

## MBAC 1001

M.B.A. DEGREE EXAMINATION, DECEMBER 2016/  
JANUARY 2017.

First Semester

### MANAGEMENT CONCEPTS AND ORGANIZATIONAL BEHAVIOUR (GENERAL)

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define the term management and explain its nature and scope.
2. Define MBO. State its merits and limitations.
3. Describe the process of decision making in detail.
4. Write a short note on delegation of authority.
5. Write a short note on formal and informal organization.
6. What is stress management?
7. Define perception.
8. Define organizational development.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Name a great organization. How do you think management contributes to making it great?
10. Explain the steps in planning process.
11. Discuss the impact of technology on organizational design.
12. Enumerate different types of communication process.
13. What is organizational structure? Explain.
14. Define the term "leadership". Discuss any two theories of leadership.
15. Explain the concept of benchmarking.
16. Explain the features of different management styles and approaches.

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. Helen Bowers was stumped. Sitting in her office at the plant, she pondered the same questions she had been facing for months: how to get her company's employees to work harder and produce more. No matter what she did, it didn't seem to help much.



Case questions :

- (a) How successful do you think Helen Bowers's new plan will be?
  - (b) What challenges does Helen confront?
  - (c) If you were Helen's consultant, what would you advise her to do?
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Helen had inherited the business three years ago when her father, Jake Bowers, passed away unexpectedly. Bowers Machine Parts was founded four decades ago by Jake and had grown into a moderate-size corporation. Bowers makes replacement parts for large-scale manufacturing machines such as lathes and mills. The firm is headquartered in Kansas City and has three plants scattered throughout Missouri.

Although Helen grew up in the family business, she never understood her father's approach. Jake had treated his employees like part of his family. In Helen's view, however, he paid them more than he had to, asked their advice far more often than he should have, and spent too much time listening to their ideas and complaints. When Helen took over, she vowed to change how things were done. In particular, she resolved to stop handling employees with kid gloves and to treat them like what they were: the hired help.

In addition to changing the way employees were treated, Helen had another goal for Bowers. She wanted to meet the challenge of international competition. Japanese firms had moved aggressively into the market for heavy industrial equipment. She saw this as both a threat and an



opportunity. On the one hand, if she could get a toehold as a parts supplier to these firms, Bowers could grow rapidly. On the other, the lucrative parts market was also sure to attract more Japanese competitors. Helen had to make sure that Bowers could compete effectively with highly productive and profitable Japanese firms.

From the day Helen took over, she practiced an altogether different philosophy to achieve her goals. For one thing, she increased production quotas by 20 percent. She instructed her first-line supervisors to crack down on employees and eliminate all idle time. She also decided to shut down the company softball field her father had built. She thought the employees really didn't use it much, and she wanted the space for future expansion.

Helen also announced that future contributions to the firm's profit-sharing plan would be phased out. Employees were paid enough, she believed, and all profits were the rightful property of the owner — her. She also had private plans to cut future pay increases to bring average wages down to where she thought they belonged. Finally, Helen changed a number of operational procedures. In particular, she stopped asking other people for their advice. She reasoned that she was the boss and knew what was best. If she asked for advice and then didn't take it, it would only stir up resentment.

All in all, Helen thought, things should be going much better. Output should be up and costs should be way down. Her strategy should be resulting in much higher levels of productivity and profits.

But that was not happening. Whenever Helen walked through one of the plants, she sensed that people weren't doing their best. Performance reports indicated that output was only marginally higher than before but scrap rates had soared. Payroll costs were indeed lower, but other personnel costs were up. It seemed that turnover had increased substantially and training costs had gone up as a result.

In desperation, Helen finally had hired a consultant. After carefully researching the history of the organization and Helen's recent changes, the consultant made some remarkable suggestions. The bottom line, Helen felt, was that the consultant thought she should go back to that "humanistic nonsense" her father had used. No matter how she turned it, though, she just couldn't see the wisdom in this. People worked to make a buck and didn't want all that participation stuff.

Suddenly, Helen knew just what to do: She would announce that all employees who failed to increase their productivity by 10 percent would suffer an equal pay cut. She sighed in relief, feeling confident that she had finally figured out the answer.

**MBAC 1002**

M.B.A. DEGREE EXAMINATION,  
DECEMBER 2016/JANUARY 2017.

First Semester

General

**MANAGERIAL ECONOMICS**

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define managerial economics and bring out its scope.
2. Briefly explain the concept of derived demand with suitable examples.
3. What do you mean by sunk cost and shut down cost?
4. Distinguish between risk and uncertainty.
5. Briefly define the term "Market" and bring out its characteristics.



6. Briefly explain the criteria for grouping people under Below Poverty Line.
7. What is your opinion about Indian economy adopting liberalisation since 1991?
8. What is your opinion about impact of 2008 recession on India?

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Explain the determinants of demand.
10. Explain the different types of elasticity of demand.
11. Define National Income and explain the three methods of measuring National Income.
12. What is your opinion of allowing FDI in to Indian retailing? Substantiate your opinion with arguments for and against the issue.
13. Explain the benefits of PPP arrangements.
14. Explain the objectives of fiscal and monetary policies of government of India.
15. Explain the features of perfect competition.
16. Explain the cost-output relationship in the short run with illustration and suitable diagram.

SECTION C — (20 marks)

Compulsory.

17. Case Study :

Zavier Limited is selling 80,000 units at Rs. 20 per unit, incurring a variable cost of Rs. 15 per unit and fixed cost to the tune of Rs. 2,00,000. Calculate :

- (a) Margin of safety of the company at current level of sales.
- (b) Estimate the sales to be managed by the company in order to achieve a profit of Rs. 5,00,000.
- (c) Estimate the likely impact on profits of the company if the company reduces the selling price to Rs. 18 per unit which shall increase the sales by 10% and reduce variable cost by one rupee per unit.

PART C — (1 × 20 = 20 marks)

Compulsory.

17. The cost per unit of the three products x, y and z of a concern is as follows :

|                       | x<br>(Rs.) | y<br>(Rs.) | z<br>(Rs.) |
|-----------------------|------------|------------|------------|
| Direct material       | 6          | 7          | 6          |
| Direct labour         | 10         | 8          | 9          |
| Variable expenses     | 4          | 5          | 3          |
| Fixed expenses        | 3          | 3          | 2          |
|                       | <hr/> 23   | <hr/> 23   | <hr/> 20   |
| Profit                | 9          | 7          | 6          |
| Selling price         | 32         | 30         | 26         |
| No. of units produced | 10,000     | 5,000      | 8,000      |

Production arrangements are such that if one product is given up, the production of the others can be raised by 50%. The directors propose that z should be given up because the contribution in that case is the lowest. Analyze the case and give your opinion.

MBAC 1003/MBLC 1001

M.B.A. DEGREE EXAMINATION,  
DECEMBER 2016/JANUARY 2017.

First Semester

General/General (Lateral Entry)

ACCOUNTING FOR MANAGERS

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define Accounting. What are the functions of accounting?
2. Prepare a Trial Balance of Shri Raju as on March 31, 2015.

| Particulars                  | Rs.       |
|------------------------------|-----------|
| Capital                      | 9,20,000  |
| Creditors                    | 1,88,520  |
| Bills payable                | 69,300    |
| Sales                        | 1,218,500 |
| Provision for doubtful debts | 13,200    |
| Interest (Cr)                | 3,400     |
| Building                     | 7,00,000  |
| Cash at bank                 | 1,45,340  |



| Particulars         | Rs.      |
|---------------------|----------|
| Bills receivable    | 58,440   |
| Purchases           | 8,55,220 |
| Carriage inwards    | 12,910   |
| Carriage outwards   | 8,000    |
| Machinery           | 1,20,000 |
| Furniture           | 16,400   |
| Debtors             | 1,56,000 |
| Opening stock       | 1,50,400 |
| Cash in hand        | 9,880    |
| Bad debts           | 6,130    |
| Audit fees          | 4,000    |
| Travelling expenses | 3,250    |
| Discount (Dr)       | 6,200    |
| Sales returns       | 2,850    |
| Investments         | 89,220   |
| General expenses    | 60,850   |
| Insurance           | 7,830    |

3. Explain the causes of depreciation.
4. Explain the Tools of Financial Analysis.
5. Explain the items of sources and application of funds.

16. Prepare the cost sheet to show the total cost of production and cost per unit of goods manufactured by a company for the month of July 2012. Also find out the cost of sales.

|  |        |
|--|--------|
| Stock of raw materials 1-7-2012            | 3,000  |
| Raw materials purchased                    | 28,000 |
| Stock of raw materials 31-7-2012           | 4,500  |
| Manufacturing wages                        | 7,000  |
| Depreciation of plant                      | 1,500  |
| Loss on sale of a part of plant            | 300    |
| Factory rent and rates                     | 3,000  |
| Office rent                                | 500    |
| General expenses                           | 400    |
| Discount on sales                          | 300    |
| Advertisement expenses to be fully charged | 600    |
| Income-tax paid                            | 2,000  |

The number of units produced during July, 2012 was 3,000.

The stock of finished goods was 200 and 400 units on 1-7-2012 and 31-7-2012 respectively. The total cost of units on hand on 1-7-2012 was Rs. 2,800. All these have been sold during the month.



13. From the following balance sheets of Mr. Sridhar prepare a funds flow statement.

| Liabilities | 30 <sup>th</sup> June 2013 | 30 <sup>th</sup> June 2014 | Assets    | 30 <sup>th</sup> June 2013 | 30 <sup>th</sup> June 2014 |
|-------------|----------------------------|----------------------------|-----------|----------------------------|----------------------------|
|             | Rs.                        | Rs.                        |           | Rs.                        | Rs.                        |
| Creditors   | 18,000                     | 20,500                     | Cash      | 5,000                      | 2,300                      |
| Bank loan   | 15,000                     | 19,500                     | Debtors   | 17,500                     | 19,200                     |
| Capital     | 77,000                     | 77,000                     | Stock     | 12,500                     | 11,000                     |
|             |                            |                            | Land      | 10,000                     | 15,000                     |
|             |                            |                            | Building  | 25,000                     | 27,500                     |
|             |                            |                            | Machinery | 40,000                     | 42,000                     |
| Total       | 1,10,000                   | 1,17,000                   | Total     | 1,10,000                   | 1,17,000                   |

Drawing of Mr. Sridhar during the year was Rs. 20,000 depreciation charges on machinery was Rs. 4,000.

14. Difference between Funds Flow Statement and Cash Flow Statement.
15. Assuming that the cost structure and selling prices remain the same in periods I and II find out :
- P/V ratio
  - B.E Sales
  - Profit when sales are Rs. 1,00,000
  - Sales required to earn a profit of Rs. 20,000
  - Margin of safety in II<sup>nd</sup> period

| Period | Sales    | Profit |
|--------|----------|--------|
|        | Rs.      | Rs.    |
| I      | 1,20,000 | 9,000  |
| II     | 1,40,000 | 13,000 |

6. From the following Profit and Loss Account, you are required to compute cash from operations.

Profit and Loss Account for the year ending 30th June 2014

| Particulars               | Rs.    | Particulars               | Rs.    |
|---------------------------|--------|---------------------------|--------|
| To Salaries               | 5,000  | By Gross profit           | 25,000 |
| To Rent                   | 1,000  | By Profit on sale of land | 5,000  |
| To Depreciation           | 2,000  | By Income tax refund      | 3,000  |
| To Loss on sale of plant  | 1,000  |                           |        |
| To Goodwill written off   | 4,000  |                           |        |
| To Proposed dividend      | 5,000  |                           |        |
| To Provision for taxation | 5,000  |                           |        |
| To Net profit             | 10,000 |                           | 10,000 |
| Total                     | 33,000 |                           | 33,000 |

7. Beta manufacturer's ltd. has supplied you the following information in respect of one of its products :

Total Fixed Costs 18,000

Total Variable Costs 30,000

Total Sales 60,000

Units Sold 20,000

Find out (a) Contribution per unit, (b) Break-even point (c) Margin of safety, (d) Profit, and (e) Volume of sales to earn a profit of Rs. 24,000

8. Data Relating To A Job Are As Thus :

|                                 |        |
|---------------------------------|--------|
| Standard Rate of Wages per Hour | Rs. 10 |
| Standard Hours                  | 300    |
| Actual Rate of Wages per Hour   | Rs. 12 |
| Actual Hours                    | 200    |

You are required to calculate —

(a) Labour cost variance, (b) Labour Rate variance and (c) Labour efficiency variance.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. List-out the accounting concepts and conventions.

10. Distinction between capital expenditure and revenue expenditure.

11. Rohan son's purchased a machine for Rs. 2,00,000 on January 1, 2005. The machine was depreciated at 10% pa. under the written down value method. On January 1, 2008 the firm decided to change the method of depreciation from diminishing balance to fixed installment method without changing the rate with retrospective effect from Jan. 1, 2005. Prepare machine account from 2005 to 2008.

12. Calculate the following Ratios:

- (a) Gross profit ratio
- (b) Net profit ratio
- (c) Current ratio
- (d) Liquid ratio
- (e) Proprietary ratio.

| Particulars                        | Amount    |
|------------------------------------|-----------|
| Sales                              | 25,00,000 |
| Cost of sales                      | 20,00,000 |
| Net profit                         | 4,00,000  |
| Average inventory                  | 8,00,000  |
| Other current assets               | 7,00,000  |
| Fixed assets                       | 14,40,000 |
| Net worth                          | 15,00,000 |
| Debts (long-term)                  | 9,00,000  |
| Current liabilities                | 5,00,000  |
| Net profit before tax and interest | 8,00,000  |



**MBAC 1004**

M.B.A. DEGREE EXAMINATION,  
DECEMBER 2016/JANUARY 2017.

First Semester

General

BUSINESS ENVIRONMENT AND LAW

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE out of the following.

1. What is Business? Describe its goals.
2. What is social responsibility? Write its merits and demerits.
3. Point out the constraints which inhibit the rapid growth of infrastructural facilities.
4. Enumerate the rights and obligations of finder of lost goods.
5. Explain and illustrate the circumstances under which contracts need not be performed.
6. What is a statutory meeting? What are the contents of statutory report?

7. "A company has an identity separate from its members" — Explain the statement critically.
8. Who are dependants and how can they claim compensation under the Act?

PART B — (5 × 10 = 50 marks)

Answer any FIVE out of the following.

9. Explain the different types of Business environment.
10. Bring out the strengths, problems and remedies for different areas of infrastructure.
11. Examine the trend of population growth and its implications on economic growth.
12. What do you mean by crossing a cheque? What are the circumstances in which a banker is entitled to dishonor a cheque?
13. Explain the statutory and statistical books that are to be maintained by a company.
14. What do you mean by Articles of Association? What are the effects of Articles? Can Articles be altered?



Answer the following :

- (a) Why did Nissan, along with other Japanese companies, get into difficulties during the 1990s?
  - (b) In what ways have both Nissan and Renault benefited from alliance synergies since 1999?
  - (c) Why do you think Renault and Nissan have decided to keep the two companies separate, despite their joint overall management?
  - (d) Explain the differences and similarities between Japanese and French Cultures in relation to the main dimensions of culture.
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- 15. State the methods and manner by which compensation under the Act is settled in the case of (a) Death (b) Permanent total disablement (c) Temporary total and partial disablement.
- 16. Appraise the impact of economic development on various kinds of environmental issues.

PART C — (20 marks)

Case Study — Compulsory.

- 17. The alliance between the French car manufacturer, Renault and its Japanese counterpart, Nissan, was formed in 1999. Renault initially bought a 36.8 per cent equity stake in Nissan in return for Nissan's 15 per cent non-voting stake in Renault. Renault later increased its investment in Nissan to 44.4 per cent. The alliance is in effect a joint venture between the two companies, given the cross-shareholdings between them, but it is not a merger; each company remains legally separate with its own brands and market share.

However, the alliance gave Renault management control of Nissan and, since 2005, the two companies have had a single chief executive, Carlos Ghosn.

The remarkable aspect of the alliance is the very different backgrounds of the two companies. Renault had been state owned and during the



1980s the company underwent major restructuring to improve its performance. In 1996, it was largely privatized, with the French government retaining a minority shareholding. Nissan, on the other hand, had reached the peak of its international success by the end of the 1980s, producing high- specification vehicles at its highly productive, state-of-the-art factories. The main things the two companies had in common were their status as symbols of national pride (especially in the case of Renault) and their roots in their respective national cultures.

By 1999, however, when the alliance was formed, Renault had become more adventurous, producing imaginative cars and enjoying its new-found commercial freedom in the private sector, while Nissan - still a highly productive company - had built up debts of ¥ 2000 billion (then about \$15 billion), a legacy of its reliance on loan capital to finance its domestic and international expansion. The alliance gave Renault an opportunity to venture into Nissan's markets, share technology and design skills, and achieve cost savings using common suppliers. Nissan was given a rescue line to allow it to return to profitability. Both companies became more significant players in the global car market, with their joint sales placing them close behind the market leaders, Toyota, General Motors, Daimler, and Ford.

The Renault-Nissan alliance represents a cultural conundrum. Carlos Ghosn was brought in as chief executive of Nissan in 1999 by Renault's long standing chairman and chief executive, Louis Schweitzer. Schweitzer had transformed Renault into a successful company and Ghosn was expected to turn Nissan's fortunes round after the alliance was formed. Ghosn was remarkably successful in achieving this goal, helping to reduce Nissan's enormous debt and excess capacity, cut costs, and return the company to profitability by 2001. He then set about introducing new models. Carlos Ghosn's own cultural background is intriguing: he was born in Brazil to Lebanese parents, but educated in France. At Nissan, he gained a reputation as 'le cost killer,' a curious amalgam of French and Anglo-Saxon cultures, both linguistically and socio-economically. Using an approach more commonly associated with the Anglo-Saxon model, Ghosn, was able to build on the success of a French company to transform a quintessentially Japanese company. Surprisingly, he encountered as much praise as resistance from Japanese citizens when closing Nissan plants in Japan and making workers redundant, something normally alien to Japan's collective corporate culture. At the very least, the Japanese were starting to re-evaluate their conventional ideas. Japan had by this time already experienced a decade of economic stagnation and falling corporate profitability, and there was a growing realization that difficult times required drastic measures.



| Fertilizer treatment | Varieties of wheat |                |                | Total |
|----------------------|--------------------|----------------|----------------|-------|
|                      | W <sub>1</sub>     | W <sub>2</sub> | W <sub>3</sub> |       |
| f <sub>1</sub>       | 55                 | 72             | 47             | 174   |
| f <sub>2</sub>       | 64                 | 66             | 53             | 183   |
| f <sub>3</sub>       | 58                 | 57             | 74             | 189   |
| f <sub>4</sub>       | 59                 | 57             | 58             | 174   |
| Total                | 236                | 252            | 232            | 720   |

Set up a table for the analysis of variance and work out the F-ratios in respect of the above. Are the F-ratios significant?

## MBAC 1005/MBLC 1002

M.B.A. DEGREE EXAMINATION,  
DECEMBER 2016/JANUARY 2017.

First Semester

### RESEARCH METHODOLOGY

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Explain various steps involved in Scientific Research.
2. What is Chi Square test? Explain its significance in statistical analysis of research.
3. Discuss various methods of collecting data for research.
4. Describe the concept of Sampling Errors and its significance in sampling analysis.
5. Illustrate different components of Research Problem.
6. Describe Case Study Research.
7. Enumerate the properties of a Normal Distribution.
8. Briefly discuss the steps involved in Research Report Preparation.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of the following.

9. Describe Sample Design. Mention the points that should be taken into consideration while deciding on Sample size for any Research Project.
10. Data collection is the backbone of Business Research. Discuss about the various techniques used for data collection.
11. Write short notes on the following:
  - (a) Factor Analysis
  - (b) Binomial Distribution
  - (c) One Sample Test
  - (d) Merits and Demerits of sampling.
12. What do you mean by Research Problem? Mention various points to be kept in mind while selecting and formulating a research problem?
13. In an anti-malaria campaign in a city, Chloroquine was administered to 812 persons out of a total population of 3248. The number of fever cases is shown below:

| Treatment           | Fever | Non Fever | Total |
|---------------------|-------|-----------|-------|
| With Chloroquine    | 20    | 792       | 812   |
| Without Chloroquine | 220   | 2216      | 2436  |
| Total               | 240   | 3008      | 3248  |

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MBAC 1005/  
MBLC 1002

Discuss the usefulness of Chloroquine in checking malaria using Chi-square test  $H_0$ . The chloroquine is not effective in checking malaria at confidence level of 95%.

14. Show the relationship among Exploratory, Descriptive and Causal research.
15. Discuss the basic requirement of report preparation including report format, report writing, graphs and tables.
16. Should every research problem have a hypothesis? Discuss in detail the steps involved in hypothesis testing.

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. (a) Explain the meaning of Analysis of Variance. Describe the technique of ANOVA for one way and two way classification.
- (b) Three varieties of wheat  $W_1$ ,  $W_2$  and  $W_3$  are treated with four different fertilizers viz.,  $f_1$ ,  $f_2$ ,  $f_3$  and  $f_4$ . The yields of wheat per acre were as under:

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MBLC 1002