Reg. No. ☐☐☐☐☐☐☐☐

**401**

First Semester M.B.A. Degree Examination, December 2014
(CBCS Regular) (New)
BUSINESS ADMINISTRATION
Principles and Practices of Management

Time : 3 Hours                                                                 Max. Marks : 70

SECTION – A

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

1. Explain Henry Fayol's principles of management.

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. What is organization structure ? Discuss the emerging types of organization structures.

3. Explain MBO with a focus on IT industry.

4. a) Explain the concept and process of controlling.

   b) Write a note on the different types of control.

5. Explain the corporate social responsibility towards the educational institutions.

6. Write a note on corporate governance.

7. What is management ? Explain the levels and types of managers.

8. What are the trends and challenges of management in globalised era ?

9. Explain the significance of ethics in business planning and decision making.

P.T.O.

## SECTION – C
### (Compulsory)

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

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

Mr. Kerron Raj was recently promoted as Vice-President of the eastern region of a major securities brokerage dealer. He is responsible for 12 offices, each of which is headed by a broker manager. Raj is a retired Air Force Colonel, is 47 years old, and was decorated many times for his service in the Kargil War. He has been a high achiever all his life in sports, academics and the military. He is now intent a being a business superstar. He has been in the securities brokerage business just three years and has already broken all sales records. He has now been given the prestigious promotion to regional Vice-President of the firm and appears destined for the top.

The 12 broker managers range in age from 27 to 45 years with 5 to 20 years of securities experience. Four do not have a college degree and three have their MBAs from outstanding business schools. About performers who displayed management talent.

Raj's basic business philosophy is to "run a right ship" and treat everyone the same fairly and equitably. He is a sticker for details and perfection. He spent a lot of time the first three months meeting wanted operations to run and introducing same of his own management information systems. However, in spite of his zeal for the job, production has significantly improved in only one or two offices and several managers appear to be somewhat disgruntled with the new methods of operation even though they believe Raj to be extremely competent and can see the value of his ideas.

**Questions** :

1) What type of leader does Raj appear to be ?

2) Why do some managers respond to him in a negative way ?

3) What would you recommend Raj do to better the performance of the branch offices ?

## First Semester M.B.A. Degree Examination, December 2014
### (CBCS Regular) (New)
## 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. Explain the procedure of posting with suitable example.

2. Explain the approaches of dividend policy.

3. Explain the significance of inventory valuation. What are the methods of inventory valuation ? Explain.

### 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. Journalise the following transactions :

   a) Paid rent of building ₹ 7,200 half of the building is used by the proprietor for residential use.

   b) Paid fire insurance of the above building in advance ₹ 600

   c) Paid life insurance premium ₹ 1,200

   d) Paid income tax ₹ 1,800

   e) Salary due to clerk ₹ 300

f) Charge depreciation on furniture @ 10% p.a. for one month (furniture ₹ 7,200)

g) Provide interest on capital (₹ 36,000) at 15% p.a. for six months

h) Charge interest on drawing (₹ 6,000) at 18% p.a. for six months

i) Provide interest on loan from Ram (₹ 60,000) at 18% p.a. for two months

j) Charge interest on loan on Shyam (₹ 1,20,000) at 18% p.a. for two months

k) Received commission ₹ 600 half of which is in advance

l) Brokerage due to us ₹ 300.

5. A manufacturing concern has three production departments A, B and C and two service department X and Y.

In January 2014, the department expenses are :

A      ₹ 20,000

B      ₹ 17,000

C      ₹ 15,000

X      ₹ 8,000

Y      ₹ 4,000

The expenses of the service departments are charged on percentage basis as follows :

| | A | B | C | X | Y |
|---|---|---|---|---|---|
| Dept. X | 20% | 25% | 35% | – | 20% |
| Dept. Y | 40% | 25% | 25% | 10% | – |

Prepare overhead distribution summary and write the interpretation.

6. Alpha Limited Company purchased on 1st January 2011 a small plant for ₹ 10,000. On 1st July in the same year, an additional plant was purchased costing ₹ 5,000. On 1st October 2013 the plant purchased on 1st January 2011 having become obsolete it sold off for ₹ 6,750. On the same date, a fresh plant was purchased for ₹ 12,000. Depreciation is provided at 10% p.a. a WDV method.

Required : Prepare Plant Account and Depreciation Account for three years assuming that the accounts are closed on 31st December every year.

7. In a factory following the job costing method, an abstract from the work-in-process as at 30th September was prepared as under :

| Job No. | Material ₹ | Direct labour | | Factory overheads applied |
|---|---|---|---|---|
| | | Hours | ₹ | |
| 115 | 1,325 | 400 | 800 | 640 |
| 118 | 810 | 250 | 500 | 400 |
| 120 | 765 | 300 | 475 | 380 |
| | 2,900 | | 1,775 | 1420 |

Materials used in October were as follows :

| Material requisition No. | Job No. | Cost |
|---|---|---|
| 54 | 118 | 300 |
| 55 | 118 | 425 |
| 56 | 118 | 515 |
| 57 | 120 | 665 |
| 58 | 121 | 910 |
| 59 | 224 | 720 |
| | | 3535 |

A summary of labour hours deployed during October is as under :

| Job No. | Number of hours | |
|---------|---------|---------|
|         | Shop A | Shop B |
| 115 | 25 | 25 |
| 118 | 90 | 30 |
| 120 | 75 | 10 |
| 121 | 65 | – |
| 124 | 20 | 10 |
|     | 275 | 75 |
| Indirect labour waiting for materials | 20 | 10 |
| Machine break down | 10 | 05 |
| Life time | 05 | 06 |
| Overtime premium | 06 | 05 |
|     | 316 | 101 |

A shop credit slip was issued in October, that material issued under requisition number 54 was returned back to stores as being not suitable. A material transfer note issued in October indicated that material issued under Requisition No. 55 for job 118 was directed to 124.

The hourly rate in shop A per labour hour is ₹ 3 per hour while at shop B it is ₹ 2 per hour. The factory overhead is applied at same rate as in Sept. jobs 115, 118 and 120 were completed in October.

You are asked to compute the factory cost of the completed jobs. It is the practice of the management to put a 10% on the factory cost to cover administration and selling overheads and invoice the job to the customer on a total cost plus 20% basis. What would be the invoice price of these three jobs ?

8. Write the following transactions in cash book with Discount and Bank columns :

Date

2014

Jan. 1 Chander commences business with ₹ 12,000 in cash

3 He pays ₹ 11,400 into bank current A/c

4 He receives cheque for ₹ 360 from Kirthi and Co. on account

7 He pays into bank Kirti and Co.'s cheque for ₹ 360

10 He pays Ratan and Co. by cheque ₹ 198 and is allowed discount ₹ 12

12 Tripathi and Co. pay into his bank A/c ₹ 285

15 He receives cheque for ₹ 270 from Warsi and allows him discount ₹ 21 and deposits the cheque into bank

25 He pays into bank ₹ 600

27 He pays by cheque for cash purchases ₹ 165

30 He pays John and company ₹ 225 in cash and is allowed discount ₹ 21

He pays sundry expenses in cash ₹ 30

31 He pays office rent by cheque ₹ 120

He pays staff salaries by cheque ₹ 180

He draws a cheque for personal use ₹ 150. He draws a cheque for office use ₹ 240

He pays cash for stationery ₹ 15

He purchases goods for cash ₹ 75

He pays Jagpal by cheque for commission ₹ 180

He gives cheque to Ram Saran for cash purchases of furniture for office ₹ 945

He receives cheque for commission ₹ 300 from Raghubir and Co. and pays the same into bank

He receives cheque from Kesri and Co. for ₹ 270 and deposits the Cheques into the bank.

## SECTION – C (1×14=14)

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

9. On 31-12-2013 the following Trial Balance was prepared from the books of R.

| Particulars | Dr. ₹ | Cr. ₹ |
|---|---|---|
| Sundry debtor | 50,600 | – |
| Sundry creditor | – | 10,000 |
| Bills receivable | 5,000 | – |
| Plant and machinery | 75,000 | – |
| Purchases (adjusted) | 1,00,000 | – |
| Capital | – | 70,000 |
| Freehold premises | 50,000 | – |
| Salaries | 11,000 | – |
| Wages | 14,400 | – |
| Postage and stationery | 750 | – |
| Carriage inward | 750 | – |
| Carriage outward | 1,000 | – |
| Bad debts | 950 | – |
| Bad debts provision | – | 350 |
| General charges | 1,500 | – |
| Cash bank | 5,300 | – |

| | | |
|---|---|---|
| Cash in hand | 800 | – |
| Bills payable | – | 5,000 |
| Reserves | – | 20,000 |
| Sales | – | 2,71,700 |
| Closing stock | 60,000 | – |
| | **3,77,050** | **3,77,050** |

The following adjustments are required :

1) R gets a salary of ₹ 9,000 p.a.

2) Allow 5% interest on capital

3) Bad debt provision to be adjusted to 2% on sundry debtors

4) 2.5% of the net profit to be credited to reserve

5) It was discovered in January 2013 that stock sheets as on 31-12-2012 were overcast by ₹ 1,000

You are required to prepare Trading and Profit and Loss Account for the year ended 31st Dec. 2013 and a Balance Sheet as at that date.

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**First Semester M.B.A. Degree Examination, December 2014**
**(Choice Based Credit System)**
**(CBCS Regular) (New)**
**BUSINESS ADMINISTRATION**
**Economics for Managers**

Time : 3 Hours                                                                Max. Marks : 70

## SECTION – A
**(Compulsory)**

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

1. Discuss the role of managerial economics in the modern business management.

## SECTION – B

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

2. Examine critically the law of demand. Why does a demand curve always slope downwards to the right ?

3. Explain the managerial uses of production function.

4. Explain the concept of National Income. What are the different methods of measuring national income ?

5. Explain the uses of price elasticity in pricing decisions of the management.

6. What are the advantages and limitations of survey methods of forecasting ?

7. Explain the process of equilibrium under monopolistic competition with the help of diagram.

8. Critically evaluate Hayek's theory of business cycle.

9. What are the objectives of monetary policy ?

## SECTION – C

### (Compulsory)

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

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

BPL Corporation is a medium sized, successful manufacturing firm that produces tool kits. The firm, because of its nature of production, is both power and machine intensive. In fact power consumption, to start the heavy machines prior to production, is about 20 to 25 percent of the total power consumption. The management, therefore, is very conscious to not allow a shutdown in the factory. In order to ensure this, the management pays a relatively higher wage to its workers to avoid any kind of work-related problem. The percentage increase in the wage cost is highest among all the components of cost-this can be seen by comparing the value of various cost components for the past three years.

| Year | 2011 | 2012 | 2013 |
|---|---|---|---|
| Total Variable Cost | 3,30,000 | 3,85,000 | 4,28,000 |
| Material Cost | 1,60,000 | 1,85,000 | 4,28,000 |
| Labour Cost | 1,70,000 | 2,00,000 | 2,41,000 |
| Fixed Overheads | 2,10,000 | 2,80,000 | 3,15,000 |
| Electricity Cost | 1,30,000 | 1,90,000 | 2,20,000 |
| Other Overhead Costs | 80,000 | 90,000 | 95,000 |

BPL Corporation produces 25,000 tool kits per year. It sold each kit at Rs. 325 in 2011 and had thereafter, uniformly increased the price by 20 percent each year.

**Questions**:

1) Do you agree with the statement that labour or wage cost has the highest percentage increase among all the cost components ?

2) Explain the concept and significance of being a power and machine intensive plant.

# First Semester M.B.A. Degree Examination, December 2014
## (Choice Based Credit System)
## (CBCS Regular) (New)
## BUSINESS ADMINISTRATION
### Business Environment

Time : 3 Hours                                                                 Max. Marks : 70

### SECTION – A

### (Compulsory)

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

1. Describe the factors contributed for the growth of MNC's in the global trading system.

### 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. Why Outsource to India ? Discuss.

3. Explain the elements of cultural environment factors.

4. Discuss the significance of government intervention in business.

5. Bring out and explain the impact of economic plan on economic developments of nation.

6. Explain the impact of the objectives of business on business activities.

7. Describe the social impact of technology.

8. Elucidate the different approaches to international business.

9. Bring out and explain the role of technology in acquiring competitive advantage with special reference to India.

## SECTION – C

### (Compulsory)

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

10. The Genetic Engineering Approval Committee (GEAC) announced approval for large scale field trials for Bt brinjal in September 2007, and probably its commercialization by early 2009. It also cleared proposals for bio-safety studies for other food crops such as okra (lady's finger), rice and tomatoes. In February 2008, the apex legislative body in India, the Supreme Court, revoked the ban it had earlier placed on the approval of large scale field trials of transgenic crops. Following this announcement, Bt brinjal became a hotly debated topic among activists, scientists, farmers and Multi National Companies (MNCs).

India, as a party to the Convention on Biodiversity (CBD) and as a country which ratified the Cartagena Protocol (CP), is committed to the safe handling of living or genetically modified organisms (LMOs or GMOs). The CP provides a broad framework on bio-safety, especially focusing on transboundary movements of GMOs and also covers seeds that are meant for intentional release in the environment, as well as those GMOs that are intended for food, feed, or used in food processing. Bt cotton was the first transgenic crop to be released in India. Introduced into the country in the year 2002, Bt cotton became the subject of many a controversy. Its performance, sale of illegal seeds, its impact on the environment, biodiversity, and health of livestock were all hotly debated. The debate was further fuelled by the fact that there were wide differences in the performance results obtained by studies sponsored by the company, independent researchers and NGOs.

The GEAC announcement regarding Bt brinjal, a food crop that originated in India, served to intensify the bio-safety debate. Bio-safety can be broadly defined as those safety concerns regarding damage to human beings, the environment and other living beings due to intentional or unintentional, authorized or unauthorized experiments using biotechnology. These concerns have surfaced in view of the opening up of agriculture for international trade through which the trading of GMOs takes place. The Cartagena Protocol (CP) was negotiated under the Convention of Biodiversity (CBD). The CBD was adopted in 1992 at the United Nations Conference for Environment and Development. The main objectives of the CBD are conservation of biological diversity, sustainable use of resources and equitable sharing of the benefits arising out of the use of genetic resources.

In India, a sizeable population is dependent on agriculture, which itself is dependent on the monsoon and the availability of appropriate material inputs, including seeds. The farmers are generally ready to try out any new technology to improve yield and returns as is evident from what happened during the Green Revolution days. However, the adverse impact of the Green Revolution is now coming to light in the form of mono-cropping, loss of local cultivars or land races, imbalances in soil nutrients and excessive use of fertilizers and pesticides, which have affected soil productivity and the returns from agriculture.

A transgenic crop, Bt cotton was for the first time introduced in India in 2002. In 2002, three varieties of Bt cotton hybrids promoted by Mahyco-Monsanto (Mech 12 Bt, Mech 162 Bt, Mech 184 Bt) were approved for commercialization in 6 states of India. Brinjal is an important and indigenous vegetable crop in India. The major brinjal producing states are Uttar Pradesh, Orissa, Bihar, Assam, West Bengal, Maharashtra, Gujarat, Andhra Pradesh and Karnataka. The production of brinjal in the year 2005-06 was 9,136,300 metric tons (MT) from an area of 553,300 hectares (HA). Some analysts are of the opinion that since the cultivation and consumption of brinjal in India is extensive, the commercialization of Bt brinjal will have significant economic implications for the farmers.

## Questions for Discussion :

a) Analyze the business environment for genetically modified crops in India.

b) Examine the impact of the regulatory environment pertaining to genetically modified crops in India.

c) Describe the Bio-safety protocol and its necessity and relevance to developing countries like India.

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**First Semester M.B.A. Degree Examination, December 2014**
**(CBCS Repeaters) (Old)**
**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. What do you understand by cyclical, seasonal and irregular variations ? Explain
   your answer with examples.

3. Discuss the 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. Fit a straight line trend equation by the method of least squares and estimate the
   trend values.

| Year  | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------|------|------|------|------|------|------|------|------|
| Value | 80   | 90   | 92   | 83   | 94   | 99   | 92   | 104  |

5. 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.

P.T.O.

6. Solve the system of equations by Cramer's rule

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

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

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

7. Calculate the coefficient of correlation for the following data :

| X | 80 | 78 | 75 | 75 | 68 | 57 | 60 | 59 |
|---|----|----|----|----|----|----|----|----|
| Y | 110 | 111 | 114 | 114 | 114 | 116 | 115 | 117 |

8. ABC Company Ltd. has approximated the marginal revenue for one of its products as $MR = 20x - x^2$. Marginal cost is approximated as $MC = 81 - 16x + x^2$. Determine the profit maximizing output and total profit at the optimal output.

## SECTION – C $(1×14=14)$

### (Compulsory)

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

9. 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.) |
|---|---|---|
| Mean | 40 | 6 |
| S.D. | 10 | 1.5 |

Correlation coefficient r = 0.9

a) Estimate the likely sales for a proposed advertisement expenditure of Rs. 10 crores.

b) What should be the advertisement expenditure if the firm proposes a sales target of 60 crores of Rupees ?

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**First Semester M.B.A. Degree Examination, December 2014**
**(Choice Based Credit System)**
**(CBCS Regular) (New)**
**BUSINESS ADMINISTRATION**
**Quantitative Analysis**

Time : 3 Hours                                                    Max. Marks : 70

**Instruction :** *Answer all Sections.*

SECTION – A                                                    **(2×10=20)**
**(Compulsory)**

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

1. What is an index number ? Explain the various problems involved in the construction of index numbers.

2. Define the term statistics and discuss its functions and limitations.

3. What do you mean by analysis of time series ? Explain the various components of a time series. Discuss its business applications.

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. If the total cost of a firm is $C = 1/3x^3 - 5x^2 + 30x + 10$, where C is the total cost and x is the level of output and price under perfect competition is given as Rs. 6, find for what values(s) of x the profit will be maximized ? Also find the value of maximum profit and comment on the result.

5. From the data given below find :

   a) The two regression equations

   b) The most likely marks in Statistics when marks in Economics is 30.

**Marks in Economics :** 28  35  25  30  23  27  32  33  35  31

**Marks in Statistics :**   47  43  42  36  31  33  30  39  41  45                    **P.T.O.**

6. Given the following data from 3 days, find the value of a, b and d by setting up a linear system of equations and using the matrix inverse.

| Day | Cost in Rs. | No. of in-patients, I | No. of out-patients, P |
|-----|-------------|----------------------|------------------------|
| 1 | 6,950 | 40 | 10 |
| 2 | 6,725 | 35 | 9 |
| 3 | 7,100 | 40 | 12 |

7. Calculate mode from the following data :

| Marks | No. of Students |
|-------|-----------------|
| Above 0 | 80 |
| Above 10 | 77 |
| Above 20 | 72 |
| Above 30 | 65 |
| Above 40 | 55 |
| Above 50 | 43 |
| Above 60 | 28 |
| Above 70 | 16 |
| Above 80 | 10 |
| Above 90 | 8 |
| Above 100 | 0 |

8. Compute the chain index number with 1999 prices as base from the following table giving the average wholesale prices of the commodities A, B and C for the year 2000 :

| | Average wholesale price (in Rs.) | | | | |
|-----------|------|------|------|------|------|
| Commodity | 1999 | 2000 | 2001 | 2002 | 2003 |
| A | 20 | 16 | 28 | 35 | 21 |
| B | 25 | 30 | 24 | 36 | 45 |
| C | 20 | 25 | 30 | 24 | 30 |

## SECTION – C

### (Compulsory)

(1×14=14)

**Note** : Answer to the question should **not** exceed **six** pages. This question carries **fourteen** marks.

9. From the following data compute the coefficient of correlation between age of husbands and age of wives :

| Age of husbands | Age of wives | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | 15 – 25 | 25 – 35 | 35 – 45 | 45 – 55 | 55 – 65 | 65 – 75 | |
| 15 – 25 | 1 | 1 | – | – | – | – | 2 |
| 25 – 35 | 2 | 12 | 1 | – | – | – | 15 |
| 35 – 45 | – | 4 | 10 | 1 | – | – | 15 |
| 45 – 55 | – | – | 3 | 6 | 1 | – | 10 |
| 55 – 65 | – | – | – | 2 | 4 | 2 | 8 |
| 65 – 75 | – | – | – | – | 1 | 2 | 3 |
| Total | 3 | 17 | 14 | 9 | 6 | 4 | 53 |

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