
252	1,008	755				
253	1,012	758				
254	1,016	762				
255	1,020	767				
256	1,024	773				
257	1,028	780				

- Posers :**
- Determine the profit maximising output level.
 - Is profit maximum at the output where marginal profit equals zero ?
Is this always the case ?

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404

First Semester M.B.A. Degree Examination, Jan./Feb. 2014

BUSINESS ADMINISTRATION

Business Environment

Time : 3 Hours

Max. Marks : 70

SECTION – A (1×15=15)

(Compulsory)

Note : Answer to the question should **not** exceed **6** pages.

1. Elucidate the macro level environmental factors that influence the business decisions.

SECTION – B (5×8=40)

Note : Answer **any five** questions. **Each** question carries **8** marks. Answer to the question should **not** exceed **5** pages.

2. Describe the significance of economic planning to Indian economy.
3. Discuss the economic impact of technology on business.
4. Explain the impact of culture on business.
5. Bringout and explain the arguments against government intervention in business.
6. Elucidate the overview of income tax and permissible investment avenues.
7. Describe the methods to enter foreign market.
8. Explain the impact of WTO on developing nations.
9. Why to outsource to India ? Explain.

P.T.O.



SECTION – C
(Compulsory)

(1×15=15)

Note : Answer to the question should **not** exceed **6** pages.

10. Case Analysis :

In September 2006, Singapore hosted the annual general meetings of the IMF and the World Bank. Rodrigo de Rato, Managing Director, IMF, said, "Singapore itself has long been one of the symbols of Asia's economic emergence. Its industrial achievements, sophisticated infrastructure, robust financial center and the visible prosperity of its people serve as a welcome backdrop to our meetings".

Singapore's rise as a regional hub began in the early 19th Century, when it was a trading post for the British East India Company. Singapore became a sovereign nation in 1959 and the first government of the independent country was led by the People's Action Party (PAP).

Later in the mid-1960's, after a failed unification bid with Malaysia, the Government of Singapore (GoS) charted a roadmap for the city state's transition from a developing economy to a developed economy. The GoS adopted a national industrial policy in the early 1960s and set up several industrial estates. Singapore started off as a low-cost manufacturing hub and the pro-business attitude of the GoS made it attractive to several MNCs. Singapore's strategic location in the Asia-Pacific region also helped it become a major transit point, both for sea and air traffic.

Between 1970 and 1980, the GoS began to place emphasis on value added production, while outsourcing labour-intensive activities to neighbouring countries. In the 1980s, Singapore's major products of manufacture were electronic products and oil refinery products. It was also a centre for financial and other services.

However, despite its success and growth, Singapore was dependent on other economies for survival, and vulnerable to the effects of international events and changes in trade conditions. In the late 1990s, the GoS adopted a strategy to promote those sectors of the economy that were less prone to cyclical downturns and relatively immune to international trade fluctuations.

Questions :

- a) Recognize the importance of government in creating a pro-business environment in a country.
- b) Appreciate the efforts made by a country, which has serious resource limitations, to sustain growth.
- c) Analyse the challenges facing a country.

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405

First Semester M.B.A. Degree Examination, Jan./Feb. 2014
BUSINESS ADMINISTRATION
Quantitative Analysis

Time : 3 Hours

Max. Marks : 70

SECTION – A

(2×10=20)

Note : Answer **any two** questions. **Each** question carries **10** marks. Answer to the question should **not** exceed **five** pages.

1. What do you understand by Karl Pearson's co-efficient of correlation ? Explain the properties of co-efficient of correlation. What will be your interpretation if a) $r = 0$ b) $r = -1$, $r = 0.80$?
2. Explain the concept of dispersion and coefficient of variation. How is it useful for making business decisions ?
3. Write a note on business applications of differentiation and integration.

SECTION – B

(3×12=36)

Note : Answer **any three** questions. **Each** question carries **12** marks. Answer to the question should **not** exceed **six** pages.

4. Given $TC = 0.0008x^2 + 3.4x + 25,000$ and $TR = -0.001x^2 + 25x$. Determine
 - a) Optimal sales level
 - b) Profit at optimal sales level.
5. In a beauty competition two judges ranks the 11 participants as follows :

Contestant : A B C D E F G H I J K

Judge 1 : 1 2 3 4 5 6 7 8 9 10 11

Judge 2 : 2 3 1 6 4 5 8 7 10 11 9

Find the degree of agreement between ranks given by the two judges.

P.T.O.



6. The mean and the standard deviation of a characteristic of 100 items were found to be 60 and 10 respectively. At the time of calculation, two items were wrongly taken as 5 and 45 instead of 30 and 20. Calculate the corrected mean and corrected standard deviation.

7. Solve the system of equations with the help of matrices

$$5x + 2y - z = -2$$

$$2x - y + 2z = -2$$

$$3x + 2y - 3z = -2$$

8. What do you understand by cyclical, seasonal and irregular variations? Explain your answer with examples.

SECTION - C

(1×14=14)

(Compulsory)

Note : Answer to the question should not exceed more than six pages.

9. The following table shows the respective masses of X and Y of a sample of 12 fathers and their sons.

Mass X of father (kg) : 65 63 67 64 68 62 70 66 68 67 69 71

Mass X of son (kg) : 68 66 68 65 69 66 68 65 71 67 68 70

Obtain the two lines of regression and the corresponding standard error of the estimates.