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301

Third Semester M.B.A. Degree Examination, Nov./Dec. 2010
MANAGEMENT ACCOUNTING
(Regular and Repeaters)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Note : Answer any two questions. Each questions carries 12 marks. (2×12=24)

1. Examine the importance of management accounting in managerial decision making.
2. Discuss the importance of cost of capital. How do you use the different components of cost of capital and the weighted average cost of capital in decision making ?
3. Discuss the methodology involved in estimating the working capital for a manufacturing company.

SECTION – B

Note : Answer any three questions. Each question carries 12 marks. (3×12=36)

4. Define a 'Flexible Budget'.

The expenses budgeted for production of 10,000 units in a factory are furnished below :

	Per Unit
	Rs.
Materials	70
Labour	25
Variable Overheads	20
Fixed Overheads (Rs. 1,00,000)	10
Variable Expenses (Direct)	5
Selling Expenses (10% Fixed)	13
Distribution Expenses (20% fixed)	7
Administration Expenses (Rs. 50,000)	5
Total cost of sale per unit (to make and sell)	155

Prepare a budget for the production of :

- a) 8,000 units b) 12,000 units and c) 6,000 units

Assume that administration expenses are same for all levels of production.

P.T.O.



5. The budgeted results of X Ltd., include the following :

Sales of products	Amount (In Rs. Lakhs)	Variable Costs as % of sales value
A	5.00	60%
B	4.00	50%
C	8.00	65%
D	3.00	80%
E	6.00	75%
	26.00	65.77%

Fixed costs for the period are Rs. 9 lakhs. You are required to :

- i) Produce a statement showing the amount of profit/loss expected.
 - ii) Recommend a change in sales volume of each product which will eliminate the expected loss assuming that sale of only one product can be increased at a time.
6. The financial statements of Good luck Limited for the year 2007 reveal the following information.

Ratio of Current Assets to Current Liabilities	1.75 to 1
Liquidity Ratio (debtors and bank balances to current liabilities)	1.25 to 1
Issued Capital in Equity Shares of Rs. 10 each	Rs. 1,20,000
Net current assets (as over current liabilities)	Rs. 60,600
Fixed assets (net block) – percentage of shareholders equity as on the closing date	60%
Gross Profit - Percentage of Turnover	20%
Annual rate of Turnover of Stock (based on cost on 31 st December, 2007)	5.76 times
Average rate of outstanding debtors for the year 2007	2 months
Net profit-percentage on issued share capital	16%



On 31st December, 2007, current assets consisted of stock, debtors and bank balances.

You are required to construct, in as much details as possible.

- i) Balance Sheet as on 31st December, 2007 and,
- ii) The Trading and Profit and Loss Account for the year ended 31st December, 2007 (Workings should be clearly shown to from part of the answer).

7. A company is considering two mutually exclusive projects. Both require an initial cash outlay of Rs. 10,000 each, and have a life of five years. The company's required rate of return is 10 percent and pays tax at a 30 percent rate. The projects will be depreciated on a straight-line basis. The before taxes cash flows expected to be generated by the projects are as follows.

Before-tax Cash Flow (Rs.)					
Project	1	2	3	4	5
A	4,000	4,000	4,000	4,000	4,000
B	6,000	3,000	2,000	5,000	5,000

Calculate for each project :

- 1) the payback
- 2) the average rate of return
- 3) the net present value and profitability index, and
- 4) the internal rate of return.

Which project should be accepted and why ?

8. Assume that a company is operating under resource constraints and demand constraints. It is a multi product company. Assuming the cost and revenue numbers for the products formulate the linear programming problems for such a company. Show the objective function and constraint functions for profit maximization.



SECTION – C

Note : Compulsory :

(1×15=15)

9. From the following balance sheet of Alpha Ltd. Make out (1) statement of changes in the net working capital, and (2) funds flow and cash flow statements.

Balance Sheet

Liabilities	2001	2002	Assets	2001	2002
Equity share capital	3,00,000	4,00,000	Goodwill	1,00,000	80,000
8% Redeemable Preference Capital	1,50,000	1,00,000	Land and building	2,00,000	1,70,000
Capital reserve	–	20,000	Plant	80,000	2,00,000
General reserve	40,000	50,000	Investments	20,000	30,000
Profit and loss account	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	Cash in hand	15,000	10,000
Bills payable	20,000	16,000	Cash at bank	10,000	8,000
Liabilities for expenses	30,000	36,000	Preliminary expenses	15,000	10,000
Provision for taxation	40,000	50,000	Suspense A/c	20,000	30,000
Total	6,77,000	8,17,000	Total	6,77,000	8,17,000

Additional data :

- i) A piece of land has been sold out in 2002 and the profit on sale has been credited to capital reserve.
- ii) 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 2002.
- iii) The investments are trade investments; Rs. 3,000 by way of dividend is received including Rs. 1,000 from pre-acquisition profit which has been credited to investment account.
- iv) An interim dividend of Rs. 20,000 has been paid in 2002.

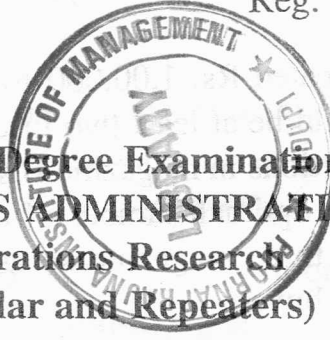


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302

Third Semester M.B.A. Degree Examination, Nov./Dec. 2010
BUSINESS ADMINISTRATION
Operations Research
(Regular and Repeaters)



Time : 3 Hours

Max. Marks : 75

SECTION – A

Note : Answer **any two** questions. **Each** question carries **12** marks. **(2×12=24)**

1. Discuss the various stages involved in the methodology of operations research.
2. Explain the basic structure and components of a queuing system.
3. Discuss Monte Carlo simulation. Illustrate how would you use it in situations of queuing and inventory control.

SECTION – B

Note : Answer **any three** questions. **Each** question carries **12** marks. **(3×12=36)**

4. A company is considering three magazines for releasing its advertisements. The relevant data are given here :

	Magazines		
	A	B	C
Readers	100,00,000	60,00,000	40,00,000
Prospective buyers for the product	10%	15%	7%
Cost per advertisement (Rs.)	10,000	5,000	6,000

P.T.O.



The company has allocated Rs. 1,00,000 for magazine advertising. It has also decided that there should be at least two insertions each in magazines A and C, and the number of insertions in magazine B should not exceed five. Formulate it as a LPP. Find out the optimal number of advertisements which the company should release for the three magazine so as to have the maximum exposures among the prospective buyers.

5. A company has three factories A, B and C and four distribution centres W, X, Y and Z. The transportation cost per tonne, monthly production at three factories and the monthly demand are given below :

From	To				Monthly Production in tonnes
	W	X	Y	Z	
A	3	2	7	6	5000
B	7	5	2	3	6000
C	2	5	4	5	2500
Monthly demand (in tonnes)	6000	4000	2000	1500	

Suggest the optimal transportation schedule. What will be the minimum transportation cost ?

6. Solve the following "two-person, zero-sum" game :

		Player B's Strategies		
		B ₁	B ₂	B ₃
Player A's strategies	A ₁	6	11	8
	A ₂	9	5	9
	A ₃	7	8	8



7. Recently, a market research team has conducted a survey of consumer buying habits with respect to three brands of shampoo in an area. It estimates that, at present, 20 percent of the customers buy brand A, 50 percent of the customers buy brand B and 30 percent of them buy brand C. In addition, the firm has analysed its survey data and has determined the following brand switching matrix.

Brand Just Bought	Brand Next Bought		
	A	B	C
A	0.6	0.3	0.1
B	0.4	0.5	0.1
C	0.2	0.1	0.7

What will be expected distribution of customers two time periods later ?

8. A finance manager is considering drilling a well. In the past, only 70% of wells drilled were successful at 20 meters depth in that area. Moreover, on finding no water at 20 mts., some persons in that area drilled it further up to 25 mts. but only 20% struck water at that level. The prevailing cost of drilling is Rs. 500 per metre. The finance manager estimated that in case he does not get water in his own well, he will have to pay Rs. 15,000 to buy water from outside for the same period of getting water from the well. The following decisions are considered :

- i) Do not drill any well
- ii) Drill up to 20 metres and
- iii) If no water is found at 20 mts., drill further upto 25 mts.

Draw an appropriate decision tree and determine the finance manager's optimal strategy.



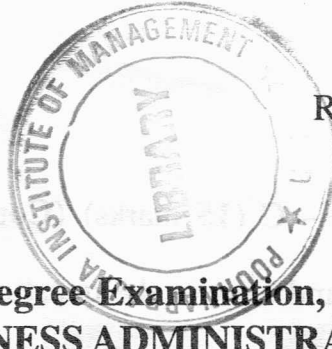
SECTION – C

Compulsory.**(1×15=15)**

9. The following data relate to a project :

Activity	Activity time (Days)		Activity Cost (Rs.)	
	Regular	Crash	Regular	Crash
1 – 2	7	6	700	750
1 – 3	8	6	650	750
2 – 4	9	7	800	900
2 – 5	11	8	1600	1800
3 – 5	8	5	750	1000
3 – 6	10	7	1900	2100
4 – 7	12	10	1200	1300
5 – 7	13	11	1300	1400
6 – 7	14	10	1500	1800

- a) Draw the network, find the critical path and duration of the project (minimum as well as regular).
- b) If the project manager wants to reduce the completion time to 25 days, which activities would be required to be crashed and by how much ? What shall be the cost involved ?



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303

Third Semester M.B.A. Degree Examination, November/December 2010
BUSINESS ADMINISTRATION
Human Resource Management
(Regular and Repeaters)

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A (15 marks)
Compulsory

1. Identify the factors that the influencing Human Resource Management in new age organisations. Discuss the emerging roles of a HR professional.

SECTION – B

(5×9=45)

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

2. "Performance appraisal is not merely for appraisal but is for accomplishment and improvement of performance". Discuss.
3. Identify the causes for accidents in the factory. What steps should be taken to ensure industrial safety ?
4. Define Employee Grievance and explain the Grievance Redressal Mechanism in Companies.
5. Briefly explain the different Training Techniques.
6. Discuss the importance of Job Analysis in organization.
7. Explain in brief the various selection techniques which are widely used in India. Comment on the reliability and validity of these techniques.
8. Critically examine the components of a compensation package in organized industry in India.
9. "An organization cannot attract competent employees today without a competitive benefit programme". Do you agree ? Why ?

P.T.O.

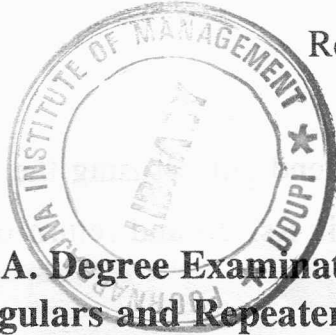
**SECTION – C (15 marks) (Compulsory)**

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

Mr. Prasad, science graduate, joined Infosys Ltd., as a salesman in 1990. During the first five years, his performance was outstanding. In order to develop his career, he thought of taking two years study leave and completed an M.B.A from the University. He made oral and written request to the Managing Director for promotion. There was no response from the MD. Mr. Prasad continued his job for three years and stopped requesting the MD. The MD eventually found that the performance of Mr. Prasad started declining from 2002. He offered a number of incentives and also warned him on several occasions. But there was no sign of improvement in the performance of Mr. Prasad.

Questions :

- a) Analyse the situation.
- b) Discuss your view on the concept of career development and career path.
- c) What would be your action if you were
 - i) the MD and
 - ii) Mr. Prasad ?



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3F1

Third Semester M.B.A. Degree Examination, Nov./Dec. 2010
(Regulars and Repeaters)
BUSINESS ADMINISTRATION
Strategic Financial Management and Policy

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

Note : Answer any two questions. Each question carries 12 marks. (2×12=24)

1. Elucidate the basic financial decisions. How do they involve in risk return trade off ?
2. Discuss the stages in venture capital financing.
3. Explain the motives for mergers and acquisitions. Do mergers result in synergy ?

SECTION – B

Note : Answer any three questions. Each question carries 12 marks. (3×12=36)

4. Explain the importance of corporate tax planning.
5. Describe the sources of new project ideas.
6. Determine the price of a call option on a share that does not pay dividend.

Current market price is Rs. 70

Strike price is Rs. 90

Time to expiration 6 month

Stock price variance 0.25

Risk free interest rate 0.06.

P.T.O.



7. Explain the Gordon's dividend policy using the following information :

Cost of equity 11%, EPS is Rs. 20 and return on investments 12%, 11% and 8%.

8. Consider the following information for a company :

EBIT Rs. 20 lakhs.

PBT Rs. 5.5 lakhs.

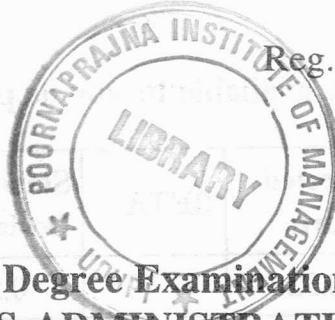
Fixed cost Rs. 12.5 lakhs.

Calculate the percentage change in EPS if sales increased by 8%. Comment on your result.

SECTION – C

Compulsory : (1×15=15)

9. Firm L and Firm U are in the same risk class and are identical in every respect except that Firm L is levered and Firm U is unlevered. Firm L is 10%, Rs. 5 lakhs debentures outstanding. Both firms earn 20% return on their total asset of Rs. 10 lakhs. Assume a corporate tax rate of 40% and pure equity capitalization rate of 15%. Compute the cost of capital and value of the firm using NI approach. Explain your results.



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3F2

Third Semester M.B.A. Degree Examination, Nov./Dec. 2010
BUSINESS ADMINISTRATION
Security Analysis and Portfolio Management
(Regular and Repeaters)

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

(2×12=24)

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

1. Describe the factors influencing the investment decision in a security.
2. Distinguish between new issue market and secondary market. Is their role complementary or competitive ?
3. What are the imperfections that are plaguing the Indian market ? What measures would you suggest to make them efficient ?

SECTION – B

(3×12=36)

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

4. Using security systematic and unsystematic risk, demonstrate the selection of optimal portfolio by a rational investor.
5. What do you mean by fundamental analysis ? How does fundamental analysis differ from technical analysis ?

P.T.O.



6. The following data are available to you as 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 ? Why ?

7. Stock P and Q display the following return over the past two years.

Year	Return on Stock P (%)	Return on Stock Q (%)
2009	12	14
2010	18	20

- What is the expected return on portfolio made up of 40 percent P and 60 percent Q.
- What are the standard deviations of each stock ?
- What are the covariance of stocks P and Q ?
- Determine portfolio risk of a portfolio made up of 40 percent P and 60 percent Q.



8. The following stocks are available for investment.

Stock	Beta
Rebok	1.40
Topaz	0.80
Yummy	0.60
Kotak	1.80
Yahoo	1.05
Srive	0.9

- a) If you invest 20 percent of your funds in each of first four securities and 10 percent in each of the last two, what is the beta of your portfolio ?
- b) If the risk free rate is 8 percent and the expected returns on the market portfolio is 14 percent, what will be portfolio's returns ?

SECTION – C
(Compulsory)

(1×15=15)

9. Consider the following data for a particular sample period :

	Portfolio (Z)	Market (N)
Average return	13%	11%
Beta	1.1	1
Std. Deviation	20%	17%
Unsystematic Risk	10%	0%

Determine the performance measure for portfolio Z and Market N under.

- a) Sharpe
- b) Jensen
- c) Treynor
- d) Information Ratio and
- e) M² measure

The risk free rate during the period is 6 percent. By which measure the portfolio out performs the market.



Third Semester M.B.A. Degree Examination, Nov./Dec. 2010

HUMAN RESOURCE DEVELOPMENT

(Regular and Repeaters)

Time : 3 Hours

Max. Marks : 75

SECTION – A

(1×15=15)

1. "Culture of an organisation and of an individual must exist to serve and to sub-serve one and another". Elucidate this statement.

SECTION – B

(5×9=45)

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

2. Bring out the economic significance of human development index.
3. How do you structure HRD departments ? Explain with suitable examples.
4. Explain various methods used to recognize the learning needs of individuals.
5. What do you mean by role analysis ? Bring out its importance.
6. Do you think employee participation is used in Indian enterprises to improve the industrial relations ? Explain.
7. Critically explain the HRD practices in Panchayatraj systems.
8. Briefly describe the various objectives of organisational development.
9. Describe the process of HR audit.



SECTION – C

(1×15=15)

(Case Study)

Compulsory :

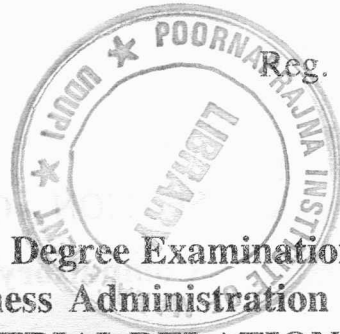
10. Padmaja has been employed for six months in the accounts section of M/s. Godavari Polymers, manufacturing company in Hyderabad. You have been her supervisor for the past three months. Recently you have been asked by the management to find the contributions of each employee in the Accounts Section and monitor carefully whether they are meeting the standards set by you.

A few days back you have completed your formal investigation and with the exception of Padmaja all seem to be meeting the targets set by you. Along with numerous errors, Padmaja's work is characterized by low performance - often she does 20 percent less than the other clerks in the department.

As you look into Padmaja's performance review sheets again, you begin to wonder whether some sort of remedial training is needed for people like her.

Questions :

- a) As Padmaja's supervisor, can you find out whether the poor performance is due to poor training or to some other cause ?
- b) If you find Padmaja has been inadequately trained, how do you go about introducing a remedial training programme ?
- c) If she has been with the company six months, what kind of remedial programme would be best ?
- d) Should you supervise her more closely ? Can you do this without making it obvious to her and her co-workers ?
- e) Should you discuss the situation with Padmaja ?



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3H2

Third Semester M.B.A. Degree Examination, Nov./Dec. 2010
Business Administration
INDUSTRIAL RELATIONS
(Regular and Repeaters)

Time : 3 Hours

Max. Marks : 75

*Note : Answer all Sections.***SECTION – A****(1×15=15)****Compulsory**

1. Elaborate the various I R models with suitable examples.

SECTION – B**(5×9=45)**

Answer any five questions. Each question carries nine marks.

2. Explain the process of collective bargaining.
3. Describe the different methods for achieving employee participation.
4. What are the legal provisions for settling industry disputes in India ? Suggest measures how to strengthen the settlement of industrial disputes.
5. Bring out the recent trends in trade union movement in our country.
6. What are the causes of poor industrial relations in India ? Explain.
7. Write an explanatory note on pluralistic v/s unitary approach.
8. Explain the settlement procedure of industrial disputes.
9. What impact do unions have on employers and employees in settlement of grievances ?

P.T.O.



SECTION – C

(1×15=15)

Compulsory

Case Study :

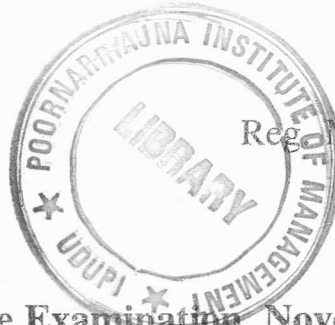
10. ABC Engineering Ltd. is employing about 6000 employees and has a record of healthy industrial situation over the last 15 years. The employees have their own internal union which has been recognized by the company. The union leadership is quite aware of employee's rights and obligations and been working for the welfare of the organization as well as of the employees. However, due to internal squabbles the atmosphere is disturbed and also election are due in time.

On 20th December 1999 it was reported that two of the employees one of whom is elected as a representative of union in material receiving section have taken Rs. 500 from supplier for unloading the material in time. The eye-witness to the incident has submitted his written report to the personnel manager on the same day.

During the preliminary investigation it was pleaded that amount of Rs. 500 was given by the supplier as a compliment to the workman concerned as christmas gift and they did not demand any time from him. As per prevailing practices, management has been taking serious cognizance of such incidence of bribe including theft etc. The union has not supported any employee indulging in such act in the past. However, due to certain recent developments this incidence has become a prestige issue and union is pressurizing the management not to take any drastic action against the employees.

Questions :

- 1) Is the union justified in pressurizing the management in not taking any drastic action ?
 - 2) Analyse the case and suggest a suitable course of action.
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3M1

Third Semester M.B.A. Degree Examination, November/December 2010
MARKETING RESEARCH AND CONSUMER BEHAVIOUR
(Regular and Repeaters)

Time : 3 Hours

Max. Marks : 75

SECTION – A

(1×15=15)

Compulsory :

1. "Consumer research is an integral part of marketing research". Discuss.

SECTION – B

(5×9=45)

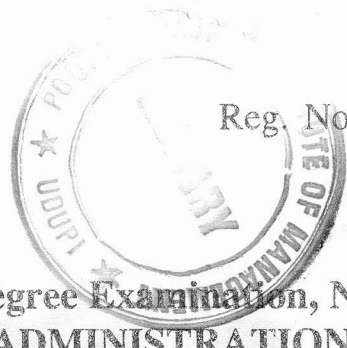
Note : Answer any five questions. Each question carries 9 marks.

2. Discuss the nature of attitudes, attitudinal change, behavioral change and their implications on framing marketing strategies.
3. Describe the steps involved in planning and executing a marketing research project.
4. Examine the influence of social and cultural factors on the buyer behavior.
5. What are the essential features of a good marketing research report ? What factors influence its formulation ?
6. Discuss the major components of consumer behavior.
7. Discuss the various types of research designs and their suitability in marketing research.
8. What are the steps you would take in constructing a questionnaire ? Explain them briefly.
9. Discuss the nature and characteristics of Indian Consumer buying process.

SECTION – C (15 marks)

Compulsory :

10. An international Health Care business company is intended to start a Hi-tech, super speciality hospital in your city. What are steps to be followed before starting the project ? You are expected to prepare feasibility report as their marketing consultant.
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3M2

Third Semester M.B.A. Degree Examination, Nov./Dec. 2010

BUSINESS ADMINISTRATION

Promotion and Distribution Management

(Regular and Repeaters)

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections

SECTION – A

(1×15=15)

1. What factors a sales manager should consider while selecting a mix of motivational tool ? Explain briefly the different motivational tools that are available to the sales managers.

SECTION – B

(5×9=45)

Answer **any five** questions. Each question carries 9 marks.

2. Explain the selling process.
3. What are the main considerations to be kept in view in the media selection ? Explain.
4. What is an advertising agency ? Why do advertisers use the services of an ad agency ?
5. What criteria would you use for evaluating performance of channel members ?
6. Explain the recent trends in supply chain management with suitable examples.
7. Explain the advertising strategies to be adopted for competing in herbulent FMCG market.
8. What are the methods used for establishing the advertising budget ? Explain.
9. Describe the role of public relations and explain the methods of public relations.

SECTION – C

(1×15=15)

(Compulsory)

10. Shine-well lighting system is a company making electric bulbs and tube lights. Design a channel system for the company.
-