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551

**Fourth Semester M.B.A. Degree Examination, May/June 2013**  
**BUSINESS ADMINISTRATION**  
**Strategic Management**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**  
**(Compulsory)**

**(1×15=15)**

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

1. Critically comment on the use of corporate portfolio analysis for examining the objective factors involved in exercising a strategic choice.

**SECTION – B**

**(5×8=40)**

**Note :** Answer **any five, each** question carries **8** marks. Answer to the question should **not** exceed **five** pages.

2. What is the significance of a mission statement ? Explain the characteristics of a good mission statement.
3. Discuss differentiation and diversification strategies with suitable examples.
4. Elaborate the rationale for restructuring by organisations.
5. Discuss the strategic decisions related to international entry modes.
6. What are the major themes in strategy implementation ? Explain.
7. Explain Michael Porter's approach to defining generic competitive strategy.
8. Critically evaluate the strategic control and evaluation process.
9. Briefly discuss the importance of BPR and TQM in strategic management.

P.T.O.





## SECTION – C

## (Compulsory)

(1×15=15)

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

10. Case analysis :

Synergos<sup>#</sup> is a young management and strategy consulting firm based at Mumbai. It was established in 1992 at a time when there were a lot of expectations among the industry people from the liberalization policies that were started the previous year by the Government of India.

The consulting firm is an entrepreneurial venture started by Urmish Patel, a dynamic person who worked with a multinational consulting firm at the time. He left his comfortable position there to venture into the management consultancy industry. The motivation was to be 'the master of his won destiny' rather than being an employee working for others. Urmish comes from an upper middle-class Gujarati family, settled in a small town in Rajasthan. His father was a government servant who retired with a meagre pension. His mother is a housewife. His other siblings are all educated and well-settled in their respective careers and professions. Urmish is a creative individual, uncomfortable with the status-quo. During his student days at a college at Jaipur, he was continually coming up with bright ideas that some of his friends found to be preposterous. To him, however, these were perfectly achievable ideas. He studied biotechnology and then went to the US on a scholarship to do his masters. After a semester at a well-known university there, he lost interest and switched to pursue an MBA. He liked it and soon settled down to work with an American consultancy firm and toured several countries on varied assignments during the seven years he worked there.

In 1992 came the urge to Urmish to chuck his job and be on his own. It was a risky, yet an exciting step to take. His accumulated capital was limited just enough to rent office space, buy a few computers and hire an assistant. There were no consultancy assignments for the first three months. But an acquaintances soon came to his aid, introducing him to the CFO of a major family business group who needed advice on a performance improvement project they wanted to launch. The opportunity came in handy though the returns were nothing to write home about. That project was the first step to many more that came gradually. Synergos started gaining presence in the competitive management consultancy industry and attracting attention from the people whom they worked for. Word-of-mouth publicity led them from one project to another for the first three years till 1995. Synergos took up whatever came its way, delivering a cost-effective solution to its clients. A team of four had formed by now, each member of the team specialising in services rendered to the clients. For instance, one of the members is a specialist in engineering projects, while another has expertise in finance. The third one is a service sector specialist, also having experience in dealing with government matters.





The phase of rapid growth started some time in 1995 when the Synergos team decided to focus on the small and medium enterprises (SMEs). These were firms that realised they had problems needing specialist advice, but were apprehensive to approach the big firms on account of their limited outlay and inexperience of dealing with such firms. Synergos came to their aid by tailoring their services as near as possible to their needs. Another differentiation platform Synergos offered to its client was a fully-integrated consultancy service where it got involved right from the stage of planning down to its implementation and monitoring.

Presently, Synergos has grown to be a medium sized consultancy firm, serving clients in India and abroad, working for industries ranging from auto components to financial services and for manufacturing organisations to service providers. Some how, nearly half of the assignments it has worked on have been for mid-sized, upcoming, family-owned businesses, a niche it has served well. These organizations typically need a boutique sort of consultancy that can offer customised services dealing with a broad range of practices related to strategy, organisation design, mergers and acquisitions and operational matters such as logistics operational matters such as logistics and supply-chain management. Synergos fits in with their requirements owing to its personalised service and reasonable commission structure.

The organisational structure at Synergos has a board at the top, consisting of seven people, including the four founding members and three independent directors. One of the independent directors is the chairman of the board. Urmish, as the founder CEO, also heads an executive management committee with each of the founding members, leading three other top-level committees dealing with business portfolio, service management and executive recruitments.

The management team is called the professional group. The rest of the employees are referred to as the staff. The professional group has young women and men who are graduates from some of the best institutions in India and abroad. They are assigned to taskforces based on their qualifications, experience and interest. The departmentation at Synergos is flexible, based on an interplay of the three categories: skill, service and specialty. For instance, a professional may have IT skills, may have worked to provide supply-chain management services and developed expertise in handling operational assignments for medium-sized food and beverage firms. There is a lot of multi-tasking however, to utilise the wide range of skills and special expertise that the professionals have. For administrative matters, the professionals are assigned to client-service departments of industry solutions enterprise solutions and technology solutions. The flexibility that such an organisational arrangement affords seems to have been the major reason for the evolution of the organisation structure at Synergos over the years.

The staff group of employees consists of the support people who provide a variety of services to the professionals. Among these are research assistants, industry analysts, documentation experts and secretarial staff. There is no set pattern for assignment of staff to the administrative departments and generally, a need-based approach is followed, depending on the workload at a particular time.





Recruitment for professionals is stringent. Synergos typically looks for a good combination of education and experience and lays much emphasis on the compatibility of the prospective employee with the shared values. Creativity, broad range of professional interest, intellectual acumen, team-working and physical fitness to undertake demanding tasks and work for long hours are the criteria for hiring. There are not many training opportunities except the on-the-job learning. New professionals are assigned to a mentor for some time till they are ready to handle assignments autonomously. The staff members are usually recruited from fresh graduates, with good degrees from reputed institutions, in arts, sciences and commerce. The staff positions are also open for persons wanting to work on part-time or project-bases. Emphasis is given to the ability of the prospective staff to undertake multi-tasking and work with documentation and word processing and presentation software packages.

The compensation system consists of a base salary with commission and bonus depending on performance. There are other usual elements such as medical reimbursement, loan facility and gratuity and retirement benefits. The performance appraisal is informal, with at least one of the four founding members being part of the evaluation committee for a professional. Usually, the founding member closest to the work area of the employee is involved in determining the rewards to be given. The time-cycle for appraisal is one year. Management control is discreet and performance-based rather than behavior-based. The means for control are informal, such as direct supervision.

Urmish is a strong proponent of the emergent strategy and is not in favour of tying Synergos to a fixed strategic posture. So are the other founder members, though at times they do talk about deciding on a niche such as the SME organisations as clients and enterprise solutions as the core competence. In the highly fragmented consultancy industry where it is possible for even one person to set up an office in a commercial area and leverage connections to secure projects, Synergos is open to opportunities as they emerge, while trying to maintain the flexibility that has made it successful till now.

Questions :

- 1) Identify the type of organisation structure being used at Synergos and explain how it works. What are the benefits of using this type of structure? What are the pitfalls ?
- 2) Express your opinion about whether the structure is in line with the requirements of the strategy that Synergos is implementing.
- 3) Based on the information related to the information, control and reward systems available in the case, examine whether these systems are appropriate for the type of strategy being implemented.





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Fourth Semester M.B.A. Degree Examination, May/June 2013  
BUSINESS ADMINISTRATION  
Operations Research

Time : 3 Hours

Max. Marks : 70

## SECTION – A

(2×10=20)

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

1. Explain the uses and limitations of operations research.
2. Describe the procedures of Monte-Carlo simulation.
3. Why is replacement required ? What are the objectives of replacement analysis ?

## SECTION – B

(3×12=36)

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

4. Solve the L.P.P. by graphical method

$$\text{Minimize } Z = -x_1 + 2x_2$$

$$\text{Subject to } -x_1 + 3x_2 \leq 10$$

$$x_1 + x_2 \leq 6$$

$$\text{and } x_1 - x_2 \leq 2, x_1, x_2 \geq 0$$

5. A cashier at a bank taken an average of 3 minutes to serve a person, the service time being exponentially distributed. Customers arrive at his counter in Poisson fashion, the average arrival rate being on customer every 4 minutes. Find
  - a) The probability that there are more than two customers in the queue
  - b) The probability that there is at least a one customer in the queue.
  - c) The probability that there is no one in the customer, and the average time a customer spends in the bank.

P.T.O.





6. Determine an initial basic feasible solution to the following transportation problem using Vogel's approximation method

	Destination					Supply
	A <sub>1</sub>	B <sub>1</sub>	C <sub>1</sub>	D <sub>1</sub>	E <sub>1</sub>	
A	2	11	10	3	7	4
B	1	4	7	2	1	8
C	3	9	4	8	12	9
Demand	3	3	4	5	6	

7. Consider the following pay off matrix with respect to player A and solve it optimally.

	B	
	1	2
A	6	9
	8	4

8. Explain the steps in decision making process.

**SECTION – C**  
**(Compulsory)**

**(1×14=14)**

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

9. An architect has been awarded a contract to prepare plans for an urban renewal project. The job consists of the following activities and their estimated times :

Activity	Description	Immediate predecessors	Time (days)
A	Prepare preliminary sketches	-	2
B	Outline specifications	-	1
C	Prepare drawings	A	3
D	Write specifications	A, B	2
E	Run off prints	C, D	1
F	Have specification	B, D	3
G	Assemble bid packages	E, F	1

- Draw an arrow diagram for this project.
- Indicate the critical path and calculate the total float and free float for each activity.









SECTION – C  
(Compulsory)

10. Answer to the question should not exceed six pages.

In February 2008, Fabio Rosa (Rosa), a social entrepreneur based in Brazil, was awarded The Leapfrog Fund Award sponsored by The Schwab Foundation for Social Entrepreneurship and the Lemelson Foundation. The award recognized Rosa's efforts at providing rural families living in Brazil with access to electricity. About 25 million people lacked access to electricity in Brazil, most of them residing in rural areas as of late 2006. The adverse impact of lack of electricity resulted in high costs of cultivation, lower farm yields, high expenditure on non-renewable and hazardous energy sources, and poor living conditions. Rosa founded a private organisation, Sistemas de Tecnologia Adequada Agroeletró (STA) in 1992 and worked towards his mission of rural electrification. He decided to use solar energy to provide electricity to rural families through STA.

Rosa combined solar energy powered electrical fences with managed grazing technique that improved yields of cattle farmers. He formed a non-profit organization, Instituto Para O Desenvolvimento De Energias Alternativas E Da Auto Sustentabilidade (IDEAAS), in 1997, for extending the benefits of solar energy to low-income families. Rosa started two projects-the sun shines for all (TSSFA) and Quiron. TSSFA catered to those families which could afford solar energy at market rates and Quiron catered to low-income families that could not afford solar energy at market rates. Rosa developed solar home systems, a product that was leased at affordable rents to several rural families. Through Quiron, he developed self-sustainable business models that were to be adopted by low-income families to improve their income levels so that they could afford solar energy at market rates.

Rosa faced challenge of scaling up his business to cover the whole of Brazil and expand to other developing countries. Brazil government's efforts to extend electricity grid to rural areas also posed a threat to Rosa's business model as his customers might discontinue using his products once they were provided with access to grid. Consistent cash flows for minimum of four years were required for his projects to breakeven.

**Questions :**

- How to overcome the challenges faced by social entrepreneurs ?
- Explain the significance of developing sustainable businesses for a social entrepreneur.









## SECTION – C (Compulsory)

(1×15=15)

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

## 10. Case analysis.

The Coca-Cola Company is one of the most successful multinational enterprises. With operations in close to 200 countries and nearly 80 percent of its operating income derived from businesses outside the United States, . Coca-Cola is typically perceived as the quintessential global corporation Coca-Cola, however, likes to think of itself as a “multi-local” company that just happens to be headquartered in Atlanta but could be headquartered anywhere and that presents the Coca-Cola brand with a “local face” in every country where it does business. The philosophy is best summarized by the phrase “think globally, act locally,” which captures the essence of Coca-Cola’s cross-border management mentality. Coca-Cola grants national business the freedom to conduct operations in a manner appropriate to the market. At the same time, the company tries to establish a common mind-set that all its employees share.

Coca-Cola manages its global operations through 25 operating divisions that are organized under six regional groups : North America, the European Union, the Pacific Region, the East Europe/Middle East Group, Africa and Latin America. The corporate human resource management function is charged with providing the glue that binds these various divisions and groups into the Coca-Cola family. The corporate HRM function achieves this in two main ways : (1) by propagating a common human resources philosophy within the company, and (2) by developing a group of internationally minded mid-level executives for future senior management responsibility.

The corporate HRM group sees its mission as one of developing and providing the underlying philosophy around which local businesses can develop their own human resource practices. For example, rather than have a standard salary policy for all its national operations, Coca-Cola has a common salary philosophy- the total compensation package should be competitive with the best companies in the local market. Twice a year the corporate HRM group also conducts a two-week HRM orientation session for the human resource staff from each of its 25 operating divisions. These sessions give an overview of the company’s HRM philosophy and talk about how local businesses can translate that philosophy into human resource policies. Coca-Cola has found that information sharing is





one of the great benefits of bringing HRM professionals together. For example, tools that have been developed in Brazil to deal with a specific HRM problem might also be useful in Australia. The sessions provide a medium through which HRM professionals can communicate and learn from each other, which facilitates the rapid transfer of innovative and valuable HRM tools from region to region.

As much as possible, Coca-Cola tries to staff its operations with local personnel. To quote one senior executive : "We strive to have a limited number of international people in the field because generally local people are better equipped to do business at their home locations". However, expatriates are needed in the system for two main reasons. One is to fill a need for a specific set of skills that might not exist at a particular location. For example, when Coca-Cola started operations in Eastern Europe, it had to bring in an expatriate from Chicago, who was of Polish descent, to fill the position of finance manager. The second reason for using an expatriate is to improve the employee's own skill base. Coca-Cola believes that because it is a global company, senior managers should have had international exposure.

The Corporate HRM group has about 500 high-level managers involved in its "global service programme. Coca-Cola characterizes these managers as people who have knowledge of their particular field, plus knowledge of the company and who can do two things in an international location-add value by the expertise they bring to reach assignment and enhance their contribution to the company by having international experience. Of the 500 participants in the programme, about 200 move each year. To ease the costs of transfer for these employees, Coca-Cola gives those in its global service programme a US-based compensation package. They are paid according to US benchmarks, as opposed to the benchmark prevailing in the country in which they are located. Thus, an Indian manager in this programme who is working in Great Britain will be paid according to US, salary benchmarks - and not those prevailing in either India or Britain. An ultimate goal of this programme is to build a cadre of internationally minded executives from which the future senior managers of Coca-Cola will be drawn.

**Case Discussion Questions :**

- 1) What is Coca-Cola's staffing policy for managerial positions : ethnocentric, polycentric or geocentric ? Does this policy make sense ?
- 2) Analyse the case keeping in the view the Global Human Resource Management at MNC's.

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4H4

Fourth Semester M.B.A. Degree Examination, May/June 2013

**BUSINESS ADMINISTRATION**

**Labour Laws**

**(Repeaters)**

Time : 3 Hours

Max. Marks : 75

SECTION – A

(1×15=15)

**(Compulsory)**

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

1. "The aim of all social security legislation is to provide an environment where there is freedom from economic fear". Critically evaluate the statement in view of ESI Act 1948.

SECTION – B

(5×9=45)

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

2. State the provisions of the Factories Act, 1948 with regard to safety and welfare of the workers.
3. What are the injuries specified in Schedule I to the Workmen's Compensation Act, 1923? What is the percentage of loss of earning capacity resulting there from?
4. Explain the administration of Provident Fund Scheme under the Employee's Provident Funds and Miscellaneous Provisions Act, 1952.
5. Discuss the provisions of the Payment of Wages Act, 1936 relating to imposition of fines on employed persons.
6. Bring out the procedure to fix minimum wages under Minimum Wages Act, 1948. What is the composition of such minimum rate of wages?

P.T.O.





7. Explain and illustrate the rule of 'set on' and 'set off' of all allocable surplus under Payment of Bonus Act, 1965.
8. Explain clearly the machinery that exists under the Industrial Dispute Act, 1947 for the settlement of industrial disputes.
9. What are the rules regarding change of name of a trade union ? What are the privileges of a registered trade union and the Trade Union Act, 1926.

## SECTION – C

(1×15=15)

## (Compulsory)

## 10. Case Analysis.

Ms Pal is retiring from the services of a company after thirty years and nine months. Her present salary is as under :

Basic pay : Rs. 25,000 P.M.

Leased accommodation : Rs. 12,000 P.M.

Conveyance allowance : Rs. 5,500 P.M.

Education for child : Rs. 1,500 P.M.

Driver's allowance : Rs. 5,500 P.M.

**Questions :**

- 1) Calculate the amount of gratuity payable to her.
- 2) Under what circumstances will the employer be within his right to forfeit gratuity payable to an employee ?
- 3) What are the rights and obligations of employees under the Payment of Gratuity Act, 1972 ?





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4 H 4

**Fourth Semester M.B.A. Degree Examination, May/June 2013**  
**BUSINESS ADMINISTRATION**  
**Labour Laws**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**  
**(Compulsory)**

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

1. Enumerate development of labour laws in India during pre and post independence period.

**SECTION – B**

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

2. Analyse the penalty provisions for illegal strikes and lockouts under Industrial Disputes Act, 1947.
3. What are the privileges of a registered trade union under Trade Union Act, 1926 ?
4. What is the procedure for fixing or revising minimum wages under Minimum Wages Act, 1948 ?
5. Who is responsible for payment of wages and when wages are paid to workmen under Payment of Wages Act, 1936 ?
6. When employer's liability for payment of compensation would arise under Workmen's Compensation Act, 1923 ?
7. What are the conditions should be fulfilled by an employee to receive gratuity under Payment of Gratuity Act ?





8. "Contract Labour (Regulation and abolition) Act has eliminated the exploitation of working class" debate.
9. What are the main provisions of Equal Remuneration Act, 1976 ?

SECTION - C  
(Compulsory)

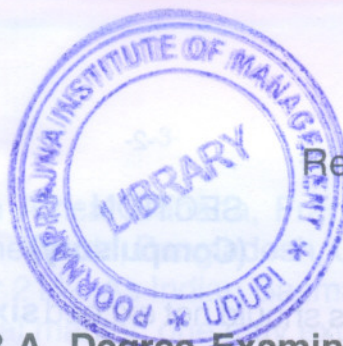
**Note :** Answer to the question should **not** exceed **six** pages.

(1×15=15)

10. Case Analysis :

- a) 12 employed persons acting in concert absent themselves for 2 days without due notice and without reasonable cause. What is maximum amount that may be deducted on account of the absence from duty ? Justify your answer.
- b) A driver of a concrete mixer, while working thereon, found some part of the machine loose which required immediate tightening. In the process of rectifying the defect his thumb and index fingers were cut off. Whether he is eligible for compensation ? Justify your answer under the Workmen's Compensation act 1923.





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4 M 3

Fourth Semester M.B.A. Degree Examination, May/June 2013

**BUSINESS ADMINISTRATION**

**International Marketing Management**

Time : 3 Hours

Max. Marks : 70

SECTION – A

(Compulsory)

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

(1×15=15)

1. Explain the role of multinationals in international marketing with special reference to joint ventures and turn-key projects.

SECTION – B

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

(5×8=40)

2. Discuss the data needed by an international FMCG company for taking marketing decisions. Also discuss how the company should go about collecting the data and using it.
3. Debate on the need and kind of export barriers in the light of foreign exchange control.
4. What do you understand by distribution channels ? Explain your answer in the light of international distribution logistics.
5. Critically examine the export pricing policies and strategies of Government of India over the last decade.
6. List out and explain the principal documents in export documentation.
7. Write short notes on the following :
  - a) Economies of scale
  - b) Licensing agreements
  - c) Service export and import
  - d) Franchising.
8. What do you understand by export product policy in the light of standardisation V/S adaptation ?
9. Examine the operations of the different export financing agencies in India.

P.T.O.





SECTION – C  
(Compulsory)

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

**(1×15=15)**

10. Case Study :

Rice is the most significant staple food of more than 70% of the world's population. The rice belt is distributed geographically over a wide range of conditions between latitudes 45° north to 40° south. However 90% of total area under rice is situated in the wet tropical South and South East Asia. Among the rice growing countries, India has the largest area under rice cultivation in the world, accounting for about 31% of the total area. India is producing about 80 million tons of rice annually. It is also the second largest producer of rice in the world after China.

During the 1990's global rice production expanded at a rate of 1.8% per year, which is marginally above the population growth rate. By the end of the decade, it reached 400 million tons in milled equivalent. Developing countries account for 95% of the total output, with China and India alone responsible for over half of the world output. Most of the increase in 1990's was sustained through productivity gains rather than land expansion.

During the 1990s, the global trade in rice expanded on average by 7% a year to about 25 million tons. Despite such dynamic growth, the international rice market remains thin, accounting for only 5-6% of global output. Unlike other bulk commodities, the international rice market is segmented into a large number of varieties and qualities which are not easily interchangeable because of strong consumer preferences in different parts of the world. Ordinarily *indica* rice is the most commercialised (some 80% of international trade by the end of 1990s) followed by aromatic (basmati and fragrant) rice at 10%, medium rice at 9% and glutinous rice at 1%.

Developing countries are the main players in the world rice trade, accounting for 83% of exports and 85% of imports. The concentration is particularly high on the export side since five countries (Thailand, Vietnam, China, the United States and India) cover about three quarters of the world trade. Basmati rice is the premium quality rice characterised by its long grains and is grown in India and Pakistan. Basmati means 'fragrance of the soil' which is typical to India and Pakistan where it is cultivated. India's export of Basmati rice was US \$ 426.45 million in 2003, which is more or less similar to that in 1999, ie, US \$ 446.03 million. However quantity has grown from 59,7793 metric tons in 1999 to 70,8739 metric tons in 2003. The major market for Indian Basmati rice in 1990 were Saudi Arabia (73%) UK, (9%), Kuwait (5%), UAE (4%) USA (1%), while other countries constituted 8% of India's export in value terms. The direction of India's Basmati rice export has undergone a significant change over the period. The major market in 2003 included Saudi Arabia (52%) UK (10%) Kuwait (8%) USA (5%) UAE (4%)





and others (Yemen, South Africa, Canada, France, Belgium, South Korea, Germany, Italy, Oman, Netherlands, Bangladesh, Qatar, Sweden, Switzerland, China) together account for 21%. As Indian Basmati rice is the most premium variety of rice in International market, one may expect to look for markets with high potential. A firm desirous of exploring opportunities in international markets for exports of Basmati rice needs to carry out careful analysis of the data so as to arrive at meaningful marketing decisions.

India's Major markets for Basmati Rice (Qty : Metric tonnes, Value : US\$ Millions)

Importing Country	1999		2000		2001		2002		2003	
	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val
Saudi Arabia	443001	325.07	396677	244.57	478125	240.91	466096	222.77	366813	217.99
UK	45781	39.9	53081	39.98	111784	66.48	63515	40.66	72544	42.5
Kuwait	31364	21.23	47736	29.1	82763	49.82	65258	41.26	63120	35.8
USA	4982	4.77	16372	16.34	35964	28.47	26855	19.91	30721	21.59
UAE	19991	17.48	32302	23.67	28086	17.92	15287	10.51	27436	17.47

Yemen	2136	1.13	9774	4.44	6164	2.92	14119	6.76	17913	8.39
South Africa	564	0.57	641	0.57	1864	1.42	2108	1.39	9672	7.52
Canada	3320	2.75	2450	1.9	8332	6.51	7126	5.33	9032	6.98
France	8466	6.54	12028	7.78	22140	12.68	9084	4.99	13106	6.81
Belgium	6552	4.78	7513	5.57	8854	5.18	7195	4.1	10712	5.68
South Korea	51	0.05			23	0.01			7002	5.4
Germany	2423	1.82	3677	2.7	8659	5.18	6051	3.67	7765	4.22
Italy	301	0.26	4100	2.41	8439	4.4	6039	3.19	8693	4.18
Oman	6344	4.4	6461	3.74	7186	4.36	2994	1.83	7720	4.1
Netherlands	3574	2.56	4249	2.76	4746	2.67	2724	1.54	5077	4.1
Bangladesh	1649	1.11	1561	1.03	518	0.23	339	0.14	5126	2.08
Qatar	836	0.64	3306	2	2418	1.62	2263	1.46	3189	2.01
Sweden	221	0.18	705	0.5	3940	2.34	4493	2.53	3428	1.91
Switzerland	420	0.35	845	0.56	2289	1.67	369	0.27	3005	1.88
China	41	0.02	6	0.01			21	0.01	2007	1.5

- What do you understand by export product policy in the light of standardisation V/S harmonisation?
- Examine the operations of the different export financing agencies in India.





**Questions :**

- 1) Work out a plan to identify opportunities in international markets for Basmati rice from India.
- 2) Identify top ten markets for Indian Basmati rice on the basis of the following criteria:
  - a) Value
  - b) Quantity
  - c) Unit value realisation
  - d) Annual growth
  - e) CAGR for last five years
- 3) Carry out a critical analysis to make use of the above analysis in identifying international marketing opportunities.
- 4) What are the limitations of your analysis ? Suggest remedial measures to overcome the limitations.

Country	Value (US\$ million)	Quantity (thousand metric tons)	Unit Value (US\$ per metric ton)	Annual Growth (%)	CAGR (%)
Saudi Arabia	52.0	10.0	5.2	10.0	10.0
UK	10.0	2.0	5.0	10.0	10.0
Kuwait	8.0	1.6	5.0	10.0	10.0
UAE	4.0	0.8	5.0	10.0	10.0
USA	5.0	1.0	5.0	10.0	10.0
Other countries	21.0	4.2	5.0	10.0	10.0

The major market for Indian Basmati rice in 1990 were Saudi Arabia (73%), UK (9%), Kuwait (5%), UAE (4%), USA (1%), while other countries constituted 8% of India's export in value terms. The direction of India's basmati rice export has undergone a significant change over the period. The major market in 2003 included Saudi Arabia (52%), UK (10%), Kuwait (6%), USA (5%), UAE (4%)





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4 M 4

Fourth Semester M.B.A. Degree Examination, May/June 2013

BUSINESS ADMINISTRATION

Service Marketing

Time : 3 Hours

Max. Marks : 70

**Note : Answer all Sections.**

SECTION – A

(1×15=15)

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

1. "Growth of service industry can be attributed to the changing life style, changing world, changing industrial economies, population and technology". Elaborate.

SECTION – B

(5×8=40)

**Note :** Answer **any five** questions. **Each** question carries **8** marks. Your answer should **not** exceed **5** pages.

2. Explain the elements of Service Marketing Mix with appropriate examples from hospitality industry.
3. Identify and discuss the distinguishing characteristics of services. What problems do these characteristics present to service marketers ? Illustrate your answer.
4. What are the different dimensions of user costs for services ? Explain with appropriate examples.
5. What are service encounters ? Taking the example of healthcare service discuss the role of customer involvement in it.
6. What are critical incidents ? Explain the concept with reference to a banking service of your choice.
7. What is physical evidence ? Discuss how an insurance marketer can use physical evidence to market his products ?

P.T.O.





8. What are the major dimensions of service quality ? Briefly explain them with reference to tourism industry.
9. Select any government service and explain the marketing challenges involved with it.

## SECTION – C

(1×15=15)

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

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

Premier Courier Ltd. (PCL) is an innovative overnight delivery company that helped change the way companies do business. It was the first company to offer an overnight delivery system, but the company markets more than just a delivery service. What PCL really sells is on-time reliability. The company markets risk-reduction and provides the confidence to people that they be “absolutely, positively, certain their packages will be there by 10.30 in the morning”.

In fact, PCL sells even more than reliable delivery. It designs tracking and inventory management systems for many large companies. In other words, its customers buy more than just delivery service; they buy a solution to their distribution problems. For example, a warehouse designed and operated by PCL is part of the distribution centre for a very large computer firm. In other organizations, customers can place an order for inventory as late as midnight and the marketer, because of PCL’s help, can guarantee delivery by the next morning. PCL has positioned itself as a company with a service that solves its customers’ problems.

Questions :

- a) What is PCL’s product ? What are the tangible and intangible elements of this service product ?
- b) What are the elements of service quality for a delivery service like PCL ?
- c) In what way does technology influence PCL’s service quality ?





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**Fourth Semester M.B.A. Degree Examination, May/June 2013**  
**BUSINESS ADMINISTRATION**  
**Financial Services**

Time : 3 Hours

Max. Marks : 70

**SECTION – A****(2×10=20)**

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

1. Discuss the functions of capital market.
2. Explain the functions and roles of commercial banks in Indian economic development.
3. Discuss the various pre-issue activities undertaken by merchant banker for raising funds from the capital markets.

**SECTION – B****(3×12=36)**

**Note :** Answer any three questions. Each question carries 2 marks. Answer to the questions should not exceed six pages.

4. Explain the methodology of the rating followed by the credit rating agencies like CRISIL, ICRA and CARE.
5. Explain the recent trends in insurance sector.
6. XY Consumer Finance Ltd has structured a consumer credit deal for Rs. 8,00,000 on the following basis :

Monthly Repayment Period	Equated Monthly Instalment (in Rs.)
12	72,000
24	42,000
36	27,000

Calculate the flat and effective rates of interest for each alternative. Comment on the results.

P.T.O.





7. Bringout and explain the functions of depositories in Indian capital market.

8. A company structured the following lease contract for its customers.

The cost of equipment is Rs. 108 lakhs. Marginal cost of debt and marginal cost of capital is 20 percent and 16 percent. Corporate tax rate is 40%.

The lease rental payable is Rs. 28 per thousand per month in advance. The primary lease period can be assumed to be 5 years. The appropriate depreciation rate for this type of equipment is 20%.

Compute the cost of leasing and comment on the result.

SECTION – C

(1×14=14)

(Compulsory)

**Note :** Answer to the question should **not** exceed **six** pages. This question carries **fourteen** marks.

9. Following details pertain to a company's hire purchase deal

Cost of equipment is Rs. 5,00,000

Down payment is 25% of cost price

Number of installments payable at the end -of each year is 4

Flat rate of interest is 14% per annum

Appropriate discount rate 18%

Tax rate 50%

Depreciation to be charged on SLM, the salvage being Rs. 40,000 at the end of 4 years.

Compute the net advantage of hire purchase and comment on the result.

Monthly Repayment Period (in Rs.)	Equated Monthly Installment (in Rs.)
12	72,000
24	42,000
36	27,000

Calculate the flat and effective rates of interest for each alternative. Comment on the results.





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4 F 4

**Fourth Semester M.B.A. Degree Examination, May/June 2013**  
**BUSINESS ADMINISTRATION**  
**International Financial Management**

Time : 3 Hours

Max. Marks : 70

**SECTION – A****(2×10=20)**

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

1. Explain the significance of International Finance.
2. Describe the various exchange rate regimes.
3. Bringout and explain the determinants of international investment decisions.

**SECTION – B****(3×12=36)**

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

4. Two countries, the USA and U.K. produce only one goods, wheat. Suppose the price of wheat in U.S. is \$ 6.00 and in U.K. it is £ 2.00.
  - a) According to the law of one price, what should be the \$ : £ spot exchange rate ?
  - b) Suppose the price of wheat over the next year is expected to rise to \$ 6.50 in U.S. and 2.20 in U.K. What should be the one year \$ : £ forward rate ?
  - c) If the U.S. government imposes a tariff of \$ 0.50 per bushel on wheat imported from U.K., what is the maximum possible change in the spot exchange rate that could occur ?
5. A U.K. importer has \$ 100000 to make payment to a U.S. exporter in 120 days. Suppose the option premium is £ 0.25 and exercise price is £ 0.84 per \$. Suppose on the day of payment, the value of U.S. \$ are : £ 0.78, 0.80, 0.82, 0.84, 0.86, 0.88, 0.90.
  - a) Find the position of U.K. importer who has bought European call opinion. Workout his profit or loss for all the above rates.
  - b) Find the position of the U.K. importer if he has bought futures contract with same exercise prise as that of the option. Workout his profit/loss for all the rates.
  - c) How should the U.K. importer ledge the exchange rate risk ?

P.T.O.





6. Suppose that the following quotes are received for spot, one month, three month and six month Swiss Francs (SFr) and pound sterling :

Spot	One month	Three month	Six month
£ : \$ 1.3122-32	22-18	24-20	40-32
SFr : \$ 0.9222-26	6-8	11-15	26-36

- Express all the above quotations on an outright basis and compute the bid-ask spreads.
  - Which of the above currencies are showing the premium/discount to the spot rates ?
  - You read in the financial press that the different currencies have different bid-ask spreads. Discuss the factors that influence these spreads.
7. ABC is the Indian affiliate of a US ports, manufactures items which are sold primarily in U.S. and Europe.

**ABC's Balance Sheet in 1000s of Rupees, as on 31<sup>st</sup> March**

Liabilities	Rs. 000's	Assets	Rs. 000's
Accounts payable	4,000	Cash	7,000
Short term bank loan	2,000	Account receivable	5,500
Long term bank loan	4,000	Inventory	5,500
Capital stock	12,000	Net plant and equipment	12,000
Retained earning	8,000		
<b>Total</b>	<b>30,000</b>	<b>Total</b>	<b>30,000</b>

- Exchange rate for translating the balance sheet into U.S. \$ are Rs. 40 per \$, Historical exchange rate at which plant and equipment, long term loan and common stocks were acquired on issue.
- Rs. 50 per \$, March 31<sup>st</sup>, Exchange rate. This is also the rate at which inventory was acquired.
- Rs. 55 per \$, April 1<sup>st</sup>, exchange rate.

Assume no change in balance sheet accounts between 31<sup>st</sup> March and April 1<sup>st</sup>. Calculate accounting gain or loss by different methods. Explain accounting loss, in terms of changes in the value of exposure accounts.

8. Describe the structure of International Monetary System.





SECTION – C  
(Compulsory)

(1×14=14)

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

9. A U.K. based Multinational company, is evaluating an overseas investment proposal. The company's exports of pharmaceuticals products have increased to such an extent that it is considering a project to build a plant in U.S.A. The project will cost an initial outlay of \$ 1000 million and is expected to generate the following cash flows over its five year life.

Years	Cash flow (\$ in million)
1	250
2	300
3	350
4	300
5	250

The current spot exchange rate is £ 0.8080 per \$. The risk free rate in the U.K. is 5 percent and in U.S. it is 6 percent.

The company's required return on a project of this kind is 10 percent. Should the company undertake this project ? Compute the relevant evaluation criteria and show the calculations to substantiate your answer.