

Fourth Semester M.B.A. Degree Examination, May/June 2010**BUSINESS ADMINISTRATION****Strategic Management**

Time : 3 Hours

Max. Marks : 75

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

1. Define strategic management. What process should a comprehensive model of strategic management consist of ?

SECTION – B**Note : Answer any five questions. Each question carries nine marks.****(5×9=45)**

2. What do you mean by competitive strategy ? Analyse the major considerations of competitive strategy.
3. Elaborate BCG model in strategic analysis with its strengths and weaknesses.
4. Explain the three levels of strategic management with examples.
5. Describe differentiation strategy. What are the merits and demerits of cost leadership strategy ?
6. Describe the steps involved in implementation of strategic change.
7. Explain the 'structural analysis of competition' suggested by ME Porter.
8. Discuss the various forms of growth strategy with suitable examples.
9. How is SWOT analysis done ? Explain with an example considering the various factors of an organization.



SECTION - C

10. Compulsory :

(1×15=15)

Read the case and answer the questions :

Coca Cola Company, the world's largest soft drink maker said : "It will buy Seagram's Mixers business, adding ginger ale, tonic, seltzer, and club soda to its line of carbonated drinks". The move came on the same day rival Pepsi Cola unveiled a new blue cola trying to add to its carbonated line to perk up sluggish cola sales in the key US market. Terms of Coke's deal with British drinks company Diageo Pic and French spirits group Pemod Ricard, who jointly own Seagram's Mixers business were not disclosed. In addition to buying the business, Coke also entered into a worldwide licensing agreement with Pemod Ricard for the use of the Seagram's name, since the French company owns the rights to the brand name.

"Seagram's is a natural fit and complements our existing brands in North America", said Coca Cola North American Chief Operating Officer Jeffrey Dunn. Coke's bottling partners currently distribute more than 75 per cent of Seagram's US mixers volume. Pemod Ricard, the world's third biggest spirits group, purchased the Seagram's brand jointly with the industry leader Diageo from Vivendi Universal last December. Marc Greenberg said, "You are more likely to see the contribution to the bottling system by way of better branding and advertising".

Questions :

1. What prompted Coca Cola to buy Seagram's mixer business ? Explain the strategy.
2. Do you feel that this deal will improve Coca Cola's market share ? Justify your answer.

Fourth Semester M.B.A. Degree Examination, May/June 2010**BUSINESS ADMINISTRATION****International Business Environment**

Time : 3 Hours

Max. Marks : 75

SECTION – A**Compulsory :****(1×15=15)**

1. Explain the various methods by which firms conduct international business.

SECTION – B**Note : Answer any five questions. Each question carries 9 marks.****(5×9=45)**

2. Explain the impact of culture on global business with suitable examples.
3. Discuss the implications of the deviations from purchasing power parity for countries competitive positions in the world market.
4. Explain the challenges of outsourcing business and futures of outsourcing in India.
5. Explain the significance of Euro currency and Euro bond in international business.
6. Provide a broad sweep of financial environment in international business.
7. Explain the factors that determine the Foreign Exchange Rate.
8. Describe the limitations of GATT and how did Dunkel's proposals lead to the formation of the WTO.
9. Discuss various factors which influence the international investment decision.



SECTION – C

Compulsory : (1×15=15)

10. Case Study :

Mahindra and Mahindra (M & M) is a major player in the tractor and certain segments of the automobile market in India. After an impressive growth for a few years, the tractor market in India has been stagnating during 1998-1999 to 2000-2001.

M & M has been selling its tractor and utility vehicles in foreign markets including USA. Some of the components for its products have been sourced from abroad. M & M has a 100 percent subsidiary in USA. Mahindra USA, with a strong network of 100 dealers.

Mahindra has five percent market share in the US market in the 28-30 horse power (HP) range.

As a part of the strategy aimed at building a global supply chain, Mahindra USA has signed a Memorandum of Understanding (MoU) with the Korean tractor major Tong Yang, a part of the \$2 bn Tong Yang Moolsam group, according to which Mahindra will source high horse power (mostly 25-40 hp range) and sell them around the world under the M & M brand name. To start with, the premium range of tractors will be sold in the US.

M & M's current tractor range is most utility-oriented and lacks the aesthetic appeal that Tong Yang's tractors have, a must for a strong presence in the US market.

Questions :

1. What are the advantages and disadvantages of global sourcing ?
2. How will the foreign market expansion help M & M ?
3. How does the strategic alliance with Tong Yang benefit M & M ?
4. What are the possible risks of the alliance ? How can they be overcome/minimized ?

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Fourth Semester M.B.A. Degree Examination, May/June 2010

BUSINESS ADMINISTRATION

Entrepreneurship Development and Small Business

Time : 3 Hours

Max. Marks : 75

SECTION – A

(1×15=15)

Compulsory :

1. "Small business means staying on top of the market, and this means continuous market research". How does Porter's model elucidate this ?

SECTION – B

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

(5×9=45)

2. Who is an entrepreneur ? What are the characteristics of successful entrepreneur ?
3. Develop a feasibility plan for a new venture incorporating the common elements.
4. Discuss the nature of protection achieved through patents, copy rights and trade marks in terms of legal recourse. Explain the major steps in obtaining a patent.
5. Explain the most commonly used methods of valuing a business.
6. Explain franchising from the franchisee's perspective and franchisor's view point.
7. Explore the role of venture capital in new venture financing. What are the frequently used criteria by venture capitalists as investment decision guidelines ?
8. Contrast entrepreneurial roles during various transition stages.
9. Describe the four stage growth model of entrepreneurship.

P.T.O.



SECTION – C

Case Study (Compulsory) : (1×15=15)

Patagonia Inc., was a brain child of Yvon Chouinard, a middle aged sports man and week end rock climber who turned his interests in outdoor sports into a multimillion dollars enterprise. Patagonia has been one of the premiere distributors of outdoor clothing and unusual sporting accessories for nearly a decade. Specializing in products such as alpine climbing attire and tropical beach attire for jet skis, the company uses mail order techniques to market to small segment of the population able to afford extravagant prices for the highest quality product line of its kind.

Chouinard, however, does not describe himself as an avid business person or an astute planner. He explains success as having defined a clear market niche, estimated what people wanted and could afford, then satisfied their interests through exquisite catalogs, advertisements and public relations. Having accomplished his objectives of serving this market, he was ready to get out of business several years ago. "I dint need the power of having a bigger business. I had no more reason to stay", he explained. "I'd made a successful company. I'd accomplished what I set out to do."

Chouinard had always been concerned about the environment, and he was on the verge of selling his company in order to pursue his personal interests in environmental protection. "What turned me around was the discovery that I could use the company as a tool", he said. "I'd never equated business with doing anything good I'd always thought that if you are going to do something good, you do it personally".



Today Chouinard directs the company's profits to environmental causes, but it is more than giving away money. The company recycles all its papers and 70% of its waste. It even has a system for recycled waste from employee's homes, and through community programmes. Patagonia sponsors environmental speakers and encourages its executives to pursue cleanup efforts. This transformation in purpose has had an interesting effect on the company. Manager and employees not in tune with Chouinard's philosophy have left, but in their place have come more dedicated people and many high powered executives who are there to pursue the environmental purpose of being in business. Profits have increased beyond expectations because earning more profits provides the financial strength to fund more projects.

Case questions :

1. Describe company mission and objectives for Patagonia during its early and recent endeavors. In your opinion do this conflict, or are they compatible with one another ?
 2. A critical part of good business planning is knowing why a company is in business and how it will serve its customers. Explain these issues with respect to Chouinard as an entrepreneur and with respect to his company.
 3. What would you envision as requirements for Patagonia's market research activities ?
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4F3

Fourth Semester M.B.A. Degree Examination, May/June 2010

BUSINESS ADMINISTRATION

Financial Services

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

(2×12=24)

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

1. Discuss the role of insurance in Indian financial system.
2. Bring out and explain the causes for financial innovation.
3. Elucidate the scope for merchant banking in India.

SECTION – B

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

(3×12=36)

4. What are the benefits of depository system ? Explain.
5. Explain the impact of nationalisation of banks in India.
6. Describe guidelines of ADR issue.
7. Compute the flat and effective interest rate for the following alternatives. Value of the asset is Rs. 4,00,000.

Monthly Repayment Period Equated Monthly Installments

12	38000
36	16000

8. Discuss the credit rating process followed by the rating agencies.

P.T.O.

4F3



SECTION - C

Compulsory :

(1×15=15)

9. A company is contemplating to have an access to a machine for a period of five years. Discussion with various financial institutions have shown that the company can have the use of the machine for stipulated period through lease arrangements or hire purchase at a flat rate of interest of 14 percent. The firm is in 50 percent tax bracket.

In the case of leasing the firm would be required to pay annual end of year lease rent of Rs. 1,20,000 for five years. In the case of hire purchase the installments to be paid in five equal annual end installments. The machine would be depreciated on a straight line basis. Advise the company which options it should go for; assuming the value of the asset is Rs. 3,50,000.

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4 F 4**Fourth Semester M.B.A. Degree Examination, May/June 2010**

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. Critically analyse the effects of interdependence of national economies and their abilities to take advantage of the competitive advantages of each nation.
2. Discuss the role of commercial banks in international financial markets.
3. Discuss the factors to be considered while a nation wants to move from exchange controls to full convertibility of currencies. Discuss this with special reference to India.

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

4. Suppose that the following quotes are received for spot, one-month, Three month, and six-month the US dollars (\$) and pounds sterling (£) :

Spot	One month	Three months	Six months
\$: Rs. 45.6625-75	20-15	26-19	42-33
£ : Rs. 68.4952-72	8-12	10-15	25-32

- 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 US \$ billions) take place during a year. Calculate the US 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 an U.S. demand deposits here.
 - American tourists spend \$ 45 overseas using traveler's cheque's drawn on US banks here.
 - American buy foreign stocks with \$ 90 using foreign demand deposits held abroad.
 - The US government sells \$ 67.5 in gold for foreign demand deposits abroad.
 - In a currency support operation, the US government uses its foreign demand deposits to purchase \$ 12 from private foreigners in the United States.
6. Farm Products is the Canadian affiliate of a US manufacturing company. Its balance sheet, in thousands of Canadian dollars, for January 1, 19×1 is shown below. The January 1, 19×1, exchange rate was C\$1.6/\$.

Farm Products balance sheet (Thousand of C\$)

Assets		Liabilities and Net worth	
Cash	C\$1,00,000	Current Liabilities	C\$60,000
Accounts receivable	2,20,000	Long-term debt	1,60,000
Inventory	3,20,000	Capital Stock	6,20,000
Net plant and equipment	2,00,000		
Total	C\$8,40,000		C\$8,40,000

- Determine farm products accounting exposure on January 1, 19×2, using the current rate method/monetary/non-monetary method.
- Calculate farm Products contribution to its parent's accounting loss if the exchange rate on December 31 19×1 was C\$ 1.8 per \$. Assume all accounts remain as they were at the beginning of the year.



7. A US importer has Euro 1,25,000 to make payment to a German exporter in 90 days. Suppose the option premium is \$ 0.02 and exercise price is \$1.25 per Euro. Suppose on the day the payment falls due the different possible values of Euro are : \$ 1.16, 1.18, 1.20, 1.22, 1.24, 1.25, 1.26, 1.28, 1.30, 1.32, 1.34.

Find the position of US importer who has bought European futures contract. Workout his profits/losses for all the above rates scenarios.

8. Discuss the risk-return profiles of various financial instruments available in the international markets.

SECTION – C

Note : Compulsory

(1×15=15)

9. Suppose a Taiwanese toy manufacturing firm is thinking of an investment for making toys in Thailand. It is estimated that the initial project cost will be 12.5 million in Thai baht. The project will have a target debt ratio of 40 percent. It is expected to generate the following free cash flows (net cash flows after tax) in baht for the next eight years :

Year	:	1	2	3	4	5	6	7	8
NCF	(baht in million)	2.50	2.73	2.97	3.24	3.53	3.85	4.19	4.57

The following data relating to the above project is given to you :

Particulars	Taiwan (T\$)	Thailand (baht)
Inflation rate	9%	6.1%
Government bond yield	12.3%	9.4%
Risk premium	11.0%	8.0%
Interest rate	15.5%	12.4%
Tax rate	35.0%	30%

Spot exchange rate 1 baht equal to 0.8160 Taiwanese dollar (T\$)

The estimate of beta of Thai investment as 1.16.

How should the project be evaluated ? Should it be undertaken ? State the assumptions you have made while making the computations.

Fourth Semester M.B.A. Degree Examination, May/June 2010**BUSINESS ADMINISTRATION****Global Human Resource Management**

Time : 3 Hours

Max. Marks : 75

*Note : Answer all Sections.***SECTION – A****15****Compulsory :**

1. "No approach is a perfect approach in deciding compensation packages for expatriates". Elucidate.

SECTION – B

Answer any five questions. Each question carries nine marks. (5×9=45)

2. Compare and contrast the Poole's model and Brewster and Bournois model of IHRM.
3. Do you think the 'Polycentric Approach' is a better approach in selection when compared to 'Ethnocentric approach' ? Explain with examples.
4. Discuss briefly the major issues involved in labour relations in West Germany.
5. Examine the role of national cultural differences on individual performance and managerial effectiveness.
6. Explain briefly the repatriation process followed by a leading MNC. Give relevant examples.
7. As a Global Head-HR, how do you design a good mentoring system ? Explain.
8. "WPM in multinational enterprises is yet to succeed totally". Discuss this statement with suitable examples.
9. How are methods of imparting training different for a PCN, HCN and TCN ? Explain.



SECTION – C

10. Case Study (Compulsory) :

Read the following carefully and answer the questions appended to them.

(Both A and B to answered) :

(1×15=15)

A) Who of these will be successful in international assignments ? Why ?

- Pratap Reddy works in the Bangalore office of a company but is homesick for his state of A.P. He makes frequent requests for a transfer to a Hyderabad branch.
- Smitha is very ambitious and frequently takes assignments, nobody else wants just to prove her value to the company. Her husband is a freelance graphic designer who says he can do his work from anywhere.
- Deepak is excited about a possible transfer from Noida to Madrid and is taking Spanish lessons. His 17 year old daughter is a topper in her class and is active in sports and cultural activities.
- Malavika is a divorcee, is comfortable in four languages, was expatriated earlier on two occasions, and is task oriented. At home she has aged parents to be taken care of and two school going children.

B) You are an expat manager at a manufacturing facility in Africa on your first overseas assignment. You are aware of increasing concern among your employees (mostly young women) about wages that barely permit them to live at subsistence level. The plant is not unionised, and you know your bosses would not like the workers to unionise. You also know, if you allow workers to organise and demand higher wages, HO would close the plant and relocate it elsewhere. If the plant were shut down, employees would lose their jobs, and you would be transferred. Would you encourage workers to unionise or discourage them ?

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Fourth Semester M.B.A. Degree Examination, May/June 2010
BUSINESS ADMINISTRATION

Labour Laws

Time : 3 Hours

Max. Marks : 75

SECTION – A

(1×15=15)

Compulsory :

1. Define the Minimum Wage. How is it different from Fair wage and Living wage ?
Discuss the procedure for fixing the minimum wage.

SECTION – B

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

(5×9=45)

2. What is gratuity ? How is it different from provident fund and pension ? Explain the salient features of Payment of Gratuity Act.
3. If a workman is injured at the workplace during the working hours, how much compensation he gets, if injury is a temporary disablement, permanent partial disablement or permanent total disablement ?
4. "Level of enforcement of labour laws in India is low". Discuss.
5. Discuss the role of Industrial Dispute Act 1947 in achieving harmonious industrial relations.
6. "Single trade union in a plant with internal leadership is better than multiple trade unions with outside leadership". Discuss.
7. Explain the salient features of Equal Remuneration Act and Child Labour (Prohibition and Regulation) Act.
8. Discuss the health, safety and welfare provisions applicable to factories registered under Factories Act.
9. a) What are the deductions should be made from wages under Payment of Wages Act ?
b) Explain the labour provisions under Indian Constitution.

P.T.O.



SECTION – C

10. Case Study (Compulsory) : (1×15=15)

X Ltd. is labour intensive textile mill in an urban area in the State of Tamil Nadu. It has four trade unions affiliated to National level trade unions such as A, B, C and D. Union A claims membership of 800, Union B claims membership of 600, Union C claims membership of 700, and Union D claims membership of 500. According to their membership claim, number of workers in that company would be 2600, while actual workers' strength is only 2,000.

Human resource manager of X Ltd. is now facing the problem of recognition of one union among four. Membership claims by multiple union show that there exists dual membership. To remove this problem, and to recognize a single union, he has two options before him-(1) Membership verification (2) Secret Ballot. Introduction of secret ballot would politicize the factory environment, while membership verification would result in false claim.

Questions :

- a) What are the reasons for dual membership by a workman in more than one trade union ?
 - b) What are your suggestions to remove multiple trade unions ?
 - c) How secret ballot would help in recognition of trade union ?
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4M3

Fourth Semester M.B.A. Degree Examination, May/June 2010

INTERNATIONAL MARKETING MANAGEMENT

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

(1×15=15)

1. Critically evaluate various export pricing strategies and explain how it differs from domestic market pricing strategies.

SECTION – B

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

(5×9=45)

2. Explain various external factors affecting international marketing environment.
3. Give an account of various non tariff barriers that have bearing on international trade.
4. Analyze the role of EXIM bank in boosting Indian exports.
5. Differentiate between pre shipment and post shipment credit.
6. What are the factors that need to be considered while positioning and targeting product in an international market ?
7. Explain the various modes of entering the international market.
8. Discuss the briefly the export documentation procedure.
9. Evaluate the impact of joint ventures on international trade.

P.T.O.



SECTION – C

Compulsory : (1×15=15)

10. Case Study :

ABB products include power transformers, electrical installations, instrumentation, auto components, air conditioning equipments and railroad equipments. The company has annual revenue of \$32 billions and 2,00,000 employees. Its motto ABB is a global company local everywhere. English is the official language and all its financial results are reported in dollars. ABB has fewer than 200 staff at the company headquarters in Switzerland, compared to 300 people in other headquarters. The company many product lines are organized into 8 business segments, 65 business areas and 1300 companies and 5000 profit centers. Managers are regularly routed among countries mixed nationality teams are encouraged.

1. Identify the strength of ABB as an international player.

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4M4

Fourth Semester M.B.A. Degree Examination, May/June 2010
BUSINESS ADMINISTRATION
Services Marketing

Time : 3 Hours

Max. Marks : 75

Note : Answer all Sections.

SECTION – A

(1×15=15)

Compulsory :

1. Discuss the position of service sector in Indian economy. Explain the factors that have stimulated the growth of service sector in India.

SECTION – B

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

(5×9=45)

2. Explain the elements of Service Marketing Mix with appropriate examples.
3. How are services as processes classified ? Explain the four categories of services as process with appropriate examples.
4. Why is customer involvement in service production and delivery important ? Select a service from tourism industry and discuss the role of customer involvement in it.
5. Select a government service and discuss the market segmentation strategy for it. Justify your answer.
6. Discuss the trends in transport industry as service industry in India.
7. What are credence attributes ? Discuss them in relation to health care services.

P.T.O.



8. Discuss the techniques used in the marketing of bonds and debentures.
9. Discuss the application of marketing in banking services.

SECTION – C

Compulsory :

(1×15=15)

10. Construct a flow chart of production and delivery for airline service. Identify the critical points within this service production and delivery process that are likely to have a significant bearing on customers' perception and sense of satisfaction. Explain as to why these points in the process are particularly important. How would you go about managing them ?