Reg. No.

401

First Semester M.B.A. Degree Examination, January 2012
PRINCIPLES AND PRACTICE OF MANAGEMENT

Time : 3 Hours

Max. Marks : 70

Note : *Answer all Sections.*

SECTION – A

(Compulsory)

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

1. Discuss the major trends that are affecting management of organizations in the twenty-first century. Illustrate your answer.

SECTION – B

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

2. What are planning premises ? How do they affect planning process in organisation ?

3. Distinguish between formal and informal organization.

4. What is "span of management" ? Discuss the factors that affect the span in organizations.

5. What is authority ? Why should it be delegated ? What factors affect the delegation of authority ?

6. Briefly discuss the significance and process of staffing activity in this organization.

7. Why is motivation important in organisation ? Discuss any two theories of motivation.

8. Why is controlling significant in organizations ? Discuss the typical control process followed in organizations.

9. What is easternisation of management ? Summarize its major features.
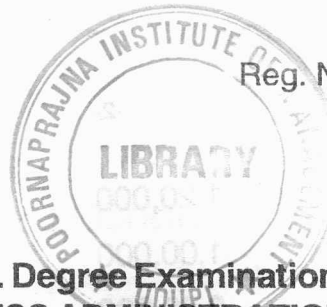
SECTION – C

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

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

Nooyi started her career at PepsiCo. in 1994 as senior Vice President (strategic planning). She rose to the post of CFO in 2001 and later became the CEO in 2006. During her tenure at PepsiCo, she undertook a number of strategic initiatives. Nooyi recommended spinning off Taco Bell, KFC and Pizza Hutt, arguing that PepsiCo. couldn't bring enough value to the fast food industry with restaurant businesses as it required dedicated services industry management. Nooyi also led the acquisition of Tropicana in 1998 and merger with Quaker Oats Company in 2001. When Nooyi became the CEO of PepsiCo, the primary goal advocated by her was to achieve "Performance with Purpose". She implemented a number of measures to improve the sustainability of the company's operations and image by focusing on improvements in the health implications of PepsiCo.'s products. She expanded PepsiCo.'s business into developing markets worldwide and focused on increasing the composition of healthy foods in PepsiCo.'s product portfolio.

Questions for Discussion :

a) Discuss the role of strategic and transformational leadership in management.

b) Comment on the strategic vision and leadership style of Indra Nooyi.

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First Semester M.B.A. Degree Examination, January 2012
BUSINESS ADMINISTRATION
Accounting for Managers

Time : 3 Hours

Max. Marks : 70

SECTION – A

Note : Answer **any two** questions. **Each** question carries **ten** marks. Answer
should **not** exceed **6** pages.   **(2×10=20)**

1. Critically examine the limitations of the GAAPs.

2. Discuss the suitability of FIFO and LIFO methods of inventory valuation under
   changing price levels.

3. Distinguish between normal loss, abnormal loss and abnormal gains with suitable
   examples.

SECTION – B

Note : Answer **any three** questions. **Each** question carries **Twelve** marks. Answer
should **not** exceed **6** pages.   **(3×12=36)**

4. B Ltd. forfeited 100 shares of Rs. 10 each, Rs. 8 per share being called-up,
   which were issued at a discount of Re. 1 per share for non-payment of final call of
   Rs. 3 per share. Of these forfeited shares, 80 shares were re-issued subsequently
   by the company at Rs. 5 as Rs. 8 paid-up per share.

   Give the necessary journal entries for the forfeiture and re-issue of shares.

5. The Balance Sheet of x Ltd. as at 31st December, 2010 was as follows :

Liabilities	Rs.	Assets	Rs.
Issued and paid-up share capital	.	Freehold property	2,00,000
20,000 Equity Shares		Stock-in-trade	1,20,000
of Rs. 10 each	2,00,000	Sundry Debtors	1,00,000
P & L A/c	1,80,000	Cash and bank balance	1,80,000

P.T.O.

6% Debentures	1,20,000	
Creditors	1,00,000	
	6,00,000	**6,00,000**

It was resolved at the annual general meeting :

i) to pay a dividend of 10% ;

ii) to issue one bonus share for every four shares held ;

iii) to repay the debentures at a premium of 4%.

Draw-up the Balance Sheet of x Ltd., of the giving accounting treatment to the above transactions. Ignore taxation.

6. A factory, produces a standard product. The following information is made available to you :

	Rs.
Raw materials consumed	91,000
Direct wages	29,000
Other direct expenses	11,000

Factory overheads at 80% of direct wages

Office overhead at 10% of works cost

Selling and distribution expenses @ Rs. 2 per unit sold.

Units produced and sold during the month	10,000

a) Prepare a cost sheet.

b) Find out the selling price per unit on the basis that the profit mark-up is uniformly made to yield a profit of 20% on the selling price.

7. In a manufacturing unit, raw material passes through four processes I, II, III and IV and the out-put each process is the input of the subsequent process. The loss percentages in the four processes I, II, III and IV are 25%, 20%, 20% and $16\frac{2}{3}$% respectively ; of the input. If the final output at the end of the process IV is 40,000 kgs, compute the quantity of raw material to be fed at beginning of the process I and the cost of the same input of material assuming that the cost of material per kg is Rs. 5.

Find out the effect of a rupee variation in the material price on the material cost of the input quantity of material that you have computed.

8. Explain the determinants of an ideal capital structure of a corporate business unit.

SECTION – C

(Compulsory)

Note : Answer should **not** exceed **6** pages. (1×14=14)

9. Analyse the following case and answer the questions given at the end :

Messrs Mill and Wright commenced business on 1st Jan., 2000 when they purchased plant and equipment for Rs. 7,00,000. They adopted a policy of :

i) Charging depreciation at 15% per annum on diminishing balance basis ; and

ii) Charging full year's depreciation on additions detailed below :

Date	Amount (Rs.)
1-08-2001	1,50,000
30-09-2004	2,00,000

On 1-1-2004, it was decided to change the depreciation method and rate of depreciation on straight line basis with retrospective effect from 1-1-2000, adjustments being made in the accounts for the year ended 31st December, 2004.

Questions :

a) Is the depreciation policy adopted is correct ? Comment.

b) Calculate the depreciation to be adjusted on 1-1-2004 and also show the Ledger A/c.
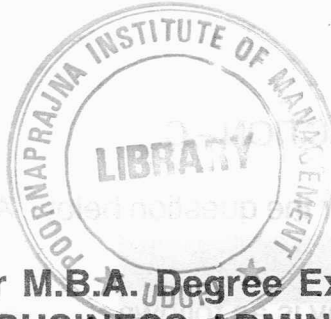
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First Semester M.B.A. Degree Examination, January 2012
BUSINESS ADMINISTRATION
Economics for Managers

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all Sections.

SECTION – A

(Compulsory)

Note : Answer to the question should **not** exceed **6** pages.   (1×15=15)

1. Describe the significance of cost volume profit analysis in managerial decision making.

SECTION – B

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

2. Explain the concept of elasticity of demand. What is its significance in business ?

3. What is price discrimination ? Explain the techniques of price discrimination.

4. Discuss the relationship between fixed cost, variable cost, marginal cost and total cost with the help of a diagram.

5. Define production function. Explain its managerial uses.

6. Explain the Law of Diminishing Returns to scale.

7. What is Oligopoly ? Explain price rigidity under oligopoly in terms of kinked demand curve.

8. What are Isoquants ? What are their characteristics ?

9. Critically evaluate dynamic and uncertainty theory of profit.
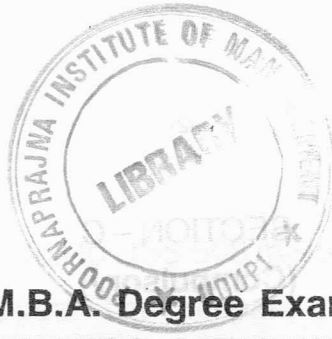
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SECTION – C

10. Read the following case and answer the question below. Answer to the question should **not** exceed **6** pages.   (1×15=15)

The annual turnover of the company is as follows :

Year	Sales (in thousand of rupees)
2007	39
2008	46
2009	36
2010	46
2011	47

Estimate the annual sales for 2012 with the help of least square method.

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First Semester M.B.A. Degree Examination, January 2012
BUSINESS ADMINISTRATION
Business Environment

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

Note : Answer to the question should **not** exceed **6** pages.   **(1×15=15)**

1. Explain different methods to enter foreign market.

SECTION – B

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

2. Discuss the impact of culture on business.

3. Discuss the rationale for encouraging FDIs.

4. Explain the salient features of FEMA.

5. Explain the merits of MNCs in India.

6. Describe the impact of millennium goals on international trade.

7. Explain the significance of international business to a developing nation.

8. Elucidate the role of WTO in promoting international business.

9. Explain the role of SEBI in improving the functioning of stock exchange.

SECTION – C

(Compulsory)

Note : Answer to the question should **not** exceed **6** pages. (1×15=15)

10. On October 25, 2005, the US-based Dell Computers (Dell), a leading PC manufacturer in the world, announced that Foo Piau Phang (Phang) would retire as the President of Dell China. According to analysts, Phang retired due to less than forecasted sales in China and the lower than projected results from Dell's direct sales model in that country. Bill Amelio (Amelio), the Chief of Dell Asia Pacific, underplayed the nature of Dell's problems in China, saying, "I simply think (the talk of problems in China) is because we had two quarters in a row, as a company, where we didn't quite meet the expectations of analysts". By the third quarter of 2005-06, Dell's market share in China had slipped to 7.5% from 8.2% in the second quarter. However, the unit sales of Dell China grew by 46% and revenue by 29% during the third quarter as compared to the third quarter of 2004-05. According to Analysts International, "The market share of international giant Dell dropped due to the weak sales power in small cities, the SME market and fierce competition".

The other factor that led to the erosion of Dell's market share was fierce competition from Lenovo and HP in the middle and lower end of the market. Dell entered China in 1995, and was successful in capturing the urban markets and corporate customers. The company was able to use its direct sales model successfully in these markets. By 2004, the urban markets had reached saturation and Dell failed to gauge the increasing demand for computers from smaller towns and rural areas. Chinese companies like Lenovo, Founder and THTF reached those markets at the right time by launching low priced products and sprucing up their distribution networks, which Dell failed to do. Dell was not performing well globally. In the third quarter ending October 28, 2005, Dell reported a drop of 28% in profits. The

company's net income fell to US$ 606 million against US$ 846 million in the third quarter of the previous year. The company generated revenues of US$ 13.9 billion as against the projected US$ 14.5 billion. Total PC sales in China stood at 15.8 million units in 2004 and were expected to grow at 14.9% in 2005 and at 14.6% in 2006, according to forecasts made by International Data Corp (IDC). Inspite of the poor results, Dell was confident of becoming a major player in the Chinese market. According to Amelio, "With only 10 percent of the market, we have plenty of room to grow". It's clear sometime, somehow, we'd like to be number one. We're just aspiring to do what we've done everywhere else in the world – to be number one.

Questions for Discussion :

a) Evaluate the importance of localizing global business models to suit specific countries.

b) Examine the importance of growing PC markets in semi-urban and rural areas in China and develop suitable strategies to tap them.
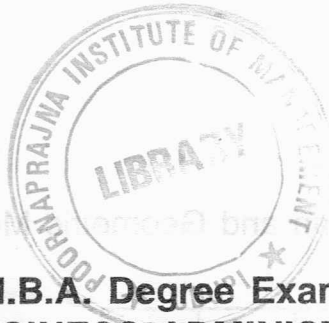
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First Semester M.B.A. Degree Examination, January 2012
BUSINESS ADMINISTRATION
Quantitative Analysis

Time : 3 Hours

Max. Marks : 70

Note : Answer all Sections.

SECTION – A

(2×10=20)

Answer **any two** questions. **Each** question carries **10** marks. Answer to the question should **not** exceed **6** pages.

1. Describe types of matrices with an example for each.

2. Write a note on tools of data collection and describe their advantages and disadvantages.

3. Define correlation. Describe the types of correlation and bring out the significance of correlation co-efficient.

SECTION – B

(3×12=36)

Answer **any three** questions. **Each** question carries **12** marks. Answer to the question should **not** exceed **6** pages.

4. An automobile spare part manufacturing company introduces production bonus to the employees that increases the cost of the spare part. The daily cost of production C for X number of spares is given by $C_{(x)}$ = Rs. 2.05x + Rs.550.

   a) If each spare part is sold for Rs. 3, determine the minimum number of that must be produced and sold daily to announce no loss.

   b) If the selling price is increased by 30 paise per price, what would be the break-even point ?

5. Solve the following system of equations using Cramer's Rule.
   $5x - 7y + z = 11$
   $6x - 8y - z = 15$
   $3x + 2y - 6z = 7$

P.T.O.

6. Find the value of Arithmetic Mean and Geometric Mean from the following distribution :

x	2	3	4	5	6	7	8
f	2	4	6	2	3	2	1

7. Calculate the Pearson's correlation coefficient from the following data :

X	43	44	46	40	44	42	45	42	38	40
Y	29	31	19	18	19	27	27	29	41	26

What will be the correlation coefficient if the origin of X and Y are used as 44 and 26 ?

8. From the following data, form the two regression lines by taking husband's age as X and wife's age as Y and calculate the husband's age when the age of wife is 16.

Husband's age	36	33	27	28	28	29	30	31	33	35
Wife's age	29	18	10	22	27	21	29	27	29	28

SECTION – C   (1×14=14)
(Compulsory)

Note : Answer should **not** exceed **6** pages.

9. For the following data, prove that the Fishers ideal index satisfies both Time reversal test and Factor reversal test :

Commodity	Base Year		Current Year	
	Price	Quantity	Price	Quantity
A	6	50	10	56
B	2	100	2	120
C	4	60	6	60
D	10	30	12	24