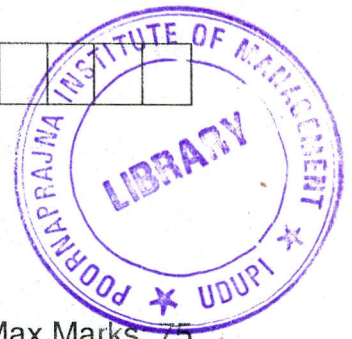


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Third Semester M.B.A Degree Examination
November / December 2007

Paper 301 : MANAGEMENT ACCOUNTING

Time : 3 Hours

Max.Marks: 75

SECTION - A (2x12=24)

Answer any two questions. Each question carries 12 marks.

1. Discuss the importance of management accounting for modern organisation.
2. Critically analyse the utility of financial statement for prospective investors, shareholders, customers, regulators and suppliers.
3. What are the various responsibility centres? Discuss how responsibility accounting can be implemented in an organisation.

SECTION - B (3x12=36)

Answer any THREE questions. Each question carries 12 marks.

4. Pfizer Engineering Co. Ltd. operated three sale divisions- North, South and West - selling three branded products A, B and C. Sales budget for the next year has to be prepared by the Budget Committee.

For this purpose the following information has been made available:

Budgeted Sales for the Current Year.

| Product | North | South | West |
|---------|---------------------|-----------------------|---------------------|
| A | 4,000 units @ Rs.10 | 6,000 units @ Rs. 10 | 6,000 units @ Rs.10 |
| B | 3,000 units @ Rs.20 | 8,000 units @ Rs. 20 | 4,000 units @ Rs.20 |
| A | 2,000 units @ Rs.40 | 12,000 units @ Rs. 40 | 5,000 units @ Rs.40 |

Actual Sales for the Current Year

(Based on actual sale to date and estimated sales for remainder of the year)

| Product | North | South | West |
|---------|---------------------|-----------------------|---------------------|
| A | 5,000 units @ Rs.10 | 8,000 units @ Rs. 10 | 7,000 units @ Rs.10 |
| B | 2,000 units @ Rs.20 | 10,000 units @ Rs. 20 | 5,000 units @ Rs.20 |
| A | 1,000 units @ Rs.40 | 10,000 units @ Rs. 40 | 5,000 units @ Rs.40 |

Suggestions and estimates emerging as a result of consultations with divisional sales managers are:

- i. Product A is selling at a higher rate than expected. Market surveys have revealed that it is popular and possibly under-priced. It is anticipated that, even if the price was increased to Rs. 11 per unit, the product would find a ready market.

Contd... 2

- ii. Product C is not selling at the expected rate. Market surveys have revealed that customers feel it to be over-priced and the market can absorb more if the price is reduced by Rs. 2 per unit.

The management has agreed in principle that the price changes should be put through. Accordingly, estimates based on price changes and on reports from salesman have been prepared by divisional sales managers and are as follows:

Increase/ Decrease on previous Budget (In Percentage)

| Product | North | South | West |
|---------|-------|-------|------|
| A | +30 | +20 | +10 |
| B | -10 | +50 | -10 |
| C | +10 | +30 | +20 |

The Company follows the practice of preparing sales budget which highlights, apart from the budgetary figures for the next period, the budgeted sales and the actual sales for the current period.

5. Aroma Industries Limited is considering the purchase of a new machine which would carry out some operations at present performed by manual labour. The two alternative models under consideration are 'Damsel' and Shylock'.

The following information, from which a profitability statement is to be prepared for submission to the Board of Directors, is available:

| | Machine 'Damsel' | Machine 'Shylock' |
|--|---------------------|----------------------|
| Cost of Machine | Rs. 3,00,000 | Rs. 5,00,000 |
| Estimated Life (In years) | 10 | 12 |
| Estimated Savings in Scrap per annum | Rs. 20,000 | Rs. 30,000 |
| Additional Cost of Supervision per annum | Rs. 24,000 | Rs. 32,000 |
| Additional Cost of Maintenance per annum | Rs. 14,000 | Rs. 22,000 |
| Cost of Indirect Material per annum | Rs. 12,000 | Rs. 16,000 |
| Estimated Savings in Wages: | | |
| Wages per Worker per annum | Rs. 1,200 | Rs. 1,200 |
| Workers not required | 150 | 200 |

The rate of taxation may be regarded as 40% of profits.

Which model can be recommended for purchase? Use Payback period.

NPV, PI and IRR methods. Give reasons for your choice.

Contd... 3

6. The following are the summarised Profit and Loss Account of Hindi Products Limited for the year ending 31st December, 1998 and the Balance Sheet as on that date:

Profit and Loss Account

| | Rs. | | Rs. |
|-----------------------------------|---------------------|-------------------------------|---------------------|
| To Opening Stock | 99,500 | By Sales | 8,50,000 |
| " Purchases | 5,45,250 | " Closing Stock | 1,49,000 |
| " Incidental Expenses | 14,250 | | |
| " Gross Profit | 3,40,000 | 3,40,000 | - |
| | <u>Rs. 9,99,000</u> | | <u>Rs. 9,99,000</u> |
| To Operating Expenses: | | By Gross Profit | 3,40,000 |
| Selling and Distribution | 30,000 | "Non-operating Income: | |
| Administration | 1,50,000 | Interest | 3,000 |
| Finance | 15,000 | Profit on sale of | |
| | ----- 1,95,000 | Shares | <u>6,000</u> 9,000 |
| To Non-Operating Expenses: | | By Gross Profit | 3,40,000 |
| Loss on sales of assets | 4,000 | | |
| "Net Profit | 1,50,000 | | |
| | <u>Rs. 3,49,000</u> | | <u>Rs. 3,49,000</u> |

Balance Sheet

| | Rs. | | Rs. |
|------------------------|---------------------|------------------------|---------------------|
| Issued Capital: | | Land and Buildings | 1,50,000 |
| 2,000 Equity shares to | 2,00,000 | Plant and Machinery | 80,000 |
| Rs. 100 each | | | |
| Reserves | 90,000 | Stock -in-trade | 1,49,000 |
| Current Liabilities | 1,30,000 | Sundry Debtors | 71,000 |
| Profit and Loss A/c | 60,000 | Cash and Bank Balances | 30,000 |
| | <u>Rs. 4,80,000</u> | | <u>Rs. 4,80,000</u> |

From the above statement you are required to calculate the following ratios and state the purpose they serve:

- i. Current Ratio
- ii. Operating Ratio
- iii. Stock Turnover
- iv. Return on Total Resources
- v. Turnover of Fixed Assets

Contd... 4

7. From the following Balance Sheet of Alpha Ltd., make out

- (1) Statement of Changes in Working Capital and (2) Funds Flow Statement and cash flow statement as per the prevailing accounting standard on cash flow statements.

Balance Sheet of Alpha Ltd.

| Liabilities | 2003 Rs. | 2004 Rs. | Assets | 2003 Rs. | 2004 Rs. |
|--|-----------------|-----------------|----------------------|-----------------|-----------------|
| Equity Share Capital | 3,00,000 | 4,00,000 | Goodwill | 1,00,000 | 80,000 |
| 8% Redeemable Preference Share Capital | 1,50,000 | 1,00,000 | Land and Buildings | 2,00,000 | 1,70,000 |
| Capital Reserve | -- | 30,000 | Plant | 80,000 | 2,00,000 |
| General Reserve | 40,000 | 50,000 | Investment | 20,000 | 30,000 |
| P. and L. A/c | 30,000 | 48,000 | Sundry Debtors | 1,40,000 | 1,70,000 |
| Proposed Dividend | 42,000 | 50,000 | Stock | 77,000 | 1,09,000 |
| Sundry Creditors | 25,000 | 47,000 | Bills Receivable | 20,000 | 30,000 |
| Bills Payable | 20,000 | 16,000 | Cash in hand | 15,000 | 10,000 |
| Liability for Expenses | 30,000 | 26,000 | Cash at Bank | 10,000 | 8,000 |
| Provision for Taxation | 40,000 | 50,000 | Preliminary Expenses | 15,000 | 10,000 |
| | 6,77,000 | 8,17,000 | | 6,77,000 | 8,17,000 |

- Notes : (1) A piece of land had been sold out in 2004 and the profit on sale has been credited to capital reserve.
- (2) A machine has been sold for Rs. 10,000. The written down value of the machine was Rs. 12,000. Depreciation of Rs. 10,000 is charged on plant account in 2004.
- (3) The investments are trade investments. Rs. 3,000 by way of dividend is received including Rs. 1,000 from per-acquisition profit which has been credited to investment Account.
- (4) An interim dividend of Rs. 20,000 has been paid in 2004.

8. On the basis of the programme formulated to be put into operation with effect from 1st January, 2007 the management of Peerless Industries Limited desire to know the quantum of working capital required to finance the production programme.

The following percentage which the various elements of cost bear to the selling price, have been extracted from the proforma cost sheet:

| | |
|-----------|-----|
| Materials | 50% |
| Labour | 20% |
| Overhead | 10% |

Contd... 5

Production in 2006 was 1,00,000 units and it is proposed to maintain the same during 2007.

Following further particulars are available:

- i) Raw materials are expected to remain in the stores for an average period of one month before issue to production.
- ii) Finished goods are to stay in the warehouse for two months on the average before being sold and sent to customers.
- iii) Each unit of production will be in process for one month on the average.
- iv) Credit allowed by suppliers from the date of delivery of materials is one month.
- v) Debtors are allowed two months' credit from the date of the sale of the goods.
- vi) Selling price is Rs. 9 per unit.
- viii) Sales and production follow a consistent pattern.

The relevant items of the Balance Sheet are-

| | |
|-------------------------------------|-----------|
| | Rs. |
| Paid - up Share Capital | 10,00,000 |
| 6 % Debentures | 1,00,000 |
| Fixed assets as on 1st January 2007 | 7,50,000 |

SECTION - C (1x15=15)

Note: Compulsory

9. A company manufactures three products and their respective details are furnished below:

| | A | B | C |
|------------------------|-------|-------|-------|
| Capacity engaged | 20% | 40% | 40% |
| Units Produced | 2,000 | 5,000 | 6,000 |
| Cost Per Unit: | Rs. | Rs. | Rs. |
| Materials Cost | 20 | 32 | 36 |
| Wages | 10 | 12 | 16 |
| Variable Overheads | 7 | 9 | 11 |
| Fixed Overheads | 6 | 9 | 10 |
| | 43 | 62 | 73 |
| Selling price per unit | 40 | 75 | 83 |
| Profit Per units | (3) | 13 | 12 |

The management proposes to discontinue the line A as far the last few years it is showing a loss. Future prospects of the other two lines being good, it is intended to utilise the disengaged capacity of line A in the lines B and C equally.

Expected rise in Prices and costs are as thus:

| | B | C |
|---------------|-----|-----|
| Materials | 10% | 10% |
| Wages | 5% | |
| Selling price | 2% | 5% |

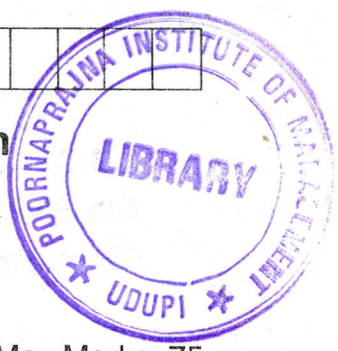
Fixed overgeads remain the same.

You are required to prepare a statement of projected profitability and advise the management as to whether scheme may be adopted.

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Third Semester M.B.A Degree Examination
November / December 2007

BUSINESS ADMINISTRATION
Paper 302 : Operations Research

Time : 3 Hours

Max.Marks: 75

Note: Answer all Section.

SECTION - A (2x12=24)

Note: Answer any TWO questions. Each question carries 12 marks

1. "Operations Research increases creative and judicious capabilities of a decision maker', Comment. Briefly explain the scope of OR.
2. Explain the following
 - a. Steps in decision theory
 - b. Applications of markov analysis
 - c. Operating characteristics of a queuing system.
3. What is simulation? Discuss the application of simulation methods in business.

SECTION - B (3x12=36)

Note : Answer any THREE questions. Each question carries 12 marks.

4. A and B play a game in which each has 3 coins, 10p, 25p, and 50p. Each selects a coin without the knowledge of the others choice. If the sum of the coins is an even amount, A wins B's coin. If the sum is odd, B wins A's coin. Find the best strategy for each player and value of the game.
5. A marketing manager has six salesmen and there are 5 sales districts. Considering the capabilities of the salesman and the nature of the districts, the estimates made by the marketing manager for the sales per month (in 1000 rupees) for each salesman in each district would be as follows. Find the assignment of salesmen to the districts.

Salesman

| | 1 | 2 | 3 | 4 | 5 | 6 |
|---|----|----|----|----|----|----|
| D | 32 | 38 | 40 | 28 | 40 | 35 |
| I | 40 | 24 | 28 | 21 | 36 | 32 |
| S | 41 | 27 | 33 | 30 | 37 | 34 |
| T | 22 | 38 | 41 | 36 | 36 | 39 |
| R | 29 | 33 | 40 | 35 | 39 | 36 |
| C | | | | | | |
| T | | | | | | |
| S | | | | | | |

6. Briefly explain the procedure of MODI method of finding solution through optimality test and find the solution for the following problem.

The following table gives the cost for transporting material from supply points A,B,C and D to demand points E, F, G,H, and J. The present allocation is as follows: A to E 90; A to F 10; B to F 150; C to F 10; C to G 50; C to J 120; D to H 210; D to J 70. Check if this allocation is optimum. If not, find an optimum schedule.

| | | To | | | | |
|------|---|----|----|----|----|----|
| | | E | F | G | H | J |
| From | A | 08 | 10 | 12 | 17 | 15 |
| | B | 15 | 13 | 18 | 11 | 09 |
| | C | 14 | 20 | 06 | 10 | 13 |
| | D | 13 | 19 | 07 | 05 | 12 |

7. Customers arrive at the first class ticket counter of a theatre at the rate of 12 per hour. There is one clerk serving the customers at the rate of 30 per hour. Assuming the conditions for use of the single channel queuing model, evaluate
 - a. The probability that there is customer at the counter (ie. that the system is not idle)
 - b. The probability that there are more than 20 customers at the counter.
 - c. The probability that there is no customers waiting to be served.
 - d. The probability that a customer is being served and nobody is waiting.

8. A firm makes two products X and Y, and has a total production capacity of 9 tonnes per day, X and Y requiring the same production capacity. The firm has a permanent contract to supply at least 2 tonnes of X and at least 3 tonnes of Y per day to another company. Each tonne of X required 20 machine hours production time and each tonne of Y requires 50 machine hours production time; The daily maximum possible number of machine-hours is 360. All the firms output can be sold, and the profit made is Rs. 80 per tonne of X and Rs. 120 per tonne of Y. Formulate the problem into LPP and find solution.

**SECTION - C (1x15=15)
(COMPULSORY)**

9. Draw the network diagram for the following relationship and its durations. Find
 - a. Critical path
 - b. Total and free slack.

| Job | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q |
|--------------------|---|----|---|----|---|-----|---|-----|---|----|---|-----|---|-----|-----|---|-----|
| Preceding activity | - | A | A | C | C | D,E | - | A,G | G | H | H | J,K | L | B,M | I,M | O | N,P |
| Time (Weeks) | 4 | 13 | 5 | 11 | 3 | 4 | 3 | 5 | 4 | 17 | 2 | 3 | 3 | 3 | 2 | 3 | 4 |

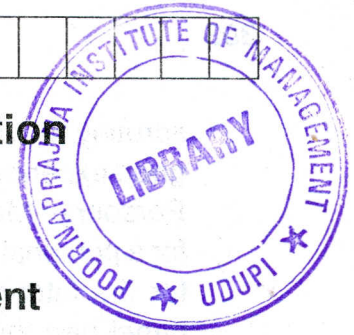
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Third Semester M.B.A Degree Examination
November / December 2007

BUSINESS ADMINISTRATION
Paper 303 : Human Resource Management



Time : 3 Hours

Max.Marks: 75

SECTION - A (1x15=15)
(COMPULSORY)

1. "There is a drastic change in the role played by an HR Department yesterday, today and tomorrow". Elucidate.

SECTION - B (5x9=45)

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

2. What are the objectives of a performance appraisal system? Discuss the significance of Assessment Centres as a tool to improve organisational performance.
3. "A pay packet alone is not adequate to attract and retain competent employees". Elaborate the statement and discuss the related concepts.
4. Discuss briefly the need for training evaluation and explain various training evaluation techniques.
5. Write a note on "Managing HR in an international business scenario".
6. Identify the key issues in managing attrition by a Chief HR manager working for a leading IT enterprise in India.
7. "HRM today is basically concerned with the attracting, holding and motivating, human talent in corporate sector". Substantiate.
8. Explain the process and the pre-conditions of success of collective bargaining under the present circumstances.
9. "WPM in India is not a total success". Substantiate your answer with practical examples.

SECTION - C (1x15=15)
(COMPULSORY)

10. Case Study.

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

Vishal Industries Ltd. is a medium-sized engineering factory employing 250 employees. The Factory Manager advised the Personnel Manager of the company to select a right man to fill up the vacancy of a "Time-Keeper". The Personnel Manager inserted an advertisement for this post in prominent local newspapers and received a large number of application although specific job description and job requirements were embodied in the advertisement. After preliminary screening of applications, the Personnel Manager selected only 6 applications out of 197 and sent them "Application Blank" for collecting their detailed information. On receipt of Applications and on further

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scrutiny, it was observed that two candidate were age-barred, although they had good experience at their credit and one candidate had a suspicious personal life. The Personnel Manager therefore selected only 3 candidates and sent them call-letters for a personal interview on a stipulated date. Only two candidates out of three appeared for the interview before the Interview Panel consisting of three interviewers. The panel had therefore to take a decision on selection, either of Mr. Tukaram Patil or Mr. Girish Mahajan. The personal traits and merits of these two candidates are as follows:

Mr. Tukaram Patil, a young man of 30 years has worked for a year in the Time Office of a reputed company. He is an exceptionally sociable, amicable individual who enjoys mixing with employees. His verbal skills are average. But he has a good degree of hardness. He can sit late in office and prepare payrolls of employees and complete the checking of pay sheets a day before the actual date of payment. He does not demand extra remuneration for over-time sitting late hours in office. He is a good sportsman also and has worked as a secretary of a sports club. A glaring weakness as revealed during the interview is that Mr. Patil's memory is not strong and he may forget a task assigned to him. But he is straight forward and frankly accepts his limitations. Mr. Girish Mahajan, is also a youth, aged 25, and has a good personality above average communication skills, but at times is "rough" in dealing with people. His clerical and computational skills are excellent. He does not, on his own, mix with people or takes part in extra curricular activities. He joined a textile mill as a clerk in the Time Office and was promoted to the post of Assistant Time Keeper within a period of 5 years. He is against the principle of sitting late in office. His sense of time keeping, punctuality is good and regular. He feels that attendance of employees must be posted in the regular register on the same day and pay sheets must be kept ready on 1st of every month and sent to Accounts Department, for checking before 3rd inst. Similarly, he prepares PF/ESI statement and returns in time and submits the same to respective Government authorities in time. However, Mr. Girish Mahajan is short tempered and at times he also had heated arguments with managerial executives. He limits his existence to his working table and if anybody unconnected with the rime-office work comes near his table, he loses his temper.

Questions:

1. In terms of overall capabilities and job requirements, whom will you recommend out of the two candidates, in your capacity as a Personnel Manager?
2. What are the criteria of your decision?
3. In case the other two members of the interview Panel differ from your decision, how will you convince them?
4. As a Manager HR, what will you do to improve the interpersonal relations in the organisation?

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Third Semester M.B.A Degree Examination
November / December 2007

BUSINESS ADMINISTRATION
Paper 3F1 : Strategic Financial Management & Policy

Time : 3 Hours

Max.Marks: 75

Note: Answer all sections

SECTION - A (2x12=24)

Answer any TWO questions. Each questions carries 12 marks.

1. Briefly explain the routine finance functions of an organisation.
2. Explain the legal procedures for mergers laid down in the Companies Act of 1956.
3. Discuss the factors considered for technical appraisal of a project.

SECTION - B (3x12=36)

Answer any THREE questions. Each question carries 12 marks.

4. Discuss the objectives and techniques of corporate tax planning .
5. "According to Walters's model the optimum payout can be either zero or 100 percent". Explain the circumstances, when this is true with a suitable example.
6. Volga is a large manufacturing and marketing company in the private sector. In 2004, the company had a gross sale of Rs. 980.20 crore. The other financial data for the company are given below :

Financial Data for Volga- 2006

| Items | Rs. in crore |
|---------------------------------|--------------|
| Networth | 152.31 |
| Borrowing | 165.47 |
| EBIT | 43.17 |
| Interest | 34.39 |
| Fixed cost (Excluding interest) | 118.23 |

You are required to calculate (a) Operating leverage (b) Financial leverage (c) Combined leverage. (d) Calculate percentage change in EPS if sales increased by 5%. Interpret your results.

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7. Calculate the value of a call and put option using the Black- Scholes model for the following information.

Current market price of the share: Rs. 100

Volatility (Standard deviation): 0.40

Exercise price (E) : Rs. 110

Risk -free rate : 0.12

Time to expiration: 6 months

8. Firms A and B are similar except that A is unlevered, while B has Rs. 2,00,000 of 5% debentures. Assume that the tax rate is 40% NOI is Rs. 40,000 and the cost of equity is 10%.
- Calculate the value of the firms, if the MM assumptions are met.
 - Suppose $V_B =$ Rs. 3,60,000. According to M-M, do these represent equilibrium, values? How will equilibrium be set? Explain.

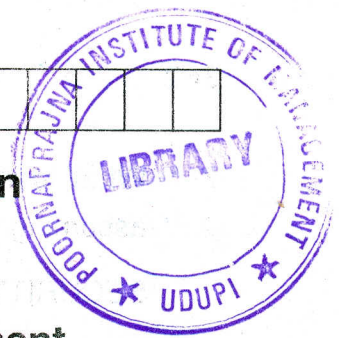
SECTION - C (1x15=15)
(COMPULSORY)

9. India Infotech Ltd. is a new company. It has come up with the initial public issue. The issue price of the share is Rs. 20 and the par value is Rs. 10. Mr. Rao a prospective investor, is considering to invest Rs. 50,000 in India Infotech's shares. He is not sure about the returns from his investments. His required rate of return is 15%. Since India Infotech is a new company, he would like to hold the shares for 10 years before he sells them. As regards the dividend payment by the company, he visualises four possibilities. First, the company may reinvest all its earnings and may not pay any dividend. Second, the company may pay a constant dividend of Rs. 4. Third, the company may start with a dividend of Rs. 3 per share, which may grow at a constant rate of 10%. Fourth, the company may start paying a dividend of Rs. 2 per share, which may grow at 20% for the first five years and at 10% thereafter. Mr. Rao expects different share prices after 10 years under the four alternatives. He anticipated share price of Rs. 50, Rs. 40, Rs. 30 and Rs. 25. respectively under alternatives one to four. Mr. Rao can also invest his money in bonds. A government -owned financial institution is offering Rs.10,000 face value bonds with 10 year maturity at Rs. 2,700. What is his return from shares and bonds, what should Mr. Rao do?

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Third Semester MBA Degree Examination

November/December 2007

BUSINESS ADMINISTRATION

3F2: Security Analysis and Portfolio Management

Time : 3 Hours

Max. Marks : 75

SECTION A (2x12=24 marks)

Note: Answer any TWO questions. Each question carries 12 marks.

1. Discuss the characteristics of various investment alternatives.
2. Critically analyse the uses of various technical analysis tools.
3. Discuss the listing, trading & settlement procedures in National Stock Exchange.

SECTION - B (3x12=36 marks)

Note : Answer any THREE questions. Each question carries 12 marks.

4. Critically analyse the random walk hypothesis and the tests available for testing this.
5. Stock R and S display the following returns over the past two years.

| YEAR | STOCK R RETURN(%) | STOCKS S RETURN(%) |
|------|----------------------|-----------------------|
| 2003 | 10 | 12 |
| 2004 | 16 | 18 |

- a) What is the expected return on a portfolio made up of 40 percent R and 60 percent S?
- b) What is the standard deviation of each stock?
- c) What is the covariance of stocks R and S?
- d) Determine the correlation coefficient of stocks R and S?
- e) What is the portfolio return and risk of a portfolio made up of the following percentages of R and S?

| | | | | | |
|---|----|-------|----|-------|----|
| R | 80 | 66.67 | 50 | 33.33 | 20 |
| S | 20 | 33.33 | 50 | 66.67 | 80 |

6. Calculate the value of a call option with the following information: stock price = \$50; exercise price = \$45; interest rate = 7%; time to expiration = 90 days; standard deviation = 0.4. Write the interpretation for each of these values.

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7. What is the optimum portfolio in choosing among the following securities and assuming $R_f = 5$ percent and market variance = 10 percent?

| SECURITY | EXPECTED RETURN | BETA | e^2 |
|----------|-----------------|------|-------|
| A | 15 | 1.0 | 30 |
| B | 12 | 1.5 | 20 |
| C | 11 | 2.0 | 40 |
| D | 8 | 0.8 | 10 |
| E | 9 | 1.0 | 20 |
| F | 14 | 1.5 | 10 |

8. The following data are available to you as a portfolio manager:

| SECURITY | EXPECTED RETURN | BETA | STANDARD DEVIATION |
|------------------|-----------------|------|--------------------|
| Blue | 0.32 | 1.70 | 0.50 |
| White | 0.30 | 1.40 | 0.35 |
| Red | 0.25 | 1.10 | 0.40 |
| Grey | 0.22 | 0.95 | 0.24 |
| Black | 0.20 | 1.05 | 0.28 |
| Brown | 0.14 | 0.70 | 0.18 |
| NYSE stock index | 0.12 | 1.00 | 0.20 |
| Treasury bills | 0.08 | 0 | 0 |

- Draw the SML. Plot each stock on your graph.
- In terms of an SML, which of the securities listed above are undervalued/overvalued? Why?

SECTION - C (1x15=15 marks)

(Compulsory)

9. Management Capital, Inc. (MCI), manages four mutual funds of American Investors Group (AIG). The funds are balanced, investment growth, fixed income, and variable growth. The data below include annual total return for each fund followed by key statistical measures. The average return on riskless securities during the measurement period was 5 percent per annum.

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| | BALANCED | INVESTMENT GROWTH | FIXED INCOME | VARIANCE GROWTH | DJIA (INDEX) |
|-----------------|----------|----------------------|-----------------|--------------------|-----------------|
| 19X9 | -0.085 | -0.117 | -0.001 | 0.141 | -0.116 |
| 19X8 | 0.028 | 0.032 | 0.056 | 0.035 | 0.077 |
| 19X7 | 0.100 | 0.201 | 0.030 | 0.255 | 0.190 |
| 19X6 | -0.093 | -0.117 | -0.014 | -0.101 | -0.156 |
| 19X5 | 0.032 | 0.083 | 0.032 | 0.153 | 0.142 |
| 19X4 | 0.096 | 0.123 | 0.045 | 0.113 | 0.187 |
| 19X3 | 0.118 | 0.142 | 0.066 | 0.134 | 0.206 |
| 19X2 | -0.072 | -0.139 | 0.054 | -0.170 | -0.076 |
| 19X1 | 0.166 | 0.235 | 0.071 | 0.240 | 0.224 |
| Return | 0.0282 | 0.0403 | 0.0373 | 0.0798 | 0.0654 |
| Variance | 0.009 | 0.020 | 0.001 | 0.021 | 0.023 |
| Beta | 0.6207 | 0.9127 | 0.1379 | 0.6991 | |
| Rho correlation | 0.65 | 0.94 | 0.96 | 0.82 | |

- Rank the performance of these portfolios using the Sharpe and Treynor techniques.
- Consider the Jensen method of ranking portfolios' relative to the market. What is the overall performance of each fund relative to the market?
- Which funds had the most unsystematic risk during the evaluation period? Explain.
- Which funds had the most systematic risk during the evaluation period? Explain.
- What is the percentage of variance that is explained and unexplained by the market?
- Which fund would you suggest for a prospective investor? Give reasons.

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Third Semester MBA Degree Examination
November/December 2007

BUSINESS ADMINISTRATION

3M1: Marketing Research and Consumer Behaviour

Time : 3 Hours

Max. Marks : 75

Note : Answer all sections.

SECTION A (1x15=15 marks)

(Compulsory)

1. Discuss the nature and scope of marketing research.

SECTION - B (5x9=45 marks)

Note : Answer any FIVE questions. Each question carries Nine marks.

2. Explain the need to use multiple sources of secondary data and describe single source data.
3. What do you mean by unstructured questionnaire? What are its advantages and disadvantages?
4. What are ordinal scale and nominal scale? What statistical techniques can be used with nominal scale?
5. In what ways the study of consumer behaviour is linked to the development of marketing strategies.
6. Discuss the role of social and behavioural sciences in developing the consumer decision making model.
7. Explain the tri component model of attitude.
8. What do you mean by cognitive dissonance? How do consumers reduce it?
9. Explain the factors that influence the buying decision process.

SECTION - C (1x15=15 marks)

(Compulsory)

10. Case study

Marshall and company was a company carrying on business in cosmetics and perfumes. They were not following the marketing concept and were catering to a target market which was using their products. They concentrated on what they would make and did not bother about change in preferences of their target market.

Contd... 2

They were later joined by Mr. Martin, a marketing graduate who advised the company regarding the changing preferences and the changes that were necessary to be incorporated in the product. He emphasized upon the income factors and social factors. He modernized the product and invested about 30 lacks on new packaging etc. Even after six months of these changes brought about by him, the company did not see a proportionate increase in sales.

The Assistant Manager and the product manager were not very happy with the changes and thought that although an effort has been made in the right direction. Some important factors concerning consumer behavior have been neglected.

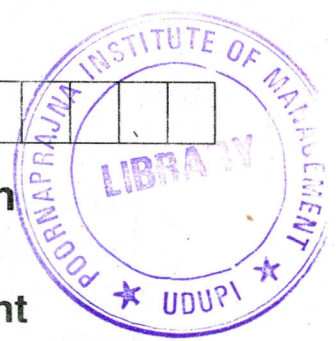
Posers

- 1) Do you agree with the assistant and product managers and why?
- 2) What other factor, if any, could have been considered?

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Third Semester MBA Degree Examination
November/December 2007

3M2: Promotion and Distribution Management

Time : 3 Hours

Max. Marks : 75

SECTION A (1x15=15 marks)

(Compulsory)

1. Critically evaluate the economic, social and ethical issues associated with advertising.

SECTION - B (5x9=45 marks)

Note : Answer any FIVE questions. Each question carries Nine marks.

2. How does the marketing strategy affect the type of advertising used?
3. Why is an analysis of sales personnel needs so important? How should sales management use this analysis?
4. How are sales training needs related to the salesperson's career cycle? Discuss.
5. Define advertising agency. What criteria would you use in selecting an ad. agency?
6. What is sales forecasting? Relate sales forecasting to product life cycle.
7. What do you mean by Supply Chain Management? What are its uses and limitations?
8. Why is it important for promotion planners to understand consumer behaviour?
9. What approaches are used in determining budget? Discuss the advantages and disadvantages of each method.

SECTION - C (1x15=15 marks)

(Compulsory)

10. **Case study: Analyse the following case and answer the posers given at the end.**

Mohan was a sales supervisor with a stationery company with around a dozen salesman reporting to him. He led a Bohemian life-style and was fond of good things in life. Mohan had been appointed a supervisor on the strength of his seniority. He lacked the other qualities of a supervisory position. When he was a salesman he was on blackslapping terms with some of his customers while some others felt intimidated by him. He obtained results by hook or crook. As a supervisor, he treated his subordinates as his minions. He expected the subordinates to pander to his ego

Contd... 2

and keep him in good spirits. He wanted to be wined and dined at the cost of his subordinates. His selling effort was minimal. He wanted his subordinates to foot the bill of his journeys. He wanted them to provide him a pack of cigarettes every now and then. At the end of the day, he wanted a treat with a sumptuous meal and liquor.

Such behavior on the part of Mohan had its negative effect on his subordinates. They got demoralized. Some left out of disgust. A few who continued in absence of an alternative opportunity worked resentfully. All this affected sales adversely.

Mohan was identified as the key to the problem. He was replaced by a new supervisor. But what went wrong because of Mohan would no be so easy to mend.

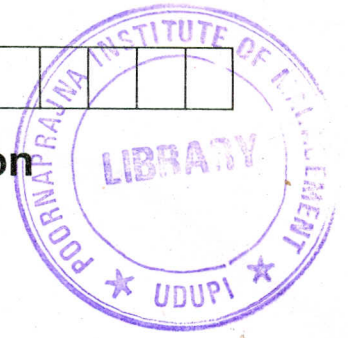
Posers:

1. Could the subordinates have corrected the behavior of Mohan?
2. What steps can the organization take to undo the damage caused by the tenure of Mohan?

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Third Semester MBA Degree Examination
November/December 2007

Subject: Business Administration
3H1: HUMAN RESOURCE DEVELOPMENT

Time : 3 Hours

Max. Marks : 75

Note : Answer all sections

SECTION A (1X15=15 marks)

(Compulsory)

1. What is meant by "Professional intellect"? Discuss with examples the ways in which it could be developed and leveraged to create value in the organization.

SECTION - B (5x9=45 marks)

Note : Answer any FIVE questions. Each question carries Nine marks.

2. Discuss the new roles that HR professionals have to play in the age of new competition.
3. Differentiate between 'Performance Appraisal' and 'Performance Management'? Explain briefly the performance management cycle.
4. How are HDRs different from earlier development reports of UNDP?
5. What are spider web structures? How do they facilitate creation of value?
6. Discuss the mechanisms of Organizational Learning.
7. Discuss briefly the stages in the 'Career Development Cycle'?
8. What is empowerment? Explain briefly the different ways in which an organization can empower its employees?
9. Explain the concept of 'High-Commitment Work Systems'.

SECTION - C (1x15=15 marks)

(Compulsory)

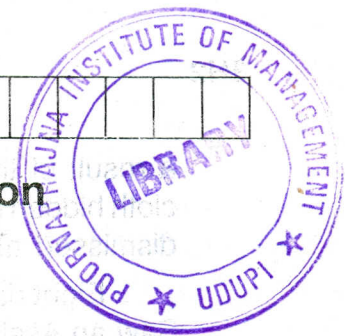
10. Trans hotels and comforts co. is a twenty year old organization catering to boarding and lodging requirements of the customers in some select cities of Karnataka. The company has always considered that providing good food and comfortable stay to the customers is at the centre of its business. To do this, it followed lifetime employment policy and a traditional compensation policy of salary and bonus. The employees are loyal but have not really upgraded their skill inventory for years now. The systems, processes, and technology have remained the same as they proved good for all these years. However, the company is pushed to the wall now in the light of emerging new competition in the hospitality sector. The company decides that something drastic must be done to reposition the company in the new competitive market. It approaches you for solution. As an HRD specialist what would be the main issues of your focus in attempting a solution? What problems would you encounter from the employees while attempting a solution? What pragmatic OD programs would you think of? Elaborate your answers.

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Third Semester MBA Degree Examination
November/December 2007



3H2: INDUSTRIAL RELATIONS

Time : 3 Hours

Max. Marks : 75

Note : Answer all sections

SECTION A (1X15=15 marks)
(Compulsory)

1. Present an overview of the emerging trends in union-management relations in India.

SECTION - B (5x9=45 marks)

Note : Answer any FIVE questions. Each question carries Nine marks.

2. "Although collective bargaining is slowly fading." Do you think it can be made effective today and tomorrow? Defend your answer.
3. Briefly discuss the role of CIL and Nasscom in building good and harmonious industrial relations.
4. Examine the role played by ILO in improving the work environment in industrial settings through its conventions across the world.
5. Compare the radical perspective with the unitary system as approaches of the industrial relations system.
6. Explain briefly the role of central government in managing industrial relations in Indian enterprises.
7. Discuss in brief the Jamshedpur experiment in the field of WPM.
8. Narrate the major challenges faced by IR managers in the current situation in the country.
9. Bring out the contribution of Mahatma Gandhiji to the labour movement in India.

SECTION - C (15 marks)

10. **Case study: Analyse the case and answer the posers given at the end.**

Quality textiles printers, Ahmedabad, conducts business in high quality printing of superfine textiles. It has a good reputation in the market. It employs about 400 workers and works three shifts a day. There is no union in the plant. The chief executive of the firm is the General Manager who is assisted by three Shift Managers, Supervisors and Assistant Supervisors.

For the past two months, the General manager had been receiving frequent complaints from the shift managers that pieces of customers' cloth were missing from the plant and that they could not account for the losses. The General Manager took a serious view of the losses for it meant not only payment of damages to the customers but also the company's reputation in the market. He, therefore, ordered a close search of workers at the time of their leaving the work place for home. As

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a result of these searches, a couple of workers were caught with small pieces of cloth hidden inside of their dress. They were chargesheeted for theft and subsequently dismissed after the domestic inquiry.

Eight days back, during lunch interval, Vishwanath, a worker in the folding dept. Saw an Assistant Supervisor taking a piece of cloth and putting it in his brief case. Vishwanath immediately reported the matter to the shift Manager. The Shift Manager came to the department and found the piece of cloth in the brief case of the Assistant Supervisor. Without any discussion, he asked the Assistant Supervisor to see him in his office. A week passed. The concerned Assistant Supervisor continued to attend to his work.

During this period, the Assistant supervisor threatened Vishwanath that the latters' "days here are numbered". This upset Vishwanath. He approached the Shift Manager and enquired of him as to what action was taken against the Assistant Supervisor. The shift Manager curtly replied "I am thankful to you for whatever you did; but it is none of your business to know what action we are taking against him. Remember that after all, he is your officer." Vishwanath felt irritated, but left the Shift Manager's office without a word.

On the same day, when a watchman was about to search Vishwanath while he was leaving the plant, Vishwanath shouted at the watchman saying, "I will not allow myself to be searched unless the officers are also searched. They are the real thieves." The watchman detained Vishwanath at the gate and reported the mater to the General Manager, who called Vishwanath to his office. On being questioned by the General Manager, Vishwanath told him all about the piece of cloth in the Assistant Supervisor's brief case and the subsequent event and repeated what he had said to the watchman. The General Manager, there upon asked him angrily, "Do you mean to say that we are thieves?" Vishwanath replied, " You can take it that way, if you like." The general Manager recorded the incident along with Vishwanath's signature on it.

Next day, before entering the company's gate, Vishwanath was served with a dismissal order for his "act of in-subordination and indecent behaviour which he had admitted in writing."

Posers:

1. What was the root cause triggering the events in the case?
2. What defects would you note in the orders made by the General Manager to prevent theft of cloth?
3. What changes could have occurred in the situation had there been a trade union in the unit?
4. What were the failures on the part of the shift Manager?
5. How far was Vishwanath to blame in the case?

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