

DECEMBER, 2011

Master of Business Administration Examination
[MBA]

Third Semester

FT306M: ADVERTISING & SALES PROMOTION

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is compulsory and carries 20 marks.

'Section A'

1. (a) Discuss advertising as a tool of Marketing. [4 Marks]
- (b) What factors should be taken into consideration while determining advertising budget? [6 Marks]
2. What do you mean by Ad-Copy? Explain the layout of Print-ad-copy. Also explain the essentials of effective layout. [10 Marks]

“OR”

What are the different types of advertising appeals? Explain various considerations in selecting advertising appeals.

3. (a) What are the various sales promotion techniques applicable for consumer durable goods. [5 Marks]
- (b) Define Sales Promotion Budget. What is the structure of an Advertising Agency? Name a few advertising agencies of India. [5 Marks]
4. Write short notes on: (*Any Two*) [5 x 2 = 10 Marks]
 - (a) Personal Selling
 - (b) PLC and Advertising
 - (c) Buying T.V. Time
 - (d) DAGMAR model

'Section B'

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

ESCAPE STORE

The boardroom was filled with the voice of Marketing Manager, Ashutosh Kant. He was addressing the meeting of senior managers of Escape, “The last three months were spent by our market research team in finding out the reasons and patterns of sales at stores. Let me emphasize that retail sale is showing growth all over the country and in the process, competition intensifying. We can no longer afford to sit and relax. Instead, we need to put ourselves fully to retain our market leadership.” Three facts revealed by the survey were particularly disturbing.

1. People found Escape service staff bordering on aggressiveness and not really helpful. As they were never left to browse.
2. Children got bored and hence parents often left the store within minutes after finishing essential shopping. They never browsed or spent leisure time at Escape stores, which could otherwise help promote sales.

3. With many choices available in the market, consumers stopped treating Escape stores as unique and exclusive any more.

Rehman, an entrepreneur, had set up a garment shop in one of Delhi's busy market area about 10 years ago. He realized that to attract customers, he must do something new. With this in mind, he chalked out a massive plan to open a chain of stores called Escape. Some major features of his store were:

1. Complete dress range for kids, parents and teenagers.
2. Full accessories for women and men in footwear, purses, jewellery and cosmetics.
3. A play centre, where kids could spend time when the parents shopped.

The stores were opened at two locations in Delhi on an area of 7,000 sq. feet each. Within six months, the shops became popular and the business grew rapidly, and in three years the turnover crossed Rs 6 crore. The promotion plans included advertising in newspapers and through cable operators. The store also conducted festival, such as children's carnival and valentine special etc., to attract crowds.

Stress on store ambience was high, as Rehman wanted to create an image of a complete shopping experience for the entire family. The staff was carefully selected and trained to promote, not push any product and to encourage customers to browse through.

The women's section was given a feminine touch and men's section has polished wood and leather all over. The garments, the accessories and gifts were displayed in large racks and full length mirrors were placed in multiple places. Sales staff present on all the three floors often advised the Customers but never showed around everything. The kids section included garments, toys, books, and was manned by more staff. Play centre for the kids was a major attraction. The parents could safely leave their children in the place, situated on the ground floor itself. The place had separate section of toys and books and was supervised by trained staff. The parents, therefore could leave the children and shop in a relaxed manner. This concept was appreciated by customers and became one of the major attractions for the customers.

The stores were one of a kind in early 1990s and grew rapidly. New sections on books, gifts and handcraft were launched gradually and at any time the stores had more than 200 categories of products. During this time, the competition started intensifying as three similar ventures were launched in the city. This didn't bother Rehman much, because he felt he had built an image of Escape being the ultimate store. By 1996, Multi-story, one-stop stores became the trend in Delhi and many such stores came up.

Rehman had expanded his stores in three other cities as well and the turnover had grown to more than Rs. 40 Crore. The total manpower of the company rose to 500 and several new management and non-management cadres were introduced in the company.

Last year during the Diwali festival season, the store attracted nearly 40,000 customers in the entire month. This worried Rehman as it was almost 20% less than their estimates. His marketing manager, after long discussions, hired a market research firm to study the buying patterns and preferences of people walking into the store.

Questions:

1. What are the major problems and issues in this case? [8 Marks]
2. Determine the advertising objective for Escape stores. What message strategy and Media would you recommend? What kind of reach and frequency would you suggest? [6 Marks]
3. Would you consider placing ads in newspapers, magazines and using billboards? Why/or why not? [6 Marks]

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FT305P: BUSINESS PROCESS RE-ENGINEERING

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is compulsory and carries 20 marks.

'Section A'

1. "Process Re-engineering has become very important to the organizations." Comment. [10 Marks]
2. (a) Discuss the role of Information Technology in BPR. [5 Marks]
(b) Discuss the drivers of BPR. [5 Marks]
3. (a) How the process of BPR is analysed? [5 Marks]
(b) Discuss Process Design in brief. [5 Marks]
4. (a) What are the barriers to BPR success? [5 Marks]
(b) Describe the organizational team suitable to BPR. [5 Marks]
5. Write Short Notes on: *(Any Two)* [2 x 5 = 10 Marks]
(a) Floware
(b) Change Management Tools
(c) Process Performance Measurement

'Section B'

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

PROCTER AND GAMBLE TRAILS IN INNOVATION

Procter & Gamble Co. (P & G) has been regarded as American's packaged consumer goods leader for many years. Nevertheless, even leaders can have problems. P & G's problems began showing up in the late 1980s. Even though it was spending nearly \$1 billion annually on research and development, P & G was not getting to the market first with some of the latest products in certain lines. Despite P & G's introducing more than two hundred different products and packaging improvements between 1990 and 1993, it lagged behind on some major innovative product changes. For instance, late in 1993 Kimberly-Clark introduced a premium disposable diaper with Velcro fasteners and a cloth like outer cover and P & G was placed in the role of followers. As a result, P & G decided to undergo the most substantial reengineering the company had never had in its more than 150 years of existence.

By 1993, P & G announced a plan to close thirty plants and reduce employment by a total of about 30,000 jobs worldwide over a period of three to four years. In 1994, it announced that, in its north American operations, it would close four plants, eliminate production lines at six other plants and reduce its

work force by nearly 2000. There were a significant number of layoffs even though some manpower reduction came from voluntary retirements and transfers.

Most observers did not expect P & G to get rid of laundry detergents, or for that matter any products that would cost its market share or shelf space in groceries. It was expected that P & G would continue to differentiate its brands and introduce new products. reduce package size, then strengthen secondary brands in regional markets they tend to sell best.

Indeed no clear pattern emerged from the plant closings. Plants that were closed produced dishwashing detergent and glycerin, soap and fatty acids, falgus coffee and health and beauty care products. The closed production lines included health and beauty care products, fabric softeners, laundry and house-hold cleaning products. Given that P & G produces many of its product in different locations, the final impact of these closings on actual brand availability remained to be seen.

In addition to this massive restructuring, P & G adopted a value pricing strategy to lower the prices on its brand, hoping to keep customers. Indeed, the change in pricing was so abrupt that some grocers and distributors were upset and threatened to drop P & G's products.

Questions:

1. Analyse the above case. [6 Marks]
2. Why P & G trails in innovation? [3 Marks]
3. Why P & G decided to go for substantial reengineering of the company? What drastic measures P & G implemented in this regard? [4 Marks]
4. What was the result of P & G's value pricing strategy? [4 Marks]
5. What would you suggest to P & G to overcome its problems? [3 Marks]

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FT304F: BUSINESS TAXATION

Time: 3 hrs.

Max. Marks: 60

Note: Q.1 is compulsory and carries 20 marks. Attempt any four questions from Q.2 to Q.6, each question carries 10 Marks.

1. (a) Who is regarded as an "Assessee" U/s 2(7) of the Income Tax Act, 1961? Discuss. [2 Marks]
- (b) Discuss the provisions related to House Rent Allowance (HRA) U/s 10(13A) of the Income Tax Act, 1961. [2 Marks]
- (c) X, an employee of the central government, receives Rs. 78,600 as gratuity at the time of his retirement on September 30, 2010. Is gratuity fully exempt from tax? [2 Marks]
- (d) X, a government employee, gets Rs 40,000 per annum as basic pay. In addition, he receives Rs 8,500 as entertainment allowance. His actual expenditure on entertainment for official purposes, however, exceeds Rs 9,000. Can he claim deduction of actual amount spent by him on entertainment? [2 Marks]
- (e) Discuss permissible deduction available for Entertainment Allowance and Professional Tax under the head salaries. [2 Marks]
- (f) Ajay is citizen of India. He left for Iran on 18th April, 2010 and could not return to India till the end of the Financial Year 2010-11. State his residential status for assessment year 2011-12. [2 Marks]
- (g) Mukesh a Non Government Employee, receives Rs. 2,50,000/- as leave salary at the time of retirement on February 20, 2011. On the basis of the following information, determine the amount of taxable leave salary: Basic Pay: Rs. 15,000/- per month since 2002; duration of service: 26 years; leave at the credit of Mukesh at the time of retirement of leave salary: 60 days salary for every year of service and leave availed while in service: 27 month. [8 Marks]
2. (a) Pankaj, who resides in Indore, gets Rs. 3,00,000/- per annum as basic salary. He receives Rs.1,00,000/- per annum as house rent allowance, though he pays Rs. 60,000/-per annum as house rent. Determine the amount of house rent allowance chargeable to tax for the assessment year 2011-12. [6 Marks]
- (b) Define Gross Annual value and describe the allowed deductions which are deducted from Gross Annual Value for the computation of income from House property. [4 Marks]
3. Mr. Rameshwar Dayal is owner of three houses. Their municipal valuations are Rs.10000/-, 18000/ 24000/- per annum. Municipal Tax is 10% of its valuation. The first house is occupied for self residence. Second house is being used for his own business and third is let out on monthly rent Rs.2500/- from 1st Jan.2011. The first and second were completed on 1st Jan.2006, while the third house was completed on 1st Oct 2010. Compute Net Annual value for the Assessment year 2011-12. [10 Marks]

4. Write Short notes on :
- (a) Tax Return Preparers scheme 139B [4 Marks]
 - (b) Professional Tax [3 Marks]
 - (c) Tax Audit U/s 44AB. [3 Marks]
5. (a) Define 'Capital Asset'. Discuss the types of Capital Assets. [2 Marks]
- (b) Distinguish between Long-Term Capital Gain and Short-Term Capital Gain. Discuss the procedure of computation of Long Term Capital Gain. [3 Marks]
- (c) An Assessee made the following payments during the previous year. [5 Marks]
- Repayment of house loan Rs.36,500.
 - Amount deposited to UTI mutual fund Rs.10,000
 - Term deposit with a bank for five years Rs.30,000
 - Tuition fees paid for three children Rs.18,000/-,15,000/- and 22,500/- respectively.
- Calculate deduction u/s 80C and taxable income of the assessee.
6. Mr. Prakash's Income particulars are as under for the previous year 2010-11. [10 Marks]
- (i) Net amount received from prize of Hariyana State lottery Rs.140000/-
 - (ii) Profit on sale of plot Rs.16000/-
 - (iii) Royalty from mine Rs.19000/-
 - (iv) Income from agriculture land in India Rs.15000/-
- Collection charges of royalty Rs.1200/- and dividend Rs.30. He bought lottery tickets worth Rs.1760/- during the previous year. Compute taxable income from other source for the assessment year 2011-12.

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FT306H: CHANGE MANAGEMENT & OD

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is compulsory and carries 20 marks.

‘Section A’

1. (a) What do you mean by Change Management? [2 Marks]
- (b) How do people react to an organizational change? Discuss the method of overcoming resistance to change. [8 Marks]
2. (a) Explain the various types of change. [3 Marks]
- (b) Discuss any three models of change with example. [7 Marks]
3. Explain OCTAPACE culture in detail. [10 Marks]

“OR”

What is Organization Development? Explain the assumptions and values of organization development.

4. (a) Explain parallel learning structure. [3 Marks]
- (b) What is Action Research? Explain the role of action research in organization development. [7 Marks]
5. Write short notes on (*Any Two*): [2 x 5 = 10 Marks]
 - (a) Team Interventions
 - (b) History of OD
 - (c) Structural Interventions
 - (d) Survey Feedback

‘Section B’

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

THE OLD FAMILY BANK

The old family Bank is a large bank in South-eastern City. As a part of comprehensive internal management study, H. Day, the data processing Vice-president, examined the turnover, absenteeism, and productivity figures of all work groups in the organisation. The results Day obtained contained no real surprises except in the case of the check-sorting and data processing departments.

THE STUDY

The study revealed that in general the department displaying high turnover and absenteeism rates had low production figures, and those with low turnover and absenteeism were highly productive. When analysis began on the check-sorting and data processing figures, Day discovered that both departments were tied

for the lead for the lowest turnover and absenteeism figures. What was surprising was that the check-sorting department ranked first as the most productive unit, whereas the electronic data processing department ranked last.

The inconsistency was further complicated by the fact that the working conditions for check-sorting employees are extremely undesirable. The work in a large open room that is hot in the summer and cold in the winter. They work alone and operate high-speed check-sorting machines requiring a high degree of accuracy and concentration. There is little chance for interaction because they all take rotating coffee breaks. The computer room is air-conditioned, with a stable temperature the year round; it has perfect lighting and is extremely quiet and convertible. It was known that both groups are highly cohesive and that the workers functions well with others in their department. The observation was reinforced by the study's finding of the low levels of turnover and absenteeism.

THE INTERVIEW DATA

In an effort to understand this phenomenon, Vice-president, Day decided to interview the members of both departments. Day hoped to gain some insight into the dynamics of each group's behaviour. It was discovered that the check-sorting department displayed a great deal of loyalty to the company. Most of the groups are unskilled or semi-skilled workers, although they have no organised union, and each person felt that the company had made special efforts to keep their wages and benefits in line with organised operations. They knew that their work required team effort and were committed to high performance.

A quite different situation existed in the data processing department. Although the workers liked their fellow employees, there was a uniform feeling among this highly skilled group that management placed more emphasis on production than on staff units. It was their contention that pay increases had been better for operating department and that the gap between the wage earners and salaried employees did not reflect the skill differences. Because of that, a large percentage of the group displayed little loyalty towards the company, even they were very close among themselves.

Questions:

1. Discuss the problems at Old Family Bank with the help of a diagnostic framework [6 Marks]
2. Identify the typical patterns and relationships that are likely to occur between the client and the consultant in the situation presented. [7 Marks]
3. How will presence of an outside consultant affect the situation? Defend your response. [7 Marks]

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FT305I: COMPUTER NETWORKS**Time: 3 hrs.****Max. Marks: 60****Note: Q.1 is compulsory and carries 20 marks. Attempt any four questions from Q.2 to Q.6, each question carries 10 marks.**

1. (a) Define computer network. What are various network goals and applications? [7 Marks]
(b) Explain the following terms: [6 Marks]
(i) Simplex (ii) Half Duplex (iii) Full Duplex
(c) What do you mean by protocol Hierarchies and Network Architecture? [7 Marks]
2. (a) Explain OSI reference model with different layers? [5 Marks]
(b) Explain TCP/IP reference model with different layers? [5 Marks]
3. (a) Explain guided and unguided media? [5 Marks]
(b) Explain Digital and Analog Transmission. [5 Marks]
4. (a) Explain message Handling System in details. [5 Marks]
(b) What do you mean by LAN, MAN, and WAN topologies? [5 Marks]
5. (a) Differentiate between Routers, Switches and Repeaters? [5 Marks]
(b) Explain wireless network with suitable diagram. [5 Marks]
6. (a) Write short note on Novell Netware NOS. [5 Marks]
(b) Explain Broadcast Network with diagram. [5 Marks]

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FT305M: CONSUMER BEHAVIOR

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is Compulsory & carries 20 marks.

'Section A'

1. (a) How can marketers change the attitude of their customer? [4 Marks]
- (b) Differentiate between diffusion and adoption process. [2 Marks]
- (c) What factor of a product influence adoption or diffusion process? [4 Marks]
2. (a) State Weber's law. How is it used by marketers? Explain in detail with five examples. [5 Marks]
- (b) What are the factors that influence the extent of pre-purchase information search by consumers? How can marketers use this information to increase their sales? [5 Marks]
3. (a) Explain the Howard Sheth Model of Consumer Behavior. [8 Marks]
- (b) "A dissatisfied customer is an unpaid salesman of your competitor". Explain the statement. [2 Marks]
- "OR"**
- (a) How do consumer seek to reduce post purchase dissonance? As a marketer of consumer durables, explain how can you provide reinforcement to the consumers after they purchased your brand? [5 Marks]
- (b) What is Consumerism? Explain the significance of 'Consumerism in marketing'. [5 Marks]
4. Discuss the emerging trends in Indian market with special reference to changing consumer behavior. [10 Marks]
Discuss the interrelationship between Consumer Behavior and Marketing Mix strategies.
5. What factors influence consumption pattern of consumer for following products: [5 x 2 = 10 Marks]
 - (i) Jeans
 - (ii) Washing Machine

'Section B'

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

THE WORKING OF TWO LOW COST AIRLINES

(A) FROM AIR DECCAN TO KINGFISHER RED

The initial period

Air Deccan, a pioneer in low cost flying in India, was a business unit of Deccan Aviation Pvt. Ltd, a very

big (India's) private helicharter company. This venture was the outcome of the hard efforts put in by its then Managing Director, Capt. G.R. Gopinath. It started its operations in August 2003, with one aircraft and four flights a day. Air Deccan's objective had been to provide affordable, reliable and speedy heliservices for company charters, tourism, medical evacuation and offshore logistics. As an airline, it had also wanted to provide better connectivity to the common man by linking various small and big sectors across the country.

In order to make air travel affordable, reliable and accessible to the common man, the airline had positioned itself as a low cost, no frill airline, where in there is no free food service, no business lounges, single economy fare for all, no frequent flier mileage etc.

Air Deccan, had revolutionized air travel in India by enabling large number of people who had never travelled by air to opt for flying by air. In fact through good route planning, it had been able to provide air connectivity to many small cities across the country. The airline had estimated to earn a decent modest profit by the last quarter of 2006.

However, the global recession had a big impact on the aviation industry, with people opting to travel by other cheaper modes of transport like the train/bus etc. This drastically affected the profitability and expansion plans of Air Deccan. Though, Air Deccan and learned that there is an untapped market in India, for low cost airlines, due to the economic slowdown it could not capitalize on this demand for long.

Post merger with Kingfisher Airlines

In December 2007, Air Deccan merged with Vijay Mallya's Kingfisher Airlines. It was felt that the combined entity, post the merger would help in cutting costs as well as increase the profitability. Then the low cost carrier was renamed (or given the brand name) 'Simplify Deccan'. Further, the trademark Kingfisher bird was added to the Deccan Logo of two hands along with the Kingfisher Airlines signature colour of red being incorporated into the Deccan aircraft, replacing it's earlier colour of yellow and white. It was decided, after the merger, that the low fare service would be available under the *Deccan brand* and premium services under the *Kingfisher brand*.

In September 2008, since Deccan had completed the stipulated five years of operation required to start flight services on international routes, it was officially announced that the name Deccan Aviation Ltd would be changed to Kingfisher Airlines. Thereafter, Kingfisher thought of adopting differential positions for using its brand to fly: (a) international routes and (b) domestic routes

The Company then announced that for all the international routes it would offer full services which the airline claimed would be the luxurious experience. Whereas, for the domestic routes, the Kingfisher brand would operate under two models (a) a full service carrier and (b) a more upgraded low cost carrier service.

Due to the global economic environment and the near recession conditions prevalent in many of the western countries, the aviation industry flight operators like Kingfisher airlines had to take a re-look at its operative plans. Kingfisher Airlines had a second rebranding for the original 'Air Deccan', which has come to be known as *kingfisher Red*. As the term indicates, the low cost carrier arm i.e., Kingfisher Red splashed it's carriers red with suitable modifications made both within and on the exteriors of the aircrafts, to clearly convey the style of the kingfisher Airlines. From December 2008 onwards, the low cost Kingfisher has started serving hot meals and juices to its passengers at no extra cost. Kingfisher Red officials claim *that they are offering a compelling value when flying kingfisher red.* (*The Economic Times*, 1 December 2008, p4) This is very much unlike the other low cost airlines such as India go & spice Jet which do not serve on-board meals despite charging the same fares on similar routes. The airlines has also introduced frequent flyer programme.

Thus, Kingfisher Red flyers get to enjoy more than what a typical low budget airline would offer.

(B) SPICE JET

Spice Jet is another low cost, no frills airline of India. On 7th February, 2005 Royal Airways (a re-incarnation of Modiluft) which was a listed airline company in India, inducted a modern fleet to launch its new low fares, no-frills brand- 'spice jet'. On may 4th 2005, Royal Airways Ltd announced the name change to Spice Jet Ltd, after obtaining the due clearance from the Register of Companies. The new name was selected keeping in mind the new brand identity of the airline which is a me' lrange of modern, cosmopolitan outlook and Indian ethos. Spicejet's mission statement indicated that it wanted to become India's preferred low cost Airline, delivering the lowest airfares with the highest consumer value to price sensitive customers.

Efforts to promote Spice Jet

The airline has tried to incorporate various ways to make customers get interested in flying Spice Jet.

- Spice Jet has adapted the Navitaire's software which permits direct internet distribution and ticketless travel. Spice Jet's Internet site enables passenger's to price shop, manage bookings and even select shops in advance at the time of booking.
- During the time of its launch, Spice Jet had introduced its "Ret Hot Special fares" starting at Rs. 99 for the first 99 days of its operation. In fact within nine months of its launch i.e., on 10th February 2006, Spice Jet flew its one millionth passenger on its Pune-Delhi route.
- Spice Jet has integrated its unique reservation system along with various online travel service providers (make my trip.com, cleartrip.com and trvelguru.com) to empower the consumers to compare and buy tickets across various low cost carriers and full service airlines. It was felt that such tie-ups or integrated service Jet to penetrate various market segments with the help of the travel service companies growing customer base. Moreover, such integrated service would help the customer to "make travel simple" also.

Spice Jet is a typical low budget airline and does not offer on-board meals. More Indians are traveling for business and pleasure and yet want to save on both time and money. Spice Jets's aim has been to address these needs and also fulfill everyone's dream of flying. To ensure pleasure in flying by Spice Jet, the airlines has a new generation of aircraft fleet (with contemporary interiors, modern graphics and vibrant colours) flown by experienced pilots with an efficient crew and ground staff who make sure that customers are comfortable and feel good at the end of a flight arriving on the destination-fresh and on time.

Recognition on performance

- Spice Jet on time performance is amongst the best in India, at 82% coupled with a Technical Dispatch Reliability of 99.6%, making it an airline with least cancellations.
- Spice Jet was recognized as Best Low Cost Airline for 2007 by TAFI (Travel Agents Federation of India) – Abacus, awarded at Kota Kinabalu, Malasia.
- Spice Jet was voted the Best Low Cost Airline by a reader's survey conducted nationally by India's Leading travel magazine, Outlook Travels (Feb 2008).
- In September 2008, Spice Jet was ranked amongst the top 10 budget airlines in Asia, by *Smart Travel Asia Magazine* based on a surveyed commissioned "Best in Travel Poll" on the low cost carriers.
- In November 2008, Frost & sullivan, London bestowed its prestigious award 2008 Emerging Company of the year award for Indian Commercial Aviation, on Spice Jet.

Unique Marketing Strategies

Spice Jet's marketing focus has been on generating positive word-of-mouth, ably supported b print and

internet media initiatives. To further build up the brand value, Spice Jet introduced on board (as well as through company's website) merchandise sales of products such as goggles, airplane models, perfumes, caps and watches.

Innovative pricing has tremendously contributed to the airlines success. Spice Jet started off its services with a revolutionary pricing of Rs. 99 for the first 99 days (mentioned earlier in the case). This was followed by air tickets priced at Rs. 500 and Rs. 999- a pricing strategy which is continuing to be used. This, has often resulted in the airline's prices competing with first class Indian railway fares.

In October 2008, Spice Jet announced Spicy Hot Fares starting at Rs. 99 across its operating network and was to be made available till it runs out and bookings were to be open till march 2009. The airline felt that their spicy Hot Fares would encourage more people to resume flying by air as before. In the words of Samyukth Sridharan, Chief Commercial Officer, Spice Jet Ltd" We realize that the times are difficult and challenging for industries across the globe. We want to encourage people to continue to fly in these hard times to close their business deals and visit their families and friends."

Questions:

1. In the above case of Deccan Airways (Now Kingfisher Red), do you think the company went wrong in understanding the customer's perception on traveling by low cost-carrier before its merger to Kingfisher Airlines. Why? **[5 Marks]**

2. What factors do you feel have contributed to Spice Jet's perceived acceptance by customers' as "India's most preferred Low cost carrier"? **[5 Marks]**

3. Analyze the case and SWOT of the companies. **[10 Marks]**

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FT305F: FINANCIAL ENGINEERING**Time: 3 hrs.****Max. Marks: 60****Note: Q.1 is compulsory and carries 20 marks. Attempt any four questions from Q.2 to Q.6, each question carries 10 marks.**

1. (a) "Option and futures are zero-sum games". Comment. [5 Marks]
- (b) Briefly explain the various margins imposed on a futures contract. [5 Marks]
- (c) A sold in January, Nifty futures contract for Rs. 3,40,000 on January 15. For this he had paid an initial margin of Rs. 34,000 to his broker. Each Nifty futures contract is for the delivery of 200 Nifties. On January 25, the Index was closed on (i) 1850 (ii) 1500. How much Profit/Loss, A has made on this price. [5 Marks]
- (d) Explain the Black scholes model of option pricing. [5 Marks]
2. (a) The settlement price of December Nifty future contract on particular days was Rs. 2620. The minimum trading lot on Nifty future is 150. The initial margin is 18% and the maintenance margin is 15%. The Index closed at the following levels on the next 5 days. [6 Marks]

Day	Closing Price
1	2680
2	2720
3	2600
4	2560
5	2410

- (i) Calculate the mark to market margin cash flow and daily Closing Balance in the A/c of:
(a) Investor who has gone long at 2620 and
(b) Investor who has gone short at 2620.
- (ii) Calculate Net Profit or Loss on each of contracts.
- (b) What is swap arrangement? Explain the types of swap. [4 Marks]
3. (a) (i) What would be the 3 months future price of a non-dividend paying stock with a current market price of Rs. 200 and if the continuously compounded risk free rate of interest were 10%? [5 Marks]
- (ii) If the future price were Rs. 208 what Action would follow?
- (iii) If the future contract were available at Rs. 203. What would you do? Make arbitrage table?
- (b) Explain the concept of undervalued, overvalued with reference to future pricing. [3 Marks]
- (c) Explain the difference between Future & Option. [2 Marks]

4. (a) The equity share of VCC Ltd. is quoted at Rs. 210. A 3 month call option is available at a premium of Rs. 6 per share and a 3 month put option is available at a premium of Rs. 5 per share. Ascertain the net pay-off to the option holder of a call option and a put option given that - [5 Marks]
- (i) Strike price in both cases is Rs. 220 and
- (ii) The share price on the exercise day is Rs. 200, Rs. 210, Rs. 220, Rs. 230 and Rs. 240. Also indicate the price range at which the call option and put option may be gainfully exercised.

- (b) Explain briefly the advantage of holding securities in 'Demat' form rather than in physical form. [5 Marks]

5. (a) Companies A and B have been offered the following rates per annum on a \$ 20 million five year loan: [5 Marks]

	Fixed Rate	Floating Rate
Company A	12%	LIBOR + 0.1 %
Company B	13.4 %	LIBOR + 0.6 %

Company A requires a floating rate loan, company B requires a fixed rate loan. Design a SWAP that will net a bank, acting as intermediary 0.1% per annum and appear to be equally attractive to both companies.

- (b) Explain the difference between commodity exchange & stock exchange. [3 Marks]

- (c) Give the list of 4 stock exchanges and their Indexes. [2 Marks]

6. (a) The 6 month forward price of a security is Rs.208.18. The borrowing rate is 8% per annum payable with yearly rests. What should be the spot price? [4 Marks]

- (b) Explain Butterfly Strategies. [3 Marks]

- (c) Distinguish between American Option and European Option. [3 Marks]

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Third Semester

FT304H: HR LAWS

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is compulsory and carries 20 marks.

‘Section A’

1. (a) Explain various authorities for settlement of disputes under Industrial Dispute Act, 1947. [7 Marks]
- (b) Write briefly the duties and liabilities of registered Trade Union under Trade Union Act, 1926. [3 Marks]
2. (a) “Collective Bargaining assumes collective wisdom of both labour and management” Discuss. [5 Marks]
- (b) “Workers Participation in Management is essential to industrial democracy and socialistic pattern of society”. In the light of this statement discuss the role of workers participation in management. [5 Marks]
3. (a) State the general provisions regarding the benefits under the ESI Act, 1948. [5 Marks]
- (b) Explain Health provisions under the Factories Act, 1948. [5 Marks]
4. (a) Explain the various methods of Fixing Wages and Salaries in an Organization. [3 Marks]
- (b) Give an account on salient features of Provident Fund Act, 1952. [7 Marks]
5. Write Short notes on: (*Any Two*) [5 x 2 = 10 Marks]
 - (a) Minimum Wages Act, 1948
 - (b) Set on and set off
 - (c) Payment of Gratuity under Gratuity Act, 1972
 - (d) Fringe Benefits

‘Section B’

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

REDUCING HEALTH CARE COSTS

In the spring of 2000, Ron McGee, vice president of group insurance and labour relations at Polson Corporation, delivered the bad news to top management. Medical insurance premiums for the following fiscal year were expected to increase approximately 40 percent, up dramatically from the 8 percent increase of the previous year. Future cost projections were equally grim. It was estimated that by 2004, the company’s \$355 million annual health care bill would increase to a staggering \$613 million.

Polson is a large high-technology automotive and electronics products company that employs about 70,000 people in the United States. It was decided not to tinker with traditional remedies to escalating health-care costs, such as increasing deductibles and shifting larger co-payments to employees.

Instead, it turned to managed health care. It did so by contracting with Whitefish Corporation, a large employee-benefits company specializing in such managed health-care plans.

A task force was formed in 2000 under the direction of Ron McGee. The task force included HR executives from the corporate office of Polson in Morristown, New Jersey. This group was given the challenge of developing a custom-designed program that would hold down health-care premium costs to a reasonable level. The group decided that the new program would be built on the following foundation:

1. The insurance carrier, Whitefish Corporation, would be a partner in the program and would carry a financial risk, not merely be an administrator that paid the bills as they came in.
2. The insurance carrier would use its buying to establish a network of highly qualified primary-care physicians and specialists throughout the United State, coinciding with the company's primary locations.
3. The insurance carrier would guarantee a high level of quality care to be provided to Polson's employees.
4. Unlike other health-maintenance organization plans, under the new Polson plan employees would be able to switch from managed care to a traditional indemnity Plan at will, but would pay extra for exercising this option.

"We sought to change the way health care was delivered to our employees," says Al Gesler, corporate director of HR for Polson. "The net result was a hybrid program, taking into account the best features of HMOs and indemnity plans and combining that with a partnership arrangement between Whitefish, Polson, and its employees. "Whitefish was chosen because it was a large and experienced insurance carrier and had a health-care network in place across the United States that pretty well coincided with major location where Polson had operations.

In March 2001, Polson signed a 3-year agreement with whitefish for a managed-care program that was called "The Health Care Connection." This plan covered Medical, dental, vision, and hearing care, as well as prescription medications. It also included a well-care program covering such items as an annual physical exam and prenatal care. An important feature of the plan was that Whitefish guaranteed annual premium increase of less than 10 percent during each of the 3 contract years on the managed-care side of the program. No similar guarantee was provided on the indemnity side. The actual figure would depend on the number of employees using the indemnity portion of the program.

"We wanted a very strong gatekeeper system," says McGee. "For our employees to take advantages of the extremely comprehensive benefits found on the in-network side of The Health Care Connection program, as well as the modest \$15 copayment features, they had to agree to choose primary-care physicians. That was the trade-off." For employees who stayed in the network, the costs were modest: a \$15 co-payment per office visit and \$10 per prescription. Employees who chose to go outside the network could switch to the indemnity side of the plan at any time for any particular illness or injury, with no restrictions. Those who did this, however, paid an annual deductible equal to 1 percent of their annual salaries and then were subject to an 80/20 copayment split (in other words, employees paid 20 percent of the medical care costs after the deductible was met).

"The basic concept behind managed care is just that, managing it," says McGee. "By staying in the network, everyone saves money. We felt this was a major effort aimed at limiting unnecessary care."

For its part, Whitefish is responsible for guaranteeing the quality of the managed-care side of the network. It is responsible for using its buying power to ensure that hospitals in the plan attract an adequate supply of high-quality physicians. It also means continual monitoring of employee usage of different types of medical care through "utilization studies."

Questions:

1. How should Polson communicate its new health benefits plan to employees?

[5 Marks]

2. What results in terms of cost reduction do you anticipate Polson will achieve through the implementation of its new health-care program? [5 Marks]
3. What additional follow-up should the benefits administrations people at Polson take now that the program has been in effect for several years? [5 Marks]
4. To what extent do you believe managed health-care plans such as those at Polson are the wave of the future for health-benefits plans in major American corporations? [5 Marks]

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Third Semester

FT305H: HUMAN RESOURCE DEVELOPMENT

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is compulsory carrying 20 marks.

'Section A'

1. (a) What do you mean by HRD? Discuss the importance of HRD in the present industrial scenario. [5 Marks]
- (b) Give four suggestions to make HRD effective in Indian Organisations. [5 Marks]
2. (a) Why is it necessary to have HRD policies? Give examples of these in one or two areas. [5 Marks]
- (b) You are asked to redesign an integrated HRD system for your organization. Identify the elements which you would keep in mind regarding HRD objectives, mechanisms and benefits. [5 Marks]
3. (a) Distinguish between Training & Management Development. [4 Marks]
- (b) What is MBO? What are its advantages and limitations? [4 Marks]
- (c) What are the objectives of Performance Appraisal? [2 Marks]
4. (a) What is professionalism in HR? Discuss with examples. [5 Marks]
- (b) What are myths and realities of HR? Explain. [5 Marks]
5. Write Short notes on: (*Any Two*) [5 x 2 = 10 Marks]
 - (a) FIRO-B
 - (b) Johari Window
 - (c) Transaction Analysis

'Section B'

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

FADDISH TRAINING

Rajput Insurance Company, RIC, is a large insurance brokerage firm operating from the beautiful town of Udaipur in Rajasthan. The company was founded in 1922 by Mr. Rann Singh, grandfather of the present owner, Madheo Singh Ji. RIC offers complete line of insurance services. RIC faces stiff competition. As is true with other insurance companies, RIC lays emphasises on sales. In fact, over half of all corporate employees are involved in sales, to some degree.

Because the sales activity is so important to RIC, the company spends a considerable amount of time, effort and money on sales training. Its Training Director, Shiv Raman, is constantly on the look out for new training techniques that can improve sales and profits. He recently uncovered one that he had never heard

of before, but which seemed to have some promise. He immediately schedule a meeting with his boss, R.L. Agarwal, Vice president (Human Resource), RIC, to discuss the possibility of sending some sales people to this new training course.

R.L. Agarwal: 'Come in Shiv Raman, What's this I hear about a new sales training course?'

Shiv Raman: 'Well, as you say, sir, I always try to keep up-to-date on the latest in training techniques so that we can remain competitive. I got a flyer yesterday in the mail announcing a new approach to sales training. The course is offered by revered Bagwan Sri Lansing. Apparently, the course involves flying the trainees off to a scheduled spot in the Himalayas near Leh, where they undergo a week of intensive training, personal growth exercises, synchronised chanting and transcendental mediation. The brochure is brimming with personal testimonials from 'million-dollar' sales people; who claim to have been helped immeasurably by the training. I already have 10 people in mind to send to the training session next month, but before I speak to them. I thought I will discuss it with you.'

R.L. Agarwal: 'How much does it cost?'

Shiv Raman: It's not bad. Only Rs. 50,000 per person . And there's 10 percent discount if we send more than five people.

R.L. Agarwal: 'I don't know, Shiv Raman. That sounds a little steep to me. Beside, Madheo Singh Ji has been bugging me, again and again, about the results of our last training effort. He wants to know whether all the money we're spending on sales training is really paying off. As you know, sales and profits are down this quarter and Madheo Singh Ji is looking for places to cut corners. I'm afraid that if we can't demonstrate a pay off somehow from our training courses, he is going to pull the rug out from under us.

Shiv Raman: 'But we evaluate all our training programmes! the last one got rave reviews from all the participants. Remember, how they said that they hardly had time to enjoy and do shopping at Singapore, because they were so busy learning about proper deal closing techniques?'

R.L. Agarwal: 'That's true, Shiv Raman. But Madheo Singh Ji wants more proof than just the reactions of the sales people. He wants more tangible results. Now before we buy into any more sales training programme, I want you to develop a plan for evaluation of the training effort.'

Questions:

1. What is meant by the statement that training is extremely 'faddish'? [6 Marks]
2. How can Rajput Insurance Company avoid becoming a victim of the faddishness of training business? [6 Marks]
3. Develop a detailed training evaluation strategy that Shiv Raman can present to R.L. Agarwal, which would provide evidence of the effectiveness of a particular training technique. [8 Marks]

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FT304I: OBJECT ORIENTED PROGRAMMING USING C++**Time: 3 hrs.****Max. Marks: 60****Note: Q.1 is compulsory and carries 20 Marks. Attempt any four questions from Q.2 to Q.6, each question carries 10 marks.**

1. (a) What are the characteristics of object oriented programming? [6 Marks]
- (b) Write a program in C++ to swap three numbers using fourth variable. [6 Marks]
- (c) Difference between Relational operators and logical operators. [4 Marks]
- (d) What is pure virtual function? Explain with example. [4 Marks]
2. (a) What is friend function? Write a program in C++ using friend function. [6 Marks]
- (b) What do you mean by exception handling? Explain in brief. [4 Marks]
3. (a) What do you mean by polymorphism? Explain with example. [6 Marks]
- (b) Define Operator Overloading. [4 Marks]
4. (a) What is Recursion? Write a program in C++ using Recursion. [6 Marks]
- (b) How you detect EOF in C++? [4 Marks]
5. (a) What is a constructor? Explain all three types of constructor? [6 Marks]
- (b) Write a program in C++ using inline function? [4 Marks]
6. Write Short notes on: (*Any Four*) [2½ x 4=10 Marks]
 - (a) Inheritance
 - (b) Templates
 - (c) Generic Functions
 - (d) Destructors
 - (e) Arrays
 - (f) Function Overloading

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FT302C: PROJECT MANAGEMENT

Time: 3 hrs.

Max. Marks: 60

Note: Q.1 is compulsory and is of 20 marks. Attempt any four questions from Q.2 to Q.6, each question carries 10 marks.

1. (a) A small project is composed of eight activities, whose time estimates are listed below, activities are identified by their beginning (i) and ending (j) Node numbers.

Activity	Normal Time (days)	Normal Cost (Rs.)
1-2	3	50
2-3	3	5
2-4	7	70
2-5	9	120
3-5	5	42
4-5	0	0
5-6	6	54
6-7	4	67
6-8	13	133
7-8	10	166

Indirect cost Rs. 9 per day.

- (i) Draw the network and identify the critical path. [6 Marks]
- (ii) What are the project duration and associate cost. [4 Marks]
- (b) What is the Time Value of Money? [3 Marks]
- (c) What are the key questions raised in Market Analysis & Technical Analysis? [4 Marks]
- (d) Why should post Audit be done? [3 Marks]
2. (a) Mr. Prakash buy a scooter with a bank loan of Rs. 6000. A monthly installment of Rs. 300 is payable to bank for next 24 months towards, the repayment of the loan with interest. What interest rate does the bank charge? [4 Marks]
- (b) Discuss the pre-requisites for successful project management? [3 Marks]
- (c) Discuss the two ways of dealing with inflation? [3 Marks]
3. (a) Discuss the six broad phases of capital Budgeting? [4 Marks]
- (b) Write a short note on Distinction between PERT and CPM? [3 Marks]
- (c) What needs to be done to identify potential investment opportunities? [3 Marks]

4. (a) The cash flow stream of a project is given below [4 Marks]

Calculate the unrecovered investment balance at the end of each year.

(b) How can the risk of diversification be reduced. [3 Marks]

(c) The following information is available on quantity demanded and income level: $Q_1=60, Q_2=70, I_1=1000$ and $I_2=1200$. What is the income elasticity of demand? [3 Marks]

5. (a) Unix Limited equity beta is 1.2. The market risk premium is 7 percent and the risk free rate is 10 percent. Unix has a debt equity ratio of 2:3. Pre-tax cost of debt is 14 percent. If the tax rate is 35 percent, what is WACC? [4 Marks]

(b) What do you mean by a dummy activity? Why is it used in networking? [4 Marks]

(c) Define Beta. [2 Marks]

6. (a) A project involving an outlay of Rs. 10 million has the following benefits associated with it. [6 Marks]

Year	Cash Flow (Rs.)	Prob.	Year-2	Prob.	Cash flow (Rs. in million)
4	2	0.4	5	0.4	3
5	3	0.5	6	0.4	4
6	4	0.1	7	0.20	5

Assume that the cash flows are independent. Calculate the expected net present value and the standard deviation of net present value assuming that $i = 10\%$.

(b) What are the advantages & disadvantages of debt financing? [4 Marks]

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Third Semester

FT304P: PRODUCTION PLANNING & CONTROL

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is compulsory and carries 20 marks.

'Section A'

1. (a) Explain what you understand by Production Planning and Control (PPC). What is the need, objectives and functions of PPC in an organization? [5 Marks]
- (b) What are the pre-requisites of PPC? Discuss the factors affecting PPC in the organization. [5 Marks]
2. (a) What is Materials Planning and Control? Explain the steps required for Materials Planning and Control. [5 Marks]
- (b) Explain the techniques of Materials Planning and Control. [5 Marks]
3. (a) Define Process Planning. What are the factors that influence Process Planning? What are the considerations in selection of process? [5 Marks]
- (b) List the information required for Process Planning and explain the steps involved in Process Planning. [5 Marks]
4. (a) What do you understand by Manufacturing Resource Planning (MRP II)? How is MRP II related to Just in Time (JIT)? [5 Marks]
- (b) What is Capacity Planning? How Integrated Production Planning and Control helps in Capacity Planning? [5 Marks]
5. Write Short notes on: (*Any Two*) [5 x 2 = 10 Marks]
 - (a) Scientific Stock Control Techniques
 - (b) Aggregate Production Planning
 - (c) Make or Buy Decision

'Section B'

6. There are seven jobs which are to be processed first on Machine I and then on Machine II. [10 Marks]
Processing time in hours are given in the table below.

Job	Machine I	Machine II
A	6	16
B	24	20
C	30	20
D	12	13
E	20	24
F	22	2
G	18	6

- (a) Apply Johnson's algorithm to determine the optimal job processing sequence.
- (b) Using Gantt chart determine the process completion time and idle time on Machine I, Machine II and idle time between jobs.

7. Farida Unwala, the beautician at Touch and Glow beauty parlour has several lady customers, who [10 Marks] have come to her beauty parlour for beauty treatment. The time-related details of the five customers are as follows-

Customer	Beauty Treatment Time Estimate (Hours)	Promised Completion Time
Miss Asha (A)	0.75	10.00 A.M.
Mrs. Bhavani (B)	2.0	11.00 A.M.
Mrs. Christine (C)	1.5	12.00 Noon
Miss Diana (D)	0.5	1.00 P.M.
Miss Eliza (E)	1.0	3.00 P.M.

Taking the present time as 9.00 A.M. determine the sequence of jobs, mean flow time, mean lateness, average number of jobs in the system, using priority rules FCFS, SPT, EDD, STR, and CR. Make a comparative statement of results.

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FT304M: PRODUCT AND BRAND MANAGEMENT

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is Compulsory & carries 20 marks.

'Section A'

1. (a) Identify a fading brand. What suggestions can you offer to reposition its brand equity? Which strategies would seem to work best. [6 Marks]
- (b) Briefly discuss the strategic Brand Management Process. [4 Marks]
2. Explain the concept of Brand architecture and its implications for product design, taking suitable examples. [10 Marks]
3. (a) 'Co branding includes strategic alliance: Is it true? Discuss various types of Co-branding in detail. [8 Marks]
- (b) Why is the product deletion important to the health of the company? [2 Marks]
- "OR"**
- (a) Explain various brand extension strategies. [6 Marks]
- (b) What are different criteria for choosing brand elements? [4 Marks]
4. (a) As a product manager, you have received 5 new product ideas in your processed food division. What are the processes that can be used to screen these ideas and select the best one? which process would you like and why? [4 Marks]
- (b) What different objectives does 'Concept Testing' meet? [2 Marks]
- (c) Explain the various interpretation of the term 'new product' giving suitable examples. [4 Marks]
5. (a) Explain the characteristics of a good brand name with illustrations. [4 Marks]
- (b) Explain the qualitative methods of measuring brand equity. [6 Marks]

'Section B'

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

Beyond Bachan: Brand Ambasdoor

Is there life beyond Amitabh Bachchan, Shah Rukh Khan, Sachin Tendulkar? Advertisers seem to think so.

If there is Paresh Rawal dancing in anticipation of a free pizza, there is a Juhi Chawla spoofing characters from television serials, Elsewhere, Harsha Bhogle can be seen endorsing artificial sweeteners or

joining ranks with Naseerudin Shah to share his reasons for placing faith in a particular insurance brand. Saying “umuh...not enough” to glucose biscuits is Grandmaster Vishwanathan Anand, and one may recollect Javed Akhtar writing poetry with a certain ‘fighter’ pen.

These are not scenes from random TVCs, They have a common feature – a “not-so-obvious endorser”. Call them what you may – second-rung celebrities, semi-celebs, low-aura celebrities – but over the years, they have consistently made their presence felt in commercials, endorsing brands compatible or... well... otherwise. What makes them ‘second-rung’ or ‘semi’ is a lower media presence, sometimes a lower glamour quotient, less fame and a lower youth appeal compared to ‘top-rung’ celebrity endorsers’ such as Amitabh Bachchan, Shah Rukh Khan, Sachin Tendulkar, Preity Zinta and a handful of other big stars, And while big celebrities are used mostly as characters in the story and are not portrayed as the stars semi-celebs are, interestingly, often shown as celebrities!

Adrian Mendonsa, vice-president, creative Rediffusion DYP, observe, “Lots of clients use this (celebrity endorsement) as quick-fix solution... *laga do!*” Not all of this is the client’s fault. Medonsa admits that suggestions come from the agency, sometimes from the client, and at times even from the client’s wife! “Ads work on ideas, not celebs – Whegher they are big or small. But then, if you do use celebrities, it should do justice to the celebrity as well as the brand,” he remarks.

So, what is the reason for choosing semicelebs? Or, for that matter, the circumstances under which they are used and, most importantly, what value do they bring to the table? Pushpinder Singh (Pushpi), national creative director, Ambience publics, hazards a guess: “Different brands need different emotional platforms. There are products that require glamour, And there are products that don’t require glamour.” According to Pushpi, in the ad for Tata AIG, Naseeruddin Shah Does not bring glamour but a sense of reassurance, Which is very important for a product such as insurance.

The brand messaging has to be right – with or without a celebrity, feels Deepak Jolly, spokesperson for Bharti Tele-Ventures, which has used Sachin Tendulkar, Kareena Kapoor, Shah Rukh Khan and AR Rahaman to endorse its Airtel mobile service. “Celebs,” according to him, ‘are often talking points of brands. So you just can’t take any celebrity for the sake of it. Your brand communication strategy should encompass what do you want to talk about-the brand achievements, the brand persona and how you want to take your brand ahead.”

Betting on a semi-celebrity is often a matter of budget. Such celebrities could cost an advertiser anything between Rs 10-40 lakh, while big and mega names would cost five to 10 times that amount. “But if the strategy is well planned. The celebrity, however big or small, can do wonders for a brand,” says Sanjay Bhutani, CEO. P9 Integrated (the newly-floated division of percept).

Been there, done that
(Celebrations and brands they endorse)

Celebrity	Brand
Anupam Kher	Close-Up
Arshad Warsi	Pepsi, Visa
Ashish Nehra	Priya Biscuit, Adidas, Samsung
Bhaichung Bhutia	Adidas, Timex
Cyrus Broacha	Pepsi. BenQ
Govinda	Mirinda, Ganga soap, Navratan Tail
Harsh Bhogle	Sugar Free, Tata AIG, Timex
Hema Malini	Casper, Bank of Rajasthan
Jagjit Singh	Asian Paints Royale
Javed Akhtar	Rotomac Fighter Pen

Juhi Chawla	Kurkurae, Dena Bank, Prestige
Kiran Bedi	Safal
Leander Paes	J Hampstead, ITC, Adidas
Madhuri Dixit	Emami, Lux
Mahesh Bhupathi	J Hampstead, ITC
Naseerudin Shah	Tata AIG, Britannia Tiger Biscuit, Sundrop
Paresh Rawal	Domino's, Lux Cozi
Partiv Patel	Britannia Little Hearts, Avon Cycles, Reebok
Perizaad Zorzbian	Asmi, Whisper
Raveena Tandon	Sugar Free, Lux
Riya Sen	Lakme, Close Up
Shahid Kapoor	Clinic Plus
Shilpa Shetty	PP Jewellers, Parag Sarees
Suniel Shetty	Atala Cycle, Colgate Toothpowder
Sushmita Sen	Tag Heur, Coca-cola, Kiah Jewellery
Twinkle Khanna	Movado Watches
Ustad Zakir Hussian	Nescafe, Taj Mahal Tea
Vishwanath Anand	NIIT, Complian, Parle Glucose Biscuit
Zaheer Khan	Adidas, Himalaya Chavanaprasha
Zayed Khan	Pizza Hut

Take the case of Domino's which has used a senior like Paresh Rawal to sell a product such as a pizza. Rakshit Hargave, chief marketing officer, Domino's Pizza India, explains why. "Celebrities should be looked at in terms of what they are and what the brand is trying to be, there must be fit. "Paresh Rawal fits the bill perfectly as a funny middle-aged Gujarati. He is an actor with great mass appeal, Someone who could bring out the right emotions. "We were focusing on the excitement between ordering a pizza and getting it, It had the emotion of greed – actually the hope of the delivery boy coming late (Domino's promises free pizza if it's delivered after 30 minutes) that gets you all perked up," adds Hargave.

Small Celebs also be used flexibly, for short-term campaigns, as bigger stars prefer working on a large scale and get into longer commitments, usually between two and four years. Nonetheless, semi-celebs do manage to get good recall as long as they match the brand personality or bring in some freshness. Case in point: Ashish Nehra in the Priya Biscuits ad. The ad is nothing to write home about, but Nehra with his bucolic awkwardness, does leave an impression.

Questions:

1. Analyze the case. [6 Marks]
2. Do you think only big stars can increase the brand recall? Discuss the pros and cons of having a big star as endorser. [7 Marks]
3. Suggest some innovative celebrity endorses and branding strategy for Pepsi. Justify the same. [7 Marks]

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Master of Business Administration Examination
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Third Semester

FT301C: STRATEGIC MANAGEMENT

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, carrying 10 marks each. Section B is Compulsory and carries 20 marks.

'Section A'

1. A non resident Indian wishes to apply in the country and plans to set up an Industrial unit in a high growth, high technology industry. How should he go about designing the organisational structure for his company? After few years he plans to diversify in unrelated areas. Now how should he initiate organizational changes so that the company structure is in line with strategic changes. [10 Marks]
2. (a) 'Strategy includes the determination and evaluation of alternative paths to an already established mission or objectives and eventually choice of the alternatives to be adopted'. Explain the statement underlining the process of strategy formulation. [7 Marks]
- (b) Does a no-change stability strategy - involves doing nothing? Why? [3 Marks]
3. (a) Discuss the statement "Related diversification is the best strategy as it offers the best of both the worlds" [5 Marks]
- (b) "Joint Venture do not last forever" Explain the statement taking the example of Hero Honda's Spin off. [5 Marks]

"OR"

3. (x) What conditions may prevail for proper evaluation of Strategy. [3 Marks]
- (y) Explain how strategy is evaluated quantitatively. [7 Marks]
4. (a) What are the possible pitfalls of not having 'Vision in Organization'. [3 Marks]
- (b) A large business group wishes to identify strategy for various businesses in its portfolio. How can it go about doing this? [7 Marks]
5. (a) What are the five generic strategies suggested by Michael Porter? Explain with examples. [8 Marks]
- (b) How can digitalisation help an organization attain cost leadership. [2 Marks]

'Section B'

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

**INCORPORATING CORPORATE SOCIAL
RESPONSIBILITY INTO STRATEGY AT THE TATA GROUP**

In a free enterprise, the community is not just an other stakeholder in business, but is in fact, the very purpose of its existence.' This is a statement of the founder of the Tata group of companies, Jamsetji N Tata.

The thinking behind the statement probably drives the corporate social responsibility initiatives at the Tata group of companies.

The Tata group describes itself as 'India's oldest, largest and most respected business conglomerates', a depiction that seems to be quite justified. The group's businesses operate globally through 98 companies – 27 of them publicly-listed – in seven business sectors. There are nearly 2,90,000 employees working in these companies that have about 3 million shareholders. The group's turnover in 2006-07 was about Rs. 130,000 crore.

There are five core values that guide the Tata group's business decisions: Integrity, understanding, excellence, unity and responsibility. The value of integrity means conducting business fairly, honestly and with transparency. Understanding involves caring, showing respect, compassion and humanity for colleagues, customers and community. Excellence denotes striving constantly to achieve high standards in work and quality. Unity implies building strong relationship with colleagues, customers and business partners. Responsibility signifies giving back to the community and society.

The tradition of CSR is embedded in the history of the Tata group. The J.N. Tata Endowment Scheme was established in 1982. Over the years, individual family members have created a constellation of trusts and endowments that contribute to a wide range of CSR activities. In the words of J.J Irani ex-managing director of Tata Steel. Some people consider social responsibility as an additional cost; we don't. We see it as part of an essential cost of business, as much as land, power, raw materials and employees. This is seen in the quantum of funding that is channelled into CSR. The Tata group contributes nearly 30 percent of its profit after tax, which is an unusually high figure, when other companies or business groups may take pride in putting in just one percent of profits into CSR. The high social investment come from the Tata trusts that have a controlling interest in the holding company, Tata sons. This ensures that the dividends paid out are directed to CSR, making the Tata group companies unique in ensuring that personal wealth is converted into social capital.

The Tata group has created a formal structure to direct CSR activities. The Tata Council for Community initiatives is a centralised agency consisting of the Tata companies' CEOs, charged with the responsibility of directing and coordinating the CSR activities across the group. It is headed by the member of the group corporate centre, one of the two top governance bodies. the other being the group executive office. This is an indication of the high priority accorded by the Tata group to CSR. In order to create accountability, the tata group has a distinctive evaluation system called the Tata Index for Sustainable Human Development. The Index is a set of guidelines for Tata companies looking to fulfil their social responsibilities. In the words of Anant G Nadkarni, vice president, group corporate sustainability, 'We have adopted a business model to drive social responsibility efforts within the group because that way, you ensure a huge network. The Index helps structure our efforts and quantify their effect on the communities and people they are aimed at.'

Of significance is the fact that the Tata Index for Sustainable Human Development is built around the Tata Business Excellence Model that drives business decisions of the group companies. One of the several of business performance in the model is of governance and social responsibility, indicating the strategic priority given to this issue by the Tata group. Typically, business organisations have considered social responsibility as far removed from their mainline business activities. Not so at the Tata group where CSR is a key element in the business model. It is the responsibility of every company in the group of make CSR a component of its strategic plan.

Despite having a centralised network and structural arrangements, the individual Tata companies are autonomous to choose whatever CSR initiatives suit the requirement of the communities they work with. the strategy that each company evolves is required to be focused on the needs of the communities in which the company works in. There is a conscious effort to match the strengths and competencies of the company to

the developmental needs of the communities being served. Thus, the company is left free to determine the scope of its CSR initiatives, be it in the area of arts and culture, civic amenities, education, environment, health or infrastructure. For instance, the Tata Steel Rural Development Society work at Tata Steel for the rural communities around the operational units, while the Tata Chemicals Society for Rural Development does similar work for Tata Chemicals. Voltas for Women is an exclusively female society consisting of female employees and wives of employees, who work on health and education issues for women. The Tata family trusts consist of the Sir Dorabji Trust and Sir Ratan Tata Trust besides the J.N. Tata Endowment. Some of the prominent Tata-funded institutions are the Indian institute of Science, Tata institute of Fundamental Research and Tata Institute of Social Sciences.

Questions:

1. Collect evidence from the case to support the argument that social responsiveness at the Tata group is closely aligned with its strategies mangement. **[5 Marks]**

2. How would you respond to a critic who says that the Tata group engages in CSR activities to enhance the reputation of the Tata brand and thereby, benefit economically from its social responsibility initiatives? **[5 Marks]**

3. Analyze the case. **[10 Marks]**

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Third Semester

FT306I: SOFTWARE ENGINEERING**Time: 3 hrs.****Max. Marks: 60****Note: Q.1. is compulsory and carries 20 marks. Attempt any four questions from Q.2 to Q.6, each questions carry 10 marks.**

1. (a) Discuss the following in brief: [4x5 =20 Marks]
 - (i) Challenges of Software Engineering.
 - (ii) Goals of Software Engineering
 - (iii) Software Process and Products
 - (iv) Software Quality Assurance
 - (v) Re-Engineering

2. What phases of software development are encompassed in the RAD model? How is this model different from linear sequential model? [10 Marks]

3. Briefly describe following in context of scheduling and tracing:
 - (i) Earned Value Analysis [4 Marks]
 - (ii) Error Tracking [3 Marks]
 - (iii) Project Plan [3 Marks]

4. Discuss the techniques of Software Project Estimation. [10 Marks]

5. Write short notes on: [5x2=10 Marks]
 - (i) Black Box Testing
 - (ii) CASE tools

6. (a) Explain reactive versus proactive risk strategies. [5 Marks]
(b) Explain the concept of forward reengineering. [5 Marks]

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Third Semester

FT306P: TOTAL QUALITY MANAGEMENT

Time: 3 hrs.

Max. Marks: 60

Note: Attempt any four questions from Section A, each question carries 10 marks. Section B is compulsory and carries 20 marks.

'Section A'

1. "TQM is the Philosophy for organization survival." Comment. [10 Marks]
2. (a) Discuss & Compare the philosophies of Deming, Juran and Crosby. [6 Marks]
(b) What are pitfalls in operationalizing TQM. [4 Marks]
3. (a) Discuss the importance of Benchmarking. [5 Marks]
(b) Discuss Statistical Quality Control Process. [5 Marks]
4. (a) Discuss method and implementation process of ISO-14000. [6 Marks]
(b) Why ISO certification is needed? Justify. [4 Marks]
5. Write Short notes on *(Any Two)*: [5 x 2 = 10 Marks]
(a) Quality Circles
(b) Six Sigma
(c) Quality Process Analysis

'Section B'

6. **Read the following cases and answer the questions given at the end.**

CASE 1: TOTAL QUALITY MANAGEMENT IN HOSPITALS

3M Company with a reputation for excellence in quality have leveraged this reputation by organizing separate strategic business units to market consulting and training services. The Management Services Division of 3M has clients ranging from airlines to educational institutions. Labeled as "*masters of innovation*", the company has been noted over time as a quality manufacturer of over 50,000 product world wide.

A central idea of 3M's total quality system, called "Managing Total Quality" (MTQ) is the "vision for success", the key motivating force behind the MTQ success. Following the examples of 3M a number of hospital clients of 3M have drafted new *mission statements* as the basis for a quality management system.

The president of L.G Health Care System is of the opinion that too many mission statements read alike and are general in nature. *For example*, a mission statement reads like "We are going to deliver high-quality health care at the lowest possible price". This type of mission statement does not spell out anything about the hospital's mission in the market.

The mission statement of L.G Health Care System reads as below:

"The purpose of the L.G Health Care Systems is to provide quality health care and health-related

services. We are committed to a comprehensive approach that effectively and efficiently meets the needs of individuals, families and the community including those who are most vulnerable.

Our mission which is an expression of our philosophy of human Ecology, demands that our practices demonstrate concern for the whole person – body, mind, emotions, spirit and relationships – as fundamental to every human encounter. We encourage the adoption of this philosophy through services, research, charity, advocacy and example”.

In addition to L.G Health Care System, St. Luke’s Medical Centre and S.C. Baptist Hospitals are other health care centers that have adopted Total Quality Management based on the MTQ process of 3M. Each admits that TQM is necessary in light of ever-increasing health-care costs and steadily decreasing federal funding for Medicare and Medicaid.

Employee involvement is a primary characteristic of TQM and the 3M system. Because participation by all individuals – ranging from the nursing staff to administration to environmental services is strongly encouraged, each employee is empowered to make decisions and initiate service goals without first having to pass ideas through several levels of authority. Because it is important to involve all constituents, steering committee members are composed of hospital volunteers and employees, patients and physicians. This broad mix of input providers ensures that all constituents have a voice in the quality process.

Questions:

1. Describe how the mission statement of L.G Health Care System can be implemented and made operational? [3 Marks]
2. How can quality as defined in the mission statement be measured? [3 Marks]
3. Would the L.G Health Care System’s mission be appropriate for a for-profits hospital? Explain. [3 Marks]
4. Will mounting pressure for health care costs make it more difficult to implement TQM? Explain. [3 Marks]

CASE 2 : CHRYSLER’S TRANSMISSION PROBLEM

Chrysler pioneered its immensely popular mini van in 1984, which quickly became the best selling product the company had ever built. Within five years, Chrysler held more than 50 percent of the market share for mini vans. In 1989 Chrysler offered a new automatic transmission as an option in some of its top models of mini vans and luxury automobiles. The new transmission immediately ran into trouble when many customers reported serious problems.

Claiming that it had made improvement to reduce the initial problem, Chrysler continued to use the transmission. Mean while the Centre for Auto Safety, a consumer group that monitors the auto industry charged that Chrysler had not tested the transmission before introducing it. The group’s claim was supported by data on owner complaints and frequency of repairs. During the first years of ownership itself, about 20 percent of the owners were reporting problems with the new transmission.

For the 1991 model, Chrysler extensively modified the design of the vehicle but continued to use the same problematic transmission as standard equipment, with most of the larger engines in high demand.

As a result, the Chrysler which was placed at the top in the magazine “Consumer Reports” for many years, dropped to the bottom of the list in 1991, citing the transmission in particular as well as other signs of deteriorating quality. A new Toyota model captured the top spot that year.

Questions:

1. To what factors might you attribute Chrysler’s failure to maintain market Leadership? [4 Marks]
2. What might Chrysler have done differently? How might a stronger focus on Quality have helped? [4 Marks]

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FT306F: WORKING CAPITAL MANAGEMENT**Time: 3 hrs.****Max. Marks: 60**

Note: Q.1 is compulsory and carries 20 Marks. Attempt any four questions from Q.2 to Q.6, each question carries 10 Marks.

1. (a) Explain the operating cycle concept of working capital. Give suitable example. [4 Marks]

(b) From the following information, estimate the amount of working capital by operating cycle method taking 360 days in a year: [6 Marks]

Sales	50,000 <u>units @ Rs.20</u> per unit
Material cost	Rs.10 per unit
Labour cost	Rs.4 per unit
Overheads	Rs.3.5 per unit

Customers are given 45 day's credit and 60 day's credit is taken from suppliers. Raw material for 36 days and finished goods for 15 days are kept in stock. Production cycle is 18 days. A cash balance equal to one-third of average of other working capital is kept for contingencies.

(c) What is optimum cash balance and how can it be arrived at? [2 Marks]

(d) Explain the permanent sources of financing working capital. [2 Marks]

(e) What do you understand by receivables management? Discuss the factors which influence the size of receivables? [6 Marks]

2. (a) What is meant by inventory? Discuss as to why Inventory management is important explaining the items of stock kept by a manufacturing company. [6 Marks]

(b) What is the reorder point of inventory? How is it determined? [4 Marks]

3. (a) What are the objectives of cash management? Explain the factors determining the level of cash in a firm. [5 Marks]

(b) Explain in brief the gross and net concept of working capital. Which of those concepts do you prefer and why? [5 Marks]

4. (a) A Company has the following selected assets and liabilities: [5 Marks]

Cash	45,000
Retained Earnings	1, 60,000
Equity Share Capital	1, 50,000
Debtors	60,000
Inventory	1, 11,000
Debentures	1, 00,000
Provision for taxation	57,000
Outstanding expenses	21,000

Land and building	3, 00,000
Goodwill	50,000
Furniture	25,000
Creditors	39,000

You are required to determine (i) Gross working capital and (ii) Net working capital

(b) Write short note on Commercial Paper.

[5 Marks]

5. Raju Brother's Pvt Ltd sells goods on a gross profit of 25%. Depreciation is taken into account as a part of cost of production. The following are the annual figures given to you:

[10 Marks]

Particulars	Amount (Rs.)
Sales(2 month credit)	18,00,000
Material consumed(1 month credit)	4,50,000
Wages(1 month lag in payment)	3,60,000
Cash manufacturing expense(1 month lag in payment)	4,80,000
Administrative expense(1 month lag in payment)	1,20,000
Sales promotion (paid quarterly in advance)	60,000
Income tax payable in 4 instalment of which one lies in next year	1,50,000

The company keeps one month stock each of raw material and finished goods. It also keeps Rs. 1,00,000 in cash. You are required to estimate the working capital requirement of the company on cash cost basis assuming 15% margin. Ignore work in progress.

6. Prepare a cash budget of Rajiv & Co. for April, May, June 2010:

[10 Marks]

Months	Actual / Budgeted	Sales	Purchase	Wages	Expense
Jan.	(Actual)	80000	45000	20000	5000
Feb.	(Actual)	80000	40000	18000	6000
March	(Actual)	75000	42000	22000	6000
April	(Budgeted)	90000	50000	24000	7000
May	(Budgeted)	85000	45000	20000	6000
June	(Budgeted)	80000	35000	18000	5000

Additional Information:

- (a) 10% of the purchase and 20% of the sale for cash.
 (b) The average collection period of the company is one month and the credit purchases are paid off regularly after one month.
 (c) Wages are on the first of the next month and the rent of Rs.500/-included in expense is paid monthly.
 (d) Cash Balance as on April 1, may be taken at Rs.15000/-
