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MBAH 551

Fourth Semester M.B.A. Degree Examination, September 2020
BUSINESS ADMINISTRATION
Strategic 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 in detail the corporate strategy in terms of directional strategies such as Growth, Stability and Retrenchment strategies.

SECTION – B

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

(5×8=40)

2. Explain basic elements of strategic management process.
3. Describe Michele Porter's five forces model of Industry Analysis.
4. Describe about the stages in the Industry Life Cycle.
5. Explain Porter's Generic Competitive Strategies with suitable examples.
6. Explain how value chain analysis could help in organizational analysis.
7. What is SWOT analysis ? Explain the components of SWOT analysis.
8. "Joint Ventures are emerging as the best tool for reaching new markets".
Comment.
9. Explain the strategic evaluation and control techniques.

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SECTION – C
(Compulsory)

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

10. Case analysis.

Doordarshan (DD) is the India's premier public service broadcaster with more than 1,000 transmitters covering 90% of the country's population across an estimated 70 million homes. It has more than 20,000 employees managing its metro and regional channels. Recent years have seen growing competition from many private channels numbering more than 65, and the cable and satellite operators (C and S). The C and S network reaches nearly 30 million homes and is growing at a very fast rate. DD's business model is based on selling half-hour slots of commercial time to the programme producers and charging them a minimum guarantee. For instance, the tariff for the first 20 episodes of a programme is INR 30 lakhs plus the cost of production of the programme. In exchange the producers get 780 seconds of commercial time that they can sell to advertisers and can generate revenue. Break-even point for producers, at the present rates, thus is INR 75,000 for a 10 second advertising spot. Beyond 20 episodes, the minimum guarantee is INR 65 lakhs for which the producer has to charge INR 1,15,000 for a 10 second spot in order to break-even. It is at this point the advertisers face a problem-the competitive rates for a 10 second spot is INR 50,000. Producers are possessive about buying commercial time on DD. As a result the DD's projected growth of revenue is only 6-10% as against 50-60% for the private sector channels. Software suppliers, advertisers and audiences are deserting DD owing to its unrealistic pricing policy. DD has three options before it. First, it should privatise, second, it should remain purely public service broadcaster and third, a middle path. The challenge seems to be to exploit DD's immense potential and emerge as a formidable player in the mass media.

Questions :

- Perform a SWOT analysis for DD.
- Discuss the competitive situation DD is facing. What is the best strategic option, in your view and why ?

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MBAS 553

Fourth Semester M.B.A. Degree Examination, September 2020
BUSINESS ADMINISTRATION
Financial Services

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all Sections.

SECTION – A

(Compulsory)

Note : Answer any two questions. Each question carries 10 marks. Answer to the question should not exceed six pages. **(2×10=20)**

1. "The financial system provides the intermediation between savers and investors and promotes faster economic development." Examine the statement and explain the functions, importance and components of the financial system.
2. State the general obligations and responsibilities of a merchant banker.
3. Discuss the importance of commercial bill. Why has the commercial bills market not developed in India ?

SECTION – B

Note : Answer any three questions. Each question carries 12 marks. Answer to the question should not exceed six pages. **(3×12=36)**

4. Explain the term 'Depositories'. Discuss the advantages and disadvantages of online trading.
5. Explain the benefits and limitations of credit rating.
6. Describe the role and functions of Reserve Bank of India.
7. HMT is contemplating having an access to a machine for a period of 5 years discussion with various financial institutions have that the company can have the use of machine for the stipulated period through leasing arrangement, or the requisite amount can be borrowed at 14% to buy the machine. In case

P.T.O.



of leasing, the firm would be required to pay an annual end-of-year rent of Rs. 1,20,000 for 5 years. The company follows written down value method of depreciation, the depreciation rate being 25%. The corporate tax rate is 35%. Post tax marginal cost of capital is 10%. Salvage value, Rs. 40,000 at the end of 5th year. The cost of machine is Rs. 3,43,000. Compute the net advantage leasing to the lessee.

8. Following details pertain to ABC Ltd. company manufacturing an item required for the automobile sector :

Cost of equipment is Rs. 25,00,000.

Hire term is 5 years and hire charge is Rs. 2,80,000.

Down payment is 20% of cost price.

Flat rate of interest is 13% per annum.

Appropriate borrowing rate is 16%.

Cost of capital 20%.

Tax rate 35%.

Depreciation to be charged on straight line method, the salvage being Rs. 1,00,000 at the end of 5 years. Use SOYD (Sum of year digit method) for allocation of financial charges. Calculate the net advantage of hire purchase.

SECTION – C

(Compulsory)

Note : Answer to the question should **not** exceed **six** pages. This question carries **fourteen** marks. **(1×14=14)**

9. Calculate the cost of hire purchase and leasing.

Cost of equipment	Rs. 10 lakhs
Hire / Lease term	8 years
Hire / Lease instalment	Rs. 1.5 lakhs
Installation charge	Rs. 1 lakhs
Residual value	Rs. 2 lakhs
Depreciation	20% WDV
Cost of capital	12%
Cost of debt	16%
Maintenance charge	Rs. 1 lakhs in 5 th year.
Tax rate	40%

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MBAS 554



Fourth Semester M.B.A. Degree Examination, September 2020
BUSINESS ADMINISTRATION
International Financial Management

Time : 3 Hours

Max. Marks : 70

Instructions : 1) Answer **all** Sections.

2) **Marks** are indicated against **each** Section.

SECTION – A

Answer **any two** questions. **Each** question carries **10** marks. Answer to **each** question should **not** exceed **5** pages. **(2×10=20)**

1. How is a country's economic well-being enhanced through free international trade in goods and services ? Discuss the criteria for a 'good' International monetary system.
2. Discuss the factors to be considered in working capital management in a multinational company and also state the main sources of working capital financing of an MNC.
3. What do you understand by foreign exchange exposure ? Briefly explain the transaction, translation and economic exposure.

SECTION – B

Answer **any three** questions. **Each** question carries **12** marks. Answer to **each** question should **not** exceed **6** pages. **(3×12=36)**

4. Define balance of payments. Why would it be useful to examine a country's balance of payments ? What are the limitations of BOP statements ? Show a typical balance of payments statement.

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5. a) What do you know about foreign exchange market ? How the exchange rate determined in a free market ? What are the factors responsible for exchange rate fluctuation ?

b) The following quotes are given for spot, 1 month, 3 months and 6 months Indian Rupee and US Dollar. Convert these into outright rates with corresponding spreads.

Currency	Spot	1-month	3-months	6-months
Rs./US Dollar	70.2321/2328	18/21	138/133	5/7

6. Write short notes on :

a) Procedure involved in export of goods and services.

b) Eurocurrency market.

7. Suppose The East Asiatic Company (EAC), a Danish company with subsidiaries all over Asia, has been funding its Bangkok subsidiary primarily with U.S. Dollar debt because of the cost and availability of dollar capital as opposed to Thai Baht (B) funds. The treasurer of EAC- Thailand is considering a one-year loan for \$350,000, The current spot exchange rate is B42.84/\$, and the dollar-based interest is 8.885% for the one-year period.

a) Assume that the expected inflation rates are 4.50% and 2.20% in Thailand and the United States for the coming year, respectively. According to PPP, what would the effective cost of funds be in Thai Baht terms ?

b) If EAC's foreign exchange advisor believe strongly that the Thai government wishes to push the value of the Baht down against the dollar by 5% over the coming year (to promote its export competitiveness in dollar markets), what might the effective cost of funds end up being in Thai Baht terms ?

c) If EAC could borrow Thai Baht at 14% per annum, would this option be more cost effective than part (a) or part (b) above ? Explain with necessary workings.



8. Mr. Y, who trades currencies for Peregrine Investments in Jakarta, Indonesia, focuses nearly all of his time and attention on the U.S. dollar/Singapore dollar (\$/S\$) cross rate. The current spot rate is \$0.6000/S\$. After considerable study this week, he has concluded that the Singapore dollar will appreciate versus the U.S. dollar in the coming 90 days, probably to about \$0.6000/S\$. He has the following options on the Singapore dollar to choose from :

Option	Strike Price	Premium
Put option on S\$	\$0.6500	\$0.00003/S\$
Call option on S\$	\$0.6500	\$0.00046/S\$

Questions :

- a) Should Mr. Y buy a put on Singapore dollars or a call on Singapore dollars ?
- b) Using your answer to Question (a), what is Mr. Y's break-even price ?
- c) Using your answer to Question (a), what is Mr. Y's gross profit and net profit (including the premium) if the spot rate at the end of the 90 date is indeed \$0.7000/ S\$?
- d) Using your answer to Question (a), what is Mr. Y's gross profit and net profit (including the premium) if the spot rate at the end of the 90 date is indeed \$0.8000/ S\$?

SECTION – C

Note : This Section is **compulsory**. It carries **fourteen** marks.

(1×14=14)

9. Autocars Ltd. of Coventry, England, manufactures British style sports cars, a number of which are exported to New Zealand for payment in pounds sterling. The distributor sells the sports cars in New Zealand for New Zealand dollars. The New Zealand distributor is unable to carry all of the foreign exchange risk, and would not sell Autocare models unless Autocars could share some of the foreign exchange risk. Autocars has agreed that sales for a given model year will initially be priced at a 'base' spot rate between the New Zealand dollar and pounds sterling set to be the spot mid-rate at the beginning of that model year. As long as the actual exchange rate is within $\pm 5\%$ of that base rate, payment will be made in pounds sterling (that is the New Zealand distributor assumes all foreign exchange risk).



However, if the spot rate at the time of shipment falls outside of this ± 5 range, Autocars will share equally the difference between the actual spot rate and the base rate. For the current model year, the base rate is NZ\$1.6400/£.

- a) What are the outside ranges within which the New Zealand importer must pay at the then-current spot rate ?
- b) If Autocars ships ten sports cars to the New Zealand distributor at a time when the spot exchange rate is NZ\$1.7000/£, and each car has an invoice cost of £ 12,000, what will be cost to the distributor in New Zealand dollars ? How many pounds will Autocars receive, and how does this compare with Autocars' expected sales receipts of £ 12,000 per car ?
- c) If Autocars ships the same ten cars to New Zealand at a time when the spot exchange rate is NZ\$1.6500/£, how many New Zealand dollars will the distributor pay ? How many pounds will Autocars receive ?
- d) Does this risk-sharing agreement shift the currency exposure from one party of the transaction to the other ?
- e) Why is such a risk-sharing agreement of benefit to Autocars ? To the New Zealand distributor ?

Note: This Section is compulsory. It carries fourteen marks. (14=14)

Autocars Ltd. of Coventry, England, manufactures British-style sports cars, a number of which are exported to New Zealand for payment in pounds sterling. The distributor sells the sports cars in New Zealand for New Zealand dollars. The New Zealand distributor is unable to carry all of the foreign exchange risk and would not sell Autocars models unless Autocars could share some of the foreign exchange risk. Autocars has agreed that sales for a given model year will initially be priced at a 'base' spot rate between the New Zealand dollar and pounds sterling set to be the spot mid-rate at the beginning of that model year. As long as the actual exchange rate is within $\pm 5\%$ of that base rate, payment will be made in pounds sterling (that is the New Zealand distributor assumes all foreign exchange risk).

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MBAS 555

Fourth Semester M.B.A. Degree Examination, September 2020
BUSINESS ADMINISTRATION
Corporate Financial Restructuring

Max. Marks : 70

Time : 3 Hours

SECTION – A

Answer **any two** questions. **Each** question carries **10** marks. Answer to **each** question should **not** exceed **5** pages. **(2×10=20)**

1. Explain the need for corporate restructuring.
2. Bring out and explain the legal procedure involved in merger.
3. Why companies takeover sick units ? Explain.

SECTION – B

Answer **any three** questions. **Each** question carries **12** marks. Answer to **each** question should **not** exceed **6** pages. **(3×12=36)**

4. How to revive the sick industries ? Explain.
5. Describe different sources of funding for mergers and takeovers.
6. Discuss the taxation of shareholders of demerged company and the resulting company.
7. Explain the benefits and limitations of a share repurchase.
8. Suppose an analyst has gathered the following information on the target company, the MNC Company.

MNC Company		Average of Multiples of Comparable Transactions	
Earnings	Rs. 25 million	P/E of comparables	20 times
Cash flow	Rs. 20 million	P/CF of comparables	25 times
Book value of equity	Rs. 75 million	P/BV of comparables	5 times
Sales	Rs. 160 million	P/S of comparables	3 times

Estimate the value of the MNC Company using the comparable transaction analysis, giving the earnings and cash flow multiple 75% and the other methods 25% each. Do you accept the value calculated using comparable transaction analysis ? Why ?

P.T.O.



SECTION – C
(Compulsory)

(1×14=14)

Answer the following question should **not** exceed pages.

9. The acquisition deal of two companies is given below :

- Exchange ratio : One share of ABC for three shares of Company XYZ.
- Market applies pre-merger P/E of Company ABC to post-merger earnings.

	ABC	XYZ
Earnings	Rs. 150 million	Rs. 90 million
Number of shares	120 million	60 million
Earnings per share	Rs. 1.25	Rs. 1.5
P/E	25	15
Price per share	Rs. 31.25	Rs. 22.5

- Calculate the number of shares issued to XYZ and post merger EPS.
- What is the Post merger value of ABC ?
- Who gained in this transaction ? Justify your answer.

Average of Multiples of Comparable Transactions		MNC Company	
Earnings	Rs. 25 million	P/E of comparables	20 times
Cash flow	Rs. 20 million	P/CF of comparables	25 times
Book value of equity	Rs. 75 million	P/BV of comparables	5 times
Sales	Rs. 180 million	P/S of comparables	3 times

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MBAS 556

Fourth Semester M.B.A. Degree Examination, September 2020
BUSINESS ADMINISTRATION
International Marketing Management

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all Sections.

SECTION – A

(1×15=15)

(Compulsory)

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

1. "International marketing has become indispensable in the economic development of a developing country". Explain this statement in the context of Indian situation.

SECTION – B

(5×8=40)

Note : Answer **any five** of the following questions. **Each** question carries **8** marks. Answer to the question should **not** exceed **five** pages.

2. What are the steps taken by the government of India to help Indian exporters in marketing their products abroad ? Explain.
3. Explain the role of price and non-price factors in international marketing.
4. What are the advantages of direct exporting ? Why are more and more Indian manufacturers taking recourse to direct exporting ?
5. How do you determine the suitability of a particular product for a particular market ? Explain.
6. Describe the different kinds of insurance policies and financial guarantees that are issued by the Export Credit Guarantee Corporation.
7. How do you process an export order ? Explain the various steps.
8. What is tariff ? Explain the different types and effect of tariff barriers.
9. Critically examine the various methods available to an Indian exporter to receive payments from his foreign customers.

P.T.O.



SECTION – C
(Compulsory)

(1×15=15)

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

10. Case Study :

In 1934, Chandrashekar Agashe of , Sholapur started the Brihan Maharashtra Sugar Syndicate as a limited company with funds collected from amongst the Maharashtrian middle classes. Sugarcane plantings South Western Maharashtra was pioneered by this Syndicate.

It was logical extension of the sugarcane business to go in for the manufacture of liquor. Although the Indian liquor business was dominated by a few giants such as McDowells, Khoday, Shaw Wallace, etc., Brihan Maharashtra's products were well received.

In 1976, there were ominous threats of prohibition on a country wide she and Brihan Maharashtra began to look outwards. Canada seemed an appropriate market to enter because, unlike the US and Europe, the Canadians had low tariff rates and their less industrialised provinces were willing to offer incentives to new industries. Perhaps more important was the feeling that an Indian rum, being a new product, would face less difficulties in establishing itself in the Canadian market as compared to the US and European markets, where a high degree of exposure to international brands of liquors already existed. "Connaisseurs found our rum to be as good as world famous brands Pike Baccardi and Captain Morgan and we were awarded excellency certificates by the Federal Government of Canada", a Brihan official explained.

Freight costs were clearly too prohibitive to service the Canadian market in any significant way from India by export of bottled rum. Further the high bottling standards in the Canadian market precluded the possibility of shipping an Indian bottling plant. Accordingly, Brihan Maharashtra decided to establish a rum bottling plant in Nova Scotia through its selling agents and subsidiary, Baumgarten and Wallia.

Canada helped Brihan Bottlers and Distillers (Nova Scotia) Ltd. through its usual soft finance scheme but the promised help in obtaining listing for the various brands in the country's different provinces was not forthcoming. (Only on obtaining a listing with the concerned provincial government can any brand of liquor be sold in the province.) As a result, the company had to rush about obtaining the listings when the bottling plant was all set to go. Ultimately, they did succeed in getting listings in six provinces on their own.



It is one thing to manufacture an excellent consumer product and quite another to sell it. This is all the more true when the product in question is a lifestyle product. Not only must the company advertise liberally but also it has to undertake special promotion efforts and intensive campaigns to establish credibility.

With an Indian equity capital worth only C\$90,000, the Canadian venture did not have the resources to launch even a regional campaign let alone a national one. Orders failed to materialise and sales barely exceeded the volumes established when the product was being sourced from India. Brihan (M.S.) plunged quickly into the red.

With resources obtained from "friends" in Canada and three foreign exchange loans given by the Government of India, the firm started advertising. In two years a promotion and sales expenditure of around C\$ 4,00,000 was incurred. Unfortunately, this outlay proved in no way adequate to achieve the threshold level of exposure after which sales could be expected to increase. With no funds available to continue further advertising, the "sunk" promotional expenditure proved infructuous and only added to the mounting losses.

By the end of 1979, the accumulated losses of Brihan (M.S.) had reached C\$ 8,00,000. Cost cutting efforts were vitiated by in-built rigidities such as heavy interest costs and increasing wages.

In the two and half years from mid-1977 to end-1979, Brihan (M.S.) managed to sell 10,600 cases of liquor, mostly rum, which was like a drop in the ocean. But there was a silver lining in this rather dismal picture in the form of steady increase in sales from about 1,700 cases in the first year to about 6,000 cases in the last nine months. Efforts made by Brihan to convince the Government of India of the dire need for further funds to maintain the tempo of advertising fell on deaf ears and the company was left with no alternative but to sell out to its banker and creditors.

Question :

- 1) Evaluate on the basis of this case study, the nature and types of the problems Indian firms in the consumer product field face while setting up operations abroad.
- 2) What amendments would you consider desirable in the Government of India's guidelines on joint ventures to help Indian firms becoming International ?

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Fourth Semester M.B.A. Degree Examination, September 2020
BUSINESS ADMINISTRATION
Services Marketing

Time : 3 Hours

Max. Marks : 70

SECTION – A

(1×15=15)

(Compulsory)

Note : This question carries **15** marks. Answer to the question should **not** exceed **six** pages.

1. Discuss the factors that have stimulated the growth of service sector in India.

SECTION – B

(5×8=40)

(Compulsory)

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

2. What characteristics make services different from goods ? Highlight the implications they have for service marketers.
3. Discuss with appropriate examples the marketing mix of services.
4. What are People and Mental stimulus processing services ? Examine with examples the challenges they pose to the service marketers.
5. What are service encounters ? Why should a service marketer consider them seriously ? Explain.

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6. What do you mean by service expectations ? What factors influence service expectations ?
7. Discuss the different types of perceived risks in purchasing and using services.
8. What do you mean by 'Moments of Truth' ? Discuss why marketers be concerned with them.
9. What do you mean by 'Credence Attribute' ? Explain its role in developing marketing communication for services.

SECTION – C

(1×15=15)

(Compulsory)

Note : This question carries 15 marks. Answer to the question should **not** exceed six pages.

10. Select a service of your choice. Using the GAP model, explain the seven service quality shortfalls. Examine the causes for each GAP and suggest strategies to close them.



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SECTION - C
(Compulsory)

MBAS 558

IV Semester M.B.A. Degree Examination, September 2020

BUSINESS ADMINISTRATION

Rural Marketing

Time : 3 Hours

Max. Marks : 70

**SECTION - A
(Compulsory)**

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

(1×15=15)

1. What are the major factors which affect rural markets ? How the rural marketing can be made more effective in India ?

SECTION - B

Note : Answer **any five** of the following. Answer to **each** question should **not** exceed **five** pages.

(5×8=40)

2. Define rural marketing. Why is it important in a country like India ?
3. Write the characteristics of rural consumers.
4. Briefly describe the different bases for segmenting rural consumer markets.
5. What is market strategy ? Which strategies are adopted for rural marketing ?
6. Discuss what measures the government has taken to promote rural marketing in India.
7. Discuss the rural product-categories.
8. "Don't buy everything you see even salt looks like sugar" critically examine this statement.
9. Elaborate on the pricing strategies specific to the rural market.

P.T.O.



SECTION – C
(Compulsory)

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

10. Analyse the following **case study**.

In a study conducted by ICICI it was found that :

Only 40 per cent of shops in small towns have electricity, while in feeder villages this figure was 11 per cent. Shops in towns were located on rented premises. While in interior villages in 88 per cent of the cases the shops were located on owned premises and lacked electricity. In feeder villages, four-fifth of the shops have one person working full time, while in interior villages 70 per cent have two or three persons working on a part-time basis. Over two-fifths of the retail outlets stocked eight to nine standard product categories. It was found that three-fourths of the outlets that stocked eight to nine product categories kept four items or less in each category, while one-fourth had five to six items in each category. The total number of items stocked in retail outlets was about 50 in interior villages and 115 in feeder villages. The stock turnover ratio in the study is the number of times the stock is sold in a month. This is obtained by dividing the stock level by monthly off-take. The ratio for toiletries in interior villages was close to unity, while in the feeder villages two-thirds had a ratio in the range of two to three. The ratio of one indicates that on average interior village shops had stocks for one month, while shops in feeder villages maintained stocks for two or three months. The value of the stock turnover ratio in towns had a wider spread and higher values in the range of three or even, five because of the wide variety of products stocked.

Questions :

- a) Critically evaluate the above rural retail scenario for the marketer of consumer products.
- b) What implications does the above scenario have for the long - term distribution system design of a multi-product necessity Goods Company wanting to make a foray into the rural markets ?

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MBAS 559

IV Semester M.B.A. Degree Examination, September 2020

BUSINESS ADMINISTRATION

Global Human Resource Management

Time : 3 Hours

Max. Marks : 70

**SECTION – A
(Compulsory)**

Answer to the question should **not** exceed **6** pages. **(1×15=15)**

1. Discuss the factors affecting recruitment and selection of global human resource managers.

SECTION – B

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

2. Explain the nature and scope of GHRM.
3. What are the special problems faced by global managers when they have to evaluate global team performance ?
4. Discuss the respective advantages and disadvantages of Ethnocentric and Polycentric approaches of international staffing.
5. Write a note on HR Practices in USA, West Germany and India
6. Write a brief note on cross cultural management and its significance.
7. Compare and contrast the labour management practices and cultural environment of India with Japan.
8. Discuss the significant shifts in human resource development practices of MNCs in recent times.
9. Give an explanatory note on Hofstede and Trompennar Model.

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SECTION – C
(Compulsory)

Answer to the question should **not** exceed 6 pages. (1×15=15)

10. Central Steel Door Corporation has been in business for about 20 years, successfully selling a line of steel industrial-grade doors, as well as the hardware and fittings required for them. Focusing mostly in the United States and Canada, the company had, gradually increased its presence from the New York City area, first into New England and then down the Atlantic Coast, then through the Midwest and West, and finally into Canada. The company's basic expansion strategy was always the same : Choose an area, open a distribution center, hire a regional sales manager, then let that regional sales manager help staff the distribution center and hire local sales reps. Unfortunately, the company's traditional success in finding sales help has not extended to its overseas operations. With the introduction of the new European currency in 2002, Mel Fisher, President of Central Steel Door, decided to expand his company abroad, into Europe.

However, the expansion has not gone smoothly at all. He tried for three weeks to find a sales manager by advertising in the *International Herald Tribune*, which is read by business people in Europe and by American expatriates living and working in Europe. Although the ads placed in the *Tribune* also run for about a month on the *Tribune's* Web site, Mr. Fisher so far has received only five applications. One came from a possibly viable candidate, whereas four came from candidates whom Mr. Fisher refers to as "lost souls" - people who seem to have spent most of their time traveling aimlessly from country to country sipping espresso in sidewalk cafés. When asked what he had done for the last three years, one told Mr. Fisher he'd been on a "walkabout". Other aspects of his international HR activities have been equally problematic. Fisher alienated two of his U.S. sales managers by sending them to Europe to temporarily run the European operations, but neglecting to work out a compensation package that would cover their relatively high living expenses in Germany and Belgium.



One ended up staying the better part of the year, and Mr. Fisher was rudely surprised to be informed by the Belgian government that his sales manager owed thousands of dollars in local taxes. The managers had hired about 10 local people to staff each of the two distribution centers. However, without full-time local European sales managers the level of sales was disappointing, so Fisher decided to fire about half the distribution center employees. That's when he got an emergency phone call from his temporary sales manager in Germany: "I've just been told that all these employees should have had written employment agreements and that in any case we can't fire anyone without at least one year's notice, and the local authorities here are really up in arms. Boss, I think we have a problem".

Questions :

- a) Based on this chapter and the case incident, compile a list of 10 international HR mistakes Mr. Fisher has made so far.
- b) How would you have gone about hiring a European sales manager ? Why ?

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MBAS 560

IV Semester M.B.A. Degree Examination, September 2020

BUSINESS ADMINISTRATION

Compensation Management

Time : 3 Hours

Max. Marks : 70

**SECTION – A
(Compulsory)**

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

1. What do you mean by compensation for Special Groups ? What are the components of executive compensation package ? Give reasons for high executive compensation.

SECTION – B

Note : Answer **any five** of the following. Answer to **each** question should **not** exceed **five** pages. **(5×8=40)**

2. Distinguish between 'Internal Equity' and 'External Equity'.
3. 'Several modern and traditional methods of performance appraisal are used for appraising an employee's performance'. Explain any three methods of performance appraisal.
4. Explain various dimensions of compensation management.
5. Describe the modes of aligning compensation strategy with business strategy.
6. Discuss the malevolent and benevolent factors of team based pay.
7. Discuss the economic theories related to compensation.
8. What is the future trend of compensation ? Explain.
9. Write notes on :
 - a) Employee Stock Option Plans
 - b) Types of Retirement Plans.

P.T.O.



SECTION – C
(Compulsory)

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

(1×15=15)

10. Analyse the following case study.

Mr. Samrat Bhattadlarya 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 n 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 an 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 :

- a) Do you agree with Samrat's idea of pay-for-performance plan ? Why or why not ?
 - b) What advice would you give Samrat and Vikas as they consider their decision ?
 - c) What mistakes did they make in adopting and communicating the new compensation plan ?
 - d) What strategy should Samrat adopt to ensure the success of strategic compensation plan ?
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MBAS 561

IV Semester M.B.A. Degree Examination, September 2020

BUSINESS ADMINISTRATION

Performance Management

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

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

(1×15=15)

1. "Managing performance of employees is easier said than done". Justify the statement by considering the organisational scenarios that has changed in 2020 as an after effect of COVID-19 outbreak. Discuss the challenges in realising performance management in reality.

SECTION – B

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

(5×8=40)

2. Explain the significance of performance management in detail.
3. 'Reward is a psychological phenomenon'. Substantiate this statement.
4. Describe the importance of cultural based performance management.
5. Discuss the role of mentoring and monitoring in career development.
6. Explain the role of leadership in bringing changes for the effectiveness of organisation.
7. Discuss the importance of performance management planning. How is it linked to strategic planning ?
8. What is 360 degree appraisal ? Explain its advantages and disadvantages.
9. Bring out in detail the difference between performance appraisal and performance management.

P.T.O.



SECTION – C
(Compulsory)

Answer to the question should **not** exceed **seven** pages.

(1×15=15)

10. Hotel Asia International, a five star hotel located in a metro city of India has a turnover of little over 100 crores with four hundred rooms, five restaurants, six conference halls, golf club and other paraphernalia. The hotel is owned by a Rajastani Marwari business family. Currently, occupancy rate of the hotel is above 75 percent, which is remarkable for any hotel. Financials of the hotel are sound with last financial year profit after tax standing at eighteen crores rupees. The hotel is known for its progressive human resource policies. Organisational culture is characterised by openness, commitment, risk taking, respect for individual and encourages employees to optimize their potential. Top management of the hold takes keen interest in welfare, career growth and well being of employees. As result, employee turnover of the hotel is far below than of average turnover of hotel industry. Oraganisational culture across all departments in the hotel is uniform and employees take pride in working in such an environment. Management of hotel has decided to capitalize on this rich organisational culture in institutionalisation of performance of employees as a way of life.

- a) Discuss in your view what should the management of this hotel do to achieve this target of perform management institutionalisation.
- b) How can a salutary organisation culture existing in the organisation be of help in this process ?