

Total No. of Printed Pages : 2

Total No. of Questions : 10



MBAH 551

Sl.No. : 0344

IV Semester MBA Degree Examination, May 2018

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)

Q1) How do political, social and technological factors in the environment affect strategic planning? Explain with examples.

SECTION - B

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

Q2) Discuss the important steps involved in strategic management process.

Q3) Describe the significance of SWOT analysis.

Q4) Explain the concept of vision and mission statement.

Q5) Write a short note on Value Chain Analysis.

Q6) Explain in detail the factors that affect Strategic Choice.

Q7) Briefly explain the nature of strategic evaluation. Point out the barriers in strategic evaluation.

Q8) What is a diversification strategy? List out the types of diversification strategies.

Q9) Illustrate the Porter's five forces frame work.

SECTION-C**(Compulsory)**

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

Q10) The public sector oil company ABC Ltd., the major oil refining and Marketing Company which was also the canalizing agency for oil imports and the only Indian Company in the fortune 500 in terms of sales, planned to make a foray into the foreign market by acquiring a substantial state in the proxa oil field in Iran of the Premier Oil. The project was estimated to have recoverable oil reserves about 14 million tones and ABC Ltd. was supposed to get nearly 06 million tones.

When ABC Ltd. started talking to the Iranian Company for the acquisition in July 2006, oil prices were at a rock bottom (\$14 per barrel) and most refining companies were closing shop due to falling margins. Indeed, a number of good oil properties in the Middle East were up for sale. Using this opportunities, several developing countries made killing by acquiring oil equities abroad.

ABC Ltd. needed Government's permission to invest abroad. Application by ABC Ltd. for investing abroad is to be scrutinized by a special committee represented by the RBI and Finance and Commerce ministries. By the time the government gave the green signal for the acquisition in November, 2007 (i.e. more than a year after the application was made), the prices had bounced back to \$ 28 per barrel. And the FICO of Italy had virtually took away the deal from under ABC Ltd. nose by acquiring the Premier Oil.

The RBI which gave ABC Ltd. the approval for \$ 20 million Investment, took more than a year for clearing the deal because the structure for such investments were not in place, it was reported.

Questions :

- a) Discuss whether it is the domestic environment or global environment that hiders the globalization of Indian business.
- b) What would have been the significance of the foreign acquisition to ABC Ltd.?

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Total No. of Printed Pages : 2

Total No. of Questions : 9

 MBAS 553

Sl.No. : 0195

IV Semester MBA Degree Examination, May 2018

BUSINESS ADMINISTRATION

Financial Services

Time : 3 Hours

Max. Marks : 70

SECTION - A

(Compulsory)

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

Q1) Critically analyse the challenges and present position of the financial service sector in India.

Q2) Describe the guidelines issued for merchant bankers by SEBI and discuss their progress and problems.

Q3) Explain the drawbacks of the depository system and suggest measures to make it an efficient one.

SECTION - B

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

Q4) Describe the nature and importance of commercial paper.

Q5) Define credit rating. Explain the benefits of credit rating.

Q6) Explain the impact of Nationalisation of banks in India.

Q7) Calculate the cost of hire purchase from following details.

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P.T.O.

Cost of Equipment	Rs.18 lakhs
Hire term	8 years.
Hire instalment	1.5 lakhs
Installation charge	2 lakhs
Residual value	Rs.2 lakhs
Depreciation	20% WDV
Cost of capital	12%
Cost of Debt	16%
Maintenance charge	Rs.1.5 lakhs in 5 th year

Q8) A company wants to lease a Rs.10 lakh equipment. The lessor requires eight annual end of the year lease payments of Rs.1,75,000. The company's marginal tax rate is 35%. If it buys the equipment, it can write off the written down cost of asset at 25 percent. The company's borrowing rate is 15 percent. Should the company lease the equipment? Use equivalent loan method to answer the question.

SECTION-C

(Compulsory)

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

Q9) ABC Industries LTD. has an investment plan amounting to Rs.150 lakhs. It uses WDV method of depreciation @25% and it is in 30% tax bracket. Marginal cost of capital and cost of debt are 14% and 16% respectively. The company is examining the financing alternative for its capital expenditure. A proposal from the financial company with the following features is under consideration.

Alternative I - Hire Purchase

Flat rate of interest charged is 13%. The amount would have to be repaid in 48 equated monthly instalments in advance. The company is required to make cash down payment of 25%.

Alternative 2 - Leasing Plan.

The lease rentals payable at Rs. 300/1000 per month. The lease period can be assumed to be 4 years.

You are required to show the allocation of total charge for credit on the basis of SOYD (sum of year's digit) method. The net salvage value of equipment after 4 years assumed to be Rs.40 lakh. Suggest a suitable alternative.

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Sl.No. : 0184

IV Semester M.B.A. Degree Examination, May 2018

BUSINESS ADMINISTRATION

International Financial Management

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all sections. Marks are indicated against each section.

SECTION - A

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

- Q1)** Explain the meaning and significance of Balance of Payments (BOP). Discuss the recent trends in India's BOP. What are the limitations of BOP Statements?
- Q2)** What factors aid in making the international capital markets more integrated? Explain the importance of emerging capital markets in international investing.
- Q3)** 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.

SECTION - B

Note : Answer any THREE questions. Each question carries TWELVE marks.

(3 × 12 = 36)

- Q4)** Discuss the characteristics of foreign exchange market. How foreign exchange rate is determined? what are the factors that determine the foreign exchange rate?
- Q5)** Discuss the determinants of transaction exposure. How transaction exposure is different from translation exposure? What are the operational hedging techniques can be used while managing the transaction exposure of an MNC?

Q6) Write a short note on

- a) International Monetary System,
- b) Country Risk Analysis, and
- c) Transfer Pricing.

Q7) Airbus sold an aircraft, A400, to Delta Airlines, a U.S. company, and billed \$30 million payable in six months. Airbus is concerned with the euro proceeds from international sales and would like to control exchange risk. The current spot exchange rate is \$1.05/€ and six-month forward exchange rate is \$1.10/€ at the moment. Airbus can buy a six-month put option on U.S. dollars with a strike price of € 0.95/\$ for a premium of € 0.02 per U.S. dollar. Currently, six-month interest rate is 2.5% in the euro zone and 3.0% in the U.S.

- a) Compute the guaranteed euro proceeds from the American sale if Airbus decides to hedge using a forward contract.
- b) If Airbus decides to hedge using money market instruments, what action does airbus need to take? What would be the guaranteed euro proceeds from the American sale in this case?
- c) If Airbus decides to hedge using put options on U.S. dollars, what would be the 'expected' euro proceeds from the American sale? Assume that Airbus regards the current forward exchange rate as an unbiased predictor of the future spot exchange rate.
- d) At what future spot exchange rate do you think Airbus will be indifferent between the option and money market hedge?

Q8) a) State the factors affecting international capital budgeting decisions.

- b) A US MNC is planning to install a manufacturing unit to produce 5,00,000 units of an automobile component in India. Setting up of the manufacturing plant will involve an investment outlay of Rs.50 million. The plant is expected to have a useful life of 5 years with Rs. 10 million salvage value. MNC will follow the straight-line method of depreciation. To support the running of business, working capital of Rs. 5 million, will have to be invested; variable cost of production and sales will be Rs.20 per unit. Additional fixed costs per annum are estimated at Rs. 2 million. The forecasted selling price is Rs. 70 per unit. The MNC will be subjected to 30 per cent tax rate in India and its required rate of return is 18 percent.

It is forecasted that the rupee will depreciate in relation to US Dollar @ 2% per annum, with an initial exchange rate of Rs.64/\$

Advise the MNC regarding the financial viability of the proposal with necessary workings.

SECTION-C

Note : This section is COMPULSORY. It carries FOURTEEN marks. (1 × 14 = 14)

Q9) A U.S. Computer Company has a wholly owned British subsidiary, AB Computers that manufactures and sells personal computers in the U.K. market. AB Computers imports microprocessors from Intel, which sells them for \$512 per unit. The current exchange rate is \$1.60/£. AB Computers hires British workers and sources all the other inputs locally. AB faces a 50% income tax rate in U.K. The company currently sells 50,000 units of PCs per year at a selling price of £1000 per unit. The unit variable cost is £650, which comprises £320 for the imported input and £330 for the locally sourced inputs. Each year, the company incurs fixed overhead costs of £4 million for rents, property taxes and others regardless of output level and depreciation allowances of £1 million.

Now, assume that the pound sterling is going to depreciate from \$1.60/£ to \$1.40/£. What are the possible effects of this depreciation of the pound sterling on the projected dollar operating cash flows of AB Computers considering the following three cases?

- Case 1 : The company is not going to raise the pound selling price because of stiff competition from a British competitor that manufactures similar products using only locally sourced inputs. No variables change, except the price of the imported input.
- Case 2: The selling price (£1143) as well as the price of the imported input changes, with no other changes.
- Case 3: All the variables change i.e. the selling price, sales volume, and the prices of both locally sourced and imported inputs change following the pound depreciation. Assume that both the selling price and the price of locally sourced inputs increase at the rate of 8%, reflecting the underlying inflation rate in the U.K. The expected sales are 40,000 units per year.

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Total No. of Printed Pages : 3

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MBAS 555

Sl.No. : 0176

IV Semester M.B.A. Degree Examination, May 2018

BUSINESS ADMINISTRATION

Corporate Financial Restructuring

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all sections. Marks are indicated against each section

SECTION - A

Note : Answer any TWO questions. Each question carries TEN marks. Answer to the question should not exceed 5 pages.

(2 × 10 = 20)

- Q1)** Explain different forms of corporate restructuring with suitable example.
- Q2)** Explain symptoms of sickness in the industry and which are the ways of overcoming the sickness?
- Q3)** What are the different forms of demerger? Differentiate between demerger and reconstruction.

SECTION - B

Note : Answer any THREE questions. Each question carries TWELVE marks. Answer to the question should not exceed 6 pages.

(3 × 12 = 36)

- Q4)** Explain different methods of funding mergers and acquisition. Which one do you think is most preferred method of funding mergers and acquisition? Discuss.
- Q5)** Explain the concept Buyback of Shares. Discuss the Government's guidelines, procedure and practice for Buyback of Shares.

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P.T.O.

Q6) Gama Ltd. is taking over Theta Ltd. The shareholders of Theta Ltd. has been issued 0.8 shares of Gama Ltd. for each share held by them. The relevant data are as follows:

Particulars	Gama	Theta
Net sales in crore	Rs.335	Rs.118
PAT in crore	Rs.58	Rs.12
No. of shares crore	12	3
EPS	4.83	4
MPS	30	20
PE ratio in times	6.21	5

Calculate EPS and MPS after merger.

Q7) Dev Ltd. is acquiring business of Anand Ltd and form a new entity Devanand Ltd. Before merger the details are as follows:

Dev Ltd. : PAT Rs.125 crore, No of shares 10 crore, PE ratio 16 times

Anand Ltd. : PAT Rs. 45 crore, No of shares 5 crore, PE ratio 10 times

Dev Ltd. agrees to acquire Anand Ltd. by exchanging Rs. 125 worth share.

Determine:

- Exchange ratio and number of shares exchanged, combined EPS, PE ratio.
- Combined EPS, if PE of Dev Ltd. remains constant.

Q8) Suppose an analyst has gathered the following information on the target company, the XYZ Company:

XYZ Company		Average of Comparables	
Earnings	\$ 10 million	P/E of comparables	30 times
Cash flow	\$ 12 million	P/CF of comparables	25 times
Book value of equity	\$50 million	P/BV of comparables	2 times
Sales	\$100 million	P/S of comparables	2.5 times

If the typical takeover premium is 20%, what is the XYZ Company's value in a merger using the comparable company approach?

SECTION-C**(Compulsory)**

Note : This question carries FOURTEEN marks. Answer to the question should not exceed 6 pages.

[1 × 14 = 14]

Q9) XYZ Ltd. wants to purchase ABC Ltd. by exchanging 0.7 of its shares for 1 share.

Financial data of XYZ Ltd: No. of shares 10 lakh, EPS Rs. 40, MPS Rs.250, PE ratio 6.25 times.

financial data of ABC Ltd: No. of shares 4 lakh, EPS Rs. 28, MPS Rs. 160, PE ratio 5.714 times.

Questions:

- a) Illustrate the impact of merger on EPS of both the companies.
- b) The ABC Ltd's management has quoted exchange ratio of 1:1 for the merger. Assuming the PE ratio of XYZ Ltd will remain unchanged after the merger, what will be the gain from merger?
- c) Determine maximum stock exchange ratio acceptable to the shareholders of XYZ Ltd.

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Total No. of Printed Pages : 3
Total No. of Questions : 10

 MBAS 556

Sl.No. : 0084

IV Semester M.B.A. Degree Examination, May 2018
BUSINESS ADMINISTRATION
International Marketing Management

Time : 3 Hours

Max. Marks : 70

SECTION - A
(Compulsory)

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

Q1) Examine the influence of marketing environment on the selection of distribution channels for 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)

Q2) Explain in detail the stages through which an export transaction has to pass.

Q3) "Credit is a major weapon of international competition, but it involves risks"
Describe this statement suggesting how these risks can be reduced.

Q4) Explain the role of multinationals in international marketing.

Q5) Explain the objectives and functions of EXIM bank.

Q6) Enumerate the factors to be considered while designing a product for international market.

Q7) Explain the types and effect of non-tariff barriers.

- Q8)** Describe the significance of the different methods of quoting the price of a product to the foreign buyer.
- Q9)** Name any three important export promotion organisations established in India and describe their main functions.

SECTION-C

(Compulsory)

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

Q10) Case Study:

McDonald's Corp. is often used as an example of Americanism (and globalization) owing to its strict quality control and worldwide success. The company has highly detailed specifications and rules that must be strictly followed. In England, its high standard for coffee aroused the ire of a British coffee supplier, and the company built its own plant when it could not get quality hamburger buns. McDonald's provides assistance to Thai farmers for cultivation of Idaho russet potatoes. When suitable supplies are unavailable in Europe, the company does not hesitate to import French fries from Canada and pies from Oklahoma.

As reported by *Advertising Age*, *The Wall Street Journal*, and *Direct Marketing*, the company, however, permits some degree of flexibility and creativity on the part of its franchisees. In Southeast Asia, it serves durian-flavored milk shakes made from a tasty tropical fruit whose aroma is acceptable to Asians but is considered foul by westerners. Coconut, mango, and tropic mint shakes can be found in Hong Kong.

Menu changes are also necessary in Europe. McDonald's sells near beer, which does not require a liquor license in Switzerland, and chicken on the Continent (to head off KFC). McDonald's on the Champs Elysees offers a choice of vin blanc or vin rouge, and the coffee comes in a Tiny cup with about half-dozen spoonful of very strong black coffee. In England, tea is available and will have milk in it unless black tea is ordered.

McDonald's Australia outlets formerly offered mutton pot pie; outlets in the Philippines, where noodle houses are popular, offer Mc Spaghetti. Likewise, in Mexico, McDonald's offers the Mc Pollo chicken sandwich and jalapeno sauce as a hamburger condiment. Because eating the Midwest-American beef is like eating

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soft pebbles to the Japanese, McDonald's hamburger in Japan has different texture and spices. In many countries, consumers consider fast food to be primarily a snack rather than a regular meal.

Furthermore, the company's operating philosophy has to be altered as well the order to attract foreign partners who are well - qualified and well-financed, McDonald's grants territorial franchises instead of the usual practice of granting franchises store by store.

Some managers of McDonald's buoyed by the success in Asia and Moscow, want to "McDonaldise" the world.

Discuss the implications of this statement as related to product standardization and adaptation.



Total No. of Printed Pages : 2

Total No. of Questions : 10



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Sl.No. : **0083**

IV Semester M.B.A. Degree Examination, May 2018

BUSINESS ADMINISTRATION

Services Marketing

Time : 3 Hours

Max. Marks : 70

SECTION - A

(Compulsory)

Note : This question carries 15 marks. Answer to the question should not exceed Six pages. **(1 × 15 = 15)**

Q1) Discuss the factors that have stimulated the growth of service sector in India.

SECTION - B

(Compulsory)

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)**

Q2) What characteristics make services different from goods? What implications do they have for service marketers?

Q3) In what way marketing mix of services different from that of goods? Explain.

Q4) What are People and Mental stimulus processing services? What challenges do they pose to the service marketers?

Q5) What are service encounters? Taking an example, explain the critical incidents in service encounters that are satisfying and dissatisfying.

Q6) What do you mean by service expectations? What factors influence service expectations?

Q7) Discuss the different types perceived risks in purchasing and using services.

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P.T.O.

Q8) Discuss how positioning maps help service marketers.

Q9) What do you mean by Servicescape? Explain its role in marketing communication.

SECTION-C

(Compulsory)

Note : This question carries 15 marks. Answer to the question should not exceed Six pages. **(1 × 15 = 15)**

Q10) Select an entertainment service of your choice. Using the GAP model, identify the seven service quality shortfalls. Analyse the specific causes of each GAP and suggest strategies to close them.

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Sl.No. : **0071**

IV Semester M.B.A. Degree Examination, May 2018

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)

Q1) Explain the differences between the rural market and urban market with suitable examples.

SECTION - B

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

Q2) What is the biggest challenge today to develop a scalable model of influencing the rural consumers mind? Explain.

Q3) "Indian villages offer a huge potential to marketers". Discuss.

Q4) Briefly discuss the non-conventional media in rural markets.

Q5) Stating a company of your choice, explain its product-mix decisions. How do you evaluate the effectiveness of product-mix?

Q6) If a tooth paste manufacturer has to conduct research on rural children, what can be the effective marketing research methodology? Explain.

Q7) How has technology changed the life of rural consumer? Discuss.

Q8) Discuss with examples the concept of Customer Relationship Management in rural context.

Q9) Explain the challenges and opportunities of rural green marketing in India.

SECTION-C**(Compulsory)**

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

Q10) Please read the case study given below and answer the questions that follow.

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 fifths 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 distribution system design of an FMCG Company that intends to enter rural markets?

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Total No. of Printed Pages : 3

Total No. of Questions : 10



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Sl.No. : 0108

IV Semester M.B.A. Degree Examination, May 2018

BUSINESS ADMINISTRATION

Global Human Resource Management

Time : 3 Hours

Max. Marks : 70

SECTION - A

(Compulsory)

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

Q1) Compare and contrast the Pool's model and Brewster and Bournois model of IHRM.

SECTION - B

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

Q2) "Performance management is the most important responsibility of HR executives". Comment.

Q3) Elucidate the job related factors and social factors in the reentry process of expatriates.

Q4) What factors should be taken into account for an effective pre-departure training programme? Explain.

Q5) Explain the factors that differentiate International from Domestic HRM.

Q6) Explain an overview of HRM practices in USA.

Q7) Discuss the role and concerns of trade unions in MNCs.

Q8) Differentiate between 'Going Rate' and 'Balance Sheet' approaches to International compensation.

Q9) Explain the techniques and sources of Global recruitment.

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P.T.O.

SECTION-C

(Compulsory)

(1 × 15 = 15)

Q10) Sumitomo Metal Industries (SMI) was established in 1897. Today it is one of the leading companies in the Japanese steel industry although it has also diversified into construction engineering, plant engineering, systems engineering, electronics, advanced materials and biomedicines. It has a one trillion yen turnover, of which 80% comes from steel. Tsuda (1996) describes the extensive programme of human resource development within the context of changes that are affecting the steel industry.

Japanese views on work are changing. There has been a reduction in the workforce in manufacturing industries. The upshot of this is that young people do not show as much interest in manufacturing as they did in the past. The working environment has changed with the introduction of microelectronics and computers, which have changed models of operation. Managers have had to comply with improvement in working conditions, eliminating the three 'Ks': kiken (dangerous), kitsul (hard) and kitanai (filthy).

There has also been an increase in the number of ageing employees in the workforce. With a reduction in the total number on the production lines, this has interfered with the smooth transition of tasks from skilled technicians to their successors, and has affected the maintenance of high levels of technical performance. Within Sumitomo, there was therefore a requirement to meet the needs to develop an adaptable and efficient workforce.

As a result, under the guidance of its philosophy of 'valuing humanity and technology' the company has undertaken long-term, condition and extensive educational and development programmes, from top managers down to blue-collar workers. It had already established, in 1952, an Apprentice school to provide in-company education and training for junior high school graduates of three years in "moral education and practical affairs".

Management development programmes are aimed at making the best use of the corporate organization '4Cs' abilities: coordination, communication, creation and culture-orientation. Training programmes are also directed at the ageing workers,

to increase their abilities to perform broader duties. They too are expected to “improve moral, revitalizing old workers, and to meet the demand for a reduction of working hours through multiplied skills and restructured duties”.

Questions:

- 1) How does the concept of ‘valuing humanity’ in the people management policies of Sumitomo differ from concepts of human resource management as practiced in your organization, or an organization with which you are familiar?
- 2) How could your organization, or one with which you are familiar in your country, obtain the type of total commitment obtained in companies like Sumitomo?





Sl.No. : 0108

IV Semester M.B.A. Degree Examination, May 2018

BUSINESS ADMINISTRATION

Compensation Management

Time : 3 Hours

Max. Marks : 70

SECTION - A

(Compulsory)

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

Q1) Bring out and explain the components of compensation program.

SECTION - B

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

Q2) Describe the historical development of payment system.

Q3) Explain the impact of compensation on employee behaviour.

Q4) Discuss the framework of compensation policy.

Q5) Explain the challenges of pay for performance.

Q6) Elucidate the wage determination process.

Q7) Explain the compensation structure of CEO.

Q8) Bring out and explain legally required benefits.

Q9) Describe the new trends in compensation management

SECTION-C**(Compulsory)**

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

Q10) 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 targets 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 a 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).

Question for discussion:

- a) Analyze TCS' HR practices with 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 macroeconomic variables could affect a company's HR policies.

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Total No. of Printed Pages : 3



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Total No. of Questions : 10

Sl.No. :

0108

IV Semester M.B.A. Degree Examination, May 2018

BUSINESS ADMINISTRATION

Performance Management

Time : 3 Hours

Max. Marks : 70

SECTION - A

(Compulsory)

Note : This question carries 15 marks. Answer to the question should not exceed Six pages. **(1 × 15 = 15)**

Q1) "Performance management is the key to success". Against the backdrop of the statement, describe the concept and perspective of performance management.

SECTION - B

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

Q2) What is performance planning? Explain the objectives and principles of performance planning.

Q3) What is Task Analysis? How is it linked to performance management?

Q4) What do you mean by competency mapping? Briefly explain competency mapping process.

Q5) Discuss briefly the process of performance monitoring.

Q6) Describe the role of change agent in organisational effectiveness.

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P.T.O.

- Q7)** 'Successful teams can be a source of satisfaction at work'. Elucidate.
- Q8)** Discuss the concept of potential appraisal along with its merits and demerits.
- Q9)** Elaborate the link between performance management and pay of employees.

SECTION-C

(Compulsory)

Note : This question carries 15 marks. Answer to the question should not exceed Six pages. **(1 × 15 = 15)**

Q10) The employees of SVN Pharmaceuticals are worried a lot with the news that the 12M company is going to be merged with ABC Pharma. All of them are worried about what would happen to their jobs and other benefits as a result of the proposed merger. There are all kinds of rumours regarding layoffs and reduction in pay and benefits. ABC Pharma is a leading firm with operations spread across Asia and Eurpoe. SVN Pharmaceuticals had a strong hold in marketing and distribution in India, and so, it is considered to be a merger of equals. Amid all the confusion, the CEO of SVN pharmaceuticals addressed the employees about the reason for the decision, and advantages to the firm if the merger is completed. He felt, as a result of the merger, the firm would be able to explore various areas of research and development. But the employees have only one question in their mind, what would be the impact of this merger on their jobs and their pay packages. To their relief CEO made it clear that a benefits team would be formed and that would be from the representatives of both the companies. He requested the employees to be patient as it would take sometime to clearly decide and bring in an effective benefit plan. As per the CEOs statement a benefits team was formed.

The team was headed by the VP-HR of the merged company. He stated that since it is a merger of equals, they had to develop something that would be the best for the new company, even if it is time - consuming. The team felt that the best way to go about it is to merge the best of both the company's benefit plans or create a new benefit program that would reflect the culture of the new company is trying to nurture. The head also stated that their aim is not just to design a new benefit plan, but also to make sure that all the employees are knowledgeable and comfortable

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about the changes in its benefit program. Before concluding the meeting, the VP - HR made it clear to the team that the people are of paramount importance to them and if the benefits program may not help in retain them, then the merger would serve no purpose.

Questions:

- a) The benefits team has to devise a benefit program that would satisfy the employees of both the firms. Can you suggest some steps for the benefit team to function it effectively?
- b) Why they are taking more time to create a new benefit plan? What should be the action plan of the HR team?

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