

Reg. No.

--	--	--	--	--	--	--	--	--	--

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

January 2009

**BUSINESS ADMINISTRATION**

**Paper 101 : PRINCIPLES AND PRACTICE OF MANAGEMENT**

Time : 3 Hours

Max. Marks : 75

**Note: Answer ALL sections.**

**SECTION A (1X15=15 MARKS)**

**(Compulsory)**

1. "The development of management thought has been determined by times and conditions". Do you agree or disagree with this statement? Discuss the contributions of modern management thought.

**SECTION B (5X9=45 MARKS)**

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

2. Discuss the contributions of Henri Fayol to management thought.
3. What is Hawthorne Effect and why is it important for managers?
4. Compare the ways the managerial functions are carried out in domestic and multinational corporations. Select five differences and discuss their importance.
5. Contrast programmed and non programmed decisions and give suitable examples for each.
6. Contrast traditional objective setting and MBO.
7. Contrast organization design with organization structure. List five methods of departmentalization.
8. Compare (a) Line and Staff authority, (b) Line and Staff functions
9. Write notes on:
  - a) TOWS Matrix
  - b) Max Weber
  - c) Controlling

**SECTION C**

10. Case : Palmer Machinery Company

Palmer Machinery Company has encountered hard times, not only because of an economic recession but also because of competition from products imported from

**Contd... 2**

Japan. In the past, labour relations have been rather poor. The unions usually asked for big pay increases for the workers and got them. But things have changed during the last few months, and labour and management have realized that they are in for some bad times ahead.

The company, maintaining it is in a precarious condition, has asked labor for concessions and give backs. The union has called a membership meeting to discuss the situation. While Ann Stewart, an assembler, thinks that she is overpaid and argues for a wage reduction, the majority of those present disagree and do not want to make any concessions. In fact, there is a great mistrust of management's intentions and the workers feel that giving concessions will encourage the company to ask for additional ones. After a long discussion some workers are more agreeable to concessions if management makes similar sacrifices. But management does not make any commitments. During the next few weeks the situation gets worse; faced with a layoff, the union agrees to some cutbacks with the understanding that employees will share in some way in the profits of the company when things get better.

One month later, a national-magazine survey of executives' salaries at major companies shows that the executives at Palmer received a substantial increase in compensation. One worker remarks: "You just can't trust top management. I wish our situation was like the one in Japan, where in hard times the dividends are cut first, then the salary to top management is reduced, and later middle-level manager get a payoff ; the workers' pay is affected last."

1. Do you think the workers should have made concessions and agreed to givebacks?
2. If you were the president of the company, how would you have handled the situation?
3. What do you think of the Japanese approach to dealing with economic problems?

\* \* \*



Reg. No.

--	--	--	--	--	--	--	--	--	--

**First Semester M.B.A. Degree Examination**  
**January 2009**  
**BUSINESS ADMINISTRATION**  
**Paper 102 : ACCOUNTING FOR MANAGERS**

Time : 3 Hours

Max. Marks : 75

**Note: Answer ALL sections.**

**SECTION A (2X12=24)**

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

1. Discuss the salient features of the traditional and modern approaches to financial management.
2. What is Inventory Valuation ? What are its objectives?
3. Explain the classification of cost taking element, functions and behaviour as bases.

**SECTION B (3X12=36)**

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

4. What are the causes of depreciation ? Explain any two methods of charging depreciation.
5. Journalise the following transactions. Also state the nature of each account involved in the journal entry.

- Jan. 1 Ajith started business with cash Rs. 40,000  
Jan. 3 He paid into the bank Rs. 2,000  
Jan. 5 Purchased goods for cash Rs. 15,000  
Jan. 8 Sold goods for cash Rs. 6,000  
Jan. 10 Purchased furniture and paid by cheque Rs. 5,000  
Jan. 12 Sold goods to Aravind Rs. 4,000  
Jan. 14 Purchased goods from Avinash Rs. 10,000  
Jan. 15 Returned goods to Avinash Rs. 5,000  
Jan. 16 Received from Aravind Rs. 3,960 in full settlement  
Jan. 18 Withdrew goods for personal use Rs. 1,000  
Jan. 20 Withdrew cash Rs. 2,000 for personal use  
Jan. 24 Paid telephone charges Rs. 1,000  
Jan. 26 Cash paid to Avinash in full settlement Rs. 4,900  
Jan. 30 Paid for stationery Rs. 200, rent Rs. 500 and salaries Rs. 2,000  
Jan. 31 Goods distributed by way of free samples Rs. 1,000

**Contd... 2**

6. Glamour Ltd., invited applications for 15000 of its equity shares of Rs. 10 each issued at Rs. 11.50 payable as follows:

On application on 1st July, 2005 Rs. 7.50 per share on allotment on 31st July 2005 (including premium) Rs. 2.00 per share.

On first and final call on 31st August 2005 Rs. 2.00 per share.

Applications were received for 18,000 shares and it has decided to deal with the same as follows in arrangement with the stock exchange authorities:

- a) To refuse allotment to applicants for 800 shares.
- b) To give full allotment of applicants for 2,200 shares.
- c) To allot the remaining shares pro-rata among other applicants.
- d) To utilize the surplus received on application in part payment of amount due on allotment.

An applicant to whom 40 shares were allotted, failed to pay the amount due on the first and final call and his shares were forfeited on 31st October, 2005. These shares were reissued on 15th November, 2005. These shares were reissued on 15th November 2005 as fully paid at Rs. 9 per share. Give journal entries, including those relating to cash to record the above transaction.

7. X Ltd., purchased certain machinery in 1st January 2001 for Rs. 1,94,000 and spent Rs. 6,000 on its installation. On 1st July 2001 additional machinery costing Rs. 1,00,000 was purchased. On 1st July, 2003 the machinery purchased on 1st January 2001 having become obsolete was auctioned for Rs. 1,00,000 and on the same date new machinery was purchased at a cost of Rs. 1,50,000. Depreciation was provided for annually on 31st December at the rate of 10% p.a. on the original cost of the machinery. No depreciation need be provided when a machinery is sold or auctioned for that part of the year in which sale or auction took place. In 2004 however, the company changed the method of providing depreciation and adopted the method of writing off 15% p.a. on the written down value on the balance as appeared in machinery account on 1.1.2004. Show the machinery account for the calendar years 2001 to 2004 with necessary working notes.
8. A company manufacturers small assemblies to order and has the following budgeted overheads for the year based on normal activity levels.

Dept.	Budgeted o/h	Overhead absorption base
Blanking	7,500	1,500 labour hours
Machinery	22,500	2,500 machine hours
Welding	9,000	1,800 labour hours
Assembling	5,000	1,000 labour hours

Contd... 3

Selling and Administrative overheads are 20% of factoring cost.

An order for 250 assemblies type X 128 made as batch 5931 incurred the following costs.

Materials : Rs. 5,702

Labour : 128 hrs blanking shop at Rs. 4.50/ hr

452 hrs machinery shop at Rs. 5.00/ hr

90 hrs welding shop at Rs. 4.50/ hr

175 hrs assembly shop at Rs. 3.60 / hr

Rs. 525 was paid for the hire of special equipment Z for testing the weld. The time booking in the machine shop was 643 machine hrs.

Calculate the total cost of the batch the unit cost and profit per assembly if the selling price was Rs. 100 / assembly.

### SECTION C (1X15=15)

#### Compulsory

9. Alpha Manufacturing Co. Ltd., was registered with a nominal capital of Rs. 6,00,000 in equity shares of Rs. 10 each. The following is the list of balances extracted from its books on 31st December, 2007.

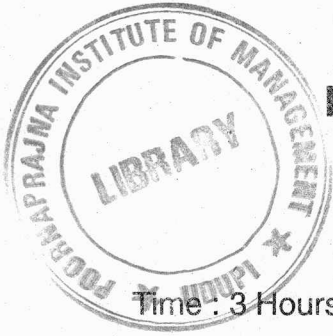
	Rs.		Rs.
Calls in arrear	7,500	Freight & Carriage	13,115
Premises	3,00,000	Salaries	14,500
Plant & Machinery	3,30,000	Directors fees	5,725
Interim dividend paid		Bad debts	2,110
1st August 2007	37,500	Debenture interest paid	9,000
Stock, 1st January 2007	75,000	Subscribed and fully	
Fixtures	7,200	called up capital	4,00,000
Sundry debtors	87,000	6% debentures	3,00,000
Goodwill	25,000	Bills payable	38,000
Cash in hand	750	Sundry creditors	50,000
Purchases	1,85,000	Sales	4,15,000
Preliminary expenses	5,000	General Reserves	25,000
Wages	84,865	Bad debts reserves	
General Expenses	16,835	1st January 2007	3,500
Cash at Bank	39,900	P/L A/c (Cr. balance)	14,500

Prepare trading and profit and loss account and balance sheet in proper form after making the following adjustments.

- 1) Depreciate plant and machinery by 10%.
- 2) Write off Rs. 500 from preliminary expenses.
- 3) Provide half year's debenture interest due.
- 4) Leave bad and doubtful debts reserve at 5% on sundry debtors.
- 5) Stock on 31st December 2007 was Rs 95,000

\* \* \*





Reg. No. 

--	--	--	--	--	--	--	--	--	--

**First Semester M.B.A. Degree Examination**  
**January 2009**  
**BUSINESS ADMINISTRATION**  
**Paper 103 : ECONOMICS FOR MANAGERS**

Time : 3 Hours

Max. Marks : 75

**Note: Answer ALL sections.**

**SECTION - A (1X15=15)**  
**(Compulsory)**

1. "The objective of the break even chart is to indicate what happens to total costs and total revenues as output and sales change from one level to another". Explain with the help of break even chart.

**SECTION - B (5X9=45)**

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

2. What is elasticity of demand ? What are the factors on which elasticity depends?
3. Critically discuss the different methods of forecasting demand for established products.
4. Discuss briefly the different cost concepts relevant for decision making at the firm level.
5. Define production function. Explain in brief the uses of production function in managerial decision making.
6. What is price discrimination ? Show how price is determined under monopolistic competition.
7. Explain the role of risk, uncertainty and innovation in the determination of profits.
8. Explain under consumption and J.R. Hicks theory of business cycle.
9. Explain how fiscal Policy can control cyclical fluctuations in a capitalistic economy.

**SECTION - C (1X15=15)**  
**(Compulsory)**

10. A radio manufacturing company finds that while it costs Rs. 6.25 each to make component X 273Q, the same is available in the market at Rs. 5.75 each, with an assurance of continued supply.

The breakdown of the cost is :

Materials	Rs. 2.75 each
Labour	Rs. 1.75 each
Other variables	Rs. 0.50 each
Depreciation and other fixed costs	Rs. 1.25 each

Posers: a) Should the company make or buy? Explain

b) What would be your decision if the supplier offered the component at Rs. 4.85 each? Justify your answer

c) Explain the decisions taken by you with relevant calculations and reasons behind them

\* \* \*



Reg. No.

--	--	--	--	--	--	--	--	--	--

**First Semester M.B.A. Degree Examination**  
**January 2009**  
**BUSINESS ADMINISTRATION**  
**Paper 104 : INDIAN BUSINESS ENVIRONMENT**

Time : 3 Hours

Max. Marks : 75

**Note: Answer ALL sections.**

**SECTION - A (1X15=15)**  
**(Compulsory)**

1. Explain with examples the internal and external environment of IT industry in India.

**SECTION - B (5X9=45)**

**Note: Answer any FIVE of the following. Each question carries 9 marks.**

2. Bring out and discuss the basis for levy of Central Excise Duty and Central Sales Tax.
3. Explain the economic impact of Technology on business.
4. Bring out and explain the impact of economic plans in India.
5. Elucidate the reasons for state intervention in business with suitable examples.
6. Explain the functions of money market. How is it different from capital market?
7. Discuss the changing trends in insurance sector in India.
8. How does culture influence business ? Explain.
9. Explain in brief the components of non-banking financial sector.

**SECTION - C (1X15=15)**  
**(Compulsory)**

10. The Kerala State Industrial Development Corporation (KSIDC) has mooted an amalgamation arrangement of a number of troubled seafood processing units to form a single entity in a bid to help them overcome their present financial crises.

There are around 90 sick seafood units in India against many of whom the Debt Recovery Tribunal has initiated proceedings. Collectively these units owe around Rs. 260 crore to various banks and financial institutions. More than half of this amount is accumulated interest on loans. KSIDC, which has around 20 units, conducted a study of the seafood industry before coming up with the proposal for amalgamation, an official said.

The Seafood Exporters Association of India (SEAI) and the Forum of Revival and Reconstruction of Seafood Export Industries in India are now supporting the proposal

**Contd... 2**

which suggest that 10 or more units be amalgamated into one company so that it will have a stronger financial base and better economies of scale.

As a first step towards this plan, six units in Kerala have come together to be amalgamated into a single firm. However, this unit now requires approval of their tenders to go ahead with the scheme of amalgamation which is an optional scheme for the forum.

According to SEAI, the seafood unit started incurring losses and eventually turned sick because of a number of reasons that were "beyond their control". Incidents such as blacklisting of cooked shrimp by the US and ban on Indian seafood announced by the European Economic Community (EEC) are factors that contributed to the weakening of the industry. On the other hand, processing units had to invest in modernizing their facilities to remain competitive in the global markets, but they are facing financial problems. There is not sufficient raw material available and competition in the sector is unhealthy too.

The SEAI and the Forum are now seeking the help of the Indian Banks Association and the Finance Ministry to settle their dues to the banks.

According to SEAI, a similar model of amalgamation was tried out successfully in Iceland 20 years ago. About 100 sick traditional seafood units in the country were amalgamated into 10 units to achieve a turnaround.

Question:

What are the reasons of sickness of seafood units ? Do you support the strategy of SEAI for revival and reconstruction? Elaborate your answer.

\* \* \*



Reg. No. 

--	--	--	--	--	--	--	--	--	--

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

January 2009

**BUSINESS ADMINISTRATION****Paper 105 : QUANTITATIVE ANALYSIS  
(New Scheme)**

Time : 3 Hours

Max. Marks : 75

**SECTION - A (2X12=24)****Note: Answer any TWO questions. Each question carries 12 marks.**

1. Define the term function. Explain different types of functions with illustrations.
2. Discuss the meaning, utility and limitations of diagrammatic presentation of statistical data.
3. What do you mean by analysis of time series ? Explain the various components of a time series. Discuss its business applications.

**SECTION - B (3X12=36)****Note: Answer any THREE questions. Each question carries 12 marks.**

4. A manufacturer produces two types of product X and Y. Each product is first processed in machine  $M_1$  and then sent to another machine  $M_2$  for finishing. Each unit of X requires 20 minutes time on machine  $M_1$  and 10 minutes on  $M_2$ , whereas each unit of Y requires 10 minutes time on machine  $M_1$  and 20 minutes time on  $M_2$ . The total time available on each machine is 600 minutes and is fully utilised in the production of X and Y. Calculate the number of units of two types of products produced by constructing a matrix equation and then solve by matrix inversion method.
5. A firm sells its products at Rs. 25 per unit. The cost of manufacturing per day is  $T_c = 10 + 10x + 0.01x^2$ . How many units should the firm manufacture in order to maximize its profits ? What is the amount of profit earned at that level of output?
6. The following table gives the prices of two securities at quarterly intervals. Which of the securities is more speculative? Give reasons for your answer.

Security A	:	1463,	1383,	1194,	1830,	1934,	1530,	1464,	1500
		1500,	1644,	1440,	1490				
Security B	:	110,	115,	120,	185,	195,	120,	155,	230
		200,	190,	195,	190				
7. The demand function for a commodity is given by  $Y = 20 - 3x$  and the supply function is  $Y = 2x$ . Find the market equilibrium and the consumer's surplus at the market equilibrium.

Contd... 2

8. The data about the sales and advertisement expenditure of a firm is given below:-

	Sales (in crores of Rs.)	Advertisement expenditure (in crores of Rs.)
Means	40	6
Standard deviations	10	1.5

Coefficient of correlation  $r = 0.9$ .

- (i) Estimate the likely sales for a proposed advertisement expenditure of Rs. 10 crores.
- (ii) What should be the advertisement expenditure if the firm proposes a sales target of 60 crores of rupees?

**SECTION - C (1X15=15)**

**(Compulsory)**

9. A departmental store gives in service training to its salesmen which is followed by a test. The following data gives the test scores and sales made by 9 salesmen during a certain period.

Test Scores	:	14	19	24	21	26	22	15	20	19
Sales ('00 Rs.):		31	36	48	37	50	45	33	41	39

Calculate the coefficient of correlation between the test scores and the sales.

\* \* \*