

MBAC 2001/MBLC 1003

M.B.A. DEGREE EXAMINATION,
DECEMBER 2015/JANUARY 2016.

Second Semester

General/ Marketing/ Finance/ IB/ HRM/ RM/ Tourism

FINANCIAL MANAGEMENT

(2012 – 13 Batches).

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. State the objectives of financial management.
2. Specify the significance of cost of capital.
3. What is capital rationing?
4. Define the terms operating, financial and combined leverage.
5. List the factors that determine the capital structure of a firm.

6. Define 'dividend'. What are its types?

7. What is an operating cycle?

8. What are the determinants of working capital?

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Discuss the various finance functions in detail.

10. How do you calculate weighted average cost of capital? Explain with suitable illustration.

11. ABC company has currently an equity share capital of Rs. 25 lakhs, consisting of 2500 shares of Rs. 100 each. The management is planning to raise another Rs. 20 lakhs to finance a major programme of expansion through one of the four possible financial plans.

The options are:

(a) Entirely through equity shares

(b) Rs. 10 lakhs through Equity shares and
Rs. 10 lakhs through long term borrowings,
at 8% interest per annum.

Which project proposal should be chosen and why?
Evaluate the project proposals using

- (a) Net present value method? (Assume $k = 10\%$)
- (b) Pay back period
- (c) Benefit cost ratio
- (d) Accounting rate of return.

- (c) Rs. 5 lakhs through equity shares and Rs. 15 lakhs through long term borrowings at 9% per annum.

- (d) Rs. 10 lakhs through equity shares and Rs. 10 lakhs through preference shares with 5 % dividend.

The company's EBIT will be Rs.8 lakhs. Assuming a corporate tax rate of 50% determine the EPS in each alternative and comment which alternative is the best and why?

- 12. "Capital expenditure decisions are by far the most important decisions in the field of financial management". Elucidate.

- 13. "A company should try to have a balance of the two leverages". Do you agree?

- 14. (a) Calculate operating and financial leverage from the following data:

| | |
|---------------|--------------|
| Sales | Rs. 5,00,000 |
| Variable cost | Rs. 2,00,000 |
| Fixed cost | Rs. 1,00,000 |
| Interest | Rs. 50,000 |

(b) From the following particulars, compute

- (i) Net operating cycle period and Number of operating cycles in a year
 - (ii) The amount of working capital required/day.
- Period covered - 360 days
- Average period allowed by suppliers - 30 days.
- Average period allowed debtors - 45 days
- Raw materials consumed during the year Rs. 6,00,000
- Average stock of raw materials Rs. 50,000
- Work in progress inventory Rs. 5,00,000
- Average work-in-process inventory Rs. 30,000
- Finished goods inventory Rs. 8,00,000
- Average finished goods stock holds Rs. 40,000
- Total cost of sales Rs. 8,40,000.

15. What are the assumptions and implications of MM approach? Explain elaborately.

16. Explain the different methods used to forecast the working capital needs of a company.

PART C — (1 × 20 = 20 marks)

17. Case Study : Compulsory

A choice has to be made between two competing projects which require an equal initial Investment of Rs.5,00,000 and are expected to generate net cash flows as under:

| Particular | Project A | Project B |
|---------------------|-----------|-----------|
| Initial cash outlay | 5,00,000 | 5,00,000 |
| Cash inflows: | | |
| 1 year | 3,00,000 | 50,000 |
| 2 year | 2,00,000 | 1,50,000 |
| 3 year | 1,00,000 | 2,00,000 |
| 4 year | 50,000 | 3,00,000 |
| 5 year | 50,000 | 3,50,000 |

The Indian apparel market is no longer a mass market that a company can serve in a standard way. This will increasingly get even more fragmented with customers demanding that they be treated as individuals and provided with the appropriate assistance, before a sale, during a sale and afterwards. This trend has repercussions for all areas of the marketing mix of retail companies-whether this be individual advice and assistance in the store, making individual offers, customised configuration of products, or specific help services support after purchase. Finally, at a time when retailing is getting more competitive, retailers have to use new analysis methods, such as data mining, to exploit the advantages offered by precise evaluations of consumer behaviour. New technologies will be used to regain the knowledge about customers that will get lost in the tremendous expansions of local, regional, national retailer groups. In the final analysis, retailers will aim to win the long-term company loyalty of those customers they know, and to use their knowledge of these customers' interests to further improve the company's relationship with them.

To move towards this path most people in the ultra-competitive apparel and fashion industry would need to answer -

- (a) Who are my customers?
- (b) What are their requirements?
- (c) How can fashion retailers offer satisfaction?

MBAC 2002/MBLC 1006

M.B.A. DEGREE EXAMINATION,
DECEMBER 2015/JANUARY 2016.

Second Semester

General/Marketing/Finance/ IB/HRM/Tourism

MARKETING MANAGEMENT

(2012-2013 Batches)

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. "Marketing begins and ends with consumer" – Explain.
2. What are the uses of market segmentation?
3. State and explain the sources of new product idea.
4. Enumerate the different stages of product life cycle.
5. What are the pricing objectives?
6. Explain the functions of a distribution channel.

7. State the functions of a retailer.
8. Distinguish between advertising and sales promotion.

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

9. Describe the various functions of modern marketing management.
10. Critically examine the various environmental factors influencing the marketing of goods.
11. How will you develop a new product?
12. Explain how will you fix the price for a new product?
13. Discuss various factors you would like to consider for selecting the channels of distribution for a consumer product which is sold all over India.
14. Enumerate the causes for the increase in sales promotional activities in recent days.
15. How will you measure the effectiveness of an advertisement?
16. Explain the techniques that are adopted to motivate the salesmen.

SECTION C — (1 × 20 = 20 marks)

Compulsory

17. Case study

Retail profitability is steadily moving away from Commodities to Customers. This trend will define tomorrow's businesses in a way that will fundamentally change the apparel business. Successful apparel businesses will no longer be ones that generate large footfalls, have good service and great merchandising ... these features will be industry standards that everyone will follow. Competitive advantage will be provided by leveraging the biggest asset of all-the customer. Fashion houses and retailers will be able to build a two-way relationship with customers that create strong switching costs. The traditional response to retaining customers has been to go in for year-round sales or special offers. But tomorrow's customer-driven economy will necessitate differentiating your business from everybody else's in a fundamentally unique way. First, as stores of organised retailers become increasingly similar, consumers feel a greater need for social contact and individual customer service. Second, the increasing social emphasis on the individual requires special solutions tailored to meet individual needs and desires.

MBAC 2003/MBLC 1004

M.B.A. DEGREE EXAMINATION,
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Second Semester

General/Marketing/Finance/HRM/RM/Tourism

HUMAN RESOURCE MANAGEMENT

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of Eight questions.

1. What are the importances of Human factor in an organization?
2. Briefly explain the functional areas of personnel management.
3. Why do organizations prefer internal recruitment sources? Discuss.
4. What are the bases on which training programs are evaluated? Explain.
5. What are the benefits of high Quality of Work Life?
6. List the techniques of reducing stress.

7. Why do you think Workers' Participation in Management is necessary?

8. "The role of trade union is inevitable in personnel management" – Explain.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight questions.

9. Discuss the characteristics of a sound HR policy.
10. Elucidate the recent issues of HR in Indian IT industries.
11. What are the determinants of reward? Explain the different types of reward.
12. What are the various financial and non-financial incentives? Discuss.
13. Discuss various management techniques designed to increase motivation.
14. What are the different kinds of Aptitude Test? Describe each one of them.
15. Why does training fail? How will you improve the effectiveness of training? Discuss.
16. What are the sources of grievances? Explain grievance redressal machinery.

Questions :

- (a) What systems should Brian implement in order to start changing the human capital practices in the Beachside Hotel?
- (b) What could Brian learn from Joe in terms of the human capital aspects of running a hotel?
- (c) How could training and development programs be implemented in the Beachside Hotel in order to help with turnover and occupancy rates at the hotel?
- (d) How could a return on investment perspective help or hurt the Beachside Hotel in trying to compete with the Sunrise Hotel?
- (e) What other human resource initiatives could be undertaken by either the Sunrise Hotel or Beachside Hotel in order to help with the overall performance of their respective organizations?

to employees late, there are no policies written down for employees to use as a guide for performance, customers are treated badly by new and poorly trained employees, and the departments of the hotel do not communicate very effectively and therefore everyone blames everyone else when things go wrong. The average length of tenure of the front desk agents at the Beachside Hotel is 3 months and the customer satisfaction rating at the Beachside is a 6 out of a 10 possible rating. Most of the front desk agents that are hired come from other hotels in the area after they quit or are tired. Brian is not involved in the hiring for the hotel at all, and does not get involved with training and development. He spends most of his days looking at the financial reports for the hotel and analyzing average daily rate, occupancy rates, and REVPAR.

Brian knows that he has many problems to deal with and so he goes to the Sunrise Hotel to observe things over there for a while. He sees a happy crew and talks to Joe about how he is making that happen. Joe is happy to help, but wants Brian to go back and observe his employees first and come up with ways that he specifically can help guide Brian.

PART C — (1 × 20 = 20 marks)

Case Study (Compulsory)

17. This is a case of two competing hotels, Sunrise Hotel and Beachside Hotel that are both located in a medium sized, tourism based town in the Northeast U.S. The hotels are both competing for the same set of guests, as well as the same set of potential employees. They are budget hotels, right next door to each other, with 60 guest rooms each and a view of the beach. The occupancy during peak season for the Sunrise Hotel is 98%, but during the winter months goes down to 65%. The Beachside Hotel has peak season occupancy of 90% and off peak occupancy of 50%.

Joe is the General Manager of Sunrise Hotel and has been in his current position for 5 years. He has been with Sunrise Hotel for a total of 10 years. He worked his way up at Sunrise Hotel from front desk agent to front desk supervisor, and finally to Assistant General Manager before he became the General Manager. He does a good job of screening potential employees for his front desk area of the hotel because he realizes the importance of that area of the hotel, especially in tourist areas.

He also has incentives set up for excellent performance of the front desk agents and training and development programs designed to give everyone information that will help them do their job better. There is a sense of teamwork at Sunrise Hotel and that helps everyone want to do a good job. His guest satisfaction ratings for his hotel are overall excellent. On a rating scale of 1-10, his hotel averages a 9. The average length of tenure of his employees is 4 years, and his current front desk supervisor was promoted from within, along with his Assistant General Manager. Because of the small size of the hotel, Joe is actually involved with all of the hiring decisions and helps to give training programs himself, along with his leadership team. The employee turnover at the Sunrise Hotel is 25% overall and that is primarily when hourly employees graduate high school or college and leave the Sunrise Hotel for a career somewhere else.

Brian is the General Manager of the Beachside Hotel and deals with a very different situation. Brian was brought in from another hotel in the same hotel group about 6 months ago. He was told by his boss that he needed to "fix" this hotel so that it would start having better customer satisfaction ratings and more return guests.

Despite the fairly high occupancy noted during peak seasons, the off peak season occupancy is only 50%. Also noted by his boss, the occupancy should be as good as the Sunrise Hotel. Brian has been with his hotel group now for 2 years and he came out of the accounting and finance department in his old hotel. He has a great understanding of the numbers in the lodging industry, but has not been involved with the human resource aspects of the job.

The turnover of hourly employees at Beachside Hotel is 120% and that means that Brian is constantly running the hotel short handed and with new employees. The Beachside Hotel has been doing the hiring through a human resource practitioner in the hotel that was put in the position because she really could not handle serving guests at the front desk very well. Mary was promoted to human resources a year ago after she had one too many altercations with the guests at the front desk. The owner of the hotel wanted to make sure that she would not make any of the other guests angry, so he promoted her to a human resources practitioner. Since that time, she has been busy trying to keep up with hiring and she has had no time for training employees. Because she is so busy, paychecks often come out

MBAC 2004

M.B.A. DEGREE EXAMINATION,
DECEMBER 2015/JANUARY 2016.

Second Semester

General

OPERATIONS MANAGEMENT/OPERATIONS RESEARCH AND MANAGEMENT

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of Eight questions.

1. What are the different stages of development of Operations Research?
2. List out the limitations of operations research.
3. Solve the following problem graphically

Maximize $4x_1 + 4x_2$

Subject to: $-2x_1 + x_2 \leq 1$

$$x_1 \leq 2$$

$$x_1 + x_2 \leq 3$$

$$x_1, x_2 \geq 0.$$

4. Solve the assignment problem. The data given in the table refer to production in certain units:

| | Operators | | | | Machines | | | |
|---|-----------|---|---|----|----------|--|--|--|
| | A | B | C | D | | | | |
| 1 | 10 | 5 | 7 | 8 | | | | |
| 2 | 11 | 4 | 9 | 10 | | | | |
| 3 | 8 | 4 | 9 | 7 | | | | |
| 4 | 7 | 5 | 6 | 4 | | | | |
| 5 | 8 | 9 | 7 | 5 | | | | |

5. State the basic Functions of inventory Management.
6. The usage of an inventory item each costing Re 1, is 10000 units/year and the ordering cost is Rs. 10, carrying charge is 20% based on the average inventory per year, stock out cost is Rs.5 per unit of shortage incurred. Determine EOQ, inventory level, shortage level, cycle period, number of order per year and the total cost.

7. What are the key concepts in the theory of Games?

8. Examine whether the following game, is fair.

| | Player Y | | | |
|----------|----------|----|----|----|
| Player X | 6 | -4 | -3 | -2 |
| | 3 | 5 | 0 | 8 |
| | 7 | -2 | -6 | 5 |

lawns, weeding gardens, and trimming shrubbery. Business became so good that Sneha hired two part-time workers to assist her and, even then, she believed she could expand further if she wanted to.

Questions:

- (a) In what ways are Sneha's customers most likely to judge the quality of her lawn care services?
- (b) Sneha is the operations manager of her business. Among her responsibilities are forecasting, inventory management, scheduling, quality assurance, and maintenance.

What kinds of things would likely require forecasts?

- (c) What are some of the trade-offs that Sneha probably considered relative to expanding the business?

find employment elsewhere. Despite her efforts, after eight months of searching she was no closer to finding a job than the day she started. Her funds were being depleted and she was getting more discouraged. There was one bright spot, though: She was able to bring in a little money by mowing lawns for her neighbours. She got involved quite by chance when she heard one neighbour remark that now that his children were on their own, nobody was around to cut the grass. Almost jokingly, Sneha asked him how much he'd be willing to pay. Soon Sneha was mowing the lawns of five neighbors. Other neighbors wanted her to work on their lawns, but she didn't feel that she could spare any more time from her job search. However, as the rejection letters began to pile up, Sneha knew she had to make an important decision in her life. On a rainy Tuesday morning, she decided to go into business for herself taking care of neighbourhood lawns. She was relieved to give up the stress of job hunting, and she was excited about the prospects of being her own boss. But she was also fearful of being completely on her own. Nevertheless, Sneha was determined to make a go of it. At first, business was a little slow, but once people realized Sneha was available, many asked her to take care of their lawns. Some people were simply glad to turn - the work over to her; others switched from professional lawn care services. By the end of her first year in business, Sneha knew she could earn a living this way. She also performed other services such as fertilizing

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight questions.

9. Highlight the history of operations Research.
10. Briefly explain the relationship between Manager and Operations Research Specialist.
11. Describe different techniques of OR.
12. Vehicles are passing through a toll gate at the rate of 70 per hour. The average time to pass through the gate is 45 seconds. The arrival rate and service rate follow poisson distribution. There is a complaint that the vehicles wait for a long duration. The authorities are willing to install one more gate to reduce the average time to pass through the toll gate to 35 seconds if the idle time of the toll gate is less than 9% and the average queue length at the gate is more than 8 vehicle, check whether the installation of the second gate is justified?
13. Tesota Bakery Ltd. produces two recipes A and B. Both recipes are made of two food stuffs I and II. Production of one Kg of A requires 7 units of food stuff I and 4 units of food stuff II whereas for producing one Kg of B, 4 units of food stuff I and 3 units of food stuff II are required. The company

has 145 units of food stuff I and 90 units of food stuff II. The profit per Kg of A is Rs. 120 while that of B is Rs. 90. The manager wants to earn a maximum profit of Rs. 2700 and to fulfil the demand of 12 Kgs of A. Formulate a goal programming problem for this situation

14. A factory produces three using three types of ingredients viz. X, Y and Z in different proportions. The following table shows the requirements of various ingredients as inputs per kg of the products.

| Ingredients | | | |
|-------------|---|---|---|
| Products | X | Y | Z |
| 1 | 4 | 8 | 8 |
| 2 | 4 | 6 | 4 |
| 3 | 8 | 4 | 0 |

The three profits coefficients are 20, 20 and 30 respectively. The factory has 800 kg of ingredients X, 1800 kg of ingredients Y and 500 kg of ingredient Z. Determine the product mix which will maximize the profit and also find out maximum profit.

15. Find the optimum Solution of the following Problem using MODI method.

| | Destination | | | Capacity |
|--------|-------------|----|----|----------|
| | 1 | 2 | 3 | |
| Source | | | | |
| A | 8 | 9 | 10 | 42 |
| B | 9 | 11 | 11 | 30 |
| C | 10 | 12 | 9 | 28 |
| Demand | 35 | 40 | 25 | 100 |

16. Explain the different factors affecting inventory management.

PART C — (1 × 20 = 20 marks)

Case study (Compulsory)

17. Sneha had worked for the same Fortune 500 Company for most 15 years. Although the company had gone through some tough times, things were starting to turn around. Customer orders were up, and quality and productivity had improved dramatically from what they had been only a few years earlier due company wide quality improvement program. So, it comes as a real shock to Sneha and about 400 of her co-workers when they were suddenly terminated following the new CEO's decision to downsize the company. After recovering from the initial shock, Sneha tried to

lucrative offer some of the large shareholders of Chilliano reveal their interest for selling their stakes. On the other hand, promoters maintained their position on this matter. Through the process of buying of shares in the market the Tangy spices Ltd. gradually consolidated its holding in Chilliano to 45%. Being a major shareholder they were ready for a takeover. At the same time, Tangy spices Ltd. was trying hard to improve their position so that they do not leave any space for Chilliano's promoters in future.

Questions :

- (a) What strategic alternative is followed by Tangy spices Ltd?
- (b) Is the hostile takeover by an Indian company appropriate?
- (c) Why the Tangy Spices Ltd. is interested in this takeover?
- (d) Why the promoters are reluctant to transfer the shares after the agreement?

MBAC 2005/MBLF 3001

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DECEMBER 2015/JANUARY 2016.

Second Semester

General/Marketing/Finance/IB/HRM/RM/Tourism
STRATEGIC MANAGEMENT

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of Eight questions.

1. What are the 5 Ps of a strategy?
2. What factors in India are responsible for growing importance of strategy?
3. How do strategists look at environment and take decisions?
4. Why do you think balanced score card is a better techniques of scanning?
5. Explain horizontal and vertical integration strategies.
6. What is financial strategy and what is its necessity?

7. Outline the steps in planning process.

8. What size of span is ideal — wide or narrow?
Justice your answer

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight questions.

9. "Corporate strategy making is an on going process"—Discuss.
10. Describe the strategic management process with examples.
11. Examine the impact of changing technology on business.
12. How can value — chain analysis help identify a company's strengths and weaknesses?
13. In the globalization era, which form of alliances work?
14. Examine the stages of strategic planning.
15. Examine the problems in resource allocation and how companies overcome the problems.
16. Identify the use of qualitative standards in strategy evaluation.

PART C — (1 × 20 = 20 marks)

Case Study (Compulsory)

17. Tangy spices Ltd, the countries' biggest spices marketer has decided to launch a hostile bid for Italy's major spice marketer Chilliano. This is a rare case of an Indian company making an unsolicited hostile bid for a foreign company. The Tangy Spices Ltd. has competencies in Indian spices. The major destination markets for the Tangy spices Ltd. exports have been the Europe and America. The competencies of Chilliano lie in Italian herbs and spices. The Indian company with the takeover wishes to synergies its operations in the world market. It also wants to take advantage of the reach enjoyed by the Italian company in several countries where its products are not beng sold presently. The move of hostile takeover follows Chilliano's rejection to an agreement entered a year back. At that time Chilliano was suffering losses and it offered majority shares at a price of € 2.25. A total of 20% shares were transferred at that time. In one year Chilliano was able to turnaround its operations and the company made handsome profits in the last quarter. The promoters who have residual holding of 35% in the company are reluctant to transfer the shares now. They have rejected the agreement with a plea that the earlier offer price was not sufficient. Tangy spices Ltd has revised its offer to € 2.95. By this