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551

### Fourth Semester M.B.A. Degree Examination, May/June 2017 **BUSINESS ADMINISTRATION** Strategic Management

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SECTION-A

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

1. Define objectives and how are they set? Write mission statements of any 2 organisations. Explain the steps of comprehensive model of strategic management process briefly.

### SECTION - B

Note: Answer any five questions. Each question carries 8 marks. Answer to the questions should not exceed six pages.  $(5 \times 8 = 40)$ 

- 2. How can Value-Chain analysis help to identify a company's strength and weaknesses?
- 3. Explain the framework for competitive analysis.
- 4. Explain the types of Business Level Strategies.
- 5. Write a model of GE's-Nine Cell matrix. How it is used to perform a business portfolio analysis?
- 6. What is the relevance of the Resource Based View (RBV) of the firm to strategic management in a global environment?
- 7. Why do you think a Balanced Score Card (BSC) is a better techniques of scanning?
- 8. Explain the steps involved in Strategy Implementation.
- 9. What are the Stakeholder responsibilities of the organisation, including Ethical Behaviour and Social Responsibility? 2) What are the internal and external w



### SECTION - C

(Compulsory)

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

### 10. Case Analysis:

After 58 years of peddling hospitality through its chain of luxury hotels, the famous Oberoi name is about to be transformed into a consumer products brand. East India hotels has drawn up plans to become a multi-product, multi-divisional empire through a series of diversification moves.

The expansion will see the high profile hotel group venture into unfamiliar terrain - food processing, edible oils, tissue paper and health care. These will be in addition to the existing software division.

The Management has been restructured over the past year. More professional have been brought in to take charge of operational responsibilities. Certain directors were also relieved of their operational duties in order to permit them to pay full attention to diversification.

The first move will see the launch of a variety of processed foods covering every meal from breakfast to dinner as well as chocolates, spices and mineral water. But can a service name used to sell food products? The plan is to target only the up market segment by feeding on as well as nourishing the brand's reputation. Edible oil, for instance, will be positioned as a product of speciality cooking. The Oberoi brand name is also to be extended to international quality tissue paper. The Oberois, after the experience of managing the catering division of a major hospital in Saudi Arabia, now plan to set up a 250 bed, Rs. 40 crore hospital in Delhi with US or Australian collaboration. The Oberoi software division has already started selling its hotel management packages in the domestic market and is planning to enter the International market using an International tie-up.

What links these projects together is the fact that each of them will have the expertise of a foreign collaboration with an enquiry stake in joint ventures.

Meanwhile, the hotel business is still part of the main blueprint and three-star hotels are coming up at 18 locations across the country with a joint venture through ACCER of France. The International presence is also being strengthened through hotels coming up at Budapest, Indonesia and Saudi Arabia.

#### Questions:

- 1) Has East India hotels capitalized on its strengths in its growth plan? If so, how?
- 2) What are the internal and external weaknesses the company has attempted to overcome in its growth plan and how?

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552

# Fourth Semester M.B.A. Degree Examination, May/June 2017 (Choice Based Credit System) BUSINESS ADMINISTRATION Operations Research

Time: 3 Hours Max. Marks: 70

Instruction: Answer all Sections.

SECTION-A

 $(2 \times 10 = 20)$ 

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

- 1. Explain the characteristics of operations research.
- 2. Discuss the steps involved in Monte-Carlo Technique of simulation.
- 3. Describe the criteria for making decision under conditions of uncertainty.

SECTION-B

 $(3 \times 12 = 36)$ 

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

4. A firm plans to purchase at least 200 quantity of scrap containing high quality of metal X and low quality of metal Y. It decides to that the scrap to be purchased must contain at least 100 quintals of metal X and not more than 35 quintals of low quality metal Y. The firm can purchase the scrap from two suppliers A and B in unlimited quantities. The percentage of X and Y metals in terms of weight in the scrap supplied by A and B is given below:

Metal	Supplier A	Supplier B
X	25%	75%
Υ	10%	20%

The price of A's Scrap is Rs. 200 per quintal and that of B is Rs. 400 per quintal. Formulate this as a LPP. Use graphical method to determine the quantities that the firm should buy from the two suppliers so that the total cost is minimized.



5. A solicitors' firm employs typists on hourly price rate basis for their daily work. There are five typists and their charges and speed are different. According to earlier understanding only one job was given to one typist and the typist was paid for a full hour, even if he worked for a fraction of an hour. Find the least cost allocation for the following data.

	P	Q	R	S	T
A	85	75	65	125	75
В	90	78	66	132	78
C	75	66	57	114	69
D	80	72	60	120	72
E	76	64	56	112	68

- 6. In a harbor, ships arrive at a rate of 20 ships per day. Assuming that the inter arrival time follows an exponential distribution and the service time distribution is also exponential with an average 30 minutes. Compute.
  - a) The average number of trains in the system.
  - b) The probability that the queue size exceeds 10.
- 7. Two food manufacturing firms A B are competing for an increased market share. To improve its market share, both firms decide to launch the following four strategies. The following payoff matrix describes the increase in market share for firm A and decrease in market share for firm B. Find the optimum strategies for both the firms and the value of the game.

	B1	B2	<b>B</b> 3	<b>B</b> 4
A1	35	65	25	5
A2	30	20	15	0
A3	40	50	0	10
A4	55	60	10	15



8. The cost collected in running a machine are given below. The cost of the machine is Rs. 60,000.

Year	Resale Value (Rs.)	Resale Value (Rs.)   Cost of Spares (Rs.)			
1	42,000	4,000	14,000		
2	30,000	4,270	16,000		
3	20,400	4,880	18,000		
4	14,400	5,700	21,000		
5	9,650	6,800	25,000		

Determine the optimum period for replacement of the machine and offer your opinion on the optimum replacement period for the machine.

SECTION – C 
$$(1 \times 14 = 14)$$

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

9. A project is composed of eleven activities, time estimates are listed in the following table as follows:

Activity		1-2	1-3	1-4	2-5	3-5	4-6	5-7	5-8	6-8	7-9	8-9
Estimated	Optimistic	2	1	1	2	1	2	2	3	3	2	.1
Time	Most Likely	2	1	4	2	1	5	5	6	5	7	3
(weeks)	Pessimistic	6	7	7	8	2	10	8	12	11	8	6

You are require to:

- a) Draw the project network and find the expected duration and variance of each activity.
- b) Calculate the variance of standard deviation of project length.
- c) What is the probability that the project will be completed 5 weeks earlier than the expected time and not more than 5 weeks later than the expected time?

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# Fourth Semester M.B.A. Degree Examination, May/June 2017 (Choice Based Credit System) BUSINESS ADMINISTRATION Entrepreneurship Development

Time: 3 Hours Max. Marks: 70

SECTION – A (Compulsory)

 $(1 \times 15 = 15)$ 

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

1. How do environment dynamics and change affect opportunity identification and selection of business enterprise of an entrepreneur?

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 $(5 \times 8 = 40)$ 

Note: Answer any five of the following questions. Each question carries 8 marks.

Answer to the question should not exceed five pages.

- 2. Explain EDP. State and explain the role, relevance and achievement of EDPs in India.
- 3. "The greatest problem of women entrepreneurs is that they are women." Discuss.
- 4. Discuss the role of entrepreneur in promoting balanced regional development.
- 5. Discuss the common errors made in writing a business plan that makes it failure or poor.
- 6. "Neither over-capitalization nor under-capitalization is good for an enterprise."

  Discuss.
- 7. Explain intellectual property and discuss the process involved in the registration of a trade mark.
- 8. Discuss the stages of business growth and explain the various growth strategy.
- 9. Explain the major component in a feasibility plan.



### SECTION – C (Compulsory)

(1×15=15)

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

10. Nilam Patnekar is one of the many women who own their own businesses and her experience is not very different from others, who must contend with being another, a spouse and a family cheerleader in addition to owning and operating a business. Nilam it more successful than most women. She became a Lakhpati at the age of 28.

She is the Owner and President of 'Sonica Industries' a hardware company. The company markets various industrial accessories. It was her first business, though she had some family background of this business. Her two brothers were also in same line of business. But she borrowed some money, put in some of her savings and started her own venture. She was the first woman ever to enter into this business, most of her clients could not understand that a woman could sell industrial hardware.

During her rise to success and in management of her business, she also managed a family, stayed involved with school and community affairs. In Nilam's mind, there is nothing more exhilarating than owning her own business and for her, the fun is in facing the challenges of making the firm grow. Today, more and more women are making this choice rather than pursuing traditional careers. For the past few years, the number of women starting new ventures is three times as large as the number of men. There are several good reasons for this trend. Some women find that owning of business is the only way to combine a decent income with time for their children by having the flexibility to control their schedules. Others see themselves as unlikely corporate managers and recognizing the gender problem that exists for achieving success, they choose the entrepreneurial route. Still others see entrepreneurship as a way of controlling their lives, pursuing interests that would be impossible in a corporate job.



The dual roles of mother and entrepreneur often conflict and husbands and wives tend to develop separate career tracks that often cannot be reconciled. Women can also find it lonely in a business world, especially if clients are predominantly men, this was a problem for Nilam too. Many women, however, have businesses that fit well with their interest and with women customers. These include services in beauty care, nutrition, education, entertainment etc. Never the less, being in business often exacts a double price for women, yet for those with determination like Nilam, the rewards are always waiting.

- a) Why many women now-a-days prefer to start their on ventures, rather than pursuing traditional career paths?
- b) Describe the profile of an independent woman entrepreneur with reference to the given case.
- c) Describe opportunities that women might find rewarding as business ventures, also discuss the advantages and disadvantages of unusual enterprises.



**4F3** 

# Fourth Semester M.B.A. Degree Examination, May/June 2017 (Choice Based Credit System) BUSINESS ADMINISTRATION Financial Services

Time: 3 Hours Max. Marks: 70

Instruction: Answer all Sections.

### SECTION-A

 $(2 \times 10 = 20)$ 

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

- 1. Explain the various new instruments introduced in new issue market.
- 2. Critically analyse the present position of the financial service sector in India and state the challenges it has to face in the years to come.
- 3. Explain the services of Merchant Bankers.

### SECTION-B

 $(3 \times 12 = 36)$ 

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

- 4. Bring out and explain the relevance of nationalization of banks in the changing scenario.
- 5. Discuss the components of Indian financial system.
- 6. Describe the changing trends in Indian insurance sector.
- 7. A Corporate customer wants to acquire an equipment worth Rs. 15,00,000. A finance company offers a hire purchase deal to the customer and expects ten equated instalment paid at the end of the year. The finance company charge interest at a flat rate of 15 percent. Compute the cost of hire purchase assuming 40 percent corporate tax rate, straight line method of depreciation. Follow sum-of-the-digit method to distribute the interest over the years.



8. The following financial ratios and other details ae available for a company:

Ratio/Year	1	. 2	3	4	5
Net profit/Sales	0.734724	0.422364	0.131623	0.122262	0.761948
Net profit/Fixed asset	0.225996	0.168467	0.459584	0.635443	0.367391
Net profit/Total asset	0.826245	0.593674	0.126667	0.149943	0.574439
Sales/Net worth	1.733935	2.193587	2.212156	2.263566	2.594243
Sales/Net working capital	2.373457	3.3766	3.286212	4.215657	1.67777
Current Ratio	4.83432	3.496916	2.319111	2.383795	2.642236
Acid test Ratio	2.846154	2.295154	1.768539	1.712132	2.981366
Fixed asset/Net worth	0.565953	0.549881	0.49656	0.435517	0.427112
Total debt/Net worth	0.233267	0.348316	0.494497	0.548884	0.351488
Total debt/Total asset •	0.487864	0.445717	0.673752	0.748986	0.387774

In the past the company issued redeemable debenture and repaid it on maturity. Government policies are infavour of the industry and it is expected for another ten years. A famous and recognized auditor is appointed to the board of management. The management of the company is well appreciated in the industry. CSR policy of the company is appreciated by the government and other agencies. At present the company wants to expand its business and wish to issue debtures worth Rs. 5 crore. Rate the new issue of debentures and justify your rating.

SECTION – C (1×14=14)

(Compulsory)

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

9. A company is thinking of installing an equipment. It is to decide whether the equipment is to be purchased outright (through 14% flat rate of borrowings), or to be acquired on lease rent basis.

The firm is in the 35 per cent tax bracket. The other data available is as follows:



### Purchase of computer:

- Purchase price, Rs. 20 lakh
- Annual maintenance, Rs. 50,000 per year paid at the end of the year.
- Expected useful economic life, 6 years
- Depreciation, straight-line method
- Salvage value, Rs. 2,00,000

### Leasing of equipment:

- Lease charges (to be paid at the end of the year), Rs. 4,50,000
- Maintenance expenses, to be borne by lessor

You are required to advise the company as to whether it should purchase the equipment, or acquire it on lease. Use effective interest rate method to allocate interest over the years.

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4F4

### Fourth Semester M.B.A. Degree Examination, May/June 2017 BUSINESS ADMINISTRATION International Financial Management

Time: 3 Hours Max. Marks: 70

Note: Answer all Sections.

### SECTION-A

Note: Answer any two questions. Each question carries 10 marks: (2×10=20)

- 1. Discuss the various techniques used for managing the short term assets and the working capital in MNCs.
- 2. Discuss the working and utility of interest rate and currency swaps.
- 3. Discuss the features of various financial instruments available for a company to manage the risks associated with the transactions in the international market.

#### SECTION-B

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

- 4. An importer has GBP 500 million to make payment to a UK exporter in six months. Suppose the option premium is Rs. 1.25 and exercise price is Rs. 100.3750 per GBP. Suppose on the day the payment falls due the different possible values of GBP are: Rs. 90, 92, 93, 94, 95, 96, 97, 98, 99, 100, 100.2550, 100.2350, 100.3750, 100.4550, 100.5550, 100.6550, 100.7550, 100.8550, 100.9550, 101.0000, 101.0000, 101.2000, 101.3000, 101.4000, 101.5000, 101.7500, 101.8500, 102.2000, 102.5000, 102.7500, 103.0000, 103.2000, 103.50, 104.00, 104.50, 105.00, 105.50, 105.7500, 106.0000, 106.5000.
  - a) Find the position of Indian importer who has bought European call option. Workout his profits/losses for all the above rates scenarios.
  - b) Would the profits in (a) above change if the importer had entered into a futures contract with the same exercise price. Show the calculations and profits/ losses.



- 5. Assume the point of view of country A and that A's currency is dollars (\$), Do the following for the transactions given in a) to g):
  - i) Indicate the account to be debited and credited in each case.
  - ii) Enter these transactions in the appropriate "T accounts".
  - iii) Prepare the balance of payments for country A. Assume that all the short term capital movements are of a compensating nature.
    - a) A imports goods from B for \$4,000 and A's importers pay B's exporters for the \$4000 with a loan in B's currency which they get from A's bank.
    - b) A resident of country A, Mr. X goes on vacation to country B. He spends all the money he had with him, \$14000, for service received while on his vacation in country B.
    - c) A businessman of A, Mr. Y, decides to build a subsidiary plant in B. Therefore, he ships to B all necessary materials for this purpose, which cost \$120,000.
    - d) Mr. Y very soon finds out that he needs another \$40,000 for the completion of the plant. Thus, he issues bonds on the parent company for this amount and sells them to the citizens of B.
    - e) Mr. Y makes \$31,000 profit during the first year of operation which Mr. Y uses to enlarge his business in B. A's citizens are very impressed by the successful operation of Mr. Y's plant in B. Therefore, A's citizens buy from B's citizens half of the bonds issued by Mr. Y.
    - f) B is a producer of gold. During the period of time for which the BOP is completed, B produces \$12 million worth of gold. Half of this is consumed at home. However, 25% is sold to A's Central Bank and 15% is exported to A for industrial use. For the amount of gold exported to A, B accepts a deposit with the Central Bank of Country A.
    - g) A citizen of A, Mr. M, who migrated there from B a long time ago, finds out that he has inherited the property of his uncle. The property consists of a farm worth \$125,000 and a deposit of \$20,000 in B's bank.



- 6. The following rates are observed in the money market for USA and Italy:
  - i) €1=\$1.0537, €1=\$1.0895(1 year forward rate)
  - ii) Interest rate in Italy is 2% and in USA is 5%.
    - a) Assuming no transaction cost or taxes exist, do cover arbitrage profit exist in the above situation? Describe the flow.
    - b) Suppose the transaction cost in foreign exchange market 0.25% per transaction. Do unexploited covered arbitrage opportunities still exist?
    - c) Suppose no transaction cost exists capital gains on currency profits is 25% and the ordinary income tax on interest income is equal to 50%. In this does arbitrage opportunity exist? How large are they? Describe the transactions required to exploit these profit.
- 7. Metalgesselschaft, a leading German metal processor, has scheduled a supply of 25,000 metric tons of copper for October 1. On April 1, copper is quoted on the London Metal Exchange at £ 525 for immediate delivery and £ 575 per metric ton for delivery on October 1. Monthly storage costs are £ 10 per metric ton in London and Euro 17 in Hamburg, payable on the first day of storage.
  - a) Exchange rate quotations are as follows: The pound is worth Euro 1.2092 on April 1 and is selling at a 6.5% annual discount. The opportunity cost of capital for Metalgesselschaft is estimated at 10% annually, and the pound sterling is expected to depreciate at a yearly rate of 6.3% throughout the next 12 months.
  - b) Compute the Euro cost for Metalgesselschaft, on April 1 of the following alternatives.
  - c) Buy 25,000 metric tons of copper on April 1 and store it in London until October 1.
  - d) Buy a forward contract of 25,000 metric tons on April 1, for delivery in six months. Cover sterling debt by purchasing forward pounds sterling on April 1.
  - e) Buy 25,000 metric tons on October 1.
  - f) Can you identify other options available to Metalgesselschaft? Which one would you recommend?
- 8. How would you analyse the country risk?



### SECTION-C

Note: Compulsory:

 $(1 \times 14 = 14)$ 

9. Form Product Limited is the Canadian affiliate of USA manufacturing company. The balance sheet in thousands of Canadian dollars for January 1st 2016 is shown below:

January 1, 2016 exchange rate was C\$ 1.6 per \$ \_\_\_\_\_\_

Assets	Amount 1	Liabilities	Amount
Cash	1,00,000	Current liabilities	60,000
Account receivable	2,20,000 L	Long term liabilities	1,60,000
Inventory	3,20,000	Capital stock	6,20,000
Net Plant and Equipment	2,00,000	Profiles god in enorth. And arthur Allian Allian	
Total	8,40,000	Total	8,40,000

- a) Determine Form Product Limited's accounting exposure on Jan 1, 2017 using different methods of translation.
- b) Calculate Product Limited's contribution to its parents according loss if the exchange rate on Dec. 31, 2016 was C\$ 1.8 per dollar. Assume all accounts remain as they were at the beginning of the year.

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4M4

### Fourth Semester M.B.A. Degree Examination, May/June 2017 BUSINESS ADMINISTRATION Service Marketing

Time: 3 Hours Max. Marks: 70

### SECTION-A

### (Compulsory)

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

1. Discuss the contributions and significance of service sector in an economy.

### SECTION-B

Note: Answer any five of the following questions. Each question carries eight marks. Answer to a question should not exceed five pages. (5x8=40)

- 2. What are service characteristics? What is their marketing implication?
- 3. Explain the components of 8 Ps model of integrated service management.
- 4. What is service quality? Explain the GAP Model of service quality.
- 5. What people and possession processing services? What management challenges do they pose?
- 6. What is value-based pricing? Why is it important in pricing services? Explain with examples.

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- 7. Discuss the distinctive nature of marketing communications in service settings.
- 8. What are 'new services'? Discuss with examples different categories of 'new services'.
- 9. What is 'servicescape' ? What is its significance ? Explain.

### SECTION - C (Compulsory)

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

10. You are a consultant for a long-established retailing firm that is eager to encourage customers to switch from using store and call centers to going to its website to make purchases. Explain how you go about preparing recommendations to the firm? How do you use technographics for segmenting the consumers? What insights from such segmentation would help the firm plan an appropriate strategy and set reasonable goals?

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4. What is service quality 2.1. Hath, he GAP Model of scrivice quality

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4 M 3

## Fourth Semester M.B.A. Degree Examination, May/June 2017 BUSINESS ADMINISTRATION International Marketing Management

Time: 3 Hours Max. Marks: 70

SECTION-A

(Compulsory)

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

 $(1 \times 15 = 15)$ 

1. Business Environment has full of uncontrollable variables, how do they impact business organization. Explain this with hypothetical company of your choice.

### SECTION-B

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

- 2. What is meant by export barrier? Explain the types of barriers to control exports.
- 3. Explain importance of documentation in International Marketing.
- 4. Product planning and development is essential in the present business. Why? Discuss.
- 5. Discuss the pricing policies for International Marketing.
- 6. Analyze the role of merchant exporters in distribution.
- 7. Describe the functions and duties of export promotion councils in India.
- 8. Explain the objectives and functions of the state trading Corporation of India.
- 9. What is meant by letter of credit? Explain its role in export financing.

4 M 3



### SECTION - C (Compulsory)

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

 $(1 \times 15 = 15)$ 

10. PATANJALI a new brand in Indian market would like go for expansion into a few of the European markets. It consults you for carrying out marketing research in European markets. Being an expert in International marketing research, you need to conduct a research and provide a report for the company.

**Task**: You are required to follow the research process and finalize report. Explain the steps involved in international marketing research process.

 Business Environment has au<u>t a varenarist</u>able variables, how do they impact business organization. Exclair tiple value to perhead upmpany of your choice.

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Explain the objectives and functions of the state making Comments of India.

What is meant by letter of credit 7 Explain its role in expert financing.

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4 H 4

## Fourth Semester M.B.A. Examination, May/June 2017 BUSINESS ADMINISTRATION Compensation Management

Time: 3 Hours Max. Marks: 70

SECTION - A

(Compulsory)

Note: Answer the question should not exceed six pages.

 $(1 \times 15 = 15)$ 

1. Explain the stages in development of an effective compensation system to suit the changing business world.

#### 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. Critically evaluate the historical development of payment systems.
- 3. Trace out the role of compensation management in motivating employees.
- 4. Explain the role of compensation in employee retention.
- 5. Evaluate the strategies to overcome the challenges of performance based pay.
- 6. Explain the objectives of National Wage Policy.
- 7. Briefly explain the relevance of employee stock option plan.
- 8. Briefly explain the recent policy changes related to compensation for CEO's.
- 9. Explain the new trends in compensation management.



### SECTION - C

(Compulsory)

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

 $(1 \times 15 = 15)$ 

10. Mr. Samrat Bhattacharya joined Forgewell Auto Ltd., New Delhi recently as HR Manager. Forgewell Auto Ltd. is a manufacturer and supplier of safety critical automotive components which finds application in steering and suspension assemblies of passenger cars. It supplies to major OEMs in India and abroad. The company has modest turnover of 40 crores annually and is in business for the last twenty years.

Samrat was very enthusiastic and wanted to bring about many changes in the HR policies and systems of the organization. He began by studying the various systems and practices in place. During a conversation with Mr. S. N. Hassija, the head of production, he found that the productivity of the workforce was lower than its competitors. With this cue, he started looking at HR practices in place. He noted that the compensation management in the organization hovered around rewarding individual performance although the nature of work was team based. So, one of the first things Samrat wanted to do in his new position at Forgewell Auto Ltd. was to improve productivity through team work at every level of the organization. As the new HR Manager, Samrat set out to change the culture to accommodate the team-based approach to compensation. He had become so enthusiastic in his most recent position.

Samrat decided to change Forgewell's long standing policy had been to give all employees the same annual pay increase but Samrat felt that in the new term environment outstanding performance should be the criterion for pay rises. After consulting with CEO Vikas Mohanty, Samrat sent a memo to all employees announcing the change to team based pay for performance.

The reaction was immediate and 100% negative. None of the employees was happy with the change. They complained that this will result in partiality in rewarding



employees given that the performance appraisal system in the organization is quite old and primitive. Some of the shop floor supervisors started suspecting the intentions of the new HR Manager as they thought that pay-for performance was a veil to disturb the harmony prevailing amongst the employees. Samrat and Vikas arranged a meeting for early the next morning in his office over their tea, they began a painful debate. Should the new policy be retracted as quickly as it was adopted, or should it be allowed to stand?

#### Questions:

- 1) Do you Agree with Samrat's idea of pay-for-performance plan? Why or why not?
- 2) What advice would you give Samrat and Vikas as they consider their decision?
- 3) What mistake did they make in adopting and communicating the new compensation plan?
- 4) What strategy should Samrat adopt to ensure the success of strategic compensation plan?

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4H3

## Fourth Semester M.B.A. Degree Examination, May/June 2017 BUSINESS ADMINISTRATION Global Human Resource Management

Time:	3 Hours	r 2 mir minnes a la Pi		Max. Marks: 70
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SECTION – A SECTION – A (Compulsory)

1. Briefly explain the models of global HRM.

(1×15=15)

SECTION - B

Answer **any five** questions from the following. **Each** question carries **8** marks :

(5×8=40)

- 2. Explain the challenges faced by HR manager in managing domestic and global HR.
- 3. Discuss the international factors considered for choosing global managers.
- 4. Explain the performance appraisal methods for expatriates.
- 5. As a HR manager how would you develop the internal process management capability of your organization?
- 6. Explain the HR challenges faced by MNCs in Global HRM.
- 7. Suggest HR practices for compensation package and incentives.
- 8. Explain the HR career options in global HRM.
- 9. Explain the role of women in global business.



### SECTION - C (Compulsory)

10. Case study.

 $(1 \times 15 = 15)$ 

In October 2014, US-based technology company Yahoo! Inc. (Yahoo) announced that it planned to layoff around 400 engineers from its India office. These engineers were part of its Software Development Center (SDC) at Bangalore in South India, the second largest engineering development center of Yahoo. Us-based Yahoo Inc. (Yahoo) used lay-off and downsizing as a restructuring strategy to control its bloated cost structure and trim its workforce.

- 1) Will downsizing help yahoo control its bloated cost structure?
- 2) If you were a HR manager what strategies you would have taken to manage the problem instead of downsizing?

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