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501

Third Semester M.B.A. Degree Examination, December 2016/January 2017
(Choice Based Credit System)
BUSINESS ADMINISTRATION
Management Concepts and Functions
(CBCS Optional Paper)

Time : 3 Hours

Max. Marks : 70

SECTION – A

(1×15=15)

(Compulsory)

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

1. "Management is an art of getting things done through others". Critically evaluate.

SECTION – B

(5×8=40)

Note : Answer **any five** of the following questions. **Each** question carries **8** marks.
Answer to the question should **not** exceed **five** pages.

2. What do you mean by the term informal organisational structure ? Why it is important ?
3. The "Marketing Mix" is one of the major concepts in modern marketing. Justify the statement.
4. Briefly explain the finance functions and their significance.
5. Explain the role and global challenges to HR managers.
6. Explain the decision making process in an organisation.
7. Explain the various types of controlling techniques.
8. Compare and contrast selling concept and marketing concept.
9. Explain the operative functions of Human Resource Management.

P.T.O.



SECTION – C

(1×15=15)

(Compulsory)

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

10. Case study :

Mr. Bhat, Human Resource Manager of IVS Group of Companies approached the CEO on 30th March, 2007 and apprised him of the absence of Mr. Perumal Pillai, Assistant Accountant in the Corporate Finance Department, for the past one month and requested him to approve the show-cause notice to be served to Mr. Perumal as per the Labour Laws in force.

The CEO told Mr. Bhat : “When Mr. Perumal has been absent for the last one month, your duty is to go to Mr. Perumal’s house, find out the reason and solve the problem of Mr. Perumal and not just to report the absence to me. Go immediately to Mr. Perumal’s house, find the reason and report it to me before 5 : 00 p.m. today.”

Mr. Bhat immediately left for Mr. Perumal’s house and learnt from Mr. Perumal’s wife that Mr. Perumal has been in distress as he has been trying to mobilise ₹ 1,00,000 for the surgery of his sick wife in a reputed hospital in Chennai. Mr. Bhat could meet Mr. Perumal around 3 p.m. and both of them then met the CEO. Both of them apprised the CEO the reason for the absence and distress of Mr. Perumal.

The CEO immediately contacted the hospital and informed them that the company will pay ₹ 1,00,000 tomorrow i.e., 31st March 2007 and requested the doctor to conduct the surgery for Mr. Perumal’s wife tomorrow itself.

The CEO ordered Mr. Bhat to arrange to issue a cheque for ₹ 1,00,000 in favour of the hospital and also pay ₹ 10,000 in cash to Mr. Perumal to meet incidental expenses as a grant. Mr. Perumal as well as Mr. Bhat were surprised at the decision of the CEO. Mr. Perumal became emotional and touched the feet of the CEO.



The CEO told Mr. Bhat : "Problems of our employees are the company's problems. We treat the employees as human beings and members of the Company's family."

This piece of news spread in the entire company within no time and the employees felt highly secured. The productivity increased by 100% in the next quarter itself and sustained over the years to come.

Questions :

- 1) Why did Mr. Bhat prefer to follow a legal approach to the problem ?
- 2) Why did the CEO provide ₹ 1,10,000 as just a grant to Mr. Perumal ?
- 3) What would be the morale of employees family members after listening to this incident ?
- 4) What is the human capital approach in this case ?

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502



Third Semester M.B.A. Degree Examination, Dec. 2016/Jan. 2017
(Choice Based Credit System)
BUSINESS ADMINISTRATION
Management Accounting

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

(2×10=20)

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

1. Distinguish between Cost Accounting and Management Accounting.
2. Explain the managerial uses of cost of capital.
3. Trace-out the limitations of ratio analysis.

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. From the prepare a Balance Sheet with as many details as possible :

Gross profit	Rs. 80,000	Current Assets	Rs. 1,50,000
Gross profits to cost of goods sold ratio	1/3	Account payable velocity	90 days
Stock velocity	6 times	Bills receivable	Rs. 20,000
Opening stock	Rs. 36,000	Bills payable	Rs. 5,000
Account receivable velocity (year 360 days)	72 days	Fixed assets turnover ratio	8 times

P.T.O.



5. The particulars of two plants producing an identical product with the selling price are :

	Plant A	Plant B
	(Rs. In Lacs)	(Rs. In Lacs)
Capacity Utilisation	70%	60%
Sales	150	90
Variable costs	105	75
Fixed costs	30	20

It has been decided to merge Plant B with Plant A. The additional fixed expenses involved in the merger amount to Rs. 2 lacs.

You are required :

- Find the break-even point of Plant A and Plant B before merger and the break-even point of the merged plant.
- Find the capacity utilisation of the integrated plant required to earn a profit of Rs. 18 lacs.

6. A limited manufactures three different products and the following information has been collected from the books of account :

	Products		
	S	T	Y
Sales mix	35%	35%	30%
Selling price	Rs. 30	40	20
Variable cost	Rs. 15	20	12
Total fixed costs	Rs. 1,80,000		
Total sales	Rs. 6,00,000		



The company has currently under discussion a proposal to discontinue the manufacture of product Y and replace it with product M, when the following results are anticipated :

	Products		
	S	T	M
Sales mix	50%	25%	25%
Selling price	Rs. 30	40	20
Variable cost	Rs. 15	20	15
Total fixed costs	Rs. 1,80,000		
Total sales	Rs. 6,40,000		

Will you advise the company to change over to production of M ? Give reasons for your answer.

7. ABC Ltd. have prepared the budget for the production of a lakh units of the only commodity manufactured by them for a costing period as under :

Raw materials	Rs. 2.52 per unit
Direct material	0.75 per unit
Direct expenses	0.10 per unit
Works overheads (60% fixed)	2.50 per unit
Administration overheads (80% fixed)	0.40 per unit
Selling overheads (50% fixed)	0.20 per unit

The actual production during the period was only 60,000 units. Calculate the revised budgeted cost per unit.

8. A company is faced with the problem of choosing between two mutually exclusive projects. Project A requires a cash out-lay of Rs. 1,00,000 and cash running expenses of Rs. 35,000 per year. On the other hand, project B will cost Rs. 1,50,000 and required cash running expenses of Rs. 20,000 per year. Both the projects have an eight-year life. Project A has Rs. 4,000 salvage value and Project B has Rs. 14,000 salvage value. The company's tax rate is 50% and rate of return is 10%. Assume depreciation on SLM basis. Which project should be accepted ?



SECTION – C
(Compulsory)

(1×14=14)

9. The summarised balance sheets of XYZ Ltd. As at 31st Dec., 2014 and 31st Dec., 2015 are given below :

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Share Capital	4,50,000	4,50,000	Fixed Assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
Profit and Loss A/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provisions for Taxation	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage Loan	–	2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Additional Information :

- Investments costing Rs. 8,000 were sold during the year 2015 for Rs. 8,500
- Provision for tax made during the year was Rs. 9,000.
- During the year, a part of the fixed assets costing Rs. 10,000 was sold for Rs. 12,000 and the profit was included in profit and loss account; and
- Dividend paid during the year amounted to Rs. 40,000.

You are required to prepare a statement of sources and uses of funds.

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503

III Semester M.B.A. Degree Examination, December 2016/January 2017
(Choice Based Credit System)
BUSINESS ADMINISTRATION
Computer Application in Management

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

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

1. With suitable examples, explain the impact of E-commerce on Business.

SECTION – B

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

2. Explain with suitable examples, how information technology has affected business.
3. With a neat diagram explain the basic architecture of the computer.
4. What are the different types of information in use within the organisation ?
5. Electronic payment system is a very important part of E-commerce model.
6. Explain the application of Macros in business. Give specific example.
7. Explain the application of EDI in business. Give relevant examples.
8. What are the different types of electronic commerce ? Give examples.
9. Write a note on computer networking.

P.T.O.



SECTION – C
(Compulsory)

10. Read the case and answer the questions :

(1×15=15)

Select Comfort is the bed company that invented the “sleep number” system, which provides a range of mattress firmness settings to accommodate sleeping preferences. Founded in 1987, the Minneapolis, Minnesota-based company delivered net sales of \$691 million in 2005. The company has 32 U.S. – issued or pending patents and was ranked by Furniture/Today as the top bedding retailer in the nation for the sixth consecutive year.

Needless to say, a company of this size depends on enterprise-wide software systems to provide access to valuable information throughout the organization. A few years ago, Select Comfort began moving away from its hard-to-maintain legacy systems to integrated Enterprise Resource Planning (ERP) software. The e-Business Suite from Oracle provides ERP services through a convenient Web-based interface. The suite helps Select Comfort coordinate its sophisticated made-to-order manufacturing operations in South Carolina and Utah and keep mattress orders flowing smoothly from the store to the factory to the customer’s home. Select Comfort adopted several e-Business Suite modules to assist in varying parts of its business : an order management module to fulfill the hundreds of mattress orders it receives daily, a Customer Relationship Management (CRM) module for keeping track of customer interaction and modules that handle typical business needs such as assets management, general ledger, payables, purchasing and receivables. The ERP system ensures that all these modules and services are synchronized and centralized so they can provide up-to-date information.

Seeking to make use of the latest technologies, Select Comfort adopted Business Intelligence (BI) software from Siebel Systems, Inc. BI software allows a business to combine its databases and extract useful information to apply to business strategies. The BI software from Siebel caught the interest of Select Comfort because of its power and ease of use. Select Comfort plans to deploy Siebel Business Analytics to 2,500 users company-wide by 2008. The software will deliver alerts and dashboard capabilities to show how the company’s 400 stores are performing in real time.



Select Comfort had concerns about using enterprise-wide software from two vendors, Oracle and Siebel. When companies adopt new software, the software must be able to integrate with existing systems. Select Comfort resigned itself to the fact that it would have to work with Siebel on integration issues.

Shortly after Select Comfort purchased the Siebel software, Oracle announced that it was purchasing Siebel. The partnership means that the Siebel BI software will eventually be integrated with Oracle's database and ERP software. David Dobrin, an analyst at B2B analysts, Inc., in Cambridge, Massachusetts, said Select Comfort will likely have to wait for a strong link between the products. Integration "will take years and years and probably Oracle will have to do a major revision to data systems," he said.

- 1) What benefits does Select Comfort's ERP system provide that individual software solutions from a variety of vendors could not ?
 - 2) What risk did Select Comfort assume when it chose software from a different vendor ?
 - 3) How standards might assists companies who prefer to use the service of different software vendors ?
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3F1

Third Semester M.B.A. Examination, December 2016/January 2017
(Choice Based Credit System)
BUSINESS ADMINISTRATION
Strategic Financial Management

Time : 3 Hours

Max. Marks : 70

SECTION – A

(2×10=20)

Note : Answer **any two** questions. **Each** question carries **10** marks. Answer to **each** question should **not** exceed **5** pages.

1. In what ways wealth maximisation objective superior to profit maximisation objective ? Explain.
2. Discuss the future prospects of venture capital financing.
3. Describe the objectives of corporate tax planning.

SECTION – B

(3×12=36)

Note : Answer **any three** questions. **Each** question carries **12** marks. Answer to **each** question should **not** exceed **5** pages.

4. Explain the phases in project life cycle.
5. The following financial data relates to a company :

EBIT	Rs. 80,000
Overall Capitalisation Rate	12.5 percent
Value of the debt	Rs. 3,00,000
Cost of debt	10 percent

Determine the effect of change in capital structure on value of the firm according to NOI approach, if the firm wish to increase debt by Rs. 1,00,000 and uses the proceeds of the debt to retire the equity or decrease the debt to Rs. 2,00,000 by issuing fresh equity shares of the same amount.

P.T.O.



6. Determine the value of the share and comment on the dividend policy of the firm. Use Walter's model to compute value of the share
 Equity capitalisation rate 12 percent
 Earnings per share Rs. 10
 Assumed rate of return on investments : 10 percent, 12 percent and 14 percent.
 Assumed Pay-out ratio : 25 percent, 50 percent, 75 percent and 100 percent.
7. For X Limited the following data is available :

(Rs. in Lakh)

Fixed Cost	Rs. 300
Interest	Rs. 150
EBT	Rs. 250

What would be the effect on company's profitability and risk if the sales fluctuates by 10 percent ? Interpret your result.

8. Suppose S Company is considering the acquisition of R Company. The following are the financial data of the two companies :

	S Company	R Company
PAT (Rs. in Crore.)	40	20
Number of Shares (Crore.)	5	2.5
EPS (Rs.)	8	8
Market Value per share (Rs.)	120	40

What will be the combined P/E ratio after the merger ? What will be the impact on the wealth of the shareholders of two firms after the merger ?

SECTION – C
(Compulsory)

(1×14=14)

Note : Answer to this question should **not** exceed 6 pages.

9. An investor is considering to invest in two companies' shares. In the previous year company A paid a dividend of Rs. 5 per share. The dividend of company A is growing at 15 percent for the first five years and at 12 percent for the next 3 years. Thereafter it will grow at 10 percent forever. Company B paid a dividend of Rs. 5 in the first year and expected to grow at 15 percent till eight years and thereafter at 10 percent forever. If the capitalisation rate of the investor is 12 percent, compute the value of shares and offer your comment on the investment in these shares. Which share would you recommend if the current market price of the share is Rs. 350 for Company A and Company B ? Why ?



Third Semester M.B.A. Degree Examination, December 2016/January 2017
BUSINESS ADMINISTRATION
(Choice Based Credit System)
Security Analysis and Portfolio Management

Time : 3 Hours

Max. Marks : 70

SECTION – A

(2×10=20)

Note : Answer **any two** questions. **Each** question carries **10** marks. Answer to **each** question should **not** exceed **5** pages.

1. Discuss the various investment opportunities available to an investor.
2. Critically analyse the Dow Theory.
3. Discuss the trading and settlement process in Indian stock market.

SECTION – B

(3×12=36)

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

4. The expected rate of return and the probabilities of their occurrence for two companies, X Limited and Y Limited, stocks are given below :

Return (%) on X	Return (%) on Y	Probability
- 4	- 6	0.05
18	12	0.20
24	20	0.50
30	14	0.20
50	10	0.05

- a) What is the expected returns and risks on each stock ?
- b) What is the expected returns and risk on the portfolio made up of 20% X and 75% Y; 50% X and 50% Y and; 75% X and 25% Y ?

P.T.O.



SECTION – C
(Compulsory)

(1×14=14)

Note : Answer to this question should **not** exceed 6 pages.

9. What is the optimum portfolio in choosing among the following securities and assuming $R_f = 6$ percent and $\sigma_m^2 = 20$ percent ?

(1) Security No., i	(2) Mean Return, R_i	(3) BETA, B_i	(4) UNSYSTEMATIC RISK σ_{ei}^2
A	15.0	1.0	50
B	17.0	1.5	40
C	12.0	1.0	20
D	17.0	2.0	10
E	11.0	1.0	40
F	11.0	1.5	30
G	11.0	2.0	40
H	7.0	0.8	16
I	7.0	1.0	20
J	5.6	0.6	6

What percentage should an investor invest in each of the securities that form the optimum portfolio ?

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Third Semester M.B.A. Examination, December 2016/January 2017
BUSINESS ADMINISTRATION
Marketing Research and Consumer Behavior

Time : 3 Hours

Max. Marks : 70

SECTION – A**(1×15=15)**

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

1. Discuss the importance of consumer behavior analysis to marketers. Explain the decision process approach to understand consumer behavior.

SECTION – B**(5×8=40)**

Note : Answer **any five** questions. **Each** question carries **eight** marks. Answer to a question should **not** exceed **six** pages.

2. What is consumer perception ? Explain the consumer perception process.
3. Explain stratified and cluster sampling with suitable examples.
4. What is the role of consumers' lifestyle in consumption behavior ? Explain.
5. Discuss how social class plays a role in purchase decision.
6. What is sampling plan ? Explain its application in marketing research.
7. What is a reference group ? Explain its role in the process of consumer buying behavior.
8. Distinguish between exploratory and descriptive research. Explain their applicability in marketing research.
9. Explain Howard-Shet model of consumer behavior.



SECTION – C

(1×15=15)

Note : Read the following case and answer the questions given at the end. Your answer should **not** exceed **six** pages.

10. In March 2003, Fortune magazine ranked Procter and Gamble (P&G), the world's leading Fast Moving Consumer Goods (FMCG) company, as # 7 in the list of 'World's Most Admired Companies. P&G was one of the very few companies to have figured in this list for 17 consecutive years (1985-2002). P&G was ranked high on the parameter of 'ability to develop superior quality and highly innovative products on a consistent basis. Analysts attributed this 'ability' to the company's understanding of consumers' needs and preferences that had evolved out of its continuous focus on Marketing Research (MR) from the very beginning. With the setting up of its MR department in 1924, P&G became one of the first companies in the world to conduct formal research on consumers' needs and preferences. Over the next eight decades, the company developed several innovative MR techniques. Its researchers were trained to get the information they required from consumers. P&G employed advanced technology to analyse the feedback it obtained and arrive at the right conclusions.

Commending P&G's focus on, Tankut Turnaoglu, P&G's country manager in Kazakhstan, said, "P&G has a long history of success – a direct result of finding out what consumers want and developing superior-quality products to best meet their needs. P&G was among the first companies to establish in 1924 a special department for market research to identify consumer preferences and buying habits. Market research is still a foremost tool for understanding consumers' needs for P&G. P&G used qualitative research tools, such as focus groups, in-house visits, in-context visits and in-store interviews and quantitative research tools like blind tests, concept tests and so on.

The company also hired external agencies to conduct MR. In recent years. P & G used the internet as a medium for research and in the process, achieved significant savings of cost and time. Commenting on the benefits of the Internet, Barbara B. Lindsey, director of P&G's consumer research services and new-technologies group, said, "It can save you a whole lot of time and a whole lot of money. It has also helped P&G to reduce its reliance on external research agencies. According to the 2001 figures, every year P&G spent on estimated \$ 150 million on more than 6,000 surveys, half of which were conducted in the US. Commenting on the importance the company attached to MR, an employee in its market research department said, "They really believe in (research). They do not just do it as a routine thing; they do it with genuine interest in finding out. They're really curious. They believe in the results; then they act on (that belief)."



Procter and Gamble was established in 1837 when candle maker, William Procter and his brother-in-law, soap maker, James Gamble merged their small businesses. They set up a shop in Cincinnati and nicknamed it "Porkopolis" because of its dependence on swine slaughter houses. The shop made candles and soaps from the leftover fats. From its inception, P&G sought product response from consumers in the form of complaints or suggestions. This feedback was given serious attention and the company incorporated the required changes.

In one particular instance, in 1879, an 'Ivory' brand soap machine operator discovered that due to over-stirring, the soap floated on water. The consignment of Ivory 'floating soaps' was dispatched soon. P&G received appreciative comments from consumers and within a month, it had modified its production process so that the entire range of its 'Ivory' brand soap had this unique feature. P&G employed market researchers for every product division. The company also had two independent in-house research groups which were responsible for advertising research and market testing. P&G undertook qualitative research to generate new ideas for product and market development. The researchers engaged the customers in detailed discussions over different features of the company's products. As a result, the personal interaction between the researchers and the consumers was high. The major qualitative research tools used by P &G included focus-group discussions, in-home visits, in-context visits and in-store interviews. P&G also employed quantitative research tools extensively. These tools helped in generating new product ideas for P&G. While the sample sizes for quantitative research was usually larger, the personal interaction between the researchers and the respondents was minimal.

P&G conducted online concept tests to get feedback from consumers. This feedback helped it in new product introduction and launching improved versions of existing products. P&G's online MR surveys saved considerable time and costs for the company. Using traditional methods, a consumer survey cost the company around \$ 50,000 and took at least three to four weeks.

Questions for Discussion :

- a) Analyse the different marketing research tool used by P&G.
 - b) Describe the importance of marketing research for a large, global FMCG Company.
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3M2

Third Semester M.B.A. Degree Examination, Dec. 2016/Jan. 2017

BUSINESS ADMINISTRATION

Promotion and Distribution Management

Time : 3 Hours

Max. Marks : 70

SECTION – A

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

1. Explain, how, objectives of advertising varies across the sequential steps in the buyer readiness stages.

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. Explain the benefits of advertising to the manufacturer, consumer and the society.
3. What are the criteria for selecting media vehicle for a product ? Explain with example.
4. Briefly explain the pros and cons of using an in-house advertising agency.
5. Explain the Direct Marketing tools used by consumer goods marketers.
6. Explain the Personal Selling, process.
7. Explain the functions of Logistic Management.
8. Compare and contrast the operation and services of organised and un-organised retail firms.
9. Discuss the role of social media in marketing communication.

P.T.O.



SECTION – C

10. Read the case and answer the questions given below, Answer to the question should **not** exceed **6** pages.

15

Mr. Harish, General Manager of Modern Cosmetics Ltd. is concerned about the problem of designing a distribution system for the company's new product-herbal hair oil. He has four alternative distribution plans and wants to arrive at a decision after careful weighing of the pros and cons on economics and effectiveness of each.

The major objectives is to make the product easily available to the customer. Competition in this product segment has increased immensely. The alternative plans are : sole distribution selling to retailers, direct distribution to customers, wholesale selling to retailers, direct distribution to wholesalers.

The company has hired you as a consultant to recommend the best distribution option.

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3H1

Third Semester M.B.A. Degree Examination, December 2016/January 2017
(Choice Based Credit System)
BUSINESS ADMINISTRATION
Training and Development

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

(1×15=15)

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

1. Development is for career progression of an employee. How does development activity benefits the organization ? Explain.

SECTION – B

(5×8=40)

Note : Answer **any five** questions of the following. **Each** question carries **8** marks.
Answer to **each** of the question should **not** exceed **five** pages.

2. Explain how training model can be applied to organizational improvement and problem solving.
3. "Creation of conducive climate for learning is essential for effectiveness of Training and Development programmes." Discuss.
4. Explain the approaches to training need analysis.
5. Discuss the government policies on training programmes in India.
6. What are the various methods of measuring training effectiveness ?
7. Explain any three off-the-job training methods in detail.
8. What is meant by management development ? Discuss the various approaches to management development .
9. Explain the need and importance of Competency Based Management Training.

P.T.O.



SECTION – C

(1×15=15)

10. Case study (**compulsory**) :

Read the following case and answer the questions given at the end :

Mr. Vijay Kant joined the Railways five years back when he was 21 years old. He proved himself as an efficient steam engine driver. He bagged the Railway Minister's Best Driver's Award this year. He was asked to undergo training in diesel engine driving due to massive dieselization in South Central Railway. But he was reluctant to take up training. The head of the loco staff was quite surprised to know the reluctant of Mr. Vijay Kant when a number of drivers of steam engine have volunteered themselves to undergo training in diesel engine driver.

Question :

Identify the problem in this case and suggest the strategies to overcome the problem.

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3H2

Third Semester M.B.A. Degree Examination, Dec. 2016/Jan. 2017

(CBCS)

BUSINESS ADMINISTRATION
Employee Relations Management

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

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

1. Briefly explain Supreme Court verdict in Vishaka versus State of Rajasthan case with respect to sexual harassment at workplace.

SECTION – B

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

2. Explain various employee counselling methods.
3. What do you mean by Industrial Disputes ? Explain its causes and forms.
4. Explain the various distributive negotiation strategies.
5. Discuss workers participation in management practices in Japan and Germany.
6. Write a brief note on "Payment of Wages Act, 1936" and "Minimum Wages Act, 1948".
7. Compare and contrast Employee Relations and Industrial Relations.
8. Evaluate the effects of Industrial Disputes on management, production and on general public.
9. Write a role of employee Relation Manager and future of Employee Relations in the changing economic development of the country.

P.T.O.



SECTION – C

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

10. Case Analysis.

More than half of Bata's production came from the Batanagar factory in West Bengal, a state notorious for its militant trade unions, who derived their strength from the dominant political parties, especially the left parties. Notwithstanding the giant conglomerate's grip on the shoe market in India, Bata's equally large reputation for corruption within, created the perception that Weston would have a difficult time. When the new management team weeded out irregularities and turned the company around within a couple of years, tackling the politicized trade unions proved to be the hardest of all tasks. On July 21, 1998, Weston was severely assaulted by four workers at the company's factory at Batanagar, while he was attending a business meet. The incident occurred after a member of Bata Mazdoor Union (BMU), Arup Dutta, met Weston to discuss the issue of the suspended employees. Dutta reportedly got into a verbal duel with Weston, upon which the other workers began to shout slogans. When Weston tried to leave the room the workers turned violent and assaulted him. This was the second attack on an officer after Weston took charge of the company, the first one being the assault on the Chief Welfare Officer in 1996.

Soon after the incident, the management dismissed the three employees who were involved in the violence. The employees involved accepted their dismissal letters but subsequently provoked other workers to go in for a strike to protest the management's move. Workers at Batanagar went on a strike for two days following the incident. Commenting on the strike, Majumdar said "The issue of Bata was much wider than that of the dismissal of three employees on grounds of indiscipline. Stoppage of recruitment and continuous farming out of jobs had been causing widespread resentment among employees for a long time."

Following the incident, Bata decided to reconsider its investment plans at Batanagar. Senior Vice-President and member of the Executive Committee, MJZ Mowla, said: "We had chalked out a significant investment programme at



Batanagar this year which was more than what was invested last year. However, that will all be postponed.” The incident had opened a can of worms, said the company insiders. The three men who were charge-sheeted, were members of the 41-Member Committee of BMU, which had strong political connections with the ruling Communist Party of India (Marxist). The trio it was alleged, had in the past a good rapport with the senior managers, who were no longer with the organization. These managers had reportedly farmed out a large chunk of the contract operations to this trio.

Company insiders said the recent violence was more a political issue rather than an industrial relations problem, since the workers had very little to do with it. Seeing the seriousness of the issue and the party’s involvement, the union, the State Government tried to solve the problem by setting up a tripartite meeting among company officials, the labour directorate and the union representatives. The workers feared a closedown as the inquiry proceeded.

Questions for Discussion :

- 1) What do you think are the pros and cons of outsourcing for Bata in the light of poor industrial relation conditions ? Explain.
 - 2) How Bata can maintain sound industrial relation practices ?
 - 3) The role played by the BMU seems to have been more of a destructive one than constructive one in the state of affairs at Bata. Comment.
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