

MAY, 2011

Master of Business Administration Examination

[MBA]

Fourth Semester

FT401C: BUSINESS ETHICS

Time: 3 Hours

Max. Marks: 60

Note: Attempt any three questions from Section A. Each question is of 12 marks. Section B is compulsory & carries 24 marks.

1. "Ethics is considered as everybody's Justice". Comment
2. Explain Organization as rational structure. Also, explain how ethics work in an organization.
3. Which are the distinct functions coming under the broad characteristics of marketing that raises ethical questions that do not have an easy answer.
4. Define Privacy. Why everyone value Privacy so high & protect it as a right. Also, explain the concept of whistle blowing and ethics at work place.
5. What is social responsibility? Why it is important for business to act in a socially responsible manner?

'Section B'

Analyse the case and answer the questions given at the end.

MEN IN DISTRESS

Women have made rapid strides in education and workforce participation, their economic and social indicators showing considerable improvement over time. This narrowing of the gender gap could lead to greater violence against women, at least in the short run we should therefore control the consequences of gender empowerment. chiefly dysfunctional families and relationships. The issue of how men can be helped to change their existing mindsets so that women's progress does not come at a heavy cost deserves more attention.

Women as workforce are patronized for their increasing skill levels, their willingness to take on jobs for less money, their commitment and sense of responsibility to certain kinds of work.

The feminist movement and the emergence of role models aided to the assertion of professional middle and upper middle class women. who made strong careers while managing their homes adourably. These successful women sometimes hides the stress of managing two sets of responsibility. But what happen when genuine role reversal takesplace and women become defacto bread winner? Or when a woman puts family and personal fulfillment man equal footing?

A Muslim who was married at 18, bore children. entertained inlabs and nurtured the husbands careers before she finally went out and got a job, said "I feel I'd rather be at work and get acknowledged for my efforts than work at home and be taken granted."

One comes across a variety of responses to the emerging challenges.

Sample 1: Woman A begins to bear the double burden of running home and house and her

husband pitches in which neither. He refuses to become a house husband even though she spends a grueling day at work. They separate but leave the door open for getting back together later.

Sample 2: Woman B enters an arranged marriage. She soon realises they are neither intellectually nor emotionally turned to each other. But two children arrive in the meantime and she stays in the marriage. She takes the brave step of going out and getting a job and carries on with all her responsibilities. From time to time, she wants to opt out of the marriage, but finding no support, continues. Money is not a problem but the husband resents her job, her independence the fact that she has a mind ticking away that he cannot decipher. Here it looks that the man develops an inferiority complex because he cannot share his educated and talented wife's flight into the world and begins to suffer from suicidal tendencies.

Sample 3: Woman C and her husband had a love marriage. Both are professionals. But somewhere along the line the husband turns jealous of his poised and talented wife. One day, he gets drunk and throws her out of the house, with their young child sleeping inside with the abusive behaviour becoming a pattern, she decides to ask for a legal separation. She decides to take charge of her own life, work and bring up her child by herself.

Sample 4: Woman D has an affair with a colleague and when the husband discovers it, he initiates divorce proceedings. The woman pleads it was an aberration and asks him to take her back. Should he take back, even though his manliness has been challenged and he is a cuckold in the eyes of the world?

While focusing on equality for women, we also need to develop new models of masculinity which will enable men to adjust to the new realities of women. The study of masculinities, a parallel idea of research which has grown in response to women's studies, needs to explore family and intimacy issues which couples as the above ones are trapped in the man can easily be condemned as a wife-beater, masochist, and perpetrator of violence and terror. But what makes him into what he becomes?

Questions:

1. Do you find it ethical that a non-earning (and sometimes nonhelping) woman have been thrown out of the house?
2. Does the man develop an inferiority complex due to reasons explained above? What are your comments in such cases?
3. Should the wife who understands that her husband is the way he is because of having grown up in a dysfunctional family try a softer approach? Discuss.
4. Should the man realise that he is a victim of pure role reversal (women always having been in the position of being cheated on earlier) and take his wife back if she wants to come back?

MAY, 2011

Master of Business Administration Examination
[MBA]

Fourth Semester

FT402C: DECISION MAKING SKILLS

Time: 3 Hours

Max. Marks: 60

Note: Analyze both the cases and answerst the questions given at the end. Each case is of 30 marks

**CASE - I
HELPAGE INDIA**

The developments in medical sciences – the lowering of mortality rates and the increase in life expectancy – have ironically led to a situation where there are increasingly, a larger number of aged people in the society. The situation in most countries of the world is that the number of ageing people is increasing. India too, like other developing countries, experiences a rapid ageing of the population, with an estimated 80 million aged people. Almost eight out of ten of these aged people live in rural areas. The challenges that the elderly people in society face are many. For instance, a report in the Indian context indicates the following challenges:

- 90% of senior citizens receive no social security or medical care.
- 73% of senior citizens are illiterate and can only earn a livelihood through physical labour, which is possible only if they are healthy in their old age.
- 80% of senior citizens live in rural areas with inadequate or inaccessible medical facilities; many are unable to access the medical facilities because of reduced mobility in the old age.
- 55% of women over the age of 60 are widows with no means of support.
- The elderly people, or senior citizens, are the fastest growing segment of the Indian society. By 2025, the population of the elderly is expected to reach 177 million

Unlike many developed countries, India does not have an effective security net for the elderly people. There have been sporadic attempts by governments at the central and state levels to pay old-age pensions, but like most government schemes, there is a lot of leakage of funds and inefficiency. There is also a lack of post-retirement avenues for re-employment.

Socio-economic developments such as urbanization, modernization, and globalization have impacted the economic structure and led to an erosion of societal values and the weakening of social institutions such as the joint family. The changing mores of society have created a chasm between generations. The intergenerational differences have created a situation where the younger people are involved in education, career building and establishing themselves in life, ending up ignoring the needs of the elderly among them. The older generation is caught between a society which cares little for them and the absence of social security, leading them to a situation where they are left to fend for themselves. It is in this context that institutions such as Help Age India play a positive role in society.

Help Age India, established in 1978, is a secular, not-for profit, non-governmental organization, registered under the Societies Registration Act of 1860. its mission is stated as: 'to work for the cause and care of the disadvantaged older persons and to improve their quality of life.' The three core values that guide Help Age India's work are rights, relief and resources. HelpAge India is one

of the founder-members of HelpAge International, a body of 51 nations representing the cause of the elderly at the United Nations. It is also a member of the International Federation on Ageing.

The organization of HelpAge India consists of a head office at New Delhi, with four regional and thirty-three area offices situated all over India. The governing body of the organization consists of ten distinguished people from different walks of life. Besides the governing body, there are three committees: the operations committee, the business development committee, and the audit committee. The CEO, Mr. Mathew Cherian oversees the planning and implementation of policies and programmes, with the support of five directors. The regional directors are responsible for their own regions. The program division at the head office chooses the partner agencies to provide the services to the elderly people.

HelpAge India raises resources to perform three types of functions:

- Advocacy about policies for the elderly persons with the national and local governments
- Creating awareness in society about the concerns of the aged and promote better understanding of ageing issues.
- Help the elderly persons become aware of their own rights so that they get their due and are able to play an active role in society

The major programmes undertaken by the HelpAge India include mobile medicare units, ophthalmic care for performing cataract surgeries, Adopt-a-Gran, support to old-age homes, day care centres, income generation and disaster relief.

The business model of HelpAge India is based on revenue generations through grants and donations from international and national sources. Nearly half of the donations come from international donors. About a fifth of the donors are individuals. The sources of contributions come from fundraising activities that include direct mail, school fundraising, corporate fundraising, sale of greeting cards, acting as corporate agent for insurance, organizing events and establishing a shop-for-a-cause that sells gifts made by disadvantaged people.

- A review report on the activities of HelpAge India enumerates its strong points as below:
- *Wide Reach and Impact* HelpAge India has been able to impact the lives of a large number of elderly people and their families by adopting a holistic approach that provides immediate relief as well as long-term sustainable improvement.
- *Effective Partnership in Development* HelpAge India has evolved as a development support agency through creating partner agencies, that is funded to implement the projects.
- *High Degree of Charitable Commitment* Typically non-profit organization spend a lot on overhead and administrative costs. But HelpAge India is able to put nearly eighty five per cent of the funds toward actual project implementation.
- *Focus on Efficiency and Transparency* The partner agencies are chosen carefully and monitored thoroughly. This results in increased efficiency and low overheads. Project implementation through partnerships increases efficiency and cuts down on overhead costs.
- *Quality of Management* The management quality of HelpAge India is good and there are a lot of committed people. New employee are also trained to be sensitive to the mission of the

organization.

With a wide spread of activities and being a nongovernmental organization having limited funding, HelpAge India has adopted modern means of information technology and networking. Most of the HelpAge executives work in the field and have no direct access to the office network. They have to use e-mail in order to maintain contact with their regional or area offices. They use cyber cafes or handheld devices for sending and receiving e-mails. HelpAge has installed costs of Rs. 75,000 to access e-mail from anywhere, with a high level of security and protection of data and contents.

The nature of non-profit organization demands certain requirements. Among these, transparency of operation and funds management is a major one. There are many NGO's that are accused or suspected of misappropriating funds for personal benefit. HelpAge India is conscious of this fact and gives high priority to information disclosure. The audited financial statement and the annual report are available on its website. The financial statements give a detailed account of the expenditure on individual projects. The expenses on travel and salaries of its employees and CEO are also mentioned. The individual donors are provided information regarding the use of the funds donated by them.

The functional approach at HelpAge India consists of developing projects based on the assessment of the needs of its target community rather than on implementing them directly. The implementation takes place through the partner agencies. Rather than outright grants, it supports income generation projects for the elderly people. The success of implementation critically depends on the identification and appointment of partner agencies. The officers of HelpAge India physically inspect the proposed agencies and check on their management to ensure that they are not family-run set-ups established for personal gains. HelpAge India works presently, with nearly 400 partner agencies. These include, for instance, about 150 charitable eye hospitals that act as partner agencies for the ophthalmic care programme. HelpAge India with its slogan of 'fighting isolation, poverty and neglect' moves on its mission of providing 'equal rights, dignity for elders.' It foresees its future activities in the area of rights based advocacy for a better life for the elderly people by bringing them into the mainstream of society rather than being marginalized to the fringes.

Questions:

1. Analyze the given case. (14)
2. In your Opinion, What is the distinctive competence of HelpAge India? (08)
3. Prepare a strategic advantage profile for HelpAge India. (08)

CASE - II
COOL COMPETITIVE STRATEGIES AT WHIRLPOOL INDIA

Whirlpool Indians a part of the multinational company, whirlpool Corporation that is a global manufacturer and marketer of home appliances, with its headquarters at Michigan in the U.S.A. It is claimed to be world's largest white goods company, a status it reached in 2006. Whirlpool Corporation has annual sales of more than \$18 billion, more than 73,000 employees and more than 70 manufacturing and technology research centres around the world in 2007. Among its eleven major brands are Whirlpool, Maytag and KitchenAid that are produced in 13 countries and marketed to consumers in over 170 countries around the world. The initial internationalization of Whirlpool Corporation began in 1958 when it entered Brazil. Serious efforts came in the 1980s when it started adopting an aggressive strategy to be a world-class company. India was identified as a growth

market sometime in the late- 1980s. Entry into India was identified as a growth market sometime in the late-1980s. Entry into India was made through a joint venture with TVS Group to produce automatic washers at Pondicherry. In 1995, Kelvinator of India Limited was acquired to facilitate entry into the refrigerator market in India. A majority ownership in the joint venture with TVS led to the emergence of Whirlpool of India Limited in 1996.

The vision of Whirlpool India articulated in 1998 is stated as: 'Every home, everywhere, with pride, passion and performance' The mission statement enunciated in 2003 is 'Everybody creating loyal customers for life'. The objectives of innovation, operational excellence, customer-centric approach and diversified talent are claimed to be embedded within business goals, processes and work culture. In 2002, the company launched an initiative called "Whirlpool Strategic Architecture" as the implementation framework to achieve its vision and mission.

Whirlpool India is one of the popular brands of home appliances in India. The business portfolio of the company consists of four lines: air treatment, fabric care, food preparation and foodstream solutions. The product portfolio includes air conditioners, microwave ovens, refrigerators and washing machines. The company claims to hold a market share of 25 per cent in the refrigerator market, 10 per cent in the microwave oven market and 16 per cent in the washing machines market in 2006. There are three manufacturing units situated at Faridabad, Pondicherry and Pune.

Whirlpool has transformed itself from an accomplished manufacturer to a consummate marketer – a process that is said to be achieved through a brand building framework that aimed at building excellent brands and engendering customer loyalty. In doing so, the company claims to have relied on one of its core competence of customer excellence, the other two being innovation, and operational excellence. The transformation process has five elements of: market leadership through customer loyalty, innovation, diversity with inclusion and core competence, passion for customer excellence and operational excellence. The end result is a customer-centred organization. These five elements form the core of the company's strategy and guides strategic planning and implementation.

The manufacturing facilities of Whirlpool India at Faridabad and at Ranjangaon near Pune, are dedicated to making refrigerators and at Pondicherry, to washing machines. All production facilities have ISO certification and have also adopted the six-sigma quality technique for quality management in 1999. Care has been taken to create adequate capacity for the long-run, along with eco-friendly technology. Regional Technology Centres at Pune and Pondicherry are involved in design engineering aimed at continual upgrades of features and styling and customization of products. There is also a global consumer design centre for Asia based at Delhi, indicating the company's commitment to using India as a technology base for its Asian operations. The Pune-based design centre has online connectivity with other Whirlpool design centres around the world, enabling optimum utilization of modeling and analysis software. Digitalization is a progressive process at Whirlpool India. For Instance, It has incorporated digital manufacturing technology into its washing machine manufacturing operations. The software connects Computer Assisted Design data with assembly times and the cost of materials, simplifying the planning and ordering phase, resulting in the application of a customer-centric marketing strategy. The company website was re-launched in 2006 and was made more interactive, providing a forum not only for information but also for performing the sales functions. Whirlpool India is a recognized export house with an export-oriented unit based at Pondicherry, to produce KitchenAid appliances for the export markets in the U.S. it is also exporting refrigerators and washing machines to South Asia, Asia Pacific, Latin America and West Asia, Russia and East Europe countries and claims to be the largest exporter of home appliances from India. Exports constitute 13 per cent of the turnover of the company and reached Rs. 200 crore in 2006-2007.

The market positioning of Whirlpool India is based on the theme: 'your partner in homemaking'. Customer focus drives innovations in product design and changes. Product differentiation is built on customer responsiveness for the demanding Indian consumer. An example of such responsiveness is its realization that the Indian climate requires consumers to attack their fridge frequently for ice cubes. A quick-chill design was the operational response to this customer need that proved to be quite successful, along with an advertising campaign based on the theme, 'Ice, Ice Baby'. Other special features like movable trays, space for large bottles and strong body to withstand the heavy toads a typical Indian home subjects its appliances to, have driven its product changes and design.

The consumer durables or the white goods industry in India is a growing industry, albeit at a slow rate. There are strong competitors such as the multinationals LG or Samsung and strong domestic players such as Godrej and Voltas. It's a tough market for the best of marketers. The Indian consumer is hard-to-convince and demand value for money and is not swayed easily by the hype built around products through advertising campaigns. Future plans of Whirlpool are mostly to concentrate on the exiting businesses, except a related diversification into water purifiers where it plans to leverage its retail distribution strength. Whirlpool products are available across 11000 retail outlets in over 150 cities and towns in India. There are no new manufacturing units in the pipeline. Whirlpool India had sales of Rs. 1592 crore for the year ending March 2007 and a net loss of Rs. 5.32 crore, an improvement over the past year's loss of Rs. 38.1 crore. It expects to turn around by 2008 through sustained productivity improvements and cost reduction.

Question:

1. Analyze the given case. (10)
2. Identify the type of generic business strategy or strategies Whirlpool India is adopting. (05)
3. In your opinion, What is the stage of industry development in the consumer durables industry in India? Depending on your answer, comment on whether Whirlpool India's generic business strategies are appropriate. (05)
4. What aspects of internationalisation of Whirlpool India can you identify in the case? Discuss Briefly. (05)
5. What aspects of digitalisation of Whirlpool India can you identify in the case? Discuss briefly. (05)

MAY, 2011

Master of Business Administration Examination
[MBA]

Fourth Semester

FT404M: SERVICE & INTERNATIONAL MARKETING

Time: 3 Hours

Max. Marks: 60

Note: Attempt any three questions from Section A. Each question carries 12 marks. Section B is compulsory and carries 24 marks.

'Section A'

1. Analyse the changing economic structure of India and Discuss the role of service sector in its development.
2. Explain all the 7 Ps as elements of marketing mix with reference to Banking industry.
3. How do Service Organisations differentiate and position their service offerings? Explain the positioning strategies with suitable examples from Airlines Industry.
4. Discuss Service Quality models. Briefly explain the implication of SERVQUAL model for education industry.
5. Discuss major factors affecting pricing decisions in international markets. Briefly explain various types of pricing practices adopted by International Marketers.

'Section B'

6. Analyse the following case and answer the questions given at the end.

THE A.T. CROSS COMPANY.**THE LEGACY**

As stated in the A.T. Cross 1986 annual report, "Everything begins with quality." Cross pens and pencils are known worldwide as standing for the ultimate expression of excellence. The story began in 1846 with the company's founder, Alonzo T. Cross. Mr. Cross, an immigrant inventor and craftman, started his business in his Rhode Island home with a goal to "manufacture and market elegant, hand-tooled gold and silver filigree casings for wooden pencils." Today, The A.T. Cross Company is as devoted to design perfection and craftsmanship as Alonzo T. Cross was in 1846, which explains the enduring legacy of A.T. Cross in fact, Cross offers a full perpetual warranty.

THE CROSS PROFILE

With ambition, vision and a commitment to excellence, the A.T. Cross Company has grown into a major international manufacturer of fine writing instruments. The company has two plants, one in Lincoln, Rhode island, and one in Ballinasloe, Ireland. Cross products are sold to the consumer gift market through selected stores (jewelry, department, stationery, gift, and bookstores). They are also sold to the business gift market through selected companies specializing in recognition programs.

THE INDUSTRY

The fine writing instrument industry is truly an international industry with different market leaders in all parts of the world. The major international competitors are A.T. Cross, Schaeffer, Parker, Waterman, Pelikan, and MontBlanc. As of 1996, Parker and Waterman are owned by the Gillette Company and MontBlanc is owned by the Vendome Holding Company.

Writing needs vary throughout the world. For example, in Europe, fountain pens are very popular; in the Far East, most writing instruments must include finepoint cartridges. However, packaging advertising, and promotion truly constitute the major change elements in international markets rather than any change in the product per se.

Most international manufacturers of writing instruments have established either networks of distributors or their own subsidiaries in charge of foreign distribution. Therefore, the distribution choices of a new entrant in a particular country are very limited.

INTERNATIONAL EXPANSION FOR A.T. CROSS

In the early 1960s, the A.T. Cross Company began to receive several foreign inquiries concerning the availability of the Cross pens and pencils overseas. More specifically, businesses from Europe and the Far East were asking where, in their country, they could acquire Cross pens. These inquiries and demands for the fine writing instruments led the A.T. Cross Company to pursue the overseas marketplace.

A.T. Cross was particularly interested in distributing its products in Spain, France, the United Kingdom and Germany. However, there were some strong existing competitors with well-established distributors in these countries. Furthermore, many distributors had exclusive arrangements with existing manufacturers.

Ideal foreign distributors should be small enough to want to take an new manufacturer but large enough to advertise. More European countries have their own national brand of writing instruments manufactured in each respective country. The following manufacturers of fine writing instruments have substantial market share in these countries: Inoxchrome (Spain), Waterman (national brand in France), Parker (national brand in the United Kingdom), and MontBlanc/ Pelikan/ Lamy (Germany).

There were also some other imported writing instrument within each one of these countries. As a result, the overseas marketplace was highly competitive. Regardless, A.T. Cross decided to enter these markets. At first it could not find suitable distributors, so it began considering other distribution channels.

A.T.CROSS GLOBAL DISTRIBUTION PROFILE UPDATE

In reponse to growing international demand for its products, A. T. Cross decided to establish its own distribution subsidiaries by acquiring existing distributors in Spain, France, the United Kingdom, Germany, Italy and Japan. the decision to pursue an acquisition strategy in these markets was primarily based on market size and market potential. In addition, a network of independent distributors was developed by negotiating a mix of exclusive and nonexclusive agreements to ensure proper market penetration in this mature and fragmented global market. The A.T. Cross global-distribution strategy reaches approximately 50 percent of the world (100 countries). As a result, in 1995, 42 percent of A.T. Cross's sales were from non-U.S. markets compared to 25 percent in 1989, representing an increase of 68 percent in non-U.S. sales, constituting an average yearly growth rate of 11 percent.

May, 1994

Master of Business Administration Examination

Questions:

1. What are the global distribution issues now faced by A.T. Cross?
2. What factors should A.T. Cross consider in the development of its regional distribution strategy in emerging markets (i.e., Eastern Europe). within the context of its global distribution strategy?

Section A

Answer the following questions. The first of Indian District. The role of service sector in the economy.

1. Explain the concept of 'Total Quality Management' (TQM) and its application to service industry.

2. How do service organizations differentiate and retain a their service offerings? Explain the marketing strategies with which - example from service industry.

3. Discuss Service Quality models. Briefly explain the service quality SERVQUAL model by Parasuraman et al.

4. Discuss major factors affecting pricing decisions in international markets. Explain various types of pricing practices adopted by international marketers.

Section B

Read the following case and answer the questions given at the end.

THE A.T. CROSS COMPANY

THE LEGACY

In 1983, the A.T. Cross 1983 annual report, "Twenty-five years with quality" Cross paid and shared the company's "proud tradition of standing for the ultimate expression of craftsmanship. The story began in 1858 with the company's founder, James T. Cross, his father, an ornamental iron worker, who worked in his father's foundry with a goal to "manufacture and market elegant and useful gold and silver fittings - pens for wooden pencils." Today, The A.T. Cross Company is a world leader in design, production and distribution of James T. Cross pens in 1846, the company's century legacy of A.T. Cross pens. Cross offers a full prepared strategy.

THE COMPANY'S STRATEGY

For almost a century, a commitment to excellence, the A.T. Cross Company has grown into a major manufacturer of high-quality instruments. The company has two plants, one in Lincoln, Massachusetts, and one in the Republic of China. Cross products are sold in the consumer market through a network of independent distributors and retailers. The company also sells to the business and market through selected corporations specializing in recognition programs.

MAY, 2011

Master of Business Administration Examination
[MBA]

Fourth Semester

FT405M: RURAL, EVENT & DIRECT MARKETING**Time: 3 Hours****Max. Marks: 60**

**Note: Attempt any three questions from Section A. Each question carries 12 marks.
Section B is compulsory and carries 24 marks.**

'Section A'**Maximum limit of answer is 400 words in each questions.**

1. Discuss the following with suitable examples.
 - (a) Rural Vs Urban Marketing Concept
 - (b) Importance and Scope of Rural Marketing
2. What do you understand by "EVENT" Marketing. Explain types of event with suitable examples.
3. Discuss the factors affecting consumer behavior in Rural Marketing
4. Explain concept & importance of Direct Marketing; Support your answer with suitable example.
5. Discuss the following:
 - (a) TOHIS of Direct Marketing
 - (b) Events Promotion
 - (c) Role of Advertising & Sales promotion in Rural Marketing.

'Section B'

6. Analyse the following case and answer the questions given at the end.

LIFELINE FOR STRATEGY AND SUCCESS

The all in the mind of the consumer who feels the need, and of the marketer who taps into that need to come up with a product to satisfy it. It took strong competition through the early 1990s to beat this realisation into Johnson and Johnson India.

J&J was lacklustre: corporate image, let by baby-care products, was stable; product launches were few and far between. Till dramatically, procter & Gamble garbbed J&J's leadership in the female sanitary protection category.

"Clearly, we had to start changing the formula and reinventing. "Says shripad Nadkarni, Vice-president, Marketing. "It wasn't that competition did well, but that we did badly. "J&J wasn't

listening to consumers, you see “We needed to get obsessed with consumer focus, on delivering value to them. Which would take care of the competition? “That’s what J&J did, starting 1997. And now, “there’s a new certainly about the company.”

Raj Gupta, senior associate director, Lintas, expands. “The huge change in J&J today is in recognising the consumer need, gaining insight, and then manufacturing the product. The second big change is that it’s far more entrepreneurial today. There is just a three-month lead-time from ideation to production. J&J’s brand authority no longer comes from its technology, or because of its especially emotional, is a far superior platform. A competitor may better you on a functional insight, but with no intangible, emotional one, he doesn’t know what he’s fighting.”

Looking at last, in the right direction, seems to have paid off. J&J has own back the volume crown from Procter & Gamble in the sanpro market. Its latest moving annual total volume share stands at 51 per cent against P&G’s 38.6 though P&G is at 49 per cent of value share to J&J’s 43.1 (ORGMARG figures).

J&J’s has also launched a slew of path-breaking products over the last two years. Some of these have created new categories altogether. In doing so, its price platform has undergone a shift, earlier. It sported a premium image post revamp, though, while we are still premium with baby-care, where costs are high we use pricing as a tool to get to the mass market says Nadkarni we’re no longer looking at niches but a value to consumers.

Its value to customer that saw the launch of stayfree secure the Rs. 20 a pack sanitary napkin brand, in october 1997. “It made money for us. In fact, Nadkarni admits that secure was the turning point in the mindset of the company. “We felt that if we can win against P&G then we can win against anyone secure has picked up 20 per cent volume share of the sanpro market by now.

“Secure is a typically Indian product, and epitomises J&J today” says Gupta. It was launched for the homemade napkin user who was conscious of the price and the family’s prestige at stake that’s what consumer insight is about.

From the sanpro success the refocus has flowed on like welcome flu bug to J&J’s other products. The company feels its a good development. “Focusing on the consumer is no longer just the concern of the marketing department but of the company as a whole now,” concludes Nadkarni.

Question:

“Marketers no more concentrate on selling the products but focus on value to the consumer.” Elaborate.

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Master of Business Administration Examination
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Fourth Semester

FT406M: INDUSTRIAL & RETAIL MARKETING

Time: 3 Hours

Max. Marks: 60

Note: Attempt any three questions from Section A. Each question carries 12 marks. Section B is compulsory & is comprising case of 24 marks.**'Section A'**

1. What is store design? Discuss various elements of store design in detail.
2. What are the benefits of classifying Industrial Products? Discuss classification of Industrial products with its marketing implications.
3. Explain different types of retail formats with examples.
4. Does Industrial buying process always remains same? Explain using Buygrid Model?
5. Write short notes on following (*any three*)
 - (i) Merchandise Management
 - (ii) Franchising
 - (iii) Visual Merchandising
 - (iv) Industrial Product Lifecycle
 - (v) Private Labels

'Section B'

6. **Analyse the case and answer the question given at the end.**

GLAXO INDIA

Glaxo India imported a large number of Salbutamol based formulations in the aerosol dispensing system from their UK principals. Besides a very large number of asthma patients, reportedly, Indian army personnel alone needed a million filled-up cans every year, especially for personnel located in high-altitude regions, where the oxygen content in the air is low. At that point of time, the delivered price per aerosol-filled anti-asthma formulation was Rs. 55 (all inclusive). On their own, Glaxo's local Worli-based R & D unit got in touch with their counterparts in MBIL's Kolkata-based R & D centre. The latter requested MG, the Business Development Manager (BDM) at their Kolkata Head Office, to study this new development possibility. MG assessed and reported all the relevant details to PRD, the CMD and also to the Chief of Business Development. These were as follows:

The factory and the Indian head office of Glaxo India Ltd were both located a few hundred metres

away from the Worli factory of M/s. MBIL.

Glaxo's concerned DMU were:

- DCM: The R & D chief
- MK, the Application Development Head
- ABN, the Finance Head
- RR, the Production Head
- MR, Glaxo's concerned Marketing Chief

CDM, the R & D Chief of Glaxo India, brought in from the UK, a few dozen free samples of the aerosol-filled anti-asthma formulations, given as samples to MG, the Business Development Manager. Besides, they also air - freighted detailed drawing of the special/tailored aerosol tin can, suitably printed, to be fitted with a special, imported dispensation valve (to be imported by MBIL at their own cost from UK at around 5 per piece, and a minimum quantity of 3 lakh* pieces at a time). These were also handed over to MG for the latter's internal liaison with MBIL's personnel:

- KN, the R & D chief
- VR, the Worli-based Regional Manager
- SS, Worli's Commercial Manager
(Head of Costing and Finance)

A few other parameters had to be adhered to.

These were as follows:

- The delivered price of the special aerosol can with the imported valve cannot be more than Rs. 22 (40% of the current rated price of Rs. 55 per unit). the 40% was a then prevalent current industry estimate for the sophisticated packaging system. It meant that the special aerosol can could be priced at a maximum of Rs. 17 per unit of this fabricated aerosol dispenser (without the valve of Rs. 5 per unit).

If trial samples were acceptable to Glaxo's concerned DMU, then, to start with, 50% of the Indian Army business (one million pieces per year, as a whole) may be possible. Obviously, the 50% figure of 5 lakh pieces would mean an initial annual turnover of Rs. 110 lakh ($22 \times 5,00,000$). Of this, about 50% (that is, Rs. 55 lakh) was expected to be direct. variable costs (50 percent has been assumed).

Out of the remaining Rs. 55 Lakh.

- about 10% would be direct, non-variable costs.
- 5% might be indirect, variable costs (also an assumption), and
- a massive proportionate overhead of 20% might be now needed internally to start this new development project.

In other words, the total (minimum) cost might be 35% of Rs. 55 lakh. A balance of Rs. 35.75 lakh (Rs. 55 lakh - Rs. 19.25 lakh) might be the net contributed margin, on average estimations only*

To start this internal process, MG even estimated that another Rs. 10 lakh initial expenses (over a one year period) might be needed for purposes of travelling, boarding and lodging of MG and his other colleagues such as the R&D Chief of MBIL.

- Along with Glaxo's DMU, he had to jointly meet and convince the Indian Army personnel for speeding up the testing and approval process.
- All other contingency expenses had to be assessed.

Profit before tax (PBT) from this one project, to start with may, therefore, be approximately Rs. 25.75 lakh that is, 23.4% on an initial annual turnover of Rs. 110 lakh.

For a totally new development project, this 23.4% PBT was not bad. However, it has not taken into consideration the costs of blocked capital for importing and stocking the special valves from UK and Rs. 15 lakh in foreign currency (3 lakh pieces at 5 per piece for these special valves).

This relative contribution approach (RCA) of costing has to be first approved by Worli's regional head and his commercial Manager. Then, the allocation of personnel and other resources for design, production and printing would have to be simultaneously agreed upon, internally, at the Worli and No. 1 factories of MBIL. Any other 'hidden costs' too need to be estimated.

Two basic assumptions of MG need to be justified.

- He estimated the total development time needed as six months - would this time period be sufficient?
- The plan for 5 pieces minimum business from Glaxo India for the Indian Army's use alone - was it possible?

Were there any other related, new business possibilities?

Questions:

1. Design the pricing strategy for MBIL for designing aerosol packaging systems (APS) for Glaxo's (I) Ltd's Customer for following segments.
 - (i) Army's Patient
 - (ii) Other Asthma Patients spread all over Indian subcontinent.
2. Should the pricing strategy for these two user segments be different? Why?
3. State your views on the relative importance of pricing as one of the six components of M/s MBIL's marketing-mix parameters. State its relative importance for the two users segments mentioned above.

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Fourth Semester
FT404P: ADVANCED MANUFACTURING SYSTEM

Time: 3 Hours

Max. Marks: 60

Note: Attempt any three questions from Section A. Each question carrying 12 marks. Section B is compulsory, carrying 24 marks.

'Section A'

1. (a) What is automation? Why it is useful for mass production.
(b) Discuss advantages & limitations of automation.
2. Explain the different levels of ^{automation &} their applicability, of automation.
3. (a) What are the various fields of applications of CAM.
(b) What is Numerical control (NC). Discuss in brief basic elements of NC system.
4. Discuss various functions & principles of material handling system.
5. Define 'Flexible Manufacturing System' "FMS". What are the various functions & basic components of a FMS?

'Section B'

6. A manufacturing company wish to automate their manufacturing system to FMS. The company is manufacturing 80 different models of a product in a year. The quantities range from 200 to 2000. What type of FMS you will suggest for this? What will be the implementation methodology? Also discuss the economic viability of the project.

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Fourth Semester

FT405P: WORK STUDY AND PRODUCTIVITY**Time: 3 Hours****Max. Marks: 60**

Note: Attempt any three questions from Section A. Each question in this Section carries 12 marks. Section B is compulsory and carries 24 marks.

'Section A'

1. Define the term 'Productivity' and differentiate between 'Partial Productivity' and 'Total Productivity'. State the ways of improving productivity.
2. Distinguish between 'work study' and 'methods study'. List the benefits of work study and enumerate the steps involved in basic work-study procedure.
3. What is meant by 'motion economy'? What are the various principles of motion economy? List out the 18 therbligs used in the micro-motion study.
4. State the Objectives of work measurement. What are its benefits. Briefly describe the various work measurement techniques viz. time study with stop-watch, synthesis method, analytical estimating and pre-determined motion time system.
5. Write short notes on *any two* of the following:

(a) Productivity Analysis	(b) Human aspects in application of work study
(c) Value Analysis	(d) Product development

'Section B'

6. **Attempt the questions at the end of the following case:**

JEANS THERAPY

In an industry notorious for low wages and lousy working conditions, Levis has prided itself on being a grand exception. It offered generous pay plus plenty of charity support in factory towns - all financed by the phenomenal profitability of its brilliantly marketed brand name. It clung to a large U.S. manufacturing base long after other apparel firms began moving offshore, and it often was ranked among the best companies to work for.

But to many of Levi's workers, the company's image has not fit for some time. In 1992 the company directed its U.S. plants to abandon the old piecework system, under which a worker repeatedly performed a single, specialized task (like sewing zippers or attaching belt loops) and was paid according to the amount of work he or she completed. In the new system, groups of 10 to 35 workers would share the tasks and be paid according to the total number of trousers the group completed. Levi's figured that this would cut down on the monotony of the old system and enable

snitchers to do different tasks, thus reducing repetitive-stress injuries.

At the time, the team concept was a much-touted movement designed to empower factory workers in many industries, and Levi's unions agreed to the effort. But there was more to it than that for Levi's. Faced with low-cost competitors manufacturing overseas, the San Francisco-based company did not feel it could keep many of its U.S. plants open unless it could raise productivity and reduce costs, particularly those incurred by injured workers pushing to make piecework goals. Teamwork, Levi's felt, would be more humane, safe, and profitable.

Instead, the new system led to a quagmire in which skilled workers found themselves pitted against slower colleagues, damaging morale and triggering corrosive infighting. Many top performers said the first thing they noticed about teams was that their pay shrank - and some of them decided to throttle back. They felt cheated because they were making less. Whenever a team member was absent, inexperienced, or just slow, the rest of the team had to make up for it. That infuriated some team members who felt they were carrying subpar workers. With limited supervision from coaches, groups were forced to resolve most workflow and personality issues themselves.

The fundamental problem arises from the nature of work at Levi's factories. Unlike an assembly line for cars or copiers, speed in garment-making relates directly to a worker's skill and stamina for grueling, repetitive motions of joining and stitching fabric. The workers in Levi's plants operate machines that perform specific tasks: pocket setter, bell looper, and fly stitcher, among others. Some employees work much faster than others.

In 1993 Levi's hired a consulting firm to analyze the problems. Its conclusion was simply that the company should start from scratch and involve all parties in a redesign of pay structures and work processes. As they began discussing the changes, some plant managers complained that the sessions were "at times too touchy-freely and not business based enough." Some managers just did not like the idea of having sewing machine operators challenge their "authority. Costs mounted, and in April 1994 plant managers were warned that they must cut costs by 28 percent on average by the end of 1997 or face an uncertain future.

By early 1997, Levi's share of the domestic men's denim jeans market fell to 26 percent from a high of 48 percent in 1990. Burdened by new debt, Levi's in February 1997 announced plans to cut its salaried workforce by 20 percent over 12 months. Later in November 1997, the firm announced the closing of 11 U.S. plants and layoffs of 6,395 workers. The Company said that none of these jobs were transferred overseas- Still, over the years the company shifted much of its work abroad. Industry wide in 191, approximately 15 percent of the jeans for the U.S. market were manufactured abroad. Approximately 45 percent of the jeans were produced in foreign plants by the end of 1997.

Levi's says the team approach was the company's attempt to ensure long-term survival for as many U.S. plant as possible. Plant closures might have come sooner, and job losses might have been heavier, had teams never been adopted, company officials say. Levi's vows to persevere with the team strategy at its remaining U.S. plants. But unofficially, much of the approach is being scraped as individual managers seek ways to improve productivity. People in the plants are gradually going back to the old way of doing things.

Questions:

1. What went wrong with Levi's move to teams in their plants?
2. What could Levi's have done differently to avert the problems?
3. Devise a team incentive plan that you think might work.
4. Do you think the need to move Jeans production offshore was inevitable? Could Levi's have done anything to avert the problem of increasing labor costs?

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Fourth Semester

FT406P: TECHNOLOGY MANAGEMENT

Time: 3 Hours

Max. Marks: 60

Note: Attempt any three questions from Section A. Each question carries 12 marks. Section B is compulsory, carrying 24 marks.

'Section A'

1. Explain and Discuss the role of technology in the overall business strategies of a firm. How does technology affect the business plan of a company? Give examples.
2. What are the factors that have necessitated the use of technology forecasting as a tool for management? Explain briefly, with reasons.
3. Explain what should be the main elements of future thrust of Indian Industry for accelerating absorption of imported technology.
4. What are the parameters that need to be kept in the mind while doing Technology Evaluation for a company?
5. Write Short notes (*any two*)
 - (a) Technology Diffusion
 - (b) Technology Support System
 - (c) Technology Management Group

'Section B'

6. Analyse the following case and answer the questions given at the end.

CATCHING UP FROM BEHIND: MANUFACTURING IS THE KEY

The strategy that brought success to both Japan and Korea is quite evident. Manufacturing has to be the main stay of the economy, and within manufacturing there has to be a move towards more knowledge intensive or technology intensive activities. Such a strategy increases productivity and strengthens the competitiveness of the goods in the world market, and hence boosts exports. The strategy, however is not a new discovery by these countries. As early as 1844, Friedrich List as a keen observer of the economic development of England, described English catching-up process. 'The principle sell manufactures, buy raw material was during centuries the English substitute for an (economic) theory' (as quoted in E.S. Reinert, Catching-up from way behind: A third world perspective on first world history, in, The Dynamic of Technology Trade and Growth, ed. Jan Fagerber, Bart Verspagen, and Nick Von Tunzelmann, Edward Elgar, 1995), In fact it has been argued that Japan learnt the efficacy of the manufactures for superior productive power from the German teachers who flowed in Japan from 1883 onward (Reinert). In post World economic reconstruction, Japan

strongly rejected the strategy of specialization in economic activities using comparative advantage of cheap labour (13.1 million unemployed after the war). Instead carefully chosen activities that began with textiles, followed by steel and then automobile and ship; and also electronic industry as emerging technology area (particularly in the home electronics market), and thereby setting a steep learning curve for the economy. Korea and other newly industrialising countries like Singapore, Hong Kong, and Taiwan followed the same strategy.

What is so intrinsic in manufacturing that it forms the core of the growth strategies of the successful catch-up countries? The answer to this question can be found in the general principle of economics of return to scale. Between agriculture and manufacturing, the former is dependent on land the availability of which is limited. It is more so in the cases of Japan and Korea. As a result agricultural activities are subjected to diminishing returns more quickly than it is in the manufacturing activities where requirement of land is negligible compared to agriculture. New technological inputs, as argued by Ricardo, can only defer the onset of diminishing return in agriculture, cannot reverse it. The manufacturing sector on the contrary, can enjoy increasing return to scale by infusion of new technological knowledge, both in machine and human embodied forms. It is the scope of increasing return to scale that makes manufacturing sector special in terms of quick growth of factor productivity and also the benefit of imperfect competition (along with short run and long run barrier to entry).

Given the relation between return to scale and economic activities, as it is briefly described above, the task for growth seeking countries is to look for the activities that offer the best scope of increasing return to scale. Thus in early 15th century a poor country like England could quickly change its fortune and catch-up with the Italian economy by carefully choosing the downstream production activities of manufacturing wool and woolen clothes, gradually replacing the age old practice of export of raw wool and import of woollen product manufactured in Italy. The rest is history. The Crown promoted establishment of textile manufacturing firms, created the scope of textile machinery, followed by waves of mechanization that extended from wool to other areas of manufacturing.

What had been easy for England in 15th century, is a formidable task in today's world. Today's, locating these superior activities concentrated in any broad industrial category, as in the past, is difficult. Almost all activities and industries, even the most pedestrian ones, have some segments offering the winning combination of innovation and imperfect competition' (Reinert, 1994). Japan and Korea had followed the most pragmatic path.

Japanese textile industry was doing good business catering to the huge demand for cheap cloths during post World War period. It also provided the employment cushion needed for large number of unemployed population in war-shattered economy. Japan already had significant textile machinery industry. The reconstruction drive of the war-damaged infrastructure witnessed a sharp demand of steel world over. Japan had cashed in these opportunities. By 1960 steel was occupying 34% of Japan's export. Within a short period Japan shifted its choice of economic activities to most promising areas like product with application of electronics, and machinery and equipment industry that was changing fast towards automation through potential application of new technology based on electronics. At the higher end of the machinery and equipment industry was automobiles and ship buildings; area where Japan established its global supremacy by the end of 1970's. What is to be noted in the choice of the manufacturing activities by Japan is the potential for technological innovations. On the one hand choosing industries that have high value products as well as high value applications across the industry, on the other hand developing capabilities in application of electronics, together provided the scope created by the combination of innovation and imperfect competition.

Korean effort was much more narrowed down. Korea targeted automobiles, electronics, and semiconductor chips, and made a determined effort to create competitive edge through intensive and targeted R&D initiatives. Like Japan, Korea also chose industries with potential technological innovations. In electronic Korea successfully ventured in to home appliances differentiated with new features. In semiconductor chips it competed with Japan and USA to catch up at the right time to share the rising demand in the world market.

Economic growth, however, does not automatically follow from the appropriateness of the activities chosen. Choice of appropriateness itself is a complex process. None of the catch-up countries left it to so called 'market forces'. As it is known now, in Japan Ministry of International Trade and Industry (MITI) played critical role in controlling and directing the process of industrialisation. In Korea, as Linsu Kim writes, "...one of the most conspicuous characteristics of the industrialization of Korea is the strong government and its orchestrating role. The government held the wheel and supplied the fuel, while private firms, particularly chaebols, functioned as engines (Linsu Kim, Imitation to Innovation, 1997. Harvard Business School Press)." In both the cases respective governments steered the growth process through series of policies.

Questions:

1. What would India do now in terms of management to become a strong economic power?
2. What was the difference between the Korean and Japanese strategy?
3. What was wrong with England's strategy?

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Fourth Semester

FT404I: ENTERPRISE RESOURCE PLANNING**Time: 3 Hours****Max. Marks: 60****Note: Attempt any five question. Each question carries equal marks.**

1. (a) How is business integration achieved by ERP systems?
(b) What are the benefits of ERP systems?
2. (a) Differentiate between DSS and EIS?
(b) What are the various subsystems of the financial module?
3. (a) What are the major functions of the material management module?
(b) Why ERP packages are becoming popular in Indian market?
4. (a) What are the major functions of the manufacturing module?
(b) What is ATO and How is it different from MTO?
5. (a) Explain the advantages of CAD/CAM.
(b) How does an ERP system facilitate better decision making?
6. (a) How the cost of ERP implementation is built up?
(b) What are the predictions about future of the ERP market?
7. (a) What are the modules available in SAP AG?
(b) Why is pre selection screening important?
8. (a) What are the different phases of the ERP implementation life cycle?
(b) What is the purpose of gap analysis and how are the gaps fixed?

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Fourth Semester
FT405I: RELATIONAL DATABASE MANAGEMENT SYSTEM

Time: 3 Hours

Max. Marks: 60

Note: Attempt any five questions. Each question carries 12 marks.

1. Draw the overall architecture of DBMS, and explain its various components.
2. What is the use of ER diagram. Draw the ER diagram for Banking System.
3. What are the various integrity constraints used in DBMS? Also explain domain constraints with examples.
4. What is the use of Normal forms. Explain first, Second and third normal form with suitable example?
5. Explain the following term with examples.
 - (a) Functional Dependencies (FD)
 - (b) Multivalued Dependencies (MVD)
 - (c) Join Dependencies (JD)
6. Why deadlock occurs during database operations? What are various conditions for deadlock? Explain in details.
7. Explain Replication & Allocation techniques for distributed System.
8. Write short notes on:
 - (a) Conflict & View Serializable Schedule.
 - (b) Multiple Granularity
 - (c) Concurrency Control
 - (d) Log Based Recovery

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Fourth Semester

FT406I: VISUAL PROGRAMMING USING VISUAL BASIC

Time: 3 Hours

Max. Marks: 60

Note: Answer any five of the following questions. Each question carries equal marks.

1. (a) Explain the different types of Programming Approach.
(b) Discuss the structure of Visual Basic applications.
2. (a) Discuss any five properties of Form with suitable example.
(b) Explain any three distinguished properties of the following controls.
 - (i) Picture box
 - (ii) Timer
 - (iii) Command Button
 - (iv) Data Contro
3. (a) Write a Program in VB to print table of a given number.
(b) Explain static, Public and Private variable.
4. (a) What is the difference between form initializing and loading?
(b) Write steps to create menu under menu-editor.
5. (a) What is the basic difference between list and combo box control?
(b) How many data object you know in VB? Explain the ADO Object.
6. (a) What is the difference between MS-Access and SQL server?
(b) Why we use DB grid control in VB?
7. (a) Discuss the steps for creating crystal report in VB?
(b) What is connection string in VB?
8. Write short notes on: (*any four*)
 - (i) Common Dialog Box
 - (ii) Drag and Drop Events
 - (iii) Project Explorer
 - (iv) Properties Window
 - (v) Form Layout Window

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Fourth Semester

FT404F: INTERNATIONAL FINANCE

Time: 3 Hours

Max. Marks: 60

Note: Attempt any two questions from Section A and three from Section B. Each question carries 12 marks.

'Section A'

1. (a) What is disequilibrium in BOP? What are the measures to correct this disequilibrium?
(b) What is Inter Bank Payment & Settlement System?
2. (a) "The Objective of Trade barrier is to control the trade". Explain & discuss Non Trade barriers.
(b) "Trade Theories are designed to facilitate the international trade". Discuss & Explain classical theories.
3. Write short notes on the following:

(a) EURO Bonds	(b) Difference between ADR & GDR
(c) Letter of Credit	(d) Post Shipment Finance

'Section B'

4. Your bank's London Office has surplus funds to the extent of GBP 5,00,000 for a period of 3 months. The cost of fund to the bank is 4% p.a. It proposes to invest these funds in London, Newyork or Frankfurt and obtain the best yield, without any exchange risk to bank. The following rates of interest are available.

London - 5% p.a., Newyork - 8% p.a. Frankfurt - 3% p.a.

The market rates in London for US dollars and Euro are as under:

London on New york

Spot	1.5350/90
1 Month	15/18
2 Months	30/35
3 Months	80/85

London on Frankfurt

Spot	1.8260/90
1 Month	60/55
2 Months	95/90
3 Months	145/140

At which centre will the investment be made & what will be the net gain (to the nearest pound) to the bank on the funds?

5. From the following information you are required to calculate:

- (a) Ready bill buying rate.
- (b) 2 months forward buying rate for demand bill.
- (c) Ready rate for 60 days usance bill.
- (d) 2 months forward buying rate for 60 days usance bill.

Interbank rate Us dollar.

Spot	USD 1 = Rs. 48.6000/6075
1 Month	3500/3600
2 Months	5500/5600
3 Months	8500/8600
4 Months	1.1500/1.1600
5 Months	1.3500/1.3600
6 Months	1.5500/1.6600

Transit period is 25 days. All forward rates are for fixed delivery. Exchange margin is 0.10%.

6. Two firms A & B are examining opportunities to borrow money in market for fixed rate & floating rate bonds. The prices (yields-to-maturity) associated with their choices are as follows:

	Firm A	Firm B
Fixed Rate	12%	10%
Floating Rate	8%	5%

Clearly, Firm B has the Absolute borrowing cost advantage in both markets.

- (a) However, does one firm have a comparative advantage for one type of instrument versus the other? If, so which firm, for which instrument?
 - (b) Can these two firms exploit their comparative advantage to borrow on behalf of each others. and swap their borrowing with the others firm, so that both are made better off? Describe how, and provide an example of the gains that could occur (assume that there are no default risk with either party)
7. Your customer has requested you to purchase a 30 days sight bill for swiss Franks 5,00,000. Assuming Rupee/US dollars are quoted in the local interbank market as under:

Spot	USD1 = Rs. 49.2800/2875
1 Month Forward	1700/1750
2 Months Forward	3500/3550
3 Months Forward	5500/5550

and swiss franks are quoted in singapore as under:

Spot	USD1 = CHF 1.4250/4375
1 Month Forward	50/55
2 Month Forward	105/110
3 Month Forward	155/160

What rate will you quote to your customer provided you required an exchange margin of 0.10%, bearing in the mind following:

- (1) The transit period for bills = 25 days
- (2) Rate of interest = 10 % p.a. and
- (3) Commission on export bill is Rs. 500.

Also, show the net amount payable to the customer. Rupee amount to be quoted nearest to whole rupee.

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Fourth Semester

FT405F: CORPORATE STRATEGIC FINANCIAL DECISIONS

Time: 3 Hours

Max. Marks: 60

Note: Answer any two questions from Section A and any three questions from Section B. All questions carry equal marks.

'Section A'

1. What is the major difference between an operating lease and financial lease? Enumerate other types of lease arrangements also.
2. What is merger? What synergies exist in;
 - (a) Horizontal mergers.
 - (b) Vertical mergers and
 - (c) Conglomerate mergers?
3. (a) What is meant by P/E ratio? What is logic of using this concept in investment decisions?
(b) The debt component in capital structure has no impact on the share valuation of company. Comment.

'Section B'

4. A Project which requires an initial outlay of Rs. 1,40,000 has a scrap value of Rs. 20,000 at the end of its life of six year. It's stream of income before depreciation and taxes during the period of six years are as given below:

1 st year	Rs. 30,000
2 nd year	Rs. 36,000
3 rd year	Rs. 42,000
4 th year	Rs. 48,000
5 th year	Rs. 60,000
6 th year	Rs. 70,000

The required rate of return is @ 10% and it pays tax at @ 50% rate. The project has a life of six years and depreciated on straight line basis. You are required to calculate;

- (a) Payback Period
 - (b) Discounted Payback Period
 - (c) Average Rate of Return
 - (d) Net Present Value
 - (e) Profitability Index
5. Franz Haniel Ltd. has a paid-up ordinary share capital of Rs. 10,00,000 divided into equity

shares of Rs. 10 each. It requires further funds amounting to Rs. 5,00,000 to finance its expansion programme. Following are the alternatives under consideration;

- (a) Issue of @10% debentures of Rs. 5,00,000.
- (b) Issue of 50,000 @ 13% preference shares of Rs. 10 each
- (c) Issue of 50,000 equity shares of Rs. 10 each.

The company's earning before interest and tax (EBIT) are Rs. 4,00,000 per year. You are required to calculate and critically analyze the effect of each of above alternatives on EPS presuming.

- (i) EBIT continues to be same after expansion.
- (ii) EBIT increases by Rs. 1,00,000.

6. Eicher Ltd. belongs to a risk class for which the approximate capitalization rate is 10%. It currently has an outstanding 30,000 ordinary shares, which are selling in market at Rs. 80. The Company is expecting a net income of Rs. 4,00,000 and it has a profitable investment (project) proposal that costs Rs. 6,00,000. The company is interested to declare a dividend of Rs. 4 per share at the end of financial year. Show that under MM hypothesis the payment of dividend does not affect the value of the firm.

7. Following are the financial statements of the TATA Ltd. for the year 2010-11.

P/L Account (Amt. in Rs.)			
Particulars	Amount	Particulars	Amount
To Op. Stocks	80,000	By Sales	2,40,000
To Purchase	1,20,000	By Closing Stock	1,00,000
To Gross Profit	1,40,000		
	3,40,000		3,40,000
To Admin. Exp.	40,000	By Gross profit	1,40,000
To Selling & Dist. Exp.	30,000		
To Interest on Debentures	4,200		
To Income Tax	29,800		
To Net profit	36,000		
	1,40,000		1,40,000

BALANCE-SHEET			
Liabilities	Amount	Assets	Amount
Capital:		Machinery	40,000
5000 Equity shares of Rs. 10 each	50,000		
8%, 2000 Pref. Shares of Rs. 10 each	20,000		
P/L A/c	44,000	Stock	1,00,000
5% Debentures	80,000	Debtors	60,000
B/P	30,000	Cash	44,000
Tax payable	20,000		
	2,44,000		2,44,000

You are required to calculate:

- (i) Rate of return on equity capital
- (ii) Rate of return on Total Assets
- (iii) Earning per share
- (iv) Capital gearing ratio
- (v) Working capital ratio
- (vi) Stock turnover ratio

- 1. What is the difference between an operating ratio and financial ratio? Enumerate other types of such ratios also.
- 2. What is meant by what systems each in:
 - (a) Horizontal analysis
 - (b) Vertical analysis and
 - (c) Cross-sectional analysis?
- 3. What is meant by P/B ratio? What is logic of using this concept in investment decisions?
 - (a) The debt-equity ratio in capital structure has no impact on the share valuation of company. Comment.

Section III

- 4. A Project which requires an initial outlay of Rs. 1,48,000 has a yearly inflow of Rs. 30,000 at the end of each of six year. It's stream of income before depreciation and taxes during the period of six years are as given below:

1 st year	Rs. 30,000
2 nd year	Rs. 36,000
3 rd year	Rs. 42,000
4 th year	Rs. 48,000
5 th year	Rs. 50,000
6 th year	Rs. 70,000

The required rate of return is 10% and the cost of capital is 5%. The project has a life of six years and depreciation on straight line basis. For an investor calculate:

- (a) Payback Period
 - (b) Discounted Payback Period
 - (c) Average Rate of Return
5. Frank Hotel Ltd. has a paid up ordinary share capital of Rs. 10,00,000 divided into equity

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Fourth Semester
FT406F: INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Time: 3 Hours

Max. Marks: 60

Note: Attempt any two questions from Section A and three from Section B. Each question carries equal marks.

'Section A'

1. What is investment? How it is different from speculation? Discuss the process of construction of Portfolio?
2. What are the reasons that different techniques of Portfolio evaluation give different results of evaluation of the portfolios? What would be the condition for using Sharpe Index method and under what circumstances Treynor or Jensen Model would be used for evaluation of the Portfolios?
3. Discuss the process of Book Building. What do you mean by Green Shoe option and Red Hearing prospectus?

'Section B'

4. Discuss with derivation the condition of constructing a portfolio consisting of two assets with minimum risk if
 - (a) They are perfectly negatively correlated.
 - (b) They are not perfectly negatively correlated
5. Prove that if market and stock returns are perfectly positively correlated then Security market line and Capital market line becomes same.
6. P Co. has to make payment Rs. 2 million on 16th April, 2005. It has surplus money today i.e., 15th Jan, 2005 and the company has decided to invest in Certificate of Deposit (CDs) of a leading nationalized bank at 8% p.a. What money is required to be invested now?
7. Kamath portfolio Ltd. has three investments in its portfolio. Its details are as follows:

Investment	E(R _i)	β _i	Proportion of invested funds
X	14%	1.6	50%
Y	16%	1.2	20%
Z	12%	0.8	30%

Calculate the weighted average of expected return and beta factor of the portfolio.

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Fourth Semester

FT404H: HUMAN RESOURCE PLANNING AND AUDIT**Time: 3 Hours****Max. Marks: 60**

Note: Attempt any three questions from Section A. Each question carries 12 marks. Section B is compulsory and carries 24 marks.

'Section A'

1. Define HRP. Describe the characteristic and objectives. Explain the reasons for growing interest in HRP in recent years?
2. What is OCTAPACE Culture? Discuss the role of top management in auditing the organization culture?
3. How will you design and develop human resource information system in an industrial organization?
4. What do you mean by HR Auditing? Explain various methods used by the auditor along with its advantages and disadvantages.
5. Write short note on: (*any two*)
 - (a) Audit Results, Preventive and Corrective actions.
 - (b) HR Bench Marking
 - (c) Myths and Realities of HRD.

'Section B'

6. **Read the following case, analyse it carefully and solve the questions.**

Mr. M.S Rao, was the senior-most field assistant in a Sugar Factory, under the management of the State Government. He had been working with the factory since 1962.

Each field assistant is allotted a group of villages and a central place is fixed as his headquarters – from where he has to operate. His main functions are: to tour the villages to meet cane growers to look after their seed and manure requirements, to advise them on improved agricultural practices, to collect data for obtaining crop-loans from banks and to register agreements for the supply of cane to the factory for crushing etc. He also serves as a vital link between the cane growers and the management.

However Mr. Rao seldom stayed at his headquarters to attend to his duties. He used to stay in his own house in a nearby town to carry on various types of business like 'arrack' money lending 'matka' (speculations) etc. He was the GI Secretary of the Workers' Union and also the Worker Director on the Board of the management. He was also active in local politics and worked for the candidate who was elected to the state Assembly in the previous General Elections.

There have been several complaints from the cane grower members that Mr. Rao was never available at his headquarters and that he had not been attending to his legitimate work. The management in the past had not taken any effective action against the said field assistant for fear of incurring the wrath of the political bigwigs. On the contrary a soft pedal approach was adopted in his case.

The company has now acquired a new MD who, in a bid to improve the overall performance of the factory, has made several changes, one being the transfer of Mr. Rao to another centre. But the latter had not reported to the new place even after three months and continued to carry on his private businesses despite the fact that a number of memos were issued to him. Finally, the management issued a 'Show-Cause Notice' mainly on the ground that he was grossly negligent in his work, that he was never available at headquarter that, he was carrying on private business to the detriment of the company's interest.

While giving a very evasive, reckless and arrogant reply to the above 'Show-Cause Notice'. the filed assistant threatened the MD with serious consequences including a defamation suit against him, if further proceedings were not dropped. Not satisfied with the explanation offered by the field assistant, a domestic enquiry was ordered by the management. An out-sider, who is a senior advocate was appointed as Enquiry Officer to investigate the charges against the Mr. Rao and to submit a report within a month.

At that state, Mr. Rao filed a defamation suit against the MD, said to be in his personal capacity, in the local Civil Court urging that this reputation as GI secretary of the Worker's Union and as Worker-Director on the Board had been tarnished and claimed damages for the mental agony he suffered,

Meanwhile, the Enquiry Officer started his proceedings in accordance with the regular procedure. The field assistant held out several threats to the Enquiry Officer and tried his best to avoid the enquiry on some pretext or the other. But the enquiry, though protracted for about six months, was ultimately completed and proved beyond that all the charges framed against him were valid.

Now, when the matter came up before the management to take a final decision on the finding of the Enquiry Officer, several political pressures were brought on the management to drop further action in the matter But, the management, inspite of the threats and pressures, terminated the services of the field assistant on the basis of the proved charges and in the larger interest of the organisation.

Some of the issues that arise from this case are:

1. Was the management justified in terminating the services of the said field assistant on the above mentioned grounds?
2. Did he deserve any reformatory approach, particularly in the context of his behavior subsequent to the issue of the charge-sheet?
3. What would have been the position had a lenient view been taken and further proceedings against Mr. Rao dropped?
4. Is the defamation suit against the MD said to have been filed by Mr. Rao in his personal capacity, tenable?
5. How do you react to the political interference brought on the management in such cases?

MAY, 2011

Master of Business Administration Examination

[MBA]

Fourth Semester

FT405H: BUSINESS PROCESS TRANSFORMATION**Time: 3 Hours****Max. Marks: 60**

Note: Attempt any three questions from Section A. Each question carries 12 marks. Section B is compulsory and carries 24 marks.

'Section A'

1. (a) Discuss the process of Team Building.
(b) Discuss the process of Small Group Activities.
2. (a) Explain important Quality Awards.
(b) Examine ISO 9000 and ISO 14000, Process Implementation and Certification.
3. Examine the concept, methodology and Implementation of BPR.
4. Discuss the Process and methodology of Turnaround Management.
5. (a) Explain causes of resistance to change.
(b) What is Knowledge Management? Discuss the role of chief knowledge officer in organisation.

'Section B'

6. **Analyse the case and answer the questions given at the end.**

BIG BRANDS FOODS, INC.

Since their inception and popular acceptance at mid-century, coupons have been the bane of the retail food industry. Even though expensive to distribute and redeem, these pesky bits of paper had seemed a necessary evil in the on going war for market share among major food stores.

Until the Bonus Card, beginning in early 1998, Big Brand Food Stores, Inc. led an industry revolution by doing away with coupons. The Bonus card is a plastic card that credits purchasers with discounts on an ever-changing variety of food, health, and home supply products. Using the Bonus Card is simple compared to the old days of collecting and sorting coupons. Customers simply show the Bonus card at the check-out stand and their savings are automatically credited to their purchase amount. Because the number on the card is the person's telephone number, most checkers dispense with seeing the plastic card and just ask for the customer number.

The Bonus Card approach to attracting and holding customers is a resounding success. The company saves in excess of 40 percent of the expenses-involved in coupon publication and redemption. The Bonus Card program began innocently enough as an expedient alternative to coupons. Big

Brands Food Stores, however, soon realized that the program was generating a gold mine of data on customer preferences and purchasing patterns. Day by day, the company's mainframe computer accumulates an exact inventory of purchases-by item, price and time of day-for each customers participating in the Bonus Card pro-gram, and well over 80 percent of store customers held Bonus Cards by October 1998. These customers were known to the computer not just by telephone number buy, by easy interface with telephone company records by name and street address. The computer could specify, for example that Mr. C. J. Jones of 187 Ocean Ave., San Francisoco, spent Rs. 214 on over-the-counter pharmaceutical and health-related purchases in the past six months and could further list the specific items purchased.

Deciding what to do with this mushrooming database of otherwise private information was the next step. The company first began to extract meaningful information from its data heap by seeking generalized customer profiles for the purpose of more targeted marketing. For example, the company discovered one profile (22 percent of its customers) purchased food items but no health-related or cleaning products. The company seized the opportunity of broadening its range of sales to these customers by mailing them advertising booklets featuring specific discounts on health-related and cleaning product. Another customer profile (after 8:00 P.M. shoppers) showed a preponderance of prepared-food and snack-food purchasers. This information influenced the way the stores stocked and displayed such items and the hours it allotted for them.

While the program is an outstanding success potential problems began to develop. Insurance companies, brand vendors, HMOs, and even the IRS requested access to the information gold mine. Insurance companies would use the data to rate the insurability of new applicants Brand vendors wanted to know who was buying their product when, where and for how much. HMOs felt that customers with a record of high expenses for pharmaceuticals would be ideal targets for HMO advertising. And the IRS wanted to use individual gross expenditures at the food stores as a means of detecting unreported income.

Because profit margins at the stores seldom exceed 2 percent management was engaged by the prospect of selling information to interest third parties. However, before acting on such requests, the company has decided to convene a closed-door meeting of top company executives and information systems specialists.

Questions for Discussion:

1. What policies should guide knowledge management in the company?
2. What uses should be made of the company's growing base of specific customer information?
3. What should customers be told about how this information will be used by the company or others?
4. Should customer consent be obtained for the use of existing information or the gathering of future information?
5. Who should be allowed access to such information?
6. Can access be denied to the IRS, FBI, federal and state regulators and other?
7. Should the Bonus Card program be continued? Expanded?

MAY, 2011

Master of Business Administration Examination
[MBA]

Fourth Semester

FT406H: SOCIAL AND INDUSTRIAL PSYCHOLOGY

Time: 3 Hours

Max. Marks: 60

Note: Attempt any three questions from Section A. Each question is of 12 marks. Section B is compulsory consisting of 24 marks.

'Section A'

1. "Our perceptions, attitudes & actions are strongly affected by other persons." Discuss the statement in the light of the nature of Social Psychology.
2. Social influences like conformity & obedience play an important role in shaping individual behavior. Discuss these influencing factors on the basis of the following:
 - (a) Factors facilitating the occurrence
 - (b) Ways/ reasons to resist the occurrence
3. Critically examine testing abilities & testing Personalities as important mechanism in selection process. What influence these tests have on organisational productivity?
4. Highlight the importance of self concept & self esteem in enhancing the performance of employee in the organisational setting.
5. Write short notes on *(any two)*
 - (a) Impression Formation & Impression Management
 - (b) References & Background Investigations
 - (c) Types of employment Interviews

'Section B'

Analyse the following case and answer the questions given at the end.

DILEMMA OF DECISION MAKING

Swaminathan (hereafter Swami) hails from a lower middle class family. His father was a teacher in a missionary school and had to support a family of five children. Swami's father was a self-made man who left his native village after studying till middle class. He came to a hill station 600 miles away from his native village on his own. Starting from tuitions and performing as a Hindu Purohit (priest) for household religious ceremonies, he studied upto shastri degree and joined the missionary school as a Hindi and Sanskrit teacher. A hard working and determined man, Swami's father lived an austere and rigorous life working from dawn till late night for supplementing his modest salary with earning from private tuitions and religious ceremonies. Swami and his elder brother were with his father since childhood whereas Swami's mother and three elder sisters con-

tinued to live in the village looking after the small agricultural holding.

Swami started his schooling from his father's school. He was considered a bright and self-motivated boy by his teachers and always maintained his place among the top three in his class upto the high school. Swami's elder brother, through not attaining high scores in studies, was very fond of reading good literature and considerably influenced Swami in his determination to work hard for a good career. By the time Swami completed high school, his father retired from service and the burden of the family fell upon his elder brother who by now had taken up a job of a clerk in a Central Government Undertaking.

Soon Swami accepted the job as a part-time clerk in the Department of Management of AB University. His job timings were from 3.30 p.m. to 9.30 p.m. This job did not come in way of his studies as a day scholar and he completed his graduation followed by M.B.A. with distinction. As soon as he completed his M.B.A., Swami got an offer as a full time Lecturer in that very department where he was working alongwith six of his M.B.A. programme classmates. The Department of Management at this time comprised of a professor aged 40, a Reader aged 39, another Reader aged 27 and eight Lecturers.

Prior to Swami's joining this department, only one professor, two Readers and a Lecturer were running the entire show. Swami got married at the age of 27 and his wife also hailed from a family with similar economic and social background as that of his family. Swami's wife was also self-made and was teaching in a leading public school of the city from the age of 18. Swami seemed to be goaded by an insatiable urge to achieve higher and higher. Within the first seven years of his job as Lecturer, Swami had completed his M.Phil and Ph.D and had earned recognition as a good researcher and teacher. Soon he got the chance to join a comparatively bigger University at a higher salary, but with the same designation. After four months, Swami was selected as Reader in BC University in a small town, adjacent to a metropolitan city. Swami decided to join here and got the opportunity of developing a small Department of Management as Head of the Departments. Swami served for seven years in BC University and earned considerable goodwill as a teacher, researcher and institution builder. His work as a successful teacher attracted the attention of many other Universities and he was offered the position of Professor in CD University. Swami, goaded by his ambition and need for achievement accepted the offer of the CD University, despite persuasion of colleagues and Vice Chancellor of BC University who wanted him to stay on for sometime with BC University and fill up the vacant position of Professor later on.

Within two months of joining CD University, Swami was invited for interview for the post of Professor in the BC University. This put Swami in a dilemma and torn between the positive-positive conflict (working in BC University where he had established the department versus the recognition and freedom that he was enjoying for contributing to the development of a fast expanding Management Department at CD University). Swami did not attend the interview at BC University. But keeping in view his contribution, BC University made an exception in fixing interview for the post of Professor again within a week but Swami, being in the same state of mind, could not attend it. The post of Professor at BC University, therefore, could not be filled up. In another two months time, Swami was selected against the vacant position of Professor in the AB University at his native place where all his erstwhile classmates were still continuing as Lectures. His selection as Professor in AB University, however, was not liked by some of his erstwhile colleagues in that University and they made their resentment known through the legal Press and one of them even went to the extent of getting a stay order over his appointment from the court of law.

Swami was trying to get over the dilemma of joining or not joining the AB University where all his erstwhile colleagues were still serving as Lectures except two who were promoted as Read-

ers and had competed with him for the position of Professor. These two Readers now in late 30s, who competed with Swami for the position of professor had taught Swami in his M.B.A. Programme as Visiting Faculty. Since Swami who had already resigned from the CD University for joining AB University could not join because of the orders given by the court to the University (not allowing Swami to join till decision on the petition filed against him by a former colleague and teacher who competed with him but could not be selected). Swami joined back as a Reader in the BC University where his lien was continuing. But within the three months, he was again offered the position of Professor by the CD University. At CD University, Swami made a place for himself as a man of ideas and earned considerable goodwill of his colleagues, subordinates as well as Head of the Department. He, being the senior Professor at the time to his appointment, came up the expectations of all for becoming the next Head of the Department of this fast developing Department. The present HOD was due for retirement in two years. Swami's family also got settled by now in the new place. His wife got a job in a leading Public School of the city and his son was also admitted in the same school.

Swami, who was working as a Professional with enthusiasm and devotion for development of the department suddenly got a setback in terms of the decision of the Vice Chancellor of the University, who accepted the representation of another Professor (till now junior to Swami) for counting his previous service rendered in another University as Professor for determining seniority in this university. This made Swami Junior to this Professor (in his late 40's) who had joined with Swami four months ago, but was put at No. 2 in order of merit by the selection committee. This meant that after the present H.O.D. who was to retire within 2 years, Swami would neither get the chance of heading the department nor the position of Dean of Management Studies. Swami was advised by his well-wishers to go to the court of law against this unprecedented and legally untenable stand of the Vice Chancellor of the University. While Swami was contemplating on the merit of this advice, he received news that his appointment at the AB University was upheld by the court. He received again the offer of joining the AB University as Professor in the same department from where he had started his career. Now Swami went with his resignation letter to the present H.O.D. and Vice Chancellor of CD University. The Vice Chancellor of the University who had recognised all along the merit of Swami by involving him in planning and implementation of various developmental activities and was now instrumental in making the University take an unprecedented and legally untenable decision on seniority of Swami, persuaded Swami to stay on in this university in the interest of the University and not to bother about the minor consequences of his position.

Now Swami was again in a dilemma of taking a decision. On the one hand, he had a fast developing department and a well settled family life in a fairly good city but with him being number two in order of seniority among three Professor; whereas, on the other hand he had a small department with number one position as Professor in a place of his choice and where he could happily settle with his family but also had some of his erstwhile disgruntled colleagues in the department alongwith the high cost of shifting as well as uprooting his family again from one place to another.

Questions:

1. After reading the case what type of impression is formed about Swaminathan? Had you been in his place how would have you managed your impression?
2. In this case Swaminathan was completely self focussed and gave little importance to organisational loyalty. Taking self concept, self esteem, self efficiency, self monitoring and self focussing as influencing factor, analyze the case.
