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101

First Semester M.B.A. Degree Examination, January 2011

(Regular and Repeaters)

PRINCIPLES AND PRACTICE OF MANAGEMENT

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

Compulsory

(1×15=15)

1. “We must discuss management practices against the backdrop of rapid change and profound rethinking about how organisations have evolved in the twenty-first century.” Explain the statement by highlighting the major issues that need attention and engagement.

SECTION – B

Note : Answer any five questions. Each question carries 9 marks.

(5×9=45)

2. Summarise the major arguments of neo-classical school of management thinking.
3. Discuss the significance and process of strategic planning.
4. What is delegation of authority ? Briefly explain the factors that affect effective delegation of authority.
5. Discuss the role of technology and environment in designing organisations.
6. Explain the various measures to overcome the barriers to effective communication in organisations.
7. List and evaluate external factors affecting staffing in organisations. Which of these are most critical today ? Why ?
8. Discuss with appropriate examples the typical controlling process in organisations.
9. Write short notes on the following :
 - g) Rational model of decision-making.
 - h) Corporate Governance.

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SECTION – C

Compulsory

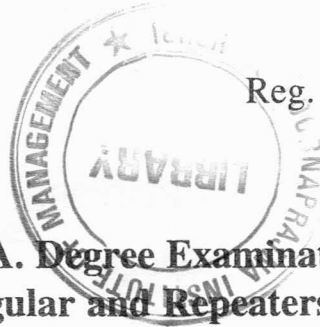
(1×15=15)

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

Xylor Corporation is contemplating to downsize and restructure its organisational design to reduce high operating costs. You are approached to advise the corporation on this. You are told to eliminate 25 percent of the corporation's managerial positions and then to reorganise the remaining positions so that the organisation still exercises adequate supervision over its employees. Making appropriate assumption answer the following questions:

Questions :

- 1) How would you go about analysing the organisational hierarchy to decide which managerial positions should be cut first ?
- 2) How will you be able to ensure adequate supervision with fewer managers ?
- 3) What do you suggest to help make the downsizing process less painful for those who leave and for those who remain ?



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First Semester M.B.A. Degree Examination, January 2011**(Regular and Repeaters)****BUSINESS ADMINISTRATION****Accounting for Managers**

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer any two questions.

(2×12=24)

1. "Accounting is a language of the business and an information system." Evaluate the statement.
2. Explain the need and significance of legal requirements for preparation of financial statements of limited companies.
3. Elaborate the factors affecting the dividend decision of a company.

SECTION – B

Answer any three questions.

(3×12=36)

4. Kerala Tourism Corporation offers local sight seeing trips to the tourists. It acquired an air-conditioned coach costing Rs. 15,00,000. The coach was expected to be useful for six years. With an estimated residual value of Rs. 45,000 at the end of that time. At the beginning of year 4, the corporation carried out an overhaul of the coach at a cost of Rs. 1,50,000. As a result, it is expected that the coach will have a remaining useful life of five years and an estimated residual value of Rs. 1,00,000. Straight-line depreciation is provided. Prepare the Asset Account for the first five years.
5. From the following information prepare a Cost Analysis Sheet and suggest a suitable price quotation.

Total production	500 tonnes
Cost of raw materials	Rs. 2,00,000
Carriage inwards	Rs. 20,000
Direct wages	Rs. 2,00,000
Indirect wages (factory)	Rs. 10,000

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Office expenses	Rs. 1,00,000
Public Relation Expenses	Rs. 5,000
Expenses on testing lab	Rs. 6,000
Selling overheads	Rs. 1,00,000
Salary of Managing director	Rs. 5,000
Payment of Income tax	Rs. 30,000

Note : i) A profit margin of 50% on cost is provided.

ii) The government grants a special export subsidy of Rs. 1,000 per tonne.

6. Product A passes through three processes. In January 2010, the following information is obtained in respect of process X. Opening stock : 2800 units valued at Rs. 1200 made up of Rs. 700 for materials Rs. 150 for labour and Rs. 350 for overhead. Degree of completion : Material 60%; Labour 40%; Overhead 40%. Transfer from process W : 14,000 units @ Re 0.20 each. Transfer to process Y : 12000 units.

Direct materials added in Process X	Rs. 1,560
Direct labour amounted	Rs. 2,000
Production overhead	Rs. 4,400

Units scrapped : 2000 on completion of process X. Closing stock : 2,800 units; Degree of completion materials 80%, Labour 60%, Overhead 60%. 10% loss during production is considered normal loss. Units scrapped recovered Re 0.40 each. Prepare a statement of cost of process X and show the unit cost of units transferred to process X.

7. The Directors of a company with a subscribed capital of 20,000 equity shares of Rs. 25 each and 20,000 preference shares of Rs. 25 each, on both of which Rs. 20 per share were called up, forfeited 200 equity shares held by A on which he had failed to pay first and second calls of Rs. 5 per share. They also forfeited 400 preference shares of B who failed to pay Rs. 5 per share on allotment, Rs. 5 per share on first call and Rs. 5 per share on second call. The directors further re-issued the forfeited shares of A at Rs. 15 per share and those of B at Rs. 17.50 per share, all of which were taken up and paid for by C.

Pass the necessary journal entries and prepare Balance Sheet of the company.

8. Explain the need and significance of depreciation. What factors should be considered for determining amount of depreciation ?



SECTION – C

Compulsory

(1×15=15)

9. Mukund Engineering Ltd., have authorized capital of Rs. 50 lakhs divided into 5,00,000 equity shares of Rs. 10 each. Their books show the following balances as on 31st December 2009.

	Rs.		Rs.
Stock (1-1-2009)	6,65,000	Bank current A/c	20,000
Discounts and Rebates	30,000	Cash in hand	8,000
Carriage Inwards	57,500	Debenture interest	10,000
Patterns	3,75,000	(for half year 31-6-2009)	
Rates and Taxes	55,000	Interest (Bank)	91,000
Furniture and fixtures	1,50,000	Preliminary expenses	10,000
Material purchased	12,32,500	Calls in arrears	10,000
Repairs	46,500	Bad debts	25,500
Wages	13,05,000	Equity share capital (2,00,000	
Coal and coke	63,000	shares of Rs. 10 each)	20,00,000
Freehold land	12,50,000	4% Debentures (payable	
Plant and machinery	7,50,000	after 10 years)	5,00,000
Engineering tools	1,50,000	Bank overdraft	7,57,000
Goodwill	3,75,000	Sundry creditors	2,40,000
Sundry debtors	2,66,000	Sales	36,17,000
Bills receivables	1,34,500	Rent (Cr.)	30,000
Advertisement	15,000	Transfer fees	6,500
Commission & Brokerage	67,500	Profit & Loss A/c (Cr.)	67,000
Business Expenses	56,000		



The stock valued on 31-12-2009 was Rs. 7,08,000. Outstanding liabilities for wages Rs. 25,000 and Business expenses Rs. 25,000. Dividend declared @ 10% on paid up capital.

Charge depreciation on :

Plant and machinery @ 5%

Engineering tools @ 20%

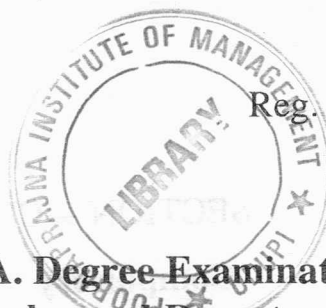
Patterns @ 10%

Furniture and fixtures @ 10%

Provide 2% on debtors as doubtful debts after writing off Rs. 21,500 as bad debts.

Write off preliminary expenses Rs. 5,000 and create debenture redemption reserve Rs. 50,000. Provide Rs. 2,40,000 for income tax.

You are required to prepare final accounts in a vertical form.



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First Semester M.B.A. Degree Examination, January 2011

(Regular and Repeaters)

BUSINESS ADMINISTRATION

Economics for Managers

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

(Compulsory)

(1×15=15)

1. Describe the process of price and out-put determination under different market conditions.

SECTION – B

(5×9=45)

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

2. Explain the properties of long and short-run production functions.
3. Explain the various techniques of demand forecasting.
4. Discuss the significance of national income accounting for business decision making.
5. Define, Inflation and explain its causes and effects.
6. Explain the role of effective demand in determining employment level in a country.
7. Compare and contrast the various theories of profit.
8. Explain the various policy measures of credit control in India.
9. Discuss the significance of cost-out-put relationship in managerial decision making.

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SECTION – C

Compulsory

(1×15=15)

10. X Ltd., an FMCG Company, has been spending huge amounts on advertisements. It has collected the following data on advertisement expenditure and demand for its product for the last 5 years :

Year	2004	2005	2006	2007	2008
Advt. Expenditure Rs. Crores	10	15	20	25	30
Demand (Qty.) in Lakhs of units	100	112	115	120	122

- i) Estimate the demand for the years 2009 and 2010 when the advertisement expenditure is expected to be Rs. 32 and Rs. 35 crores respectively.
- ii) What is your opinion about the estimation you have made ?

First Semester M.B.A. Degree Examination, January 2011
(Regular and Repeaters)
BUSINESS ADMINISTRATION
Indian Business Environment

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A**(Compulsory)****(1×15=15)**

1. Explain the internal environment and their significance.

SECTION – B**(5×9=45)**

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

2. Enumerate and explain the characteristics of mixed economy.
3. How does social and cultural environment influence the Business ?
4. Explain the trade related investment measures.
5. Explain the plant level implications of technological environment.
6. Explain the difference between central excise duty and sales tax.
7. Critically evaluate the functions of SEBI.
8. Explain the role of non-banking financial companies in Indian economy.
9. Describe fundamental rights and duties which influence the business.

SECTION – C**Compulsory****(1×15=15)**

10. The Economic Times, 22 October 2009, reported that Reliance Industries entered into a swap deal for the export and import of 36 cargoes of naphtha over the next six months, accordingly, three cargoes of 50,000 tones each were to be exported every month from Reliance Petroleum's Jamnagar, refinery and three cargoes of the same amount were to be imported to the Reliance

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Industries' Hazira facility. The deal was done through Japanese Traders Mitsubishi, Marubeni, itochu, idCmitsu and Shell. The export was done at around Arabian Gulf prices plus \$22.

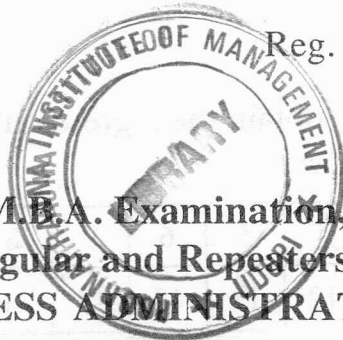
Reliance, needs petrochemical grade naphtha for its Hazira facility which is not being produced at Jamnagar. Therefore, its cracker at Hazira gets petrochemical grade naphtha from the international markets in return for Reliance Petroleum selling another grade of naphtha from its Jamnagar refinery to the international oil trade.

If RIL imports naphtha for Hazira petrochemical plant, the company does not have to pay the 24 percent sales tax, which it will have to pay on a local purchase, even if it is from Reliance Petro. Besides, Reliance Petro will also get a 10 percent duty drawback on its crude imports if it exports naphtha from the refinery at Jamnagar.

The export of naphtha with Japanese traders is being looked as coup for Reliance as it gives the company an entry into the large Japanese market. Indian refineries have a freight advantage over the Singapore market and can quote better prices.

Questions :

- a) Examine the internal and external factors behind reliance's decision for the swap deal.
- b) What environmental changes could make swap deal unattractive in future ?
- c) Could there be any strategic reason behind the decision to import and export naphtha ?
- d) Should Reliance import and export naphtha even if it does not provide any profit advantages ?



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First Semester M.B.A. Examination, January 2011
(Regular and Repeaters)
BUSINESS ADMINISTRATION
Quantitative Analysis

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

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

(2×12=24)

1. Explain the various types of functions with examples.
2. Describe the importance of diagrammatic representation of data.
3. Explain the various types of index numbers and their uses.

SECTION – B

(3×12=36)

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

4. A, B and C have Rs. 1,250, Rs. 1,700/- and Rs. 2,100/- respectively. They utilised the amount to purchase three type of shares of prices X, Y and Z respectively. A purchased 20 shares of price X, 50 shares of price Y and 30 shares of price Z. B purchased 44 shares of price X, 30 shares of price Y and 60 shares of price Z. C purchased 12 shares of price X, 40 shares of price Y and 100 shares of price Z. Find X, Y and Z by matrix method.
5. The demand and total cost functions of a monopolist are $P = 50 - 4x$ and $C = 8x + 100$ respectively.
 - i) If a tax of Rs. 2 percent of quantity is imposed, find the equilibrium quantity, price and profit.
 - ii) Find the tax revenue in (i) (above).
6. During the first 10 weeks of a session the marks of two students, X and Y, taking the course were :

X: 58 59 60 54 65 66 52 75 69 52

Y: 56 87 89 78 71 75 84 65 66 46

Which of the two you would consider to be more consistent ?

P.T.O.



7. From the following data obtain the regression equation of X on Y and predict X when Y = 20.

X	1	2	3	4	5	6	7	8	9
Y	9	8	10	12	11	13	14	16	15

8. Calculate seasonal indices by the ratio to moving average method from the following :

Year	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
2000	68	62	61	63
2001	65	58	66	61
2002	68	63	63	67

SECTION – C

Compulsory

(1×15=15)

9. Find the coefficient of correlation between the marks obtained by 66 candidates at an examination in two subjects – Economics and Statistics, from the data given below :

Marks in Statistics	Marks in Economics			
	10-20	20-30	30-40	40-50
0-10	2	4	2	–
10-20	4	6	5	1
20-30	2	8	6	2
30-40	–	3	10	4
40-50	–	–	4	3