

Third Year M.B.A. Examination, July 2010
Course – 17 : ENTREPRENEURSHIP DEVELOPMENT AND SMALL
BUSINESS MANAGEMENT

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **any five** questions. **Each** question carries **two** marks : **(5×2=10)**

1. a) Define the term Intrapreneur.
- b) What is TRYSEM ?
- c) Define the term sickness in business.
- d) Give the meaning of Foreign Market.
- e) What are Gantt charts ?
- f) Explain the meaning of innovation.
- g) Define the term Industrial estate.

SECTION – B

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

2. Identify the characteristics of an ideal entrepreneur.
3. List out and examine in detail the government and institutional support provided to women entrepreneurs.
4. Discuss the nature of working capital and inventory management of small business.
5. Discuss in detail the problems and prospects in developing agro-related business entrepreneurship in India.

P.T.O.

SECTION – C

Answer Question No. **10 (Compulsory)** and **any two** of the following. **Each** question carries **15** marks : **(15×3=45)**

6. Elucidate the role of an entrepreneur as Risk Bearer, Innovator and Organiser.
7. Examine the role of entrepreneurship in economic development.
8. Identify various support programmes drafted by government in entrepreneurial development.
9. Explain in detail the process of project formulation.
10. Case study : **Compulsory**

Bababazzar .com

Baba Bazzar is the first Indian E-commerce site offering the convenience to order fresh vegetables and other food products of various companies, including Nestles and Dabur, over the net. This concept has been tried in Australia and US. Currently, Baba Bazzar is catering to only selected areas in Chandhigarh, Delhi, New Delhi, Noida and parts of Gurgaon. They have plans to expand their operations to other major cities for nation-wide operations.

Baba Bazzar launched its website storefront in early 1998. The initial response was mixed. However, their promotional strategy has facilitated building an extensive customer base. At present Baba Bazzar has a customer base of more than two thousand. This base is growing steadily. They are adding to their base eight to ten new customers everyday.

Baba Bazzar started with the sale of vegetable as they felt that being a very basic commodity, the market potential was unlimited. From vegetables, they moved on to other food products to become a one stop shop for food stuffs. As the volume of business grows, they plan to go for backward integration and sourcing the vegetables from the farmers. This will ensure that consumers get better and fresher vegetables and food products.

Baba Bazaar had devised an inexpensive but engaging procedure of securing the transactions and building 'relationship'. To become a preferred Baba Bazaar shopper, the customer has to fill up a simple registration form online. The details furnished in this form are verified telephonically by the staff of Baba Bazaar. On verification the shopper (customer) is issued a shopper access pass word, which is required to be used at the time of ordering goods on the site. This pass word is sent to the shopper by courier to ensure security along with the user's Manual. This Manual introduces Baba Bazaar to the customer and guides them through it. This has enabled them to initiate a 'relationship' building process before the customer places the first order. It has allowed them 'to build trust' and give shopper a positive impression of the business-essential ingredients for the development and growth of their 'online' business.

The shoppers are required to make payment on delivery and have been given the following options :

- a) Cash on delivery
- b) Post-dated claques for up to one week from the time of the delivery.
- c) At the time of next delivery.

This procedure has been designed for the following reasons.

- d) In India customers do not entertain payment before receiving the goods and/or services.
- e) High processing costs of credit cards transactions, which according to them is about to 4-5% of the total transaction cost. This would increase the cost of goods.
- f) Low penetration of credit cards ; and
- g) Absence of secure payment gateways.

The procedure has enabled them to ensure the prices of goods are competitive, build an extensive database of their shopper's specific needs and requirements, and provide their shoppers personalized service.

The owners of Baba Bazaar developed the web storefront in-house because available software was unable to provide a seamless integration of their operations. This has also enabled to incorporate shopper's suggestions and update the website on an ongoing basis. Web site is simple, product display assist shoppers in making their shopping with a few clicks of the mouse. What started off as a basic E-com web site grew to be a customer-centric website within a short period. This is primarily due to the overwhelming response to the site, and the felt-need to grow by ensuring fulfillment of the customer's expectations. The strategy has also ensured steady growth in business.

Baba Bazaar is currently patronized by the yuppie, rushed for time working wives, who would be able to get to their nearest vegetable grocer, place an order and have it waiting on their doorstep, when they reach home, ally the click of a mouse from their work desk. Well, it is a matter of time when ordinary housewives may also begin using this web site.

Questions :

- 1) Analyse the case keeping SWOT analysis as a base.
 - 2) Draw a net work diagram showing the transactions of E-commerce between Baba Bazaar and the shoppers.
 - 3) Sketch out the adoptability levels of E-commerce for different categories of entrepreneurs.
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Third Year M.B.A. Degree Examination, July 2010
Elective – Group : A : MANAGERIAL FINANCE – III
Course – XIX A : Portfolio Management and Security Analysis

Time : 3 Hours

Max. Marks : 75

Note : Simple calculators are allowed.

SECTION – A

1. Answer **any five** questions. **Each** question carries **12** marks. **(5×2=10)**
- a) What is Sensex ? What it indicates ?
 - b) What is Book building ?
 - c) What is security market line ?
 - d) Define financial assets.
 - e) Distinguish between diversifiable and non-diversifiable risks.
 - f) Define futures contract.
 - g) What is hedging ?

SECTION – B

- Answer **any two** questions. **Each** question carries **10** marks. **(2×10=20)**
- 2. Define Investment. How does it differ from speculation and gambling ?
 - 3. Discuss the Mean-Variance Hypothesis.
 - 4. Explain the Capital Asset Pricing Model. What are its assumptions ?
 - 5. What do you understand by Insider trading ? What steps SEBI has taken to curb insider trading ?

P.T.O.

SECTION – C

Answer question No. **10 (compulsory)** and **any two** of the following. **Each** question carries **15** marks. **(3×15=45)**

6. Following data are available about stock x and y.
Expected Return 0.20 and 0.30
Expected standard deviation 0.04 and 0.05
Covariance of returns (x, y) 0.20
Is there any advantage of holding and combining x and y ?
7. Vamsi is considering the purchase of a bond currently selling at Rs. 878.50. The bond has four years to maturity, face value of Rs.1,000 and 8% coupon rate. The next annual interest payment is due after one year from today. The required rate of return is 10%.
i) Calculate the intrinsic value (present value) of the bond. Should Vamsi buy the bond ?
ii) Calculate the yield to maturing of the bond.
8. An Aggressive Mutual Fund promises an expected rate of return of 18% with a standard deviation of 22%. On the other hand, a conservative mutual fund promises an expected rate of return of 16% and fluctuations of 13%.
i) In which of the funds would you like to invest ?
ii) Would you like to invest in both the funds ?
iii) If you can borrow money from your provident fund at an opportunity cost of 15%, in which fund would you invest your money ? Discuss the benefits.
9. Discuss the benefits of portfolio diversification. Illustrate your answer with examples.
10. A newly set up company has projected its dividend amount for Rs. 10. Operational Years from this year onwards. The estimates are as follows :
- | Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|
| Dividend (Rs.) : | 2.50 | 2.60 | 3.00 | 3.40 | 4.00 | 4.25 | 4.75 | 5.50 | 6.00 | 6.50 |
- What is the intrinsic value of its share if discount rate is 12% ?
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Third Year M.B.A. Examination, July 2010
Elective – Group-B-ADVANCED MARKETING MANAGEMENT – III
(Course-19B) – Advertising Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** sub questions. **Each** sub-question carries **2** marks : **(5×2=10)**
- a) What is personal selling ?
 - b) What is counter advertising ?
 - c) What is market analysis ?
 - d) What do you understand by advertising budget ?
 - e) Define Mural.
 - f) What are advertising codes of ethics ?
 - g) What is an economic institution ?

SECTION – B

- Answer **any two** questions. **Each** question carries **10** marks : **(2×10=20)**
- 2. What is advertising industry ? Write a brief account of growth of advertising industry.
 - 3. What is market research ? Explain in detail the marketing research procedure.
 - 4. What are non-media advertising ? What are its merits and demerits ? Is it fully exploited ?
 - 5. Write a brief profile of MARG AND LINTHAS MUDRA advertising agencies.

P.T.O.

SECTION – C

Answer question No. **10 (compulsory)** and **any two** of the following. **Each** question carries **15** marks : **(3×15=45)**

6. What is the position of advertising in a free economy ? Can you control advertising by economic means ?
7. A Bangalore based soft drink company has proposed to launch a new variant of soft drink. As an advertising consultant how do you develop an advertising campaigning strategy ?
8. What do you mean by ad effectiveness ? Why is ad effectiveness measurement done and what is exactly done ?
9. What is the need of regulating advertisement ? Explain the different ways of regulating advertisement in India.
10. **CASE STUDY :**

Close-Up ranked No. 5 in A and M's Top Brand Survey of 1997, Three ranks below its arch-rival Colgate. By 1999, Close-Up was No. 15. Since its introduction in the Indian market in 1975, Close-Up has been the closest challenger to Colgate, which is the top brand in this category. According to Hindustan Lever Ltd, the marketers of Close-Up, the typical consumer had no qualms about not keeping germs at bay during the night but rather cared more about fresh breath in the morning.

The advertising agency, Lintas, has played on bad breath scare and targeted a typical college student who would be motivated by what brushing did to his social acceptance. It was hoped that once Close-Up entered homes, older consumers would also start using it and discard Colgate. To counter Colgate's famed Suraksha Chakra, Close-Up released ads asking consumers to do the "hah-hah" test to check the freshness of breath. The focus was on communicating the key benefit "fighting bad breath".

The intimacy between couples, portrayed in Close-Up commercials, was seen as disturbing the Indian mother's sensibilities and hence the ads focused on the gregarious couple, as this group-oriented closeness was seen to be more acceptable to mothers, who are the actual buyers of household toiletries.

Both Colgate and HLL introduced line extensions of their brand, improved packaging and did aggressive promotions. Close-Up has been strong in the South. It has been quite weak in the East. In West Bengal, HLL roped in popular singer Anjan Dutt to reach out to the old and young alike.

QUESTIONS :

- 1) Analyse the case and determine which promotion strategy, 'pull' or 'push' would be appropriate.
 - 2) Suggest two 'pull' promotions for Close-Up to load the trade. Why do you think these promotions would be successful ?
 - 3) Develop a sales promotion design for Close-Up.
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III Year M.B.A. Examination, July 2010
Elective Group – A : MANAGERIAL FINANCE
Course – 20 A : Project Management and Control

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions. **Each** question carries **2** marks. **(2×5=10)**
- a) What is the present value of Rs. 5,000 receivable after 3 years at an interest rate of 10% worth today ?
 - b) Mention the important phases of project life cycle.
 - c) A finance company advertises that it will pay a lump sum of Rs. 50,000 at the end of 6 years to investors who deposit annually Rs. 5,000. What interest rate is implicit in the offer ?
 - d) What is a critical path ?
 - e) What are pre-operative expenses ?
 - f) What is Debt Service Coverage Ratio ?
 - g) What are shadow wage rates ?

SECTION – B

- Answer **any two** questions. **Each** question carries **10** marks. **(10×2=20)**
- 2. How does a project differ from a job that is processed through a job shop or a service facility ?
 - 3. What is work breakdown structure, and how is it useful for project planning ?
 - 4. Technology and processes play crucial role in certain projects. What the key issues are in regards to choice of technology, equipment and processes at the stage of formulation of DPR ?
 - 5. Explain the importance of 'project review' in the context of control of a project.

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **15** marks. Question No. **10** is **Compulsory** : **(15×3=45)**

6. What are some aspects of the project manager’s job that make it more demanding than the job of a manager working in a more routine organized framework ?
7. “A good team-work speeds up project implementation. Developing self directed project teams is the key to improving effectiveness in project management”. Comment with some examples.
8. Discuss the various methods of financial evaluation of the projects. Make a comparative analysis of these methods.
9. Explain how managing creativity and risk-taking go hand to hand.
10. A project has seven activities. The relevant data about these activities are given below :

Activity	Dependence	Normal duration (days)	Crash duration	Normal cost (Rs.)	Crash cost (Rs.)
A	-	7	5	500	900
B	A	4	2	400	600
C	A	5	5	500	500
D	A	6	4	800	1000
E	B, C	7	4	700	1000
F	C, D	5	2	800	1400
G	E, F	6	4	800	1600

- i) Draw the network and find out the normal duration and minimum duration.
- ii) What is the percentage increase in cost to complete the project in 21 days ?

III Year M.B.A. Examination, July 2010
MANAGEMENT
Elective-Group C – Human Resource Management
Course – 20 C : Labour Legislations

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions. **Each** question carries **2** marks : **(2×5=10)**
- a) Define “Factory”.
 - b) Who is a workman ?
 - c) What is “Manufacturing Process” ?
 - d) What is Lay-off ?
 - e) Who is a Certifying Surgeon ?
 - f) Who are Dependants ?
 - g) Expand ILO.

SECTION – B

- Answer **any two** questions. **Each** question carries **10** marks. **(2×10=20)**
- 2. Briefly explain the historical evolution of labour legislation.
 - 3. Explain the provisions relating to “Health” under Factories Act.
 - 4. Define Strike ? When strike becomes unlawful ?
 - 5. Explain the procedure for registration and cancellation of Trade Union.

P.T.O.

SECTION – C

Answer question No. **10 (Compulsory)** and **any two** of the following. **Each** question carries **15** marks : **(3×15=45)**

6. Explain the composition, objectives and functions of ILO.
7. Examine the various authorities and their powers under ID Act.
8. Explain the circumstances in which employer is not eligible to pay compensation.
9. Who are inspectors? Explain his powers and functions.
10. Case study. Analyse the case and answer the questions.

“A” was ordered to go on a cycle on his master’s business. While riding the cycle he is cycle collided with a car and broke his leg. Later on he was hospitalized.

- a) Is the employee’s act a deliberative act ?
 - b) Is the employer liable to pay compensation ?
 - c) Is it a partial or total disablement ?
 - d) Which concept is applicable to this case ?
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III Semester M.B.A. Examination, July 2010
Course – 14 : BUSINESS POLICY AND STRATEGIC MANAGEMENT
(Freshers)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks : **(2×5=10)**
- a) Define strategic management.
 - b) What are Joint Ventures ?
 - c) What are Implied Policies ?
 - d) What do you mean by backward integration ?
 - e) Distinguish between Goals and Targets.
 - f) What are Key factors ?
 - g) Define Project.

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks : **(4×5=20)**
- 2. State the properties of a strategy.
 - 3. What are the pre-requisites of a Corporate Merger ?
 - 4. State the different dimensions of setting objectives.
 - 5. List out the reasons for adopting stability strategy.
 - 6. What are the sources of Core Competence ?
 - 7. What do you mean by behavioural implementation ?

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks : **(3×10=30)**

8. Describe the process of strategy formulation.
9. Explain the various techniques of evaluating strategic alternatives.
10. Define, expansion strategy and explain its variants.
11. “Organisations have no values of their own, but they reflect the values in the top management” – Discuss.
12. Explain the various measures of evaluating corporate performance.

SECTION – D

13. Read the following case and answer the questions given : **15**

Case Study – **Compulsory** :

Indian Iron and Steel Industry has come of age. Having a reserve of 18 million tonnes of ore deposits, the industry's production accounted for 207 million tonnes in 2007-08, of which nearly 48% of volume was exported in the raw form. Like-wise import of specific grades of steel, increased by 39% when compared to 2006-07 figures. Most of the Psu's and Co's in private sectors registered unprecedented sales turnover and profits, during April' 08-June' 08 quarter.

However the honeymoon period appears to be loosing out since the GDP growth of India is estimated at 7.5%. Despite the robust growth in infrastructure industry, other major consuming segments, major steel producers are either cutting down production or limiting exports. Prices are highly volatile reflecting irregular consumption pattern. Companies have now succeeded in forming govt to impose 5% of import duty, after the withdrawal of 15% export duty. The whole scenario suggest that appropriate remedial measures are immediately worked out and implemented.

With the help of the following core competence matrix, discuss

- a) Evaluation of differentiation opportunities.
- b) Competitive advantages relevant to mature and determining industries.
- c) Selecting of an industry specific business strategies.

Rating Index

Indian steel industry at a glance								
Item	Unit	India	Brazil	South Korea	Canada	USA	Japan	Germany
Product quality	Index	41	52	61	68	60	93	93
Product design	Index	34	57	49	58	70	81	71
On-time delivery	Index	30	36	59	62	63	93	88
After sales service	Index	41	39	47	63	58	90	79
Distribution network	Index	52	52	57	66	74	72	76
Labour productivity	Ratio	6177	7724	9291	30034	44070	4667	38207
Training	Index	36	37	47	40	48	79	69
Managerial Initiative	Index	61	61	68	62	74	72	73
Expenses in R & D	% of GDP	0.91	0.38	1.63	1.32	2.66	2.85	2.79
Information Tech	Index	44	52	59	63	57	82	87

III Semester M.B.A. Examination, July 2010
MANAGEMENT
Elective – C : Human Resource Management
Course – 16 C : MANAGEMENT OF TRAINING AND DEVELOPMENT
(Freshers)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions **each** carry **2** marks. **(2×5=10)**
- a) How is training different from development ?
 - b) What is TNA ?
 - c) What is simulation ?
 - d) What is a pilot training ?
 - e) What is the significance of training need analysis ?
 - f) What is the scope of training on organisation ?
 - g) What is the need for training evaluation ?

SECTION – B

- Answer **any four** questions, **each** carry **5** marks. **(4×5=20)**
- 2. Discuss the objectives of training.
 - 3. Explain the steps involved in the process of training need assessment.
 - 4. Explain the essentials to be followed in designing a training program.
 - 5. Explain the meaning, concept and process of management development.
 - 6. What are the competencies required for a trainer ?
 - 7. Write a note on organisation climate in effective training.

P.T.O.

SECTION – C

Answer **any three** questions. **Each** carry **10** marks.

(3×10=30)

8. Explain the important factors that has to be considered by HR Manager for effective implementation of a training program.
9. Explain the advantages and disadvantages of on-the-Job and off-the-Job training.
10. What are the types of evaluation instruments used to measure the effectiveness of training ?
11. Discuss the role and significance of training and development activity in public sector enterprises in the current scenario.
12. Discuss various techniques for building rapport with trainees.

SECTION – D

13. Case (**Compulsory**) :

(1×15=15)

On 1st December, 2005, Mr. Vinay a recent recruit from a reputed management institute in India walked into their corporate office at Mumbai as a new Finance trainee. Mr. Pradeep, the Head Finance for a large computer software firm was there to greet him, Vinay's job consisted to administration related accounting activities of the organization. Mr. Pradeep briefed him on the activities of the organization and the need to have a separate administration-related accountant for the organization. Then Mr. Pradeep gave Mr. Vinay Company Annual Reports, catalogues and various other papers of the company. Subsequently, Mr. Vinay was taken to his desk where he found a lot of pending works that Mr. Pradeep asked him to complete by the weekend.

Thereafter Mr. Pradeep excused himself and did not return. Mr. Vinay spent the whole day scanning the material, pending work and at 5 p.m, he picked up his things and went home.

- 1) What do you think about Mr. Vinay training programme ?
 - 2) What type of orientation programme would you suggest ?
 - 3) What method of training would have been best under the circumstances ?
Would you consider OJT, simulation or experienced methods ?
-

III Semester M.B.A. Examination, July 2010
MANAGEMENT
Elective – C : Human Resource (Repeater)
Course – 17 C : (Organisational Development)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** of the following sub-questions. **Each** sub-question carries **two** marks. **(5×2=10)**
- a) What do you mean by first order change ?
 - b) List Structural intervention techniques.
 - c) What do you understand by planned change ?
 - d) What are Quality Circles ?
 - e) What are the sources of power ?
 - f) What do you understand by OCTAPACE ?
 - g) What are Cross-functional teams ?

SECTION – B

- Answer **any four** of the following. **Each** question carries **five** marks. **(4×5=20)**
- 2. Discuss the conditions for optimal success of OD in organisations.
 - 3. What are the features and controversies associated with the technique of sensitivity training ?
 - 4. What is Third Party Peace making ?
 - 5. Explain any one model of planned change.
 - 6. What are the reasons for resistance to change efforts ?
 - 7. What are parallel learning structures ?

P.T.O.

SECTION – C

Answer **any three** of the following. **Each** question carries **ten** marks. **(3×10=30)**

8. Explain the process of Action Research.
9. Discuss the phases of OD programs as a component of program management.
10. Explain the six critical areas to be reviewed in diagnosing organisational problem.
11. Discuss the issues in consultant client relationship.
12. Examine the problems involved in research on OD.

SECTION – D

13. Case (**compulsory**)

15

The chairmen of Exxon Corporation and Mobil Corporation agreed that combining the two huge operations would be a success because their assets - refineries, gas stations, oilfields all over the world – were a good fit. The deal promised to yield \$2.8 million in savings. The real question, however, is not the fit of assets but the fit between the two corporate cultures.

Even though they are in the same industry, Exxon's and Mobil's cultures are as different as night and day, and their corporate symbols reflect the differences. Exxon's stalking tiger has become an icon for the company, representing power. The tiger also represent's Exxon's huge size, tight lipped business approach, and conservative style. Mobil's flying horse, a more whimsical mascot, is more open to the public and to new ideas.

Exxon, well known for its Valdez oil spill in 1989, is publicity shy. Its chairman says a good day is when Exxon stays out of the news. Mobil, however, wears its image on its sleeve, and has no qualms about being outspoken. The company went to battle with the media in the 1970s over the media's (in Mobil's view) biased coverage of the oil embargoes. Mobil was also the first oil company to push energy conservation in the U.S.

Exxon is slow and deliberate in its decision making. Its culture involves lots of reviews and lots of steps before decisions are made. The mix of its oil assets is conservative, and its production strategy is focused on the North Sea and North America. Mobil, in contrast, has always taken risks, venturing into natural gas in the 1980s before it became the thing to do among oil companies. It also moved boldly into Central Asia, taking advantage of the dissolution of the Soviet Union. Not all of Mobil's risk taking has worked, which may be one reason the company is joining Exxon.

Mobil's top management will be working for Exxon's leadership. Will Exxon's corporate culture effectively use the risk-taking talent of Mobil? Will Mobil's corporate culture and identity survive? Only time will tell.

Answer **all** the questions.

- 1) Identify the issues involved in the case.
 - 2) What are some actions Exxon and Mobil can take to avoid Culture conflict?
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Third Semester M.B.A. Examination, July 2010
Elective – B : Marketing (Repeater)
Course 17 B : MARKETING OF SERVICES

Time : 3 Hours

Max. Marks : 75

SECTION – A

- 1 Answer **any five** questions. **Each** question carries **two** marks. **(5×2=10)**
- a) What is Services Marketing ?
 - b) What are extended marketing mix elements in services ?
 - c) State the methods of pricing the services.
 - d) What is Service positioning ?
 - e) What is Service franchising.
 - f) What is Service gap ?
 - g) What is retention strategy ?

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**
- 2. What are IT enabled services ? Give few examples.
 - 3. What is relationship marketing ? How is it important in services ?
 - 4. What are the differences between product and a service marketing ?
 - 5. What are the components of service promotion mix ?
 - 6. Explain the elements of a tourism product.
 - 7. Explain the reasons for service failure.

P.T.O.

SECTION — C

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

8. Explain the role of CRM in delivering a customer relationship strategy.
9. Discuss the major players in marketing financial services.
10. Explain the various types of hospitality products marketed in India.
11. Differentiate between marketing of FMCG goods and Life Insurance products.
12. Explain the role of service industry in economic development of a nation

SECTION – D

Compulsory

13. Case :

15

Assume that you are an entrepreneur interested to develop an insurance product. Give a detailed marketing mix plan of your insurance products. What innovative schemes would you suggest to capture a substantial market share ?

III Semester M.B.A Examination, July 2010
Elective – A : Finance
Course – 17A : CAPITAL INVESTMENT DECISIONS
(Repeater)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks. **(5×2=10)**
- a) Define IRR.
 - b) What are the incremental cash flows ?
 - c) What are sunk costs ?
 - d) What do you mean by time value of money ?
 - e) What is annuity due ?
 - f) Give the meaning of certainty equivalent.
 - g) What is discounted pay back period ?

SECTION – B

Answer **any four** questions. **Each** question carries **5** marks. **(4×5=20)**

- 2. What are the reasons for conflict in ranking between NPV and IRR ?
- 3. What are the principles governing the estimation of cash flows ?
- 4. What is pay back period ? What are its merits and demerits ?
- 5. How do you account for inflation while estimating cash flows ?
- 6. Calculate rates of return for the following cash flows :

0	1	2	3
(5000)	5,000	4,000	(1000)

P.T.O.

7. The estimated cash flows and certainty equivalents for project X and project Y are as follows.

Project X

Year	Cash flow	C.E
0.	(60,000)	1.00
1.	40,000	0.90
2.	40,000	0.80
3.	50,000	0.70

Project Y

Year	Cash flow	C.E
0.	(80,000)	1.00
1.	56,000	0.90
2.	52,000	0.80
3.	58,000	0.70

Which project should be accepted, if risk free discount rate is 6% ?

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks. **(3×10=30)**

8. Discuss the various capital budgeting evaluation techniques and the rationale for their use.
9. What is risk analysis ? Compare and contrast sensitivity scenario analysis.
10. Discuss the rationale underlying the mean-variance hypothesis proposed by Markowitz.

11. The NPV of a capital project is normally distributed random number with a mean of Rs. 10,000 and standard deviation of Rs. 20,000. Determine the probability of
- NPV being more than zero.
 - NPV being less than 1,000.
 - NPV being some value between 5,000 and 10,000.
12. From the following information about two capital projects X and Y, calculate expected NPV and Standard deviation of NPV.

	X		Y	
NPV	Probability	NPV	Probability	
(3,000)	0.10	(4,000)	0.20	
5,000	0.20	3,000	0.40	
10,000	0.40	8,000	0.30	
7,000	0.30	10,000	0.10	

SECTION – D

13. Compulsory Case (**Compulsory**) **(1×15=15)**

X Ltd. is contemplating the purchase of a new equipment which cost Rs. 10 lakhs. It requires another Rs. 2 lakhs for its transportation and installation. The machine requires an additional investment in net working capital to the extent of Rs. 3 lakhs. The equipment has a useful life of 5 years, after which it is expected to realize Rs. 2 lakhs. Straight line depreciation method is followed.

The machine is expected to reduce labour cost by Rs. 3,00,000 annually. If the required rate of returns is 15% and tax rate 40%, should the new equipment be purchased ?

III Semester M.B.A. Examination, July 2010
MANAGEMENT
Elective : A – Finance (Repeater)
C – 18 A : Portfolio Management and Security Analysis

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions. **Each** question carries **two** marks.
- a) What is cost of growth model ?
 - b) Define current yield.
 - c) What is earnings multiplier ?
 - d) What is yield to maturity ?
 - e) How market index is determined ?
 - f) Why Beta co-efficient is used ?
 - g) What is interest period risk ?

SECTION – B

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

2. “No Investment Decisions are made without calculating risk”. Do you agree ?
As an Investment Manager of a firm, mention the various steps involved in the investment decision making process.
3. What are the various methods of floating the new issue ? Enumerate the roles played by the Underwriter and the Bankers to the issue.
4. What is capital market Hypothesis ? Illustrate.

P.T.O.

5. What is the role of SEBI in the securities market as a regulator and as a developer of the capital market ?
6. What are the major criticisms of the technical analysis ?
7. Discuss the Markowitz Theory of Portfolio Selection. How does Markowitz theory help in planning an investor's portfolio ?

SECTION – C

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

8. An aggressive Mutual Fund promises an expected rate of return of 18% with a standard deviation of 22%. On the other hand, a conservative mutual fund promises an expected rate of return of 16% and fluctuations of 13%.
 - i) In which of the funds would you like to invest ?
 - ii) Would you like to invest in both the funds ?
 - iii) If you can borrow money from you provident fund at an opportunity cost of 15%, in which fund would you invest your money ?
9. Explain the concept of “Mutual Fund”. What factors should be considered before selecting a Mutual Fund ? Discuss the present state of the Mutual Funds in India and outline the risks involved in investing in Mutual Funds.
10. Vamsi is considering the purchase of a bond currently selling at Rs. 878.50. The bond has four years to maturity, face value of Rs. 1,000 and 8% coupon rate. The next annual interest payment is due after one year from today. The required rate of return is 10%.
 - i) Calculate the intrinsic value (present value) of the bond. Should Vamsi buy the bond ?
 - ii) Calculate the yield to maturity of the bond.
11. Explain the technique of fundamental analysis.
12. Write short notes on **any four** of the following :
 - a) Dow theory
 - b) Odd lot trading
 - c) Point and Figure charts
 - d) Serial bond
 - e) Superfluous Diversification
 - f) Market Risk.

SECTION – D

Compulsory

15

13. An aggressive Mutual Fund promises an expected rate of return of 18% with a standard deviation of 22%. On the other hand, a conservative mutual fund promises an expected rate of return of 16% and fluctuations of 13%.

- i) In which of the funds would you like to invest ?
 - ii) Would you like to invest in both the funds ?
 - iii) If you can borrow money from you provident fund at an opportunity cost of 15%, in which fund would you invest your money ?
-

III Semester M.B.A. Examination, July 2010
Elective – C : Human Resource Management
Course – 18 C : MANAGEMENT OF INDUSTRIAL RELATIONS
(Repeater)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions of **all** sub questions. **Each** question carries **2** marks : **(5×2=10)**
- a) Define grievance.
 - b) What is industrial discipline ?
 - c) What is open-door policy ?
 - d) What are the principles of natural justice ?
 - e) What do you mean by code of industrial discipline ?
 - f) What is the meaning of inter-union rivalry ?
 - g) What do you mean by workers participation in management ?

SECTION – B

Answer **any four** questions. **Each** question carries **5** marks : **(4×5=20)**

2. What are the weaknesses of trade unions in India ?
3. Explain the functions of shop councils.
4. Examine the concept of participative management.
5. Examine the positive and negative roles of trade unions in the maintenance of industrial relations harmony.

P.T.O.

6. State the impact of technological change on industrial relations.
7. What is the rationale of workers participation in management ?

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks : **(3×10=30)**

8. What are the different forms that a strike can take ? What steps should be followed for taking disciplinary action against an employee ?
9. “Industrial relations refer to the process of creating an environment in which the various stakeholders can work together for a common enterprise” – critically examine the above statement.
10. Discuss the main approaches to the study of industrial relations.
11. What are the procedures provided by industrial dispute act, 1947 to deal with disputes ?
12. “Participation of workers in management is claimed to usher in an era of industrial democracy” – comment.

SECTION – D

13. **Case Study :** **(15×1=15)**

Ramesh is a branch manager of a reputed bank and has earned a reputation for efficient operations. Recently, a divisional manager telephones Ramesh that a new branch office was to be opened in another city. The divisional manager also informed Ramesh that senior management is highly pleased with the way his branch office has been functioning in the past and would like him to recommend someone from his office for promotion as branch manager to manage the new branch.

Ramesh started analysis of his subordinate staff to determine who might make a good manager. He has narrowed his choice down to two persons within his office : Ms. Anita and Mr. Mallia. Both Anita and Mallia are young persons in early forties. Each has a management degree from reputed institutes. Anita usually seems more effective and tactful when dealing with customers. Both have low absenteeism record and either one would probably make a satisfactory manager for the new branch of the bank.

Ramesh has an impression that most people prefer male supervisors and women generally are not really interested in career and as manager might develop aggressive female tendencies. As such Mallia may be an effective manager in a new workplace. Hence he recommended Mallia for promotion as a branch manager in the bank's new branch.

Questions :

- 1) If you were Ramesh, whom would you recommend as head of the new branch ? Give arguments in favour of your recommendation.
 - 2) As HR manager, how would you handle Anita's feelings of being ignored ?
-

Third Year M.B.A. Examination, July 2010
MANAGEMENT
Course 18 : Total Quality Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions. **Each** question carries **2** marks. **(5×2=10)**
- a) Define quality.
 - b) What are the benefits of quality ?
 - c) What are the 3 major aspects of quality improvement ?
 - d) What is quality cost ?
 - e) What is variation ?
 - f) What are quality circles ?
 - g) Explain Deming's cycle.

SECTION – B

- Answer **any two** questions. **Each** question carries **10** marks. **(2×10=20)**
- 2. What is cost of quality ? What are its components ? Explain.
 - 3. What are the tools used for process control ? Explain a control chart.
 - 4. What is meant by business performance measurement ? What are the methods used for measuring the business performance ?
 - 5. What is Bench marking ? How the concept started ? How to do bench marking ?

P.T.O.

Answer question No. **10 (compulsory)** and **any two** of the following. **Each** question carries **15** marks. **(3×15=45)**

6. What are the international quality awards ? Explain criteria for Deming's quality award.
7. Explain the evolution of TQM concepts. What is its significance today ?
8. What is ISO9000 quality standards ? Why a company should go for ISO9000 certification ? What advantages a company gains with the certification ? Discuss.
9. What are the international quality awards ? Explain criteria for Malcolm Balridge quality award.

10. Case Study

HT corporation, a manufacturer of heavy truck had a long, sad and bitter history of employee relation. The company openly practiced "Management through terrorism".

Engineers and technicians dominated the culture. One of the companies' assembly plants devoted major resources to statistical process control. An entire department staffed with engineers justified its existence by keeping control charts. The engineers collected and stored data on a computer and posted the charts in every production department once each week. They also posted list of problems and defects attributable to each department. Another department kept itself busy with "Work redesign" and "assembly line balancing". The plant was highly product focused. Material moved smoothly from one operation to the next. Sub assemblies flowed in to assemblies like the tributaries of the river, all moving towards the final assembly line.

Despite this effort, quality was mediocre at best. HT corporation devoted more factory space to rework and repair operations than to the original assembly. The individual and social aspect of the system was largely ignored. People lacked inter personnel skills, common goals and trust and they could not hope to attain these qualities under the existing power structure and reward system.

Discuss :

- a) Comment on the quality practices in HT corporation.
 - b) If you take over as the chief executive officer of the HT corporaion, what changes would you make ? How would you begin ?
-

Third Year M.B.A. Examination, July 2010
HUMAN RESOURCE MANAGEMENT (Elective) (Group C)
Course 19 C : Management of Industrial Relations

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks. **(5×2=10)**
- a) Define industrial relations.
 - b) What is the logic of trade unionism ?
 - c) What is inter-union rivalry ?
 - d) What is a trade union ?
 - e) What are the principles of natural justice ?
 - f) What is open door policy ?
 - g) Define grievance.

SECTION – B

- Answer **any two** questions. **Each** question carries **10** marks. **(2×10=20)**
2. Examine the concept of participative management.
 3. Explain the procedure of re-dressal of grievances.
 4. Discuss the impact of technological change on industrial relations.
 5. Define collective bargaining. What are its features ?

SECTION – C

- Answer question No. **10 (Compulsory)** and **any two** of the following. **Each** Question carries **15** marks. **(3×15=45)**

6. “Collective bargaining assumes collective wisdom of both management and labour”. Discuss.

P.T.O.

7. What are the similarities and differences between employee empowerment and worker participation in management ?
8. Explain the logic of trade unionism and critically examine the role of trade unions in the competitive global business environment.
9. Examine the constructive role of trade unions in the management of industrial relations. What managerial strategies would you recommend to deal with a multi-union situation ?
10. Case study :

Rane is a branch manager of a reputed bank and has earned a reputation for efficient operations. Recently a divisional manager telephones Rane that a new branch office was to be opened in another city. The divisional manager also informed Rane that senior management is highly pleased with the way his branch office has been functioning in the past and would like him to recommend someone from his office for promotion as branch manager to manage the new branch.

Rane started analysis of his subordinate staff to determine who might make a good manager. He has narrowed his choice down to two persons within his office: Ms. Anita and Mr. Malla. Both Anita and Malla are young persons in early forties. Each has a management degree from reputed institutes. Anita usually seems more effective and tactful when dealing with customers. Both have low absenteeism record and either one would probably make a satisfactory manager for the new branch of the bank.

Rane has an impression that most people prefer male supervisors and women generally are not really interested in career and as manager might develop aggressive female tendencies. As such Malla may be an effective manager in a new workplace. Hence he recommended Malla for promotion as a branch manager in the bank's new branch.

Questions :

- 1) If you were Rane, whom would you recommend as head of the new branch ? Give arguments in favour of your recommendation.
 - 2) As HR manager, how would you handle Anita's feelings of being ignored ?
-

III Semester M.B.A. Examination, July 2010
MANAGEMENT

C – 13 : Management of Entrepreneurship and Small Business (Freshers)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** of the following sub-questions. **Each** sub-question carries **two** marks : **(2×5=10)**
- a) Who is an intrapreneur ?
 - b) Define a small business.
 - c) What is network analysis ?
 - d) What do you mean by environmental analysis ?
 - e) Define innovation.
 - f) What is rural entrepreneurship ?
 - g) State the significance of Gantt chart.

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**

- 2. Distinguish between entrepreneur and entrepreneurship.
- 3. Explain the different phases of entrepreneurial development programmes.
- 4. Explain the social responsibilities of entrepreneurs.
- 5. Explain the features of Indian capital market.
- 6. What are the different methods of demand forecasting ? Explain.
- 7. What are the steps taken by the government to develop women entrepreneurship in the country ?

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

8. Discuss the characteristics of successful entrepreneurs.
9. Discuss the various stages of project formulation.
10. Explain in detail the incentives and subsidies for starting small business in the country.
11. Discuss the problems faced by women entrepreneurs in carrying out their business.
12. Prepare a report on the future of small business in India in the light of liberalisation and globalisation giving examples wherever necessary.

SECTION – D

13. Case Analysis. **Compulsory.** **(1×15=15)**

Susheela Devi, a graduate and wife of Vijay Kumar had no other way but to continue the business of her husband who died in an accident. There are no other sources of income to run the family of four comprising of her in-laws and the only son who is studying in eighth standard. The only alternative left was to give the shop for rent and live on that. Though she had no experience to claim except she had spent few days looking after the business when her husband was ill few months ago, she decided to continue the business.

The business was a small grocery shop nearby her house. In the initial stages it was very difficult as she was unaware of the prices of different items. She took the help of two boys working in the shop in understanding the business. Within three months she learnt the tricks of the trade. She made her father-in-law to sit in the shop whenever she went for ordering for different items. But soon she felt that is a waste of time and took a land line connection to be used for ordering the items. Knowing that the shop has a phone connection, her customers wanted to make calls. Not only she let her customers to use the phone, she installed that phone in the corner of the shop and made it an STD booth.

She made certain changes in the way the business was conducted. Instead of weighing the grocery items whenever the customers asked for them, she asked the shop boys to pack the items in standard weights. This helped her to serve and dispose of the customers early during peak hours. Even the customers felt that they are attended quickly. The home delivery scheme was introduced.

Over a period, with the increase in the competition, the name of the shop was changed from Vijay Traders to Vijay Discount Shop and all the items carried some discount from five percent to fifteen percent.

Susheela Devi has always done good business. The business has not seen a down trend at any point of time. She has always treated customers well and resolved the complaints without hurting their sentiments. Now she has five boys working in the shop.

Questions :

- a) Describe the entrepreneurial qualities of Smt. Susheela Devi.
 - b) What are the secrets of her success ?
-

Third Semester M.B.A. Examination, July 2010
MANAGEMENT
Course – 14 : Business Policy and Strategic Management (Repeater)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions. **Each** question carries **2** marks. **(5×2=10)**
- a) What is a Grand Strategy ?
 - b) What is Gap analysis ?
 - c) What is the Mission statement ?
 - d) What are the elements of strategy ?
 - e) What is Core competence ?
 - f) What is meant by Strategic choice ?
 - g) What is industry analysis ?

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks : **(4×5=20)**
- 2. Distinguish between “Vision” and “Mission” statements.
 - 3. What are the environments under which business operates ?
 - 4. What is Product Life Cycle ?
 - 5. What is Business Life Cycle ?
 - 6. Explain the Process of MBO.
 - 7. What is meant by Business Acquisition ?

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks.

(3×10=30)

8. Describe the Strategic Management Process.
9. What is internal analysis ? Discuss with examples.
10. What problems does growth pose ? How to overcome the problems ?
11. How does globalization impact strategy formulation ?
12. Why companies diversify to unrelated fields ? Will it not create conflict with core competency ? Discuss.

SECTION – D

(Compulsory)

13. Case Study :

(1×15=15)

Alcatel was born out of the merger of two telecom giants of Europe, *Compagnie Generale d'Electricite* (CGE) and ITT's telecom wing, creating the world's number one company in telecom. The promoters of Alcatel wanted a vibrant and pulsating entity, which would be the frontrunner in telecom in the world. They were not interested in merging merely for the sake of combining the two balance sheets of the firms, which had different work style and different cultural ethos. However, they had a common desire to succeed as Alcatel.

The chairman of the merged firm, Alcatel, set the following guidelines for the firm :

- Believe that the merger had to succeed.
- Speed of action is the key to gaining credibility for Alcatel
- Get rid of weaknesses in each of the firm's constituents.
- Put everything in order in a year. This was a tall order with more than 125,000 employees, overlapping product lines, and operations in more than 100 countries.

As speed was of essence, it was decided to take good enough decisions, rather than wait for optimized solutions. It was not easy to have the managers running

their business change to the new ways of doing things. The sudden shock of merger did the job of unfreezing the firm. In the process, they were able to put the best of both organizations together in the new entity.

Alcatel has five main product groups, which are :

- Public switching
- Transmission
- Business systems
- Cables
- Network engineering

Alcatel's board of directors meets once in six weeks to discuss and decide on the following key areas :

- Acquisitions and mergers
- Product development
- Overseas markets
- Key appointments and promotions

This demarcation of powers has left the confusion out of the top management. It has also given greater responsibility to unit operations managers. Alcatel works with the matrix organization structure, with half of the executive committee members having dual responsibility as product group head and operational manager. Thus, the product group decisions are taken by people through direct interaction, with customers and competitors as operational heads. This also helps the person carrying out dual roles, as he can mobilize resources for products he wants to market.

The French managers of CGE did not want to share the markets they considered their own with outsiders, and the American managers of ITT were reluctant to be brought under European control.

Alcatel spent the time from September 1986 to the end of the year negotiating the merger deal with their ITT counterparts. During this period they tried to understand their business and their people, which greatly helped in starting the merged organization, Alcatel, from January 1987. In filling senior posts the board made great efforts to keep the French bias out of the selection process.

The Alcatel Way – Under their People Plan, Alcatel has installed genuine commitment in their 250 senior managers, who are primarily responsible for implementing their central strategy. In return, the board looks after their career plan to ensure they reach the top echelon of the organization.

In the new Alcatel regime, business strategy cannot be fragmented divisionised in any way, despite the fact that an HQ staff of half the size of former ITT staff is handling twice the volume of sales.

From the start the board understood the unfreezing of attitudes and that it had to be encountered by strong planning and financial discipline.

ITT followed a system of five-year plans but the budget had to be revised frequently in the monthly meetings. The managers, who weren't performing well, would down size their targets. Alcatel started the system unalterable, yearly budgets, to which the managers have to commit themselves. Five year strategic plans also exist within the guidelines of product groups and the executive committee.

Alcatel describe as a European business with global objectives. Today, it can be recognized as a global business that happens to have its roots in Europe. It has succeeded because Alcatel framed its strategies well and without losing time. Alcatel wanted to project a strong image wherever possible. So, in March 1987, the board decided that, as big players dominate the world telecom market, its operating units around the world would help Alcatel to be a major player, by adding 'Alcatel' word in their name. Local objections were easily removed by massive investment in image building, which local units could never dream of doing.

Discuss :

- 1) What are the main features of merger that make it successful ?
- 2) Do you think they could have done something differently.

Third Semester M.B.A. Examination, July 2010
Course 15 : OPERATIONS RESEARCH
(Compulsory) (Freshers)

Time : 3 Hours

Max. Marks: 75

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks : **(5×2=10)**
- a) What do you mean by operations research ?
 - b) List some important replacement situations and policies.
 - c) What are the different managerial applications of Operations Research ?
 - d) Write the General Mathematical model of Linear Programming problem.
 - e) List the differences between PERT and CPM network techniques.
 - f) How do you differentiate the slack and surplus variable ?
 - g) What do you mean by duality in LPP ?

SECTION – B

Answer **any four** questions. **Each** question carries **5** marks : **(4×5=20)**

- 2. Discuss the various stages involved in the methodology of Operations Research.
- 3. With a simple sketch explain the general structure of the queuing system.
- 4. Solve the following LPP graphically :

$$\text{Minimize } Z = 0.07 x_1 + 0.10 x_2$$

$$\text{Subject to } x_1 + x_2 \leq 30,000$$

$$x_1 \geq 6,000$$

$$x_2 \leq 12,000$$

$$x_1, x_2 \geq 0$$

P.T.O.

5. Six jobs are to perform in the order of AB. The processing times (Minutes) for the jobs are given in below table. You are required to calculate the Cycle time and Operations Time.

Job	Machine-A	Machine-B
1	7	3
2	4	8
3	2	6
4	5	6
5	9	4
6	8	1

6. Solve the following game by reducing the matrix using dominance rule and hence find the optimal strategies of the players. Also find the value of the game.

	B1	B2	B3
A1	9	8	-7
A2	3	-6	4
A3	6	7	-7

7. What is a replacement problem ? List some important replacement situations and policies.

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks : **(3×10=30)**

8. You are given following information about cost (Rs.) of performing different jobs by different persons. Using this information, optimize the job assignments and also calculate the cost of optimal assignment.

Worker	Job1	Job2	Job3	Job4	Job5
P1	25	18	32	20	21
P2	34	25	21	12	17
P3	20	17	20	32	16
P4	20	28	20	16	27

9. Transportation cost in terms of rupees per kg for shipping is shown in below table. You are required to find the initial basic feasible solution by Vogel's Approximation Method (VAM). Also estimate the transportations cost.

From/ To	P	Q	R	S	Capacities
A	12	10	12	13	500
B	7	11	8	14	300
C	6	16	11	7	200
Requirement (Tons)	180	150	350	320	

10. The project composed of 8 activities whose time estimates are listed in the below table. You are required to draw the network diagram and find the critical path and its duration.

Sl. No.	Activity (i-j)	Duration (Days)
1.	1-2	6
2.	1-3	8
3.	1-4	5
4.	2-4	3
5.	2-5	5
6.	3-6	12
7.	4-6	8
8.	5-6	6

11. The data on maintenance cost per year and resale prices of equipment whose purchase price is Rs. 80,000 are given in below table. You are required to find the optimal period for replacement.

Year	1	2	3	4	5	6	7
Maintenance Cost (Rs.)	1500	1900	2300	2900	3600	4500	5500
Resale Price (Rs.)	75000	72000	70000	65000	58000	50000	45000

12. In a public telephone booth customer arrival at an average rate of 10 minutes between one to other customer. The length of the call is on an average of 3 minutes. Assuming that the inter-arrival rate follows Poisson's and the service rate the exponential distribution calculate the following :
- i) The traffic intensity and Idle time of the telephone operator
 - ii) The probability of customer arrived observes that four persons are waiting for their turn.

SECTION – D

13. Case (**Compulsory**) :

15

A glass factory specialized in crystal manufacturing is considering three actions to develop the business to meet greater market demand. The correct choice depends on future demand which may be low, medium and high. By consensus, management ranks the respective probabilities as 0.10, 0.50 and 0.40. A cost analysis reveals the effect upon the profits as indicated in the below table. Show this situation in the form of a decision tree and indicate the most preferred decisions and also the corresponding expected value.

Demand	Probability	Courses of action		
		Sub-contracting S1	Begin overtime S2	Construct facilities S3
Low (L)	0.10	-20	10	-150
Medium (M)	0.50	60	50	20
High (H)	0.40	100	50	200

Third Semester M.B.A. Examination, July 2010
Elective – A : Finance
(Old Scheme) (Repeater)
Course – 16 A : FINANCIAL PLANNING

Time : 3 Hours

Max. Marks : 75

Instruction : Simple Calculators are allowed.

SECTION – A

1. Answer **any five** sub-questions. **Each** question carries **2** marks : **(5×2=10)**
- a) What is EBIT – EPS Analysis ?
 - b) Write a note on Global Depository Receipts.
 - c) Mention any two guidelines of SEBI on Right issues.
 - d) Mention any two evils of over-capitalisation.
 - e) Name any two methods of making working capital forecasts.
 - f) What do you understand by the term private placement ?
 - g) What is trading on equity ?

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**
2. Differentiate ‘Capitalisation’ and ‘capital structure’.
 3. Distinguish between permanent and temporary working capital.
 4. Write a short note on Merchant-Banking.
 5. What is financial planning ? Explain the principles governing a sound financial plan.
 6. What are Bonus shares ? How do they benefit the shareholders ?
 7. Enumerate the functions of SEBI.

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks.

(3×10=30)

8. Explain briefly the guidelines issued by SEBI regarding
 - a) Euro Issues
 - b) Merchant Bankers.
9. Write a note on the current trends in the Indian capital market.
10. What are the different sources of long term financing ? State briefly the merits of each source of long-term financing.
11. A manufacturing company is considering an investment proposal which requires Rs.80 lakhs. The company is having 5000 Eq shares outstanding. Price of each equity share is Rs.100/-. The company can mobilise the required amount by the following plans.
 - a) 50% equity and 50% debentures @ 10%
 - b) 100% equity and
 - c) 100% debentures @ 8%

Assume a tax rate of 40%. Calculate EPS. Expected EBIT after the expansion is Rs. 18,00,000/-.

12. The following is the capital structure of A Ltd.

	Rs.
Equity Share capital (Rs.10/- shares)	2,00,000
Share premium	3,00,000
Reserves and surplus	<u>1,50,000</u>
Total Net Worth =	<u>6,50,000</u>

The company issues bonus shares to its existing equity share holders in the ratio of 1 for every 10 at the market price of Rs.15/- per share.

You are required to show :

- i) the new capitalisation of the company and
- ii) earnings per share both before or after the bonus issue presuming the net earnings of Rs. 22,000/-.

SECTION – D (Compulsory)

15

13. Estimate the net working capital required for the production of 1,04,000 units per annum from the following information.

	Rs.
Estimated cost per unit :	
Raw materials	80
Direct Labour	30
Overheads	<u>60</u>
Total cost	<u>170</u>

Overheads are exclusive of depreciation of Rs.10/- per unit.

Additional information :

- i) Selling price per unit Rs. 200/-
- ii) Raw materials in stock on an average 4 weeks.
- iii) Work-in-progress on an average 2 weeks.
(Assume 50% completion stage in respect of concession costs and 100% completion in respect of materials)
- iv) Finished goods in stock, average 4 weeks
- v) Credit allowed by supplies, average 4 weeks
- vi) Credit allowed to debtors, average 8 weeks.
- vii) Lag in payment of wages, average 1.5 weeks.
- viii) Cash at bank is expected to be Rs. 25,000/-

All sales are on credit basis. Assume 52 weeks in a year. Add 10% to computed figure to allow contingencies.

III Semester M.B.A. Examination, July 2010
MANAGEMENT
Course 16A : Investment Management
Elective – A : Finance
(Freshers)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Write short notes on **any five** of the following, **each** carries **2** marks : **(5×2=10)**
- a) Time value of money
 - b) Annuity
 - c) Terminal cash flow
 - d) Present value
 - e) IRR
 - f) Capital Rationing
 - g) ARR
 - h) COL.

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**

2. Illustrate the computation of IRR.
3. What are the contents of Capital Budgeting ?
4. Explain the merits of NPV over ARR.
5. Calculate the Net Present Value of an Annuity of Rs. 1,00,000 received for a period of 6 year at 10%. The initial investment is Rs. 4,00,000/-.
6. Suppose you purchase of a consumer durable for Rs. 40,000 and wish to make payment in six annual installments what will be the equal annual installment if the sellers interest rate is 12%.
7. Why are cash flows considered in evaluating investment projects ?

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

8. Explain the principles governing estimation of cash flows.
9. For an investment outlay of Rs. 1,00,000, the expected net cash flow is Rs. 34,432, Rs. 39,530, Rs. 39,359, and Rs. 32,219 over the next 4 years. Calculate the payback period.
10. If project A has an expected value of net present value of Rs. 200 and a standard deviation of Rs.400, it is more risky than project B whose expected value is Rs. 140 and standard deviation of Rs. 300 ? Explain.
11. Two mutually exclusive projects have projected cash flows as follows :

	End of the year (in. Rupees)				
	0	1	2	3	4
Project -A	2,000/-	1,000/-	1,000/-	1,000/-	1,000/-
Project -B	2,000/-	0	0	0	6,000/-

Determine the IRR for each project and NPV for each project at discount rates of 10 and 20 percent.

12. Explain the use of scenario analysis for evaluating a risky project.

SECTION – D

Case Study (Compulsory) : **15**

13. Two discrete probability distributions are given. Calculate the average cash flows and its risk.

PROJECT - A		PROJECT - B	
PROBABILITY	CASH FLOW (in Rs.)	PROBABILITY	CASH FLOW (in Rs.)
.20	2,000/-	.10	2,000/-
.30	4,000/-	.40	4,000/-
.30	6,000/-	.40	6,000/-
.20	8,000/-	.10	8,000/-

Third Semester M.B.A. Examination, July 2010
MANAGEMENT
Elective – B : Marketing (Freshers)
Course – 16 B : Product and Brand Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions. **Each** question carries **two** marks : **(5×2=10)**
- a) Define product category.
 - b) What is Line Pruning ?
 - c) What is Augmented Product ?
 - d) What is Generic competition ?
 - e) What are the secondary sources of information for competitor analysis ?
 - f) What is sales forecasting ?
 - g) What is primary packaging ?

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks : **(4×5=20)**
- 2. Give an outline of a product focussed organizations.
 - 3. What are aggregate market factors affecting category attractiveness ?
 - 4. What are the methods for assessing market potential ?
 - 5. Why it is important to ascertain the customer life time value ?
 - 6. Explain the merits and demerits of brand extension strategy.
 - 7. Explain why packaging is important in marketing consumer products.

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks : **(3×10=30)**

8. Describe the role of a product Manager in marketing management.
9. What are the characteristics of consumer product ? Explain the various schemes for classifying the consumer product.
10. Explain the steps in marketing planning process.
11. Give a detailed description of Indian consumer market.
12. What is Brand Equity ? Explain the various methods for building brand equity of a product.

SECTION – D

13. **Case (Compulsory) :** **(1×15=15)**

Amul is planning to introduce a Yoghurt based product in the Delhi market during the current festival period. The product is new to Delhites who are otherwise fond of sweets.

Develop a detailed advertisement for promoting Yoghurt in Delhi.

Third Semester M.B.A. Examination, July 2010
MANAGEMENT
Elective – A : Finance (Freshers)
Course – 17 A : Merchant Banking and Financial Services

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** questions. **Each** question carries **two** marks : **(5×2=10)**
- a) What is private placement ?
 - b) Differentiate between capital market and money market.
 - c) What is leveraged buy out ?
 - d) What is factoring ?
 - e) Define financial lease.
 - f) What do you mean by credit rating ?
 - g) Define financial engineering.

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks : **(4×5=20)**
- 2. Explain any five functions of financial services.
 - 3. Explain the different corporate advisory services of merchant banker.
 - 4. What are the advantages and disadvantages of leasing ?
 - 5. Distinguish between hire purchase system and instalment system.
 - 6. What are the additional facilities besides providing credit that the credit card offers to their customers ?
 - 7. Explain the importance of credit rating.

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks : **(3×10=30)**

8. Discuss the pre-issue activities relating to issue management.
9. Briefly explain the different functions of a merchant banker.
10. Discuss the mechanism involved in a factoring financial service.
11. Discuss the role of National Housing Bank in housing finance.
12. Explain the uses of credit rating to investors, issuers, intermediaries and regulators.

SECTION – D

Case study : **(1×15=15)**

13. ABC Ltd. is interested in acquiring the use of an asset costing Rs. 10,00,000. It has two options
 - i) to borrow amount at 18% p.a. repayable in 5 equal installments.
 - ii) to take on lease the asset for the period of five years, at the year end rentals of Rs. 2,40,000. The corporate tax rate is 50% and the depreciation is allowed on straight line method. The asset will have a salvage value of Rs. 2,00,000 at the end of the 5th year.

You are required to advise the company about lease or buy decision.

Third Semester M.B.A. Examination, July 2010

MANAGEMENT

Elective – B : Marketing (Freshers)

Course – 17 B : Marketing of Services

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** sub-questions. **Each** question carries **2** marks. **(5×2=10)**

- a) Define product.
- b) What is service marketing ?
- c) What is relationship marketing ?
- d) What stands for CAPS ?
- e) What is tourism marketing?
- f) What is perceived value pricing ?
- g) What is customer satisfaction ?
- h) What is service Map ?

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**

2. What are the bases for segmenting the service market ?
3. Explain the concept of financial services.
4. State the importance of people in service marketing.
5. What do you mean by price mix ? Explain with reference to marketing of health service.
6. List out the features health care service industry.
7. Explain the role of supplementary services.

P.T.O.

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

8. Explain the factors influencing the growth of service market in India.
9. Explain the factors influencing the pricing for non-profit organizational product.
10. Define, service quality and explain it's determinants.
11. Discuss the role of government in promoting tourism in India.
12. Develop an appropriate marketing Mix for marketing of Indian public sector banks.

SECTION – D

13. Case (**compulsory**): **(1×15=15)**

British Airways, the airline with the imperial demeanour, was as much hated as admired; hated by rivals and admired by customers as well as rivals. It was the last of the institutions (after banks like Barclays, Standard Chartered, etc., and insurance companies like Lloyd's took a drubbing at the hands of, first the Americans and then the Japanese) that harked back to the Empire. It was Buckingham Palace, Beefeaters, Big Ben and London Bridge all rolled into one. Its logo took on the colours of the Kingdom's national colours of blue, white and red and had a straight arrow beneath the name as if underling the stiff upper lip disdainful superiority, rigidity and punctiliousness that the English were once notorius for.

It was punctual (like Lufthansa), innovative (like Delta) in bringing upmarket products like Club Class, and widespread (like the late lamented Pan Am and TWA) especially after the takeover of the Australian airline, Qantas. It was known for its service, good food and wine. It drove hard bargains with other countries and airlines for wider sky penetration by using their clout with the British government and the threat of access to London's Heathrow Airport, one of the busiest hubs in the world. They could therefore afford to have a higher tariff for their products and yet have full flights.

But it wasn't always this rosy for BA. Earlier, in the seventies, it had amalgamated smaller regional airlines of the UK into its fold: British Overseas Airways Corporation (BOAC), which flew passengers outside England, something like our Air India; British European Airways (BEA) and British Caledonian Airways. 'BA' was identified as the test case for disinvestments by the newly elected Conservative government headed by Margaret Thatcher in 1979. A brand audit revealed that for irate passengers, BA stood for 'Bloody awful'! Its service was perceived to be poor, its personnel insensitive and haughty. First Lord King and then Colin Marshall initiated slow but inevitable changes in BA.

Under these two, during the eighties and the nineties, British Airways literally lorded it over the skies. To drive home their advantage, they had phenomenal promotions and advertisements. Saatchi and Saatchi, the wonder ad agency designed one catchy and award winning ad campaign after another, getting the airline noticed, talked about and preferred by travellers. Saatchi and Saatchi could do no wrong, it seemed. They had been instrumental in correctly communicating, during the elections in the UK, Margaret 'Iron Lady' Thatcher's conservative messages not once but three times ("Long Labour" was one of the many memorable copies). The slogan 'The world's favourite airline; became identified with British Airways. Their mission was 'To be the number one in air travel'. Well into the nineties, again in one of its numerous brand audits, BA found that

- Six out of ten of its passengers were non-British;
- The previously perceived images of impeccable service, punctuality and comfort were still intact;
- But it was also perceived as being rigid, inaccessible and cold.

British Airways did a massive rebranding exercise to communicate its vision of being a leader in global travel, its awareness of the profile of its new constituents and seeking to include the over 60% international customers in its service philosophy and attempted to shift the emphasis in BA from **British** to **airways**.

Logo : It first changed its logo seeking to dispel the negative images. Designed by Landor Associates, the new logo was an image of a red-and-blue scarf blowing in the wind, above the name. Called 'Swish' (shades of Nike's logo 'Swoosh' ?) it stood for 'spread' Flexibility and Friendliness'.

Advertising : Its advertising campaign had 3000 models, and was shot in the breathtaking locales of Utah, USA. It showed the models forming gigantic ears, eyes and nose and then in one synchronized movement forming a huge smiling face, which turns out to be the globe. The Greek musician Yanni composed the signature tune and song. Saatchi and Saatchi garnered six Clio awards, the Oscars of advertising. The message was BA catered to a global audience, its service was world class and available globally.

Symbolism : A new and a bold attempt were made to connect the local images to a global airline. BA painted the tailfins of its aircraft with local motifs. Calligraphic paintings for flights to China, Paithani sari designs for flights bound to India and so on.

Colours : BA stuck to the royal colours of red, white and blue for the logo, name font as well as the uniforms for its stewards and stewardesses.

Questions :

- 1) Why should a marketer attempt to brand a service ?
 - 2) Can a branding exercise in relation to services be done exclusively through advertising ? Explain.
 - 3) What are the components of a brand ?
 - 4) How would you go about successfully branding a new airline ?
-

III Semester M.B.A. Examination, July 2010
Elective – C : HUMAN RESOURCE MANAGEMENT
Course 17 C : Compensation Management
(Freshers)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **any five** questions of **all** sub questions, **each** question carries **2** marks :

(5×2=10)

- a) Define performance appraisal.
- b) What is 360° performance appraisal ?
- c) What is wage survey ?
- d) Enlist the methods of job evaluation.
- e) What are fringe benefits ?
- f) What is motivation ?
- g) Define the term job evaluation.

SECTION – B

Answer **any four** questions. **Each** question carries **5** marks :

(4×5=20)

1. Enlist the major components of compensation.
2. What are the common rater problems ? How can they be overcome ?
3. Outline the methods of job evaluation. Explain any one of them.
4. Outline the principles of fringe benefits.
5. Bringout the procedure for fixing salary for monthly rated employees.
6. Bringout the steps in the introduction of incentive payments.

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks : **(3×10=30)**

7. Bringout the various employee benefits and services. Describe each in brief.
8. Explain the different basis for fixing top and middle level managers compensation.
9. Bringout the ethical and social issues connected with executive remuneration.
10. Critically examine the achievement-motivation theory.
11. Bringout the salient features of the incentive schemes followed in Indian industries.
12. Briefly explain various phases of development of payment systems.

SECTION – D

13. CASE STUDY **(15×1=15)**

Hi-Tech Electronic Limited was established in 1998 in Faridabad. It produces and markets all type of electronic goods. It has been one among the top five companies as for the level of technology and one among the top three companies regarding marketing of the products. The company's policies and practices concerning human resource management are top in the country. The company's salary administration policies and practices were taken as guidelines not only by the other companies but also various wage boards and pay commissions in the country. But this company has been struggling of salary and benefits. The problem is stated hereunder.

The company employed nearly 400 young graduate and post-graduate engineers just three years back. These employees form the cream of the company's present human resource. Of course, the older generation of company's employees also formed the cream of company's human resource while they were young. The older employees occupied higher positions in all the departments including Human Resource Department. The company's salary policy and benefits policy were formulated five years back mainly on the basis of the older employees

desires. As such, salaries are fixed as very low level compared to other similar industries and the benefit schemes include an exhaustive list of benefits including all types of retirement benefits. The cost of retirement benefits would be nearly 25% of the cost of the present staff to the company.

The young employees demanded the management to pay immediately whatever it can pay rather than providing extensive fringe benefits. According to them, the pay pocket motivates them much more than benefits which they get mostly in kind. But the older employees view that fringe benefits much rather than currency which taxes them heavily. The company asked the human resource manager to settle the issue.

Questions :

- 1) What is the crucial issue in this case ?
 - 2) If you are the human resource manager of the company, whom do you satisfy ?
-

III Semester M.B.A. Examination, July 2010
Management
Elective B : MARKETING
Course – 18 B : Sales and Distribution Management
(Freshers)

Time : 3 Hours

Max. Marks: 75

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks. **(5×2=10)**
- a) What do you mean by win-win strategy ?
 - b) How is personal selling different from advertising ?
 - c) What do you mean by selling policy ?
 - d) What is brand talk ?
 - e) What do you mean by gross margin ratio ?
 - f) What are the various types of sales expenses ?
 - g) What is sales promotion budget ?

SECTION – B

- Answer **any four** questions. **Each** question carries **5** marks. **(4×5=20)**
- 2. What are the criteria that can be used for the evaluation of channel members ?
 - 3. What are the motivational tools and control areas for a distributor ?
 - 4. Discuss the trends in wholesaling and the special characteristics of high technology marketing channels.
 - 5. How do you prepare job description for sales representatives in an MNC ?
 - 6. Discuss the factors favouring 'centralisation' of sales activities.
 - 7. What is the difference between a suspect, a prospect and a qualified prospect ?

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **10** marks. **(3×10=30)**

8. Briefly explain the theories of personal selling .
9. Discuss the role of Telemarketing in present era.
10. Explain the challenges faced by international sales managers.
11. “ Demographics decides the Indian distribution pattern” – discuss.
12. Briefly explain recent trends in logistics management.

13. **Case Study – Compulsory :** **(15×1=15)**

Lucknow Electronics manufactured power generating equipment and were in business for only about five years. They sold directly to consumers as well as through a distribution network. They expanded their sales force to cover a greater part of the market and to expand their activities in the entire country. The objectives were to increase sales revenue by 30% over the previous year.

The marketing manager felt that to achieve these objectives, the salesmen have to be motivated and there is an urgent need of introducing an incentive programme. For this he suggested that the goals be set in consultation with the sales managers. The principle of MBO (Management by objectives) was suggested. The power generating business was highly competitive and although the company had a fixed price list, the sales managers would tend to ask for reduction in price on the approved list. In deciding whether or not the concessions should be given, a lot of valuable time of the marketing managers was being wasted and he wanted to stop this practice. The only way he could discourage salesmen from asking for concessions was to give them price flexibility (a range of price over which they could quote their clients a price that would win business). There was a danger that the sales people would arbitrarily drop prices to generate more revenue at lower prices and obtain greater incentives as bonus.

The marketing manager, after discussing with sales managers, devised an incentive programme as under :

- a) Incentives bonus would only start after the sales persons had achieved 80% of their targets.

- b) Although flexible pricing was allowed, but it was to be exercised by the discretion of the salesperson himself in genuine cases.
- c) If the goods were sold at the minimum price, the incentive would also be minimised. It would increase in proportion to sales at higher prices.

The marketing manager presented this incentive programme to the sales force expecting enthusiastic support. However, there was no positive response from the sales force.

Posers :

1. Do you feel that this incentive programme will achieve the results expected by the manager ?
2. Can you suggest an alternative incentive programme to motivate the sales force ?
3. Why was there no positive reaction from the sales personnel on the incentive programme ?

Third Semester M.B.A. Examination, July 2010
Elective – A : FINANCIAL MANAGEMENT (Freshers)
Course – 18 A : Management of Infrastructure Financing

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **any five** of the following sub-questions. **Each** sub-question carries **2** marks. **(5×2=10)**

1. a) What are interest rate risk ?
- b) Define tariffs.
- c) Name four leading players in infrastructure financing in India.
- d) Explain the meaning of financial closure.
- e) Define concessions.
- f) What is a special purpose vehicle in project financing ?
- g) What are turnkey projects ?

SECTION – B

Answer **any four** questions. **Each** question carries **5** marks. **(4×5=20)**

2. What are the essentials of sound PPPs ? Explain.
3. Write a note on Telecom regulatory Authority of India.
4. Give a brief description of memorandum of understanding in infrastructure projects.
5. What is construction risk ? How is it mitigated ?
6. What is mezzanine finance ? Explain.
7. What are the salient features of infrastructure financing ?

P.T.O.

Answer **any three** questions. **Each** question carries **10** marks.

(3×10=30)

8. Critically evaluate the role played by multilateral development agencies in financing infrastructure projects.
9. What are factors responsible for the evolution of private and commercially financed project in India ?
10. What are the difference between BOOT and BOO arrangement ?
11. The initial cash outlay of a project is Rs. 200,000 and it can generate cash inflow of Rs. 80,000, Rs. 60,000, Rs. 1,00,000 and Rs. 40,000 in year 1 through 4. Assume a 10 per cent rate discount. Calculate the net present value and profitability index of the project (Note : Present value at 10% year 1 through 4 are 0.909, 0.826, 0.751, 0.683, 0.621)
12. Explain the project appraisal mechanism followed by financial institution in infrastructure projects.

SECTION – D

13. Case study (**Compulsory**):

(1×15=15)

Indian Railways has proposed four public-private partnership (PPP) models – cost-sharing freight rebate, full contribution, SPV and private line – for network expansion. A meeting is scheduled for April 17 2010 between rail ministry officials and representatives of private sector companies on the issue. Termed as railways infrastructure initiative for industry (R3i) the scheme to develop the rail lines is focused on incentivising the private sector to work in tandem with railway and provide connectivity to the areas that are not covered. As per the cost-sharing freight rebate model, the contribution of the applicant should not be less than 50%.

“The applicant will recover its investment through a rebate of 10-12% on incremental traffic. This will be valid till the advance contribution made by it is recovered or for a period of 10 years, whichever being earlier. This is, however, subject to the condition that 30% of the advance should be recovered within the first five years after the commissioning of the line,” said the draft policy document on R3i.

In the full contribution apportioned earning model, the applicant will make 100% contribution to the project cost. The applicant will construct and maintain the line for a period of 25 years.

“Railways would levy a licence of 2% from the applicant’s share of earnings net of operations and maintenance (O & M) costs for the first 10 years from the date of commissioning and 4% thereafter till the completion of 25 years,” it said. At the end of the 25 year period, the revenue would accrue to the railways. In the SPV model, the railways share in the special purpose vehicle will be 26%. “SPV shall be granted a concession, a share in the revenues generated on the project line, in lieu of construction, operation and maintenance of the line”, it said. Private line model would apply when a private line is built by the applicant on privately acquired land and connectivity is sought to the Railways’ network. The applicant will construct and maintain the line for a period of 30 years and pay licence fee of 2% to 4% to the railways through the period.

Questions :

- 1) Critically examine the operations of the Public Private Partnership arrangement of the Indian Railways.
 - 2) What are the advantages of the above arrangement to the private players ?
-

Third Semester M.B.A. Examination, July 2010
Elective – B : MARKETING
Course – 18 B : Advertising Management
(Old Scheme) (Repeaters)

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** sub-questions. **Each** sub-question carries **2** marks. **(5×2=10)**
- a) What is integrated marketing communication ?
 - b) What is one sided message ?
 - c) What is an advertising copy ?
 - d) What is co-opertive advertising ?
 - e) What is Brand positioning ?
 - f) What is Advertisement campaign ?
 - g) What is pre–test and post–test evaluation ?

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks. **(5×4=20)**
- 2. Briefly explain the types of consumer advertising.
 - 3. What are the various elements of a marketing communication process ?
 - 4. Describe the suitability of T.V. advertisement for consumer goods advertisement.
 - 5. What is the impact of high and low involvement learning in advertisment copy design ?
 - 6. What is advertising appeal ? What are major types of advertising appeals ?
 - 7. Discuss the steps involved in creation of T.V. advertisement.

P.T.O.

SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

8. Describe the functions and benefits of advertisement in an economy.
9. What is DAGMAR approach ? Critically examine the utilities of DAGMAR approach in setting advertisement objectives.
10. Discuss the various methods for determining advertising budget.
11. Discuss the merits and demerits of a print advertisement you have come across.
12. Discuss the important sources of information in advertisement for influencing the audience.

SECTION – D

13. Case **Compulsory**. **(15×1=15)**

The marketing team of Hindustan Products was debating the creative strategy to be adopted for their Pearls soap campaign. The account is handled by HML, which is responsible for their entire range of soaps, cosmetics, and other fast moving consumer products. The total sales revenue for their products is in the range of Rs. 1,600 crores annually.

The toilet soap market of India is one of the largest in world - Rs. 3,000 crores. There are about fifteen major brands competing in the market, all from big companies. The distribution coverage for all these brands is nationwide. These topbrands command over 85 per cent of the market and are positioned as unique in some way. The different categories are general purpose soaps, the special purpose soaps, beauty soaps, moisturising soaps, and fairness soaps. Each of these soaps offers 3 to 4 variants with different features and benefits.

These top brands are manufactured and marketed by five major companies, who are considered aggressive and the competition is intense in terms of promotion and advertising.

‘Pearls’ is a specialty brand of soap and commands almost 25 per cent of the premium beauty soap segment. The soap offers special features and over the

years it has established an image of quality and uniqueness. The soap has an unusually pearly appearance and colour, is translucent and mildly perfumed. According to agency analyst, Sumeet Jha, “The soap is being advertised for the last nearly 15 years as a mild, pure, and chemical free soap. People feel it is milder than other beauty soaps and women prefer to use it for their families, especially children. A large number of properties are associated with the brand; however, all the advertisements are based on mildness, purity, and chemical free nature of the soap. For many years the demand increased steadily and the company was happy with the growth rate.

At the same time, however, because of special properties and restricted advertising, many consumers felt that the soap is suitable only for babies, and dry skinned people. In the last three years the growth has been stagnant and volumes have not increased.

In this scenario, the aim of the marketing team must be to appeal to a whole new set of consumers, who are non-users of the soap. The biggest challenge is to retain the image and still create more demand.

‘Pearls’ is available all over the country at around 4000 outlets, which is the range of average number of outlets used by specialty brands. The general category soaps are sold through 1.5 lakh outlets and special purpose brands are sold through 45,000. The outlets are chemists, general stores, cosmetics stores, and shopping malls. Almost 65 per cent of these outlets of Pearls are in cities and big towns of North, West, and East regions. The soap did not enjoy much popularity in the south.

The consumer for the soap is well defined. An average consumer of Pearls is the housewife, who does the bulk of shopping and wants good quality soap for her family, even if it is slightly more expensive. She typically lives in a town or city and had good education. The family is in upper to upper-middle segment with higher disposable income and exposure to international trends. She has modern gadgets in her house, has two kids studying in public schools and the family speaks English as fluently as their mother tongue. Above all, she must be willing to spend almost 40 per cent more on Pearls than a regular brand of soap.

The analysis of the past advertisements has revealed some interesting details about the advertising theme used over the years and change in the portrayal of the brand.

1. The ad showed soap and little girls, aping their mother's make-up routines or using Pearls as their mother did. The ads concentrated on the beauty aspects.
2. Another theme used was to show the soap's properties, such as translucent texture and mildness.
3. A not so successful theme used was to target it at teenagers by using the youth oriented context—teenage girl showing concern about her skin and men using Pearls for beautifying skin.
4. A very strong theme used was the image of youthfulness through Pearls. The message given was that Pearls helps maintain youthful/young skin/ complexion. This message was very powerful and had deep impact on the consumers. It was one of the most impressive and long lasting campaign themes used for Pearls.

QUESTIONS

1. What advertising strategy elements should be considered ?
 2. Which of the themes you consider as the most appropriate? Why ?
 3. Suggest two appeals for Pearls. Why do you think these appeals will be more appropriate ?
 4. Which type of appeals, rational/informational or emotional/transformational will be more appropriate ? Why ?
-

III Semester M.B.A. (Freshers) Examination, July 2010
MANAGEMENT
Elective – C : Human Resource
Course – 18-C : Organisational Development and Change Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any five** of the following sub-questions. **Each** sub-question carries **two** marks. **(5×2=10)**
- a) Define Organisational Development.
 - b) What are Quality Circles ?
 - c) What is Organisational Mirroring ?
 - d) What is Unfreezing ?
 - e) What do you mean by Interventions ?
 - f) Give examples of second-order change.
 - g) What are cross-functional teams ?

SECTION – B

Answer **any four** of the following. **Each** question carries **five** marks : **(4×5=20)**

- 2. Discuss the OD values which OD practitioners are required to follow.
- 3. List the characteristics of OD.
- 4. What is process consultation ? What are the interventions process consultants use ?
- 5. What are cross transactions ? What is its impact on interpersonal relationship ?
- 6. Identify the different types of change.
- 7. Give a brief account of creative management practices.

P.T.O.

SECTION – C

Answer **any three** of the following. **Each** question carries **ten** marks : **(3×10=30)**

8. Explain in detail Kurt-Lewin's model of change.
9. Discuss the issues in consultant client relationship.
10. Examine the problems involved in research on OD.
11. How can organizations prevent resistance to change ?
12. Explain ways to enhance personal effectiveness.

SECTION – D

Case (**Compulsory**) : **(1×15=15)**

Not too many years ago, Continental Airlines was on its way out of business. It had two bankruptcies in nine years, with no profits since 1978, and a reputation for lousy service. It ranked tenth of ten large U.S. airlines in terms of on-time arrivals, baggage handling, customer complaints, and involuntary denied boardings (aka "getting bumped"). Internally, the company was dysfunctional. Managers were paralyzed by anxiety, and employees were so embarrassed to be working for continental that they tore the company's logo off their shirts. The company went through ten presidents in ten years.

Former consultant Greg Brenneman joined the airline as president and chief operating officer, and he joined CEO Gordon Bethune in engineering a phenomenal turnaround. The Go Forward Plan had four elements : Fly to Win (marketing plan), Fund the Future (financial plan), Make Reliability a Reality (product plan), and Working Together (the people plan).

Continental's new flight plan was not without pain – 7,000 were let go, including managers. Members of the old management team were too busy trying to knock each other off, so they were replaced, humanely and with dignity. A forgiveness campaign was begun in which angry letters from customers were divided among company officers, who called to apologize and explain what they were doing to fix the company. The advertising budget was cut in half. Managers asked customers what they wanted and delivered on it. Planes were painted, interiors

were refurbished. The “meatball”, Continental’s old round, red, ugly logo, was replaced with a blue globe with gold lettering. For improving reliability, two groups were asked to coordinate with each other : those that wrote the flight schedules and those who ran the flight and airport operations. Putting the two groups in charge of their own destiny made them work together.

In the past, employees learned what was going on at Continental through the press. The communication philosophy changed from “Don’t tell anyone anything unless absolutely required” to “Tell everybody everything.” Employees were liberated. The nine-inch-thick “Thou Shalt Not” book was thrown into a 55-gallon drum and burned in the parking lot. Employee compensation was aligned with the company objectives.

As a result, the airline is flying high again. Turnover, sick leave, injuries, and worker’s compensation claims are reduced. Employees no longer tear patches off their shirts-they buy Continental logo merchandise for themselves and friends. COO Brenneman says he learned three turnaround lessons : (1) Fly your flight plan and track your progress; (2) Clean house, and (3) Think “money in,” not “money out”.

Question :

Discuss the scope of change at Continental Airlines.

III Semester M.B.A. (F.E.) Examination, June/July 2010
(O.S.)
FINANCIAL RISK MEASUREMENT AND MANAGEMENT

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer the following. **Each** carries **two** marks. **(2×5=10)**

1. a) What is political risk ?
- b) Define VAR.
- c) State various derivatives instrument.
- d) Define Hedging.
- e) What is dividend yield ?

SECTION – B

Answer **any five** questions. **Each** carries **seven** marks. **(5×7=35)**

2. Explain Modern Portfolio Theory.
3. Write a note on passive and the active risk.
4. Describe various dividend policies.
5. What are the various processes and actions involved in ORM expansion process ?
6. Define risk and its types.
7. Give an overview of operational risk management.
8. What does value at risk measure ?

P.T.O.

SECTION – C

Answer **any two** questions. **Each** carries **10** marks.

(2×10=20)

9. Explain risk metrics contribution. Compare various approaches.
10. Explain the risks in treasury management.
11. Explain dividend decision.
12. Explain optimal capital structure.

SECTION – D

Answer **any one**, carrying **fifteen** marks.

(1×15=15)

13. Discuss the capital asset pricing model.
 14. Explain various types of credit risk. How do you calculate interest rate risk ?
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III Semester M.B.A. (F.E.) Examination, June/July 2010
COMPUTATIONAL FINANCE AND STOCHASTIC CALCULUS (OS)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer the following. **Each** question carries **2** marks : **(2×5=10)**

1. a) Define warrant pricing.
- b) What do you mean by Martingale ?
- c) What is Gaussian process ?
- d) What is Dependent Event ?
- e) What is simulation ?

SECTION – B

Answer **any five** questions. **Each** question carries **seven** marks : **(7×5=35)**

2. Illustrate probability distribution.
3. Explain Baye's theorem.
4. Write a note on spatial Poisson process.
5. Explain valuation of real options and option games.
6. Describe hitting time formulas for fixed barrier.
7. Explain Risk-Neutral simulations.
8. Describe briefly Dutch auction.

P.T.O.

SECTION – C

Answer **any two** question. **Each** carries **10** marks :

(2×10=20)

9. Describe expected discount factor.
10. Explain Monte Carlo simulation of mean Reversion Model I.
11. Explain Arithmetic Brownian model for the logarithm of the prices.
12. Explain the concept of sensitivity analysis.

SECTION – D

Answer **any one**, carrying **15** marks :

(1×15=15)

13. Illustrate the application of $X = \{x(t), t, T\}$.
 14. Explain Poisson process as limit of Bernoulli process.
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III Semester M.B.A. (F.E.) Examination, June/July 2010
DESIGN OF SECURITIES AND CORPORATE FINANCE (OS)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer the following. **Each** question carries **2** marks.

(2×5=10)

1. a) Define Net Present Value.
- b) What is ROA ?
- c) What is an effective annual interest rate ?
- d) Distinguish between ordinary annuity and annuity due.
- e) Define mutual funds.

SECTION – B

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

(7×5=35)

2. Describe market frictions.
3. What is investment management ? Briefly explain its scope.
4. Discuss the various types of investment services.
5. What are options ? Explain call and put options.
6. Briefly explain the process of stock trading.
7. Write a short note on bankruptcy liquidation.
8. Give an account of reasons for the failure of merger and acquisitions.

P.T.O.

SECTION – C

Answer **any two** questions. **Each** question carries **10** marks.

(10×2=20)

9. Describe the objectives and basics of corporate finance.
10. Explain the causes and procedure for bankruptcy.
11. Discuss signal theory and agency theory.
12. List the types of mergers. Write a note on product extension merger.

SECTION – D

Answer **any one** of the following carrying **fifteen** marks.

(15×1=15)

13. Define Bonds. Describe the main types of bonds.
 14. Discuss the case of acquisition of corus by Tata Steel.
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III Semester M.B.A. (FE) Examination, June/July 2010
CREDIT RISK AND ITS MODELLING (OS)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer the following. **Each** carries **two** marks.

(2×5=10)

1. a) What is unsystematic risk ?
- b) What is credit list ?
- c) Define CDS.
- d) What do you mean by Risk retention ?
- e) Define securitization.

SECTION – B

Answer **any five** questions. **Each** carries **seven** marks.

(7×5=35)

2. Write a note on underwriting.
3. What is the importance of credit strategy ?
4. Describe various types of defaults.
5. List the limitations to the proposed evaluation methodology.
6. What are the types of credit risk modeling ?
7. What are the uses of trade credit insurance ?
8. What is the structure of credit derivative ?

SECTION – C

Answer **any two**. **Each** carries **10** marks.

(2×10=20)

9. Explain factor models.
10. Explain default correlation.
11. Describe credit risk management framework.
12. Explain credit management.

SECTION – D

Answer **any one**, carrying **fifteen** marks.

(1×15=15)

13. Explain the credit risk and market risk management at ABN - AMRO.
 14. Define Buffer management and explain theory of constraints.
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