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## MASTER OF BUSINESS MANAGEMENT

EXAMINATION-2010

(Semester – II)

**203 – FINANCIAL MANAGEMENT**

**Time : Three Hours**

**Max Marks : 70**

**Note :** Attempt any five questions. All question carry equal marks.

Q.1. (a). Comment on "The operative objective of financial management is to maximize net present worth"

(b) What is the importance of 'Cost of capital' in capital budgeting decisions?

7+7

Q.2. Discuss the relative merits of (a) pay back; (b) the yield of investment; and (c) Net present value techniques for appraisal of investment worth.

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Q.3. Write short notes on the following:

i. Optimum capital structure

ii. Capital Gearing

iii. Trading on Equity

iv. EBIT-EPS Analysis

$3\frac{1}{2}+3\frac{1}{2}+3\frac{1}{2}+3\frac{1}{2}$

Q.4. (a) "Working capital requirement is not wholly temporary" Explain

(b) What are the costs involved in extending credit and management of receivable balances?

7+7

Q.5. Calculate the cost of capital in the following cases:

(i) X Ltd. issues 12% debentures of face value Rs. 100 each and realises Rs. 95 per debenture. The debentures are redeemable after 10 years at a premium of 10%.

(ii) Y Ltd issues preference shares of face value Rs 100 each carrying 14% dividend and he realizes Rs. 92 per share. The shares are repayable after 12 years at par

**Note :** Both companies are paying tax at 50%.

7+7

Q.6. The following financial data have been furnished by A Ltd. And B Ltd. for the year ended 31-03-2002.

Particulars	A Ltd.	B Ltd
1. Operating Leverage	3:1	4:1
2. Financial Leverage	2:1	3:1
3. Interest charges per annum	12 Lakhs	10 Lakhs
4. Corporate tax rate	40%	40%
5. Variable cost as % of sales	60%	50%

Prepare income statements of the two companies. Also comment on the financial position and structure of both companies.

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Q.7. Caltex Ltd. Sells goods in the domestic market at a gross profit of 25% not counting depreciation as part of the cost of goods sold. Its annual figures are as under :

(1) Sales – Home at 1 month's credit	12,00,000
(2) Sales – Export at 3 month credit (Sales Price 10% below home price)	5,40,000
(3) Materials used (Supplier extend two month's credit)	4,50,000

**MASTER OF BUSINESS ADMINISTRATION  
EXAMINATION-2010**

(Semester - II)

**206 - HUMAN RESOURCE MANAGEMENT**

**Time : Three Hours**

**Max Marks : 70**



**Note :** Attempt any five questions. Question No. 8 is compulsory. All questions carry equal marks.

- Q.1. What do you mean by Human Resource Management? To appoint a HR manager which of the qualities of a good human resource manager must be searched by you? Discuss. 4+10
- Q.2. What is meant by selection of Personnel? Describe the procedure for selection the personnel(Human Resources), in detail. 4+10
- Q.3. Define human resource manpower/planning. Suppose, you are a human resource manager and want to make a good plan for your present and future manpower, What process would you adopt? 4+10
- Q.4. Write short notes on the following (Any two) :-  
 (a). Hot stove rule.  
 (b). Factors affecting performance appraisal  
 (c). Causes of indiscipline  
 (d). Nominal and real wages 7+7
- Q.5. Explain any two of the following incentive plans of compensation(wages):-  
 (a). Halsey and Rowan plans of wage-payment;  
 (b). Differential piece wage plan of F.W. Taylor  
 (c). Emerson's Efficiency wage plan;  
 (d). Time wage and piece wage system. 7+7
- Q.6. What do you understand by Employee Grievances? Explain the expected causes of grievance arises in an organization due to different circumstances. 2+12
- Q.7. What is the concept of workers participation in Management? Discuss the various methods of workers participation in management, on different levels of an organization. 2+12
- Q.8. In a commercial institution, the following problem arises in due course of business. Solve it by giving the points, as usual:-  
 Problem : No Gambling  
 A foreman says, "We have rules posted against gambling. Of course, we don't enforce them(employees) against small bets and there is some card-playing for money in wash-room at lunch break. However, we have the rules posted as a standby measure if things get out of hand."  
 Question : (a) Do you agree with this foreman's approach?  
 (b) What will be the procedure to maintain discipline, by discarding the gambling? Give your arguments, point to point. 3+11

**MASTYR OF BUSINESS ADMINISTRATION**  
**EXAMINATION-2010**  
 (Semester – II)  
**204 – PRODUCTION & OPERATIONS MANAGEMENT**  
**Time : Three Hours**  
**Max Marks : 70**



**Note :** Attempt any five questions. All question carry equal marks.

- Q 1. a) What activities are involved in operations function? How do operations interact with other functional areas?  
 b) Why Capacity planning is strategic decision? Discuss the various factors that determine the effective capacity? (7+7)
- Q2. a) Discuss the need of Aggregate planning. What are the inputs and outputs of Aggregate planning?  
 b) What are the important plant location factors to be considered for location of Heavy manufacturing industry? Give some examples. (7+7)
- Q3. a) What are the reasons for mass inspection not being a viable alternative for quality improvement?  
 b) What is enterprise resource planning (ERP) and how it can improve productivity of an organization? (7+7)
- Q4. a) Describe the difference between a fixed-order-quantity inventory system and a fixed-time period inventory system.  
 b) Discuss the importance of maintenance in production system. (7+7)
- Q5. a) In a time study, the average job cycle time is found to be 6.0 minutes, with a sample standard deviation of 2.25 minutes. What should the sample size be if the company wishes to be 95% confident that the average from the time study is within +/- 6 %?  
 b) A time study conducted by a company has found the average cycle time to be 5.43 minutes. The worker is assigned an overall performance rating for the job of 110 %, and the allowance factor is 11%. Compute the standard time for this job. 7+7
- Q6. Draw the network for the data given in the table below and find the optimum duration and associated total project cost, if indirect cost is Rupees 185 /day.

Activity	Predecessors	Normal Time (days)	Normal Cost (Rs)	Crash Time (days)	Crash Cost (Rs)
A	-	3	300	1	400
B	-	4	600	2	750
C	A	6	800	3	1300
D	B	7	1300	4	1540
E	C,D	8	1600	6	1920
F	C,D	9	1700	6	2210
G	E,A	5	800	3	1080
H	F,B	6	900	4	1190

# MASTER OF BUSINESS ADMINISTRATION EXAMINATION – 2010 (Second Semester)

## 202: QUANTITATIVE TECHNIQUES IN MANAGEMENT

Time : Three Hours

Max Marks : 70

Note : Attempt any five questions in all. Question No. 8 is compulsory. All questions carry equal marks.

Q.1 a). "Quantitative techniques provide a useful support in decision making, enhance ability to make long range plans and solve day to day problems in business and industry with greater efficiency, competence and confidence." Critically examine the statement.

b). "Model building is a central element in operations research." In the light of the above statement explain the basic types of OR models. (7+7)

Q.2 At a transport terminus trucks arrive for unloading in a pattern, which is characterized by poisson distribution. The average rate of arrival is 5 per hour. A batch of 2 loadmen unload the parcels from the trucks and their rate of service is 8 trucks per hour on the average. The driver of a truck is paid Rs. 150 per shift of 8 hours. On the average and the batch of 2 loadmen is paid Rs. 100 per shift of 8 hours

- (i) Determine the cost of idle time of a truck driver spent at the transport terminus on the average.
- (ii) Determine the hourly cost of waiting truck drivers at the terminus.
- (iii) Determine the hourly cost of waiting truck drivers and loadmen taken together, if there is one batch of 2 loadmen.
- (iv) Determine the hourly cost of waiting truck drivers and loadmen taken together, if there are two batches of 2 loadmen. (4+4+3+3)

Q.3 a). An ice cream retailer buys ice cream at the price of Rs. 5 per cup and sells it at the price of Rs. 8 per cup. Any unsold stock at the end of the day can be disposed off at the salvage price of Rs. 2 per cup. The sale in the past has been between 15 to 18 and the same volume is expected to be maintained. As per records of the retailer the probability of different level of sale is as under -

Sale (Cups)	15	16	17	18
Probability	0.1	0.2	0.4	0.3

Find the optimal stock level and EMV.

b). Two firms A and B are competing in a market. The advertisement strategies and the payoff of A are shown in the following table -

**MASTER OF BUSINESS ADMINISTRATION  
EXAMINATION – 2010  
(Second Semester)**



**207- ENVIRONMENT AND MANAGEMENT**

Time : Three Hours

Max Marks : 70

Note Attempt any five questions in all. Question No. 8 is compulsory. All questions carry equal marks.

- Q.1 Explain in brief various types of forecasting. What are the necessary steps involved in it? Elaborate the forecasting techniques.
- Q.2 Present a summary on factors which determines the Technological Dynamics of a company. What is the role of government in shaping the technological environment?
- Q.3 What is Leontief Paradox? Critically evaluate H-O (Heckschev Otlin) theory of International Trade.
- Q.4 Write brief note on the following:  
(a) Single factoral Terms of Trade  
(b) Gross Baster Terms of Trade  
(c) Favourable Terms of Trade
- Q.5 Explain various ways that a Government can have to correct unfavourable balance of payment. Explain with illustration Marshall - Lerner condition (M-L condition) to judge the impact of devaluation on balance of Payment.
- Q.6 What do you understand by Voluntary Restraint Agreement? Explain various barriers in International Trade.
- Q.7 Are economic blocs (such as NAFTA, SAARCetc) building blocs or stumbling blocs as far as worldwide free trade is concerned? Substantiate your argument with citation of cases.
- Q.8 Answer the questions on the basis of IMF Survey, Oct.8, 2001

International production by MNCs now numbering 63,000 parent firms with around 800,000 foreign affiliates and plethora of inter firm arrangements, Spans virtually all countries and economic activities, rendering it a formidable force in today's world economy.

The world's top 100 (non-financial) MNCs, based almost exclusively in developed countries, are the principal drivers of international production. The \$2 trillion in assets of their foreign affiliates accounted for about one-eighth of the total assets of all foreign affiliates worldwide in 1998.

P.T.O.

**MASTER OF BUSINESS ADMINISTRATION  
EXAMINATION – 2010****SECOND SEMESTER****P-201 : ORGANISATIONAL BEHAVIOUR**

TIME : Three Hours

Max. Marks : 70

Note : Attempt any five questions in all. Question No. 8 is compulsory. All questions carry equal marks.

- Q.1 Explain the concept of Johari Window in personality. What do you mean by perception values attitudes? Discuss.
- Q.2 Why Leadership is important? What do you mean by effective leadership? Discuss needs & traits for leadership.
- Q.3 Critically analyse motivational theory of Maslow & Herzburg.
- Q.4 What do you understand by inter-group conflict. In an MNC there is a big conflict regarding team management between employees & employer. If you are the employer how will you solve the conflict?
- Q.5 Why organization culture is important & what are the factors effecting organizational climate.
- Q.6 What do you mean by the term Management of change? Discuss organizational change & effectiveness.
- Q.7 How to measure organization climate and discuss the meaning & components of culture.
- Q.8

**Ram Singh's Dilemma**

As cost and Management Accountant of Modern Electrical's limited, Ram Singh had been assigned principal authority and responsibility for cost control and management information systems and additional authority and responsibility to perform periodical appraisals of company Systems and procedures so as to ensure efficient operations throughout the company. In announcing Ram Singh's appointment to the newly established position several months ago, the company president indicated the importance of the Cost and Management Accounting function at the present stage of the company's growth and urged all managers and supervisors to give the new department their full cooperation. He expressed the hope that this department would function as the "conscience keeper" of the entire organization.

Q7. An assembly process is to produce 480 units per shift. Assume an 8 hour shift. The work elements are given by the following:

Work Element	Time (Seconds)	Preceding Tasks
A	40	--
B	30	A
C	50	A
D	40	B
E	6	B
F	25	C
G	15	C
H	20	D,E
I	18	F,G
J	30	H,I

- i) Calculate the cycle time.
- ii) Calculate the theoretical minimum number of workstations.
- iii) After balancing the line, what is the efficiency?
- iv) What is the flow time with the theoretical minimum number of workstations?

(3.5x4)

Q8. Write short notes on any four:

- i) Bill of Material (BOM)
- ii) Master Production Schedule (MPS)
- iii) Total Quality Management (TQM)
- iv) Business Process Re-engineering (BPR)
- v) ISO standards
- vi) Resource levelling

(3.5x4)

	B	Press	Radio	TV
A				
Press		60	75	40
Radio		75	75	60
TV		80	60	70

Assuming this to be zero sum game, determine the optimal strategy of A and B and the value of game. (7+7)

Q.4 Given :

$$\text{Minimise : } Z = 1.5 X_1 + 2.5 X_2$$

$$\text{s.t. } X_1 + 3 X_2 \geq 3$$

$$X_1 + X_2 \geq 2$$

$$X_1, X_2 \geq 0$$

a). Give the dual of the model.

b). Solve the dual by Simplex method. (4+10)

Q.5 a). What is sensitivity analysis? Describe its significance with examples.

b). What is a transshipment model? Describe its solution process with an example. (7+7)

Q.6 A company has four vehicles (with drivers) to be run on four routes. The distance (kms) for each route and the kms run per liter of diesel for each vehicle in each of the routes are given below in the table -

Vehicle	Kms per liter on the route			
	1	2	3	4
A	4.0	5.0	5.0	3.0
B	4.5	6.0	5.0	3.5
C	5.0	5.5	6.0	4.0
D	4.8	5.8	5.5	3.0

The distance covered per day (kms) is 200, 300, 250 and 150.

Which vehicle should be assigned to which route in order to minimise the total consumption of diesel by all the four vehicles taken together? ( )

Q.7 a). "Integer programming problems are a special type of linear programming problems where all or some of the variables are restricted to be integer variables." Explain.

b). Describe the simulation process with an example. Give its limitations. (7+7)

Q.8 Explain the following with examples :

a). Expected Opportunity Loss.

b). Expected value of perfect information. (7+7)



The foreign affiliates of top 100 MNCs employ over 1 million of the order of \$2 trillion. They are concentrated mainly in electronics and electrical equipments, automobiles, petroleum, chemicals and pharmaceuticals.

Despite the prominence of top 100, the universe of MNCs is quite diverse, and includes a growing number of small and medium sized enterprises, MNCs from countries in Central and Eastern Europe that have only recently begun to engage in international production and large MNCs based in the developing world. Although less transnational overall than the world's top 100 MNCs, some of the developing country MNCs are quite sizeable-witness, for example, the size of the foreign assets (\$8 billion) of "Petroleos de Venezuela", the largest MNC from the developing world and only developing country firm to appear in the top 100 list.

Evidence on the expansion of international production over the past two decades abounds. Gross product associated with international production and foreign affiliate sales worldwide, two measures of international production, increased faster than global GDP and Global Exports, respectively. Sales of foreign affiliates worldwide (\$ 14 trillion in 1999, \$ 3 trillion in 1980) are now nearly-twice as high as global exports, and the gross product associated with international production is about one-tenth of global GDP, compared with twentieth in 1982.

- (a) From the above fact, can it be inferred that MNCs technology is designed for world-wide profit maximization rather than development needs of poor countries? Substantiate your argument.
- (b) "MNCs retard growth of employment in home country." Do you agree? Elaborate your opinion.
- (c) MNCs provide an efficient means of integrating national economies." Do you agree? Elaborate your opinion.

(4) Wages paid ½ month in arrear	3,60,000
(5) Manufacturing expenses (Cash) Paid - (1 month in arrear)	5,40,000
(6) Administrative expensed one month in arrear	1,20,000
(7) Sales promotion expenses payable quarterly in advance	60,000
(8) Income tax payable in four instalments of which one falls in the next financial year	1,50,000

The company keeps one month's stock of raw materials and finished goods and believes in keeping Rs 1,00,000 available to it including the overdraft limit of Rs. 50,000 not yet utilized by the company.

Assuming a 15% margin, ascertain the requirements of the working capital of the company.

Note : Ignore work in progress

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- Q.8. (a) A factory requires 1500 units of an item per month each costing Rs. 27 The cost per order is Rs 150 and the inventory carrying charges work out to 20% of the average inventory. Find out the EOQ and the number of orders per year.
- (b) Would you accept 2% price discount on a minimum supply of 1200 numbers ? Compare the total costs in both cases

7+7

The President's directive notwithstanding, most line managers failed to give Ram Singh very much cooperation. For example, when he issued out a circular to department heads calling for all forms in use in their departments along with a brief description about their use, very few departments responded. As a result Ram Singh could not go ahead with the study of forms and procedures he intended to do. Despite standing instructions that print orders for new forms should be routed only through the Management Accountant's department, forms were got still printed directly by the concerned departments. Realizing the necessity of working with rather than against line management, Ram Singh has tried to be diplomatic in reminding line managers of the necessity of clearing such matters with his department, without much apparent success.

More recently, Ram Singh spent considerable time developing a Cost Reduction Program for the company. A committee consisting of department heads and first line supervisors was drawn up and a meeting was scheduled for the last two hours of each Monday.

These meetings were intended to be, Brain Storming Sessions to generate ideas for cost saving in various departments of the company. In his directive to the managers and supervisors, Ram Singh emphasized the 'importance of the program and President expressed interest in' it. When he entered the conference room for the first meeting however, he found only four out of the fifteen members in attendance.

Feeling both embarrassed and infuriated, Ram Singh has decided that the time for confrontation with line management has come. He believes that either he must make an issue of this failure to comply with his directive or see his departmental functions degenerate.

Accordingly, arming himself with a copy of the memo that was sent to each manager and supervisor informing him of the Cost Reduction meetings, he intends to present his case to the company President with the request that either line managers be instructed to comply with such directives or that the president accepts his resignation as Cost and Management Accountant of the company.

#### QUESTIONS :

1. Discuss the case in brief.
2. Discuss the personality of Mr. Ram Singh.
3. Why Ram Singh was failed?
4. Do you think a training programme is required for Ram Singh & others? If Yes, Design the training module for them.

**MASTER OF BUSINESS ADMINISTRATION**  
**EXAMINATION – 2010**  
(Second Semester)



**205- RESEARCH METHODOLOGY**

Time : Three Hours

Max Marks : 70

Note : Attempt any five questions. Question No. 8 is compulsory. All questions carry equal marks.

- Q.1 What are the objectives of research? Explain the types of research.
- Q.2 Describe the techniques for defining a research problem.
- Q.3 Define research design. Discuss the different research designs.
- Q.4 Explain the criteria for selecting a sampling procedure.
- Q.5 Discuss the important scaling techniques.
- Q.6 a). Describe the measurement scales.  
b). State the errors in measurement.
- Q.7 Give a layout of the research report.
- Q.8 Write short notes on any two of the following –
- Research Process
  - Multivariate Analysis
  - Steps in sample design
  - Precautions for Writing Research Report.