Dear Student,

Please find enclosed the question papers as an Assignment for the Internal Assessment for all the papers relating to III Year MBA (Three Year Programme). Out of which first three papers are compulsory and for the rest of Three papers you are permitted to choose from the Elective papers which you have already opted at the time of payment of III Year Term Fee.

You are hereby directed to write answer in a long size note book of 100 pages for each paper and mention the following details in the front page of the Note Book.

1. Name of the Candidate:
2. DDE Identity Card Number:
3. Register Number (i.e. Hall Ticket Number)

The answered assignment books for Internal Assessment should be sent to the
Under singed by Registered Post on or before 30-09-2013

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TIRUPATI – 517 502
SRI VENKATESWARA UNIVERSITY : : TIRUPATI
DIRECTORATE OF DISTANCE EDUCATION
THREE YEAR MASTER OF BUSINESS ADMINISTRATION
THIRD EXAMINATION
Paper I : MANAGEMENT OF CONTROL SYSTEMS

Part-A (Answer All Questions)

1. (a) What do you understand by Formal Management Controls? Explain the characteristics of Formal Management Control Systems.

Or

(b) Explain the relationship between Management Control system and responsibility Accounting.

2. (a) Describe the General types expense Centers.

Or

(b) What is Transfer Pricing? Discuss its objectives and Methods.

3. (a) Enumerate the performance evaluation systems interactive with control.

Or

(b) Explain the concept of Programme Budgeting. State its advantages and limitations.

4. (a) What is an MNC? How do you evaluate the Managerial Performance of an MNC?

Or

(b) Define project Organisation. Discuss various techniques of project Management Control.

5. (a) How is a Service Organisation different from a Manufacturing Organisation?

Or

(b) Distinguish between Investment Center and Project Center. Which one do you think a better Control device?
PART – B
(Case Analysis)

5. The following are the assets of a furniture show room for the year 2010.

<table>
<thead>
<tr>
<th></th>
<th>Rs</th>
<th>Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>25,00,000</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>37,50,000</td>
<td></td>
</tr>
<tr>
<td>Inventory:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw materials</td>
<td>25,00,000</td>
<td></td>
</tr>
<tr>
<td>Work-in-progress</td>
<td>13,00,000</td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>24,50,000</td>
<td>62,50,000</td>
</tr>
<tr>
<td>Gross fixed assets</td>
<td>2,50,00,000</td>
<td></td>
</tr>
<tr>
<td>Less : Accumulated depreciation</td>
<td>1,00,00,000</td>
<td>1,50,00,000</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,75,00,000</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>75,00,000</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>2,00,00,000</td>
<td></td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>2,75,00,000</td>
<td></td>
</tr>
</tbody>
</table>

During the year 2004 the furniture firm earned a profit of Rs.30 lakhs before taxes on total sales of Rs.4 crores. You are required to

(a) Compute R.O.I. using net total-assets as the investments base.
(b) Compute the R.I. using a capital charge of 10% on net total assets.
(c) If the management decides to increase the ROI by 5% during 2005 what change in the profit margin on sales or assets turnover ratio would be required?
PART- A
1. (a) Briefly present an overview on the evolution of strategic management.
   Or
   (b) What is a strategy? Discuss the interdependence of strategy and structure.
2. (a) Explain briefly the universal inner structure of effective leaders.
   Or
   (b) Discuss briefly the concept and merits of in-house development of strategy.
3. (a) What are the arguments favoring social responsibility of business? Explain briefly?
   Or
   (b) What do you mean by social audit? Explain briefly its process.
4. (a) What are the key aspects elements of technology management?
   Or
   (b) What are the merits and limitations of acquisition of technology?
5. (a) Explain briefly the various concepts of strategic management.
   Or
   (b) What are the key factors needed for efficient technology management?

PART - B
Case study
6. In a market dominated by behemoths like SAIL and TISCO, finding a niche is of crucial importance for a small player. What could a Lloyds do with a meager annual capacity of making Six lakh tones of HR coils while SAIL sold over 1,600 lakh tones in the
same time? Should Lloyds follow the market leader or adopt its own unique approach to its business strategy? It is in the context of such questions that Lloyds’ attention came to rest on the manufacturing process.

Almost all steel producers adopt the blast furnace technology. In this, the process starts with a clear differentiation among the ultimate products to be manufactured. So manufacturing batch size has to be large enough to take up customized orders. The raw material, iron ore, has to pass through several complex stages of manufacturing.

Lloyds looked for an alternative technology that could suit its requirements. The solution lay in the Electric Arc Furnace technology where the unique feature was that initial manufacturing stages need not differentiate among different products. Such a differentiation came at a much later stage. Translated into a business proposition, what it meant was that Lloyds could operate with a much smaller batch size of, say 100 tones and deliver quickly. For instance, a 1,000-tonnes small order of specialized product custom-made to buyer’s specification could be delivered in as little as 1.5 days. Such a quick delivery schedule would not be possible for a large, integrated steel manufacturer. In this manner, analogous to small gunboats that could effectively torpedo a large, slow-moving ship, Lloyds carved out a niche in the highly competitive steel market.

Question:
(a) Comment on the nature of the business strategy of Lloyds.
(b) What are the conditions in which such a strategy would succeed? Could fail?
PART – A

Answer All Questions

1. (a) Explain briefly the International Trade theories.
    Or
    (b) Discuss the factors that are responsible for increasing importance to international business.

2. (a) Discuss briefly the structural design of multi-national enterprises.
    Or
    (b) What are the strategic considerations of international business units?

3. (a) How is international business performance measured and evaluated?
    Or
    (b) Explain briefly the control techniques employed in international business.

4. (a) Discuss briefly the process of negotiations in international business.
    Or
    (b) What are the key aspects of HR management in MNES?

5. (a) Explain briefly the objectives of Regional Trade Groupings and cooperation and discuss their role in promoting international trade.
    Or
    (b) Explain briefly about International Intervention and International Business.
6. Ward insisted that to truly penetrate the international market, he would need to keep his labor cost low. As a result, he decided to automate as much of the production as possible. However, no equipment was readily available to produce chopsticks, because no one had automated the process before.

After much searching, Ward identified a European equipment manufacturer who produced machinery for making Popsicle sticks. He purchased equipment from the Danish firm to better carry out the sorting and finishing processes. However, because aspen wood was quite different from the wood for which the machine was designed, as was the final product, substantial design adjustments had to be made. Sophisticated equipment was also purchased to strip the bark from the wood and peel it into long, thin sheets. Finally, a computer vision system was acquired to detect defects in the chopsticks. The system rejected more than 20 percent of the production, and yet some of the chopsticks that passed inspection were splintering. However, Ward firmly believed that further fine-tuning of the equipment and training of the new work force would gradually take care of the problem.

Given this fully automated process, Lakewood Forest Products was able to develop capacity for up to .7 million chopsticks a day. With a unit manufacturing cost of $0.03 and an anticipated unit selling price of $0.057, Ward expected to earn a pretax profit of $4.7 million in 1988.

Due to intense marketing efforts in Japan and the fact that Japanese customers were struggling to obtain sufficient supplies of disposable chopsticks, Ward was able to presell the first five years of production quite quickly. By late 1987, Lakewood Forest Products was ready to enter the international market, with an ample supply of raw materials and an almost totally automated plant. Lakewood was positioned as the world’s largest and least labor-intensive manufacturer of chopsticks. The first shipment of six containers with a load of 12 million pairs of chopsticks to Japan was made in October 1987.

Questions for Discussion
a. What are the environmental factors that are working for and against Lakewood Forest Products both at home in the United States and in the target market, Japan?
b. New-product success is a function of trial and repurchase. How do Lakewood's chances look along these two dimensions?
PART – A
Answer ALL Questions

1. (a) Discuss various theories of financing working capital.
   Or
   (b) Describe various ratios used for measuring working capital efficiency.

2. (a) Describe the techniques used for cash flow analysis.
   Or
   (b) Discuss about the budgeting technique for working capital management.

3. (a) Discuss about the sources of financing working capital needs.
   Or
   (b) What are the problems involved in financing working capital needs through non-banking finance method?

4. (a) Explain various models of cash management.
   Or
   (b) What are the objectives of holding inventory? Explain about various inventory management technique.

5. (a) What credit and collection procedures should be adopted in case of individual accounts? How do you monitor book debt?
   Or
   (b) Explain about the models used for working capital planning.
PART — B
(Case Analysis)

6. Following are the summarized Balance sheets of Kurnool Industries Ltd. as on 31st March, 2008 and 2009.

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>Rs. 2,00,000</td>
<td>Rs. 2,50,000</td>
</tr>
<tr>
<td>General Reserve</td>
<td>Rs. 50,000</td>
<td>Rs. 60,000</td>
</tr>
<tr>
<td>Profit and Loss A/c</td>
<td>Rs. 30,500</td>
<td>Rs. 30,600</td>
</tr>
<tr>
<td>Bank Loans (Long term)</td>
<td>Rs. 70,000</td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>Rs. 1,50,000</td>
<td>Rs. 1,35,200</td>
</tr>
<tr>
<td>Provision for taxation</td>
<td>Rs. 30,000</td>
<td>Rs. 35,000</td>
</tr>
<tr>
<td></td>
<td>Rs. 5,30,500</td>
<td>Rs. 5,10,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Buildings</td>
<td>Rs. 2,00,000</td>
<td>Rs. 1,90,000</td>
</tr>
<tr>
<td>Machinery</td>
<td>Rs. 1,50,000</td>
<td>Rs. 1,69,000</td>
</tr>
<tr>
<td>Stock</td>
<td>Rs. 1,00,000</td>
<td>Rs. 74,000</td>
</tr>
<tr>
<td>Debtors</td>
<td>Rs. 80,000</td>
<td>Rs. 64,200</td>
</tr>
<tr>
<td>Cash</td>
<td>Rs. 500</td>
<td>Rs. 800</td>
</tr>
<tr>
<td>Bank</td>
<td>--</td>
<td>Rs. 7,800</td>
</tr>
<tr>
<td>Goodwill</td>
<td></td>
<td>Rs. 5,000</td>
</tr>
<tr>
<td></td>
<td>Rs. 5,30,500</td>
<td>Rs. 5,10,800</td>
</tr>
</tbody>
</table>

7. Additional Information:

During the year ended 31st March, 2009

(a) Dividend of Rs. 23,000 was paid.

(b) Assets of another company were purchased for consideration of Rs. 50,000
payable in shares. The following assets were purchased stock: Rs. 20,000; Machinery: Rs. 25,000;

(c) Machinery was further purchased for Rs. 8,000

(d) Depreciation written off on machinery Rs. 12,000 and

(e) Income tax provided during the year Rs. 33,000. Loss on sale of machinery Rs. 200 was written off to general reserve.

You are required to prepare a cash flow statement.
PART – A

1. (a) Discuss the significance of long-term financial decisions.
   Or
   (b) Describe the techniques used for evaluating long-term financial decisions.

2. (a) Discuss about the role of financial institutions in providing long-term finance to business organization.
   Or
   (b) What are the never modes of financing and state their short-comings?

3. (a) Describe the techniques employed for evaluation of risk in capital investment.
   Or
   (b) A project involves an outlay of Rs. 1,00,000. Its expected cash flow at the end of the year is Rs. 40,000. There after, it decreases every year by Rs. 2,000. It has an economic life of 6 years. The certainty equivalent factor is \( a=1-0.059 \). Calculate the net-present value of the project if the risk-free rate of return is 10%.

4. (a) Explain briefly various theories of capital structure.
   Or
   (b) What is stable dividend policy? Why should a firm follows such a policy?

5. (a) What is weightage average cost of capital? How it change with a chanj capital structure?
   Or
   (b) X Ltd has the following capital, structure on 31st March, 2009.
Equity share capital (20,000 equity share) 40
16% preference share capital 10
14% debentures 30
Total 80

The company pays dividends a of 10% you are required to:
1. Compute a weighted average cost of capital based on the existing capital structure.
2. Compute a new weighted average cost of capital if the company raises an additional Rs. 201 lakhs debt by issuing 15% debentures.

PART - B
Compulsory.

6. Case Analysis

Assuming no taxes and given the earnings before interest and taxes (EBIT), interest (I) at 10% and equity capitalization rate (Ke) below, calculate the total market value of each firm.

<table>
<thead>
<tr>
<th>Firm</th>
<th>EBIT (Rs.)</th>
<th>I (Rs.)</th>
<th>Ke</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>2,00,000</td>
<td>20,000</td>
<td>12%</td>
</tr>
<tr>
<td>Y</td>
<td>3,00,000</td>
<td>60,000</td>
<td>16%</td>
</tr>
<tr>
<td>Z</td>
<td>5,00,000</td>
<td>2,00,000</td>
<td>15%</td>
</tr>
<tr>
<td>W</td>
<td>6,00,000</td>
<td>2,40,000</td>
<td>18%</td>
</tr>
</tbody>
</table>

Also determine the weighted average cost of capital for each firm.
PART – A

Answer ALL questions

1. (a) Distinguish between systematic and unsystematic risk. Illustrate how do you measure the systematic risk of a securities.
   Or
   (b) Discuss about the methods of valuation of securities.

2. (a) What are the recent trends in securities market in India?
   Or
   (b) Critically examine the role of SEBI in regulating securities market.

3. (a) How is technical analysis employed to predict likely moment in stock prices?
   Or
   (b) How do you use financial -ratios to measure the strength and weakness of a company?

4. (a) Distinguish between Sharp ratio and Treynor ratio.
   Or
   (b) What factors necessitate portfolio revision? Discuss the major constraints in it.

5. (a) What is the difference between performance measurement and performance evaluation ? How do you evaluate the performance of a portfolio?
   or
   (b) What is an efficient frontier ? How does it establish an optimum portfolio?

PART — B

(Case Analysis)

6. Vinodh bought the stock of Kinetic Honda, LML, T.V.S. with the expected rate of return of 30 percent after a year. The purchase price and the end period price are given below. Find out whether his expectations are fulfilled.
<table>
<thead>
<tr>
<th>Stock</th>
<th>Price on 13.01.97</th>
<th>Price on 23.01.98</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kinetic Honda</td>
<td>101</td>
<td>125</td>
<td>10%</td>
</tr>
<tr>
<td>LML</td>
<td>45</td>
<td>104</td>
<td>15%</td>
</tr>
<tr>
<td>T.V.S.</td>
<td>335</td>
<td>421</td>
<td>35%</td>
</tr>
</tbody>
</table>
PART – A

Answer ALL questions

1. (a) What are the various sources of international financial flows? State their impact on balance of payments.
   
   Or
   
   (b) Describe briefly about the functioning of International finance institutions.

2. (a) Enumerate the recent trends in financial management in multinational firms.
   
   Or
   
   (b) What risk confront dealers in the foreign exchange market? How can they cope with these risks?

3. (a) What is spot exchange rate? How is it different from forward rate? How do we calculate forward premium or discount?
   
   Or
   
   (b) Describe the methods of managing foreign exchange risk.

4. (a) State the difficulties involved in international cash management.
   
   Or
   
   (b) Explain the options available to a firm to finance its foreign trade activities.

5. (a) Explain the corporate strategy for foreign direct investment.
   
   Or
   
   (b) Discuss the international acquisition and valuation of foreign investment.
PART – B

(Case Analysis)

6. Suppose a US Parent owes $5 million to its English affiliate. The timing of this payment can be changed by up to 90 days in either direction; assume the following and lending rates in England and the United States.

<table>
<thead>
<tr>
<th></th>
<th>Leveling(%)</th>
<th>Borrowing(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>4.0</td>
<td>3.2</td>
</tr>
<tr>
<td>England</td>
<td>3.6</td>
<td>3.0</td>
</tr>
</tbody>
</table>

(a) If the US parent is borrowing funds while the English affiliate has excess funds, should the parents speed up or slow down its payments to England?

(b) What is the net effect of the optimal payment activities in terms of changing the units borrowing costs and/or interest income?
PART – A

Answer ALL questions

1. (a) What is the role of financial system in the economic development of company?

Or

(b) Critically examine the role of SEBI in regulating financial intermediaries.

2. (a) Discuss the problems in Trading in Debt.

Or

(b) Analyse the working of public sector, Mutual funds in India.

3. (a) Discuss about the SEBI guidelines on Merchant Banking.

Or

(b) Analyze the Merits and Demerits of various, sources available for Project Financing.

4. (a) Distinguish between Hire purchase and lease financing. State the advantage of lease financing.

Or

(b) Critically examine the recent trends in Housing Finance Sector.

5. (a) Explain about various types of Factoring.

Or

(b) Critically analyse the recent trends in financial services rendered by Commercial Banks in India.
PART – B

(Case Analysis)

6. A steel furniture manufacturing company is interested in acquiring a machine costing Rs.5,00,000. It has two options.

(a) To borrow the amount at 18% p.a. repayable in 5 equal installments.

(b) To take on lease the asset for a period of five years at year end rentals of Rs.1,20,000

*The corporate tax is 30% and the depreciation is allowed on written down value @20% p.a. The asset will have a salvage value of Rs. 1,80,000 at the end of 5th year.

You are required to advise the company about lease or buy decision.
PART – A

Answer ALL questions

1. (a) Define Sales Management. Explain its importance and discuss its aspects and elements.

   Or

(b) Explain briefly the various steps in sales process.

2. (a) What are the skills required for communicating effectively?

   Or

(b) What do you understand by sales presentation? What are the ways of making it more effective and successful?

3. (a) What are the techniques used for selecting sales force? Explain briefly.

   Or

(b) How are sales force compensated? How is their performance monitored?

4. (a) Explain briefly about sales forecasting and discuss how sales quotas are determined.

   Or

(b) What is a sales organization? What are its objectives and responsibilities?

5. (a) What are the techniques of training sales force? Explain with some examples.

   Or

(b) What are selling skills? Explain briefly about them.
PART - B
Case Study

5. Bajaj Allianz's invest Gain, the plan that helps you in saying "My family, may you always be happy!"

Bajaj Allianz invest Gain is a specially designed plan that offers a unique combination of benefits to help you develop a sound financial portfolio for your family. Among the many unique benefits, the most significant is the Family income Benefit (FIB) that sustains the family by compensating the loss of income due to death or permanent disability. This is a one-stop solution that can keep you and your family financially protected at times when you need it most. In a financial world where choices can drive crazy, your search for the perfect life insurance plan stops here.

Available as
Bajaj Allianz invest Gain Economy: The basic package
Bajaj Allianz invest Gain gold: With double protection
Bajaj Allianz invest Gain Diamond: With triple protection
Bajaj Allianz invest Gain Platinum: With quadruple protection.

All these packages participate in the profits of the company by way of bonuses, and therefore, grow with time.

Questions:

(a) What according to you should be the main benefits of these schemes?

(b) What do you think customers would expect from these plans?

(c) Suggest a new policy for Bajaj Allianz to capture the market, using the tools of sales promotion.

(d) Suggest appropriate sales promotion technique for attracting customers.
PART – A

Answer ALL questions

1. (a) Explain briefly the product planning system.

   Or

(b) Discuss the need and importance of product management and explain its basic concepts.

2. (a) Explain briefly about generation, screening and development of new product ideas.

   Or

(b) What is test marketing? Explain its purpose and discuss the launching process of new product.

3. (a) What is meant by branding? Explain the strategies of brand positioning.

   Or

(b) Present an overview on the promotional scene in India with respect to media users.

4. (a) Explain the concept of diffusion of innovation and discuss the need for innovative ideas in modern competitive business scenario.

   Or

(b) Define sales promotion. Explain the methods and techniques of managing sales promotion.

5. (a) What are the key factors influencing message design and development?

   Or

(b) How is advertising effectiveness measured? Explain briefly.
6. The Company

Digital Electronics Ltd. is a small company with product lines in accessories for medium to large computers. Digital specialized in development, manufacture and sale of magnetic tape and disc devices. The magnetic tape recording devices are used for storage of large amount of data, while discs are used for rapid access in performing computing operations. Both these products are complex and require extensive electronic controls and precision electro mechanical assemblies. The units produced, due to high quality control requirements have high unit cost and are manufactured to meet customer specifications. The average price of the units was about Rs. 90,000 with major unit sales of over 1000.

New-Product Development;

Digital’s business in computer industry was highly competitive. Several larger companies manufactured their own recording devices to match their main-frame computers. There are also small companies like Digital which had entered the field recently. Digital’s models offered flexibility and could interface with any existing computers. Special feature and universal applicability were attractive for customers who intended to expand their computer operations.

Since Digital did not occupy a significant position in the computer accessories market, the management had to constantly come up with innovations to increase sales. In order to attain more corporate stability, the executives decided to seek diversification into other product areas. The manager of Digital’s research and development department had been interested in small personal computers. Since the personal computer market was projected to be several millions of rupees, Digital’s executives instructed the R & D manager to develop a versatile personal computer.

As a result of an intensive six-month developmental effort, the R & D manager prepared a prototype which he believed had an excellent potential. This computer had features that no other product had and still could sell 20 percent lower than the neatest equivalent model in the market.

Because of the portable nature of the computer, the product was attractive to several users

(A) Small businesses to keep track of business transactions accounting and record
keeping, inventories, etc,

(B) Institution Government organizations to, plan and monitor different projects, financial status and to store relevant historical information in any easy to retrieve format:

(C) Educational and professional organization as a teaching tool;

(D) Consumer market for keeping personal records, playing video games for children.

Distribution channels:

Because of the variety of market segment to be covered, the executives of Digital decided to explore several alternatives to reach the customers. Careful planning was necessary because of Digital’s limited resources in competing with nationally well advertised large corporations. The following choices were identified by Digital’s management;

(i) Appoint one national representative to cover all market and areas.

(ii) Appoint one national representative in each market segment business, government, professional and consumer

(iii) Have regional representatives — either one per region or segment or one for, each segment in each region.

(iv) Begin the distribution locally and expand gradually.

(v) Sell through large department stores, chains and mail order houses.

Channel Selection:

The President of Digital favored third alternative which would obtain widest possible distribution with maximum volume. However, the firm’s vice-president thought alternative had serious shortcomings In order to reach a large number of regional distributors in each segment would require a large sales and advertising outlay for sales promotion and support. The vice—president recommended the following plan.

Home market was to be segmented and, could be reached either through one national representative or appointment of a limited number of regional agents. Through them local distributors would be appointed. This would reduce the sale force required to reach national distribution. The remaining segments would be addressed by companys sales force. These markets — business, education and government required more personal selling than retail store distribution. Ultimately the market share in business and government segments would prove more stable In the long run. Thus, -these segments would be developed slowly by setting up exclusive agencies in selected areas and expanding as market developed in other regions.

Questions :

(1) Outline the type of distribution channel most appropriate to reach the growing market segment.

(2) What strategy should digital adopt in selling the new product?

(3) What are the pros and cons of the president’s and the vice-president’s plans for distribution?

(4) Should digital sell to large department stores under their private label?
PART – A

Answer ALL questions

1. (a) Describe briefly the scope and size of International Markets.
   Or
   (b) Explain briefly the Institutional framework of International marketing.

2. (a) Discuss the cultural environment of International Business.
   Or
   (b) Discuss the influence of monetary and financial environment on International Business.

3. (a) Explain the objectives and features of Import-Export policy of India.
   Or
   (b) What are the various factors influencing International Advertising? Discuss briefly.

4. (a) Discuss the key factors deciding International distribution and sales policy.
   Or
   (b) What are the various sources of data for International Marketing Research? Explain briefly.

5. (a) How does legal environment influence international marketing? Explain.
   Or
   (b) Explain briefly about International marketing planning and control.
PART - B
Case Study
(Compulsory)

5. Study the following case and answer the questions given at the end:

F. Rozen, President of the Best Frozen Foods Company, was reviewing the latest sales figure for his company. He noticed that the greatest profit margins came from sales in the military commissary system in Europe. The commissaries are essentially no-frill American, type supermarkets that sell grocery products that Americans want and need. The commissary system encompassed food stores run by American Army to serve military soldiers assigned to Europe. Most of the commissaries and the personnel are located in Germany. Only military and American civilians connected with U.S. government and their dependants can shop at these stores.

F. Rozen called his Vice-President, N.E.W. Market, into his office and said, "Our frozen foods are making profits in the German commissaries, especially with our giant-size meals. As in America, our foreign corn is best seller. Finally meals with corn as a vegetable are outselling meals that have vegetables other than corn. Sales of frozen corn have exceeded our highest expectations. Remember that when I was with American army in Germany you could not get foreign food. This will make a great market for us to expand our frozen food line. Since our warehouse and transportation network have been established and the additional distribution cost are negligible."

"Whenever expanding our market area, we have used a massive television campaign going, with a successful theme "Better Than Fresh". SINCE the German population drinks a lot of beer, let us use local actors drinking a cold beer while eating a meal. I want you to go to Germany, get the shelf space, arrange the television advertising, promotion, and every thing else involved in introducing the frozen line in Germany. The food will be shipped next week and will be available for shipment to the stores in three months."

N.E.W. Market left for Germany the next day. Three weeks later, he sent the following report back to F. Rozen. "I have observed the following problems. First are the cultural differences between the U.S. and Germany. One difference involves shopping. Americans tend to shop once a week; they buy grocery for the week and they want convenience.

Meals are to be cooked and I consumed as quickly as possible. But in Germany, food
shopping is a social occasion especially in smaller cities. Most employees are off from noon till two. They go to the local shops and buy the food they need for evening meals. Corn is not eaten in Germany, it is used as animal feed.

"In the U.S., refrigerators are large and have very, large freezer compartments. Many Americans even own separate freezer. The typical German refrigerator is smaller and there is little room for frozen foods, Germans are not used to frozen foods and even drink their beer warm. You have to request for ice in restaurant. There are many food stands sell in front of grocery stores that sell sausages and French fries. Grocery stores sell plenty of fresh meat, fish, cheese etc. There is plenty of help in the shops who give out samples and conduct demonstration. But there is little refrigerator or freezer space."

"I showed the package to potential customers. We had forgotten to print instructions in German. Mostly, packaging is printed in four or five languages, including German, English, French and Spanish. People said they could not follow the English instructions on our package. They were also not sure how large a pound or ounce was."

The report also noted some advertising problem. "A major problem exists with television advertising. The only advertising occurs between 6:30 and 7:00 p.m. There is an all advertising show that is one of the most popular shows. But to get space you have to bid well for it at least 18 months in advance. There is no guarantee when the commercial will be shown. Comparative advertising is banned. The food industry will not let us use the theme 'better than fresh' food. This is considered derogatory to the fresh food industry."

"I cannot find shelf space for our product. Stores do not have Freezer space nor do they want to carry untried products. Please advise what action should I take. What should I not do to the product, what should I not do with the product, which is arriving?"

Questions:

(a) What are the major advertising problem mentioned in the case?
(b) How would you introduce the new product in the foreign market?
(c) Why did F. Rozen call his Vice-President?
PART – A

Answer ALL questions

1. (a) What are the Basic issues of Services Marketing? Explain briefly.

Or

(b) Explain briefly the key aspects of designing service strategy..

2. (a) Present an overview on the marketing of financial services with respect to Indian Scenario.

Or

(b) Explain the concept of consumer banking and discuss its merits and limitations.

3. (a) How is tourism managed and marketed in India? Explain briefly.

Or

(b) Explain briefly the marketing of health services at Appollo hospitals.

4. (a) How are health Services Marketed in India? Discuss briefly.

Or

(b) What are the implications for advertising agencies in respect to marketing of professional support services?

5. (a) Discuss about the Marketing Approach to Electricity in India.

Or

(b) What are the Marketing Services available to Professional Education? Explain briefly.

PART -- B

(Compulsory)

6. Case Study

McDonald's burger has a lot to chew not only in America but also in India. This chain
launched in 1996 has grown to a totally identifiable and indianised chain. Mr. Vikram Bashi the Managing Director did this with focus consumer requirements.

The McDonald's home delivery provided eating experience at home. But products like French fries need be eaten within seven minutes of preparation. The Indian outlets discourage delivery of French fries but the Hong Kong R and D unit is, trying to find out a solution to keep to their crunchiness The burgers are removed off the shelf is they are not consumed within 10 minutes of preparation.

McDonald's expanded its outlets by setting up Kiosks, coffee bars and food courts for distribution since setting up a full fledged restaurant is expensive. Separate kiosks for desserts and beverages are started at Delhi to reduce the snacking queues. McDonald's believes in fast service, recently the Lucknow unit attended to 1,470 customer in one hour.

When the fast food market is growing one has to indianise the product, removing the use of beef and pork. Also Mc spice MC. puff, Wrap, curry pan, Aloo tikki burgers and Mc Imli (with tamarind) are specifically introduced to attract Indians. Having consistent products at affordable pricing and at convenient locations worked. The pricing was actual not a slashed one. The gross.margin of 50% of the chain comes from Ra. 7 per cone ice cream. The strategy is when the volumes become large the lowest pricing is right. But not all units of McDonald's are making profits, since set up cost of each unit is Rs. 3.5 crores. Today with 37 units in North and 23 in India alone McDonald's understood the Indian market thoroughly. McDonald's attempted to tie up with udipi restaurants but could not compromise on them underpaying their boys and not even having a grease trap. Indian middle class and even upper class spend 42-44% of their income groceries unlike westerners who spend only 7-8%. Even in Indian malls 85% of the visitors come to see not spend.

The fast food chain has a menu development team with its researchers and marketing people.' Today 70% of its products in Indian are not available in the world market.

McDonald's focusses on the areas where it existed first and design and strategy in highly relevant culturally significant manner. with its philosophy of (quality, service, clean and value). Creating a hassle-free family environment which is basically child friendly has been enhancing the customer satisfaction. Seating is also a strategic plan since on peak days occupancy is high. The customer is served in 50 seconds, today and earlier it was 1 minute and 20 seconds.
McDonalds has 18% kids and 82% adults among its customers. But it is stable and traditional like Jaya Bachan and not fast and flashy like Aiswarya Rai.

Questions:
(a) Examine the marketing strategies of McDonald India.
(b) Critically analyze the process of Indianising the brand.
(c) Scan the marketing environment in Indian and suggest appropriate strategies for McDonald India.
PART – A

1. (a) Explain briefly the organisation of marketing research in India.
   Or
   (b) Discuss the various sources of data for undertaking research in marketing field.

2. (a) What do you understand by Attitude Measurement? How is it done?
   Or
   (b) Explain the secondary sources of data collection in detail.

3. (a) What are the merits and limitations of Qualitative research?
   Or
   (b) Explain about Data Coding and data presentation.

4. (a) Explain briefly the analysis of association and discuss the concept of conjoint analysis.
   Or
   (b) Write briefly about description and inference from sample data.

5. (a) Discuss the application of marketing research in India with a suitable example.
   Or
   (b) Discuss the need for marketing research specially in countries like India.

PART – B (CASE STUDY)

6. Automobile industry has been in one of the worst slumps since the World War II. The low sales levels have persisted for three years at a time when the number of drivers is at record levels and people’s ability to afford cars is greater than ever. The persistently high interest rates and recession dampened the car buying consumers.

   Most automobile companies offered extensive rebates, warranties and financing packages to lure customers into the showrooms. The discounting programmes and low volumes put the automakers in the worst financial conditions with huge losses. Companies reduced their
workforce drastically and also made unions accept austerity contracts for the first time in the history of trade unions. Labour contracts negotiated by automakers stipulated that the companies would pass the benefits of reduced wages to Consumers in the form of lower prices. The lower prices, in turn, would bolster sales and help put more people back to work.

Pricing Strategy:

In the summer of 1982, however, the sales indicators began showing a continued upward trend. In June 1982, the car sales were at a seasonally adjusted annual rate of 8.3 million units, topping May's 8.2 million rate and substantially above April's 7.2 million. Continued badgering (worry) over the last three years is putting pressure on automakers to improve the bottom line which would obviously result in increased prices. In the last two years, the automakers reported operating losses exceeding $7 billion.

What should be the pricing strategy without killing a sales recovery? Marketing executives at the automakers are taking a hard look at what consumer wants and expects.

One alternative would be to gradually phase out promotional programmes including rebates and maintenance warranties. However, these sales tactics have been helpful attention-getters in recent months. Chrysler which desperately needs sales has said it will keep its five-year warranty for a few more months. Ford has kept its rebates and extended warranties on some models but dropped them on others. Most likely the automakers will adopt combination of reduced promotion and smaller price increases on large cars already picking up in sales. Price increases would be tacked on to large cars and luxury and sport models where the consumers are not very sensitive to pricing.

Another strategy is to keep the base price of the car the same but tack (rely) on increases to such hidden items as freight charges, option prices and wholesale costs to the dealer.

Questions
(a) How aggressive the auto--pricing policies should be so as not to discourage or depress the sales recovery?
(b) What kind of market research needs to be done to determine people's wants and desires?
(c) What should be the trade off of price increases vs. Volume (more employment) if the sales Surge (rise) more than the current sales forecast?
(d) Comment on the alternatives to Pricing strategy in order to assure expected sales volume.
1. (a) What do you mean by Society in Transition? Explain briefly.

   Or

   (b) What are work Ethics? Discuss their need and importance in Indian organizations.

2. (a) Define perception. Discuss the factors influencing the perception of a person.

   Or

   (b) What are the different ways and means of understanding human behaviour?

3. (a) What are the Interpersonal styles? Discuss in brief.

   Or

   (b) Explain the process of Interpersonal communication and discuss the need for feedback in communication.

4. (a) Explain briefly the process of Group formation in an organization.

   Or

   (b) What are the reasons for Group conflicts? How are they to be avoided?

5. (a) How does organization climate influence the functioning of a business unit? Explain.

   Or

   (b) What are the important concepts of organizational processes? Explain discuss the emerging trends in them.

PART – B

(Compulsory)

6. Case Study:

   Interior Decorating corporation, a proprietary firm was engaged in the business of floor carpeting and supplying furnitures. The firm used to procure carpet and furnitures from the manufacturers directly. While the furniture was supplied in the form in which it was procured
from the manufacturers, carpeting required some processing by carpet, layers employed by the firm. Though the firm's business was good, it continuously suffered from adequate cash inflows as carpeting and supplying furniture- was undertaken on credit basis. Worried with the problems of cash shortages, Mohan, the owner of the firm, wanted to have a person who could work for him and collect enough cash from the customers to pay its outstanding creditors. He was having bank overdraft facility and this limit was mostly exhausted most of the time. Mohan was very much impressed with Kishan, a private-sector bank employee who used to handle Mohan's account in the bank. Mohan persuaded him to join his firm and offered substantial pay rise with a full freedom, of handling the firm's finance and accounts independently. Kishan thought it a good opportunity to show his talent and readily agreed to join the firm.

After Kishan joined Interior Decorating Corporation, he discussed the problem of cash flows of the firm with Mohan. Mohan suggested him that it was just a matter of timing and the firm would generate enough cash inflows to pay outstandings as it was the best firm in the city. He advised to take steps for recovering dues from the customers. Kishan felt satisfied as the matter appeared to be very simple. However, on detailed analysis, he found that the matter was not so simple as narrated by Mohan-, it was much more than a simple problem of cash flow. Inspite of this, he did not feel worried and accepted it as a challenged. He analysed the matter thoroughly and arrived at the following conclusions

(a) Carpet layers used to make mistakes in carpet laying and customers had lot of complaints. Similarly, some furniture used to be damaged in transportation which also invited complaints from the customers. However, these complaints were not attended to promptly and consequently, customers refused to pay. Therefore, problems would be overcome by complaints serviced to the satisfaction of the customers.

(b) Since the firm was not paying its outstandings promptly, suppliers of carpet and furniture were reluctant to allow credits on long-term basis but only on short-term basis. This resulted into huge short-term outstandings.

Armed with such an analysis, Kishan prepared a plan to overcome the problems and discussed it with Mohan with which he readily agreed. Kishan began to examine all customer orders at crucial points in the process which resulted in minimizing the problems with new order though many old complaints remained pending. These complaints were handled one by one as the time permitted. Kishan also arranged a priority system for paying creditors that eased some financial pressures in the short run which would allow old and non-critical debts to be repaid when old customers cleared their dues. Within a period of six months, the firm cleared its outstandings and there was some surplus In the bank account too. Both Mohan and Kishan were very happy and the former raised the salary of later substantially giving him credit for the transformation. Kishan felt a sign of relief that his overwork has paid suitable dividend.

After three months, Mohan asked Kishan to check the firms bank balance as he needed money for purchasing a new house for his family. Kishan objected the proposal vehemently as this would put the firm in the problem of cash shortages again and it would be very painful to him to work with perennial cash shortages. He had overworked to overcome the problems and with lot of tension and Mohan wanted to put him in the same situation again. Came a prompt replay from Mohan, "If it is painful to you to work, better you resign. I will
sell my services and money will flow like anything. After all, it was a matter of timing. It is my firm and I will run it in the way I like. You better get rid of it”. Kishan was visibly disturbed but did not say anything.

(i) How did Mohan and Kishan perceive the problems being faced by Interior Decorating Corporation?

(ii) What steps should Kishan take after this incident?

(iii) What advice can you offer to Mohan and Kishan to resolve their differences?
**PART A**

**Answer ALL questions**

1. (a) Discuss briefly the various HRD strategies.
   
   **Or**
   
   (b) What is Task analysis? What are the techniques of it?

2. (a) Explain the concept of developmental supervision and discuss its merits.
   
   **Or**
   
   (b) Present an overview on HRD in Government and Public systems.

3. (a) Compare and contrast HRD practices of national organizations with HRD practices of international organizations.
   
   **Or**
   
   (b) Discuss the need and importance of HRD in police sector and Panchayati Raj institutions.

4. (a) Discuss briefly the various aspects and elements of HRD for workers.
   
   **Or**
   
   (b) What are the key factors influencing the design of HRD?

5. (a) Explain in detail organizing for HRD.
   
   **Or**
   
   (b) Discuss HRD experience in an Indian organization of your choice.

**PART B**

**Case study**

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

   Indian Computers and Electronics Limited (ICEL)’s sales exceed Rs. 4,500 million a year. Its nationwide operations employ about 38,000 people. ICEL’s product lines range from Rs. 18,000 electronic typewriters to data processing systems that sell for Rs. 1100,000. It controls...
about 40 percent of the national market for computing equipments. The company is generally acknowledged to be one of the most successful and best managed corporations in India. Of course, it did not achieve its stature solely on luck. The company obviously does a number of things that work. The following describes a few of the qualities that make ICEL the unquestionable leader in its field.

Employee behaviour at ICEL is the product of its founder's philosophy. Rambhau Patel had rules for almost everything. Dark business suits, white shirts and striped ties were 'executive uniform'. Drinking alcoholic beverages, even off the job, was strictly prohibited. Employees were expected to accept frequent transfers. Today, the rules are a bit less severe, but the conservative image is still there. Male sales personnel are expected to wear suits and ties when meeting the customers, but shirts no longer have to be white. All employees are also subjected to a 32-page code of business ethics.

ICEL has always demonstrated a strong commitment to its employees. People sometimes get fired, but the company never laid off anyone to cut costs. Redundant employees are retrained and then reassigned. But this commitment is two way: ICEL carefully screens job candidates to identify people who will grow with the company. New employees are expected to spend their working careers with ICEL. Of course, it does not always work that way. Many employees leave voluntarily as they are sought after in other companies for senior executive positions.

Salaries and benefits at ICEL are highly competitive. In several state units, the company has its staff quarters sand recreation clubs and the membership is a meager Rs. 5.00 a year. It is not surprising that this concern for its employees has led to a strongly committed work force.

Part of ICEL's success is also attributable to its commitment to service. Its sales personnel are thoroughly trained and highly knowledgeable. Most new employees spend most of their first two months in company-run class rooms. Managers are required to take at least sixty hours of additional instructions.

Every year ICEL spends more than Rs. 5 million on employee education and training. Customers can feel confident that if they have a problem with ICEL equipment, its sales and service personnel will be able to solve them without complicated bureaucratic procedures. The commitment to service is strongly customer focused. ICEL spends heavily to acquire comprehensive and up-to-date market research data on potential customer needs. In contrast to
many of its competitors, which have allowed technology to drive their product line, ICEL has sought to let the customers determine what it will produce and sell.

But maintaining a successful record also requires change. ICEL has recently demonstrated that it can and will adapt to changing conditions. Between 1987 and 1990, to foster innovation and flexibility, it set up fifteen small independent units within the company to investigate such fields as robotics, specialized equipment and analytical instruments. May be its significant departure from its past tradition has been related to its commitment to compete in the personal computer market. The ICEL-PC is built largely from parts bought from outside suppliers, making its technical specification available to other firms in order to stimulate compatible software and peripheral equipments. The company has even begun to offer discount price to stimulate sales.

Questions:
(a) Describe ICEL's organizational culture. Does this culture inhibit (i) employee motivation? (ii) employee innovation? or (iii) organizational flexibility?
(b) How do ICEL's selection criteria, socialization techniques, and reward system act to maintain its culture?
PART – A

Answer ALL questions

1. (a) Explain the concept and process of human resources planning.
   Or
   (b) What are the methods and techniques of supply forecasting?

2. (a) Explain the methods of job evaluation and discuss the limitations of it.
   Or
   (b) What is job analysis? What are its objectives and techniques?

3. (a) Define recruitment. Explain briefly its sources and methods.
   Or
   (b) Explain briefly the concept of potential appraisal and discuss its importance.

4. (a) Explain briefly about the process of HR audit.
   Or
   (b) What are the merits and limitations of HR accounting?

5. (a) Is merit based promotion better than seniority based promotion? Discuss.
   Or
   (b) What are the different methods of training in organizations? Explain briefly.

PART — B

Case Study

6. The foundry has always been regarded as one of the worst places to work in Bhim Steel Manufacturing Co. The work in foundry was hot, dirty, and heavy. Brawn rather than brain is considered the chief requirement to get the job done. Yet according to the job evaluation plan "physical ability" and "working conditions" are weighted relatively lower than "responsibility", "training" and "skill". As a consequence,
most of the foundry jobs are rated at the bottom of the wage scale. In recent years it has been increasingly difficult to get men for working in the foundry. Management has had to take men who could not get jobs elsewhere—thus further lowering the already low social status of the foundry in the eyes of other men in the plant. The whole matter has now reached a crisis. There are now sixteen vacancies in the foundry and it is impossible to hire new men at the evaluated rate.

**Issues:**

(a) How should this problem be handled?

(b) Is there any need to revise its job evaluation programme?

(c) How should management deal with the reactions of other workers if it decides to increase for day wages but not other wages?
SRI VENKATESWARA UNIVERSITY : : TIRUPATI
DIRECTORATE OF DISTANCE EDUCATION
MASTER OF BUSINESS ADMINISTRATION
THIRD YEAR EXAMINATION
Elective Paper — UNION MANAGEMENT RELATIONS

PART – A
Answer ALL questions

1. (a) What factors are responsible for union – management relations?

Or

(b) Discuss briefly the international issues in union management relations.

2. (a) Describe the trade union structure and explain the process of getting trade union recognized.

Or

(b) What are the objectives and features of management and employers association?

3. (a) Discuss the nature and process of collective bargaining.

Or

(b) Explain briefly the role of Arbitration and adjudication in conflict resolution.

4. (a) What are the various forms and levels of workers participation in management?

Or

(b) Discuss briefly the design and dynamics of participative forums.

5. (a) Discuss briefly the Emerging trends in union management relations.

Or

(b) What is a trade union? What are its functions?

PART – B
(Case Study)

6. Kayjay Private Limited is a small factory with about 400 workers, with a Works Manager (WM) and a Chief Works Manager (CWM). The factory manufactures ancillary materials for a
main factory which entirely depends on this factory to the extent that even if there is the smallest failure the production in the main factory would stop affecting the Wheel of the Nation. There are two Unions in the Organisation, one docile but not too friendly and the other voiciferous. During the night shift on one day, one of the workers, an office bearer of one of the unions, had allegedly assaulted the supervisor and the other workers supporting the supervisor suddenly turned violent and there were group clashes. News reached the Chief Works Manager, who agreed with the Works Manager for the suspension of the workers who had indulged in violence, particularly the one who has allegedly assaulted the supervisor, and the other who supported that Union worker. Night shift went on somehow, after the suspension.

In the morning, the President / General Secretary of the Union whose members were suspended and who are normally not so voiciferous met the Chief Works Manager, explained that, that particular group has not perhaps been behaving properly and that they would privately, apologise on behalf of that group since the action affected the name of their Union and that the suspension should be revoked and period treated as leave of absence. The Chief Works Manager relented and took action as suggested by the leaders. This happened by about 2 p.m. before the first shift was over.

The second shift staff came and on hearing the action of Chief Works Manager felt agitated not only because they belong to the other rival Union, but also because they felt that the Supervisor should not have been assaulted (that is our culture !) and when the suspension action was justified the Chief Works Manager should not have relented since this would affect the discipline in industry and set a bad precedence apart from demoralising the supervisor and the Works Manager. The Chief Works Manager promised action but they were not satisfied and started 'go slow methods'. The Chief Works Manager contacted the General Secretary of the Union who was not in favour of interfering in the local affair, and also felt that the problem was the creation of Chief Works Manager himself. The Union also threatened 'tool down strike' which would virtually stop the production by the main factory.

**Question**
The Chief Works Manager was in a dilemma. How would you solve this?
PART – A
Answer ALL questions

1. (a) What are the techniques of managing Resistance to change? Explain briefly.
   Or
   (b) What are the key roles in organizational change? Explain briefly.

2. (a) Discuss briefly the issues and concepts of organizational diagnosis.
   Or
   (b) How is an organizational change programme evaluated? Explain.

3. (a) What is a Work Redesign Model? Explain in detail.
   Or
   (b) Discuss briefly organizational change and process consultation.

4. (a) What are the merits and limitations of having an Internal change Agent?
   Or
   (b) What are the various skills required to be a successful consultant?

1. (a) Explain briefly the Quantitative and Qualitative diagnostic methods.
   Or
   (b) Discuss briefly the key factors influencing change in an organization.

PART – B
Case Study

6. Mr. Das is a final year MBA student. He has done well in exams and practical work. During the campus recruitment, he was selected by a well known company in Delhi. Firm’s representatives invited him to visit their factory. Mr. Das spent one full day in the factory, meeting key officials and visiting various sections. Before leaving the personnel Manager confided that they are willing to hire him subject to passing certain selection tests and formal interviews. He was asked to report to the factory after his final examination.
Having back to the college, Mr. Das wrote to the firm thanking them for the offer but regretted his inability to join them.

Questions

(a) What made Mr. Das to refuse the job offer?

(b) If you are the director of the Management institute, what type of counselling you would like to give to Mr. Das?

(c) Comment on this case in the light of human resources management.