

SECTION C — (1 × 20 = 20 marks)

(Compulsory)

17. A company has a total investment of Rs. 5,00,000 in assets and 50,000 outstanding ordinary shares at Rs. 10 per share (par value). It earns a rate of 15 percent on its investment, and has a policy of retaining 50 percent of the earnings. If the appropriate discount rate of the firm is 10 percent, determine the price of its shares using Gordon's model. What shall happen to the price of the share if the company has a pay out of 80 percent or 20 percent?
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MBAC 2001/MBLC 1003

M.B.A. DEGREE EXAMINATION, JUNE 2016.

Second Semester

General

FINANCIAL MANAGEMENT

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define the scope of financial management. What role should the financial manager play in an enterprise?
2. Explain the significance of cost of capital in financial decision making.
3. State the features of capital budgeting decisions.
4. Explain the merits and demerits of IRR method.
5. What is meant by profitability index?
6. Distinguish between operating and financial leverage.
7. Discuss the issues in dividend decisions.
8. What are the various sources of working capital?

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. How is the cost of equity calculated using the CAPM? What is the difference between this approach and the constant growth approach?
10. How is weighted average cost of capital calculated? What weights should be used in its calculation?
11. A company is considering the following investment projects.

Projects	C ₀	C ₁	C ₂	C ₃
A	-10,000	+10,000		
B	-10,000	+17,500	+7,500	
C	-10,000	+12,000	+4,000	+12,000
D	-10,000	+10,000	+3,000	+13,000

Rank the projects according to each of the following methods :

- (a) Pay back
- (b) ARR
- (c) IRR and
- (d) NPV (assuming discount rates of 10 and 30 percent).

12. Two firms A and B have the following information:
(Rs. lakhs)

	Sales	Variable costs	Fixed costs
Firm A	1800	450	900
Firm B	1500	750	375

You are required to calculate the

- (a) profit to sales ratio
- (b) break-even point
- (c) the degree of operating leverage for both firms.
13. Illustrate the MM hypothesis on irrelevance of capital structure.
14. State the assumptions of Walter's model. Illustrate Gordon's model of dividend relevance.
15. Describe the operating cycle in estimation of working capital requirement.
16. Firm X has current assets of Rs. 500 lakh and current liabilities of Rs. 250 lakh. Firm Y has current assets of Rs. 700 lakh and current liabilities of Rs. 450 lakh. For both firms, calculate
 - (a) gross working capital
 - (b) net working capital
 - (c) current ratio
 - (d) net working capital ratio.

Interest Litigation from NGO accused the company of indulging in surrogate advertising of its brewery products. In fact the company has similar brand names for its soft drinks and brewery products. This triggered a lot of protests and demonstrations against the company. Newspapers were flooded with the articles against the company. There were also some demonstrations and some small incidents of stone pelting in a few of its hotels.

Read the above case and answer the following questions:

- (a) Discuss the factors related to SWOT analysis for the company.
- (b) Explain how Sweet Drinks Ltd. is achieving synergy?
- (c) Explain the nature of diversification adopted by the company.

MBAC 2005/
MBLF 3001

— M.B.A. DEGREE EXAMINATION, JUNE 2016.

Second Semester

Business Administration

Paper X — STRATEGIC MANAGEMENT

(Common for MBA (HRM, Marketing, Finance and IB)

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Describe different Schools of thought on Strategy.
2. Explain : Functional level strategies.
3. What are the requirements of Strategic Thinking.
4. Explain about the importance of Business Ethics.
5. Explain in brief, the process of Strategy Formulation in an organization.
6. Explain how Strategic choices are selected at business level.

7. Does the Organization possess any distinct advantages with respect to R&D.
8. Briefly explain the benefits of Strategic evaluation and control.

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Explain the Approaches to the study of Strategy formulation.
10. Explain different phases involved in the development of Strategic management.
11. Explain different types of Strategic control systems.
12. Enumerate the structural choices in Strategy implementation.
13. Briefly explain the benefits of Strategic evaluation and control.
14. Define SWOT Analysis and explain its significance in business with suitable example.
15. Assess the general reasons for the failure of Strategic planning.
16. Compare and Contrast the corporate and business level Strategy.

SECTION C — (1 × 20 = 20 marks)

(Compulsory)

17. Case Study :

Sweet Drinks Ltd. is a drinks company whose core business is manufacturing and selling soft drinks to 80,000 outlets throughout India. The business of the company is good with annual turnover exceeding three billion of rupees. Profits are good and shareholders are often rewarded with lucrative dividends and bonuses. Four years back the company has diversified into the alcoholic drinks industry and has taken-over two small breweries located in western India. The company has also diversified into hotels with purchase of twenty-five hotels of three/four star category across the country. To its advantage the company has been able to obtain a monopoly for the sale of its soft drinks in its hotels and is beginning to establish itself as a brand name in the brewery industry. Part of the strategy of the company is to continue to purchase hotels, particular by targeting National Capital Region of Delhi where tourism is likely to pick up with the forthcoming Commonwealth Games. The company also intends to construct a five star hotel in Gurgoan to take tax advantage announced recently by the finance ministers. Everything was going on well until recently, when a Public

MBAC 2002/
MBLC 1006

M.B.A. DEGREE EXAMINATION, JUNE 2016.

Second Semester

General

MARKETING MANAGEMENT

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. State the concept of marketing.
2. Explain briefly the various functions of marketing.
3. What are the sources of new product idea?
4. Define product mix decisions and Brand decision.
5. Explain the objectives of pricing.
6. What are the functions of distribution channel?
7. Distinguish between retailers and wholesalers.
8. Write a note on advertisement effectiveness.

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Explain the concept of marketing mix and describe various factors that determine it.
10. What is meant by product life cycle? Explain the various stages in product life cycle.
11. Describe the steps followed in new product development and state the import aspects of product planning.
12. Explain the factors influencing price determination and discuss the various methods of pricing.
13. What is meant by new product pricing? Distinguish between product mix pricing strategy and price adjustment strategy.
14. "One of the major assets of a firm is its channel of distribution" – Discuss.
15. Narrate the structure and design of Marketing channels.
16. State the objectives of advertising and discuss the role of media in advertising.

SECTION C — (1 × 20 = 20 marks)

(Compulsory)

17. Discuss the various factors you would like to consider for selecting the channels of distribution for a consumer product of your choice which is sold all over India.
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MBAC 2003/
MBLC 1004

M.B.A. DEGREE EXAMINATION, JUNE 2016.

Second Semester

General

HUMAN RESOURCES MANAGEMENT

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define HRM. Explain the significance of HRM.
2. Explain the HR structure and strategy.
3. What are the merits and limitation of HRIS?
4. What are the steps in selection process?
5. Explain the levels of evaluation of the effectiveness of training.
6. Explain the forms of separation processes.
7. Discuss the causes of stress.
8. Discuss the functions of a trade union.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Explain the development of HRM.
10. What are the functions of Human Resource Management?
11. Define recruitment Explain the sources of recruitment.
12. Analyze various methods of performance appraisal.
13. Elucidate the methods of training.
14. Briefly state the types of promotion.
15. Critically examine the need hierarchy theory of motivation.
16. Examine the role-of-collective bargaining in India.

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. Case Study :

Adam, fresh from school was a newly recruited HR practitioner. During his one month into the job, he was asked to be in-charge of the orientation programme for the entire organisation. Being new, he followed closely to the processes. Recently, Roy

Questions :

- (a) On an HR practitioner point of view, what should Adam do to resolve the issue?
 - (b) Roy is very unhappy with Adam and holds it against him even though all has been done and followed up. What should Adam as HR do to resolve this and should Jean, as Adam's manager do something?
 - (c) What role does Roy's manager play in this issue and should he be implicated?
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joined the organisation and Adam was required to orientate him. On Roy's first day of work, Adam brought him around the organisation for introduction to the rest of the staffs. Unfortunately, Roy's assigned mentor was not around hence, Adam was unable to make an official introduction for Roy to meet up with his mentor. In the afternoon, during the HR briefing, Adam mentioned to Roy that there is a buddy system in place but it is only on an opt-in basis. Roy requested to opt for a buddy. Adam was rather surprised by Roy's request as according to Adam's manager-Jean, no one in the organisation has requested for a buddy.

Hence, Adam checked with Jean on the criteria in getting a buddy for Roy and according to her, Adam found out that it needed to be someone preferably from Roy's department. Having clarified on the criteria, Adam was supposed to get a buddy for Roy, unfortunately, this issue was clearly forgotten by Adam due to his busy schedule as he was involved in other HR matters as well and he did not follow up with Roy's request promptly.

One week later, Adam met Roy in a lunch gathering and Adam greeted Roy and asked him casually how is he doing and if he has adapted well to his job. Roy asked Adam blatantly and angrily where is his buddy that he had requested. At that moment, Adam recalled on the existence of this request and unwittingly told Roy that he thought Roy was joking with him on the request for a buddy as he did not want to admit to Roy that he had clearly forgotten about the whole issue. Roy was very angered by Adam's response and told him off that he was very serious in getting a buddy and that it's Adam's responsibility to do so. Adam, clearly embarrassed and guilty about his mistake, apologised immediately and promised to get him a buddy. On the very day, a buddy- Sam, was found for Roy. Roy was very unhappy with Adam and confronted Adam and his buddy when he was able to have an official meet up session with his mentor. Adam explained to Roy that the organisation has no current practice in place for meet up sessions to be arranged between mentors and mentees and it's a practice for mentees to take self-initiative to do so in arranging for meetings with their mentors and also that his mentor is currently out of town and will only be back the next day. Adam, himself being a new staff also was at that moment in time

speaking on personal experience and also based on what Jean had told him. Sam, who was present, agreed and helped to explain to Roy on the practice. Roy kept quiet and Adam unknowingly thought that Roy has understood the organisation practice. Hence, Adam did not continue to check with Roy on this aspect.

The following day, Roy had a feedback session with his manager and Adam was called upon to sit in as a part of the orientation programme. Roy brought up the issue on Adam's failure to get him a buddy promptly and that he was not introduced to his mentor at all. He complained about the poor management of the HR mentor and buddy system and that it was not effective at all and that he expressed that he is very unhappy with Adam as he felt that he was not doing his job at all. Adam tried to explain to Roy and his manager about what happened and also reassured Roy that he will take his suggestions of improving on the system and was apologetic about the issue. He told Roy's manager that he will bring Roy to see his mentor after the session as his mentor is back in the office after being on leave for the past week.

Roy was still very unhappy with Adam and continued telling Adam off in front of his manager.