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**MBAH 551**

**Fourth Semester M.B.A. Degree Examination, September/October 2022**  
**(Regular and Repeaters)**  
**BUSINESS ADMINISTRATION**  
**International Business Environment**

Time : 3 Hours

Max. Marks : 70

- Note :** 1) Answer *all* Sections.  
2) Marks are indicated against *each* Section.

**SECTION – A**  
**(Compulsory)**

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

1. Evaluate the advantage and disadvantage of FDI. Explain the role of FDI in the economic development of the host country.

**SECTION – B**

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

2. Briefly explain the various approaches to International Business.
3. Describe the multilateral trade agreements related to (i) agriculture and (ii) textiles and clothing.
4. What are the various activities performed by the World Bank ? Do you think these activities are beneficial for developing countries ? Explain.
5. Write a note on :
  - a) UNCTAD
  - b) SDR.
6. Explain the advantages and disadvantages of outsourcing.
7. Discuss the role of Multinational Corporations and their involvement in the International Business.
8. Examine the role of information technology in International Business.

P.T.O.



SECTION – C  
(Compulsory)

Answer to this question should **not** exceed **6** pages.

(1×15=15)

9. Case Study.

Richard was a 30 year old American sent by his Chicago based company to set up a buying office in India. The new office's main mission was to source large quantities of consumer goods in India, cotton piece goods, garments, accessories and shoes as well as industrial products such as tent fabrics and cast iron components.

India's ministry of Foreign Trade (MFT) had invited Richard's company to open their buying office because they knew it would promote export, bring in badly needed foreign exchange and provide manufacturing know how to Indian factories.

Richard was, in fact, the first international sourcing office to be located anywhere in South Asia. The MFT wanted it to succeed so that other Western and Japanese companies could be persuaded to establish similar procurement offices.

The Expatriate manager decided to set up the office in the capital, New Delhi because he knew he would have frequently met senior officials. Since the Indian Government closely regulated all trade and industry, Richard often found it necessary to help the suppliers obtain import licenses for the semi manufacturers and components required to produce the finished goods his company had ordered.

Richard found these government meeting frustrating. Even though he always phoned to make firm appointments, the bureaucrats usually kept him waiting for half an hour or more. Not only that his meetings would be continuously interrupted by phone calls and unannounced visitors as well as by clerks bringing in stacks of letters and documents to be signed. Because of all the waiting and the constant interruptions, it regularly took him half a day or more to accomplish something that could have been done back home in 20 minutes.

3 months into this assignment Richard began to think about requesting a transfer to a more congenial part of the world, somewhere, where things work. He just could not understand why the Indian officials were being so rude. Why did they keep him waiting ? Why didn't the bureaucrats hold their incoming calls and sign those papers after the meeting, so as to avoid constant interruptions ? After all the Government of India had invited this company to open this buying office. So didn't he have the right to expect reasonably courteous treatment from the officials in the various ministries and agencies he had to deal with ?

**Questions :**

- a) Why is Richard not able to jell with local conditions ?
  - b) If you were Richard, what would you do ?
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**MBAS 553**

**IV Semester M.B.A. Degree Examination, September/October 2022  
(Regular and Repeater)  
BUSINESS ADMINISTRATION  
Behavioural Finance**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

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

1. What is the joint hypothesis problem ? Why is it important ? Explain in detail.
2. You are considering managing your own money rather than trusting in an investment advisor. Some argue that emotional intelligence while investing may be just as important as investment knowledge. Do you agree ? Discuss.
3. Discuss in detail, Self-Attribution bias, Confirmation bias, Hindsight bias, Naive realism, Distorted Self-Perception.

**SECTION – B**

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

4. a) What do you understand by Expected Utility Theory ?  
b) Ravi has the following value function under prospect theory :

$$v(w) = w^{0.8} \quad \text{if } w \geq 0$$
$$= -2(-w)^{0.5} \quad \text{if } w < 0$$

Is Ravi loss averse ?

5. Differentiate the following :
  - a) Segregation and integration
  - b) Risk aversion and loss aversion.

P.T.O.



6. 'Arbitrage is limited because the wealth of arbitrageurs is limited'. Discuss this statement in the context of those who are managing their own money and those who are managing other people's money.
7. Put yourself in the place of an equity mutual fund manager. Think of all the stocks you might select for inclusion in the portfolio. How would emotions enhance your decision-making process ?
8. Describe the three types of professional financial analysts and discuss some firms that employ such analysts.

**SECTION – C**  
**(Compulsory)**

Answer to this question should **not** exceed **6** pages.

**(1×14=14)**

9. Case Study.

When eating out, Samyukta prefers noodles over a burger. Last night, she had a choice of noodles or pasta and cheese and decided on the noodles again. The night before, Samyukta had a choice of noodles, pizza, or a burger and this time she had pizza. Then, today, she chose pasta and cheese over a burger. Does her selection today indicate that Samyukta's choices are consistent with economic rationality ? Why or why not ? Justify your answer.

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**MBAS 554**

**Fourth Semester M.B.A. Degree Examination, September/October 2022  
(Regular and Repeater)  
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. What do you understand by foreign exchange risk ? What are the different internal and external exposure management techniques which are used by importers and exporters ? Discuss.
2. Define Balance of Payments. Why would it be useful to examine a country's Balance of Payments ? Discuss the recent trends in India's Balance of Payments.
3. 'Capital budgeting for a foreign project is considerably more complex than the domestic case'. What are the factors that add complexity ? How should an MNE factor the host country inflation into its evaluation of an investment proposal ?

**SECTION – B**

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

4. a) Why did the International Monetary system move from a Fixed Exchange Rate System to a Floating Exchange Rate System ? What has been its impact ?  
b) Do developing countries face special problems in financing their international trade ? If so, what are these problems ?

P.T.O.



5. a) Discuss the IRP Theory with its limitations. How is it different from PPP Theory ?
- b) If US inflation rate is expected to average about 3% annually, while the inflation rate in India is to average out at 8% annually. If the current spot rate for the rupee is \$ 0.0126, what is the expected spot rate two years hence ?
6. a) Discuss the different types of foreign exchange exposures in brief.
- b) Cray Research sold a super computer to the Max Planck Institute in Germany on credit and invoiced €10 million payable in six months. Currently, the six-months forward exchange rate is \$ 1.10/€ and the foreign exchange advisor for Cray Research predicts that the spot rate is likely to be \$ 1.05/€ in six months.
- i) What is the expected gain/loss from the forward hedging ?
- ii) If you were the financial manager of Cray Research, would you recommend hedging this euro receivable ? Why or why not ?
- iii) Suppose the foreign exchange advisor predicts that the future spot rate will be the same as the forward exchange rate quoted today. Would you recommend hedging in this case ? Why or why not ?
7. Write short notes on :
- a) International Cash Management, and
- b) International Capital Market Instruments.
8. a) Briefly discuss the multinational tax management.
- b) A portfolio manager holds a portfolio that mimics the S and P 500 index. The S and P 500 index started the year at 800 and is currently at 923.33. The December S and P 500 futures price is currently 933.33. The manager's fund was valued at \$ 10 million at the beginning of the year. Since the fund has already generated a handsome return for the year, the manager wishes to lock in its current value. That is, the manager is willing to give up potential increases in order to ensure that the value of the fund does not decrease. How can you lock in the value of the fund implied by the December futures contract ? Show that the hedge does work by considering the value of your net hedged position when the S and P 500 index finishes the year at 833.33 and 1,000.



SECTION – C

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

**(1×14=14)**

9. Dorchester Ltd., is an old-line confectioner specializing in high-quality chocolates. Through its facilities in the United Kingdom, Dorchester manufactures candies that it sells throughout Western Europe and North America (United States and Canada). With its current manufacturing facilities, Dorchester has been unable to supply the U.S. market with more than 225,000 pounds of candy per year. This supply has allowed its sales affiliate, located in Boston, to be able to penetrate the U.S. market no farther West than St. Louis and only as far South as Atlanta. Dorchester believes that a separate manufacturing facility located in the United States would allow it to supply the entire U.S. market and Canada (which presently accounts for 65,000 pounds per year). Dorchester currently estimates initial demand in the North American market at 390,000 pounds, with growth at a 5 percent annual rate. A separate manufacturing facility would, obviously, free up the amount currently shipped to the United States and Canada. But Dorchester believes that this is only a short-run problem. They believe the economic development taking place in Eastern Europe will allow it to sell there the full amount presently shipped to North America within a period of five years.

Dorchester presently realizes £ 3.00 per pound on its North American exports. Once the U.S. manufacturing facility is operating, Dorchester expects that it will be able to initially price its product at \$ 7.70 per pound. This price would represent an operating profit of \$ 4.40 per pound. Both sales price and operating costs are expected to keep track with the U.S. price level; U.S. inflation is forecast at a rate of 3 percent for the next several years. In the U.K., long-run inflation is expected to be in the 4 to 5 percent range, depending on which economic service one follows. The current spot exchange rate is \$ 1.50/£1.00. Dorchester explicitly believes in PPP as the best means to forecast future exchange rates.

The manufacturing facility is expected to cost \$ 7,000,000. Dorchester plans to finance this amount by a combination of equity capital and debt. The plant will increase Dorchester's borrowing capacity by £ 2,000,000, and it plans to borrow only that amount. The local community in which Dorchester has



decided to build will provide \$ 1,500,000 of debt financing for a period of seven years at 7.75 percent. The principal is to be repaid in equal installments over the life of the loan. At this point, Dorchester is uncertain whether to raise the remaining debt it desires through a domestic bond issue or a Eurodollar bond issue. It believes it can borrow pounds sterling at 10.75 percent per annum and dollars at 9.5 percent. Dorchester estimates its all-equity cost of capital to be 15 percent.

The U.S. Internal Revenue Service will allow Dorchester to depreciate the new facility over a seven-year period. After that time the confectionery equipment, which accounts for the bulk of the investment, is expected to have substantial market value.

Dorchester does not expect to receive any special tax concessions. Further, because the corporate tax rates in the two countries are the same--35 percent in the U.K. and in the United States--transfer pricing strategies are ruled out.

Should Dorchester build the new manufacturing plant in the United States ?  
Show in detail necessary workings.

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**MBAS 555**

**Fourth Semester M.B.A. Degree Examination, September/October 2022  
(Regular & Repeater)  
BUSINESS ADMINISTRATION  
Corporate Restructuring**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

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

1. Bring out and explain motives of corporate restructuring.
2. Explain the pros and cons of rehabilitation financing.
3. Describe the causes of sickness of companies in India.

**SECTION – B**

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

4. Discuss the SWOT analysis of reverse merger.
5. Explain the defensive tactic against holistic takeover.
6. Describe the steps involved in the merger and acquisition process.
7. The following details relates to a M and A transaction :

Details	1 Year	2 Year	3 Year	4 Year	5 Year
Revenue Synergy (Rs. in million)	25	22	20	18	15
Selling General and Administrative Synergy (Rs. in million)	10	10	10	10	10
Marginal tax rate	30 percent				
Cost of capital	10 Percent				
Quoted Acquisition price (Rs. in million)	110				
Current market price of target Co. (Rs. in million)	70				
Outstanding shares of target Co. (million)	2				

What is the value created in this transaction ? How do you convince the target company ?

P.T.O.



8. XYZ Ltd. is considering merger with ABC Ltd. XYZ Ltd.'s shares are currently traded at Rs. 25. It has 2,00,000 shares outstanding and its Profits After Taxes (PAT) amount to Rs. 4,00,000. ABC Ltd. has 1,00,000 shares outstanding. Its current market price is Rs. 12.50 and its PAT are Rs. 1,00,000. The merger will be effected by means of a stock swap (exchange). ABC Ltd. has agreed to a plan under which XYZ Ltd. will offer the current market value of ABC Ltd.'s shares :
- i) What is the pre-merger earnings per share (EPS) and P/E ratios of both the companies ?
  - ii) If ABC Ltd.'s P/E ratio is 8, what is its current market price ? What is the exchange ratio ? What will XYZ Ltd.'s post-merger EPS be ?
  - iii) What must the exchange ratio be for XYZ Ltd.'s that pre and post-merger EPS to be the same ?

**SECTION – C  
(Compulsory)**

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

**(1×14=14)**

9. Company A needs to be valued with the help of transaction multiple. The industry to which A belongs has already witnessed five successful acquisition deals. The data of these deals is given below. Determine the value of target company A based on the value of transaction multiples of the following deals. Offer your comment on range of value that the acquirer can negotiate and settle.

Deal	Target Co.	Offer Price per share by Acquirer as a Multiple of EPS	Offer Price per share by Acquirer as a Multiple of book value per share	Total Business value as multiples of sales	Total Business value as multiples of EBITDA
Deal 1	A	30	8	6	20
Deal 2	B	18	5	8	16
Deal 3	C	16	6	5	15
Deal 4	D	25	8	7	16
Deal 5	E	20	10	5	18

The following data are available for Company A

Sales (Millions)	Rs. 6,000
EBITDA (Millions)	Rs. 3,000
EPS	Rs. 8 per share
Book Value	Rs. 50 per share
Debt	Rs. 4,500
No. of shares (Millions)	100

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**MBAS 556**

**Fourth Semester M.B.A. Degree Examination, Sept./Oct. 2022  
(Regular and Repeater)  
BUSINESS ADMINISTRATION  
International Marketing Management**

Time : 3 Hours

Max. Marks : 70

**Instruction : Answer all Sections.**

**SECTION – A  
(Compulsory)**

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

1. What is international marketing ? Explain the nature and scope of international marketing.

**SECTION – B**

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

2. 'Operating in international markets is much more complex than marketing domestically'. Critically evaluate the statement with suitable examples.
3. Discuss various types of branding decisions for domestic and international markets.
4. Review the key variables that affect the marketer's choice of distribution channels.
5. Explain the various terms of payment used in foreign trade. As an exporter which one would you consider as the most secure ?
6. Describe the role of ECGC in facilitating international trade.
7. What are the factors that should be taken into consideration for setting a price in overseas market ?
8. How would you process an export order ? Explain.

P.T.O.



**SECTION – C  
(Compulsory)**

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

9. Case Study :

**(1×15=15)**

Suggest a suitable “Foreign market entry strategy” for the following. Justify your answer.

- a) An Indian steel company planning to get into overseas market.
  - b) A readymade garment small scale Indian manufacturer willing to enter USA market.
  - c) An internationally reputed fast food chain – Quick Service Restaurant (QSR) willing to enter into Indian markets.
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**MBAS 557**

**IV Semester M.B.A. Degree Examination, September/October 2022  
(Regular and Repeater)  
BUSINESS ADMINISTRATION  
Services Marketing**

Time : 3 Hours

Max. Marks : 70

**SECTION – A  
(Compulsory)**

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

1. Design the segmentation, targeting, positioning and marketing mix for an Insurance and Banking firm. Use an example in your explanation.

**SECTION – B**

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

2. Explain the different strategies for physical evidence with the example.
3. What is the importance of pricing in service sector ? Explain foundation for setting pricing.
4. Explain the factor effecting service quality design and layout.
5. Explain the different strategies for enhancing customer participation.
6. What are the steps in developing a new service offering ?
7. Explain the nature and scope of CRM in service marketing.
8. Broadly explain the marketing strategies for service firms with special reference to professional services.

P.T.O.



SECTION – C  
(Compulsory)

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

**(1×15=15)**

9. Case study :

Messrs Gautam Motors had been in existence for nearly thirty years. The company traditionally was dealing with a brand of commercial vehicles in the light and medium vehicle category. The operations involved marketing, sales, warranty servicing and spare parts supply, and non-warranty servicing of vehicles including body working, denting, panting, etc.

Over the years, the market for such medium-sized commercial vehicles remained static. The phenomenal growth in the motor car market prompted the company to give up its existing commercial vehicle dealership and switch over to another principal dealing with passenger cars and other light passenger vehicles. The passenger car market in India had transformed into a buyer's market. Not only was the competition between different car manufacturers quite intense but the competition between two dealers of the same vehicle manufacturer was also keen. Most of the automotive companies preferred to have multiple dealerships in large urban areas. Such inter-dealer competition was deemed essential by most vehicle manufacturing companies.

Mr. Agarwal, one of the owners/ directors of the company, was thinking about the quality policy during the period of switch over. During a meeting of all relevant executives held at his behest, the issue of service quality was discussed extensively. While Gautam Motors had a long standing reputation as a commercial vehicle dealership, the question arose whether the same techniques of success could be used in the car market.

What should be the formal goals of our quality policy, asked Mr. Agarwal during the meeting. Would the change of clientele and business from commercial vehicles marketing to passenger cars marketing mean a dramatic change in the service policies. How would we plan to Implement an excellent service quality policy ? Will it require a different set of skills from those acquired during the commercial vehicles marketing ?



Is the reputation of the principal company the main factor in the decision to buy a particular brand of car? If so, excessive expenses and elaborate measures taken by the dealer would be superfluous. Therefore, what should be the major areas of focus in the quality field for the newly formed dealership? How different will it be from the previous quality control efforts?

Mr. Jayesh, a marketing executive, felt that the quality control process will have to be applied to each area of the business such as marketing and sales, vehicle financing, pre-delivery inspection, warranty servicing, warranty repairs, general workshop repairs, etc. He felt that elaborate inspection procedures and development of quality norms was most essential to enhance the reputation in the motor car market.

- a) Identify the old and new customer segments and needs of each new segment.
  - b) Identify the specific concerns of the customers in each of the service areas.
  - c) Design quality checking sheets for each area of operation to ensure a reputation for high quality for the company.
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**MBAS 558**

**IV Semester M.B.A. Degree Examination, September/October 2022  
(Regular and Repeater)  
BUSINESS ADMINISTRATION  
Rural Marketing**

Time : 3 Hours

Max. Marks : 70

**SECTION – A  
(Compulsory)**

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

1. What is the importance of rural market research in India ? Explain the marketing research process.

**SECTION – B**

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

2. Explain the emerging challenges in rural marketing.
3. Discuss the strategies to overcome the practical difficulties of rural marketing.
4. Explain the role of brand management in rural marketing.
5. Discuss the advertising and media role in rural marketing.
6. Explain the significance of social marketing and network marketing in Indian and global context.
7. Discuss the data collection approaches used in rural area.
8. Describe the classifications of rural marketing.

**SECTION – C  
(Compulsory)**

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

9. Case Study.

Sai Households Ltd (SHL) is a very well established company in the field of manufacturing and selling of consumer durables like TV, washing machines, and water filters since 1980. The company has achieved remarkable success in marketing of their products through direct selling method in urban areas.

P.T.O.





The company started with a team of 100 direct selling salesmen. They have a separate Sales force Training and Development Cell now, as there are more than 1,500 well-trained salesmen. SHL conducts carefully structured training programme and prepares salesmen for different kinds of situations they might encounter. The team is trained mainly to attract the housewife as the products deal with household items. The salesmen first develop a casual conversation as they enter the house and then move to a practiced sales pitch on the products to demonstrate how the product will make life better for the housewife. SHL also keeps salesmen's enthusiasm alive with seminars and discussions. It is ensured that they stay highly motivated. Achievers are also rewarded by SHL.

Now, SHL decided to go to semi-urban and rural markets instead of confining only to urban markets. SHL wants to encash in rural areas also through direct sales. So, it diverted some of its salesmen to nearby town centres and each team was given 10-15 villages of population less than 500 each. The salesmen first contacted the village heads and then made an entry into the area.

As per the earlier experience, salesmen here also tried to start with casual conversation and target the housewives. Over a period of 15 days to one month all the salesmen came back to parent department with no success in sales and many had very bad experiences also to share with. The CEO of SHL fired the Sales Force Training and Development Cell In-charge and asked his Marketing Department to develop a new strategy to focus on the semi-urban and rural areas.

**Questions :**

- a) Was CEO right in firing the Sales Force Training and Development Cell In-charge ? If so, why ?
  - b) When SHL was doing so well in urban market, why did the same strategy not work in rural areas ?
  - c) If you were the Marketing Manager, what is the new strategy you would develop to focus in Rural Markets ?
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**MBAS 559**

**IV Semester M.B.A. Examination, Sept./Oct. 2022  
(Regular and Repeater)  
BUSINESS ADMINISTRATION  
Global Human Resources Management**

Time : 3 Hours

Max. Marks : 70

**SECTION – A  
(Compulsory)**

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

1. Critically evaluate the impact of national culture on HRM with practical examples.

**SECTION – B**

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

2. Compare and contrast Hofstede model and Trompennar model.
3. Explain the source of global recruitment.
4. Explain the recent trends in global Human Resource training.
5. Explain the significance and concerns of performance management at global level.
6. Explain the challenges in managing repatriation.
7. Critically evaluate the key issues in comparative labor relations.
8. Discuss the unique features of HRM in USA.

P.T.O.



SECTION – C  
(Compulsory)

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

**9. Case Study :**

The case 'Google's Hybrid Workplace Model and Location Based Pay' describes Google's plans for a 'hybrid workforce model' that encouraged employees to return to office for better collaboration. The case first focuses on the company's plans to create more options to attract employees back into offices based on the annual employee survey 'Googlegeist' conducted in February 2021, which indicated that more than 70 percent employees were unwilling to return to work and were ready to forego the facilities offered at the workplace. Accordingly, Google planned to create new office locations so that employees had greater location options to work from closer to home. Under the new work plan announced in May 2021, about 60 percent of the employees had to come to office three days a week; another 20 percent had to work in new office locations; and 20 percent could work remotely. The case then touches upon the key elements of the new workplace model that offered greater choice of office locations, availability of non-office locations, new collaboration technology, and greater work flexibility to enable employees to collaborate effectively across work environments. Google's Real estate and Workplace Services team was responsible for implementing the new workplace design. The case finally discusses the location based pay policy that Google planned to implement with the new hybrid work model where the compensation of employees would vary based on their choice of location. Employees, however, perceived this as a violation of the principle of equal work and equal pay, leading to changes in job related attitudes.

**Questions :**

- a) Analyze the elements of a hybrid workplace model.
  - b) Identify the challenges of implementing new hybrid workplace policies.
  - c) Examine the importance of work and pay equity.
  - d) Discuss the importance of workplace re-design to boost employee collaboration.
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**MBAS 560**

**IV Semester M.B.A. Degree Examination, September/October 2022  
(Regular and Repeater)  
BUSINESS ADMINISTRATION  
Compensation Management**

Time : 3 Hours

Max. Marks : 70

**SECTION – A  
(Compulsory)**

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

**(1×15=15)**

1. "Although money is vital to manage human resources yet money is not the sole motivator for excellence in performance". Critically evaluate the statement with examples from Indian Industry.

**SECTION – B**

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

**(5×8=40)**

2. Describe the historical development of payment system.
3. Explain 3-P compensation concept.
4. Explain the impact of compensation on employee behavior.
5. Explain the need for designing of compensation policy. What is the importance of compensation system in business organization ?
6. Describe how an employee benefits program might increase worker attraction and retention.
7. Explain various Fringe and Retirement benefits.
8. What are the various components of an Executive Compensation Plan ?

**P.T.O.**



SECTION – C  
(Compulsory)

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

**(1×15=15)**

9. Compensation management system of Tata Consultancy Services Ltd. (TCS) was Based on the EVA model. With the implementation of Economic Value Added (EVA) based compensation, the salary of employees comprised of two parts – fixed and variable. The variable part of the salary was arrived after considering business unit EVA, corporate EVA, and also individual performance EVA. During the fourth quarter of the financial year (FY) 2007-2008, TCS announced its plans to slash 1.5 percent of the variable component of employee salaries since its EVA target for the third quarter of FY 2007-2008 were not met.

The announcement came as a jolt not only to TCS employees but also to the entire Indian IT industry. The company came in for severe criticism and it was accused of not being transparent with respect to EVA calculation. However, some analysts felt that the pay cuts were the result of the macroeconomic challenges that the Indian IT companies were facing – rapid appreciation of the rupee against the US dollar and the recession in the US economy (USA was the largest market for the Indian IT companies).

**Questions:**

- a) Analyze TCS HR practices respect to its policy related to compensation of its employees.
- b) Discuss the pros and cons of the EVA – based compensation management system and also analyze EVA as a performance measurement tool.
- c) Understand the rationale behind the cut in the compensation of the employees at TCS.
- d) Understand how macroeconomics variable could affect a company's HR policies.

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**MBAS 561**

**IV Semester M.B.A. Degree Examination, September/October 2022**

**(Regular and Repeater)**

**BUSINESS ADMINISTRATION**

**Performance Management**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**  
**(Compulsory)**

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

**(1×15=15)**

1. Define "Performance Management". Briefly explain the scope and concerns of Performance Management.

**SECTION – B**

Answer **any five** questions. **Each** question carries **8** marks. Answer to **each** question should **not** exceed 5 pages.

**(5×8=40)**

2. Describe difference between Performance Appraisal and Performance Management.
3. Define Role Efficacy in Performance Management with an example.
4. Explain Process of Judgement and Process of Analysis.
5. Critically examine the ways and methods of implementing appraisal system.
6. Explain the major approaches of Organizational effectiveness.
7. Mention the relevance of high performance teams in Organizational Performance.
8. Explain the Three Layered Team Oriented Organization with a suitable diagram.

P.T.O.



SECTION – C  
(Compulsory)

Answer to the questions should **not** exceed 6 pages.

(1×15=15)

9. **Case study :**

Gregory Anderson (Anderson), an ex-editor who supervised Yahoo's autos, homes, and shopping, small business and travel sites was fired in November 2014. He filed a lawsuit in the Federal District Court in San Jose, California, in February 2016. He alleged that the company's senior managers regularly manipulated the employee rating system to fire hundreds of people without a proper reason to realize the company's financial goals.

Yahoo was founded by two Ph.D. students of Stanford University, Jerry Yang (Yang) and David Filo (Filo), in 1994 in Sunnyvale, California, USA. It was initially started as 'Jerry and David's Guide to the World Wide Web (JDG)', a website which acted as a directory of several other websites. Yang and Filo started the website to cater to the needs of people who wanted to go to a single place and find websites related to diverse areas. Overtime, JDG became very popular and became the first choice of people browsing the web. It helped them discover useful, interesting and entertaining content. JDG was renamed Yahoo in 1994 and was positioned as a customized database intended to serve different users. Yang and Filo developed customized software to help users locate, identify and edit information available on the internet.

Quarterly Performance Review (QPR) which was introduced at Yahoo! Inc. by CEO Marissa Mayer shortly after she joined the company in 2012. As part of QPR, managers scored their employees and distributed them into 'greatly exceeds,' 'exceeds,' 'achieves,' 'occasionally misses,' and 'misses' categories, with a target percentage of employees to be distributed into each category. The lower ranked employees were fired while the higher ranked ones were rewarded. This HR policy was widely criticized in the media for being similar to stack ranking. Yahoo also faced



a lawsuit from a former Yahoo editor, Gregory Anderson, who accused the company of executing QPR in an arbitrary way to lay off employees on a huge scale. He further alleged that even if all the employees on a team were performing well or at the same level, managers were required to place some of them in the 'occasionally misses' and 'misses' buckets to meet their targets. While Yahoo stood by its QPR, critics felt that stack ranking was not a very effective performance appraisal policy and Mayer should look for a more effective one to revive the fortunes of Yahoo.

Yahoo Inc. (Yahoo) CEO, Marissa Mayer's (Mayer) policy of quarterly performance review (QPR) came in for significant criticism by analysts in 2016 as it was used to fire hundreds of employees in the company. Some analysts felt that the approach was similar to stack ranking or forced ranking. As part of the policy, Yahoo reviewed the performance of every employee and ranked each of them on a scale of 1 to 5. The lowly ranked employees were fired.

**Questions :**

- a) Analyze the QPR policy implemented by Yahoo and understand the reasons that led to its implementation.
  - b) Explain the forced ranking system and discuss and debate its pros and cons.
  - c) Explore how Yahoo can improve its performance appraisal policy, in tune with its employees' expectations and business need.
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