

First Semester M.B.A. Examination, December 2009/January 2010

**BUSINESS ADMINISTRATION**

**Principles and Practice of Management**

Time : 3 Hours

Max. Marks : 75

*Note : Answer all Sections.*

**SECTION – A**

**(1×15=15)**

**(Compulsory)**

1. Discuss the nature and characteristics of managerial revolution taking place in the present century.

**SECTION – B**

**(5×9=45)**

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

2. Identify Fayol's principles of management. How do they compare with Taylor's ?
3. "Planning and controlling functions are intertwined" – Comment.
4. What is span of control ? What is its importance ? How does it influence the organization structure ?
5. Contrast authority and power. Discuss acceptance theory of authority.
6. Define leadership. Discuss different styles of leadership with their merits and limitation.
7. Discuss Mc-Gregor's views regarding motivation. Explain fully the implications of theory 'X' and theory 'Y' in the context of modern organizations.
8. "Essence of manager's job is decision making". Comment on this statement and explain the process of decision making with suitable example.
9. Write short notes on :
  - a) Business ethics
  - b) Corporate social responsibility.



## SECTION – C

(1×15=15)

## (Compulsory)

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

“I don’t want to hear your excuses. Just get those planes in the air”, Jim Tuchman was screaming at his gate manager. As head of American Airlines’ operations at the Mexico City airport, Tuchman has been consistently frustrated by the attitude displayed by his native employees. Transferred from Dallas to Mexico City only three months ago, Tuchman was having difficulty adjusting to the Mexican style of work. “Am I critical of these people ? You bet I am ! They don’t listen when I talk. They think things are just fine and fight every change I suggest. And they have no appreciation for the importance of keeping on schedule”.

If Tuchman is critical of his Mexico City staff, it’s mutual. They universally dislike him. Here’s a few anonymous comments made about their boss : “He’s totally insensitive to our needs.” “He thinks if he yells and screams, that things will improve. We don’t see it that way.” “ I’ve been working here for four years. Before he came here, this was a good place to work. Not anymore. I’m constantly in fear of being chewed out. I feel stress all the time, even at home. My husband has started commenting on it a lot”.

Tuchman was brought in specifically to tighten up the Mexico City operation. High on his list of goals is improving American’s on-time record in Mexico City, increasing productivity, and improving customer service. When Tuchman was asked if he thought he had any problems with his staff, he replied, “Yes. We just can’t seem to communicate”.

**Questions :**

- 1) Does Jim Tuchman have a communication problem ? Explain.
  - 2) What suggestions, if any, would you make to Jim to help him improve his managerial effectiveness ?
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**I Semester M.B.A. Degree Examination, December 2009/January 2010**  
**BUSINESS ADMINISTRATION**  
**Accounting for Managers**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

Answer any two questions. Each question carries 12 marks.

(2×12=24)

1. What are the limitations of financial statements ? Why adjustment entries are required to be made at the time of preparing final accounts ? Give examples.
2. Cost may be classified in a variety of ways according to their nature and the information needs of the management. Explain with examples.
3. What do you mean by cost of capital ? Explain the factors determining the capital structure.

**SECTION – B**

Answer any three.

(3×12=36)

4. Nandan Enterprises purchased some second hand machinery on 1<sup>st</sup> April 1997 for Rs. 3,70,000 and installed at a cost of Rs. 30,000. On 1<sup>st</sup> October 1998, it purchased another machine for Rs. 1,00,000 and on 1<sup>st</sup> October, 1999, it sold off the first machine purchased in 1997 for Rs. 2,80,000.

On the same date it purchased a machinery for Rs. 2,50,000. On 1<sup>st</sup> October 2000, the second machinery purchased for Rs. 1,00,000 was sold off for Rs. 20,000.

In the beginning depreciation was provided on machinery at the rate of 10% p.a. on the original cost each year on 31<sup>st</sup> March. From the year 1998-99 however, the trader changed the method of providing depreciation and adopted the written down value method, the rate of depreciation being 15% p.a.

Give the machinery account for the period 1997 to 2001.

P.T.O.



5. Make out the necessary accounts from the following details :

	Process A	Process B
Materials	Rs. 30,000	Rs. 3,000
Labour	Rs. 10,000	Rs. 12,000
Overheads	Rs. 7,000	Rs. 8,600
Inputs (units)	<u>20000</u>	<u>17500</u>
Normal loss	10%	4%

Sales value of wastage per unit Re. 1 Rs. 2

There was no opening or closing stock or work-in-progress. Final output from process B was 17000 units.

6. Nano Ltd. purchased assets of Rs. 3,80,000 from Tata Traders. It issued equity shares of Rs. 10 each fully paid in satisfaction of their claim. What entries will be made in case such issue is :

1) at par

2) at discount of 5% and at a premium of 25%. Give suitable working note.

7. The following particulars relate to the manufacturer of a standard product during the four weeks ended 26<sup>th</sup> March 2009.

	Rs.
Raw materials consumed	15,000
Direct wages	9,800
Machine hours worked	2300 hrs.
Machine hour rate	50 paise
Office on cost	10% of work cost



Selling on cost Re. 0.10 per unit

Units produced 19030

Units sold 11418 @ Rs. 2 each

You are required to prepare a Cost Sheet in respect of the above showing the cost of production per unit.

8. Explain the need of proper valuation of inventory. Compare LIFO with FIFO methods.

SECTION - C

Compulsory :

(1×15=15)

9. From the following balances taken from the ledger of Rajendran on 31-3-2009.

Sundry Creditors	19,000	Bad debts	100
Building	15,000	Load from Raman	2,500
Income tax	1,025	Sundry debtors	9,500
Loose tools	1,000	Investments	6,500
Cash at Bank	16,200	Bad debt reserve	1,600
Sundry expenses	1,990	Rent and rates	850
Bank Interest (Cr.)	75	Furniture	3,000
Purchases	1,57,000	Stock (1-4-2008)	27,350
Wages	10,000	Capital	47,390
Carriage Inward	1,120	Discount allowed	630
Sales	1,85,000	Dividends received	535
Motor van	12,500	Drawings	2,000
Cash in hand	335	Bills payable	10,000



**Adjustments to be taken in to account :**

- a) Write off further Rs. 300 as bad out of sundry debtors and create a reserve for bad debts at 20% on debtors.
- b) Dividends accrued and due on investments is Rs. 135. Rates paid in advance Rs. 100 and wages owing Rs. 450.
- c) On 31-3-2009 stock was valued at Rs. 15,000 and loose tools were valued at Rs. 800.
- d) Write off 5% for depreciation on building and 40% on motor van.
- e) Provide for interest at 12% per annum due on loan taken on 1-6-2008.
- f) Income tax paid has to be treated as drawings.

Prepare Final Accounts of Mr. Rajendran.

**First Semester M.B.A. Degree Examination, December 2009/January 2010**  
**BUSINESS ADMINISTRATION**  
**Economics for Managers**

Time : 3 Hours

Max. Marks : 75

*Note: Answer all Sections.*

## SECTION – A

(1×15=15)

1. “Managerial Economics is an integration of economic theory, decision science and business management” – Comment.

## SECTION – B

(5×9=45)

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

2. Explain the important determinants of demand. How is market demand derived from individual demand ?
3. Discuss the different methods of forecasting demand.
4. Show graphically price-output determination under monopolistic competition.
5. Explain the factors influencing elasticity of demand.
6. “Profit is the reward for risk bearing function of the entrepreneur”. Discuss.
7. Explain the various cost concepts relevant for decision making at the firm level.
8. Critically examine under-consumption theory of business cycle.
9. What are the objectives of monetary policy ? What objective in your opinion should be preferred ?



**SECTION – C**  
**(Compulsory)**

**(1×15=15)**

10. 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 :**

- 1) Determine the profit maximising output level.
- 2) Is profit maximum at the output where marginal profit equals zero ? Is this always the case.
- 3) Is profit maximum where total revenue equals total cost ?



First Semester M.B.A. Degree Examination, December 2009/January 2010

**BUSINESS ADMINISTRATION**

**Indian Business Environment**

Time : 3 Hours

Max. Marks : 75

*Note : Answer all Sections.*

**SECTION – A**

**Compulsory :** (1×15=15)

1. How does internal environment influence the business policy of an organisation ?  
Elucidate.

**SECTION – B**

Answer **any five** questions. Each question carries **nine** marks. (5×9=45)

2. Bringout and explain the objectives and advantages of VAT.
3. Explain the impact of opening Indian insurance sector to the private players.
4. Describe the economic environment as it prevails today in our economy.
5. Enumerate the importance and limitations of environmental analysis.
6. Explain the plant level implications of technological environment.
7. Discuss the role and functions of money market in Indian economy.
8. Explain how social class influences buying behaviour.
9. Discuss the types of non-banking financial companies.



## SECTION – C

**Compulsory :** (1×15=15)

10. Mr. Vidya is the owner of an advertising agency. He is a person who always believes in Business ethics. He always designs an advertising campaign on genuine market analysis and based on the whole scientific truth of the product. But suddenly he has been suffering financial losses due to his decision to stick to the truth. He has lost his regular customer because he always puts in his ethics in his advertisement design. In case of cosmetics and pharmaceuticals, he always checks the contents and laboratory reports or some times reports from the quality control department. However, now when he needs finance desperately and the agency is on verge of closure, an internationally reputed cosmetic company is willing to give him their advertisement contract. This contract has created hope among the employees of the agency. Mr. Vidya asked the company to submit a report about all its products, in which they have to give information about the content and its significance. He found that nail polishes are based on nitrocellulose, which is a highly inflammables synthetic substance, chemically related to guncotton, an explosive. Nail polish solvents are narcotic if inhaled in high concentration and can act on the nervous system. As soon he came to know the side effects of the contents of nail polishes, Mr. Vidya cancelled the contract. He desperately needed money, but it would mean compromising on the ethical standards of his past reputations. But his managers forced him to accept the contract because if the agency closes down there is no meaning in begin ethical. The company also has a responsibility towards its employees. Thus Mr. Vidya is in a moral dilemma.

**Questions :**

Is it ethical to play with the goodwill and more importantly, the health of the public ? Is it ethical to play with the financial health of the company, go bankrupt and force the employees on the street ? Suggest some remedies to solve the Problem.

Reg. No. 

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**First Semester M.B.A. Degree Examination, December 2009/January 2010**  
**BUSINESS ADMINISTRATION**  
**Quantitative Analysis**

Time : 3 Hours

Max. Marks : 75

*Note : Answer all Sections.*

**SECTION – A**

**Note : Answer any two questions. Each question carries 12 marks. (2×12=24)**

1. Explain the different types of matrices.
2. a) What is a function ? Describe different types of functions.  
b) Explain any two methods of data collection.
3. a) What are the characteristics of a good measure of central tendency ?  
b) Define mean deviation. How does it differ from standard deviation ?

**SECTION – B**

**Note : Answer any three of the following. Each question carries twelve marks.**

**(3×12=36)**

4. An agency charges Rs. 550 per person for a trip to a concert if 50 people travel in a group. But for each person above the 50, the charge will be reduced by Rs. 5. How many people will maximise the total revenue for the agency ?
5. The demand and supply laws for a commodity are  $p_d = 18 - 2x - x^2$  and  $p_s = 2x - 3$ . Find the consumer's surplus and producer's surplus at equilibrium prices.

**P.T.O.**



6. Find the coefficient of correlation between the age and the sum assured from the following bivariate table :

Age Groups	Sum Assured (Rs.)				
	10,000	20,000	30,000	40,000	50,000
20 - 30	4	6	3	7	1
30 - 40	2	8	15	7	1
40 - 50	3	9	12	6	2
50 - 60	8	4	2	-	-

7. Using the following data, show that Fisher's ideal formula satisfies both the time reversal and factor reversal test :

Commodity	Price Per Unit (Rs.)		No. of Units	
	Base Period	Current Period	Base Period	Current Period
P	6	10	50	56
Q	2	2	100	120
R	4	6	60	60
S	10	12	30	24
T	8	12	40	36

8. Compute the seasonal index for the following data assuming that there is no need to adjust the data for the trend :

Quarter	2003	2004	2005	2006	2007	2008
I	3.5	3.5	3.5	4.0	4.1	4.2
II	3.9	4.1	3.9	4.6	4.4	4.6
III	3.4	3.7	3.7	3.8	4.2	4.3
IV	3.6	4.8	4.0	4.5	4.5	4.7



SECTION - C

Compulsory.

(1×15=15)

9. Find the two regression equations from the following data :

X:	57	58	59	59	60	61	62	64
Y:	77	78	75	78	82	82	79	81

Estimate the value of Y when the value of X is 65.

SECTION - C