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401

IV Semester M.B.A. Degree Examination, May 2012
(Regular and Repeaters)
BUSINESS ADMINISTRATION
Strategic Management

Time : 3 Hours

Max. Marks : 75

SECTION – A
(Compulsory)

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

1. Discuss the nature of the interrelationship that exists between the formulation and implementation of strategies with examples.

SECTION – B

Note : Answer any **five** questions. Each question carries **9** marks and answer should **not** exceed **five** pages. (5×9=45)

2. How can Indian organisations deal with the myriad elements in the regulatory frame work while implementing their strategies ?
3. How are SBU-level strategies linked to corporate level strategies ? Discuss the issues that are relevant for strategic decision making.
4. Describe the essential characteristics of a mission statement. In what different ways can a mission statement be formulated ?
5. Differentiate clearly between the external and internal components of environment. Explain ETOP analysis.
6. How to determine organisational capability ? Explain the technique of 'Balanced Score Card'.
7. When is a divestment strategy necessary ? What approaches could be employed to adopt a divestment strategy ?
8. Describe the contents of a good and workable strategic plan for a large business group or a public sector enterprise in India.

P.T.O.



SECTION – C
(Compulsory)

9. Case Analysis :

(1×15=15)

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

Changing tastes and preferences of customers, upward mobility, rising disposable income, availability of a variety of products and services, lifting of the quantitative restrictions on imports, and increasing exposure to international standards have led to a retail revolution in India. The Mumbai-based Akbarallys is conscious of these developments.

A pioneer of the concept of shopping under one roof. Akbarally Ebrahimji set up a 300-sq. ft. drug store in 1987 that today has metamorphosed into a sprawling retail chain. There are five department stores at different locations in Mumbai generating sale of more than Rs. 50 crore. The 32 counters stock more than 20,000 products ranging from electronic goods to garments.

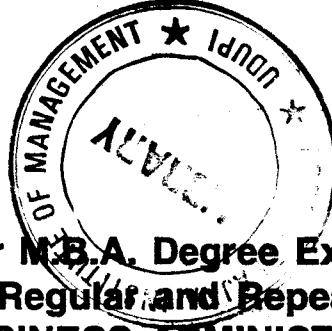
The strong points of the retail chain are the range of products offered and convenient locations that are overshadowed by its cramped and shoddy interiors and poor service. But recent makeover in decor and managerial actions at enhancing employee skills and merchandising offer scope for improving the profitability, Focus is on stocking products like garments that have a higher margin as compared to food and drugs that do not. Competition is imminent from local retail brands and international chains contemplating entry into India. A strategic option is to go in for franchisee arrangements in major metropolitan cities. The aim is to establish a mall as an anchor store surrounded by well-known retailers. Another project is to set up the Akbarally Institute of retailing, affiliated to the University of Bombay.

The business is managed wholly by the three Khorakiwala brothers and their children. The second-generation family members are professionally trained in management. The senior positions are manned by professionals. Besides retailing, the family is also into furniture centres in Mumbai. Its other business that is better known is Wockhardt, a leading pharmaceutical company.

The challenge before the family business is to keep changing itself to remain on the top.

Questions :

- 1) Analyse the retailing operations from the view point of strategic management.
 - 2) Do you feel that the organisation is geared to face new challenges ? Explain.
 - 3) What needs to be done additionally to secure continued success ?
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Reg. No.

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402

Fourth Semester M.B.A. Degree Examination, May 2012
(Regular and Repeaters)
BUSINESS ADMINISTRATION
International Business Environment

Time : 3 Hours

Max. Marks : 75

SECTION – A
(Compulsory)

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

1. "International investment is simply an extension of classical trade". Discuss.

SECTION – B

Note : Answer **any five** questions : **Each** question carries **9** marks. Answer to each question should **not** exceed **five** pages. **(5×9=45)**

2. Explain Ethnocentric, polycentric and geocentric multinational firms.
3. "The success of all alliances seems to be a function of three main factors, Partner Selection, Alliance Structure, and the manner in which alliance is managed". Discuss.
4. Critically evaluate the functioning of WTO.
5. "International Law" is one of the environmental forces influencing international business. Identify the areas of concern for a MNC in its interface with international laws.
6. Discuss briefly the cost and benefits of FDI to the home country.
7. Discuss the components of BOP. Cite relevant examples.
8. Write a brief note on recent European Debt crisis.
9. How 'Political Ideologies' and 'State Control' impact the international business ? Illustrate your answer.

P.T.O.



SECTION – C
(Compulsory)

10. Case

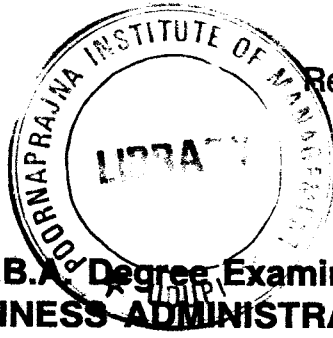
(1×15=15)

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

Pakistan's President visited India in April 2012, the first official visit one leader of the wary neighbours has paid to the other nation in seven years. No breakthroughs were announced, but both sides hailed the meeting as a sign of easing tensions along one of the world's most dangerous borders. This year, India and Pakistan approved a most-favoured-nation agreement, lowering taxes that impede trade. Although India had offered this benefit to Pakistan in 1996, it wasn't reciprocated until recently. Zardari had delivered a message that the ruling Pakistan Peoples Party (PPP) has a year-and-a-half left to complete its tenure and if there has to be a movement forward in improving bilateral ties, it should be done within this time frame. While Zardari's trip to India has given an impression that the Pakistan President has the freedom and confidence to undertake this visit, the ground realities continue to be different. The Indian government feels that nothing has changed as far as the links between the Pakistani military establishment and the terror outfits that operate from within the country are concerned.

Questions :

- a) Analyse the impact of Zardari's visit on trade between India and Pakistan.
 - b) What is significance of MFN status to India ?
 - c) Why Pakistan is reluctant to give MFN status to India ? Explain.
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Reg. No.

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403

IV Semester M.B.A. Degree Examination, May 2012
BUSINESS ADMINISTRATION
Entrepreneurship Development and Small Business

Time : 3 Hours

Max. Marks : 75

SECTION – A
(Compulsory)

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

1. "Entrepreneurship is most often described in terms of starting a new venture, not buying an existing one". Critically analyse the statement.

SECTION – B

Note : Answer any five of the following. Answer to each question should not exceed five pages. (5×9=45)

2. Explain how entrepreneurship has influenced economic development and productivity in recent years.
3. Explain the concepts of 'Windows' and 'Corridors' for new ventures. Describe the main factors that lead to success for new ventures.
4. Describe the emerging ways corporations are encouraging entrepreneurship.
5. Explain the major components of an effective feasibility plan.
6. Describe the model for product development as it relates to the general paradigm for creativity.
7. What are the requirements for a successful patent grant ? Explain the major steps in obtaining a patent.
8. Describing merchandising. What factors that are critical for retailing success ?
9. Explain the major elements of a marketing plan. Elaborate the primary growth strategies employed by entrepreneurs.

P.T.O.



SECTION – C
(Compulsory)

10. Case Study :

(1×15=15)

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

Founder Ken Blake incorporated Serendipity Enterprises, Inc. (SEI), in 1986 to take advantage of changes in the tax code. Prior to that time, SEI had been a sole proprietorship, owned and operated by Blake, a skilled printer. The enterprise evolved from a printing business in the late 1970s to become a fast-growing desktop publishing company when it was incorporated. Blake's personal skills in printing, type-setting and graphics were enhanced by several key employees with computer skills. Examples of recent SEI contracts include the graphic illustration and typesetting of a complicated chemistry book for a major publisher and creating an integrated algebra course using software and student manuals for high schools.

By incorporating, Blake found he could properly write off expenses for business use no longer allowed for a proprietorship under the 1986 tax revision. Personal health insurance, business travel expenses and certain interest charges, for example, were treated as corporate expenses and deductions. He also established a modest salary for himself, taxable as personal income and allowed business profits to be appropriately allocated to corporate earnings.

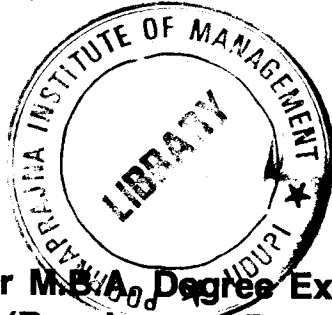
The major reason for incorporating, however, was to protect his family. A dispute over property in 1985 when Serendipity was still a sole proprietorship had resulted in a serious lawsuit and although he won the suit, he realized that had the decision gone the other way, his family assets would have been at risk. With the business growing, there was a higher risk of litigation and Blake decided to separate business and personal assets.



Shortly after incorporating, Blake also found that he had cancer. The cancer was caught early and its spread arrested, but it gave him pause to think of how the business would be controlled in his absence. He was still a young man in his early 40s and he had three sons. His oldest son, a junior in college, had worked in the business for several years and was skilled at desk-top work as well as graphics development. Blake's staff included an office manager and several excellent employees, but no one who could take over as the head of a corporation. Aside from management issues, Blake wondered how he could protect his family's interests. His wife and sons were minority stockholders, having acquired stock at incorporation from assets that were transferred to the company. Nevertheless, Blake realized that if he died suddenly, there would be a succession problem and he wondered what would happen to his stock.

Questions :

- 1) Describe the possible advantages and disadvantages for Blake by incorporating. Could a proprietorship have been more advantageous ?
 - 2) Explain the problems faced by entrepreneurs for succession. In Blake's situation, what are his options ?
 - 3) What other forms of business could Blake have chosen ? Explain the possible advantages and disadvantages of each.
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4 F 3

Fourth Semester M.B.A. Degree Examination, May 2012
(Regular and Repeater)
BUSINESS ADMINISTRATION
Financial Services (Elective – III)

Time : 3 Hours

Max. Marks : 75

SECTION – A
(Compulsory)

(2×12=24)

Note : Answer any two questions. Each question carries 12 marks. Answer to each question should not exceed six pages. Scientific calculators, statistical and mathematical tables and present value and future value tables are allowed.

1. "It is said that insurance industry has now becoming buyers dominated from sellers dominated. Do you agree with this ? Examine on impact of opening up of insurance sector on product, quality and services while analyzing the emerging trends in insurance industry.
2. Outline the per-issue and post-issue management activities of Merchant bankers relating to issues of capital through prospects:
3. "Services are intangibles; however, they are connected in products. Do you agree with statement ? Analysis fund based financial services in India.

SECTION – B

(3×12=36)

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

4. Explain :
 - a) Global Depository Receipts.
 - b) American Depository Receipts.
 - c) Treasury Bills.
 - d) Commercial Papers.

P.T.O.



5. "Rating is indicative but not conclusive evidence of solvency. It simply refers but does not communicate the accuracy". How do you react to this statement ? And also explain the credit rating process of ICRA.
6. Critically examine the functions of central bank and commercial banks.
7. The following are the details related to an investment proposal of the Hypothetical Industrial Ltd. (HIL) :
 - Investment outlay, Rs. 180 lakhs.
 - Useful life, 4 years.
 - Net Salvage value after rate of depreciation, 40%.

The HIL has two alternatives to choose from to finance the investment :

Alternative 1 : Borrow and buy the equipment. The cost of capital of the HIL, 0.12 ; marginal rate of tax, 0.35 ; cost of debt, 0.17 per annum

Alternative 2 : Lease the equipment from the Hypothetical Leasing Ltd. on a 3 year full payout basis @ Rs. 444/- Rs. 1,000 payable annually in arrear. The lease can be renewed for a further period of 3 years at a rental of Rs. 18/-, Rs. 1,000 payable annually in arrear.

Which alternative should the HIL choose ? Why ?

8. Hypothetical Leasing Ltd. (HIL) has under consideration a lease proposal. Its post tax cost of funds is 14% and it has to pay Central Sales Tax @ 10% of the basic price of the capital equipment on inter-state purchases. The marginal tax rate of the HLL is 35%. The details of the proposal lease are given below :
 - Primary lease period, 3 years.
 - Tax relevant depreciation, 40% on written down basis (with other assets in the block).



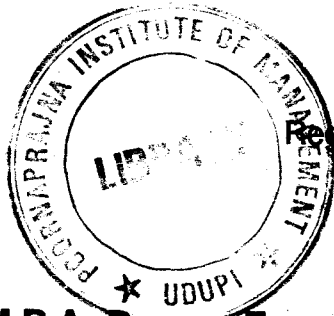
- Residual value, 8% of the original cost.
 - a) If the monthly lease rentals are collected in advance, what is the minimum lease rental the HLL should charge for per Rs. 1,000 for the lease ?
 - b) What is minimum monthly lease rental for the lease proposal costing Rs. 660 lakh (including Central Sales Tax @ 10%).

SECTION – C

(1×15=15)

(Compulsory)

9. Under a purchase deal structured by the Hypothetical Finance Ltd. (HFL), the HFL offers to provide 100% finance to the HIL at a flat rate of interest of 13%. The HIL has to invest 20% of the investment cost as fixed deposit with the HFL during the hire-purchase period of three years at 15% compounded monthly. The repayment has to be made in 36 monthly installments in arrear. Compute the Effective Rate of Interest (ERI)/Annual Percentage Rate (APR) on an investment cost of Rs. 1,000.
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4 F 4

Fourth Semester M.B.A. Degree Examination, May 2012
BUSINESS ADMINISTRATION
International Financial Management

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

(2×12=24)

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

1. What are the features of different exchange rate regimes ?
2. Discuss the working capital management techniques that an MNC can use.
3. Discuss the different methods of transfer pricing and their consequences.

SECTION – B

(3×12=36)

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

4. Suppose that the following quotes are received for spot, one-month, three-month, and six-month Euros (€).

Spot	One-month	Three-months	Six-months
1 € : \$ 1.3276-85	15-12	20-16	40-32
1 € : Rs. 67.7780-95	10-16	17-27	25-40

- a) Express all the above quotations on an outright basis and compute the bid-ask spreads.
- b) Which of the above currencies are showing the premium/discount to the spot rates ?
- c) You read in the financial press that the different currencies have different bid-ask spreads. Discuss the factors that influence these spreads.

P.T.O.



5. The following transaction (expressed in U.S. \$ billions) take place during a year. Calculate the U.S. merchandise-trade, current account, capital account and official reserve balances.
- The United States exports \$ 450 of goods and receives payment in the form of foreign demand deposits abroad.
 - The United States imports \$ 337.5 of goods and pays for them by drawing down its foreign demand deposits.
 - The United States pays \$ 22.5 to foreigners in dividends drawn on U.S. demand deposits here.
 - American tourists spend \$ 45 overseas using traveler's cheque's drawn on U.S. banks here.
 - American buy foreign stocks with \$ 90 using foreign demand deposits held abroad.
 - The U.S. government sells \$ 67.5 in gold for foreign demand deposits abroad.
 - In a currency support operation, the U.S. government uses its foreign demand deposits to purchase \$ 12 from private foreigners in the United States.
6. Two countries, the United States and India, produce only one good, wheat. Suppose the price of wheat in the United States is \$ 1.25 and in India it is Rs. 40.
- According to the law of one price, what should the \$: Rs. spot exchange rate be ?
 - Suppose the price of wheat over the next year is expected to rise to \$ 1.50 in the United States and to Rs. 45 in India. What should the one year \$: Rs. forward rate be ?
 - If the U.S. government imposes a tariff of \$ 0.25 per kg. on wheat imported from India, what is the maximum possible change in the spot exchange rate that could occur ?
7. A U.S. importer has Euro 5,00,000 to make payment to a German exporter in 120 days. Suppose the option premium is \$ 0.03 and exercise price is \$ 1.32 per Euro. Suppose on the day the payment falls due the different possible values of Euro are : \$ 1.12, 1.16, 1.18, 1.20, 1.22, 1.24, 1.25, 1.26, 1.28, 1.30, 1.32, 1.34, 1.35, 1.36, 1.38, 1.40, 1.45.
- Find the position of U.S. importer who has bought European call option Workout his profits/losses for all the above rates scenarios.
 - Find the position of the seller of the call option in (a) above.
 - What lessons can an importer learn from the above analysis ?
8. Discuss the factors that influence the capital flows and flight.

SECTION - C

(1×15=15)

Note : Compulsory :

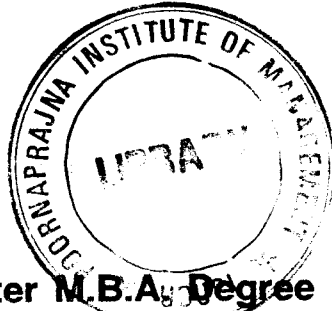
9. India Textiles Limited (ITL), an India-based multinational company, is evaluating an overseas investment proposal. ITL's exports of textile products have increased to such an extent that it is considering a project to build a plant in the U.S. The project will entail an initial outlay of \$ 2,500 million and is expected to generate the following cash flows over its four year life.

Years	1	2	3	4
Cash flow (in million \$ after taxes)	750	1000	1250	1500

The current spot exchange rate is Rs. 45 per U.S. dollar, the risk-free rate in India is 10 per cent and the risk-free rate in the U.S. is 4 per cent and these are rates observed in the financial markets.

ITL's required rupee return on a project of this kind is 16 per cent.

- a) Should ITL undertake this project ?
 - b) Compute the relevant evaluation criteria and show the calculations to substantiate your answer.
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Reg. No.

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4 M 3

Fourth Semester M.B.A. Degree Examination, May 2012
BUSINESS ADMINISTRATION
International Marketing Management
(Elective – III)

Time : 3 Hours

Max. Marks : 75

Instruction : Answer all Sections.

SECTION – A

(1×15=15)

(Compulsory)

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

1. Enumerate the strategic alternatives with regard to product planning for exports and explain the process of product adaptation using a product and export market of your choice.

SECTION – B

(5×9=45)

Note : Answer **any five** of the following questions. **Each** question carries **9** marks.
Answer to the question should **not** exceed **5** pages.

2. Critically examine the comparative cost theory and factor endowment theory.
3. What is the economic basis of international trade ?
4. Why do the exporters require pre-shipment finance ? Discuss and explain the procedure for obtaining pre-shipment finance.
5. What is the underlying difference between Principal Documents and Auxiliary Documents ?
6. What are the facilities available to recognised trading houses and star trading houses ?

P.T.O.

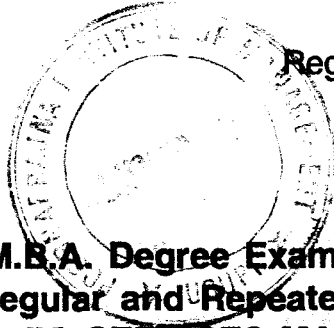


7. Explain in detail the different types of L/Cs and the categories of exporters who demand them ?
8. Briefly explain the import and export procedure.
9. Explain briefly the main channels of distribution used in export markets.

SECTION – C**(1×15=15)**

Note : Answer to the question should not exceed 6 pages.

10. Develop a pricing model for social marketing products like birth control products. Such product marketing attracts political intervention in terms of price controls, retailing and product distribution. How can a multinational company make adjustments to such government pressures and yet generate profit ?



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4 M 4

**Fourth Semester M.B.A. Degree Examination, May 2012
(Regular and Repeater)
(Elective – IV) SERVICES MARKETING**

Time : 3 Hours

Max. Marks : 75

SECTION – A

(1×15=15)

Note : This is a **compulsory** question and carries **15** marks. Your answer to this question should **not** exceed **six** pages.

1. Discuss the factors that have been responsible for the growth of services sector at the global level.

SECTION – B

Note : Answer **any five** questions : **Each** question carries **9** marks. Answer to **each** question should **not** exceed **five** pages. **(5×9=45)**

2. In what way the marketing mix for services is different ? Explain with reference to hotel industry.
3. Who are Jay customers ? How can they be handled ? Explain with appropriate examples.
4. What marketing concepts would you keep in mind if you are given the marketing manager's post for the Mutual Funds of your Company ?
5. Taking the example of a full service hospital, explain the concept and role of physical evidence.
6. Discuss the consumer decision making process with reference to travel industry.
7. Distinguish between private and public health care services marketing in India.
8. Explain the concept of zone of indifference with reference to health care services.
9. Explain the segmentation strategy for IT based educational services. Illustrate your answer.

P.T.O.



SECTION – C

(1×15=15)

Note : This is a **compulsory** question and carries **15** marks. Your answer to this question should **not** exceed **six** pages.

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

The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later, the bank received its charter and was re-designated as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921.

But this creation was preceded by years of deliberations on the need for a 'State Bank of India'. What eventually emerged was a 'half-way house' combining the functions of a commercial bank and a quasi-central bank.

The establishment of the Reserve Bank of India as the central bank of the country in 1935 ended the quasi-central banking role of the Imperial Bank. The latter ceased to be bankers to the Government of India and instead became agent of the Reserve Bank for the transaction of government business at centres at which the central bank was not established. But it continued to maintain currency chests and small coin depots and operate the remittance facilities scheme for other banks and the public on terms stipulated by the Reserve Bank. It also acted as a bankers' bank by holding their surplus cash and granting them advances against authorised securities. The management of the bank clearing houses also continued with it at many places where the Reserve Bank did not have offices. The bank was also the biggest tenderer at the Treasury bill auctions conducted by the Reserve Bank on behalf of the Government.

The Establishment of the Reserve Bank simultaneously saw important amendments being made to the Constitution of the Imperial Bank converting it into a purely commercial bank. The earlier restrictions on its business were removed and the bank was permitted to undertake foreign exchange business and executor and trustee business for the first time.



The Imperial Bank during the three and a half decades of its existence recorded an impressive growth in terms of offices, reserves, deposits, investments and advances, the increases in some cases amounting to more than six-fold. The financial status and security inherited from its forerunners no doubt provided a firm and durable platform. But the lofty traditions of banking which the Imperial Bank consistently maintained and the high standard of integrity it observed in its operations inspired confidence in its deposits that no other bank in India could perhaps then equal. All these enabled the Imperial Bank to acquire a pre-eminent position in the Indian banking industry and also secure a vital place in the country's economic life.

When India attained freedom, the Imperial Bank had a capital base (including reserves) of Rs. 11.85 crores, deposits and advances of Rs. 275.14 crores and Rs. 72.94 crores respectively and a network of 172 branches and more than 200 sub offices extending all over the country.

In 1951, when the First Five Year Plan was launched, the development of rural India was given the highest priority. The commercial banks of the country including the Imperial Bank of India had till then confined their operations to the urban sector and were not equipped to respond to the emergent needs of economic regeneration of the rural areas. In order, therefore, to serve the economy in general and the rural sector in particular, the All India Rural Credit Survey Committee recommended the creation of a state-partnered and state-sponsored bank by taking over the Imperial Bank of India, and integrating with it, the former state-owned or state-associate banks. An Act was accordingly passed in Parliament in May 1955 and the State Bank of India was constituted on 1 July 1955. More than a quarter of the resources of the Indian banking system thus passed under the direct control of the State. Later, the State Bank of India (Subsidiary Banks) Act was passed in 1959, enabling the State Bank of India to take over eight former State-associated banks as its subsidiaries (later named Associates).

The State Bank of India was thus born with a new sense of social purpose aided by the 480 offices comprising branches, sub offices and three Local Head Offices inherited from the Imperial Bank. The concept of banking as comprised of banks who were mere repositories of the community's savings and lenders to credit worthy parties, was soon to give way to the concept of purposeful banking subserving the growing and diversified financial needs of planned economic development. The State Bank of India was destined to act as the pacesetter in this respect and lead the Indian banking system into the exciting field of national development.



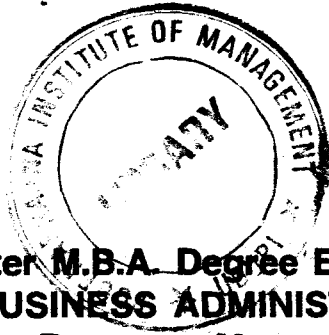
Its first concerted and cohesive competitors were the 19 nationalised banks. They were nationalised in 1969, as an attempt by Mrs. Indira Gandhi to give herself a socialistic image. She continued this policy of nationalisation in her second coming, in 1980 by including six more banks. These 25 nationalised banks now had agenda similar to those of the Government.

But with liberalisation in 1991, pressures on the banking systems to perform, be efficient and have lower NPAs (Non Performing Assets) were increasing. There were more stringent norms for compliance, especially after the stock-market scam of 1992.

A new threat came after 1995 when a slew of private sector banks were given license to practise banking. ICICI Bank, Times Bank, HDFC Bank, UTI Bank, IDBI Bank, IndusInd Bank etc. There was swift growth and the inevitable consolidation in terms of mergers and acquisition. The new private sector banks resorted to ATMs, net banking, and other technological processes and marketed themselves on "convenience banking". These players took away a lot of the business from the old players, especially SBI. Ironically, the new banks also started "stealing" the officers from public sector banks. A major victim was SBI. Its famed Probationary Officers, comparable to the IAS in competence and background, were perfect poaching material. SBI started to lose its external as well as internal customers !

Questions :

- 1) How would SBI cope with the challenges of new private banks ?
 - 2) Would a new consultancy advice from McKinsey, wherein they suggest changes in organization structure, be fit to face the new competitive environment ?
 - 3) How should SBI concentrate on its internal customers ?
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4 H 3

Fourth Semester M.B.A. Degree Examination, May 2012
BUSINESS ADMINISTRATION
Global Human Resource Management (Elective – III)

Time : 3 Hours

Max. Marks : 75

SECTION – A
(Compulsory)

(1×15=15)

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

1. Evaluate the impact of national traits and characteristics that affect the method of recruitment, selection, reward and communication in an organisation.

SECTION – B

Note : Answer **any five** questions from the following. Answer should **not** exceed **five** pages. **(5×9=45)**

2. Compare and contrast the skills of US managers with their European counterparts.
3. Why is 360-degree feedback necessary in MNCs⁺ ? Explain briefly the steps involved in the process of 360-degree technique.
4. Briefly discuss the primary dimensions on cultural differences as advanced by Geert Hofstede.
5. As a Global Head – HR, how do you design a good mentoring system ? Explain.
6. Outline the merits and demerits of geo-centric approach to staffing followed by the global companies.
7. Critically examine the HRD and personnel policy aspects of Japanese management.
8. Sketch briefly the labour relations practices in West Germany.
9. Justify the utility of 'Market Rate Approach' employed in designing international compensation plans.

P.T.O.



SECTION – C
(Compulsory)

15

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

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

One of the best known companies worldwide is McDonald's Corporation. The fast food chain, with its symbol of the golden arches has spread from the United States into 91 countries. With over 18,000 restaurants worldwide, McDonald's serves 33 million people each day. International sales are an important part of McDonald's business, and over 50 percent of the company's operating income results from sales outside the United States. To generate these sales, McDonald's employs over one million people, and by 2,000, McDonald's had grown to over two million employees.

Operating in so many different countries means that McDonald's had to adapt its products, services, and HR practices to legal, political, economic, and cultural factors in each of those countries. A few examples illustrate how adaptations have been made. In some countries, such as India, beef is not acceptable as a food to a major part of the population, so McDonald's uses lamb or mutton. To appeal to Japanese customers, McDonald's has developed teriyaki burgers. Separate dining rooms for men and women have been constructed in McDonald's restaurants in some Middle East Countries.

HR practices also have had to be adapted. Before beginning operations in different countries HR professional at McDonald's research Centre determine how HR activities must be adjusted. One method of obtaining information is to contact HR professional some other US firms operating in the country and ask them questions about laws, political factors, and cultural issues. In addition, the firm conducts an analysis using a detailed outline to ensure, that all relevant



information has been gathered. Data gathered might include what employment restrictions exist on ages of employees and hours of work, what benefits must be offered to full-time and part-time employees and other operational requirements. For instance, in some of the former communist countries in Eastern Europe, employers provide locker rooms and showers for their employees. These facilities are necessary because shower facilities, and even consistent water supplies, are unavailable in many homes, particularly in rural areas around major cities.

Once a decision has been made to begin operations in a new country, the employment process must begin. Often, McDonald's is seen as a desirable employer, particularly, when its first restaurant is being opened in a country. For instance, in Russia, 27,000 people initially applied to work at the first Moscow McDonald's, which currently has over 1,500 employees. Because customer service is so important to McDonald's recruiting and selection activities focus on obtaining employees with customer services skills. For worker positions, such as counter representative and cashier, the focus is to identify individuals who will be friendly, customer service-oriented employees. A "trial" process whereby some applicants work for a few days on a conditional basis may be used to ensure that these individuals will represent McDonald's appropriately and will work well with other employees.

For store managers, the company uses a selection profile emphasizing leadership skills, high work expectations and management abilities appropriate to a fast-paced restaurant environment. Once applicant screening and interviews have been completed, individuals are asked to work upto a week in a restaurant. During that time both the applicants and the company representatives evaluate one another to see if the job "fit" is appropriate. After the first group of store managers and assistant managers are selected, future managers and assistant managers are chosen using international promotions based on job performance.



Once the restaurants are staffed, training becomes crucial to acquaint new employees with their jobs and the McDonald's philosophy of customer service and quality. McDonald's has taken its Hamburger University curriculum from the United States and translated it into 22 different languages to use in training centres throughout the world.

Once training has been for trainers and managers, they then conduct training for all employees selected to work at McDonald's locations in the Foreign Countries.

Questions :

- 1) Identify cultural factors that might be important in a training programme for food handlers at McDonald's in Saudi Arabia.
 - 2) Rather than focusing on the differences, what similarities do you expect to exist among McDonald's customers and employees in both the United States and abroad ?
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IV Semester M.B.A. Degree Examination, May 2012
LABOUR LAWS
(Elective – IV)

Time : 3 Hours

Max. Marks : 75

SECTION – A
(Compulsory)

(1×15=15)

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

1. The Factories Act, 1948 makes stringent provisions, particularly with regard to length of working hours, in regard to women and young persons. Explain with relevant sections.

SECTION – B

(5×9=45)

Note : Answer any **five** questions. Each question carries **9** marks and answer should **not** exceed **five** pages for each question.

2. What are the provisions of Workmen's Compensation Act, 1923 with regard to distribution of compensation ?
3. State the general provisions regarding benefits under the Employee's State Insurance Act, 1948.
4. How is the Provident Fund Scheme administered under the Employees' Provident Funds and Miscellaneous Provision Act, 1952 ?
5. What are the rights and obligations of employees under the payment of Gratuity Act, 1972 ?
6. Elucidate briefly the procedure for fixing minimum wages. What is the composition of such minimum rate of wages ?
7. Give a typical calculation showing net profit, determination of gross profit, available surplus, allocable surplus and bonus paid to employees of a company.

P.T.O.



8. Discuss the Industrial Dispute Settlement Authorities under the Industrial Dispute Act, 1947.
9. What are the privileges and responsibilities of a registered trade union ? Explain.

SECTION – C
(Compulsory)

(1×15=15)

10. Case Analysis :

Note : Answer should not exceed six pages.

“Vikram Industries” is an Engineering establishment situated in Ballard Estate (Fort Area) Bombay. It has 14,800 workmen employed in first shift between 8 A.M. to 4 P.M. This is a major shift and known as General Shift.

These workmen of Vikram Industries report for work, from distant places such as Kalyann, Borivali and also Karjat which are miles away from the place of Railway (Sub-Urban services) and by BEST buses (BEST is the local municipal bus transport organisation). Some also travel by petrol-driven vehicles, or their own bicycles. A small number staying in the surrounding areas of the factory report for duty on foot.

On 22nd July, 1989, there was a very heavy down pour, which is not uncommon, in Bombay. Vast areas were submerged under water. Central and Western sub-urban railway services therefore were completely dislocated. As a result of the heavy rains, train services were suspended between 7 A.M. and 8.30 A.M. BEST buses were less frequent and in some areas there was no bus service at all. A few time keepers who somehow managed to attend and took attendance. It was found that out of the total complement (14,800), 4000 attended in time, 2600 attended two hours late, 4800 attended 4 hours late and the remaining i.e. 3400 did not attend.

As was obvious neither the management or the workmen were responsible for the aforesaid happening and the trade union, operating in the establishment requested the management to deal sympathetically with the employees. They requested that since it was beyond the control of workmen, even those who could not attend should not be marked ‘absent’.

The Union leader had produced a certificate from railway authorities and also BEST authorities about complete dislocation between 7 A.M. and 8.30 A.M. and a partial dislocation till 2 P.M.



As will be seen from the case, 4000 employees worked for the whole day, another section of 4800 worked only for four hours and still another section of 2600 worked for six hours and 3400 did not report for duty at all. The issue was how to adjust the wages for the day.

The General Manager called a meeting of the officers to discuss the issue. It was found that a good number of Officers who stayed in long-distant sub-urbs or were staying in remote areas could not also attend to work. Some of the Officers who participated in the meeting opined that 'no work-no pay' should be the only principle and at best the only thing the management should do is not to take any disciplinary action as such. Others expressed different views and there was no near-consensus even in the meeting. The General Manager adjourn the meeting without coming to any decision.

Relations between the management and the three unions operating in Vikram Industries were generally satisfactory. Only one of the three unions which had mainly clerical staff as its members had a legalistic approach in all matters and was not easily satisfied.

General Manager needs your expert assistance.

Questions :

- 1) If you are the General Manager of the establishment, how would you deal with the workmen who attended two hours late, four hours late and those who failed to attend because of heavy rains and non-availability of public transport ?
 - 2) Which legislation helps the General Manager to resolve the problem ?
In what way ?
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