

S.No. of Question Paper :

Unique Paper Code : 12273402_OC

Name of the Paper : Data Analysis

Name of the course : BA(H) Economics CBCS-SEC

Semester : IV

Duration : 2 Hours

Maximum Marks: 75

Instructions for Candidates

1. Write your Roll No. on top immediately on receipt of the question paper.
2. Answer **any 4** questions.
3. All questions carry equal (18.75) marks.
4. Answers may be written either in English or in Hindi, but the same medium should be used throughout the paper.

परीक्षार्थियों के लिए निर्देश

1. प्रश्नपत्र मिलते ही निर्धारित स्थान पर अपना अनुक्रमांक लिखें |
2. किन्ही चार प्रश्नों का उत्तर दीजिये |
3. सभी प्रश्नों के अंक (18.75) समान है |
4. प्रश्न का उत्तर हिंदी अथवा अंग्रेजी माध्यम में लिखा जा सकता है परन्तु सभी प्रश्नों का उत्तर एक ही माध्यम में होना चाहिए |

Q1.a) Let y_1, y_2, \dots, y_n be a random sample from the pdf $f_y(y, \theta) = \frac{2y}{\theta^2}, 0 \leq y \leq \theta$.

Let two estimators be $\hat{\theta}_1 = \frac{3}{2}\bar{y}$ and $\hat{\theta}_2 = \frac{4}{5}\bar{y}$, be both unbiased. Which is more efficient?

b) The lifespan (in '000 hours) of four LED bulbs of 07 watts are as follows:

40,46,48, 50

(i) How many samples of size 2 can be formed in case when sampling is done with replacement and without replacement?

ii) Write all samples of size 2 with replacement from the above observations. Compute the sampling distribution and find mean and standard error of the distribution.

(iii) Write all samples of size 3 with replacement from the above observations. Compute the sampling distribution and find mean and standard error of the distribution.

(iv) Compare means and standard errors and draw the conclusion.

Q2.a) If there is perfect positive correlation between x and y . What can you say about correlation between:

i) $\log x$ and $\log y$

ii) $2X+3$, $5Y-6$

b) For the following data on two variables, compute correlation coefficient between their levels and their Logs:

X	2	3	1	10	81
Y	8	9	4	16	100

($\log 2 = 0.30103$, $\log 3 = 0.477121$)

Q3. a) Which measure(s) will suit best in each of the following situation and Why?

i) In a school, students are graded on equal intervals except that all students scoring less than 40% are considered fail and clubbed as a single category. A visitor wishes to compute average marks a student obtains in this school given this data.

ii) In a survey, age has been categorized into various intervals as :

<15, 15-25, 25-35, 35-45, 45 and above

Surveyor wishes to compute average age.

iii) A store outlet manager wishes to put apparels on sale, but wishes to exclude one size for each dress which is otherwise in high demand.

iv) It is known that two batsman have equal averages. But the coach wishes to know that if they are equally consistent too or one of them is more consistent.

v) The data on income of Indian individuals is given. The policymaker wishes to know the average income, and wants to know whether majority of people have lower levels of income or not.

vi) In a particular college 10,000 applicants applied in a specified course, where only 100 seats are available and admission is on merit basis. The dean needs to announce cut-off.

Q4. a) if variance of $X = 9$, regression equations : $8X - 10Y + 66 = 0$, $40X - 18Y = 214$. What are:

i) mean values of X and Y .

ii) correlation coefficient between X and Y .

iii) standard deviation of Y ?

b) It was believed that NIFTY for IT companies depends on NIFTY 50 index, so a regression was run and following results were obtained:

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.930152
R Square	0.865183
Adjusted R Square	0.862973
Standard Error	615.6311
Observations	63

ANOVA				
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>
Regression	1	148366090.68	148366090.68	391.47
Residual	61	23119097.92	379001.61	
Total	62	171485188.6		

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	5589.786	500.1509596	11.18	0.000
NIFTY 50	1.338237	0.067637312	19.79	0.000

Given above information answer the following:

i) Is it true that NIFTY 50 causes NIFTY IT? Explain why or why not?

ii) Compute coefficient of correlation between two.

- iii) Is this model good or not? Explain which all values would you use and what do they show?
- iv) Construct a 95% confidence interval for coefficient of NIFTY 50 and interpret it.

Q5. a) Suppose there are 3 coins in a bag. One of them is a fair coin, but the others are biased trick coins. When flipped, the three coins come up heads with probability 0.5, 0.6, 0.1 respectively. Suppose one of these three coins uniformly at random and flip it three times. What is $P(HTT)$? (That is, it comes up heads on the first flip and tails on the second)

b) There are 5 men and 8 women in a ballroom dancing class. If four men and four women are chosen and paired off, how many pairings are possible?

c) The volume in a set of wine bottles is known to follow a $N(\mu, 25)$ distribution. You take a sample of the bottles and measure their volumes. How many bottles do you have to sample to have a 95% confidence interval for μ with width 1?

Q6. a) For the following data, compute consumer price index for beverages using taking 2019 as base year:

Good	2019		2020		2021	
	Quantity	Price	Quantity	Price	Quantity	Price
Pepsi	10	6	12	8	5	10
Fanta	9	7	10	10	8	9
Coffee	12	10	6	6	12	15
Tea	6	5	5	6	10	7

Also, compute inflation rate between 2019-20 and 2020-21.

b) If price index increases from 100 to 150, what can you say about value of rupee during same period of time?

Unique Paper Code : 62277603

Name of the Paper : Economic Development and Policy in India- II

Name of the Course : CBCS B.A. (Prog.), DSE

Semester : VI

Maximum Marks : 75 marks

Instructions for Candidates

1. This paper consists of 6 questions. Answer **any 4** questions
2. All questions carry equal marks
3. Answers may be written either in English or in Hindi, but the same medium should be used throughout the paper

परीक्षार्थियों के लिए निर्देश

1. इस पत्र में 6 प्रश्न हैं। किसी भी 4 सवालों के जवाब दें
2. सभी प्रश्न समान अंकों के हैं
3. उत्तर अंग्रेजी या हिंदी में लिखे जा सकते हैं, लेकिन पूरे पेपर में एक ही माध्यम का उपयोग किया जाना चाहिए

Q1. The Indian agriculture is plagued with age old practices that keep its productivity low. Evaluate this statement and suggest measures to improve productivity in the Indian agrarian structure. Do you think that the Indian Farm Bills 2020 would lead to a rise in productivity in this sector?

प्र1. भारतीय कृषि क्षेत्र सदियों पुरानी प्रथाओं से त्रस्त है जो इसकी उत्पादकता को कम रखते हैं। इस कथन का मूल्यांकन करें और भारतीय कृषि संरचना में उत्पादकता में सुधार के उपाय सुझाएं। क्या आपको लगता है कि भारतीय कृषि विधेयक (फार्म बिल) 2020 से कृषि क्षेत्र की उत्पादकता में वृद्धि होगी?

Q2. Do you agree with the view that a country that has achieved self sufficiency in food grain production also necessarily attains food security for its people? Discuss. Explain how agricultural pricing policy can help a nation attain food security.

प्र2. क्या आप इस दृष्टिकोण से सहमत हैं कि एक देश जिसने खाद्यान्न उत्पादन में आत्मनिर्भरता हासिल कर ली है, उसने अपने लोगों के लिए खाद्य सुरक्षा भी प्राप्त कर लिया है? चर्चा करें। बताएं कि कृषि मूल्य निर्धारण नीति किस प्रकार खाद्य सुरक्षा प्राप्त करने में देश की मदद कर सकती है।

Q3. Do you agree with the view that industrial development in India can be categorized into different phases? Discuss.

प्र3. क्या आप इस दृष्टिकोण से सहमत हैं कि भारत में औद्योगिक विकास को विभिन्न चरणों में वर्गीकृत किया जा सकता है? चर्चा करें।

Q4. Discuss the objectives, rationale, methods and government's policy on privatization and disinvestment in India.

प्र4. भारत में निजीकरण और विनिवेश के उद्देश्यों, औचित्य, विधियों और सरकार की नीतियों पर चर्चा करें।

Q5. Analyse India's new Foreign Trade Policy in the light of giving boost to domestic manufacturing through Government of India's flagship "Make in India" programme.

प्र5. भारत सरकार के प्रमुख "मेक इन इंडिया" कार्यक्रम (यानी "भारत में बनाओ" नीति) के माध्यम से घरेलू विनिर्माण (FDI) को बढ़ावा देने के संदर्भ में भारत की नई विदेश व्यापार नीति का विश्लेषण करें।

Q.6. Write short notes on *any two* of the following:

- a) Indian government's irrigation policy
- b) Labour regulation in India
- c) FDI in Indian retail
- d) Problems faced by SSIs in India

प्र6. निम्नलिखित में से किसी दो पर संक्षिप्त टिप्पणी लिखें:

- क) भारत सरकार की सिंचाई नीति
- ख) भारत में श्रम विनियमन

ग) भारतीय खुदरा क्षेत्र में प्रत्यक्ष विदेशी निवेश (FDI)

घ) भारत में लघु उद्योग क्षेत्र (SSIs) की समस्याएं

Name of the Paper: Financial Economics

Name of Course: B.A. (Hons.) Economics – CBCS – DSE

UPC: 12277612

Semester: VI

Duration: 3 Hours

Maximum Marks: 75

Instructions to Candidates:

- Use of scientific calculator is allowed.
- Attempt any four questions out of six.
- All questions carry equal marks. Subparts of a question carry equal weightage.
- Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

परीक्षार्थियों के लिये निर्देश :

- वैज्ञानिक कैलकुलेटर के उपयोग की अनुमति है।
- छह में से किसी भी चार प्रश्नों का उत्तर दीजिये।
- सभी प्रश्नों के अंक समान हैं। एक प्रश्न के उप-भाग के अंक भी समान हैं।
- उत्तर अंग्रेजी या हिंदी में लिखे जा सकते हैं; लेकिन पूरे पेपर में एक ही माध्यम का उपयोग किया जाना चाहिए।

1. (a) Define NPV and IRR. Which of these criteria is the most appropriate for investment evaluation? Explain your answer with the help of an example.

(b) Find the duration D and the modified duration D_M of a perpetual annuity that pays an amount A at the beginning of each year, with the first such payment being 1 year from now. Assume constant interest rate r compounded yearly.

(c) The current price of government treasury bonds is as follows:

Maturity (in years)	Coupon	Price
1	0 percent	\$97.474
2	5 percent	\$99.593

Assuming all coupons are annually paid with each bond having a par value of \$100. What are the 1-year and 2-year spot rates? What is the forward rate between year 1 and 2?

1. (अ) NPV और IRR को परिभाषित करें। निवेश के मूल्यांकन के लिए इनमें से कौन सा मापदंड सबसे उपयुक्त है? एक उदाहरण की मदद से अपना उत्तर दीजिये।

(ब) प्रत्येक वर्ष की शुरुआत में एक राशि का भुगतान करने वाले एक सतत वार्षिकी की अवधि D और संशोधित अवधि DM निकालिये, जो प्रत्येक वर्ष की शुरुआत में एक राशि का भुगतान करता है, इस तरह का पहला भुगतान अब से 1 वर्ष के लिए किया जाएगा। निरंतर ब्याज दर r को सालाना आधार मान लें।

(स) सरकारी ट्रेजरी बांड की वर्तमान कीमत निम्नानुसार है:

Maturity (in years)	Coupon	Price
1	0 percent	\$97.474
2	5 percent	\$99.593

मान लिया जाए कि प्रत्येक कूपन को प्रत्येक बॉन्ड के साथ \$ 100 का सममूल्य मूल्य दिया जाता है। 1-वर्ष और 2-वर्षीय स्पॉट रेट क्या हैं? वर्ष 1 और 2 के बीच की दर क्या है?

2. (a) The CAPM changes our concept of risk of an asset from that of σ to that of β . Show this by deriving the relationship between the expected rate of return of an individual asset with its individual risk.

(b) What is short selling? Discuss how the optimal set differs under short selling as compared to without short selling.

(c) Consider a risky venture with a per unit share price of \$875 which is expected to increase after a year. The standard deviation of the return of the venture is $\sigma = 40\%$. Currently the risk to \$1,000-free rate is 10%. The expected rate of return on the market portfolio is 17%, with a standard deviation of 12%. Find the expected rate of return of this venture and the expected rate of return predicted by capital market line. Compare the two and comment.

2. (अ) पूंजी परिसंपत्ति मूल्य निर्धारण मॉडल (CAPM) एक परिसंपत्ति के जोखिम की हमारी अवधारणा को σ से β के जोखिम में बदल देता है। अपने व्यक्तिगत जोखिम के साथ एक व्यक्तिगत संपत्ति की वापसी की अपेक्षित दर के बीच संबंध प्राप्त करके इसे दिखाएं।

(ब) शॉर्ट सेलिंग क्या है? चर्चा करें कि कैसे कम बिक्री के बिना इष्टतम सेट कम बिक्री के तहत भिन्न होता है।

(स) \$ 875 प्रति यूनिट शेयर की कीमत के साथ एक जोखिम भरे उद्यम पर विचार करें जो एक साल बाद बढ़ने की उम्मीद है। उद्यम की वापसी का मानक विचलन $\sigma = 40\%$ है। वर्तमान में \$1,000-मुक्त दर का जोखिम 10% है। बाजार पोर्टफोलियो पर वापसी की अपेक्षित दर 17% है, जिसमें 12% का मानक विचलन है। इस उद्यम की वापसी की अपेक्षित दर और पूंजी बाजार रेखा द्वारा अनुमानित प्रतिफल की अपेक्षित दर ज्ञात कीजिए। दोनों की तुलना करके टिप्पणी कीजिये।

3. (a) A trader owns a commodity as part of a long-term investment portfolio. The trader can buy the commodity for \$950 per ounce and sell it for \$949 per ounce. The trader can borrow funds at 6%

per year and invest funds at 5.5% per year. (Both interest rates are expressed with annual compounding.) For what range of one-year forward prices does the trader have no arbitrage opportunities? Assume there is no bid–offer spread for forward prices.

(b) The price of an American put on a non-dividend-paying stock is \$44.5. The stock price is \$408, the strike price is \$410, and the expiration date is in 6 months. The risk-free interest rate is 2.5% per half year. Derive upper and lower bounds for the price of an American call on the same stock with the same strike price and expiration date.

(c) What is the effect of change in risk-free interest rate and future dividends on price of an option?

3. (अ) एक व्यापारी दीर्घकालिक निवेश पोर्टफोलियो के हिस्से के रूप में एक कमोडिटी का मालिक है। व्यापारी प्रति औंस \$950 के लिए कमोडिटी खरीद सकता है और \$949 प्रति औंस के लिए बेच सकता है। व्यापारी प्रति वर्ष 6% पर धनराशि उधार ले सकता है और प्रति वर्ष 5.5% पर धन का निवेश कर सकता है। (दोनों ब्याज दरों को वार्षिक चक्रवृद्धि के साथ व्यक्त किया जाता है।) एक वर्ष की आगे की कीमतों के लिए व्यापारी के पास कोई मध्यस्थ अवसर नहीं है? मान लें कि आगे की कीमतों के लिए कोई बोली-प्रस्ताव नहीं फैला है।

(ब) गैर-लाभांश-भुगतान वाले स्टॉक पर लगाए गए एक अमेरिकी की कीमत \$ 44.5 है। शेयर की कीमत \$ 408 है, स्ट्राइक मूल्य \$ 410 है, और समाप्ति की तारीख 6 महीने में है। जोखिम मुक्त ब्याज दर प्रति छमाही 2.5% है। एक ही स्ट्राइक मूल्य और समाप्ति तिथि के साथ एक ही स्टॉक पर एक अमेरिकी कॉल की कीमत के लिए ऊपरी और निचले सीमा को निकालिये।

(स) एक विकल्प की कीमत पर जोखिम-मुक्त ब्याज दर और भविष्य के लाभांश में परिवर्तन का क्या प्रभाव है?

4. (a) Explain the difference between Futures and Forwards Contract.

(b) Suppose that a futures contract with 4 months to maturity is used to hedge the value of a portfolio over the next 3 months in the following situation:

Value of S&P 500 index: 1000

S&P 500 futures price: \$1,010

Value of portfolio: \$5,050,000

Risk free interest rate: 4% per annum

Dividend yield on index: 1% per annum

Beta of the portfolio: 1.5

One futures contract is for the delivery of \$250 times the index

- i. What position the company will take in futures contract?
- ii. Calculate the gain/loss from the futures contracts if index and futures price turn out to 900 and 902 respectively.
- iii. Calculate the expected value of the portfolio and the hedger's position at the end of 3 months.

(c) It is possible to buy three-month call options and three-month puts on stock Q. Both options have an exercise price for \$60 and both are worth \$10. Is a six-month call with an exercise price of \$60 more or less valuable than a similar six-month put? Show.

4. (अ) फ्यूचर्स और फॉरवर्ड कॉन्ट्रैक्ट के बीच अंतर स्पष्ट करें।

(ब) मान लीजिए कि परिपक्वता के लिए 4 महीने के लिए एक वायदा अनुबंध का उपयोग निम्नलिखित स्थिति में अगले 3 महीनों में एक पोर्टफोलियो के मूल्य को हेज करने के लिए किया जाता है:

Value of S&P 500 index: 1000

S&P 500 futures price: \$1,010

Value of portfolio: \$5,050,000

Risk free interest rate: 4% per annum

Dividend yield on index: 1% per annum

Beta of the portfolio: 1.5

One futures contract is for the delivery of \$250 times the index

(i) कंपनी फ्यूचर कॉन्ट्रैक्ट में क्या पोजीशन लेगी?

(ii) फ्यूचर्स कॉन्ट्रैक्ट्स से लाभ/हानि की गणना करें यदि इंडेक्स और फ्यूचर्स की कीमत क्रमशः 900 और 902 हो जाती है।

(iii) 3 महीने के अंत में पोर्टफोलियो के अनुमानित मूल्य और हेजर्स की स्थिति की गणना करें।

(स) तीन-महीने के कॉल ऑप्शंस खरीदना संभव है और तीन महीने स्टॉक q पर रखता है। दोनों विकल्पों का उपयोग मूल्य \$60 है और दोनों की कीमत \$10 है। छह महीने के पुट की तुलना में \$60 या उससे कम मूल्यवान व्यायाम मूल्य के साथ छह महीने की कॉल है? दर्शाइये।

5. (a) Explain four ways in which a company repurchases its stocks.

(b) "M.M. Proposition warns us that higher leverage increases both expected equity returns and equity risk. It does not increase shareholder value." Explain with the help of an example.

(c) "The dividend policy is irrelevant in a world without taxes, transaction costs, or other markets imperfections." Explain with the help of an example.

5. (अ) एक कंपनी के शेयरों को पुनर्खरीद करने के चार तरीके बताइये।

(ब) "M.M. प्रस्ताव हमें चेतावनी देता है कि उच्च उत्तोलन (leverage) में अपेक्षित इक्विटी रिटर्न और इक्विटी जोखिम दोनों बढ़ जाते हैं। यह शेयरधारक मूल्य में वृद्धि नहीं करता है।" एक उदाहरण की मदद से समझाएं।

(स) "लाभांश नीति बिना करों, लेनदेन लागत, या अन्य बाजारों की खामियों के बिना एक दुनिया में अप्रासंगिक है।" एक उदाहरण की मदद से समझाएं।

6. (a) Rank the following bonds in terms of descending duration (without calculating) and give reasons for the for the same:

Bond	Coupon	Time to Maturity	Yield to Maturity
A	10%	30 years	10%
B	0	30 years	10%
C	10%	30 years	7%

(b) If returns are positively correlated, it is more difficult to reduce variance and there may be a lower limit to what can be achieved. Show mathematically.

(c) What do we mean by Principal Protected Note? Explain using example.

6. (अ) अवरोही अवधि (गणना के बिना) के संदर्भ में निम्नलिखित बॉण्ड को रैंक करें और उसके लिए कारण दें:

Bond	Coupon	Time to Maturity	Yield to Maturity
A	10%	30 years	10%
B	0	30 years	10%
C	10%	30 years	7%

(ब) यदि प्रतिफल सकारात्मक रूप से सहसंबंधित हैं, तो भिन्नता को कम करना अधिक कठिन है और जो हासिल किया जा सकता है उसकी निचली सीमा हो सकती है। गणितीय रूप से दिखाएं।

(स) प्रधान संरक्षित नोट से क्या अभिप्राय है? उदाहरण देकर समझाइए।

Unique Paper Code : 22413305
Name of the Paper : Digital Marketing
Name of the Course : B.Com. (Hons.)-CBCS
Semester : III
Duration : 3hours
Maximum Marks : 75 Marks

Instructions for the Candidates

Attempt any four questions. All questions carry equal marks.

Q. 1 Mr Sahoo, a senior marketing executive with an investment bank has been asked to formulate a strategy for selling financial products to high net worth clients. Briefly explain the elements of marketing mix and suggest the appropriate marketing mix for the same.

Q. 2 What are the challenges and opportunities faced by an E-Marketers in India? Explain in the context of Amazon Prime.

Q.3 Mayank wants to purchase the latest design of Reebok shoes for himself online. Elaborate on his buying process involved. What motives would drive Mayank to make this Purchase?

Q. 4 Elaborate the concept of Internet Marketing. Critically examine the factors responsible for the growth of internet Marketing.

Q.5 Garima wants to build a website to sell her customized lady dress materials online. Suggest which process she follows for the development of her website.

Q.6 What is the role of “Social Media” in E- marketing? Comment on merits and demerits on any two social media of your choice.

Subject Paper Code : 22413301 (NC)

SET- A

Name of the Paper : E-Commerce

Name of the Course : B.Com (H)

Semester : III (CBCS)

Duration : 2 Hours

Maximum Marks: 50

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. You have to attempt 4 questions out of the 6 given. All questions carry equal marks.
3. Answers may be written in English or in Hindi; but the same medium should be used throughout the paper

Q.1. Mr. A wants to launch his existing traditional garment trading business on the internet as his sales got adversely affected due to Pandemic Covid-19. Suggest what all different modes or resources are required to launch his ongoing offline business on the internet? Justify which e-commerce business model should he adapt to expand his business globally?

Q2. "Business models have successfully integrated online cyber world with offline real world." Explain the statement in the light of various emerging business models. Also suggest which type of elements should be proper placed in the structure of an e-commerce business model specifically during Pandemic Covid-19 challenging period?

Q3. Mr. A. has been appointed a website developer in a company. How does he know if website of the company is secured? Are the websites of e-commerce sites ever hacked? Should an E-Commerce site run 100% under SSL? What steps should he take to make company's website more secure for consumers?

Q4. "E-banking is an e-commerce application which allows the customer to perform any banking function in more protected and secure manner than traditional banking". Justify the statement. What are four most common types of Electronic Fund Transfer (EFT)?

Q5. "Internet provides a perfect platform for both job-seeks and job-providers." Discuss the pros and cons of the statement. What is the future scope of online career services in India? Also give examples of some popular online career websites.

Q6. "Encryption provides strength and security to confidential information." Explain the statement in the light of various approaches available for encryption. Are digital signatures valid in India?

Unique Paper Code : 33413307
 Name of the Paper : Personal Finance and Planning
 Name of the Course : B. Com (Hons.)
 Semester : III
 Duration : 03 hours
 Maximum Marks : Max. Marks 75

Instruction to candidates.

1. Answer any **four** questions.
2. Each question carries equal marks.
3. Use of simple calculator, log tables and annuity tables is allowed.

Question-1)

Rahul is 26 years old and belongs to a humble family. His father is a farmer owning a very small piece of land measuring less than two acres. Rahul got placed in ABC bank on permanent basis with a good starting salary. He came to you to seek your advice on the different banking products (both investment and loan products) he can use to plan for his financial needs of various kinds that are expected to arise in next ten years.

Question-2)

Rohit wish to construct an equal weight portfolio with securities of R. Ltd. and S. Ltd. The basic details of these two securities are given as under:

		Expected return (%)	
Market condition	Probabilities	R. Ltd	S. Ltd.
Worse	0.1	10	30
Bad	0.2	13	15
Good	0.4	15	20
Very good	0.3	18	10

You are required to calculate the risk and return of such portfolio.

Question-3)

What do you mean by the term Risk in the context of investing in securities? How do you measure such risks? Distinguish between systematic risk and unsystematic risk with examples of each type of risk.

Question-4)

Mr. Gupta is 25 year old single person. He has no plan to marry and wish to retire at the age of 55 and do some social service after that. He spends Rs.180000 p.a. to maintain his life style. He expects his living expenses to increase by 2% every year until his retirement. The average inflation rate is assumed to be 5% throughout the phase of 30 years. What amount will Mr. Gupta require at the time of retirement to maintain his standard of living as before? If he feels that his standard of living during retirement will be only 75% of his living expenses at the time of retirement, then what will be the amount required by him at the age of 55, 60, 65 and 75 if the rate of inflation remains same after retirement? Mr. Gupta also started an investment plan at his age of 25 wherein he deposits Rs. 40000 every year as a part of his retirement planning. How much amount will he accumulate at the time of retirement if the rate of return is 9%?

Question-5)

X Ltd. installed an air conditioner at the residence of a director as per the terms of his appointment but treats it as fitted in quality control section of the factory. This is with the objective to treat it as plant for the purpose of computing depreciation. This act will be considered as tax avoidance or tax evasion? Explain tax avoidance, tax planning and tax evasion with the help of examples. How do these terms differ from each other?

Question-6)

Explain the role of insurance in managing risk. Briefly explain different types of life and health insurance schemes that one should consider to safeguard himself from future uncertainties.

Unique Paper Code:	22413304 (New Course)
Name of the Course:	B. Com. (Hons.)
Name of the Paper:	Personal Tax Planning
Semester:	III
Duration:	3 Hours
Max Marks:	75

SET I

1.

Mr. Saurabh, a citizen of UK has been coming to India every year for 100 days since 2016-17. Prior to the year 2016-17, he never visited India. During the financial year 2019-20, he earned the following income:

Particulars	Rs.
(a) Profits from business in Japan	5,00,000
(b) Agricultural income from South Africa	3,00,000
(c) Profit from business in USA controlled from India (50% is received in India)	5,00,000
(d) Interest on Canadian Government Bonds	50,00
(e) Profit on sale of property situated in India	3,00,000
(f) Pension income received in Indonesia for services rendered in India	5,00,000
(g) Dividend received from a company registered in UK	1,00,000
(h) Profit from sale of property located in Switzerland received in UK	1,00,000

How can he plan his visit in India so that his tax liability is reduced for Assessment Year 2020 - 2021. Also determine his taxable income.

2.

Sahil submits following information regarding his salary income for the previous year 2019-20:

Particulars	Offer I	Offer II
Basic Salary	Rs. 65,000 p.m.	Rs. 65,000 p.m.
DA	Rs. 17,500 p.m.	Rs. 17,500 p.m.
City compensatory allowance	Rs. 5,000 p.m.	Rs. 5,000 p.m.

Education allowance for three children	Rs. 500 p.m.	-
Education facility for three children in a school owned by the employer	-	Rs. 500 p.m.
Transport allowance	Rs. 2,000 p.m.	-
Facility of car	-	Transport facility to commute between office to residence
Medical allowance	Rs. 2,500 p.m.	-
Medical facility	-	He has got treatment in government hospital
House rent allowance (rent paid by him in Delhi- Rs. 5,000 p.m.)	Rs. 4,800 p.m.	-
Rent free unfurnished accommodation	-	Accommodation owned by employer in Delhi

His income from other sources is Rs. 6,00,000. He has taken a life insurance policy of Rs. 4,00,000 for his own life for which he is paying a premium of Rs. 40,000 p.a. The policy was taken on April 01, 2016. He has taken NSC VIII Issue of Rs. 20,000.

Advise him, which is the suitable option for him from the tax liability point of view for the Assessment Year 2020 -21

3.

Mr. Rajat (60 years) owns 3 houses which are used by him for his residential purposes. These houses are not let out throughout the previous year 2019-20. The following information is available from records of Mr. Rajat:

Particulars	House I (₹)	House II (₹)	House III (₹)
Municipal Value	12,00,000	16,00,000	27,00,000
Fair Rent	13,60,000	18,00,000	26,00,000
Standard Rent	13,20,000	19,00,000	25,00,000
Municipal taxes paid by Mr. Rajat	35,000	75,000	200,000
Interest on borrowed capital for repairs and renewal of the House (loan taken on April 01, 2018)	1,10,000	-	-
Interest paid on borrowed capital for purchase of House (Loan of Rs. 50 lakhs taken on June 01, 2017 @ 8% p.a.)	-	4,00,000	-

His other incomes are:

1. He receives monthly pension of Rs. 25,000
2. Interest on savings deposit Rs. 15,000
3. Interest on fixed deposit Rs. 40,000

You are requested to help Mr. Rajat to plan and compute his tax liability for the Assessment Year 2020-2021, assuming the best option for him.

4.

The following is the Profit and Loss Account of Mr. Chand for the year ended 2019-20, who is engaged in the business of manufacturing toys.

Profit and Loss A/c for the year up to 31.03.2020

Particulars	Amount in Rs.	Particulars	Amount in Rs.
Opening Stock	7,25,000	By Sales	90,00,000
Purchases	58,00,000	Closing Stock	5,40,000
Salaries	12,00,000	Recovery of bad debt (Not allowed deduction earlier)	42,000
Rent, Rates and Taxes	2,20,000	Misc. Receipts	35,000
Staff welfare expenses	40,000		
Household expenses	80,000		
Interest on capital of Mr. Chand	22,000		
Provision for bad debt	32,000		
Custom duty	2,10,000		
Depreciation	1,55,000		
Payment of royalty outside India	2,20,000		
Net profit	9,13,000		
	96,17,000		96,17,000

Other Information

1. Household expenses include medical insurance premium of Rs. 28,000 paid on the health insurance of Mr. Chand.
2. Depreciation is in respect of machinery of Rs. 8,00,000 which was purchased on June 10, 2019, but was installed on November 02, 2019.
3. The tax was not deducted at source in respect of payment of royalty outside India.

The due date of filing of return of income is September 30, 2020. Determine the taxable income of Mr. Chand for the Assessment Year 2020-21 if he does not opt for presumptive taxation. Also, what measures you suggest, he could have taken to reduce his taxable income.

5.

Give the list of 10 transactions which are not regarded as transfer as per Section 46 and Section 47 under the head Capital Gain. Also explain deemed cost of acquisition under the head capital gain as per Section 49(1) of the Income Tax Act, 1961.

6.

Explain the provisions of Section 80EEA (Deduction for interest paid on home loan for affordable housing) and Section 80EEB (Deduction in respect of purchase of electric vehicle).

Question Paper 2, B.A. (Hons) Economics, Sem VI
Comparative Economic Development (1850-1950)
Unique Paper Code: 12277602
Total marks: 75

Time: 2 hours

Answer any four questions. All questions carry equal marks.
किसी चार पर नों के उत्तर दें। सभी पर नों के अंक समान हैं।

1. Discuss the process collectivization of agriculture in the Soviet Union.

सोवियत यूनियन में कृषि के सामूहिकरण की प्रक्रिया की ववेचना की जये।

2. Critically discuss the claim that the British government's economic policy and theory since the Industrial Revolution was essentially that of the rise and fall of *laissez faire*.

इस कथन की आलोचनात्मक ववेचना की जये कि औद्योगिक क्रांति के बाद से ब्रिटिश सरकार की आर्थिक नीति और सन्तुलन मूलतः मुक्त-यापर (Laissez-Faire) के उत्थान और पतन की नीति और सन्तुलन है।

3. What was the role of the Zaibatsu in the origin of Japanese industrial capital?

जापान में औद्योगिक पूँजी के विकास में जाइबत्सू (Zaibatsu) की भूमिका थी।

4. Explain the contribution of the agricultural sector to industrial growth in Japan and Britain.

जापान और ब्रिटेन में औद्योगिक विकास में कृषि क्षेत्र के योगदान की ववेचना की जये।

5. Critically examine the system of War Communism in the Soviet Union.

सोवियत यूनियन में युद्ध कालीन साम्यवाद (War Communism) की व्यवस्था का आलोचनात्मक विश्लेषण की जये।

6. Compare and contrast the role of trade unions in Japan and Soviet Union.

जापान और सोवियत यूनियन में ट्रेड यूनियनों की भूमिका की तुलना की जये।

S.No. of Question Paper :

Unique Paper Code : 12273402_OC

Name of the Paper : Data Analysis

Name of the course : BA(H) Economics CBCS-SEC

Semester : IV

Duration : 2 Hours

Maximum Marks: 75

Instructions for Candidates

1. Write your Roll No. on top immediately on receipt of the question paper.
2. Answer **any 4** questions.
3. All questions carry equal (18.75) marks.
4. Answers may be written either in English or in Hindi, but the same medium should be used throughout the paper.

परीक्षार्थियों के लिए निर्देश

1. प्रश्नपत्र मिलते ही निर्धारित स्थान पर अपना अनुक्रमांक लिखें।
2. किन्ही चार प्रश्नों का उत्तर दीजिये।
3. सभी प्रश्नों के अंक (18.75) समान हैं।
4. प्रश्न का उत्तर हिंदी अथवा अंग्रेजी माध्यम में लिखा जा सकता है परन्तु सभी प्रश्नों का उत्तर एक ही माध्यम में होना चाहिए।

Q1.a) Let y_1, y_2, \dots, y_n be a random sample from the pdf $f_y(y, \theta) = \frac{2y}{\theta^2}, 0 \leq y \leq \theta$.

Let two estimators be $\hat{\theta}_1 = \frac{3}{2}\bar{y}$ and $\hat{\theta}_2 = \frac{4}{5}\bar{y}$, be both unbiased. Which is more efficient?

b) The lifespan (in '000 hours) of four LED bulbs of 07 watts are as follows:

40,46,48, 50

(i) How many samples of size 2 can be formed in case when sampling is done with replacement and without replacement?

ii) Write all samples of size 2 with replacement from the above observations. Compute the sampling distribution and find mean and standard error of the distribution.

(iii) Write all samples of size 3 with replacement from the above observations. Compute the sampling distribution and find mean and standard error of the distribution.

(iv) Compare means and standard errors and draw the conclusion.

Q2.a) If there is perfect positive correlation between x and y . What can you say about correlation between:

i) $\log x$ and $\log y$

ii) $2X+3$, $5Y-6$

b) For the following data on two variables, compute correlation coefficient between their levels and their Logs:

X	2	3	1	10	81
Y	8	9	4	16	100

($\log 2 = 0.30103$, $\log 3 = 0.477121$)

Q3. a) Which measure(s) will suit best in each of the following situation and Why?

i) In a school, students are graded on equal intervals except that all students scoring less than 40% are considered fail and clubbed as a single category. A visitor wishes to compute average marks a student obtains in this school given this data.

ii) In a survey, age has been categorized into various intervals as :

<15, 15-25, 25-35, 35-45, 45 and above

Surveyor wishes to compute average age.

iii) A store outlet manager wishes to put apparels on sale, but wishes to exclude one size for each dress which is otherwise in high demand.

iv) It is known that two batsman have equal averages. But the coach wishes to know that if they are equally consistent too or one of them is more consistent.

v) The data on income of Indian individuals is given. The policymaker wishes to know the average income, and wants to know whether majority of people have lower levels of income or not.

vi) In a particular college 10,000 applicants applied in a specified course, where only 100 seats are available and admission is on merit basis. The dean needs to announce cut-off.

Q4. a) if variance of $X = 9$, regression equations : $8X - 10Y + 66 = 0$, $40X - 18Y = 214$. What are:

i) mean values of X and Y .

ii) correlation coefficient between X and Y .

iii) standard deviation of Y ?

b) It was believed that NIFTY for IT companies depends on NIFTY 50 index, so a regression was run and following results were obtained:

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.930152
R Square	0.865183
Adjusted R Square	0.862973
Standard Error	615.6311
Observations	63

ANOVA				
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>
Regression	1	148366090.68	148366090.68	391.47
Residual	61	23119097.92	379001.61	
Total	62	171485188.6		

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	5589.786	500.1509596	11.18	0.000
NIFTY 50	1.338237	0.067637312	19.79	0.000

Given above information answer the following:

i) Is it true that NIFTY 50 causes NIFTY IT? Explain why or why not?

ii) Compute coefficient of correlation between two.

- iii) Is this model good or not? Explain which all values would you use and what do they show?
- iv) Construct a 95% confidence interval for coefficient of NIFTY 50 and interpret it.

Q5. a) Suppose there are 3 coins in a bag. One of them is a fair coin, but the others are biased trick coins. When flipped, the three coins come up heads with probability 0.5, 0.6, 0.1 respectively. Suppose one of these three coins uniformly at random and flip it three times. What is $P(HTT)$? (That is, it comes up heads on the first flip and tails on the second)

b) There are 5 men and 8 women in a ballroom dancing class. If four men and four women are chosen and paired off, how many pairings are possible?

c) The volume in a set of wine bottles is known to follow a $N(\mu, 25)$ distribution. You take a sample of the bottles and measure their volumes. How many bottles do you have to sample to have a 95% confidence interval for μ with width 1?

Q6. a) For the following data, compute consumer price index for beverages using taking 2019 as base year:

Good	2019		2020		2021	
	Quantity	Price	Quantity	Price	Quantity	Price
Pepsi	10	6	12	8	5	10
Fanta	9	7	10	10	8	9
Coffee	12	10	6	6	12	15
Tea	6	5	5	6	10	7

Also, compute inflation rate between 2019-20 and 2020-21.

b) If price index increases from 100 to 150, what can you say about value of rupee during same period of time?

Unique Paper Code: 12487902

Course Name: B. A. (Hons) Business Economics

Subject Name: Environmental Economics

Semester: VI

Time: 2 hours

Maximum Marks: 75

Attempt any four questions. Each question carries equal marks.

1. Explain the threefold connection between the environment, human society and its economy using suitable diagram. Do you think there is possibility of trade-off amongst different critical environmental objectives?
2. Critically examine the Command and Control Policy for solving environmental problems with special reference to cost ineffectiveness of technology based standards and uniform standards.
3. Discuss that contingent valuation is better than all other techniques to value non-marketed goods and services as it is the only technique that incorporates non-use values as well as the use values.
4. Explain how bargaining between the affected parties in the presence of externality may lead to efficient solution if property rights are appropriately assigned? What do you understand by basic components of social cost? Explain why analysts often derive incremental cost values based solely on explicit expenditure?

5. Using the sustainability criterion explain how can we have a sustainable allocation of resources. Explain the statement “Earlier generations should be free to pursue their own well-being as long as in doing so they do not diminish the welfare of future generation.”

6. Is there a technical relationship between economic development and environmental degradation? Explain using Kuznets curve. What are the global initiatives taken for sustainable development?

Name of Course : B.A (HONS) Economics-CBCS-CORE

Scheme/Mode of Examinations: - SEMESTER

Name of the Paper: INDIAN ECONOMY II

Unique PAPER Code: 12271601

Time: 2hours

SEMESTTER-VI

ATTEMPT ANY FOUR QUESTION

All questions carry equal marks, 18.75 marks each.

परीक्षार्थियों के लिए निर्देश

1. प्रश्नपत्र मिलते ही निर्धारित स्थान पर अपना अनुक्रमांक लिखें ।
2. किन्ही चार प्रश्नों के उत्तर दीजिये । सभी प्रश्नों के अंक (18.75) समान है ।
3. इस प्रश्न का उत्तर हिंदी अथवा अंग्रेजी माध्यम में लिखा जा सकता है परन्तु सभी प्रश्नों का उत्तर एक ही माध्यम में होना चाहिए ।

1. Provide an overview of the macro economic development in the Indian Economy from a medium term perspective and review the problem areas that need policy attention.

मध्यम अवधि के परिप्रेक्ष्य में भारतीय अर्थव्यवस्था में वृहद आर्थिक विकास का अवलोकन करें तथा उन समस्या क्षेत्रों की समीक्षा करें जिन्हें नीतिगत ध्यान की आवश्यकता है।

2. Bhagawati and Panagaria are of the opinion that if the labour reforms are implemented they would accelerate the growth in formal sector employment. Do you agree? Give reasons in support of your answers. Briefly state what other benefits, if any, do you see from the implementation of labour reforms?

भगवती एवं पनगरिया की राय है कि अगर श्रम सुधारों को लागू किया जाता है तो वे औपचारिक क्षेत्र के रोजगार में वृद्धि को गति देंगे। क्या आप सहमत हैं? अपने उत्तरों के समर्थन में तर्क दें। श्रम सुधारों के क्रियान्वयन से अन्य लाभ, यदि कोई है, तो संक्षेप में व्याख्या करें।

3. How far do you think indirect reforms such as exchange rate reforms and lowering of industrial tariffs impacted Agricultural growth? List some of the challenges that need to be met if agricultural is to be taken forward?

आपको क्या लगता है कि अप्रत्यक्ष सुधार जैसे विनिमय दर में सुधार तथा औद्योगिक शुल्कों के कमी होने से कृषि विकास पर असर पड़ा है? यदि कृषि को आगे बढ़ाया जाना है तो आने वाली कुछ चुनौतियों को सूचीबद्ध करें?

4. "Greater integration of domestic industries with GPN(Global Production Networks) must form an essential part of the Make in India initiatives" Discuss.

GPN (ग्लोबल प्रोडक्शन नेटवर्क्स) के साथ घरेलू उद्योगों का अधिक से अधिक एकीकरण, मेक इन इंडिया की पहल का एक अनिवार्य हिस्सा होना चाहिए", चर्चा करें।

5. "It is not the amount of exports, but the technological content and sophistication of exports that matters" Critically examine the above statement in light of the claim that both in manufacturing productivity and product complexity India is far behind global leaders.

"यह निर्यात की मात्रा नहीं है, लेकिन निर्यात की तकनीकी सामग्री और परिष्कार है जो मायने रखता है" उपरोक्त कथन की इस दावे के सन्दर्भ में गहन आलोचनात्मक जांच कीजिये कि उत्पादकता एवं उत्पाद जटिलता दोनों में भारत वैश्विक नेताओं से बहुत पीछे है।

6. Discuss the impact of Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI) inflows on Indian Economy. List some of the policy options that the government needs to pursue to boost more inflows?

प्रत्यक्ष विदेशी निवेश (एफडीआई) तथा विदेशी पोर्टफोलियो निवेश (एफपीआई) का भारतीय अर्थव्यवस्था पर पड़ने प्रभाव पर चर्चा करें। ऐसे कुछ नीतिगत विकल्पों की सूची तैयार करें जो सरकार को निवेश के अंतर्प्रवाह बढ़ाने के लिए आवश्यक है?

Name of Course : B.A (H) Economics CBCS Core

Semester : IV

Name of the Paper : Intermediate Macroeconomics – II

Unique Paper Code : 12271402

Duration: 2 Hours

Maximum Marks: 75

Attempt any four questions. All questions carry equal marks.

1. In the Romer model, assuming $\lambda = 1$ and $\Phi = 0$, what happens to the growth rate and the technology change overtime (by showing the time paths) in response to a one time increase in the productivity of research? (λ and Φ are the usual notations) If this economy is characterized by a labour augmenting production function of the form, $Y = K^\alpha (AL)^{1-\alpha}$, where A is the technology variable, show and explain the impact of the above change on the per capita income, by first deriving this economy's per capita income level at the steady state?
2. Show and explain the cross-sectional characteristics of the consumption function by clearly explaining the three assumptions that Friedman considered in his Permanent income hypothesis. Using the adaptive expectations approach to get an estimate of permanent income, show how the shift parameter explains the difference between permanent income and lifecycle income hypothesis.
3. "The total return on a bond is the sum of the market rate of interest at the time of purchase and the capital gains." Extend the statement to derive the individual's demand for money curve under the no risk model for demand for money. How does this model change when the risk consideration is included, explicitly into the determination of demand for money? Explain.
4. In the New Keynesian models of business cycles, show and explain how rational profit maximizing decisions by business firms can have adverse consequences for the society. In this context, explain the importance of sticky marginal and menu costs for the occurrence of recessions. Discuss a few reasons to explain nominal and real wage and price rigidities in the above model.
5. Based on the example of the conduct of monetary policy, bring out the restraints on policy makers. Assuming that the monetary policy is credible enough, discuss the rule that Central Bank should follow to achieve the inflation target. Mention two instruments of the Central Bank for the conducting of monetary policy.

6. Consumption is equal to output minus investment. In the Solow model with no technological progress, what is the savings rate that maximizes steady state consumption per worker? Show this point in a diagram describing the model. If the economy's actual savings rate is below this savings rate, then explain the transition process to reach the above-mentioned steady state? Will this economy continue to experience faster economic growth forever with the increase in savings rate?

Name of Course: B.A.(H) Economics CBCS Core

Semester: IV

Name of Paper: Intermediate Macro Economics-II

Unique Paper Code: 12971402

Duration: 2 hrs.

M.M: 75

किन्हीं चार प्रश्नों को करें।
सभी प्रश्नों के अंक समान हैं।

1. रोमर मॉडल में $\lambda=1$ तथा $\theta=0$ को मानते हुए, विकास दर तथा सम्योपर प्रौद्योगिकी परिवर्तन (समय के पथ दिखा कर), का अनुसंधान की उत्पादकता से स्वकार की वृद्धि के जवान में क्या होता है? (λ व θ सामान्य संकेत हैं) यदि इस अर्थव्यवस्था की विशेषता आग संवर्द्धन उपलब्ध फलन $Y=K^\lambda(AL)^{1-\lambda}$ है जहाँ 'A' प्रौद्योगिकी चर है, तो पहले स्टेडी स्टेट पर अर्थव्यवस्था की प्रति व्यक्ति आय स्तर प्राप्त करके, उपरोक्त परिवर्तन के प्रभावको प्रति व्यक्ति आय पर दर्शाइए तथा व्याख्या करें।
2. फ्राइडमैन ने अपनी स्थायी आय परिकल्पना में तीन मात्रताओं पर विचार किया है, उन्हें स्पष्ट रूप से समझाकर उपरोक्त फलन के क्रॉस-सेक्शन विशेषताओं दिखाएँ और समझाएँ। स्थायी आय का अनुमान प्राप्त करने के लिए अनुकूली अपेक्षाओं के इतिकोण का उपयोग कैसे करते दिखाएँ कि कैसे शिफ्ट पैरामीटर स्थायी आय और जीवन चक्र आय परिकल्पना के बीच अंतर को बताता है।
3. "रिस्क बॉन्ड पर कुल रिटर्न स्वीड के सम्योपजार की व्याज दर और पूंजीगत लाभ का योग है।" मुद्रा के लिए मॉडल के गैर जोरिबम मॉडल के तहत, उपरोक्त कथन का विस्तार करके रिस्क व्यक्तता मुद्रा मॉडल का निर्माण करें। स्पष्ट रूप से जोरिबम के विचार को शामिल करने से यह मॉडल कैसे बदलता है? समझाएँ।
4. व्यापार चक्रों के नए कैरेक्टरिस्टिक्स मॉडलों में, यह दिखाएँ तथा समझाएँ कि व्यावसायिक चक्रों द्वारा तर्कसंगत निर्णय लेने से समाज के लिए प्रतिकूल परिणाम कैसे हो सकते हैं? इस संदर्भ में मन्दी की घटना के लिए स्टिकी शोल्डर तथा जेनरल का महत्व समझाएँ। उपरोक्त मॉडल में सांकेतिक तथा वास्तविक मजदूरी और मूल्य कोष्ठता को समझाने के लिए कुछ व्याकरणों पर चर्चा करें।
5. मौद्रिक नीति के आचरण के उदाहरण के आधार पर नीति निर्माताओं पर लगाए गए नियमों को उजागर करें। यह जानते हुए कि मौद्रिक नीति पर्याप्त विश्वसनीय है, उस नियम पर चर्चा करें जो केन्द्रीय बैंक को मुद्रास्फीति बढ़ाव को प्राप्त करने के लिए पालन करना चाहिए। मौद्रिक नीति के संचालन के लिए केन्द्रीय बैंक के दो उपकरणों का उल्लेख करें।
6. उपभोग, उत्पादन वृद्धि निवेश के बराबर है। बिना तकनीकी प्रगति वाले सीलो मॉडल में, वह बचत दर क्या है जो प्रति कर्मचारी स्विडि स्टेट उपभोग को अधिकतम करती है? मॉडल का वर्णन करने वाले चित्र में इस बिन्दु को दिखाएँ। यदि अर्थव्यवस्था की वास्तविक बचत दर इस बचत दर से कम है, तो उपरोक्त स्विडि स्टेट अवस्था तक पहुँचने के लिए संक्रमण प्रक्रिया को समझाएँ? क्या यह अर्थव्यवस्था बचत दर में वृद्धि के साथ तेजी से आर्थिक विकास का अनुभव करती रहेगी?

Unique Paper Code :12271401
Name of the paper : Intermediate Microeconomics II
Name of the course : B.A.(H) Economics (CBCS)
Semester : IV
Duration : 2 hours
Maximum Marks : 75

Instructions for the candidates:

Attempt any four questions.

All questions carry equal marks (18.75 marks each).

Note: Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

1. Consider an economy with two goods - X and Y - and two agents - A and B. The utility functions of A and B are given by $U_A(X, Y) = XY$ and $U_B(X, Y) = \min.(X, Y)$. Their initial endowments of X and Y are given as: $\omega_A = (5, 3)$ and $\omega_B = (3, 7)$.
 - (i) Draw an Edgeworth box indicating the endowments and preferences of A and B.
 - (ii) Calculate the competitive equilibrium allocation of X and Y and equilibrium relative price. Are these allocations Pareto efficient?
 - (iii) Calculate the utility levels of both the agents at the competitive equilibrium allocation. Who is envious of whom?
 - (iv) Suppose the social welfare function of this economy is given by $W(U_A, U_B) = U_A U_B$. What is the welfare of this economy at the competitive equilibrium allocation? What is the welfare if the social welfare function is Nietzschean?

(4+5+3.5+6.25)

दो वस्तुओं - X व Y – तथा दो अभिकर्ताओं - A व B वाली एक अर्थव्यवस्था पर विचार कीजिए। A व B के उपयोगिता फलन निम्न प्रकार हैं: $U_A(X, Y) = XY$ व $U_B(X, Y) = \min.(X, Y)$. उनकी प्रारम्भिक निधियाँ निम्न प्रकार हैं: $\omega_A = (5, 3)$ व $\omega_B = (3, 7)$.

- (i) A व B के निधियों व अधिमानों को दर्शाते हुए एक एजवर्थ बॉक्स बनाइए।

- (ii) X व Y का प्रतिस्पर्द्धी सन्तुलन आवण्टन व सन्तुलन में सापेक्ष कीमत ज्ञात कीजिए। क्या ये आवण्टन परेडो कुशल हैं?
- (iii) प्रतिस्पर्द्धी सन्तुलन आवण्टन पर दोनों अभिकर्ताओं के उपयोगिता स्तर ज्ञात कीजिए। किसको किससे ईर्ष्या होगी?
- (iv) मान लीजिए कि अर्थव्यवस्था का सामाजिक कल्याण फलन $W(U_A, U_B) = U_A U_B$ है। प्रतिस्पर्द्धी सन्तुलन आवण्टन पर इस अर्थव्यवस्था का कल्याण क्या है? यदि सामाजिक कल्याण फलन Nietzschean है तो कल्याण क्या है?

(4+5+3.5+6.25)

2. (A) Consider an economy with three agents- A, B and C who are choosing between three alternatives on public expenditures for a bridge to be built in the city where they live. The expenditure levels are denoted as P, Q and R. A, B and C want to use a rank order voting mechanism to choose over the alternatives. A, B and C's preference ordering over P, Q and R is given as follows :

Table 1

A	B	C
P	Q	P
Q	R	R
R	P	Q

- (i) Which alternative will be chosen given this ranking?
- (ii) Which alternative will be chosen if another alternative S is introduced in the following manner:

Table 2

A	B	C
P	Q	S
Q	S	P
R	R	R
S	P	Q

- (iii) If agent B is a dictator, which alternative will be chosen?

(iv) If agent C is a dictator, which alternative will be chosen from Table 1 and Table 2?

(B) Explain the implications of Second Theorem of Welfare Economics for taxation policy of a competitive economy.

(12+6.75)

(A) एक अर्थव्यवस्था पर विचार कीजिए जिसमें तीन अभिकर्ता - A, B व C हैं जो कि अपने नगर में बनाए जाने वाले एक पुल हेतु लोक व्यय के तीन विकल्पों में से चयन कर रहे हैं। इनमें व्यय स्तर क्रमशः P, Q व R हैं। A, B व C इन विकल्पों में से चयन करने हेतु कोटि क्रम मतदान क्रियाविधि (rank order voting mechanism) का उपयोग करना चाहते हैं। P, Q व R पर A, B व C के अधिमान क्रम (preference ordering) निम्न प्रकार हैं:

सारिणी 1

A	B	C
P	Q	P
Q	R	R
R	P	Q

- (i) इसके अनुसार कौनसा विकल्प चुना जाएगा?
(ii) यदि एक अन्य विकल्प S को निम्नलिखित प्रकार से लाया जाता है तो कौनसा विकल्प चुना जाएगा:

सारिणी 2

A	B	C
P	Q	S
Q	S	P
R	R	R
S	P	Q

- (iii) यदि अभिकर्ता B एक अधिनायक (dictator) है, तो कौनसा विकल्प चुना जाएगा ?
(iv) यदि अभिकर्ता C एक अधिनायक (dictator) है, तो सारिणी 1 व 2 से कौन-कौनसे विकल्प चुने जाएंगे?
(B) एक प्रतिस्पर्धी अर्थव्यवस्था में कराधान नीति हेतु कल्याण के अर्थशास्त्र के दूसरे प्रमेय के निहितार्थों को समझाइए।

(12+6.75)

3. Suppose a shop owner (S) wants to hire a daily wage worker (W) to manage his shop while he is away for a vacation. The shop yields a benefit of $B(x) = 90x - 5x^2 - 50$, per day where x is the number of hours of work put in by W per day. (The benefit function measures the monetary benefit to the shopkeeper and is thus measured in rupees). The worker gets a disutility of $c(x) = -0.5x$, (measured in Rs.) for working for S. To compensate for his effort, S is ready to pay W a fixed wage rate of Rs. 10 per hour along with a lump sum amount of Rs. A. Suppose that the opportunity cost of W's efforts is zero and S cannot monitor the number of hours of work by W when he is on vacation.

- (i) Write the participation constraint for this problem.
- (ii) What will be the optimal amount of effort (x^*) required by S from W to maximize his net benefit (benefit net of the costs) at the given wage rate?
- (iii) Show that A will be equal to zero if W works for x^* hours per day?
- (iv) Calculate the net monetary benefit of W at x^* .

(3+5+5+5.75)

मान लीजिए कि एक दुकान का मालिक (S) अपने अवकाश की अवधि में दुकान की व्यवस्था चलाने हेतु एक दैनिक वेतनभोगी श्रमिक (W) को रखना चाहता है। दुकान से प्रतिदिन लाभ $B(x) = 90x - 5x^2 - 50$ प्राप्त होता है जहाँ x प्रतिदिन W द्वारा काम में लगाए गए घण्टों की संख्या है। (यह लाभ फलन दुकानदार को मौद्रिक लाभ को मापता है तथा रुपयों में मापा जाता है)। श्रमिक को S हेतु कार्य करने से अनुपयोगिता (disutility) $c(x) = -0.5x$, (रुपयों में मापा जाता है) मिलती है। उसके प्रयास की क्षतिपूर्ति करने हेतु, S उसे एक स्थिर राशि A के साथ प्रतिघण्टा 10 रु. की स्थिर मजदूरी देने को तैयार है। मान लीजिए कि W के प्रयासों की अवसर लागत शून्य है तथा S अपने अवकाश की अवधि के दौरान W के काम के घण्टों की निगरानी नहीं कर सकता है।

- (i) इस समस्या हेतु प्रतिभागिता प्रतिबन्ध (participation constraint) लिखिए।
- (ii) दी हुई मजदूरी दर पर S द्वारा अपना निवल लाभ (लागतों से निवल लाभ) अधिकतम करने हेतु W से अपेक्षित प्रयास की इष्टतम मात्रा (x^*) क्या है?
- (iii) दर्शाइए कि यदि W प्रतिदिन x^* घण्टे कार्य करता है तो A का मान शून्य होगा।
- (iv) W का निवल मौद्रिक लाभ x^* पर ज्ञात कीजिए।

(3+5+5+5.75)

4. (A) Two friends, A and B, like to meet up in the park at a scheduled time for an evening out. B likes to be punctual and wants to show up on time. A is not strict about his timing and may make delays. B dislikes waiting and he would rather arrive late when A is late. The following is the payoff matrix for this simultaneous move game :

		Player A	
		Punctual	Late
Player B	Punctual	5,5	-2,5
	Late	3,-2	4,5

- (i) Find all the pure strategy Nash Equilibria for this game.
(ii) If the game is played as a sequential game where player B moves first, what will be the SPNE of this game?

(B) Find all the pure and mixed strategy Nash equilibria of the following game :

		Player Y	
		Left	Right
Player X	Top	1,1	2,3
	Bottom	3,2	0,0

(10+8.75)

(A) दो मित्र, A व B, शाम को एक निश्चित समय पर पार्क में मिलना पसन्द करते हैं। B समय की पाबन्दी पसन्द करता है व समय पर पहुँचना चाहता है। A अपने समय के बारे में सख्त नहीं है व देर कर सकता है। B को प्रतीक्षा करना पसन्द नहीं है व जब A देर से आ रहा है तो वह देर से आना बेहतर समझेगा। निम्नलिखित सारिणी में इस युगपत चाल खेल (simultaneous move game) से प्रतिफल दिए हुए हैं:

		खिलाड़ी A	
		समय पर	देर से
खिलाड़ी B	समय पर	5,5	-2,5
	देर से	3,-2	4,5

- (i) इस खेल हेतु सभी शुद्ध रणनीति नैश सन्तुलन ज्ञात कीजिए।
(ii) यदि इस खेल को एक सिलसिलेवार खेल के तौर पर खेला जाता है जहाँ खिलाड़ी B पहले चाल चलता है, तो इस खेल का SPNE क्या होगा?

(B) निम्नलिखित खेल हेतु सभी शुद्ध व मिश्रित रणनीति नैश सन्तुलनों को ज्ञात कीजिए:

		खिलाड़ी Y	
		बाँया	दाँया
खिलाड़ी X	ऊपर	1,1	2,3
	नीचे	3,2	0,0

(10+8.75)

5. Suppose that a monopolist is operating in two different markets in two separate cities. The inverse demand curves for both the markets are given by $P_1(Q_1) = 200 - Q_1$ and $P_2(Q_2) = 170 - Q_2$. The monopolist faces a constant marginal and average cost of Rs.50 per unit.

- (i) What is the profit maximizing quantity and price in each of the markets?
(ii) Calculate the amount of profit that the monopolist makes in each of the markets.
(iii) Calculate the mark up in each of the markets and show that the mark up is inversely related to the price elasticity of demand.
(iv) What will be the amount of output produced and price charged in each market if the monopolist is forced to follow the marginal cost pricing rule? Without calculating, write the amount of profit generated under marginal cost pricing?

(5+3.75+5+5)

मान लीजिए कि एक एकाधिकारी दो अलग शहरों में दो अलग बाजारों में कार्य कर रहा है। इन बाजारों हेतु प्रतिलोम मांग वक्र क्रमशः $P_1(Q_1) = 200 - Q_1$ व $P_2(Q_2) = 170 - Q_2$ हैं। एकाधिकारी की स्थिर सीमान्त व औसत लागत 50 रु. प्रति इकाई है।

- (i) इन बाजारों में से प्रत्येक की लाभ अधिकतम करने वाली मात्रा व कीमत क्या है?
(ii) एकाधिकारी द्वारा प्रत्येक बाजार में प्राप्त लाभ की गणना कीजिए।
(iii) प्रत्येक बाजार में मार्कअप (mark up) की गणना कीजिए तथा दर्शाइए कि मार्कअप मांग की कीमत लोच से व्युत्क्रम रूप से (inversely) सम्बन्धित है।

- (iv) यदि एकाधिकारी को सीमान्त-लागत-कीमत नियम का पालन करने हेतु बाध्य किया जाए तो उत्पादन की मात्रा व कीमत क्या होंगे? बिना गणना किए, सीमान्त-लागत-कीमत निर्धारण की स्थिति में लाभ की मात्रा लिखिए।

(5+3.75+5+5)

6. (A) The inverse demand function for a commodity is given by $P(Q) = 160 - Q$. Two firms operate in this market with different cost functions. Firm 1's marginal cost function is given by: $MC_1 = 30$ and firm 2's marginal cost function is given by $MC_2 = 50$.

- (i) Find the equilibrium price and output of both the firms in the Cournot game.
(ii) Derive and draw the best response functions of both the firms and clearly indicate the equilibrium.
(iii) Find the Stackelberg equilibrium price and quantity if firm 1 is the leader.

- (B) Consider a monopolist who faces two markets with the following demand curves:

$$Q = 60 - 2P \text{ and } Q = 100 - 3P \text{ and a marginal cost of 12 per unit.}$$

- (i) Find the optimal two-part tariff when he can distinguish between the two markets.
(ii) Find the optimal two-part tariff when he cannot distinguish between the two markets and wants to serve both the markets.

(9+9.75)

- (A) एक वस्तु हेतु प्रतिलोम मांग फलन $P(Q) = 160 - Q$ है। अलग-अलग लागत फलनों वाली दो फर्म इस बाजार में कार्य करती हैं। फर्म 1 का सीमान्त लागत फलन: $MC_1 = 30$ है तथा फर्म 2 का सीमान्त लागत फलन $MC_2 = 50$ है।

- (i) कूर्नोट खेल में दोनों फर्मों की सन्तुलन अवस्था कीमतें व उत्पाद ज्ञात कीजिए।
(ii) दोनों फर्मों के सर्वोत्तम प्रत्युत्तर फलनों को ज्ञात कीजिए तथा सन्तुलन को स्पष्टतः चिन्हित कीजिए।
(iii) यदि फर्म 1 अग्रगामी है तो स्टैकलबर्ग सन्तुलन में सन्तुलन कीमत व मात्रा ज्ञात कीजिए।

- (B) एक एकाधिकारी पर विचार कीजिए जो कि दो बाजारों का सामना करता है जिनके मांग वक्र: $Q = 60 - 2P$ व $Q = 100 - 3P$ हैं तथा सीमान्त लागत प्रति इकाई 12 है।

- (i) जब वह इन दोनों बाजारों के मध्य विभेद कर सके तो इष्टतम द्वि-भाग शुल्क को ज्ञात कीजिए।
(ii) जब वह इन दोनों बाजारों के मध्य विभेद न कर सके व दोनों बाजारों में कार्य करना चाहे तो इष्टतम द्वि-भाग शुल्क को ज्ञात कीजिए।

(9+9.75)

Serial No. of Question Paper:

Unique Paper Code: 227601

Name of the course: B.A. (Hons.), VI Sem

Name of the paper: International Economics

Semester: VI

Duration: 2 hours

Maximum Marks: 75

Instructions for Candidates

1. Attempt four questions in all. All questions carry equal marks.
2. Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

परीक्षार्थियों हेतु अनुदेश

1. कुल चार प्रश्नों के उत्तर दीजिए। सभी प्रश्नों के बराबर अंक हैं।
2. उत्तर हिन्दी में या अंग्रेजी में दिए जा सकते हैं परन्तु पूरे पेपर में एक ही माध्यम का उपयोग किया जाना चाहिए।

Q1.(a) Set up a two countries, two goods, two factors of production, “Factor proportion model”, where skilled and low skilled labourers produce skill intensive “high-tech” and low skill intensive “low-tech” goods. Show that trade between advanced countries that are abundant in skilled labourers and newly industrializing countries with abundant supply of low-skilled labourers raises the wage inequality in the advanced countries.

(b) Explain how historical contingency plays an important role in determining the pattern of specialization and trade in industries with external economies of scale.

(18.75)

(a) दो देशों, दो वस्तुओं, उत्पादन के दो कारकों वाला एक “कारक अनुपात मॉडल” (Factor proportion model) ज्ञात कीजिए जिसमें कुशल व कम कुशल श्रमिकों की सहायता से कौशल-प्रधान (skill intensive) “उच्च-प्रौद्योगिकी” तथा कम कौशल-प्रधान “निम्न-प्रौद्योगिकी” वस्तुओं का उत्पादन किया जाता है। दर्शाइए कि कुशल श्रमिकों की प्रचुरता वाले विकसित देशों तथा कम कुशल श्रमिकों की प्रचुरता वाले नवऔद्योगिकीकरणशील देशों के मध्य व्यापार से विकसित देशों में मजदूरी की विषमता में वृद्धि होती है।

(b) समझाइए कि ऐतिहासिक आकस्मिकता (historical contingency) किस प्रकार पैमाने की बाह्य मितव्ययताओं वाले उद्योगों में विशिष्टीकरण व व्यापार का स्वरूप निर्धारित करने में एक महत्वपूर्ण भूमिका निभाती है।

(18.75)

Q2. Assume that Nepal is a large country and Nepal's demand and supply for Tea are

$$D_N = 800 - 10P$$

$$S_N = 200 + 30P$$

Now consider that Bhutan is a small country with the following demand and supply schedule for tea

$$D_B = 100 - 5P$$

$$S_B = 40 + 15P$$

- i. If Nepal's government prohibited purchasing tea from outside the country, what would be the price of tea in Nepal?
- ii. Suppose that the Nepal Government has permitted importing of tea from Bhutan now. If the world consists of only these two countries then what would be the world price of Tea? What would be the volume of trade?
- iii. Now suppose Nepal limits tea import from Bhutan by adding a 15% tax on it. Calculate the effect of the import tariff on the price of tea in both countries.

(18.75)

मान लीजिए कि नेपाल एक बड़ा देश है तथा चाय हेतु नेपाल के मांग व आपूर्ति वक्र निम्न प्रकार हैं

$$D_N = 800 - 10P$$

$$S_N = 200 + 30P$$

अब विचार कीजिए कि भूटान एक छोटा देश है जिसके चाय हेतु मांग व आपूर्ति वक्र निम्न प्रकार हैं

$$D_B = 100 - 5P$$

$$S_B = 40 + 15P$$

- i. यदि नेपाल की सरकार बाहर से चाय खरीदने पर प्रतिबन्ध लगा दे तो नेपाल में चाय की कीमत क्या होगी?
- ii. मान लीजिए कि अब नेपाल सरकार ने भूटान से चाय के आयात की अनुमति दे दी है। यदि विश्व में ये दो ही देश हैं तो विश्व में चाय की कीमत क्या होगी? व्यापार की मात्रा क्या होगी?

iii. अब मान लीजिए कि नेपाल भूटान से चाय के आयात को सीमित करने हेतु इस पर 15% कर लगा देता है। इस आयात शुल्क के परिणामस्वरूप दोनों देशों में चाय की कीमत पर पड़ने वाले प्रभाव की गणना कीजिए।

(18.75)

Q3. (a) Differentiate between export biased growth and import biased growth. Explain the impact of export biased and import biased growth on growing country's terms of trade using suitable diagrams.

(b) Is it possible that when there are external economies, countries can conceivably lose from trade? Explain.

(18.75)

(a) निर्यातोन्मुखी (export-biased) व आयातोन्मुखी (import-biased) वृद्धि के मध्य अन्तर स्पष्ट कीजिए। उपयुक्त आरेखों की सहायता से निर्यातोन्मुखी व आयातोन्मुखी वृद्धि के परिणामस्वरूप वृद्धिमान देश की व्यापार की शर्तों (terms of trade) पर होने वाले प्रभावों को समझाइए।

(b) क्या यह सम्भव है कि जब बाह्य मितव्ययताएँ (external economies) विद्यमान हों तो देशों को व्यापार से बोधगम्य (conceivable) हानि हो? समझाइए।

(18.75)

Q4. (a) Briefly state the location motive and the internalization motive in the context of multinational corporations.

(b) How does International Trade Agreement influence the results of the Gravity Model?

(c) Assume a case of two countries in Ricardo's model of international trade. If they have comparative advantage in their exports then show the mutual gains from trade for these countries taking trade as an indirect method of production.

(18.75)

(a) बहुराष्ट्रीय निगमों के परिप्रेक्ष्य में अवस्थिति प्रयोजन (location motive) व आन्तरिकीकरण प्रयोजन (internalization motive) को संक्षेप में लिखिए।

(b) अन्तर्राष्ट्रीय व्यापार समझौते, गुरुत्वाकर्षण मॉडल (Gravity Model) के परिणामों को किस प्रकार प्रभावित करते हैं?

(c) रिकार्डो के अन्तर्राष्ट्रीय व्यापार के मॉडल में दो देशों के एक मामले पर विचार कीजिए। यदि उनके पास अपने निर्यातों में तुलनात्मक लाभ (comparative advantage) है तो व्यापार को उत्पादन की एक परोक्ष विधि के तौर पर लेते हुए व्यापार से इन दो देशों को होने वाले पारस्परिक लाभों को दर्शाइए।

(18.75)

Q.5. (a) Assume a country is operating under a fixed exchange regime (like Bretton Woods period). Show diagrammatically the “Four zones of economic discomfort”. If this country is characterized by overemployment and excessive current account surplus, what policy mix do you suggest to bring the economy back to equilibrium?

(b) Explain the concept of Moral Hazard in financial regulation.

(18.75)

(a) मान लीजिए कि एक देश स्थिर विनिमय दर प्रणाली के अधीन है (ब्रेटनवुड्स काल की तरह)। आर्थिक असुविधा (economic discomfort) के चार क्षेत्रों को आरेख की सहायता से दर्शाइए। यदि इस देश में अति-रोजगार (overemployment) व चालू खाते का अतिरेक अधिशेष (excessive current account surplus) है, तो आप अर्थव्यवस्था को सन्तुलन में लाने हेतु किस नीतिगत संयोजन का सुझाव देंगे?

(b) वित्तीय विनियमन में नैतिक जोखिम (Moral Hazard) की अवधारणा को समझाइए।

(18.75)

Q.6. (a) What are the three main reasons why governments sometimes choose to devalue their currencies? What could be the possible danger in this kind of policy movement? Can this danger still happen without any policy provocation and how?

(b) Using a suitable diagram examine the effects of a sterilized sale of foreign assets by the Central Bank with imperfect asset substitutability.

(18.75)

(a) सरकारों द्वारा अपनी मुद्राओं के अवमूल्यन (devaluation) करने के तीन प्रमुख कारण क्या हैं? इस प्रकार की नीति के सम्भाव्य खतरे क्या हो सकते हैं? क्या यह खतरा नीतिगत उकसावे के बिना भी हो सकता है, कैसे?

(b) अपूर्ण परिसम्पत्ति प्रतिस्थापनीयता (imperfect asset substitutability) की स्थिति में केन्द्रीय बैंक द्वारा विदेशी परिसम्पत्तियों (foreign assets) की प्रभावहीनकृत (sterilized) बिक्री के प्रभावों को उपयुक्त रेखाचित्र की सहायता से समझाइए।

(18.75)

NAME OF COURSE: BA (HONS) ECONOMICS
SCHEME/MODE OF EXAMINATION: CBCS DSE
SEMESTER : VI
NAME OF THE PAPER: MONEY AND FINANCIAL MARKETS
UPC/SUBJECTCODE: 12277606
MEDIUM OF INSTRUCTION: ENGLISH AND HINDI
MAX MARKS: 75

Time: 2 hours

ALL QUESTIONS CARRY EQUAL MARKS. ANSWER ANY FOUR (4) QUESTIONS.

सभी नों के बराबर अंक हैं। क ही चार (4) नों के उ र दीजिए ।

1. a) What are the main observations of the third working group formulated in 1998 on the measurement of money supply?

b) Explain the concept of 'Weighted Monetary Aggregates'. What are the special precautions to be undertaken in using this concept for emerging market economies (EMEs)? (18.75)

1. क) मुद्रा-पूर्ति के माप पर 1998 में तैयार तीसरे कार्य समूह के मुख्य अवलोकन क्या हैं?

ख) 'भारतीय मौद्रिक समुच्चय' की अवधारणा को स्पष्ट करें। उभरती बाजार अर्थव्यवस्थाओं (ईएमई) के लिए इस अवधारणा का उपयोग करने में क्या विशेष सावधानियां बरती जानी चाहिए? (18.75)

2. a) What are the main functions of a derivative instrument?

b) Define the following terms, when applied to banking:

(i) fractional reserve system

(ii) Lemons Problem

(iii) D-SIBs and G-SIBs (18.75)

2. क) व्युत्पन्न साधन के मुख्य कार्य क्या हैं?

ख) निम्नलिखित शब्दों को परिभाषित करें, जो कि बैंकिंग में लागू किया जाता है:

(i) आनुपातिक आरक्षित प्रणाली

(ii) लेमन समस्या

(iii) डी-एसआईबी और जी-एसआईबी (18.75)

3. a) Differentiate between the current yield and yield to maturity of a bond.

b) Assuming that the market rate of interest is 9%, determine the price, discount yield/current yield and yield to maturity of the following:

i) Rs 10000/- Treasury bill that matures in one year.

ii) Rs 1000/- corporate bond that has a coupon rate of 10% and matures in one year. (18.75)

3. क) एक बांड की परिपक्वता के लिए वर्तमान प्रतिफल और प्रतिफल के बीच अंतर करें।

ख) यह मानते हुए कि ब्याज की बाजार दर 9% है, कीमत, छूट प्रतिफल / वर्तमान प्रतिफल और निम्न की परिपक्वता के लिए प्रतिफल निर्धारित करें:

i) 10000 / - ट्रेजरी बिल जो एक वर्ष में परिपक्व होता है।

ii) ₹। 1000 / - कॉर्पोरेट बॉन्ड जिसमें 10% की कूपन दर है और एक वर्ष में परिपक्व होती है। (18.75)

4. a) Briefly discuss the various interest rate methodologies which have been prescribed by the RBI for Indian banks since 1994.

b) What are the implications of BASEL-III for Indian Banks? (18.75)

4. क) भारतीय रिज़र्व बैंक द्वारा 1994 से भारतीय बैंको द्वारा निर्धारित विभिन्न ब्याज दरों के तरीकों पर संक्षेप में चर्चा करें।

ख) भारतीय बैंकों के लिए बेसल- III के निहितार्थ क्या हैं? (18.75)

5. a) Briefly discuss the major Banking Reforms in India since 1991.

b) What are the different theories of term structure of interest rate that explain the shape of the Yield Curves? Which in your view is the most appropriate and why? (18.75)

5. क) 1991 से भारत में प्रमुख बैंकिंग सुधारों पर संक्षिप्त चर्चा करें।

ख) प्रतिफल वक्रों के आकार की व्याख्या करने वाली ब्याज दर की संरचना के विभिन्न सिद्धांत क्या हैं? आपके विचार में कौन सा सबसे उपयुक्त है और क्यों? (18.75)

6. Write short notes on any two of the following: (18.75)

a) Liquidity Adjustment Facility

b) Financial Crises and aggregate economic activity

c) Flexible Inflation Targeting

6. निम्नलिखित में से किसी दो पर लघु टिप्पणी लिखें: (18.75)

क) तरलता समायोजन सुविधा

ख) वित्तीय संकट और समग्र आर्थिक गतिविधि

ग) लचीली मुद्रास्फीति लक्ष्यीकरण

।

Answer key

B.A. (Hons.) Economics – CBCS – DSE
 Financial Economics (UPC: 12277612)
 Date of Examination: 17th June 2021

1(a) Luenberger; Chapter 2; Pg 22-27

1(b)

(Annuity duration) Using $PV = \frac{A}{r}$ we have

$$D = -\frac{(1+r) \frac{dPV}{dr}}{PV} = -\frac{r(1+r)}{A} \cdot \left(-\frac{A^2}{r^2}\right) = \frac{1+r}{r}$$

Hence

$$D_M = \frac{D}{1+r} = \frac{1}{r}$$

1(c) $r_1 = 2.59\%$, $r_2 = 5.28\%$ and $f_{12} = 8.04\%$,

2(a) Luenberger; Chapter 7: Section 7.3; Pg 177-179

2(b) Luenberger; Chapter 6 pg 138

Pg 156 (deduct 1 ½ marks if diagram is missing)

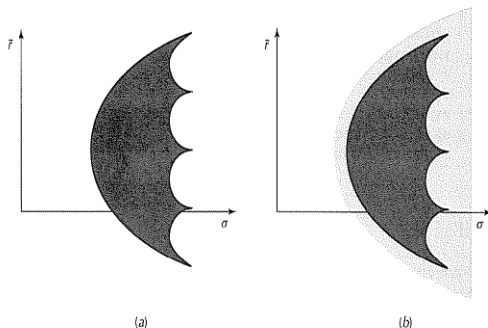


FIGURE 6.10 Feasible region. The feasible region is the set of all points representing portfolios made from n original assets. Two such regions can be defined: (a) no shorting and (b) shorting allowed.

2(c) The expected rate of return predicted by capital market line is:

$$0.10 + [(0.17-0.10)/0.12] \times 0.40 = 0.33 \text{ i.e. } 33\%$$

Actual expected rate of return is only 14% ($1000/875-1$). Therefore, the point representing the oil venture lies below the CML, so inefficient one.

Please note: There is error in the question as one of the sentences supposedly jumbled up since the word 'to \$1000' moved to next line. So, all those who have attempted should be awarded marks, keeping in view the interest of the students.

3(a) Suppose that F_0 is the one-year forward price of the commodity. If F_0 is relatively high, the trader can borrow \$950 at 6%, buy one ounce of the commodity and enter into a forward contract to sell the commodity in one year for F_0 . The profit made in one year is

$$F_0 - 950 \times 1.06 = F_0 - 1007$$

This is profitable if $F_0 > 1007$. If F_0 is relatively low, the trader can sell one ounce of the commodity for \$949, invest the proceeds at 5.5%, and enter into a forward contract to buy it back for F_0 . The profit (relative to the position the trader would be in if the commodity were held in the portfolio during the year) is

$$949 \times 1.055 - F_0 = 1001.195$$

This shows that there is no arbitrage opportunity if the forward price is between \$1001.195 and \$1007 per ounce.

3(b) From Basu & Hull, Chapter 10, equation (10.7)

$$S_0 - K \leq C - P \leq S_0 - Ke^{-rT}$$

In this case $408 - 410 \leq C - P \leq 408 - 410e^{-0.025}$

or $-2 \leq C - 44.5 \leq 408 - 399.88$

$$-2 \leq C - 44.5 \leq 8.12$$

or $42.5 \leq C \leq 52.62$

3(c) Basu & Hull; Chapter 10, Section 10.1, pg. 217-218

4(a) Basu & Hull, Chapter 2, Sec.2.11, pg 41

(b) i. short futures position

ii. Current value of one futures contract= $250 \times 1010 = 252,500$

No. of contracts that can be shorted to hedge the portfolio= $(1.5 \times 5,050,000) / 252,500 = 30$

Gain from the short futures position if index and futures price turn out to 900 and 902 respectively is

$$30 \times (1010 - 902) \times 250 = 810,000$$

Loss on the index is 10%. Index pays a dividend of 0.25% per 3 months (1%p.a.). So investor will earn -9.75% over 3 months period.

Expected return on the portfolio= $1.0 + [1.5 \times (-9.75 - 1.0)] = -15.125$

iii. Expected value of the portfolio inclusive of the dividend at the end of 3 months is

$5,050,000 \times (1 - 0.15125) = 4,286,187$

Expected value of the hedger's position = $4,286,187 + 810,000 = 5,096,187$

4(c) Call-put parity: $C + Ke^{-rt} = p + S_0$

$$10 + 60 e^{-r(3/12)} = 10 + S_0$$

$$\Rightarrow S_0 = 60 e^{-0.25r}$$

For a 6-month call and put with same exercise price 60, using call-put parity, we have

$$\Rightarrow c + Ke^{-rt} = p + S_0 \Rightarrow c - p = S_0 - Ke^{-rt} = 60 e^{-0.25r} - 60 e^{-0.5r} > 0$$

$$\Rightarrow c > p \text{ (assuming } r \text{ is same)}$$

Therefore, the 6-month call is more valuable than the 6 month put.

5(a) Principles of Corporate Finance, ch-16, Sec-16.4, pg 393-394, Brealey, Myers and Allen.

5(b) Principles of Corporate Finance, ch-17, Sec-17.2, pg 424-428, Brealey, Myers and Allen.

5(c) Principles of Corporate Finance, ch-16, Sec-16.5, pg 398-400, Brealey, Myers and Allen.

6(a) B,C and A

The duration of a zero coupon bond equals its time to maturity. Holding maturity constant, a bond's duration is lower when the coupon rate is higher. Holding other factors constant, the duration of a coupon bond is higher when the bond's yield to maturity is lower.

Rule 1 for Duration The duration of a zero-coupon bond equals its time to maturity.

Rule 2 for Duration Holding maturity constant, a bond's duration is lower when the coupon rate is higher.

Rule 3 for Duration Holding the coupon rate constant, a bond's duration generally increases with its time to maturity. Duration always increases with maturity for bonds selling at par or at a premium to par.

Rule 4 for Duration Holding other factors constant, the duration of a coupon bond is higher when the bond's yield to maturity is lower.

6(b) chapter 6 section Divesification pg 151-152

The situation is somewhat different if the returns of the available assets are correlated. As a simple example suppose again that each asset has a rate of return with mean

n and variance σ^2 , but now each return pair has a covariance of $\text{cov}(r_i, r_j) = .3\sigma^2$ for $i \neq j$. Again we form a portfolio by taking equal portions of n of these assets. In this case,

$$\begin{aligned} \text{var}(r) &= \text{E} \left[\sum_{i=1}^n \frac{1}{n} (r_i - \bar{r}) \right]^2 \\ &= \frac{1}{n^2} \text{E} \left\{ \left[\sum_{i=1}^n (r_i - \bar{r}) \right] \left[\sum_{j=1}^n (r_j - \bar{r}) \right] \right\} \\ &= \frac{1}{n^2} \sum_{i,j} \sigma_{ij} = \frac{1}{n^2} \left\{ \sum_{i=j} \sigma_{ij} + \sum_{i \neq j} \sigma_{ij} \right\} \\ &= \frac{1}{n^2} \{ n\sigma^2 + .3(n^2 - n)\sigma^2 \} \\ &= \frac{\sigma^2}{n} + .3\sigma^2 \left(1 - \frac{1}{n} \right) \\ &= \frac{.7\sigma^2}{n} + .3\sigma^2 \end{aligned}$$

This result is shown in Figure 6.7(b) (where again $\sigma^2 = 1$) In this case it is impossible to reduce the variance below $.3\sigma^2$, no matter how large n is made.

Alternatively, derivation from Bodie Kane and Marcus, could be given:

Recall from Equation 7.16, restated here, that the general formula for the variance of a portfolio is

$$\sigma_p^2 = \sum_{i=1}^n \sum_{j=1}^n w_i w_j \text{Cov}(r_i, r_j) \quad (7.16)$$

Consider now the naive diversification strategy in which an *equally weighted* portfolio is constructed, meaning that $w_i = 1/n$ for each security. In this case Equation 7.16 may be rewritten as follows, where we break out the terms for which $i = j$ into a separate sum, noting that $\text{Cov}(r_i, r_i) = \sigma_i^2$:

$$\sigma_p^2 = \frac{1}{n} \sum_{i=1}^n \frac{1}{n} \sigma_i^2 + \sum_{j \neq i} \sum_{i=1}^n \frac{1}{n^2} \text{Cov}(r_i, r_j) \quad (7.17)$$

Note that there are n variance terms and $n(n - 1)$ covariance terms in Equation 7.17.

If we define the average variance and average covariance of the securities as

$$\bar{\sigma}^2 = \frac{1}{n} \sum_{i=1}^n \sigma_i^2 \quad (7.18)$$

$$\overline{\text{Cov}} = \frac{1}{n(n-1)} \sum_{j \neq i} \sum_{i=1}^n \text{Cov}(r_i, r_j) \quad (7.19)$$

we can express portfolio variance as

$$\sigma_p^2 = \frac{1}{n} \bar{\sigma}^2 + \frac{n-1}{n} \overline{\text{Cov}} \quad (7.20)$$

SET A

Name of the course: B.A. (Hons) Economics

CBCS DSE Semester VI

Scheme/Mode of examination: CBCS

Name of the paper: Political Economy II

UPC/Subject Code: 12277601

Time: 2 hours

Maximum Marks: 75

Attempt any four questions. All questions carry equal marks.

1. What are the major features of Fordism? What are the reasons for its decline?
फोर्डवाद की प्रमुख विशेषताएं क्या हैं? इसके पतन के क्या कारण हैं?
2. Discuss Stephen Hymer's three-level structure to analyse the spatial dimension of the MNC dominated world and its implications for the world economy.
एमएनसी वर्चस्व वाली दुनिया के स्थानिक आयाम और विश्व अर्थव्यवस्था के लिए इसके निहितार्थ के विश्लेषण के लिए स्टीफन हाइमर की तीन स्तरीय संरचना पर चर्चा करें।
3. Discuss the phenomenon of a remarkable increase in informality, flexibility and insecurity in employment and work forms under globalisation including the gender dimension of this.
लिंग आयाम सहित वैश्वीकरण के तहत रोजगार और कार्य रूपों में अनौपचारिकता, लचीलापन और असुरक्षा में उल्लेखनीय वृद्धि की घटना पर चर्चा करें।
4. Why does David Harvey consider the neo-liberal state inherently unstable? Briefly discuss the neo-conservative answer to this instability.
डेविड हार्वे नव-उदारवादी राज्य को स्वाभाविक रूप से अस्थिर क्यों मानते हैं? इस अस्थिरता के लिए नव-रुढ़िवादी उत्तर की संक्षिप्त चर्चा करें।
5. "The ability of the powerful to limit environmental degradation by the less powerful cannot be expected to offset the failure of the less powerful to limit environmental degradation by the powerful" (Robert Boyce). Use the theoretical tool of the power-weighted social decision rule to explain the statement.
"कम शक्तिशाली लोगों द्वारा पर्यावरण में गिरावट को सीमित करने की शक्तिशाली लोगों की क्षमता से शक्तिशाली लोगों द्वारा पर्यावरणीय क्षरण को कम करने में कम शक्तिशाली लोगों की विफलता की क्षतिपूर्ति नहीं की जा सकती है" (रॉबर्ट बॉयस)। कथन को समझाने के लिए शक्ति-भारित सामाजिक निर्णय नियम के सैद्धांतिक उपकरण का उपयोग करें।
6. Write a note on **any one** of the following:

The transformation in the form of corporate governance from 'managerial capitalism' to 'investor capitalism' and its implications.

OR

The theoretical structure put forward by Gary Gereffi and others that explains the existence of essentially five different types of global value chains in varied circumstances.

OR

Globalisation and gendered employment

निम्नलिखित में से किसी एक पर नोट लिखें:

प्रबंधकीय पूंजीवाद' से निवेशक पूंजीवाद' तक कॉर्पोरेट प्रशासन के रूप में परिवर्तन और इसके निहितार्थ।

अथवा

गैरी गेरेफी और अन्य लोगों द्वारा लायी गयी सैद्धांतिक संरचना जो विभिन्न परिस्थितियों में दर असल पांच विभिन्न प्रकार की वैश्विक मूल्य श्रृंखलाओं के अस्तित्व की व्याख्या करती है।

अथवा

वैश्वीकरण और लैंगिक रोजगार।

Unique Paper Code : 227671
Name of the Paper : Principle of Economics
Name of the Course : BA (Hons.)/B.Sc. (H) Mathematics
Semester : VI
Duration : 2 hours
Maximum Marks : 75 Marks

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. All questions carry equal marks.
3. Answer four questions in all i.e. two questions from each section A and B.
4. Answer may be written in either English or Hindi, but the same medium should be used throughout the paper.

Part - A

1. Define Iso-utility curve. Derive Engel curve. Explain the relationship between Engel curve and demand curve. Use suitable diagrams.
2. Distinguish between returns to factor and return to scale. What do you mean by the term 'economies of scale'? What are external and internal economies of scale?
3. What is third degree price discrimination? Explain the equilibrium determination under third degree price discrimination.

Part - B

4. How GDP (Gross Domestic Product) is computed using income method? Is increase in national income an indicator of increase in social welfare? Comment.
5. What is aggregate demand? Show the derivation of aggregate demand curve with suitable diagram. Also, explain how the positive slope of short run aggregate supply curve affects the price level and real GDP.
6. What is high powered money? How does it influence money supply in an economy? Distinguish between metallic money and paper money.

Unique Paper Code : 227671
 Name of the Paper : Principles of Economics
 Name of the Course : B.A(H)/B.Sc(H) Mathematics
 Semester : VI

M.M: 75

Duration: 2 hrs

छात्रों के लिए निर्देश

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखें।
2. सभी प्रश्नों के अंक समान हैं।
3. कुल किन्ही-चार प्रश्नों के उत्तर दे इच्छित भाग 'क' तथा 'ख' प्रत्येक में से दो-दो प्रश्नों को करें।
4. इस प्रश्न पत्र का उत्तर अंग्रेजी या हिन्दी किसी एक भाषा में दें, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

भाग - क

1. सम-उपयोगिता वक्र को परिभाषित करें। स्थूल वक्र का निर्माण करें। स्थूल वक्र तथा सीमा वक्र के बीच सम्बन्ध की व्याख्या करें। उचित चित्र का उपयोग करें।
2. साधन के प्रतिकल तथा पैमाने के प्रतिकल के बीच भेद करें। 'पैमाने की बचतों' की अवधारणा से आपका क्या अर्थ है? पैमाने की आन्तरिक व बाहरी बचतें क्या हैं?
3. तीसरी विधि कीमत विमोचन क्या है? इसके अर्न्तगत सन्तुलन निर्धारण की व्याख्या करें।

भाग - ख

4. आय विधि का उपयोग करके सकल घरेलू उत्पाद (GDP) की गणना कैसे की जाती है? क्या राष्ट्रीय आय में वृद्धि, सामाजिक कल्याण में वृद्धि का सूचक है? सिपणी करें।
5. सामुहिक सीमा क्या है? उचित चित्र की सहायता से सामुहिक सीमा वक्र के निर्माण को स्वीडिश। यह भी व्याख्या करें कि कैसे 'अल्पकारित सामुहिक प्रति वक्र का धनात्मक ढलान कीमत स्तर तथा वास्तविक सकल घरेलू उत्पाद को प्रभावित करता है।
6. उच्च शक्ति (High Powered Money) मुद्रा क्या है? यह एक अर्थ व्यवस्था में मुद्रा प्रति को कैसे प्रभावित करती है? धातु मुद्रा और पत्र मुद्रा से अंतर स्पष्ट कीजिए।

Set 1

Unique Paper Code/Subject Code: 12273303

Name of the Paper: Data Analysis

Name of course: SEC

Scheme/Mode of Examinations: CBCS Semester – III (Admission of 2019)

Attempt total four Questions taking two from each section, A and B

Section A

1. A local hospital has released the following data on its total 314 COVID-19 patients, admitted with major complaints like Fever, Fatigue and Dry cough, along with the data on whether they were admitted to ICU (Intensive Care Unit) or Non-ICU unit as follows:

	Fever	Fatigue	Dry Cough
ICU	36	29	21
NON-ICU	100	67	61

- Construct a contingency table using the above information
- What symptom or complaint is more compelling to admit the patients to ICU beds?
- If a patient has dry cough what is the possibility that he/she would require ICU admission.

(6, 5,5)

1. एक स्थानीय अस्पताल ने अपने कुल 314 COVID-19 रोगियों पर निम्नलिखित आंकड़े जारी किए हैं, जिनमें बुखार, थकान और सूखी खांसी जैसी बड़ी शिकायतों के साथ-साथ यह भी बताया गया है कि वे गहन चिकित्सा इकाई (ICU) में भर्ती हुये या सामान्य इकाई में :

	Fever	Fatigue	Dry Cough
ICU	36	29	21
NON-ICU	100	67	61

- उपरोक्त जानकारी के आधार पर एक आकस्मिक तालिका बनाइये ।
- कौनसे लक्षण या शिकायत पर मरीज को ICU में स्थानांतरित करने की आवश्यकता अधिकतम है ।
- यदि किसी मरीज को सूखी खांसी है, तो क्या संभावना है कि उसे ICU में स्थानांतरित करने की जरूरत होगी ।

2. a) What is trimmed mean and its advantages? How will you find the 20 % trimmed mean of {8, 93, 74, 16, 32, 39, 87, 12, 47, 50} in R.

क) छंटनी से क्या मतलब है और इसके क्या लाभ हैं ? आप R | में {8, 93, 74, 16, 32, 39, 87, 12, 47, 50} का 20% छंटनी का माध्य (mean) कैसे निकालेंगे ।

b) If a constant 'c' is added to each Y_i in a sample, yielding $Z_i = Y_i + c$, how do the sample mean and median of the Z_i s relate to the mean and median of the Y_i s? Verify your conjectures.

ख) यदि एक नमूने के प्रत्येक Y_i में एक स्थिरांक c जोड़ा जाता है, तो फलन(yield) $Z_i = Y_i + c$ बनता है | और कैसे Z_i s का माध्य और माध्यिका Y_i s के माध्य और माध्यिका से संबंधित होता है? अपने अनुमान को सिद्ध कीजिये ।

c) What is the difference between the Stem-and -Leaf display and Histogram

ग) Stem-and -Leaf प्रदर्शन और हिस्टोग्राम (Histogram) के बीच अंतर क्या है?

(10,3,3)

3. a) Suppose the Dean of the Students at D-university mailed a survey to a total of 400 students. The sample included 100 students randomly selected from each of the UG-1, UG-2, UG-3, PG-1 and PG-2 classes on campus.

- i. What type of sampling was used? How would you carry out the sampling according to the method involved there?
- ii. Explain why the sampling method stated in (i) is the most efficient method.

क) मान लीजिए कि D - विश्वविद्यालय में छात्र अधिष्ठाता (Dean of Students) ने 400 छात्रों को एक सर्वेक्षण का मेल किया। प्रतिचयन में UG-1, UG-2, UG-3, PG-1 और PG-2 कक्षाओं में से 100 छात्रों को यादच्छिक(random) तरीके से चुना गया ।

(i) प्रतिचयन(sampling) में किस विधि उपयोग किया गया था? (i) बताए गए तरीके के अनुसार आप किस तरह से प्रतिचयन (sampling) करेंगे ?

(ii) बताइए कि (i) में बताई गई प्रतिचयन(sampling) विधि सबसे कारगर विधि क्यों है।

b) Explain the benefit of 'file.choose()' with example in R?

ख) R में उदाहरण के साथ 'File.choose ()' का लाभ बताएं?

c) What is the use of sep = ',' and what = 'char' commands in R.

ग) R में sep = ',' और what ='char' कमांड का क्या उपयोग है ?

(10,3,3)

Section B

4. The merchandise trade as a share to GDP (in %), in the eight South Asian Countries in 2018, extracted from the World Development Indicators data bank, reports the following:

Country Name	Merchandise trade (% of GDP) in 2018	
Afghanistan	42.6	Mean= 43.9
Bangladesh	36.4	Median= 40.6
Bhutan	67.6	Standard deviation= 14.4
India	30.9	
Maldives	61.9	
Nepal	46.3	
Pakistan	26.5	
Sri Lanka	38.6	

- Compute coefficient of variation, Q1, Q3 and Z scores.
- Are there any outliers? Explain.
- Are the data skewed? If so, how?

4 सकल घरेलू उत्पाद (GDP) में हिस्सेदारी (% में) के रूप में उत्पादों के व्यापार में आठ दक्षिण एशियाई देशों में 2018 में, विश्व विकास सूचकांक डेटा बैंक से निकाले गए आंकड़े निम्नानुसार दिए गए हैं:

देश/नाम	उत्पादों का व्यापार (% of GDP) in 2018	
Afghanistan	42.6	माध्य (Mean)= 43.9
Bangladesh	36.4	माध्यिका (Median)= 40.6
Bhutan	67.6	Standard deviation= 14.4
India	30.9	
Maldives	61.9	
Nepal	46.3	
Pakistan	26.5	
Sri Lanka	38.6	

क) Q1, Q3 और Z स्कोर के गुणांक के परिवर्तन(coefficient of variation) की गणना कीजिये ।

ख) क्या यहाँ कोई गैर (outlier) हैं? समझाइये ।

ग) क्या आंकड़े विषम(Skewed) है? यदि हां, तो कैसे?

(10, 3, 3.5)

5. a) A Protein Supplement producing company wants to estimate the mean amount of time that consumers spend on exercising daily. From past studies, the standard deviation is estimated as 30 minutes.

i. What sample size is needed if the company wants to be 95% confident of being correct to within ± 5 minutes?

ii. If 99% confidence is desired, how many more or less consumers need to be selected than found in (a)?

b) What is the use of `as.numeric()`, `as.integer()` and `history ()` commands in R. Give example of each. (5,5.5,6)

एक प्रोटीन अनुपूरक उत्पादक कंपनी उस समय की अनुमानित राशि का अनुमान लगाना चाहती है जो उपभोक्ता रोजाना व्यायाम करने में खर्च करते हैं। पिछले अध्ययनों से, मानक विचलन (standard Deviation) 30 मिनट के रूप में अनुमानित है।

क) यदि कंपनी ± 5 मिनट के भीतर सही होने के लिए 95% आश्वस्त होना चाहती है तो कितनी संख्या में प्रतिचयनों की आवश्यकता है?

ख) यदि 99% विश्वास वांछित है, तो (अ) से कितने अधिक या कम उपभोक्ताओं का चयन किया जाना चाहिए।

ग) R में `as.numeric()`, `as.integer()` and `history ()` कमांड का क्या उपयोग है? प्रत्येक को उदहारण सहित समझाइये।

6. A frequent flyer investigated round-trip fares for nonstop travel from New Delhi to 10 different Indian destinations on Air India and Indigo airlines.

t-Test: Paired Two Sample for Means		
	<i>Air India</i>	<i>Indigo</i>
Mean	886	1043.2
Variance	31918.22222	247715.7333
Observations	10	10
Pearson Correlation	0.906494641	
Hypothesized Mean Difference	0	
df	9	
t Stat	-1.444549248	
P(T<=t) one-tail	0.091241084	
t Critical one-tail	1.833112933	
P(T<=t) two-tail	0.182482167	
t Critical two-tail	2.262157163	

a) Write only the null and alternative hypothesis to test mean difference greater than zero from the given data.

b) Display regions of rejection and non-rejection that you have solved in part B.

c) At the 0.05 level of significance, is there evidence of a difference in the mean round-trip fare between Air India and Indigo airlines? (3, 3.5,10)

6. एयर इंडिया और इंडिगो एयरलाइंस के 10 अलग-अलग भारतीय गंतव्यों के लिए नई दिल्ली से नॉनस्टॉप यात्रा के लिए एक लगातार उड़ने वाले किराए की जांच की गई।

t-Test: Paired Two Sample for Means		
	<i>Air India</i>	<i>Indigo</i>
Mean	886	1043.2
Variance	31918.22222	247715.7333
Observations	10	10
Pearson Correlation	0.906494641	
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P(T<=t) two-tail	0.182482167	
t Critical two-tail	2.262157163	

क) दिए गए आंकड़ों में शून्य से अधिक अंतर का परीक्षण करने के लिए शून्य और वैकल्पिक परिकल्पना (null and alternative hypothesis) बताइये ।

ख) अस्वीकृति और गैर-अस्वीकृति के क्षेत्र दर्शाइए जो आपने भाग B (part -B) में हल किए हैं।

ग) 0.05 के स्तर पर, क्या एयर इंडिया और इंडिगो एयरलाइंस के बीच वापसी यात्रा के अंतर का साक्ष्य है?

SRCC (DU)

PGD Global Business Operations Semester III

INTERNATIONAL FINANCIAL SYSTEM (3.2)

MAX MARKS: 70

MAX TIME: 3 HRS

Exam Roll No _____

Conceptual Assessment (Answer any 4 Questions)

1. Covid – 19 has created recessionary pressures across the world. Discuss the impact on the International Financial System.
2. In the current situations RBI is left with flat monetary policy. Discuss the soaring inflations and negative real interest rates in the Indian Economy.
3. RBI has taken an initiative for retail traders in the currency market. Discuss the initiatives in details.
4. R-PPP cannot be used to forecast the currency. Discuss the limitations and recommend the correct approach.
5. Synthetic rate facilitates the 3-point arbitrage process. Discuss the process with appropriate examples.
6. Raising liabilities should be evaluated on the basis of Real Depreciation. Discuss the concept with appropriate examples.

SRCC - Post Graduate Diploma in Global Business Operation (GBO)
End-Term Examination, III Semester (2020)
Course Name: Transnational Marketing

Exam Roll No :
Paper No. :
Title of the Paper :
Name of the Course : PGD Global Business Operations
Semester : III
Duration : 3 Hours
Maximum Marks : 70

Instructions:

- a. This is an open source examination
- b. **Attempt any four questions** out of the given six questions
- c. Each question has equal marks
- d. Be brief and to the point in your response, State assumptions made, if any

Q.1. Define Psychic Distance and identify factors that determine Psychic Distance between home and host market by explaining the CAGE distance framework? 'Companies entering psychically close countries will suffer from relatively less liability of foreignness than psychically distant countries'. Do you agree with this statement? Why or Why not?

Q.2. Transnational marketing is showing trends of innovation and the class of services for the customer. Do you agree with this statement? Substantiate your answer with reasons and examples.

Q.3. How different is international marketing research from domestic marketing research? Explain any 4 trade indicators explaining how they will be useful in selecting International markets.

Q.4. Briefly explain the following:

- Difference between 'International' firm and 'Transnational' firm.
- Dunning's OLI Framework
- Soft Power of nations may benefit their (company's) trade and commerce interests abroad? Why and How?

Q.5. Explain Uppsala Model of Internationalization?

Q.6. You are an Export Manager of a company M/s Heaven Fragrances. They are producing Aggarbattis/ Incense sticks. Your company is doing well in domestic market but now wants to go international. The product has the following detailed description, 'Aggarbatti and other odiferous preparations which operate by burning', with a HSN number of 330741.

Prepare a detailed report for the company on developing its exports. The following points (which are only indicative and not exhaustive) may be considered while preparing the report: (International marketing research, selecting a country for launching of the product, distribution, logistics, customer management, advertising, going local).

You may use the following information for report writing in case you find it relevant.

Current Market information in the Indian Scenario: Information regarding the Industry from news reports

The agarbatti and dhoop industry heavily depends on forest products for raw materials. The various raw materials required for the production of agarbatti are Charcoal powder, sticky powder such as Jigat, Sal resin, Guggul, Nargis powder, raw bamboo sticks, water, various variety of oils, aromatic essence, flower essence, sandalwood oil, rose petals, natural and chemical aromatic ingredients, sawdust, various color powder, etc. A decent cardboard box or plastic pouches are required for packing. Agarbatti and dhoop in India are generally produced manually in India. A large number of rural women are employed in this industry. Agarbatti and dhoop products can be considered as the section with unending demand in India which allows the products to be sold through each mode of trade. The market derived by the increase in the large penetration of agarbatti and dhoop products in various regions through the retail mode of trade. This segment generating above 60% of the total sum of the revenue generated by agarbatti and dhoop products. The variants generally found at stores were of pack size below 150 grams, while in case of fragrance they usually prefer to keep the trending fragrances according to their regions and consumer demands.

Some of the main players in the market are as follows;

Moksh Agarbatti Co/

ITC Limited – Mangaldeep

Mysore Deep Perfumery House - Zed black

Shree Kalpana Perfumery Works Private Limited – Kalpana

NEWS FLASH as per Economic Times June 11, 2020

The government's decision to increase import **duty** on **bamboo sticks** from 10% to 25% will open up new avenues of self-employment in the country and create 1 lakh new jobs in the '**agarbatti**' (**incense sticks**) industry in the next 8-10 months, Khadi & Village Industries Commission (KVIC) said. Bamboo sticks are an important input for the industry.

Article excerpts from The Dollar Business; February, 2017

While the agarbatti industry is perceived to be a small cottage industry, export figures speak a different story. Despite tough competition from China and Vietnam, India has managed to dominate the market with its premium quality incense sticks. The Dollar Business takes a look at what makes the product a money-spinner across foreign markets.

Anishaa Kumar / February 2017 Issue / [The Dollar Business](#)

Whether it is for religious purposes, medicinal value or simply for its pleasant fragrance, agarbatti is a product found across almost every Indian home. Today, the Indian market is flooded with agarbattis [also known as joss stick in China or incense stick in other countries] of various colours, fragrances and qualities. But, the market for agarbatti is not by any means limited to India. People across the globe, whether they be in US or UK, Malaysia or Ethiopia enjoy agarbatti as much as Indians do – opening up a global market for exporters.

Agarbatti, mostly a handmade product [in India], is exported to almost the entire known world from India. While many countries are known for selling unscented or raw incense sticks, India is known for its perfumed versions.

- All the Best -

**SRCC - Post Graduate Diploma in Global Business Operation (GBO)
End-Term Examination, 3rd Semester (2020)**

Exam Roll No :

Paper No. : 3.4

Title of paper : Documentation for Global Trade

Name of Course: PGD Global Business operations

Semester : IIIrd

Duration : 3 Hours

MM : 70

INSTRUCTIONS:

Attempt any FOUR QUESTIONS. They all carry equal marks.

- Q1.** An exporter has decided to import Capital goods under EPCG scheme in the FY 2020-21. The Total value of CGs is USD 400,000. The normal duty is 25%. The total exports in three years prior to Three prior to the application is USD300,000. The total exports from 2020-21 to 2023-24 is USD 500,000 & 2024-26 is USD 400.000.
- Prepare the statement for scrutiny by customs/ DGFT?
- Also calculate the penalties, if any?
- If the Raw material is also imported for USD 100,000 & Duty saving is 25%, Calculate EO?
- How are exporters helped by various SCHEMES of the DGFT to achieve the target of GLOBALIZATION?

Q2. You have received an export order for USD 500,000. How can you avail the pre shipment facilities?

Explain in detail.

The export of goods is affected against the above order which is backed by L/C & the documents are

Submitted to the bank, which are negotiated by the bank,. The documents are drawn at 60 days

Sight. The Spot rate is 1USD =Rs. 75/76. The forward rates are 2m=7500/8000. 3m=8000/7000.

Calculate Rs. Equivalent credited to the account, if the interest rate is 11% & subvention is 5% & preshipment is Rs. Two Crores for 75 days. Also, calculate Bank profit.

Q3. 'Every Business is done to maximize the profits. ' Do you agree with the statement. Analyze the above statement & give detailed explanation in the following situations:

You have received an enquiry from a country which is facing externalization problem. What type of Method of Payment would you suggest?

If the country is facing the Political & commercial problem also would our strategy change?

If we are required to send the goods in installment what is the most ideal payment system?

If we have to procure the goods from other manufacturers, what should be the proposal? Will it change if the identities of parties are to be hidden?

How does the Revocable Letters of credit differ from Irrevocable L/Cs.

Some advanced countries do not allow the Bank guarantee, so, what is the alternative available for securing the payments?

GAP , USA, has agreed to supply you garments , but, they want advanced payment by way of L/C.What is the available option with us?

Q4. You have received an order to supply goods worth USD 200,000 to Dubai. The supplier is ABC-----ND & the buyer is KLM---NY. The goods to be supplied are 20,000pcs. Of Men's shirts packed in polythene bags. The despatches are to be made from Delhi to NY & the part & transshipment is not allowed.

Prepare the Bill of exchange to be drawn At Sight.

Also draw the Bill of lading taking hypothetical figures.

Does International practice require other documents also to ensure the goods to the buyer. Explain them in detail?

Can you name the documents required for reporting to various govt. agencies?

Q5. You have sent a consignment of US\$ 1,000,000 to Gambia , an African country facing Externalization problem , but there are vast opportunities. We understand there is a Govt. agency prepared to help the exporters to overcome the Non payment problems.

Explain the complete procedure to be followed to have the maximum coverage .

How can we prepare a solid case to present to the bank for financial assistance Against the above shipment? What are the Govt. guidelines to the bank promotion of export?

If the goods are partially damaged en route, can we recover from any agency for such physical loses, explain the complete system with the Principles involved, types of losses.

Q6. If you have been appointed consultant of an exporting firm , How would you solve the following problems faced by the firm:

The import documents are received under IMPORT L/C. They are COMPLIANT, but fraudulently obtained , but issuing bank is insisting for payment.

The shipment was affected on 21/03/2020. But, the banks were closed & reopened after one month , although the permitted time for the presentation of documents was 21 days only.

The shipment is affected by the first beneficiary, but funds have been transferred by him to a third party, though the L/c was not transferable.

Calculate the various delivery terms & explain them in detail, when the cost of production is USD 9000,PACKINGcharges USD500, Transport charges to ICD are USD 300, inland haulage in India & the buyers country areUSD700 & B900 respectively. Loading charges ON THE VESSEL AT THE PORT ARE USD 800 & freight , insurance & custom duty is USD 1200 Respectively.

Exam Roll No :
Paper No. : 3.5
Title of the Paper : Human Resource Management
Name of the Course : PGD Global Business Operations
Semester : III
Duration : 3 Hours
Maximum Marks : 70

Instructions for candidates:

- 1. Attempt any four questions out of six questions***
 - 2. All questions carry equal marks***
-

1. If we leave aside hiring and training – which can be performed by head hunters and professional trainers respectively – what could be some of the critical roles and responsibilities of HR department?
2. In their own ways, Henry Mintzberg and Udai Pareek have emphasized the importance of roles. Briefly explain Mintzberg's *10-Roles typology* and Pareek's *Role Efficacy* framework.
3. Interview is the most ubiquitous selection tool. How reliable is it, and why? What are the typical mistakes that even interviewers with long experience make?
4. You are offered the job of HR Executive by a reputed MNC during campus placement. The compensation package is excellent, but you are expected to "*hit the ground running*". On the first day you join, Senior VP (HR) asks you to design a three-day training program for 20 managers drawn from production, quality control, finance, marketing and supply chain. You ask, "On what aspect?" Senior VP (HR) replies that it's up to you. You then say, "We got to determine training needs first". The Senior VP (HR) says, surely there are some training programs that are so fundamental as to be useful to any manager, and ends the conversation by saying he expects a draft design in the next one hour. Comply with his request.
5. Much of things in our daily lives – the cell phone we use, the TV we watch, the clothes, shoes or watch we wear, the bike, car or bus we ride, the pen we write with – is made by the industrial worker. Yet, the focus of most scholars and practitioners of human resource management is the white collar employee; it is as if the ordinary worker does not exist. This is the neglected realm of human resource management. Explain why before one can manage workers, much less motivate them, one has to first understand the "world of workers", a world which is very different from those who manage them.
6. What is the common thread that's well reflected in (a) the fall and rise of Apple, (b) Google's people approach, and (c) HCL's "*Employee First, Customers Second*" Approach"?

**SRCC-Post Graduate Diploma in Global Business Operation(GBO)
End-Term Examination,3rd Semester(2020)**

**Exam Roll No :
Paper No : 3.6
Name of the Paper : Business Accounting-2
Name of the Course : PGD Global Business Operations
Semester : III
Duration : 3 HOURS
M.M :70**

Instructions for candidates:

- 1. Attempt any four questions out of six questions**
- 2. All questions carry equal marks**

Q1.

(a)Has financial accounting scope wider than Management accounting, if your answer is yes then only give five differences between Financial Accounting and Management accounting?

(b) A company manufactures two products, A and B, using common facilities. The following cost data for a month are presented to you:

Particulars	A	B
Units produced	1000	2000
Direct labour hours per unit	2	3
Machine hours per unit	6	1.5
Set-up of machines	15	50
Orders	18	70

Machine activity expenses Rs.300000

Set-up related expenses Rs.30000

Expenses relating to orders Rs.35000

Calculate the overheads per unit absorbed using ABC Approach.

Q2.

(a) ROI is better technique than RI for evaluating performance measurement, if your answer is yes then only write limitations of both the techniques?

(b) XYZ LTD. has two divisions P and Q. Both divisions have fully autonomy over their respective divisions.

Division P produces product A and Division Q produces product B .Product A may be used for producing product B with little alternations.

Division P provides the following information.

Demand of product A in external market =36000 units @Rs.60/unit

Variable cost(Including variable selling cost @Rs.4/unit)=Rs.40/unit

Division Q provides the following information.

Division Q requires 10000 units of product A to be used in the production of product B; however division Q has to incur Rs.10/unit as alternation cost to make it viable for production of B.

**Independent supply of product X is available in the market which is refined form of product A@ 64 per unit and on which no further additional cost is required for alternation and it can be directly used for production of product B
Calculate minimum and maximum transfer prices for below cases:**

- 1. If production capacity of Division P is Limited to 50000 units of product A**
- 2. If production capacity of Division P is Limited to 40000 units of product A**
- 3. If production capacity of Division P is Limited to 36000 units of product A**

Q3

(a) A company has a P/V Ratio of 50%. By What % must sales be increased to offset

i) 10% reduction in selling Price

ii) 20% reduction in selling price

(b) The standard material cost for production of 100 kg. of chemical G is made up of:

Chemical X	30 Kg@Rs 4per kg
Chemical Y	40 Kg@ Rs 5 per kg
Chemical Z	80Kg@ Rs 6 per kg

In a batch ,500 kg of chemical G was produced from mix of :

Chemical X	140 kg at cost of Rs 588
Chemical Y	220 kg at cost of Rs 1056
Chemical Z	440 kg at cost of Rs 2860

How do the yield, mix and the price factors contribute to the variance in the actual cost per 100 per kg.of Chemical G over the standard cost?

Q4

(a)“Sunk costs are irrelevant but irrelevant costs are not sunk”. Explain?

(b)A company wants to buy a new machine to replace one which is having frequent break-down.It received offers for two models P1 and P2.further details regarding these models are given below:

Details	P1	P2
Installed capacity(units)	10000	10000
Fixed overheads per annum(Rs.)	240000	100000
Estimated Profit at the above capacity(Rs.)	160000	100000

The product manufactured using this type of machine(P1 and P2) is sold at Rs.100 per unit.

You are required to determine:

- (i)Break-even level sales for each model.
- (ii)The level of sales at which both the models will earn the same profit.
- (iii) The model suitable for different levels of demand for the product.

Q-5

(a) ABC Ltd. Provides the following information for April, 2020:

Details	Budget	Actual
Output per man hour(units)	3.2	3
Man Hours	40000	43000
Overheads(Rs.)	51200	50000
Number of working days	22	23

Compute:

- (i) Fixed Overhead Cost Variance
- (ii) Fixed Overhead Expenditure Variance
- (iii) Fixed Overhead Volume Variance
- (iv) Fixed Overhead Efficiency Variance
- (v) Fixed Overhead Capacity Variance
- (vi) Fixed Overhead Calendar Variance

(b) Gabriel Ltd is a manufacturing company with a set-up located in Noida. It manufactures an automobile component on machine number 201 which is sold in the market at a selling price of Rs 100. The marginal cost of the part is Rs 60. The machine takes 20 hours to produce it. The company uses component Y in the manufacturing of some other product. Component Y can be manufactured on the same machine number 201 in 3 hours at a marginal cost of Rs 5. However, component Y can be brought from the market at a price of Rs 10. Give your advice as to whether component Y should be made on machine No 201 or be purchased from the outside.?

Q6

(a) Has cost accounting scope wider than Management accounting, if your answer is yes then only give five differences between cost Accounting and Management accounting?

(b) Prepare a flexible budget for the next quarter at 5500, 6000 and 6500 units levels and determine the profit at respective volumes.

ABC Ltd. manufactures a single product. The selling price of the product is Rs.100 per unit. The following are the results obtained by the company during the last two quarters:

Details	Quarter 1	Quarter 2
Sales units	5100	4800
Production units	5500	4500
Direct materials (A)	Rs.66000	Rs.54000
(B)	Rs.55000	Rs.45000
Manufacturing wages	156750	138000
Factory overheads	86000	83000
Selling overheads	179000	173000

The company estimates its sales for the next quarter to range between 5500 units and 6500 units ,the most likely volume being 6000 units. The manufacturing programme will match with the sales quantity such that no increase in inventory of finished goods is contemplated in next quarter .The following price and cost changes will, however apply to the next quarter.

(i)The price of Direct material B will increase by 10%.

(ii)The wage rates will go up by 8%.If the production volume increases beyond 5500 units, overtime premium of 50% is payable on the increased volume due to overtime working to be done by the variable labour component.

(iii)The fixed factory and selling expenses will increase by 20% and 25% respectively.

(iv)A discount in the selling price of 2% is allowed on all sales made at 6500 units level of output. The selling price ,however will remain unaltered ,if the volume of output is below 6500 units.

POLICY AND STRATEGY

Exam Roll No

Paper No.: 4.1

Title of the Paper: Business Policy and Strategy

Name of the Course: PGD Global Business Operations

Semester: IV

Maximum Marks: 70

All questions carry equal marks

Answer any four questions. Copy-pasting content will invite very strict penalties. Be analytical.

Regulating the internet giants

The world's most valuable resource is no longer oil, but data

The data economy demands a new approach to antitrust rules

May 6th 2017, The Economist

A NEW commodity spawns a lucrative, fast-growing industry, prompting antitrust regulators to step in to restrain those who control its flow. A century ago, the resource in question was oil. Now similar concerns are being raised by the giants that deal in data, the oil of the digital era. These titans—Alphabet (Google's parent company), Amazon, Apple, Facebook and Microsoft—look unstoppable. They are the five most valuable listed firms in the world. Their profits are surging: they collectively racked up over \$25bn in net profit in the first quarter of 2017. Amazon captures half of all dollars spent online in America. Google and Facebook accounted for almost all the revenue growth in digital advertising in America last year.

Such dominance has prompted calls for the tech giants to be broken up, as Standard Oil was in the early 20th century. This newspaper has argued against such drastic action in the past. Size alone is not a crime. The giants' success has benefited consumers. Few want to live without Google's search engine, Amazon's one-day delivery or Facebook's newsfeed. Nor do these firms raise the alarm when standard antitrust tests are applied. Far from gouging consumers, many of their services are free (users pay, in effect, by handing over yet more data). Take account of offline rivals, and their market shares look less worrying. And the emergence of upstarts like Snapchat suggests that new entrants can still make waves.

But there is cause for concern. Internet companies' control of data gives them enormous power. Old ways of thinking about competition, devised in the era of oil, look outdated in what has come to be called the "data economy. A new approach is needed.

Quantity has a quality all its own

What has changed? Smartphones and the internet have made data abundant, ubiquitous and far more valuable. Whether you are going for a run, watching TV or even just sitting in traffic, virtually every activity creates a digital trace—more raw material for the data distilleries. As devices from watches to cars connect to the internet, the volume is increasing: some estimate that a self-driving car will generate 100 gigabytes per second. Meanwhile, artificial-intelligence (AI) techniques such as machine learning extract more value from data. Algorithms can predict when a customer is ready to buy, a jet-engine needs

servicing or a person is at risk of a disease. Industrial giants such as GE and Siemens now sell themselves as data firms.

This abundance of data changes the nature of competition. Technology giants have always benefited from network effects: the more users Facebook signs up, the more attractive signing up becomes for others. With data there are extra network effects. By collecting more data, a firm has more scope to improve its products, which attracts more users, generating even more data, and so on. The more data Tesla gathers from its self-driving cars, the better it can make them at driving themselves—part of the reason the firm, which sold only 25,000 cars in the first quarter, is now worth more than GM, which sold 2.3m. Vast pools of data can thus act as protective moats.

Access to data also protects companies from rivals in another way. The case for being sanguine about competition in the tech industry rests on the potential for incumbents to be blindsided by a startup in a garage or an unexpected technological shift. But both are less likely in the data age. The giants' surveillance systems span the entire economy: Google can see what people search for, Facebook what they share, Amazon what they buy. They own app stores and operating systems, and rent out computing power to startups. They have a "God's eye view" of activities in their own markets and beyond. They can see when a new product or service gains traction, allowing them to copy it or simply buy the upstart before it becomes too great a threat. Many think Facebook's \$22bn purchase in 2014 of WhatsApp, a messaging app with fewer than 60 employees, falls into this category of "shoot-out acquisitions" that eliminate potential rivals. By providing barriers to entry and early-warning systems, data can stifle competition.

Who ya gonna call, trustbusters?

The nature of data makes the antitrust remedies of the past less useful. Breaking up a firm like Google into five Googlets would not stop network effects from reasserting themselves: in time, one of them would become dominant again. A radical rethink is required—and as the outlines of a new approach start to become apparent, two ideas stand out.

The first is that antitrust authorities need to move from the industrial era into the 21st century. When considering a merger, for example, they have traditionally used size to determine when to intervene. They now need to take into account the extent of firms' data assets when assessing the impact of deals. The purchase price could also be a signal that an incumbent is buying a nascent threat. On these measures, Facebook's willingness to pay so much for WhatsApp, which had no revenue to speak of, would have raised red flags. Trustbusters must also become more data-savvy in their analysis of market dynamics, for example by using simulations to hunt for algorithms colluding over prices or to determine how best to promote competition

The second principle is to loosen the grip that providers of online services have over data and give more control to those who supply them. More transparency would help: companies could be forced to reveal to consumers what information they hold and how much money they make from it. Governments could encourage the emergence of new services by opening up more of their own data vaults or managing crucial parts of the data economy as public infrastructure, as India does with its digital-identity system, Aadhaar. They could also mandate the sharing of certain kinds of data, with users' consent—an approach Europe is taking in financial services by requiring banks to make customers' data accessible to third parties.

Rebooting antitrust for the information age will not be easy. It will entail new risks: more data sharing, for instance, could threaten privacy. But if governments don't want a data economy dominated by a few giants, they will need to act soon.

This article appeared in the Leaders section of the print edition under the headline "The world's most valuable resource"

- 1. With reference to the above case, pick up any one sector and analyse how the usage of data is driving Artificial Intelligence based algorithms to transform the sector? How is the issue of data privacy being addressed in that sector?**
- 2. What is the meaning of a SWOT analysis? Explain in detail. How can it be used for formulating Strategy? Pick any company in the steel industry. Perform a SWOT analysis and decide the future strategy of the firm.**
- 3. What should be the strategy of a challenger brand? Take an example and explain how it could compete with the market leader in that industry.**
- 4. Prepare a detailed analysis of the e-commerce industry. Use any strategic tool used in class. Give full details on why you have mentioned each and every point**
- 5. Write down what future trends you feel you may see in the airline industry. In conjunction to this, explain in detail what do you think the firm's strategy should be: a low-cost leader or Differentiation? What would be your recommendations if you were presenting to the CEO/ COO of any airline firm? Name the firm, analyse its current offerings and provide logical and detailed recommendations (with explanations).**
- 6. Discuss in detail the main points of any HBR Strategy article you may have recently read. Name the article and write your points in a paragraph form following the logical reasoning and examples given by the author.**

SRCC (DU)

Semester Examination INTERNATIONAL FINANCIAL MANAGEMENT

MAX MARKS: 70

MAX TIME: 3 HRS

ROLL NO:

Attempt any 4 out of 6 (All questions carry equal marks)

1. Ms. Aradhana, one of your clients has a forecast that Tata Steel is expected to be volatile in the next one month. Though the market conditions are indicating directional ambiguity. Suggest the possible derivative strategies that you would recommend her with supporting rationale and calculations.
2. MMCT, an export house has large exposures in UAE Dirham. They are evaluating the possibilities of setting up a Risk Management Department. You have been appointed for the task. What would be your approach and suggestive risk management techniques?
3. Straddle and Strangle do not have any difference. If you don't agree with the statement then explain the two strategies with supporting calculations and scenarios in which they are suitable.
4. The Black and Scholes Model is a technically superior approach to value the options as compared to Binomial Model. Explain the technical difference and show the empirical result by taking an example.
5. Taking only short positions in options has serious implications, yet the proponents of Greek Theta create unwarranted exposures. Explain this contradictory mindset of the traders with suitable examples discussing the concepts and consequences.
6. A positive QSD leaves enough headroom for the swap facilitator to do warehousing. However, warehousing exposures have to be hedged. Discuss the scenario in context to currency swaps.

SRCC - Post Graduate Diploma in Global Business Operation (GBO)
End-Term Examination, Semester IV (2021)
Course Name: International Trade-Blocs and Agreements

Semester : IV
Duration : 3 Hours
Maximum Marks : 70

Instructions:

- a. This is an open book examination
- b. Attempt any four questions out of the given six questions
- c. Each question has equal marks
- d. Be brief and to the point in your response, State assumptions made, if any

Q.1 Identify and explain different levels of Regional Economic Integration?

Q.2 With proliferation of Regional Trade Agreements (RTAs) does it support or undermine the prospects of free trade? If you were to be the Director General of WTO, how would you approach and tackle the issue of regional vs multilateral trade agreements?

Q.3 What are the key WTO rules that govern the formation of Regional Trade Blocs?

Q.4 Sharkchips corporations, an Indian company is in the business of producing microchips and semiconductors. Given the future of machine learning and internet of things, it is interested in exporting its products to developed countries like USA as well as huge markets like China. Its CEO, Sheetal Thakur is upbeat about the future prospects of exporting. But she is unaware about various types of tariff and non-tariff barriers, she may face while exporting her products. Imagine yourself as an expert consultant in export business. Ms. Sheetal has fixed an appointment with you for learning about the hidden and explicit costs especially w.r.t tariff barriers and non-tariff barriers. Consult and guide Ms. Sheetal appropriately for her forthcoming foray in exporting, while illustrating the meaning, distinction and impact of the above barriers on the competitiveness of business in foreign country.

Q.5. After completing your Diploma Programme at GBO, you are offered a lucrative job at a small but growing Indian company, Uprise Ltd. Your profile is Strategic analyst and you strongly believe that your organisation, which is in Solar panel production, should internationalize the operations. However, your boss does not feel the same way for

company's growth path. You get an opportunity to meet Ms. Saritha Country head of Uprise Ltd. at the annual dinner of the company. Explain as to how you would impress Ms. Saritha for Internationalization of your Business? Discuss in detail the process of Internationalization to be pursued by Sunrise Ltd.

Q.6 Post the LPG regime of 1991, India has ushered the new path of development forging ties across the world with various nations and their MNCs. Indian companies have also embarked upon this journey despite not possessing many competitive advantages. Discuss this unusual phenomenon while describing this journey of Indian Firms becoming successful MNCs. Which contemporary theory can be attributed to this phenomenon??

- All the Best -

PAPER NAME: PROCEDURES & LOGISTICS IN GLOBAL TRADE

PAPER CODE : 4.4

S R C C (G B O) End term Exam

MBA(I B) Roll No.-----

TIME -3 HOURS

MAX. MARKS : 70

Instructions: Attempt any FOUR questions. All the questions carry equal marks.

Q1: An exporter of has decided to import machinery. The value of machines is US\$ 300,000/-, FOB. The basic customs duty on the product is 50%. The additional duty is 12%. The **cess** is 3.0%. The HS Code for the product is 84071050. The exchange rate under Sec.14 of Customs act is 1US=Rs.75/76. The IEC is 0598765432 The goods are carried by the vessel,"President Carter V.120 ".

The B/L # 098765 dt. 15/05/2021.The Ports are New York to Mumbai. The port code is M004. The vessel arrives on 05/07/2021 but the Bill of Entry is filed on 30/06/2021.

The Seller is ABC----New York & the buyer is, XYZ---New Delhi. The goods are packed in 10 wooden cases.

The Rotation No. is 45678 dt 25/06/2021 & S. No. allocated by the Customs is 12345. The goods are allowed SELF CLEARANCE.

The country of origin is USA & the country code is 0001.

Based on the above facts answer the following questions: (5.5+8+4)

USE ANNEXURE "A" B/E Format

Explain the import clearance procedures & the role of various agencies involved in the imports?

Prepare the Bill of Entry for Home Consumption.

Does it make any difference if the importer is not able to clear the goods in one go, due to funds paucity? Explain the procedure.

Q2. a) What is Tramp Shipping. Explain the different types of chartering? (3)

b) A customer has chartered a Voyage Chartered vessel.

The NOR is given on 01/05/2021 (Saturday) at 1340 hours.

Monday ,03/05/2021 , the port remained closed till 1030 hours On 04th May 2021 (Tuesday), there was sudden strike at 1600 to 2000 hours. On 8th May 2021(Saturday) There was electricity failure from 2000 hrs. till midnight. 18th, May (Tuesday) is declared as a national holiday. The unloading is completed on 31st. May,2021(M) at 18:30:55 hours.

The discharge rate is 3000tons.

The demur rage is US\$ 5000 per day.

The total cargo is 30,000 tons. The vessel leaves the port on 2nd, June at 1430 hrs.

Based on the above Calculate :

i) Prepare the Lay time statement?

ii) Calculate Demur rage?

iii) If the operations are completed by 10th May (M) by 1530 hrs. Calculate dispatch ?

iv) If the vessel is detained for 10 days after unloading due to the complaint of contraband , Calculate charges? (6.5 +3+3 +2)

Q3.Explain the following in detail :

The goods are required to be dispatched to a hospital for the patients on the death bed.
What should the mode of transport ?

Explain the mode of transport from Delhi to New Jersey.

Explain the type of Bill of Lading for the merchanting trade transaction,

The type of Bill of lading when the original documents are not received , but the goods have arrived at the destination.

You are consultant to an export firm , which seeks your advice to ensure safety of their payment that the buyer should take the delivery only after making payment to the bank. Also, draft the type of Bill of lading?

Q4. a) Calculate the cost of transportation in the following cases:

If, the value of goods is USD2million & interest rate is 7%. The transit time by Air is 4 days & by sea is 56 days. The transport charges by air & sea are USD 200 & 50 respectively & the quantity is 20 tons & the volume is 120 cubic meter & the freight charges are USD 50 & USD 20 per cubic meter, By air & sea respectively.

Calculate the cost differential in the above cases?

b) Why is the Chinese industry posing threat to the entire industrial nations of the world? What are the efforts made in our country to counter the Chinese threat?

Q5. a) The cost of transportation by sea is USD 30 per 100 nautical miles respectively. The distance is 10000 nautical miles .The freight falls by 5% after every 1000 nautical miles. The refrigeration cost is USD 50 per day The transit time is 50 days. The fob cost is USD 50,000. The CAF & BAF is 10% of the FOB price. The port of loading charges are USD 500. The Insurance is 1%.

CALCULATE the freight charges? Also explain the concept of DEAD freight, AD VALOREM rate, FCL Cargo? (8+4.5)

b) What is the role of Packing, Packaging, Marking & labeling in the logistics Management?

Q6.a) How can you protect the interest of the seller, if :

i) Excess shipment (20 % extra shipment) is effected than the L/C ?

ii) The shipment is to be sent on the days, when the insurance company is closed due to the national holidays?

iii) The shipment is to be effected on different dates, from the different ports & part shipment is not allowed? 3X3=9

b) What do you understand by term Logistics Management? Explain the role of various factors responsible for the efficient Logistics Management? Explain THIRD PARTY LOGISTICS? (8.5)

Paper No.: 4.5
Title of the Paper: International Investment Management
Name of the Course: PGD Global Business Operations
Semester: IV

Duration: 2 Hours

Maximum Marks: 70

1. *Attempt any four questions out of six questions*
2. *All questions carry equal marks*

1. Critically examine the following giving suitable examples:
 - (i) Earnings yield that evaluate profitability of a firm in terms of the market price of the share is a useful measure from the point of view of a prospective investor.
 - (ii) A firm should issue callable bonds if the interest rates are expected to fall in near future.
 - (iii) Correlation coefficient between the returns is an important factor determining the risk of the two elements portfolio.

2. Following information is available in respect of XYZ Ltd.:

EBIT	₹ 20,00,000
Tax Rate	30%

The Company has raised ₹ 30,00,000 by issue of equity shares of face value of ₹ 10 each which are selling at ₹ 45 in the market. It has just paid a dividend @20% on these shares. The company also has issued 30,000 12% Preference shares (F.V. ₹ 100), and 10% Debentures of Face Value of ₹ 20,00,000. Preference Shares are currently selling at ₹ 85 each. You are required to calculate:

 - i) DPS and EPS on Equity shares,
 - ii) Dividend Payout Ratio,
 - iii) Dividend Yield and Dividend Cover on both types of shares,
 - iv) Interest Coverage Ratio,
 - v) Earnings Yield on Equity shares,
 - vi) Price Earnings Multiple for equity shares.

3. XYZ Ltd. is a pharmaceutical firm. For the last ten years, its turnover is showing a steady increasing trend. Mr. Ramesh Deb who has just retired from services, has been advised by his investment advisor to invest ₹ 10,00,000 in the equity shares of XYZ Ltd. as it is a high profit making company.

Mr. Deb being a retired person, is risk averse and is not interested to invest if the risk level is significantly more than that of the market. Following are the annual return for shares of XYZ Ltd. and that of the market.

Year	XYZ Ltd	Market
1	14%	16%
2	14%	15%
3	17%	10%
4	8%	8%
5	3%	4%
6	-12%	-13%
7	-8%	-7%
8	19%	13%
9	14%	16%
10	1%	-2%

Risk free rate of interest is 6% and the Market Rate is 12%. Based on the Systematic Risk of the shares of XYZ Ltd, advise Mr. Deb about the investment.

4. An investor has identified two securities X and Y for investment purpose. The expected returns from these securities are 12% and 14% respectively whereas the standard deviations of these returns are 17% and 25% respectively.

He is interested to construct an equally weighted portfolio of these two whose returns are having a correlation of 0.4.

Find out the risk and return of the intended portfolio. Can the risk of the portfolio be still reduced? If yes, then how the proportions of the two securities be changed to minimize the risk of the portfolio? Also verify the results.

5. "Investment is well grounded and carefully planned speculation". In the light of this statement, differentiate between investment and speculation. Also explain Hedging and Arbitrage with reference to investment.
6. 10% bonds of RST Ltd., having Face Value of Rs. 1,000 (redeemable at par after 10 years) are currently trading in the market to give a return of 12% to the investors. Find out the indicated market price, duration and modified duration of the Bond.

It is expected in the market that soon the YTM of this category bonds would increase to 14%. Find out the new expected price in the market as per (i) basic valuation model, and (ii) duration. Critically examine the difference in two valuations.

Paper No.: 4.5
Title of the Paper: International Investment Management
Name of the Course: PGD Global Business Operations
Semester: IV

Duration: 2 Hours

Maximum Marks: 70

1. *Attempt any four questions out of six questions*
2. *All questions carry equal marks*

1. Critically examine the following giving suitable examples:
 - (i) Earnings yield that evaluate profitability of a firm in terms of the market price of the share is a useful measure from the point of view of a prospective investor.
 - (ii) A firm should issue callable bonds if the interest rates are expected to fall in near future.
 - (iii) Correlation coefficient between the returns is an important factor determining the risk of the two elements portfolio.

2. Following information is available in respect of XYZ Ltd.:

EBIT	₹ 20,00,000
Tax Rate	30%

The Company has raised ₹ 30,00,000 by issue of equity shares of face value of ₹ 10 each which are selling at ₹ 45 in the market. It has just paid a dividend @20% on these shares. The company also has issued 30,000 12% Preference shares (F.V. ₹ 100), and 10% Debentures of Face Value of ₹ 20,00,000. Preference Shares are currently selling at ₹ 85 each. You are required to calculate:

 - i) DPS and EPS on Equity shares,
 - ii) Dividend Payout Ratio,
 - iii) Dividend Yield and Dividend Cover on both types of shares,
 - iv) Interest Coverage Ratio,
 - v) Earnings Yield on Equity shares,
 - vi) Price Earnings Multiple for equity shares.
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Mr. Deb being a retired person, is risk averse and is not interested to invest if the risk level is significantly more than that of the market. Following are the annual return for shares of XYZ Ltd. and that of the market.

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1	14%	16%
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4	8%	8%
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6	-12%	-13%
7	-8%	-7%
8	19%	13%
9	14%	16%
10	1%	-2%

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He is interested to construct an equally weighted portfolio of these two whose returns are having a correlation of 0.4.

Find out the risk and return of the intended portfolio. Can the risk of the portfolio be still reduced? If yes, then how the proportions of the two securities be changed to minimize the risk of the portfolio? Also verify the results.

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It is expected in the market that soon the YTM of this category bonds would increase to 14%. Find out the new expected price in the market as per (i) basic valuation model, and (ii) duration. Critically examine the difference in two valuations.

**SRCC - Post Graduate Diploma in Global Business Operation (GBO)
End-Term Examination, 3rd Semester (2020)**

Exam Roll No :

Paper No. : 4.6

Title of paper : Social and Ethical Issues in Business

Name of Course: PGD Global Business operations

Semester : III rd

Duration : 3 Hours

MM : 70

INSTRUCTIONS: Attempt any FOUR QUESTIONS. They all carry equal marks.

Q1. What are the highlights of Consumer protection Act, 2019? **17.5 Marks**

Q2. While India celebrates ethical personalities in business, what, according to you, is the role played by systems and procedures to ensure ethical behavior? **17.5 Marks**

Q3. Explain the major difference between Utilitarian and Teleological Approaches. **17.5 Marks**

Q4. "There should be separation of role between CEO and Chairperson." Do you agree? Give arguments in support of your answer. **17.5 Marks**

Case related questions:

Q5. Under such conditions, what are a firm's responsibilities with respect to checking that each stage in the supply chain is complying with company policy? **17.5 Marks**

Q6. What steps could the company take to restore its reputation, and what challenges will it have to overcome? **17.5 Marks**

CASE:

The **2008 Chinese milk scandal** was a significant food safety incident in China. The scandal involved milk and infant formula along with other food materials and components being adulterated with melamine. The chemical was used to increase the nitrogen content of

diluted milk, giving it the appearance of higher protein content in order to pass quality control testing. Of an estimated 300,000 victims, 6 babies died from kidney stones and other kidney damage and an estimated 54,000 babies were hospitalized.

The scandal was first exposed on 16 July, after sixteen babies in Gansu Province were diagnosed with kidney stones. The babies were fed infant formula produced by the Shijiazhuang-based Sanlu Group, then one of the leading producers of infant formula in the country. After the initial focus on Sanlu, further government inspections revealed that products from 21 other companies were also tainted, including those from Arla Foods–Mengniu, Yili, and Yashili.

Melamine is used to manufacture melamine-formaldehyde resin, a type of plastic known for its flame-retardant properties and commonly employed in countertops, dry-erase boards, etc. Melamine itself is nitrogen-rich and is sometimes illegally added to food products to increase their apparent protein content. It has also been employed as a non-protein nitrogen, appearing in soy meal, corn gluten meal and cottonseed meal used in cattle feed. Melamine is known to cause kidney failure and kidney stones in humans and animals when it reacts with cyanuric acid inside the body. The use of melamine in food production is not approved by WHO or national authorities.

The Kjeldahl and Dumas methods used to test for protein levels fail to distinguish between nitrogen in melamine and naturally occurring in amino acids, allowing the protein levels to be falsified. Introduced into milk, it can help conceal fraudulent dilution with water.

It is not known where in the supply chain the melamine was added to the milk. The chemical is not water-soluble, and must be mixed with formaldehyde or another chemical before it can be dissolved in milk.

Because of poor animal husbandry, production and storage and the demand for milk far outstripping supplies, the use of other potentially harmful chemical additives such as preservatives and hydrogen peroxide has been reported by independent media as being commonplace. Quality tests can be falsified with additives: peroxide is added to prevent milk going bad; industrial vegetable oil is emulsified and added to boost fat levels; whey is used to increase lactose content. However, the procurement chain is also implicated, as milk agents are often politically well-connected. Farmers report salespeople had, for years, been visiting farms in dairy areas hawking "protein powder" additives, which would often be delivered in unmarked brown paper bags of 25 kilograms (55 lb) each. Thus, farmers either added melamine contaminant unwittingly, or turned a blind eye to milk adulteration to ensure their milk was not rejected.

Victims

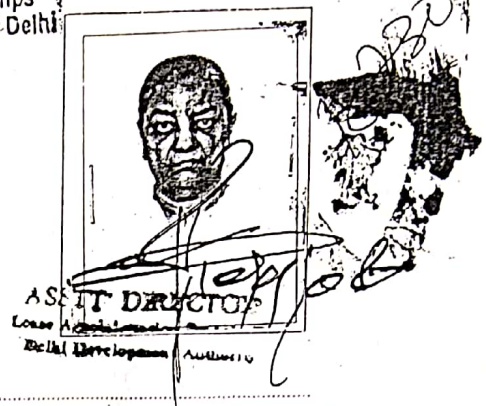
On 17 September 2008, Health Minister Chen Zhu stated tainted milk formula had "sickened more than 6,200 children, and that more than 1,300 others, mostly newborns, remain hospitalized with 158 suffering from acute kidney failure". By 23 September, about 54,000 children were reported to be sick and four had died. An additional 10,000 cases were reported from the provinces by 27 September. A World Health Organization official said 82% of the children made ill were 2 years of age or below.

Case source: https://en.wikipedia.org/wiki/2008_Chinese_milk_scandal

File No. 2457 dated 29-7-08
 Certificate of the Director of Stamp
 stamp administration, State of India
 Act. The stamp duty Rs. 830
 Transfer duty Rs. 130
 Total Rs. 960 has been
 deposited vide Treasury/Challan/Receipt
 No. 71 Dated 29-7-08

Collector of Stamps
 Vikas Sadan, New Delhi

DELHI DEVELOPMENT AUTHORITY
 Conveyance Deed
 (ATTORNEY UNREGISTERED)



This conveyance made on this 11-11-2008 day of T-19731

between President of India, hereinafter called "The Vendor" (which expression shall unless excluded by or repugnant to the context be deemed to include its successors in office and assigns) of the one part and Sh./Smt. Jagdish chander Late Sh. Behu Ram

PURCHESER

R/o. E-222, Anand Colony Laxpat Nagar New Delhi through his/her Attorney Sh./Smt. Krishana Devi son/daughter/wife/widow of Sh. Late Gaur Chand Goel

R/o. C-35/X-4, MIG Flats Dilshad Garden Delhi hereinafter called the "Allottee" (which expression shall unless excluded by or repugnant to the context be deemed to include his successors in office and assigns) of the second part and Sh./Smt. Krishana Devi

son/daughter/wife/widow of Sh. Gaur Chand Goel R/o. C-35/X-4, MIG flats, Dilshad Garden Delhi hereinafter called the "Purchaser" (which expression shall unless excluded by or repugnant to the context be deemed to include his successors in office and assigns) of the third part.

WHEREAS, vide allotment letter No. 22(259)92/HB/NP dt. 5-3-83 by Delhi Development Authority, Flat No. 35-C/X-4 in Block No. MIG Flats situated in Dilshad Garden Delhi.

PURCHESER

was allotted to the party of the second part subject to the limitation and conditions mentioned therein.

AND WHEREAS the allottee Shri. Jagdish chander Late Sh. Behu Ram R/o. E-222, Anand Colony, Laxpat Nagar New Delhi had executed Power of Attorney on 17-2-2000 appointing Sh. Krishana Devi Late Sh. Gaur Chand Goel R/o. C-35/X-4, MIG Flat Dilshad Garden Delhi as his attorney authorising him/her to sell the said property on his/her behalf AND whereas the Allottee had given the possession of the property to the Purchaser and now the said property is in the possession of the purchaser.

AND WHEREAS representing that the said allotment is still valid and subsisting, the said allottee through attorney has applied to the Vendor to grant to the purchaser of free hold ownership right in the said demised property leased out to him/her under the said allotment letter and the Vendor has agreed to the freehold ownership rights of the said demised property to the purchaser subject to the terms/conditions appearing hereinafter.

ASST DIRECTOR
 Lease Administration Branch
 Delhi Development Authority

22(259)82

Rs 77900-00
Rs 13200-00

NOW THIS INDENTURE WITNESSES THAT in consideration of the sum of Rs
Rupees Ninety one thousand one hundred
(only) paid before the execution hereof (the receipt where of the Vendor hereby admits

and acknowledges), the aforesaid representation and subject to limitation mentioned hereinafter, the vendor doth hereby grants, conveys, sells, releases and transfers, assigns and assures unto the aforesaid purchaser all the free hold ownership rights in the flat No. 35-C/X-4

Block No. M191 Sector..... situated in Dilshad Garden
Delhi (hereinafter referred to as the said property) more

fully described in the Schedule hereunder, together with all remainder, rents issues and profits thereof TO HAVE AND TO HOLD the same unto the purchaser absolutely and forever, SUBJECT to the exceptions, reservations, covenants and conditions hereinafter contained, that is to say, as follows :

1. The Vendor excepts and reserves unto himself all mines and minerals of whatever nature lying in or under the said property together with full liberty at all times for the Vendor, its agents and workmen, to enter upon all or any part of the property to search, win, make merchantable and carry away the said mines and minerals under or upon the said property or any adjoining lands of the Vendor and to lay down the surface of all or any part of the said property and any buildings under or hereafter to be erected thereon making fair compensation to the purchaser for damage done unto him thereby, subject to the payment of land revenue or other imposition payable or which may become lawfully payable in respect of said property and to all public rights or easement affecting the same.

Krishna Devi
PURCHASER

2. That notwithstanding execution of this deed, use of the property in contravention of the provisions of Master Plan/Zonal Development Plan/Lay out plan shall not be deemed to have been condoned in any manner and Delhi Development Authority shall be entitled to take appropriate action for contraventions of Section-14 of Delhi Development Act or any other law for the time being in-force.

3. The Purchaser shall comply with the building, drainage and other bye-laws of the appropriate Municipal or other authorities for the time being in force.


If it is discovered at any stage that this deed has been obtained by suppressions of any fact or by any mis-statement, mis-representation or fraud, than this deed shall become void at the option of the vendor, which shall have the right to cancel this deed and forfeit the consideration paid by the purchaser. The decision of the vendor in this regard shall be final and binding upon the purchaser and shall not be called in question in any proceedings.

It is further declared that as a result of this present Purchaser from the date mentioned hereafter will become absolute owner in fee simple of the said property & the Vendor doth hereby releases the Purchaser from all liability in respect of rent reserved by and the covenants and conditions contained in the said allotment letter required to be observed by the purchaser of the said demised property.

The stamp duty and registration charges, upon this instrument shall be borne by the purchaser.

This transfer shall be deemed to have come into force with effect from the date of registration of this deed.

In witness whereof Sh/Smt.....
for and on behalf of and by the order and direction of the Vendor has hereunto set his hand Sh/Smt..... Krishna Devi..... Attorney of allottees
Jagdish Chaudhary and Sh/Smt..... Krishna Devi..... the purchaser, have hereunto set his/her hand day and year first above written.


ASST DIRECTOR
Urban Administration Branch
Delhi Development Authority

THE SCHEDULE ABOVE REFERRED TO

All that flat No. C-35/x4 in Block No. C Sector No. in the layout plan of Housing Estate at DILSHAD GARDEN DELHI - 95

Category MIG floor GROUND

Signed by Shri/Smt.

for and on behalf of and by the order and direction of the President of India.

In the presence of :

(1) Shri/Smt.

[Signature]
ASSET DIRECTOR
LEASOR
Lease Administration Branch
Delhi Development Authority

Signed by Shri/Smt. KRISHANA DEVI

In the presence of :

[Signature] (1) Shri/Smt. D.K. JAIN
C-33/x-2 Dilshad Gdn
Delhi 95

Krishana Devi
ATTORNEY

(2) Shri/Smt. LILIT KUMAR
I/TA DILSHAD GARDEN DELHI 95

Signed by Shri/Smt. KRISHANA DEVI

In the presence of :

[Signature] (1) Shri/Smt. D.K. JAIN
C-33-x-2, Dilshad Gdn
Delhi 95

Krishana Devi
PURCHASER

(2) Shri/Smt. LILIT KUMAR
I/TA DILSHAD GARDEN Delhi 95



Reg. No. 18730 Reg. Year 2008-2009 Book No. 1



Ist Party

IInd Party द्वितीय पक्ष

Witness गवाह

Ist Party

IInd Party



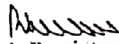
Ist Party प्रथम पक्ष :- POI

IInd Party द्वितीय पक्ष :- Krishana Devi

Witness गवाह Lalit Kumar, D K Jain

Certificate (Section 60)

Registration No.18,730 in additional Book No.1 Vol No 3,146 on page 37 to 39 on this date 11/09/2008 day Thursday and left thumb impressions has/have been taken in my presence.


Sub Registrar
Sub Registrar VII
New Delhi/Delhi

Date 11/09/2008.

Deed Related Detail

Deed Name CONVEYANCE		CONVEYANCE WITHIN NDMC AREA	
Land Detail			
Tehsil/Sub Tehsil	Sub Registrar VII	Area of Building 0	वर्ग फुट
Village/City	Dilshad Garden	Building Type	Class A
Place (Segment)	Dilshad Garden		
Property Type	Residential		
Area of Property	0.00	0.00	0.00
Money Related Detail			
Consideration Value	91,500.00 Rupees	Stamp Duty Paid	3,660.00 Rupees
Value of Registration Fee	100.00 Rupees	Pasting Fee	1.00 Rupees

This document of CONVEYANCE CONVEYANCE WITHIN NDMC AREA

Presented by: Sh/Smt. S/o. W/o R/o
POI

in the office of the Sub Registrar, Delhi this 11/09/2008 day Thursday between the hours of

Signature of Presenter

[Signature]
Registrar/Sub Registrar
Sub Registrar VII
Delhi/New Delhi

Executed and presented by Shri/Ms. POI

and Shri / Ms. Krishana Devi

Who is/are identified by Shri/Smt/K.m. Lalit Kumar S/o W/o D/o Om Parkash R/o 1/25 B Dilshad Garden ND
and Shri/Smt./Km D K Jain S/o W/o D/o Hans Raj R/o C : 5 X -2 Dilshad Garden ND

(Marginal Witness). Witness No. II is known to me.

Contents of the document explained to the parties who understand the conditions and admit them as correct.
Certified that the left (or Right, as the case may be) hand thumb impression of the executant has been affixed in my presence

[Signature]
Registrar/Sub Registrar
Sub Registrar VII
Delhi/New Delhi

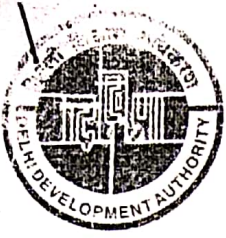
Date 11/09/2008

Krishana Devi

Krishana Devi



[Signature]



विकास सदन, आई. एन. ए., नई दिल्ली - 110 023
DELHI DEVELOPMENT AUTHORITY
VIKAS SADAN, INA. NEW DELHI-110 023

लेखा विवरण
STATEMENT OF ACCOUNTS

दिनांक

DATE :- 19.10.01

फाइल सं०

FILE NO. M022 (0259) 1982/DG/NP

1. आवंटित का नाम :

Name of the Allottee JAGDISH CHANDER

2. प्लेट नं० तथा पाकेट, सेक्टर, फेज, आदि

Flat Number Including Pocket, Sector, Phase etc. 35C X-4PKT C

3. स्थान :

Locality, DILSHAD GARDEN

4 श्रेणी

Category MIG

5. योजना :

Scheme N.P.R.S.

6. मासिक किश्त की दर :

Rate of Monthly Instalment Rs. 823.45

7. किश्त प्रारम्भ होने की तारीख

Date of Commencement of Instalments 10/05/1983

8. भुगतान की देय तारीख,:

Due Date of Payment प्रत्येक महीने की 10 तारीख तक
10th of every month

बकाया राशि का विवरण
DETAILS OF OUTSTANDING DUES

शुल्क का प्रकार Nature of Dues :

	किश्त Instalments
1. तक देय किश्तों की संख्या Number of Instalments due upto 10-04-2001	84
2. हमारे रिकार्ड के अनुसार आपके द्वारा दी गई किश्तों की संख्या उक्त क्रम सं० २ पर किये गये भुगतान के साथ में दर्शाई गई किश्तों की संख्या भुगतान के चालानों की प्रतियां प्रस्तुत करने और डी.डी.ए. कार्यालय खाते में क्रेडिट के सत्यापन पर निर्भर है। Number of Instalments paid by you as per our record. 68 Number of instalments shown as paid at Sl. No. 2 is subject to production of copy of challans of payment and verification of credit in DDA A/C.	
3. तक देय किश्तों की संख्या एवं राशि Number of Instalments & Amount Outstanding upto 10-04-2001	
4. देरी से जमा की गई किश्तों पर जुर्माना Penalty on belated Instalments 16 Rs. 13173.20 (Pl see instruction number 9 overleaf) Rs. 34203.44	
5. Total amount (3 + 4)	Rs. 47378.64

श्री/Shri. JAGDISH CHANDER
35C X-4PKT C
DILSHAD GARDEN
DELHI-110032

MIG

FLAT

लेखाधिकारी
एम. पी. आर. एस. (आवास) क्षेत्र :
ACCOUNTS OFFICER EAST
N.P.R.S (H) ZONE :

यदि किश्त न हो सके तो कृपया प्रेषक को वापस लौटा दें।

क पी दे P.T.O.

No. AEV/F-1(34)/84/Possession vol 4/11-DX/PP/001 Form No. 1 20/1/84

To,

Shri Jagdish chander

Allottee, DDA. Tenant No. X-4 BLOCK No. 35-C
DELHI

Reg: Housing Office No. F22(259)/82 HBSM/NP
Dated 21/1/83.

Dear Sir,

Before taking over the possession of the House/ shop/G-stall ~~O.P.F.~~, your attention is invited to the terms and conditions contained in the booklet published by DELHI DEV. AUTHORITY for sale of these Shop/~~O.P.F.~~/house, wherein it is clearly mentioned that DDA will not entertain any request for additions and alterations or any complaints whatsoever regarding quality of material used, workmanship or any defect, at any subsequent stage. The property is being offered on as is where is basis. It may therefore, be made clear that once the possession is taken over by you, no work what-so-ever including those in the name of rectifications of defects would be done by DDA & no request or applications in this regard will be entertained.

However, as a gesture towards the allottees, if they point some genuine defect or missing fitting etc. before taking over possession, this would be provided to them after examining the request on its merits. For this you are requested to note down the defect/missing fittings etc. in the register provided for the purpose will be attended to promptly. The possession of the house would, however be given to you when the genuine defects out of the list as given by you, are rectified by DDA and you give a certificate to that effect in the register. No request at later date other than those entered originally in the register would be entertained. Once, however, the possession is taken over by you nothing whatsoever would be done in the house/~~shop/O.P.F.~~ by Delhi Development Authority,

You are requested to sign the letter for taking over the house/~~shop/O.P.F.~~ and list of fittings.

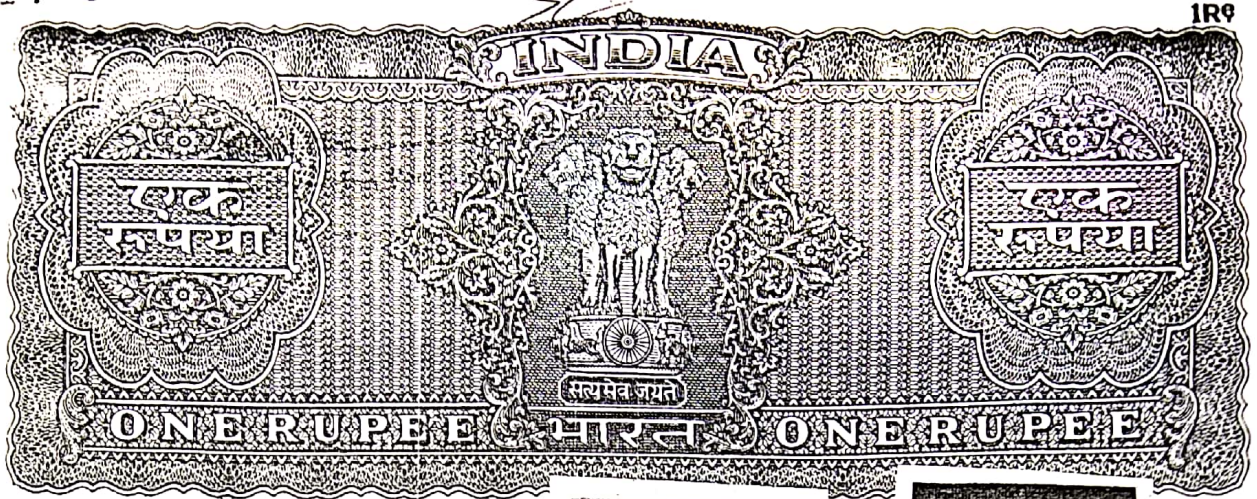
The Executive Engineer,
Housing Division No. XIX,
Delhi Development Authority,
New Delhi.

S.M.
16/1/83
for Executive Engineer,
H.D. XIX/DDA/New Delhi.

I have received your letter no. F22(259)/82 HBSM/NP and have gone through it carefully. dt. 21/1/83

The possession of the house/~~Shop/O.P.F.~~ may please be given to me.

35-C/X-4
ALLOTTEE, FLAT NO. /Shop No. /~~O.P.F.~~
DDA/PP/6000



D/24/045/172138
20-4-45



(JAGDISH CHANDER)
EXECUTANT



(SURINDER KUMAR SETIA)



(GUR SARAN SETIA)

ATTORNEY

R.C.No.316752/854,
Dt. 13.10.1998

R.C.No.316754/859,
Dt. 13.10.1998.

Registration No.
Receipt No.
Date

" SPECIAL POWER OF ATTORNEY "

KNOW ALL MEN BY THESE PRESENTS THAT I, JAGDISH CHANDER, S/O LATE SH. BALI RAM, R/o 35-C/X-4, Dilshad Garden, Delhi, do hereby constitute, nominate and appoint (1) Sh. Surinder Kumar Setia, S/o Sh. J.M. Setia, R/o 118, Sarla Bagh, Dayal Bagh, AGRA, U.P., & (2) Sh. Gursaran Setia, S/o Sh. J.M. Setia, R/o 26, Murli Bagh, Dayal Bagh, AGRA, U.P., as my true and lawful SPECIAL ATTORNEY for me, in my name and on my behalf to do and execute the following acts, deeds and things jointly and severally :-

Contd..P/2...

1. No. & Date... 1.11.1949

Sold to..... S/o.....

In favour of.....

Through..... Purpose.....

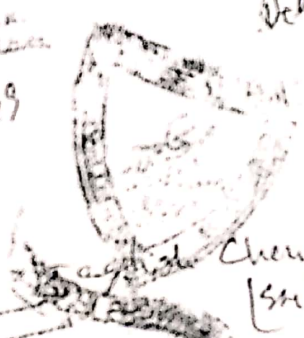
MAR Stamp Agar

Kashmir No. 2507

Handwritten notes: "Jasdev", "R Babu", "Bilawal walas"

Presented by Shri Jagdish Chander
in the office of the Sub Registrar
day of 1949 between the hands of
Beli Price 35-2/18-4
Addressed Jagdish Chander
Delhi

15/2/49
Sub Registrar, Civil Lines, Delhi



Execution admitted by the said Shri Jagdish Chander
and Shri W/o

Vendor...
Lessor...
Witness...
Certificates...
who should...
admit them as...

- (1) A. R. Prasher
- (2) R. C. Tanna

SUB Registrar, Civil Lines, DELHI.

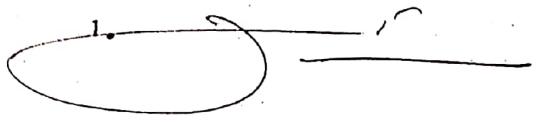


: - 2 :-


To sell and transfer my D.D.A. Built M.I.G. Category flat bearing No.35-C, Ground floor, Pocket-C, Block X-4, situated in the layout plan of Dilshad Garden, Delhi, with the lease-hold rights of the land under the said flat, to execute its sale deed, to present the sale deed for registration at the office of the Sub-Registrar, Delhi, to admit its execution and to have the same registered, to received the consideration amounts, to acknowledge its receipt, to hand over possession, to make any agreement, to effect mutation and to do all other acts, deeds and things in connection thereto.

IN WITNESS WHEREOF, I have set my hands to this ~~is~~ SPECIAL POWER OF ATTORNEY, At Delhi, on this 15th day of Feb., 1999, in the presence of the following witnesses.

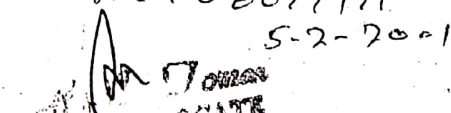
WITNESSES :-

1. 

(S.R. PRASHER S/o
Sh. Jagdish Chander
Ajay Singh, No. 20/13.1
D.L. No 6097/91


" EXECUTANT "
(JAGDISH CHANDER)

2.


WITNESS
COMPOUND
ASHTA... DESHL-4

Date 15/1/19
Sold to P. No. 1572/99
R/o
In favour of
Through Purpose
MUKESH KUMAR Stamp Agent
Cashmere Gate Delhi L. No. 260



Registered No. 2016
Book No. 6 Volume No. 110
on Pages 114-115 on this 19
day of 15/1/1999

REGISTRAR
Division Civil Lines
DELHI



(JAGDISH CHANDER)
EXECUTANT

(SURINDER KUMAR SETIA) (GURSARAN SETIA)
ATTORNEY

R.C.No. 316752/854,
Dt. 13.10.1998

R.C.No. 316754/859,
Dt. 13.10.1998.

" GENERAL POWER OF ATTORNEY "

KNOW ALL MEN BY THESE PRESENTS THAT I, JAGDISH CHANDER, S/O Late SH. BALI RAM, R/o 35-C/X-4, Dilshad Garden, Delhi, do hereby constitute, nominate and appoint (1) Sh. Surinder Kumar Setia, S/o Sh. J.M. Setia, R/o 118, Sarla Bagh, Dayal Bagh, AGRA, (U.P.) & (2) Sh. Gursaran Setia, S/o Sh. J.M. Setia, R/o 26, Murli Bagh, Dayal Bagh, AGRA, (U.P.), as my true and lawful General attorneys for me, in my name and on my behalf to do and execute the following acts, deeds and things jointly and severally :-

WHEREAS I am the absolute, sole owner/allottee and in possession of D.D.A. Built M.I.G. Category flat bearing No.35-C, Ground floor, Pocket-C, Block-X-4, situated in the layout plan of Dilshad Garden Residential Scheme, Delhi, with the lease-hold rights of the land under the said flat allotted to me by the D.D.A. New Delhi, Vide File No.F.22(259)/82/HB/NP. Dt. 5.3.1983.

My said attorney is/are empowered to pay the lease money, arrears of lease money, unearned increment amounts and any other dues and demands regarding the said flat payable to the authorities concerned on demand, to obtain receipts thereof and discharges for the same and to do all other acts, deeds and things in connection thereto.

To file affidavits or reply to any letter or notice issued by the appropriate authority regarding the said flat.

To apply and get the lease-deed of the said flat, to get the same duly registered at the office of the Sub-Registrar, Delhi, to deposit any amount, to sign and submit applications, petitions and affidavits and to get the affidavits attested and to do all other acts, deeds and things in connection thereto.

To sign and get the declarations, affidavits regarding the said property under Urban Land (C&R) Act 1976 and to get the same duly attested and authenticated and to do all other acts, deeds and things in connection thereto.

To represent me at all stages in the offices of the D.D.A./M.C.D./D.V.B./D.J.B./Delhi Admn., etc., to sign and submit all kinds of applications, affidavits and petitions etc., to get the affidavits attested in respect of all the matters regarding the said flat and to do all other acts, deeds and things in connection thereto.

Contd...P/2....

15/2/99 ✓
Sd/- Sub Registrar
Sold to.....
R/o.....
In favour of.....
Through..... Purpose.....
KUKESH KUMAR Stamp
Kashmere Gate Delhi No. 2

38C/4 Bilmulwada

Tegdish Chander
31 -

late Sh. Bali Ram
35-C/4

Presented by Sh..... S/o..... R/o.....
in the office of the Sub Registrar, Delhi this.....
day of..... 19..... between the hours of.....
Delshed Grewal
Roll

SUB REGISTRAR
Sub Division, Civil Lines
DELHI
15/2/99

Execution admitted by the Sh. Smt.....
and Sh./Smt.....
S/o.....
Vende. (S. M. T.).....
Lessee (S. M. T.).....
S/o.....
Witness.....
Contents.....
who undertakes.....
admit them.....

Tegdish Chander
(Smt)

J. R. Prasthar
Tomas
Ador

SUB REGISTRAR
Sub Division, Civil Lines
DELHI
15/2/99

To apply for the grant of sale permission of the said flat in the office of the DDA New Delhi, to sign and submit applications, affidavits, forms duly filed in and to get the affidavits attested, to receive the sale permission with his signatures and to do all other acts, deeds and things in connection thereto.

To sell and transfer the said flat, to execute the sale deed(s), to present the sale deed(s) for registration at the office of the Sub-Registrar, Delhi, to admit its execution and to have the same duly registered, to receive the consideration amounts, to acknowledge the receipt thereof, to hand over possession, to effect mutation, to make any agreement and to do all other acts, deeds and things in connection thereto.

To apply for the grant of electric, water connections in the said property, to deposit any security amounts, to sign and submit applications, petitions, affidavits, agreements etc., and to get the affidavits attested, to receive the said connections with his signatures and to do all other acts, deeds and things in connection thereto.

To give the said property on rent, to recover rent amounts, to issue receipts and discharges for the same, to evict tenants, to file suits against the tenants for the recovery of rent amounts and ejectments, to verify the suits and cases, to appoint any Advocate and to do all other acts, deeds and things in connection thereto.

To deposit house tax, electric, water charges bills and to take receipts thereof and discharges for the same and to do all other acts, deeds and things in connection thereto.

To get the said property converted into a free-hold basis from the lease-hold rights and also to sign and submit all kinds of applications, affidavits, undertakings, I.Bonds etc.etc., and also to deposit the conversion charges to the authorities concerned and to do all other acts, deeds and things in connection thereto.

To appoint any further attorney and to delegate the above powers.

This General power of attorney is irrevocable.

To do all other acts, deeds and things in respect of the matters of the said property even if they are not covered by the foregoing clauses of this general power of attorney.

IN WITNESS WHEREOF, I have set my hands to this General Power of Attorney at Delhi, on this 15th day of Jan., 1999, in the presence of the following witnesses.

WITNESSES :-

1.

(S. R. PRASHER

S/o
Sh. Jagdish Chander
Ajay Singh (213/1)
ADVOCATE

D.L. No 6097/81

5-2-2001

2.

OLD COMPOUND
CASHMERE GATE, DELHI.

" EXECUTANT "

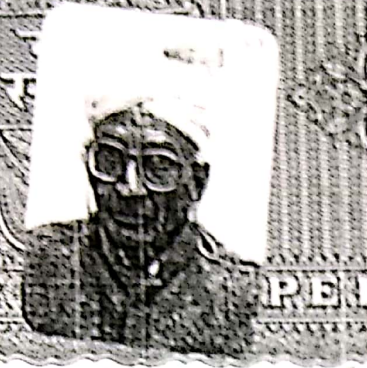
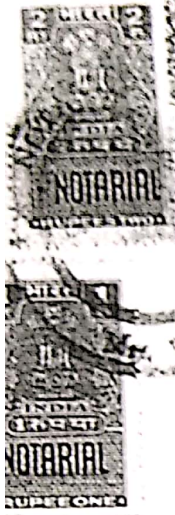
(~~XXXXXXXXXX~~)

Faint, illegible text covering the upper and middle portions of the page, likely representing the main body of a legal document or court order.



Registered No. 2015 in addition to
Jack No. 11/2 Volume No. 11/2
an Pages 11/2 on this 11/2
19 1572199

[Signature]
Sub REGISTRAR
Division Civil Lines
DELHI



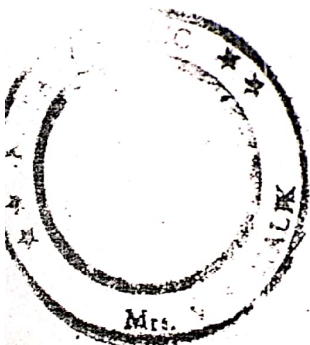
AGREEMENT TO SELL & PURCHASE

This Agreement to Sell & Purchase was made at Delhi, on this 15th day of Feb., 1999, between Sh. JAGDISH CHANDER, S/o Late Sh. Balli Ram, R/o 35-C/X-4, Dilshad Garden, Delhi, hereinafter called the FIRST PARTY (which expression shall mean and include his heirs, successors and assigns) : AND : (1) Sh. Surinder Kumar Setia, S/o Sh. J.M. Setia, R/o 118, Sarla Bagh, Dayal Bagh, AGRA, U.P., & (2) Sh. Gursaran Setia, S/o Sh. J.M. Setia, R/o 26, Murli Bagh, Dayal Bagh, AGRA, U.P., hereinafter called the SECOND PARTY (which expression shall mean and include their heirs, successors and assigns).

WHEREAS the First Party is the absolute, sole owner/allottee and in possession of D.D.A. Built M.I.G. Category Flat bearing No.35-C, Ground Floor, Focket 'C', Block X-4, situated in the lay-out plan of Dilshad Garden Residential Scheme, Delhi, with the lease-hold rights of the land under the said flat, allotted by D.D.A., New Delhi, vide File No. F.22(259)/82/HB/NP., Dt. 5.3.1983.

AND WHEREAS the First Party for his legal needs and requirements has agreed to sell and the second party has agreed to purchase the abovesaid Flat, alongwith the lease-hold rights of the land attached thereto, for a total sum of Rs.2,30,000/- (Rupees Two lacs thirty thousands only) and the first Party has received the said sum of Rs.2,30,000/- (Rupees Two lacs Thirty thousands only) from the second party being the full and final price of the abovesaid Flat and the receipt of which the first party hereby acknowledge the receipt of the same, through separate receipt duly attested by Notary Public, Delhi, dated today.

That the possession of the said flat is already with the second party as a tenant and the Proprietary possession of the same has been delivered to the second Party and the second party shall not pay rent amounts to the first Party in future as the second party has become the absolute, sole owner of the same.



Contd....P/2.

108207
Sold to:
Rto
In favour of
Through
MUKESH KUMAR Stamp Assn
Kashmere Gate Delhi No: 244
Purpose:
Rs 7000/-
Jasbir Singh
Rajesh
Oil Prod. Dept

11

1R9



-:2:-

That all the expenses of Stamp papers, registration fee etc. shall be paid by the second party.

That the first Party, his heirs, successors and assigns have been left with no claim, title and interests in the abovesaid property and now the second party is the exclusive owner of the same like the first party.

That the first Party has handed over all the previous documents and papers in original relating to the said flat to the second party and the second party has taken thereof.

That the first party assures the second party that the said property is absolutely free from all kinds of encumbrances, such as sale, mortgage, gift, litigation, legal flaws, liens, charges, attachment in the decree of any court, family disputes, etc. etc. and if it is proved otherwise, then the first party and his property both moveable and immovable shall be held liable for the same to the extent of loss thus sustained and suffered by the second party in this connection.

That any house tax, water and electric charges bills, lease money etc. etc., and any other dues and demands upto the date hereof shall be paid by the first Party and thereafter the same shall be paid by the second party.

That the first party shall not create any charge over the said property after the execution of this agreement.

That in case the first party backs out from the said transaction, then the second party is fully entitled to get the said transaction completed through court of law by specific performance of the suit at the risks and costs of the first Party.

That this Agreement is irrevocable, conclusive and binding on the parties and their respective heirs.



Contd...P/3.

48218799
D. No. 18799
Sold to
R/o
In favour of
Through Purpose
MUKESH KUMAR Stamp Assn
Kashmere Gate Delhi L: No: 264

IN WITNESS WHEREOF, the Parties have set their hands to this Agreement at Delhi, on the dqte, month and year first above written, in the presenceof the following witnesses.

WITNESSE:-

1. [Signature]

(J. R. PRA SHER)

FIRST PARTY [Signature]

SECOND PARTY [Signature]

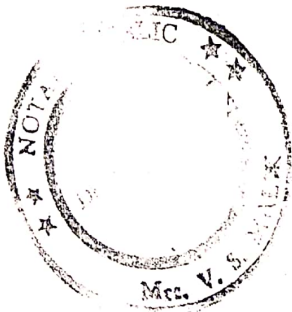
[Signature]

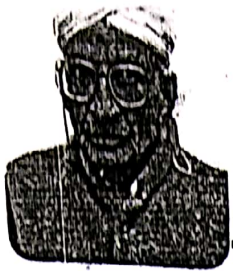
2.

ATTESTED

NOTARY PUBLIC

15 FEB 1999





RECEIPT



12



Received a sum of Rs.2,30,000/-. (Rupees Two Lacs Thirty-thousands only) from (1) Sh. Surinder Kumar Setia, S/o Sh. J.M. Setia, R/o 118, Sarla Bagh, Dayal Bagh, AGRA, U.P., & (2) Sh. Gursaran Setia, S/o Sh. J.M. Setia, R/o 26, Murli Bagh, Dayal Bagh, AGRA, U.P., as per detail mentioned below :-

- i) Rs.1,15,000/--. by Bank Draft No. "545874", Dt. 8.2.1999, Drawn of Canara Bank, Transport Nagar, Agra. U.P.
- ii) Rs.1,15,000/--. by Bank Draft No. "361026", Dt. 9.2.1999, Drawn on State Bank of Patiala, Nehru Nagar, AGRA, U.P.

being the full and final sale price in respect of M.I.G. Category Flat bearing No.35-C, Ground floor, Pocket-C, Block X-4, situated in the layout plan of Dilshad Garden Residential Scheme, Delhi, with the lease-hold rights of the land under the said flat, vide the terms and conditions laid-down in the agreement to sell & purchase dated today executed between the parties.

Hence this Receipt is made at Delhi, on this ___ day of Feb., 1999.

WITNESSES :-

1.

C.J.R. PRASHER S/o
Sh. Jagdish Chander

Pragya Singh, Noida-201301

" EXECUTANT "

(JAGDISH CHANDER)
S/o Late Sh. Bali Ram,
R/o 35-C/X-4, Dilshad Garden,
DELHI.

2.

ATTEST

Notary, Delhi



15 FEB 1999

(14)

" RECEIPT "

Received a sum of Rs.2,30,000/- (Rupees Two Lacs Thirty-thousands only) from (1) Sh. Surinder Kumar Setia, S/o Sh. J.M. Setia, R/o 118, Sarla Bagh, Dayal Bagh, AGRA, U.P., & (2) Sh. Gursaran Setia, S/o Sh. J.M. Setia, R/o 26, Murli Bagh, Dayal Bagh, AGRA, U.P., as per detail mentioned below :-


- i) Rs.1,15,000/- by Bank Draft No. "545874", Dt. 8.2.1999, Drawn off Canara Bank, Transport Nagar, Agra, U.P.
- ii) Rs.1,15,000/- by Bank Draft No. "361026", Dt. 9.2.1999, Drawn on State Bank of Patiala, Nehru Nagar, AGRA, U.P.

being the full and final sale price in respect of M.I.G. Category Flat bearing No.35-C, Ground floor, Pocket-C, Block X-4, situated in the layout plan of Dilshad Garden Residential Scheme, Delhi, with the lease-hold rights of the land under the said flat, vide the terms and conditions laid-down in the agreement to sell & purchase dated today executed between the parties.

Hence this Receipt is made at Delhi, on this ____ day of Feb., 1999.

WITNESSES :-

1.



" EXECUTANT "

(JAGDISH CHANDER)
S/o Late Sh. Bali Ram,
R/o 35-C/X-4, Dilshad Garden,
DELHI.

2.

Registration No. ...
Register No. ...
Date ...

54
Registration Fee Charge Rs. ...



15
DL/04/045/072137
Dt- 20/2/99

WILL

This is the last WILL and Testament of SH. JAGDISH CHANDER, S/o Late Sh. Bali Ram, R/o 35-C/X-4, Dilshad Garden, Delhi.

Life is short and uncertain. God knows when it may come to an end. At present I am in sound and disposing mind. I fully understand what is right and wrong. I wish to make the following WILL in order to avoid litigation and unpleasantness after my demise.

WHEREAS I am the absolute, sole owner/allottee and in possession of D.D.A. Built M.I.G. Category flat bearing No.35-C, Ground floor, Pocket-C, Block-X-4, situated in the layout plan of Dilshad Garden Residential Scheme, Delhi, with the lease-hold rights of the land under the said flat, allotted to me by the D.D.A. New Delhi, Vide File No.F.22(259)/82/HB/NP. Dt. 5.3.1983.

I hereby devise and bequeath that after my death (1) Sh. Surinder Kumar Setia, S/o Sh. J.M. Setia, R/o 118, Sarla Bagh, Dayal Bagh, AGRA, U.P., & (2) Sh. Gursaran Setia, S/o Sh. J.M. Setia, R/o 26, Murli Bagh, Dayal Bagh, AGRA, U.P., shall be the absolute sole co-owners of my above mentioned flat, alongwith the lease-hold rights thereto and they shall have full power to use, sell and transfer the same in any manner they may like. My heirs, successors and assigns shall have no claim, title and interests in the above mentioned property and any objection to be raised by them regarding this WILL shall be deemed as null, void and ineffective.

In the end I declare that I have made this WILL voluntarily, without any outside pressure, in full possession of all my faculties, wits and senses.

IN WITNESS WHEREOF, I have set my hands to this WILL at Delhi, on this 15th day of Feb., 1999, in the presence of the following witnesses.

WITNESSES :-

1.

C.R. PRASHER S/o
Sh. Jagdish Chander

TESTATOR
(JAGDISH CHANDER)

2.
Sh. Jagan School No. 20/30/
D.L. No 6097/91
5-2-2001

STATE
REGISTRY
WILL, DELHI

16576

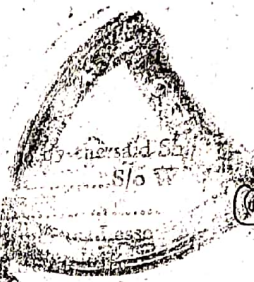
85
Jagdish Chander
Late Mr. Delhi Ram
35C/X-4
Dakshad Chander
Dell

Presented to the Registrar, Delhi
between the

15/2/99



Executed and signed by Jagdish Chander
S/o



Jagdish Chander
(Sats)
J. R. Prasher
Lawyer
R. C. Taneer
(Adv)

Witness No. _____
Contents of this document
who understand the contents
admit them as correct.

~~15~~
Sub-Division, Civil Lines
DELHI.

15/2/99

116



Registered No. 1656 in additions
Book No. 3 Volume No. 45
on Pages 145 to _____ on this _____
day of 15/2/99 19____

~~15~~
Sub-REGISTRAR
Sub-Division Civil Lines
DELHI

Pr



GENERAL POWER OF ATTORNEY

BE IT KNOWN TO ALL WHOM THESE PRESENTS THAT We Surinder Kumar Setia son of Sh. J. M. Setia R/o 118, Sarla Bagh, Dayal Bagh, AGRA (UP), & Sh. Cursaran Setia son of Sh. J. M. Setia R/o House No. 26, Murli Bagh, Dayal Bagh AGRA (U.P.), do hereby appoint nominate and constitute to Mrs. Krishana Devi wife of Shri Gian Chand Goel R/o House No. B-261, Pocket-B, MIG Flats, East of Loni Road, Delhi-110093, as our true and lawful General attorney to do act and perform on behalf of us in our DDA built up flat No. C-35/X-4, on Ground floor, situated at Dilshad Garden, Delhi-110095, under MIG category.

1. To manage, control, look after and supervise the said property, to reply any letter or notice to the authority concerned.
2. To sell, transfer, gift, mortgage the said property, execute the deeds, documents, sale deed and present the same for registration in the office of S.R. concerned to handover the possession of the said property to the purchaser on the spot.
3. To sign, execute, execute and presents the all kinds of suits, plaints, complaints, appeals, review statement, affidavit, agreement, etc. in the proper courts of law and office to proceed in all the proceedings to compromise and compound the cases to withdraw them.

Surinder Kumar Setia
Cursaran

cont d.. p. 2..

11925 17/2/2000 10/-

To: Surender Kumar
From: B. N. N. N.

Sales of J. M. Selig
Beph Dayel Beph
Agar v. M.

LIBRARY
LIT. No. 18
1998

4. To pay the property and other dues of the said property authority concerned on demand.
5. To apply and get the electric, power and water connections and other services in the said property from the concerned department with his/their own signatures.
6. To let out the said property on rent to any person(s) receive rents from the tenant and issue receipt indus charges thereof.
7. To reject the tenancy rights of the tenant and take back the possession of the said property from the tenant(s).
8. To engage any pleader or advocate in respect of the said property.
9. To appoint further attorney(s).
10. To do any additions of alternation in the said property, and sign submit the documents in the said concerned department.
11. To reply any letter or notice in respect of the said property in the concerned department.
12. To mutate the said property in his/her own name from the concerned department.
13. To represent me/us at all stage in the office of the authority concerned before any local authority in the court and appear personally make any statement, affidavit, agreement deposit receipt and same return back from the said office or the local authority.
14. And Generally to do all acts, deeds and things done by me/our said attorney shall be valid and effective and I/we have done the same personally.
15. This G.P.A. shall be irrevocable.



In witness whereof this G.P.A. made at Delhi on 17 FEB 2000
in the presence of the following witnesses:-

WITNESSES:-

1. *रिश्त गुरुद्वारा*
Ryesh kumar Sharma
Sh. Sh. no. 5. Slamp
0210 B. 376. Ashok Nagar
Delhi

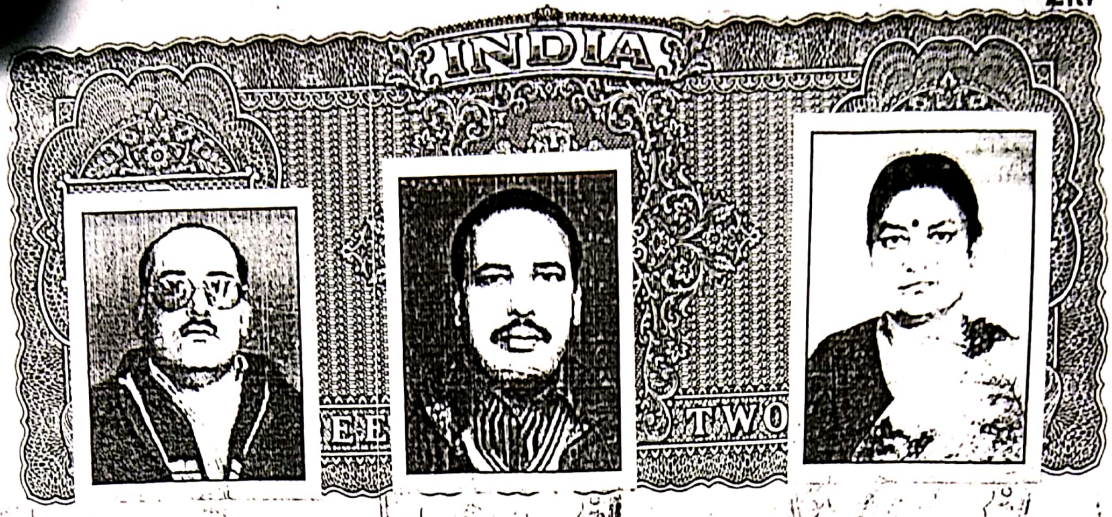
Gur Sevan
EXECUTANT
Sarinder Kaur Setty

2. *P.N. Ahuja*
P. N. AHUJA
SI of S.F. Ahuja
21/42/875. Narain
New Delhi

ATTESTED

Public
OFFICIAL

17 FEB 2000



AGREEMENT TO SALE AND PURCHASE

This Agreement is made at Delhi on this 17.2.2000, between, Sh. Surinder Kumar Setia son of Sh. J.M. Setia R/o 118, Sarla Bagh, Dayal Bagh, AGRA (U.P.) and (2) Sh. Gursaran Setia son of Sh. J.M. Setia R/o 26, Murla Bagh, Dayal Bagh AGRA (U.P.), hereinafter called the first party; and .. Mrs. Krishana Devi wife of Sh. Gian Chand Goel R/o H. No. B-261, Pocket-B, MIG Flats, East of Loni Road, Delhi-110093, hereinafter called the second party.

The expression of both parties shall mean and include the parties their respective heirs or successors and assigns.

That whereas the first party is the owner of my D. D.A. built up Flat/No. C-35/X-4, on Ground floor, situated at Dilshad Garden, Delhi-110095, under MIG Category, .

That whereas the first party has agreed to sell and transfer the said property unto second party for a sum of Rs.2,60,000/- (Rs. Two Lacs and Sixty thousands only), and the second party has agreed to purchase the same for the said amount.

' NOW THIS AGREEMENT WITNESSETH AS UNDER'

1. That the first party has received the total sale amount of Rs.2,60,000/- from the second party in full and final settlement.
2. That the first party has delivered the vacant possession of the said property to the purchaser on the spot.

✓ Krishana Devi

Gursaran

cont d.. p. 2..

Surinder Kumar Setia

P. N. HUDA
 Sloth S. P. Ahuja
 R/o W-285, Naraina
 New Delhi

17 FEB 2000

1926

17/2/2000 2-

No. _____
 To _____

Sulekha Seta & J.M. Seta
 26 Male Bepk Dayel Bepk
 Agge - 500

Agge

M. RAJAN
 License No. 15
 TO HONORARY

3. That the second party shall realise all the rents and profits of the said property from the date of this agreement and the first party shall not demand any type of amount in respect of the said property from the date of this agreement.
4. That all the previous dues and demands of the said property shall be paid and borne by the first party and thereafter same shall be paid and borne by the second party.
5. That the first party shall have no right, claim title and interests in the said property from the date of this agreement and the second party become the absolute owner of the said property.
6. That the Second party shall realise all the rents, profits of the said property from the date of this agreement and the second party shall use, enjoy, sub-let the said property in any manner. That the second party is fully entitled to get transfer the said property in his own name from the concerned department and the first party shall have no objection. That the legal heirs of the said first party also shall have no right, title, claim or interests in the said property and the second party become the absolute owner of the said property from the date of this agreement.
9. That the first party assures the second party that the said property is free from all sorts of encumbrances, sale, mortgage, gift, charge or lien etc. and if proved otherwise the first party shall be fully responsible for any loss, damage, costs sustained and suffered by the second party in respect of the said property.
10. That the first party undertake that the first party shall not cancelled or revoke the documents of the said property in any circumstances.
11. That all the expenses in this transaction for registration of the documents has been and borne by the second party.
12. That as and when permissible the first party undertake to execute and registered the proper sale deed of the said property in favour of the second party at his request on the expenses of the second party.



IN WITNESSES WHEREOF THIS AGREEMENT IS MADE AT DELHI ON THE DAY OF THE MONTH AND YEAR FIRST ABOVE WRITTEN, IN THE PRESENCE OF THE FOLLOWING WITNESSES:-

WITNESSES:-

1. *सुनील कुमार शर्मा*
Rajesh Kumar Sharma
A-2, M.C. Colony
W-2, 376 Naraina
New Delhi
2. *P. N. Atreja*
P. N. Atreja
A-2, M.C. Colony
W-2, 376 Naraina
New Delhi

ATTESTED
Public
DELHI (INDIA)

17 FEB 2003

Surinder Kumar Setia
FIRST PARTY

Krishana Devi
SECOND PARTY



' AFFIDAVIT '

WE, Sh. Surinder Kumar Setia son of Sh. J. M. Setia R/o House No. 118, Sarla Bagh, Dayal Bagh, AGRA (U.P.), & Sh. Gursaran Setia son of Shri J. M. Setia R/o 26, Murli Bagh, Dayal Bagh, AGRA (U.P.), do hereby solemnly affirm and declare as under:-

1. That whereas we are absolute owner of DDA built up flat No. C-35/X-4, on Ground floor, situated at Dilshad Garden, Delhi-110095, under MIG category,.

That whereas we have sold the said property with all rights, title and interests unto Mrs. Krishana Devi wife of Shri Gian Chand Goel R/o House No. B-261, Pocket-B, MIG Flat, East of Loni Road, Delhi-110093.

3. That whereas We have delivered the vacant possession of the said property to the purchaser on the spot.

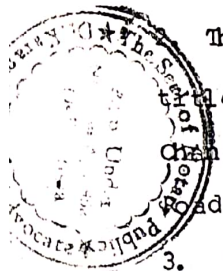
4. That the abovesaid property is free from all sorts of encumbrances, sale, mortgage, gift charge or lien etc.

VERIFICATION:

Verified at Delhi on this 17.2.2000, that the contents of this affidavit are true to the best of our knowledge and belief.

Gur Saran
DEPONENTS
Surinder Kumar Setia

Gur Saran
DEPONENTS
Surinder Kumar Setia



TESTED
Sy
Notary Public
DELHI (INDIA)

17 FEB 2000

11927 17/112000 21-

For Ta...
Purpose...
Group...

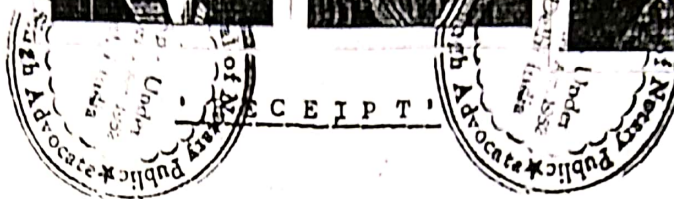
of J. M. Selis
Dayal Bap
Agar NB

Affidavit

M. P. RAJAN
Lawyer No. 187
Chennai



21



Received a sum of Rs.2,60,000/- (Rs. Two Lacs and Sixty thousands only) from Mrs. Krishana Devi wife of Shri Gian Chand Goel R/o House No. B-261, Pocket-B, MIG flat, East of Loni Road, Delhi-110093, for the sale of D.D.A. built up flat No. C-35/X-4, on Ground floor, situated at Dilshad Garden, Delhi-110095, under MIG category, as per the terms & conditions of agreement to sell duly executed at Delhi today in full & final settlement.

DETAILS OF PAYMENT:

Rs.1,30,000/- (Rs. One Lac and Thirty thousands only),
vide Demand Draft No.079509 dt.15.02.2000
drawn on Syndicate Bank Shahdara Delhi.

Rs.1,30,000/- (Rs. One Lac and Thirty thousands only),
vide Demand draft No.079510 dt.15.02.2000,
drawn on Syndicate Bank Shahdara Delhi.
Payable at AGRA U.P..

RS.2,60,000/- Total.



In witness whereof this Receipt is made at Delhi on this 17.2.2000, in the presence of the presence of the following witnesses.

WITNESSES:

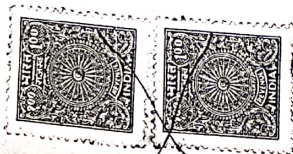
1. *Surinder Kumar Setia*
Sh. R. Mahipal
Sh. B. 309 Ashok

Surinder Kumar Setia

Gursaran

(Surinder Kumar Setia)
son of Sh. J. M. Setia R/o
H.No.118, Sarla Bagh, Dayal Bagh,
AGRA (U.P.).

(Sh. Gursaran Setia)
son of Sh. J. M. Setia R/o
H.No.26, Murli Bagh, Dayal Bagh,
(AGRA) (U.P.).



ATTESTED

Notary Public
DELHI (INDIA)

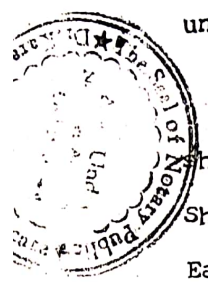
17. FEB 2000

' W I L L '

This is the will and Testament of Shri Gursaran Setia son of Shri J.M. Setia R/o House No.26, Murli Bagh, Dayal Bagh, AGRA (U.P.), made at Delhi on this 17.2.2000.

Life is short and God knows when one's end may to come, it is therefore advisable that one should settle his property, during his life time .

That whereas I am absolute Co-owner of D.D.A. built up flat No.C-35/X-4, on Ground floor, situated at Dilshad Garden, Delhi-95, under MIG category.



I hereby bequeath that after my death my said property should go and devolve in favour of Mrs. Krishana Devi wife of Shri Gian Chand Goel R/o H.No.B-261, Pocket-B, MIG Flats, East of Loni Road, Delhi-110093.

Nobody should challenge this will and if anybody does so the same should be treated as Null and Void Ineffective and Inoperative and this will embodying my last wishes.

In witness whereof this will is made at Delhi on the day of the month and year first above written.

WITNESSES:

1.

Gur Saran
Testator

2.

ATTESTED
[Signature]
Notary Public
DELHI (INDIA)

17 FEB 2000

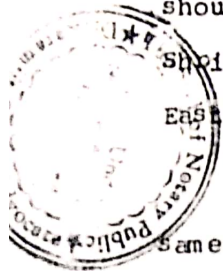
' W I L L '

This is the will and Testament of Sh. Surinder Kumar Setia son of Shri J. M. Setia R/o House No. 118, Sarla Bagh, Dayal Bagh, AGRA (U.P.), made at Delhi on this 17.2.2000.

Life is short and God knows when one's end may to come, it is therefore advisable that one should settle his property during his life time.

That whereas I am absolute Co-owner of D. D. A. built up flat No. C-35/X-4, on Ground floor, situated at Dilshad Garden, Delhi-95, under MIG category.

I hereby bequeath that after my death my said property should go and devolve in favour of Mrs. Krishana Devi wife of Shri Gian Chand Coel R/o House No. B-261, Pocket-B, MIG Flats, East of Loni Road, Delhi-110093.



Nobody should challenge this will and if anybody does so same should be treated as Null and Void Ineffective and Inoperative and this will embodying my last wishes.

In witness whereof this will is made at Delhi on the day of the month and year first above written.

WITNESSES:

1.

Surinder Kumar Setia
Testator

2.

NOTARIES
INDIA

17 FEB 2000

OBE Second Phase

PGD Global Business Operations

Semester II

Paper 2.2

Paper Name: Quantitative Techniques – II

Duration: As per OBE Second Phase

Maximum Marks: 70

Instructions for candidates:

- 1. Attempt any four questions out of six questions.**
- 2. All questions carry equal marks.**
- 3. Use of simple calculator is allowed.**

Question 1

In a bolt producing factory, machine A, B and C produce, respectively, 25 percent, 45 percent and 30 percent of the bolts. It is known from the past experience that the percentage of defective bolts produced by these machines are 4.5, 2.6 and 0.8 respectively.

- If a bolt is selected at random, what is the probability that it is not defective?
- If a bolt is selected at random, what is the probability that it is defective?
- If a bolt selected at random is found to be defective, what is the probability that it was produced by machine B?
- If a bolt selected at random is found to be defective, what is the probability that it was produced by machine B or C?

Question 2

A brokerage survey reveals that 30 percent of the individual investors have used a discount broker. In a sample of 9 customers, what is the probability that

- Exactly two of the sampled individuals have used a discount broker?
- Not more than three individuals have used a discount broker?
- At least three individuals have used a discount broker?

Question 3

The manager of a courier service believes that packets delivered at the beginning of the month are heavier than those delivered at the end of the month. As an experiment, he weighed a random sample of 20 packets at the beginning of the month. He found that the mean weight was 5.45 kg with a standard deviation of 1.2 kg. Ten packets randomly selected at the end of the month had a mean weight of 4.96 kg with a standard deviation of 1.15 kg. At the 1 percent level of significance, can it be concluded that the packets delivered at the beginning of the month are heavier than those delivered at the end of the month? What would be your conclusion at 5 percent level of significance?

Question 4

The average time between successive arrivals to a repair shop that works 8 hours a day, is 30 minutes. The shop has one mechanic who can repair the incoming vehicles at an average rate of 3 per hour. The mechanic is paid at ₹280 per hour while the cost of waiting time, in terms of customer dissatisfaction and lost goodwill, is ₹420 per hour of the time spent waiting in the queue. The owner is contemplating to replace the mechanic by another one who demands ₹360 per hour and can repair 4 vehicles per hour, on the average. Under conditions of the single server

model, calculate the total cost per day at present and the total cost per day if the present mechanic is replaced with the new one. Is it advisable to replace the existing mechanic?

Question 5

A market research team has conducted a survey of consumer habits with respect to three brands of toothpaste, A, B and C, in an area. At present, the market share for three brands is 30%, 50% and 20% respectively for C, B and A. Following is the brand switching matrix:

<i>Brand just bought</i>	<i>Brand next bought</i>		
	A	B	C
A	0.5	0.3	0.2
B	0.6	0.3	0.1
C	0.4	0.1	0.5

- (i) What is the probability that a customer who is buying brand B in the current period will buy brand A two periods hence?
- (ii) What will be the expected percentage distribution of customers two periods later?
- (iii) What will be the market shares of the three brands in equilibrium?

Question 6

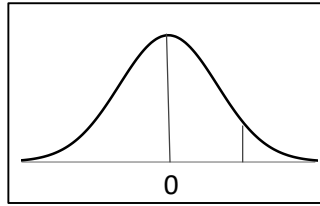
The management of World Airways wants to determine the minimum amount of time to turn around a plane from the moment it reaches the gate until it is ready to leave the gate. To that end, the Flight Manager has identified the following tasks that need to be accomplished between arrival and departure. Given also are the estimated task times.

<i>Task</i>	<i>Description</i>	<i>Task Time (minutes)</i>		
		<i>Optimistic</i>	<i>Most Likely</i>	<i>Pessimistic</i>
A	Unload the passengers	17	20	25
B	Unload the luggage	25	30	40
C	Refuel the engines	32	35	45
D	Clean the interior	17	20	25
E	Load the meals	17	20	25
F	Load the luggage	20	25	35
G	Board the passengers	20	25	35
H	Perform the safety check	15	15	15

The meals cannot be loaded nor the interior cleaned until the passengers are unloaded. The departing luggage cannot be loaded until the arriving luggage has been unloaded. The passengers cannot board until the interior is cleaned. The safety check can be performed only after the engines have been fuelled and the meals, luggage, and passengers have been loaded.

- (i) Draw the project network.
- (ii) Obtain the expected duration and standard deviation of each activity.
- (iii) Determine the critical activities.
- (iv) Obtain the expected duration and variance for the project duration.
- (v) What is the probability of being able to depart in 80 minutes?

TABLE A1
NORMAL AREA TABLE



This table gives area between mean and a specific value of z.

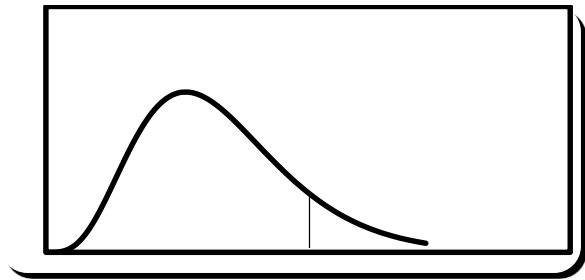
z	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.0000	0.0040	0.0080	0.0120	0.0160	0.0199	0.0239	0.0279	0.0319	0.0359
0.1	0.0398	0.0438	0.0478	0.0517	0.0557	0.0596	0.0636	0.0675	0.0714	0.0753
0.2	0.0793	0.0832	0.0871	0.0910	0.0948	0.0987	0.1026	0.1064	0.1103	0.1141
0.3	0.1179	0.1217	0.1255	0.1293	0.1331	0.1368	0.1406	0.1443	0.1480	0.1517
0.4	0.1554	0.1591	0.1628	0.1664	0.1700	0.1736	0.1772	0.1808	0.1844	0.1879
0.5	0.1915	0.1950	0.1985	0.2019	0.2054	0.2088	0.2123	0.2157	0.2190	0.2224
0.6	0.2257	0.2291	0.2324	0.2357	0.2389	0.2422	0.2454	0.2486	0.2517	0.2549
0.7	0.2580	0.2611	0.2642	0.2673	0.2704	0.2734	0.2764	0.2794	0.2823	0.2852
0.8	0.2881	0.2910	0.2939	0.2967	0.2995	0.3023	0.3051	0.3078	0.3106	0.3133
0.9	0.3159	0.3186	0.3212	0.3238	0.3264	0.3289	0.3315	0.3340	0.3365	0.3389
1.0	0.3413	0.3438	0.3461	0.3485	0.3508	0.3531	0.3554	0.3577	0.3599	0.3621
1.1	0.3643	0.3665	0.3686	0.3708	0.3729	0.3749	0.3770	0.3790	0.3810	0.3830
1.2	0.3849	0.3869	0.3888	0.3907	0.3925	0.3944	0.3962	0.3980	0.3997	0.4015
1.3	0.4032	0.4049	0.4066	0.4082	0.4099	0.4115	0.4131	0.4147	0.4162	0.4177
1.4	0.4192	0.4207	0.4222	0.4236	0.4251	0.4265	0.4279	0.4292	0.4306	0.4319
1.5	0.4332	0.4345	0.4357	0.4370	0.4382	0.4394	0.4406	0.4418	0.4429	0.4441
1.6	0.4452	0.4463	0.4474	0.4484	0.4495	0.4505	0.4515	0.4525	0.4535	0.4545
1.7	0.4554	0.4564	0.4573	0.4582	0.4591	0.4599	0.4608	0.4616	0.4625	0.4633
1.8	0.4641	0.4649	0.4656	0.4664	0.4671	0.4678	0.4686	0.4693	0.4699	0.4706
1.9	0.4713	0.4719	0.4726	0.4732	0.4738	0.4744	0.4750	0.4756	0.4761	0.4767
2.0	0.4772	0.4778	0.4783	0.4788	0.4793	0.4798	0.4803	0.4808	0.4812	0.4817
2.1	0.4821	0.4826	0.4830	0.4834	0.4838	0.4842	0.4846	0.4850	0.4854	0.4857
2.2	0.4861	0.4864	0.4868	0.4871	0.4875	0.4878	0.4881	0.4884	0.4887	0.4890
2.3	0.4893	0.4896	0.4898	0.4901	0.4904	0.4906	0.4909	0.4911	0.4913	0.4916
2.4	0.4918	0.4920	0.4922	0.4925	0.4927	0.4929	0.4931	0.4932	0.4934	0.4936
2.5	0.4938	0.4940	0.4941	0.4943	0.4945	0.4946	0.4948	0.4949	0.4951	0.4952
2.6	0.4953	0.4955	0.4956	0.4957	0.4959	0.4960	0.4961	0.4962	0.4963	0.4964
2.7	0.4965	0.4966	0.4967	0.4968	0.4969	0.4970	0.4971	0.4972	0.4973	0.4974
2.8	0.4974	0.4975	0.4976	0.4977	0.4977	0.4978	0.4979	0.4979	0.4980	0.4981
2.9	0.4981	0.4982	0.4982	0.4983	0.4984	0.4984	0.4985	0.4985	0.4986	0.4986
3.0	0.4987	0.4987	0.4987	0.4988	0.4988	0.4989	0.4989	0.4989	0.4990	0.4990
3.1	0.49903	0.49906	0.4991	0.49913	0.49916	0.49918	0.49921	0.49924	0.49926	0.49929
3.2	0.49931	0.49934	0.49936	0.49938	0.49940	0.49942	0.49944	0.49946	0.49948	0.49950
3.3	0.49952	0.49953	0.49955	0.49957	0.49958	0.49960	0.49961	0.49962	0.49964	0.49965
3.4	0.49966	0.49968	0.49969	0.49970	0.49971	0.49972	0.49973	0.49974	0.49975	0.49976
3.5	0.49977	0.49978	0.49978	0.49979	0.49980	0.49981	0.49981	0.49982	0.49983	0.49983
3.6	0.49984	0.49985	0.49985	0.49986	0.49986	0.49987	0.49987	0.49988	0.49988	0.49989
3.7	0.49989	0.49990	0.49990	0.49990	0.49991	0.49991	0.49992	0.49992	0.49992	0.49992
3.8	0.49993	0.49993	0.49993	0.49994	0.49994	0.49994	0.49994	0.49995	0.49995	0.49995
3.9	0.49995	0.49995	0.49996	0.49996	0.49996	0.49996	0.49996	0.49996	0.49997	0.49997

TABLE A2

t –Distribution Critical Values

<i>df</i>	Level of Significance for One-Tailed Test					
	0.10	0.05	0.025	0.01	0.005	0.0005
	Level of Significance for Two-Tailed Test					
	0.20	0.10	0.05	0.02	0.01	0.001
1	3.078	6.314	12.706	31.821	63.657	636.619
2	1.886	2.920	4.303	6.965	9.925	31.599
3	1.638	2.353	3.182	4.541	5.841	12.924
4	1.533	2.132	2.776	3.747	4.604	8.610
5	1.476	2.015	2.571	3.365	4.032	6.869
6	1.440	1.943	2.447	3.143	3.707	5.959
7	1.415	1.895	2.365	2.998	3.499	5.408
8	1.397	1.860	2.306	2.896	3.355	5.041
9	1.383	1.833	2.262	2.821	3.250	4.781
10	1.372	1.812	2.228	2.764	3.169	4.587
11	1.363	1.796	2.201	2.718	3.106	4.437
12	1.356	1.782	2.179	2.681	3.055	4.318
13	1.350	1.771	2.160	2.650	3.012	4.221
14	1.345	1.761	2.145	2.624	2.977	4.140
15	1.341	1.753	2.131	2.602	2.947	4.073
16	1.337	1.746	2.120	2.583	2.921	4.015
17	1.333	1.740	2.110	2.567	2.898	3.965
18	1.330	1.734	2.101	2.552	2.878	3.922
19	1.328	1.729	2.093	2.539	2.861	3.883
20	1.325	1.725	2.086	2.528	2.845	3.850
21	1.323	1.721	2.080	2.518	2.831	3.819
22	1.321	1.717	2.074	2.508	2.819	3.792
23	1.319	1.714	2.069	2.500	2.807	3.768
24	1.318	1.711	2.064	2.492	2.797	3.745
25	1.316	1.708	2.060	2.485	2.787	3.725
26	1.315	1.706	2.056	2.479	2.779	3.707
27	1.314	1.703	2.052	2.473	2.771	3.690
28	1.313	1.701	2.048	2.467	2.763	3.674
29	1.311	1.699	2.045	2.462	2.756	3.659
30	1.310	1.697	2.042	2.457	2.750	3.646
40	1.303	1.684	2.021	2.423	2.704	3.551
60	1.296	1.671	2.000	2.390	2.660	3.460
120	1.289	1.658	1.980	2.358	2.617	3.373
∞	1.282	1.645	1.960	2.326	2.576	3.291

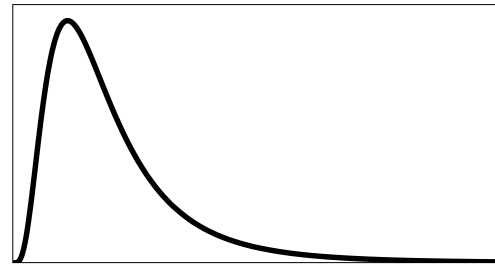
TABLE A3
Chi-square Distribution Critical Values



<i>df</i>	UPPER TAIL AREAS									
	0.995	0.990	0.975	0.950	0.900	0.100	0.050	0.025	0.010	0.005
1			0.001	0.004	0.016	2.706	3.841	5.024	6.635	7.879
2	0.010	0.020	0.051	0.103	0.211	4.605	5.991	7.378	9.210	10.597
3	0.072	0.115	0.216	0.352	0.584	6.251	7.815	9.348	11.345	12.838
4	0.207	0.297	0.484	0.711	1.064	7.779	9.488	11.143	13.277	14.860
5	0.412	0.554	0.831	1.145	1.610	9.236	11.070	12.833	15.086	16.750
6	0.676	0.872	1.237	1.635	2.204	10.645	12.592	14.449	16.812	18.548
7	0.989	1.239	1.690	2.167	2.833	12.017	14.067	16.013	18.475	20.278
8	1.344	1.646	2.180	2.733	3.490	13.362	15.507	17.535	20.090	21.955
9	1.735	2.088	2.700	3.325	4.168	14.684	16.919	19.023	21.666	23.589
10	2.156	2.558	3.247	3.940	4.865	15.987	18.307	20.483	23.209	25.188
11	2.603	3.053	3.816	4.575	5.578	17.275	19.675	21.920	24.725	26.757
12	3.074	3.571	4.404	5.226	6.304	18.549	21.026	23.337	26.217	28.300
13	3.565	4.107	5.009	5.892	7.042	19.812	22.362	24.736	27.688	29.819
14	4.075	4.660	5.629	6.571	7.790	21.064	23.685	26.119	29.141	31.319
15	4.601	5.229	6.262	7.261	8.547	22.307	24.996	27.488	30.578	32.801
16	5.142	5.812	6.908	7.962	9.312	23.542	26.296	28.845	32.000	34.267
17	5.697	6.408	7.564	8.672	10.085	24.769	27.587	30.191	33.409	35.718
18	6.265	7.015	8.231	9.390	10.865	25.989	28.869	31.526	34.805	37.156
19	6.844	7.633	8.907	10.117	11.651	27.204	30.144	32.852	36.191	38.582
20	7.434	8.260	9.591	10.851	12.443	28.412	31.410	34.170	37.566	39.997
21	8.034	8.897	10.283	11.591	13.240	29.615	32.671	35.479	38.932	41.401
22	8.643	9.542	10.982	12.338	14.041	30.813	33.924	36.781	40.289	42.796
23	9.260	10.196	11.689	13.091	14.848	32.007	35.172	38.076	41.638	44.181
24	9.886	10.856	12.401	13.848	15.659	33.196	36.415	39.364	42.980	45.559
25	10.520	11.524	13.120	14.611	16.473	34.382	37.652	40.646	44.314	46.928
26	11.160	12.198	13.844	15.379	17.292	35.563	38.885	41.923	45.642	48.290
27	11.808	12.879	14.573	16.151	18.114	36.741	40.113	43.195	46.963	49.645
28	12.461	13.565	15.308	16.928	18.939	37.916	41.337	44.461	48.278	50.993
29	13.121	14.256	16.047	17.708	19.768	39.087	42.557	45.722	49.588	52.336
30	13.787	14.953	16.791	18.493	20.599	40.256	43.773	46.979	50.892	53.672
31	14.458	15.655	17.539	19.281	21.434	41.422	44.985	48.232	52.191	55.003
32	15.134	16.362	18.291	20.072	22.271	42.585	46.194	49.480	53.486	56.328
33	15.815	17.074	19.047	20.867	23.110	43.745	47.400	50.725	54.776	57.648
34	16.501	17.789	19.806	21.664	23.952	44.903	48.602	51.966	56.061	58.964
35	17.192	18.509	20.569	22.465	24.797	46.059	49.802	53.203	57.342	60.275
36	17.887	19.233	21.336	23.269	25.643	47.212	50.998	54.437	58.619	61.581
37	18.586	19.960	22.106	24.075	26.492	48.363	52.192	55.668	59.893	62.883
38	19.289	20.691	22.878	24.884	27.343	49.513	53.384	56.896	61.162	64.181
39	19.996	21.426	23.654	25.695	28.196	50.660	54.572	58.120	62.428	65.476
40	20.707	22.164	24.433	26.509	29.051	51.805	55.758	59.342	63.691	66.766

TABLE A4

F - Distribution Critical Values (0.05)



<i>Denominator df</i>	<i>Numerator df</i>								
	1	2	3	4	5	6	7	8	9
1	161.448	199.500	215.707	224.583	230.162	233.986	236.768	238.883	240.543
2	18.513	19.000	19.164	19.247	19.296	19.330	19.353	19.371	19.385
3	10.128	9.552	9.277	9.117	9.013	8.941	8.887	8.845	8.812
4	7.709	6.944	6.591	6.388	6.256	6.163	6.094	6.041	5.999
5	6.608	5.786	5.409	5.192	5.050	4.950	4.876	4.818	4.772
6	5.987	5.143	4.757	4.534	4.387	4.284	4.207	4.147	4.099
7	5.591	4.737	4.347	4.120	3.972	3.866	3.787	3.726	3.677
8	5.318	4.459	4.066	3.838	3.687	3.581	3.500	3.438	3.388
9	5.117	4.256	3.863	3.633	3.482	3.374	3.293	3.230	3.179
10	4.965	4.103	3.708	3.478	3.326	3.217	3.135	3.072	3.020
11	4.844	3.982	3.587	3.357	3.204	3.095	3.012	2.948	2.896
12	4.747	3.885	3.490	3.259	3.106	2.996	2.913	2.849	2.796
13	4.667	3.806	3.411	3.179	3.025	2.915	2.832	2.767	2.714
14	4.600	3.739	3.344	3.112	2.958	2.848	2.764	2.699	2.646
15	4.543	3.682	3.287	3.056	2.901	2.790	2.707	2.641	2.588
16	4.494	3.634	3.239	3.007	2.852	2.741	2.657	2.591	2.538
17	4.451	3.592	3.197	2.965	2.810	2.699	2.614	2.548	2.494
18	4.414	3.555	3.160	2.928	2.773	2.661	2.577	2.510	2.456
19	4.381	3.522	3.127	2.895	2.740	2.628	2.544	2.477	2.423
20	4.351	3.493	3.098	2.866	2.711	2.599	2.514	2.447	2.393
21	4.325	3.467	3.072	2.840	2.685	2.573	2.488	2.420	2.366
22	4.301	3.443	3.049	2.817	2.661	2.549	2.464	2.397	2.342
23	4.279	3.422	3.028	2.796	2.640	2.528	2.442	2.375	2.320
24	4.260	3.403	3.009	2.776	2.621	2.508	2.423	2.355	2.300
25	4.242	3.385	2.991	2.759	2.603	2.490	2.405	2.337	2.282
26	4.225	3.369	2.975	2.743	2.587	2.474	2.388	2.321	2.265
27	4.210	3.354	2.960	2.728	2.572	2.459	2.373	2.305	2.250
28	4.196	3.340	2.947	2.714	2.558	2.445	2.359	2.291	2.236
29	4.183	3.328	2.934	2.701	2.545	2.432	2.346	2.278	2.223
30	4.171	3.316	2.922	2.690	2.534	2.421	2.334	2.266	2.211
40	4.085	3.232	2.839	2.606	2.449	2.336	2.249	2.180	2.124
60	4.001	3.150	2.758	2.525	2.368	2.254	2.167	2.097	2.040
120	3.920	3.072	2.680	2.447	2.290	2.175	2.087	2.016	1.959

TABLE A4

F - Distribution Critical Values (0.05)

<i>Denominator df</i>	<i>Numerator df</i>								
	10	12	15	20	24	30	40	60	120
1	241.882	243.906	245.950	248.013	249.052	250.095	251.143	252.196	253.253
2	19.396	19.413	19.429	19.446	19.454	19.462	19.471	19.479	19.487
3	8.786	8.745	8.703	8.660	8.639	8.617	8.594	8.572	8.549
4	5.964	5.912	5.858	5.803	5.774	5.746	5.717	5.688	5.658
5	4.735	4.678	4.619	4.558	4.527	4.496	4.464	4.431	4.398
6	4.060	4.000	3.938	3.874	3.841	3.808	3.774	3.740	3.705
7	3.637	3.575	3.511	3.445	3.410	3.376	3.340	3.304	3.267
8	3.347	3.284	3.218	3.150	3.115	3.079	3.043	3.005	2.967
9	3.137	3.073	3.006	2.936	2.900	2.864	2.826	2.787	2.748
10	2.978	2.913	2.845	2.774	2.737	2.700	2.661	2.621	2.580
11	2.854	2.788	2.719	2.646	2.609	2.570	2.531	2.490	2.448
12	2.753	2.687	2.617	2.544	2.505	2.466	2.426	2.384	2.341
13	2.671	2.604	2.533	2.459	2.420	2.380	2.339	2.297	2.252
14	2.602	2.534	2.463	2.388	2.349	2.308	2.266	2.223	2.178
15	2.544	2.475	2.403	2.328	2.288	2.247	2.204	2.160	2.114
16	2.494	2.425	2.352	2.276	2.235	2.194	2.151	2.106	2.059
17	2.450	2.381	2.308	2.230	2.190	2.148	2.104	2.058	2.011
18	2.412	2.342	2.269	2.191	2.150	2.107	2.063	2.017	1.968
19	2.378	2.308	2.234	2.155	2.114	2.071	2.026	1.980	1.930
20	2.348	2.278	2.203	2.124	2.082	2.039	1.994	1.946	1.896
21	2.321	2.250	2.176	2.096	2.054	2.010	1.965	1.916	1.866
22	2.297	2.226	2.151	2.071	2.028	1.984	1.938	1.889	1.838
23	2.275	2.204	2.128	2.048	2.005	1.961	1.914	1.865	1.813
24	2.255	2.183	2.108	2.027	1.984	1.939	1.892	1.842	1.790
25	2.236	2.165	2.089	2.007	1.964	1.919	1.872	1.822	1.768
26	2.220	2.148	2.072	1.990	1.946	1.901	1.853	1.803	1.749
27	2.204	2.132	2.056	1.974	1.930	1.884	1.836	1.785	1.731
28	2.190	2.118	2.041	1.959	1.915	1.869	1.820	1.769	1.714
29	2.177	2.104	2.027	1.945	1.901	1.854	1.806	1.754	1.698
30	2.165	2.092	2.015	1.932	1.887	1.841	1.792	1.740	1.683
40	2.077	2.003	1.924	1.839	1.793	1.744	1.693	1.637	1.577
60	1.993	1.917	1.836	1.748	1.700	1.649	1.594	1.534	1.467
120	1.910	1.834	1.750	1.659	1.608	1.554	1.495	1.429	1.352

OBE Second Phase

PGD Global Business Operations

Semester IV

Paper 4.5

Paper Name: International Investment Management

Duration: As per OBE Second Phase

Maximum Marks: 70

Instructions for candidates:

- 1. Attempt any four questions out of six questions.**
- 2. All questions carry equal marks.**
- 3. Use of simple calculator is allowed.**

1. What are Properties of Duration? How is the Duration of a Bond Portfolio calculated?
2. A firm has just paid a dividend of ₹ 1.50 with a growth rate at 7%. The risk-free rate, I_{RF} , is 9% and the market rate of return, R_m , is 13%. Presently, the firm has a β , beta factor of 1.50. However, due to a decision of the finance manager, β is likely to increase to 1.75. Find out the present as well as the likely value of the share after the decision.
3. A bond with face value of Rs.100 has YTM of 7.5% and Duration of 4.26 years. At present, it is traded at par in the market. Find out the new price of the bond if the market interest goes up or down by 2.5%.
4. On the basis of the following information, comment whether the Portfolios A, B and C are correctly priced or not?

Expected Return on A	18.7%
Expected Return on B	21.3%
Expected Return on C	16.1%
Return on the Market Portfolio	15%
Return on Govt. Bonds	9%
Beta of A	1.4
Beta of B	1.8
Beta of C	1.7
5. ABC Company had sold ₹ 1,000 12% Perpetual debentures 8 years ago. Interest rates have risen since then, so that, debentures of this company are now selling at 14% yield basis.
Determine the current indicated / expected market price of the debentures. Would you buy the debentures for ₹ 750?
6. Write a detailed note on the Fundamental Analysis of a company.

Exam Roll No. _____

Paper 1.2

Economics for Managers

Post Graduate Diploma In Global Business Operations

Semester One

January 2021

Time allowed 3 hours

Maximum Marks 70.

Total number of questions to be answered is four out of the given six questions. All questions carry equal marks

This question paper consists of four printed page sides.

Q1. The Economic Times reported that Competition Commission of India (CCI) on 29th November 2017 imposed a penalty of Rs52.24 crore on the Board of Control for Cricket in India (BCCI) for abuse of its dominant position to deny access to others looking to organize professional domestic cricket leagues. The cricket body was ordered to cease and desist from indulging in such anti-competitive conduct and not place a blanket restriction on organization of professional domestic cricket leagues by non-members. BCCI has also been directed to file a report complying with the order within 60 days. BCCI did not respond to multiple calls for a comment. The anti-trust body has found BCCI to be in contravention of the provisions of Section 4 of the Competition Act, 2002 for its assurance to broadcasters of the Indian Premier League (IPL) that it would not organize, sanction, recognize or support any other professional domestic Twenty20 competition that is competitive to IPL for a period of 10 years. Recognizing that BCCI holds a dominant position in the market, CCI held that a restriction on other players had no link to the legitimate interests of the game and added that the cricket body should take measures to ensure that competition was not impeded while preserving the objective of development of cricket in the country.

On what grounds will you consider BCCI to be a pure monopoly entity? Justify your stand with support of factual data. What kind of barriers to entry has BCCI created that is preventing new entities to entire the T20 market and establish similar league tournaments.

Q2. A firm operating under conditions of perfect competition faces a perfectly elastic demand curve. Further this firm faces U-shaped average cost, average variable cost and a continuous downward sloping average fixed cost curve. Using the total cost curve, total variable cost curve and total revenue curve, graphically showcase the shut down position of the firm in the short run. Please **DO NOT** show the shut down position of the firm using average cost, average variable cost, and marginal cost. You are required to draw TC, TVC, TFC and TR curves to identity and explain the position of the shut down point.

Q3. There are eight conditions that need to be satisfied for a market structure to be termed as perfect completion. However, an oligopoly market structure **FAILS TO MEET** some of those eight conditions. List the conditions of perfect competition that are violated under conditions

of an oligopoly market structure . Prepare a second list of conditions of perfect competition that are SATISFIED under conditions of an oligopoly market structure.

Q4. (According to Forbes Magazine published in September 20-20) After several delays to the release of the live-action adaptation of Mulan* due to the pandemic, Disney has finally made a decision: it will release the film on its Disney+ streaming platform worldwide, except in China and markets where the platform is not available, where it will be released in movie theaters wherever possible.

***About Mulan**

Directed by Niki Caro, the live-action film Mulan has been adapted from the 1998 classic animated series of the same name. Bankrolled under the banner of Walt Disney Pictures, the movie stars Yifei Liu in the lead role. Besides her, the film features Donnie Yen, Tzi Ma, Jason Scott Lee and Gong Li in pivotal roles. The movie is based on the Chinese folklore 'The Ballad of Mulan', and essays the story of a young Chinese maiden who disguises herself as a male warrior in order to save her father's life.

The company says this is an isolated decision, taken only for this film and that does not mean it's opening a new distribution window. The effect of the pandemic on Disney in particular and on the film industry in general leads one to imagine the need for the company to cash in on this big budget film as soon as possible — it cost around \$200 million to make — instead of waiting for cinema attendance to pick up again, which may take an amount of time that could be very difficult to anticipate. The formula chosen by the company for the premiere is striking: it will be available through the Video On Demand section of Disney+, at a price of \$30 in the United States, and available only to subscribers, which means signing up to a \$7 a month subscription. The decision seems to have weighed not only on the predictable popularity of the film, which has family appeal, but also possibly on the fact that it is the company's first title with a PG-13 rating, which could restrict its popularity in theaters to some extent, but less so when released via streaming.

One of the fundamental problems for streaming platforms is churn: with the possible exception of Netflix, a pioneer in the market and with a strong position in the minds of a large number of users, many platforms find that people sign up, use the trial period, and cancel before the first payment, to continue from there simply by signing up for short periods when they know that the platform has content they are interested in seeing. Disney's response is unequivocal: buying the movie gives you the theoretical right to watch it as many times as you want... as long as you keep your subscription active, and it is not even known yet for sure if it will still be there for viewing if you let your subscription expire and reactivate it at some point later. On the other hand, the price set for the film suggests the company has simply calculated how much the average family would spend in a movie theater, without entering into considerations about how comparable the experience is on the big screen with surround sound and in isolation, compared to doing so in your living room, regardless of the size of television screens these days and quality sound systems.

How will the market react to a premiere at that price? Things have evolved in recent years. It has been shown that irregular downloads were not so much about price, but supply: when streaming platforms made a reasonably large catalog available to users at a reasonable price, large numbers of people stopped downloading from P2P sites, which are now struggling

financially and locked in a race to the bottom: as their popularity has declined and revenue dries up, most download sites are now filled with an endless stream of junk pages loaded with low-quality advertising, spyware, malware and dangerous content. Today, going online to search for irregularly downloaded content is, in many cases, a risky proposition for the average user, and even more so if the content that he or she is looking for is in high demand.

Will Disney be able to overcome the problem of irregular downloading, or will moves like this feed the market again? Price elasticity is a well known parameter in the film industry: if the public has to consume content under certain conditions and at a certain price, the industry may find that these conditions are accepted — if for example, as the industry does, you compare that price with the alternative of going to a movie theater. But if the public considers these prices abusive and decides either not to buy the product or tries to obtain it by irregular means, people may end returning to a practice that had virtually ceased to be a problem for the industry.

At this point, and while waiting for its release on 4 September, it is difficult to know what will happen. If recourse to irregular downloads is not widespread and the premiere is a success, we might even see the industry begin to be tempted to consider movie theaters as a relic of the past, particularly considering that in the near future we may as well see movies in a huge virtual screen in our VR headsets and with an amazing sound using our headphones. If, on the other hand, we see again an upsurge in the use of download sites, or through other channels — from forums or instant messaging channels, to passing around USB disks — we will know that the experiment has been a failure. Or that, more properly, Disney got its price elasticity calculations all wrong.

The Result, as shared by Republic World website article dated 19th September, 20-20, stated: While *Mulan* was theatrically released in China, Disney also premiered the movie on September 4 on Disney+ for a premium fee in countries where the film couldn't launch its service. Now, Critical Hit Entertainment claims that the film has earned a whopping \$260 million since its debut on the OTT platform. As per the outlet, Disney's latest live-action adaption has earned the platform a lot of profit. According to the outlets' figures, the number of subscribers that have purchased *Mulan* via its \$30 premium service is significant. The report further claims that the exact number of Disney+ subscribers worldwide has surpassed the 60 million mark and the US makes up the biggest singular slice of the estimation.

Just going by the mentioned numbers, the outlet claims that the movie has collected over \$260 million ever since it has begun streaming on the platform. These numbers only reportedly indicate *Mulan's* earing in the US, the number excluded the countries where the movie had a traditional theatrical release. *Mulan* released in the Chinese theatres in second week of September, but the opening of the movie did not go as expected. It apparently seems that the native audience were unhappy with altercations in facts and history that were showcased in the film. According to Maoyan, the film recorded an opening of \$23 million and as of September 15, it only collected \$41 million.

Given the above information, explain how Disney used the concept of Price elasticity of Demand to become successful with its unique pricing strategy.

Q5. What is the relationship between quantity demanded and income of the individual consumer? Can this relationship be exhibited graphically, by measuring income of the

consumer on the y-axis and units of the good demanded on the x-axis? If yes, showcase the relationship between income of the consumer on the y axis and quantity demanded when the good being consumed by the individual is initially a normal good (could be a necessity, comfort or even a luxury) and after successive increases in income, the consumer when attaining a certain level of income now treats the good as an inferior good. Explain the nature of the curve.

Q6. Write short notes on any two of the following:

- a) Internal and External Economies of Scale and their impact on the long run average cost curve
- b) A real world application of the Law of variable proportions.
- c) The nature of competition that exists in the commercial banking industry in India.

Exam Roll No

Paper No.: 1.3
Title of the Paper: Financial Management
Name of the Course: PGD Global Business Operations
Semester: I

Duration: 3 Hours

Maximum Marks: 70

1. *Attempt any four questions out of six questions*
2. *All questions carry equal marks*

1. "The value of a firm is independent of its financing mix". Explain how the equilibrium level is attained by a levered firm (with higher value). Show with the help of the arbitrage process.

2. RST Ltd. wishes to estimate the working capital requirement for the firm. It has expected sales of 8,000 units per week at a sale price of Rs. 10 per unit. The anticipated ratio of cost to selling price are:

Raw Materials	40%
Wages	30%
Overheads	Rs. 16,000 per week.

The Overheads include depreciation of Rs. 4,000 per week. Other information:

- a. Cash balance required in hands is Rs. 25,000.
- b. Planned stock of Raw Material is Rs. 96,000.
- c. Average Finished Goods stock is 16,000 units.
- d. Materials will remain in production process for 2 weeks.
- e. 25% of total sales are for cash and Credit allowed to customers is 5 weeks.
- f. Credit allowed by suppliers is 4 weeks.
- g. Lag in payment of Overheads is 2 weeks.

Assume that production is carried on evenly throughout the year.

3. Following information is available in respect of two mutually- exclusive projects : X and Y.

	Project X	Project Y
Cost (in Rs.)	5,00,000	6,00,000
Inflows (in Rs.) Year 1	1,20,000	4,00,000
Year 2	2,00,000	2,00,000
Year 3	2,10,000	1,80,000
Year 4	2,50,000	1,40,000
Year 5	2,80,000	1,00,000

Minimum Required Rate of Return for the firm is 12%, Find out for the projects:

- (i) Discounted Payback Period
- (ii) Net Present Value
- (iii) Profitability Index
- (iv) Internal Rate of Return

Also advise the firm about the desirability of the projects.

- 4 ABC Ltd. has the total capital structure of Rs. 80,00,000 consisting of:

Equity shares (4,00,000 shares)	50%
10% Preference shares	12.5%
10% Debentures	37.5%

The Equity shares of the company sells for Rs.20. It is expected that company will pay next year a dividend of Rs. 2 per share which will grow at 6% forever. Assume a 30% tax rate. You are required to:

- (a) Compute a Weighted Average Cost of Capital based on existing capital structure.
- (b) Compute the new Weighted Average Cost of Capital if the company raises an additional Rs. 20,00,000 debt by issuing 12 % Debenture. This would result in increasing the expected dividend to Rs. 3 and leave the growth rate unchanged, but the price of share will fall to Rs. 15 per share.
- (c) Compute the cost of capital if in (b) above, if growth rate increases to 10%.

5. ABC Ltd. has 1,00,000 equity shares outstanding at the start of the year. The ruling market price per share is Rs. 130. The Board of Directors of the Company contemplates declaring Rs. 22 per share as dividend at the end of the current year. The rate of capitalization appropriate to the risk class to which the company belongs is 16%.
- Based on Modigliani-Miller Approach, calculate the market price per share of the company when the contemplated dividend is (i) declared and (ii) not declared.
 - How many new shares are to be issued by the company at the end of the accounting year on the assumption that the EPS of the firm is Rs. 30 and Investment budget is Rs.50,00,000 and (i) the above dividends are distributed and (ii) they are not distributed.
 - Show that the total market value of the shares at the end of the accounting year will remain the same whether dividends are either distributed or not distributed. Also find out the current market value of the firm under-both situations.
6. XYZ Ltd. is operating in a competitive environment where the credit period extended to the customers is an important factor.

In order to increase the market share, the Marketing Deptt. has submitted a proposal to lengthen the credit period. Various credit periods and their impact on the sales level and bad debt position are presented below:

Scenario	Credit Period	Sales	Fixed Cost	Bad Debt
I (Existing)	30 days	Rs. 15,00,000	Rs. 2,50,000	1%
II	40 days	Rs. 26,00,000	Rs. 2,50,000	2%
III	50 days	Rs. 35,00,000	Rs. 4,00,000	3%
IV	60 days	Rs. 50,00,000	Rs. 5,50,000	4%

Variable cost of production is 60%. XYZ Ltd. has opportunity rate of return of 20%.

Exam Roll No. _____

Paper 1.4
Principles of Marketing
Post Graduate Diploma In Global Business Operations
Semester One

January 2021

Time allowed 3 hours

Maximum Marks 70.

Total number of questions to be answered is four out of the given six questions. All questions carry equal marks

This question paper consists of five printed page sides.

Q1. According to the latest article from the McKinsey and Company, the first COVID-19 vaccines have been authorized for use and dissemination has begun in several countries, marking a major turning point in the pandemic and bringing fresh optimism for a next normal in the new year 2021. These vaccines were developed four times faster than any other in history, but they will also require a rollout four times greater, amounting to the largest simultaneous global public-health initiative ever undertaken. Governments and healthcare professionals will need to collaborate on an incredible scale to allot and deliver vaccine doses and to address challenges from storage and transport to administration and data tracking. Multiple vaccines and changing supply volumes will also necessitate an evolving delivery model.

Stakeholders face another hurdle to widespread vaccine adoption: some consumers remain skeptical of COVID-19 immunization. To reach herd immunity, the McKinsey and Company analysis suggests adoption ranges would need to be greater than those of vaccines for the flu and other diseases. The vast majority of US consumers surveyed believe the vaccine is important to facilitate a return to life as it was, but nearly half are “cautious adopters,” preferring to defer vaccination for up to three months to a year, after more data is available. To boost acceptance, healthcare leaders will need to dynamically engage consumers through information campaigns using trusted, influential sources.

According to Lionel Laurent, Bloomberg Opinion columnist the bigger challenge may end up being psychological: How to convince people to actually take the shot. Achieving herd immunity may mean at least 80% of people will need the vaccine, leaving little room for error. Polls suggest it's France, the birthplace of vaccine pioneer Louis Pasteur, that will be the country to watch. A recent Ipsos survey found that only 54% of French adults would be willing to get a Covid-19 vaccine when it's available, the lowest score of 15 countries. While France has its share of anti-vaxxers, the main reasons for skepticism are questions about efficacy and a fear of side effects, rather than outright opposition. France is also vulnerable for other reasons: It's a highly-medicalized society where antibiotics have tended to be over-prescribed, pushing people toward natural remedies. Even 26% of French doctors think some recommended vaccines are useless. Vaccine hesitancy isn't new, but it's complex. We don't know how the holdouts will really react when immunization campaigns begin, but it'd be reckless to assume they'll automatically get in line. France's child vaccination

coverage is above 90%, like many rich countries, but that's largely because 11 of them are required by law and conditional for access to schooling. There's little appetite to make a Covid vaccine No. 12 on the list in case it fuels a backlash. So people will have the power to refuse it, and a likely need for a two-shot course raises the risk of dropouts. Communication will be key. Fear of side effects runs deep among the vaccine-hesitant and it's very hard to dislodge misinformation. When Gerard Araud, a former French ambassador to the U.S., recently tweeted his support for vaccination, he was flooded with so many anti-vaxx responses that it became impossible to answer them all. It's the social media equivalent of "Gish Gallop." President Emmanuel Macron hopes creating a committee of scientists to focus on vaccine take-up and recruiting members of the public to spread the word will help. But support should also be enlisted from the medical community at large. Family doctors are the "last mile" of vaccination, and they need to be advocates. That's made a big difference in uptake of the human papillomavirus (HPV) vaccine that protects against cervical and other forms of cancer. Even something as simple as an HPV fact sheet was enough to increase intent to vaccinate from 49% to 70% in one group, according to research cited in Jonathan M. Berman's book "Anti-Vaxxers"

The most effective nudges will be community-based. Rather than lecture skeptics and risk hardening their opposition, it's better to focus on positive kinds of peer pressure: The altruism of saving others, the benefits of not being ill and the role modeling parents can do by getting vaccinated themselves. Australia's 2014 "I Immunize" campaign is one successful example, with a study finding it resonated positively with a third of parents who had refused or doubted vaccines. Similar to what's done in AIDS or breast cancer awareness campaigns, two researchers at French state-health institute Inserm, Coralie Chevallier and Hugo Mercier, have proposed distributing blue ribbons people can wear to signify they've been vaccinated against the coronavirus. The effort could start with the ten of thousands of people taking part in vaccine trials. If that all fails, there could be room for tougher measures, possibly with companies taking matters into their own hands. Airline Qantas could require international travelers to have a Covid vaccination, for example. But it's pretty unrealistic to think that bars, restaurants or cab drivers could do similar and start enforcing such a policy on their own. There is a glimmer of hope that take-up could surprise us all. Voluntary influenza vaccination is booming in France this year after a widespread campaign calling it a necessity to protect the elderly, vulnerable and medical workers in the midst of this pandemic. The almost 10.7 million doses given in the past month have exceeded last year's total. Sometimes a nudge can make a difference.

Given the learnings' of the French experience with vaccinations, what according to you are the BEHAVIOURIAL and PSYCHOLOGICAL challenges that the Indian government faces in implementing its Covid 19 vaccination drive in India and achieving herd immunity among the Indian population.

Suppose you have been appointed as marketing consultant to the Indian government. You, as marketing consultant are required to frame a comprehensive marketing strategy to address the challenges listed by you, given the fact that vaccination for Covid 19 in India is not, till date, mandatory.

Q2. How is the societal marketing orientation of a firm DISTINCT from the firm's corporate social responsibility activities. Illustrate your submission with the help of a real life example of a single corporate firm (of your choice) that is operating in the Indian market and demarcate its societal marketing oriented actions and its corporate social responsibility actions.

Q3. State any three socio-cultural trends that are impacting the FMCG sector in the Indian market. How are the FMCG firms responding to these socio-cultural trends stated by you? You can support your answer with the help of real life examples from the corporate world.

Q4. One of the important internal variables that impact individual consumer behavior decision making is PERCEPTION. How have marketers used SENSORY MARKETING to generate strong positive perceptions amongst their target audience with respect to their market offerings. Illustrate your answer with the help of real life examples from the corporate marketing world.

Q5. In a 20-20 McKinsey article it was stated that , John F. Kennedy once observed that the word "crisis" in Chinese is composed of two characters—one representing danger, the other opportunity. He may not have been entirely correct on the linguistics, but the sentiment is true enough: a crisis presents a choice. This is particularly true today. The COVID-19 pandemic has upended nearly every aspect of life, from the personal (how people live and work) to the professional (how companies interact with their customers, how customers choose and purchase products and services, how supply chains deliver them). In the McKinsey recent survey of more than 200 organizations across industries, more than 90 percent of executives said they expect the fallout from COVID-19 to fundamentally change the way they do business over the next five years, with almost as many asserting that the crisis will have a lasting impact on their customers' needs. How are executives responding? As might be expected, they are largely focusing on maintaining business continuity, especially in their core. Executives must weigh cutting costs, driving productivity, and implementing safety measures against supporting innovation-led growth. Unsurprisingly, investments in innovation are suffering. The executives in the survey strongly believe that they will return to innovation-related initiatives once the world has stabilized, the core business is secure, and the path forward is clearer. However, only a quarter reported that capturing new growth was a top priority (first- or second-order) today, compared to roughly 60 percent before the crisis hit. This decline in focus on innovation is evident across every industry McKinsey surveyed; the sole exception being pharmaceuticals and medical products, where it was found an almost 30-percent increase in the immediate focus on innovation. In past crises, companies that invested in innovation delivered superior growth and performance postcrisis. Organizations that maintained their innovation focus through the 2009 financial crisis, for example, emerged stronger, outperforming the market

average by more than 30 percent and continuing to deliver accelerated growth over the subsequent three to five years.

Given the above McKinsey survey results, you are required to detail the strategic move of a brand (of your choice) from any industry (including pharma and medical industry) from across the globe that embraced innovation in the last 9 months of the Covid 19 pandemic and was able to convert a threat into an opportunity and thrive. Supporting your answer with empirical data to showcase performance of the brand before the pandemic and after the innovation led change will be considered desirable.

Q6. According the Science Magazine article, as lockdowns took effect to slow the spread of coronavirus disease 2019 (COVID-19), the global demand for petroleum collapsed. As a result, oil prices plummeted, making the manufacture of virgin plastics from fossil fuels less expensive than recycling. This cost incentive, along with lifestyle changes that increase plastic use, has complicated the challenge of overcoming plastic pollution.

During the pandemic, personal protective equipment (PPE) has driven increased plastic pollution. In response to high PPE demand among the general public, health care workers, and service workers, single-use face mask production in China soared to 116 million per day in February 20-20, about 12 times the usual quantity. The World Health Organization has requested a 40% escalation of disposable PPE production. If the global population adheres to a standard of one disposable face mask per day after lockdowns end, the pandemic could result in a monthly global consumption and waste of 129 billion face masks and 65 billion gloves. Hospitals in Wuhan, the center of the COVID-19 outbreak, produced more than 240 tons of single-use plastic-based medical waste (such as disposable face masks, gloves, and gowns) per day at the peak of the pandemic, 6 times more than the daily average before the pandemic occurred. If the increases observed in Wuhan hold true elsewhere, the United States could generate an entire year's worth of medical waste in 2 months.

Individual choices during lockdowns are also increasing plastic demand. Packaged take-out meals and home-delivered groceries contributed an additional 1400 tons of plastic waste during Singapore's 8-week lockdown. The global plastic packaging market size is projected to grow from USD 909.2 billion in 2019 to 1012.6 billion by 2021, at a compound annual growth rate of 5.5%, mainly due to pandemic response. This global health crisis puts extra pressure on regular waste management practices, leading to inappropriate management strategies, including mobile incineration, direct landfills, and local burnings. Improper disposal of just 1% of face masks translates to more than 10 million items, weighing 30,000 to 40,000 kg. Waterlogged COVID-19–related plastic has been observed on beaches and in water, potentially aggravating the challenge of curtailing microplastics.

At the regional and national levels, prioritization of human health over environmental health has led to the delay or reversal of policies aiming to reduce single-use plastic. As a result, demand for recycled plastic material has dropped, the profit margins of recycling have decreased, and the environmental footprint of plastics has increased. We need urgent and coordinated commitment to circular economy approaches, including recycling practices and strict policies against plastic pollution. Companies should continue efforts to curtail virgin plastic use and increase plastic recycling to live up to their corporate social and environmental

responsibilities. Without a concerted effort to protect the environment during and after the pandemic, we are unlikely to meet the United Nations' Sustainable Development Goals.

Given the above background, you have been appointed as consultant to the United Nations and WHO. You have to design an innovative, out the box marketing strategy to mitigate the impact of the increased use of plastics across the globe, without adversely impacting economic growth and its health care initiatives. You are to provide this marketing strategy to the UN and WHO that can be implemented in the shortest possible time by each member nation to achieve the desired sustainable development goal without adversely impacting the said nation's economic growth and its health care concerns.

Paper No. : A-105

Title of the Paper : QUANTITATIVE TECHNIQUES - I

Name of the Course : PGD Global Business Operations

Semester : I

Duration : 3 Hours

Maximum Marks : 70

Instructions for candidates:

1. Attempt any four questions out of six questions

2. All questions carry equal marks

Question 1

From the following distribution, calculate (i) P_{70} and interpret it, (ii) Bowley's coefficient of skewness, and (iii) Mean Deviation about median.

Class Interval	Frequency
0 – 50	20
50 – 100	40
100 – 150	80
150 – 200	140
200 – 250	200
250 – 300	150
300 – 350	100
350 – 400	70
Total	800

Question 2

For the following data relating to 40 comparable firms, obtain (i) the coefficient of correlation between advertisement expenditure and sales, and (ii) regression equation of sales on advertisement expenditure. Estimate the sales when the advertisement expenditure is ₹38,000.

Sales Revenue (‘000 ₹)	Advertisement Expenditure (‘000 ₹)				Total
	5 – 15	15 – 25	25 – 35	35 – 45	
75 – 125	4	1			5
125 – 175	7	6	2	1	16
175 – 225	1	3	4	2	10
225 – 275	1	1	3	4	9
Total	13	11	9	7	40

Question 3

The sales of a showroom (in lakh ₹) over last few years is given here:

Year	2013	2014	2015	2016	2017	2018	2019	2020
Sales	82	89	78	74	62	70	64	60

- Obtain the trend equation taking year 2013 as the origin.
- Find trend values for various years and obtain the sum of differences between actual and trend values.
- What is the average annual change in the sales?
- Shift the origin of the trend equation to 2019.
- Find the projected sales for the year 2023.
- Convert the given values in to link relatives.

Question 4

Containers Ltd. is a company that makes containers of many sizes and shapes. It has recently received orders to produce various amounts of five different sizes of kitchen containers. Each container size can be produced on any one of the four machines. Due to different technologies and setup times, the total number of hours, including the setup time, needed to process each container size on each machine varies, as shown in the following table. In the table, the container size is indicated in the first column by its height and diameter in inches.

Container size	Machine			
	1	2	3	4
3 × 4	25	20	28	30
4 × 6	24	22	25	23
6 × 8	30	30	28	25
8 × 12	38	32	30	30
12 × 18	40	40	28	30

Setting up a machine to switch from making one size container to another takes a long time, so management has decided that each machine will produce containers of only one size. As manager of the Production Department, you have been asked to determine which four of the five orders to accept and to develop a production plan that minimizes the total processing time for satisfying those orders.

Question 5

Given the following linear programming problem:

$$\text{Minimise } Z = 1,280x_1 + 1,080x_2 + 200x_3$$

Subject to

$$8x_1 + 4x_2 + x_3 \geq 60$$

$$4x_1 + 6x_2 + x_3 \geq 40$$

$$3x_1 + 2x_2 + x_3 \geq 24$$

$$x_1, x_2, x_3 \geq 0$$

- Write the dual to this problem.
- Solve the dual problem.
- Obtain the optimal solution to the primal problem.

Question 6

Consider the following transportation problem for total cost minimisation:

Plant	Market				Supply
	M ₁	M ₂	M ₃	M ₄	
P ₁	12	8	6	11	100
P ₂	13	13	9	14	150
P ₃	15	14	8	18	200
P ₄	18	15	10	17	150
Demand	80	120	180	220	600

- (i) Obtain initial solution to this problem using Vogel's Approximation Method and test whether the initial solution is optimal.
- (ii) If not, obtain the optimal solution. What is the total cost involved?
- (iii) Does the problem have multiple optimal solutions? If yes, identify.
- (iv) If it is decided to send 40 units from plant P₁ to market M₁, how will it change the solution and what would the total cost be?

Exam Roll No :
Paper No. :
Title of the Paper : **ORGANISATIONAL PSYCHOLOGY**
Name of the Course : **PGD Global Business Operations**
Semester : **I**
Duration : **3 Hours**
Maximum Marks : **70**

Instructions for candidates:

1. *Attempt any four questions out of six questions*
2. *All questions carry equal marks*

- Q1. Your boss has made you the Team Head for a very challenging project that was your dream for the last few years. As a leader you have to now deal with members from various units such as Finance, Marketing, Production, Sales, Information services and Human Resource, who are going to help you in the completion of the project. All members will have to move with you to Pune for one year. Describe the behaviors that you might observe during each stage of the group's development. What are the leadership requirements in each stage of the group's development? How can you prevent group think?
- Q2. "The most difficult task of managers is to keep their workforce intrinsically motivated." Critically evaluate this statement with the help of suitable examples. How specifically, can jobs be designed in an effort to enhance intrinsic motivation?
- Q3. Describe a change you would like to make in your life or in your college? Use Lewin's model of change as a guide to prepare your own force field analysis for that change. How will you overcome the forces for the status quo? What steps will you take to "refreeze" following the change? What could be the various factors you would encounter for individual or organizational resistance and how would you deal with them? Summarize your analysis in an action plan.
- Q4. Ravi has been working for a small accounting firm D&M in Noida for the last six months. He left a very demanding position with one of the major accounting firms in Mumbai in favor of an opportunity to work at D&M. Even though he earns less now, he truly values the other perks of the job and appreciates how the four founding partners have established a supportive work environment along with a warm family atmosphere where people feel reasonably cared for. Ravi no longer works long nights on weekends, and is able to spend valuable time with his family. He is also able to take care of his health by starting a workout

routine. He admires how the company encourages their staff to volunteer their accounting skills to local NGO's by rewarding them with paid leave for their efforts. In brief, Ravi has found his new job exceedingly rewarding, both professionally and personally. Recently, Ravi was asked by his boss to file a status report on the firm's standing and financials to a clearinghouse. While it isn't a very complicated report, but Ravi fears completing it because his boss requires Ravi to misrepresent information that needs to be included. Ravi has never challenged his boss. However, as the deadline for submitting the report comes closer, Ravi feels depressed. He doesn't even want to sign his name to the document because he knows that he is committing a crime. If this was occurring at Ravi's former job, he would have quit by now. However, he feels so strongly about how well he loves everything else at D&M that it's hard for him to imagine leaving.

Evaluate in detail Ravi's options to voice and act on his values. What reasons and rationalizations does Ravi need to address to resolve the value conflict? What is at stake here for Ravi and his Boss? Summarize what arguments Ravi can use to influence his boss.

Q5. How can the field of Organizational behaviour contribute to both the effective functioning of organizations and to the well-being of individuals? Are these goals inconsistent? Why or why not? Illustrate your answer with appropriate examples.

Q6. Describe an organization you are familiar with. In what ways was its culture transmitted to the people who worked in it and those who remained outside, such as the public? What was the role of the founder or the first Managing Director in creating the culture of that organization? Provide suitable examples to illustrate your answer.

Set-I

Exam Roll No:		Paper No:	1.7
Title of the paper:	Computer Application in Business - I		
Name of the course:	PGD Global Business Operations	Semester	I
Max. Time	3 hours	Max. Marks	70

Instructions for candidates:

- 1. Attempt any four questions out of six questions*
- 2. All questions carry equal marks*
- 3. Read the questions carefully and provide precise and point-wise answers.*
- 4. Assume the Data as deemed fit for the Q.1 to Q.3 and state all your assumption.*

Q .1. Rio InfoCom Limited (Rio), who, after a very delayed entry into the telecom network market, grew to become one of the leading telecom networks in India beating more than a decade old big players like Airtel, Idea, Vodafone, Aircel etc. Rio has acquired a large market share and achieved numbers that normally took the competition over a decade to achieve using its unique business strategy model. It is India's only network which is solely 4G.

The unique selling point (the USP) that Rio used to acquire customers is by offering free services to its customers.

The crucial challenge for "Rio "is to hold on to Rio's subscribers even after the free offers expired.

They need to plan the new service strategies focussing on Digital Aspects of Customers Life related to Music, Magazines, Movies, Messaging, NEWS and e-commerce at affordable costs on affordable devices with PAN India Data Network.

As a Management Consultant you need to formulate the framework of Digital transformation for the Rio InfoCom Limited by explaining briefly the "Five Force Model of Industry Competition "with respect to "RIO" and Identify minimum two business processes for digital transformation along with two technology components.

Q.2 During the Budget 2020 speech, our Honourable Finance minister said that the government would develop five new smart cities under the Smart Cities initiatives.

The Smart city concept integrates information and communication technology (ICT) and various physical devices connected to the Iota network to optimize the efficiency of city operations and services and connect to citizens. Smart city technology allows city officials to interact directly with both community and city infrastructure and to monitor what is happening in the city and how the city is evolving. This concept uses different types of electronic Internet of Things sensors to collect data and then use insights gained from that data to manage assets, resources and services efficiently.

As a business consultant you are required to illustrate the proposed IOT ecosystems and construct a business proposal to leverage the IOT for “Smart Traffic Management” and “Smart Health Management focussing on Covid 19 tracking and protection “

Q.3 You are the business consultant to “esuitcases.com,” a small but growing niche e-commerce business selling luggage online. After it was founded three years ago, it has enjoyed impressive growth of 25% per year. Their implementation of social media campaigns has particularly impelled those strong results. Their BI analysts plan to consult their transactional data, images, video and generate analytical reports. Now, the chief marketer, Tina, proposes turning esuitcases.com into an AI-first company. However, this initiative will require moving from the traditional IT systems to cloud concept, a course of action about which the CEO has many doubts related to the options and benefits of cloud computing.

As the business consultant, you need to give your presentation on cloud computing on the concept, types and services.

Q.4 With reference to the excel spreadsheet “STUDENTS” (I1:L11) as given below, Show the grade distribution for the final marks (which are calculated in M column) (Grade ranges are: A=90-100; B=80-89; C=70-79; D=60-69; F=below 60) and the name of the student who has scored the “Maximum Marks”.

In your answer sheet, Write the appropriate **formula** as:

Cell M3: To calculate the final marks of the respective student

Cell N3: To show the Grade using” nested IF formula” (Grade ranges are: A=90-100; B=80-89; C=70-79; D=60-69; F=below 60)

Cell M12: To show the maximum Marks of the class

Cell M13: To show the Name of the student who has scored the maximum Marks

Note: Only **Formula to be written**, not the computed result

	I	J	K	L	M	N
1	STUDENTS					
2	RNO	Name	Test 1 (50)	TEST 2 (50)	Final Marks (out of 100)	Grades
3	1	Anil	35	40		
4	2	Amba	45	48		
5	3	Anand	49	45		
6	4	Amitha	30	38		
7	5	Anoj	25	22.5		
8	6	Anu	20	33.5		
9	7	Arup	39	41		
10	8	Ankur	20	21		
11	9	Ashok	29	33		
12	Maximum Marks of the Class				0	
13	Name of the student who has scored Maximum Marks				0	

Q.5 Consider the cash flow of the following two projects. Assume the company's cost of capital is 15%. Find the IRR and NPV of each project. Which project adds value to the company? Which project should it choose? Illustrate the reasons...

	Year1 ₹	YEAR2 ₹	YEAR3 ₹	YEAR4 ₹
Project A	-40000	130000	19000	26000
Project B	-80000	36000	36000	36000

Q.6 Explain the **function and the related steps to highlight sales value greater than ₹ 90000** in the excel spreadsheet "SALES" (A20:D35) as given below:

Write also the appropriate **formula** as:

Cell B36: To compute the total sales revenue of Dev and Hari

Cell B37: To compute the total Sales revenue of Hari in North Region

Cell B38: To compute the total Sales revenue of Hari in North and North West Regions

Cell B39: To compute the total Sales Revenue of Hari excluding North Region

Note: Only **Formula to be written**, not the computed result

	A	B	C	D
19	Sales			
20	Product ID #	Revenue	Salesperson	Region
21	7002-3556	₹ 91,919.00	Dev	North
22	7002-3557	₹ 23,967.00	Hari	South
23	7002-3558	₹ 2,57,641.00	Dev	South
24	7002-3559	₹ 86,196.00	Hari	NorthEast
25	7002-3560	₹ 1,34,663.00	Dev	South
26	7002-3561	₹ 78,266.00	Dev	North
27	7002-3562	₹ 1,02,697.00	Hari	NorthWest
28	7002-3563	₹ 80,447.00	Dev	North
29	7002-3564	₹ 74,446.00	Dev	South
30	7002-3565	₹ 1,25,529.00	Hari	South
31	7002-3566	₹ 1,04,885.00	Hari	NorthWest
32	7002-3567	₹ 95,316.00	Hari	East
33	7002-3568	₹ 93,995.00	Hari	South
34	7002-3569	₹ 63,062.00	Hari	North
35	7002-3570	₹ 84,530.00	Hari	South
36	Total sales revenue of Dev and Hari			
37	Total Sales revenue of Hari in North Region			
38	Total Sales revenue of Hari in North and North West Regions			
39	Total Sales Revenue of Hari excluding North Region			

Exam Roll No

Paper No. : 2.1
Title of the Paper : Global Business Environment
Name of the Course : PGD Global Business Operations

Semester : II

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

1. **Attempt any four questions out of six questions**
2. **All questions carry equal marks**
3. **Please write legibly.**

Q1. Explain the core differences between the “Uppsala Model” and the “Born Global” Model. [DO NOT EXPLAIN THE TWO MODELS; but focus only on the differences that exist between the two models].

Under what conditions is each of the model applicable.

Q2. What learnings can the Indian MSME sector draw from the German “Mittelstand Model”. What FUTURE policy initiatives need to be made by the national government and state governments to facilitate the growth of the MSME sector in India.

Q3. Select a town or city or even a State in India wherein the “Vision Zero strategy” can be implemented in a phased manner. What are the reasons why you selected that specific town, city or state for such a strategy to be implemented. According to you what should be the various phases for implementing such a strategy / public policy.

Q4. The refugee crisis in the world throws more difficulties and threats than opportunities. It is a general perception that the burden to deal with this crisis lies with UN organisations and concerned governments. However some private corporations (we are not considering NGOs in the context of this question) have transformed such a difficulty / threat into an opportunity to showcase the humanitarian face of the concerned private corporate. Discuss initiatives undertaken by one such private corporate of your choice in the context of this question.

Q5. Discuss the growth strategy adopted by South Korea in transforming itself into a powerhouse of development since the 1960s.

Q6. Write short notes on any two:

- a) In the context of the Bartlett and Ghoshal model, distinguish between a transnational, global, multi-domestic and international corporate giving real life examples from the corporate world.
- b) Limitations of the Orsted Sustainable Model
- c) Learnings from TSMC, Taiwan.
- d) Covid 19 and its challenges to International HRM.

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

SEMESTER II

(MAY/JUNE 2021)

Paper Code: 2.2 QUANTITATIVE TECHNIQUES - II

TIME ALLOWED : 3 HOURS

MAXIMUM MARKS : 70

*Attempt any four questions. All questions carry equal marks.**Use of simple calculator is allowed.***Question 1**

The following table shows the smoking habits in males and females over 65 years of age in a certain state.

<i>Gender</i>	<i>Never Smoked (N)</i>	<i>Former Smoker (R)</i>	<i>Current Smoker (S)</i>	<i>Total</i>
Male (M)	3,160	5,087	2,320	10,567
Female (F)	10,437	2,861	2,007	15,305
Total	13,597	7,948	4,327	25,872

Calculate and interpret the following probabilities:

- $P(N/M)$,
- $P(R/M)$
- $P(F/R)$
- $P(S/F)$
- $P(FUNUS)$
- $P(M/S)$ (use Bayes' theorem)

Question 2

Tyre pressure in a certain car is normally distributed random variable with a mean of 30 psi (pounds per square inch) and standard deviation 2 psi. The manufacturer's recommended correct inflation range is 28 psi to 32 psi.

- A motorist's tyre is inspected at random.
 - What is the probability that the tyre's inflation is within the recommended range?
 - What is the probability that the tyre is under-inflated?
- The Alliance of Automotive Manufacturers has developed a microchip that will warn when a tyre is 25 percent below recommended mean, to warn of dangerously low tyre pressure. How often would such an alarm be triggered?
- Calculate and interpret the value of 20th percentile.

Question 3

An insurance company's procedure in settling a claim under \$10,000 for small fire or water damage to a home owner is to require two estimates for clean-up and repair of structural damage before allowing the insured to proceed with the work. The insurance company compares estimates from two contractors who most frequently handle this type of work in this geographical area. The following shows the 10 most recent claims for which damage estimates

were provided by both contractors. At the 0.05 level of significance, is there a difference between the two contractors?

<i>Claim</i>	<i>Contractor A</i>	<i>Contractor B</i>
1	5,500	6,000
2	1,000	900
3	2,500	2,500
4	7,800	8,300
5	6,400	6,200
6	8,800	9,400
7	600	500
8	3,300	3,500
9	4,500	5,200
10	6,500	6,800

Question 4

The following contingency table shows return on investment (ROI) and percentage of sales growth over the previous five years for a sample of 85 firms. The research question is whether ROI is independent of the sales growth. Test at a level of significance of (i) 5 percent, (ii) 1 percent. State clearly your conclusion.

Do you think there is a problem because of a very low frequency (= 1) in the *high ROI* and *low sales growth rate* cell?

Cross-Tabulation of Sales Growth and ROI

<i>ROI</i>	<i>Sales Growth Rate</i>			<i>Row Total</i>
	<i>Low</i>	<i>Medium</i>	<i>High</i>	
Low	9	12	7	28
Medium	6	14	7	27
High	1	12	17	30
Col Total	16	38	31	85

Question 5

The following data relate to job stress quotients for 20 randomly selected managers in a large organisation:

	<i>Managerial Level</i>		
	<i>Low</i>	<i>Middle</i>	<i>Upper</i>	Top
73	51	36	78
84	58	38	64
60	83	46	63
53	56	72	61
74	40		42
49			

Do these data support the hypothesis that there is a difference between mean stress quotients for the four levels of managers? Test at the 0.05 level of significance.

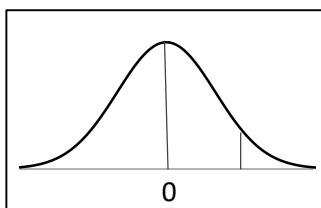
Question 6

The following table shows for each activity needed to complete the project, the normal time, the shortest time in which the activity can be completed, of a building contract and the cost per day for reducing the time on each activity. The contract includes a penalty clause of ₹2,000 per day over 19 days. The overhead cost per day is ₹5,000. The direct cost of completing the eight activities in normal time is ₹155,000. Calculate the following:

- The normal duration of the project, its cost and the critical path.
- The lowest cost and the associated time.
- The shortest time and the associated cost.

<i>Activity</i>	<i>Immediate Predecessor(s)</i>	<i>Normal time (in days)</i>	<i>Shortest time (in days)</i>	<i>Cost of Reduction Per day(₹)</i>
A	-	6	4	2,000
B	-	4	2	4,000
C	A	3	1	1,000
D	A	5	3	5,000
E	B	6	4	5,500
F	C	4	2	3,000
G	D, E	8	4	5,500
H	F, G	3	2	3,500

NORMAL AREA TABLE



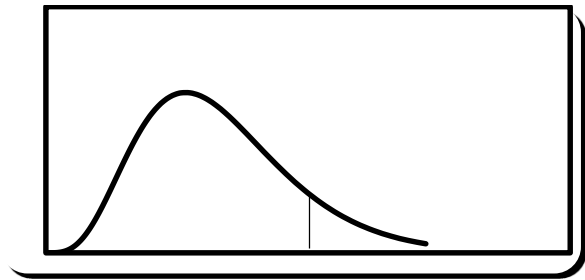
This table gives area between mean and a specific value of z .

z	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.0000	0.0040	0.0080	0.0120	0.0160	0.0199	0.0239	0.0279	0.0319	0.0359
0.1	0.0398	0.0438	0.0478	0.0517	0.0557	0.0596	0.0636	0.0675	0.0714	0.0753
0.2	0.0793	0.0832	0.0871	0.0910	0.0948	0.0987	0.1026	0.1064	0.1103	0.1141
0.3	0.1179	0.1217	0.1255	0.1293	0.1331	0.1368	0.1406	0.1443	0.1480	0.1517
0.4	0.1554	0.1591	0.1628	0.1664	0.1700	0.1736	0.1772	0.1808	0.1844	0.1879
0.5	0.1915	0.1950	0.1985	0.2019	0.2054	0.2088	0.2123	0.2157	0.2190	0.2224
0.6	0.2257	0.2291	0.2324	0.2357	0.2389	0.2422	0.2454	0.2486	0.2517	0.2549
0.7	0.2580	0.2611	0.2642	0.2673	0.2704	0.2734	0.2764	0.2794	0.2823	0.2852
0.8	0.2881	0.2910	0.2939	0.2967	0.2995	0.3023	0.3051	0.3078	0.3106	0.3133
0.9	0.3159	0.3186	0.3212	0.3238	0.3264	0.3289	0.3315	0.3340	0.3365	0.3389
1.0	0.3413	0.3438	0.3461	0.3485	0.3508	0.3531	0.3554	0.3577	0.3599	0.3621
1.1	0.3643	0.3665	0.3686	0.3708	0.3729	0.3749	0.3770	0.3790	0.3810	0.3830
1.2	0.3849	0.3869	0.3888	0.3907	0.3925	0.3944	0.3962	0.3980	0.3997	0.4015
1.3	0.4032	0.4049	0.4066	0.4082	0.4099	0.4115	0.4131	0.4147	0.4162	0.4177
1.4	0.4192	0.4207	0.4222	0.4236	0.4251	0.4265	0.4279	0.4292	0.4306	0.4319
1.5	0.4332	0.4345	0.4357	0.4370	0.4382	0.4394	0.4406	0.4418	0.4429	0.4441
1.6	0.4452	0.4463	0.4474	0.4484	0.4495	0.4505	0.4515	0.4525	0.4535	0.4545
1.7	0.4554	0.4564	0.4573	0.4582	0.4591	0.4599	0.4608	0.4616	0.4625	0.4633
1.8	0.4641	0.4649	0.4656	0.4664	0.4671	0.4678	0.4686	0.4693	0.4699	0.4706
1.9	0.4713	0.4719	0.4726	0.4732	0.4738	0.4744	0.4750	0.4756	0.4761	0.4767
2.0	0.4772	0.4778	0.4783	0.4788	0.4793	0.4798	0.4803	0.4808	0.4812	0.4817
2.1	0.4821	0.4826	0.4830	0.4834	0.4838	0.4842	0.4846	0.4850	0.4854	0.4857
2.2	0.4861	0.4864	0.4868	0.4871	0.4875	0.4878	0.4881	0.4884	0.4887	0.4890
2.3	0.4893	0.4896	0.4898	0.4901	0.4904	0.4906	0.4909	0.4911	0.4913	0.4916
2.4	0.4918	0.4920	0.4922	0.4925	0.4927	0.4929	0.4931	0.4932	0.4934	0.4936
2.5	0.4938	0.4940	0.4941	0.4943	0.4945	0.4946	0.4948	0.4949	0.4951	0.4952
2.6	0.4953	0.4955	0.4956	0.4957	0.4959	0.4960	0.4961	0.4962	0.4963	0.4964
2.7	0.4965	0.4966	0.4967	0.4968	0.4969	0.4970	0.4971	0.4972	0.4973	0.4974
2.8	0.4974	0.4975	0.4976	0.4977	0.4977	0.4978	0.4979	0.4979	0.4980	0.4981
2.9	0.4981	0.4982	0.4982	0.4983	0.4984	0.4984	0.4985	0.4985	0.4986	0.4986
3.0	0.4987	0.4987	0.4987	0.4988	0.4988	0.4989	0.4989	0.4989	0.4990	0.4990
3.1	0.49903	0.49906	0.4991	0.49913	0.49916	0.49918	0.49921	0.49924	0.49926	0.49929
3.2	0.49931	0.49934	0.49936	0.49938	0.49940	0.49942	0.49944	0.49946	0.49948	0.49950
3.3	0.49952	0.49953	0.49955	0.49957	0.49958	0.49960	0.49961	0.49962	0.49964	0.49965
3.4	0.49966	0.49968	0.49969	0.49970	0.49971	0.49972	0.49973	0.49974	0.49975	0.49976
3.5	0.49977	0.49978	0.49978	0.49979	0.49980	0.49981	0.49981	0.49982	0.49983	0.49983
3.6	0.49984	0.49985	0.49985	0.49986	0.49986	0.49987	0.49987	0.49988	0.49988	0.49989
3.7	0.49989	0.49990	0.49990	0.49990	0.49991	0.49991	0.49992	0.49992	0.49992	0.49992
3.8	0.49993	0.49993	0.49993	0.49994	0.49994	0.49994	0.49994	0.49995	0.49995	0.49995
3.9	0.49995	0.49995	0.49996	0.49996	0.49996	0.49996	0.49996	0.49996	0.49997	0.49997

t –Distribution Critical Values

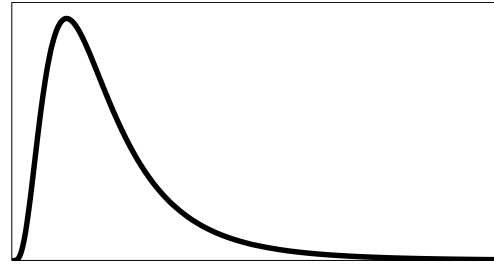
<i>df</i>	Level of Significance for One-Tailed Test					
	0.10	0.05	0.025	0.01	0.005	0.0005
	Level of Significance for Two-Tailed Test					
	0.20	0.10	0.05	0.02	0.01	0.001
1	3.078	6.314	12.706	31.821	63.657	636.619
2	1.886	2.920	4.303	6.965	9.925	31.599
3	1.638	2.353	3.182	4.541	5.841	12.924
4	1.533	2.132	2.776	3.747	4.604	8.610
5	1.476	2.015	2.571	3.365	4.032	6.869
6	1.440	1.943	2.447	3.143	3.707	5.959
7	1.415	1.895	2.365	2.998	3.499	5.408
8	1.397	1.860	2.306	2.896	3.355	5.041
9	1.383	1.833	2.262	2.821	3.250	4.781
10	1.372	1.812	2.228	2.764	3.169	4.587
11	1.363	1.796	2.201	2.718	3.106	4.437
12	1.356	1.782	2.179	2.681	3.055	4.318
13	1.350	1.771	2.160	2.650	3.012	4.221
14	1.345	1.761	2.145	2.624	2.977	4.140
15	1.341	1.753	2.131	2.602	2.947	4.073
16	1.337	1.746	2.120	2.583	2.921	4.015
17	1.333	1.740	2.110	2.567	2.898	3.965
18	1.330	1.734	2.101	2.552	2.878	3.922
19	1.328	1.729	2.093	2.539	2.861	3.883
20	1.325	1.725	2.086	2.528	2.845	3.850
21	1.323	1.721	2.080	2.518	2.831	3.819
22	1.321	1.717	2.074	2.508	2.819	3.792
23	1.319	1.714	2.069	2.500	2.807	3.768
24	1.318	1.711	2.064	2.492	2.797	3.745
25	1.316	1.708	2.060	2.485	2.787	3.725
26	1.315	1.706	2.056	2.479	2.779	3.707
27	1.314	1.703	2.052	2.473	2.771	3.690
28	1.313	1.701	2.048	2.467	2.763	3.674
29	1.311	1.699	2.045	2.462	2.756	3.659
30	1.310	1.697	2.042	2.457	2.750	3.646
40	1.303	1.684	2.021	2.423	2.704	3.551
60	1.296	1.671	2.000	2.390	2.660	3.460
120	1.289	1.658	1.980	2.358	2.617	3.373
∞	1.282	1.645	1.960	2.326	2.576	3.291

Chi-square Distribution Critical Values



<i>df</i>	UPPER TAIL AREAS									
	0.995	0.990	0.975	0.950	0.900	0.100	0.050	0.025	0.010	0.005
1			0.001	0.004	0.016	2.706	3.841	5.024	6.635	7.879
2	0.010	0.020	0.051	0.103	0.211	4.605	5.991	7.378	9.210	10.597
3	0.072	0.115	0.216	0.352	0.584	6.251	7.815	9.348	11.345	12.838
4	0.207	0.297	0.484	0.711	1.064	7.779	9.488	11.143	13.277	14.860
5	0.412	0.554	0.831	1.145	1.610	9.236	11.070	12.833	15.086	16.750
6	0.676	0.872	1.237	1.635	2.204	10.645	12.592	14.449	16.812	18.548
7	0.989	1.239	1.690	2.167	2.833	12.017	14.067	16.013	18.475	20.278
8	1.344	1.646	2.180	2.733	3.490	13.362	15.507	17.535	20.090	21.955
9	1.735	2.088	2.700	3.325	4.168	14.684	16.919	19.023	21.666	23.589
10	2.156	2.558	3.247	3.940	4.865	15.987	18.307	20.483	23.209	25.188
11	2.603	3.053	3.816	4.575	5.578	17.275	19.675	21.920	24.725	26.757
12	3.074	3.571	4.404	5.226	6.304	18.549	21.026	23.337	26.217	28.300
13	3.565	4.107	5.009	5.892	7.042	19.812	22.362	24.736	27.688	29.819
14	4.075	4.660	5.629	6.571	7.790	21.064	23.685	26.119	29.141	31.319
15	4.601	5.229	6.262	7.261	8.547	22.307	24.996	27.488	30.578	32.801
16	5.142	5.812	6.908	7.962	9.312	23.542	26.296	28.845	32.000	34.267
17	5.697	6.408	7.564	8.672	10.085	24.769	27.587	30.191	33.409	35.718
18	6.265	7.015	8.231	9.390	10.865	25.989	28.869	31.526	34.805	37.156
19	6.844	7.633	8.907	10.117	11.651	27.204	30.144	32.852	36.191	38.582
20	7.434	8.260	9.591	10.851	12.443	28.412	31.410	34.170	37.566	39.997
21	8.034	8.897	10.283	11.591	13.240	29.615	32.671	35.479	38.932	41.401
22	8.643	9.542	10.982	12.338	14.041	30.813	33.924	36.781	40.289	42.796
23	9.260	10.196	11.689	13.091	14.848	32.007	35.172	38.076	41.638	44.181
24	9.886	10.856	12.401	13.848	15.659	33.196	36.415	39.364	42.980	45.559
25	10.520	11.524	13.120	14.611	16.473	34.382	37.652	40.646	44.314	46.928
26	11.160	12.198	13.844	15.379	17.292	35.563	38.885	41.923	45.642	48.290
27	11.808	12.879	14.573	16.151	18.114	36.741	40.113	43.195	46.963	49.645
28	12.461	13.565	15.308	16.928	18.939	37.916	41.337	44.461	48.278	50.993
29	13.121	14.256	16.047	17.708	19.768	39.087	42.557	45.722	49.588	52.336
30	13.787	14.953	16.791	18.493	20.599	40.256	43.773	46.979	50.892	53.672
31	14.458	15.655	17.539	19.281	21.434	41.422	44.985	48.232	52.191	55.003
32	15.134	16.362	18.291	20.072	22.271	42.585	46.194	49.480	53.486	56.328
33	15.815	17.074	19.047	20.867	23.110	43.745	47.400	50.725	54.776	57.648
34	16.501	17.789	19.806	21.664	23.952	44.903	48.602	51.966	56.061	58.964
35	17.192	18.509	20.569	22.465	24.797	46.059	49.802	53.203	57.342	60.275
36	17.887	19.233	21.336	23.269	25.643	47.212	50.998	54.437	58.619	61.581
37	18.586	19.960	22.106	24.075	26.492	48.363	52.192	55.668	59.893	62.883
38	19.289	20.691	22.878	24.884	27.343	49.513	53.384	56.896	61.162	64.181
39	19.996	21.426	23.654	25.695	28.196	50.660	54.572	58.120	62.428	65.476
40	20.707	22.164	24.433	26.509	29.051	51.805	55.758	59.342	63.691	66.766

F - Distribution Critical Values (0.10)



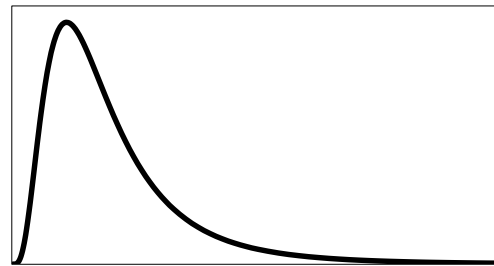
<i>Denominator df</i>	<i>Numerator df</i>								
	1	2	3	4	5	6	7	8	9
1	39.863	49.500	53.593	55.833	57.240	58.204	58.906	59.439	59.858
2	8.526	9.000	9.162	9.243	9.293	9.326	9.349	9.367	9.381
3	5.538	5.462	5.391	5.343	5.309	5.285	5.266	5.252	5.240
4	4.545	4.325	4.191	4.107	4.051	4.010	3.979	3.955	3.936
5	4.060	3.780	3.619	3.520	3.453	3.405	3.368	3.339	3.316
6	3.776	3.463	3.289	3.181	3.108	3.055	3.014	2.983	2.958
7	3.589	3.257	3.074	2.961	2.883	2.827	2.785	2.752	2.725
8	3.458	3.113	2.924	2.806	2.726	2.668	2.624	2.589	2.561
9	3.360	3.006	2.813	2.693	2.611	2.551	2.505	2.469	2.440
10	3.285	2.924	2.728	2.605	2.522	2.461	2.414	2.377	2.347
11	3.225	2.860	2.660	2.536	2.451	2.389	2.342	2.304	2.274
12	3.177	2.807	2.606	2.480	2.394	2.331	2.283	2.245	2.214
13	3.136	2.763	2.560	2.434	2.347	2.283	2.234	2.195	2.164
14	3.102	2.726	2.522	2.395	2.307	2.243	2.193	2.154	2.122
15	3.073	2.695	2.490	2.361	2.273	2.208	2.158	2.119	2.086
16	3.048	2.668	2.462	2.333	2.244	2.178	2.128	2.088	2.055
17	3.026	2.645	2.437	2.308	2.218	2.152	2.102	2.061	2.028
18	3.007	2.624	2.416	2.286	2.196	2.130	2.079	2.038	2.005
19	2.990	2.606	2.397	2.266	2.176	2.109	2.058	2.017	1.984
20	2.975	2.589	2.380	2.249	2.158	2.091	2.040	1.999	1.965
21	2.961	2.575	2.365	2.233	2.142	2.075	2.023	1.982	1.948
22	2.949	2.561	2.351	2.219	2.128	2.060	2.008	1.967	1.933
23	2.937	2.549	2.339	2.207	2.115	2.047	1.995	1.953	1.919
24	2.927	2.538	2.327	2.195	2.103	2.035	1.983	1.941	1.906
25	2.918	2.528	2.317	2.184	2.092	2.024	1.971	1.929	1.895
26	2.909	2.519	2.307	2.174	2.082	2.014	1.961	1.919	1.884
27	2.901	2.511	2.299	2.165	2.073	2.005	1.952	1.909	1.874
28	2.894	2.503	2.291	2.157	2.064	1.996	1.943	1.900	1.865
29	2.887	2.495	2.283	2.149	2.057	1.988	1.935	1.892	1.857
30	2.881	2.489	2.276	2.142	2.049	1.980	1.927	1.884	1.849
40	2.835	2.440	2.226	2.091	1.997	1.927	1.873	1.829	1.793
60	2.791	2.393	2.177	2.041	1.946	1.875	1.819	1.775	1.738
120	2.748	2.347	2.130	1.992	1.896	1.824	1.767	1.722	1.684

Contd.

F - Distribution Critical Values (0.10)

<i>Denominator df</i>	<i>Numerator df</i>								
	10	12	15	20	24	30	40	60	120
1	60.195	60.705	61.220	61.740	62.002	62.265	62.529	62.794	63.061
2	9.392	9.408	9.425	9.441	9.450	9.458	9.466	9.475	9.483
3	5.230	5.216	5.200	5.184	5.176	5.168	5.160	5.151	5.143
4	3.920	3.896	3.870	3.844	3.831	3.817	3.804	3.790	3.775
5	3.297	3.268	3.238	3.207	3.191	3.174	3.157	3.140	3.123
6	2.937	2.905	2.871	2.836	2.818	2.800	2.781	2.762	2.742
7	2.703	2.668	2.632	2.595	2.575	2.555	2.535	2.514	2.493
8	2.538	2.502	2.464	2.425	2.404	2.383	2.361	2.339	2.316
9	2.416	2.379	2.340	2.298	2.277	2.255	2.232	2.208	2.184
10	2.323	2.284	2.244	2.201	2.178	2.155	2.132	2.107	2.082
11	2.248	2.209	2.167	2.123	2.100	2.076	2.052	2.026	2.000
12	2.188	2.147	2.105	2.060	2.036	2.011	1.986	1.960	1.932
13	2.138	2.097	2.053	2.007	1.983	1.958	1.931	1.904	1.876
14	2.095	2.054	2.010	1.962	1.938	1.912	1.885	1.857	1.828
15	2.059	2.017	1.972	1.924	1.899	1.873	1.845	1.817	1.787
16	2.028	1.985	1.940	1.891	1.866	1.839	1.811	1.782	1.751
17	2.001	1.958	1.912	1.862	1.836	1.809	1.781	1.751	1.719
18	1.977	1.933	1.887	1.837	1.810	1.783	1.754	1.723	1.691
19	1.956	1.912	1.865	1.814	1.787	1.759	1.730	1.699	1.666
20	1.937	1.892	1.845	1.794	1.767	1.738	1.708	1.677	1.643
21	1.920	1.875	1.827	1.776	1.748	1.719	1.689	1.657	1.623
22	1.904	1.859	1.811	1.759	1.731	1.702	1.671	1.639	1.604
23	1.890	1.845	1.796	1.744	1.716	1.686	1.655	1.622	1.587
24	1.877	1.832	1.783	1.730	1.702	1.672	1.641	1.607	1.571
25	1.866	1.820	1.771	1.718	1.689	1.659	1.627	1.593	1.557
26	1.855	1.809	1.760	1.706	1.677	1.647	1.615	1.581	1.544
27	1.845	1.799	1.749	1.695	1.666	1.636	1.603	1.569	1.531
28	1.836	1.790	1.740	1.685	1.656	1.625	1.592	1.558	1.520
29	1.827	1.781	1.731	1.676	1.647	1.616	1.583	1.547	1.509
30	1.819	1.773	1.722	1.667	1.638	1.606	1.573	1.538	1.499
40	1.763	1.715	1.662	1.605	1.574	1.541	1.506	1.467	1.425
60	1.707	1.657	1.603	1.543	1.511	1.476	1.437	1.395	1.348
120	1.652	1.601	1.545	1.482	1.447	1.409	1.368	1.320	1.265

F - Distribution Critical Values (0.05)



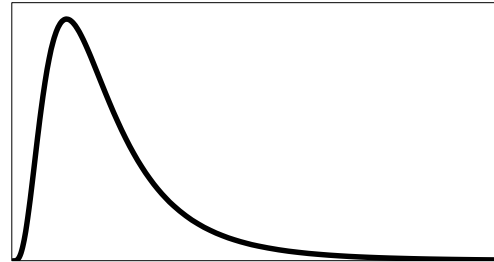
<i>Denominator df</i>	<i>Numerator df</i>								
	1	2	3	4	5	6	7	8	9
1	161.44 8	199.50 0	215.70 7	224.58 3	230.16 2	233.98 6	236.76 8	238.88 3	240.54 3
2	18.513	19.000	19.164	19.247	19.296	19.330	19.353	19.371	19.385
3	10.128	9.552	9.277	9.117	9.013	8.941	8.887	8.845	8.812
4	7.709	6.944	6.591	6.388	6.256	6.163	6.094	6.041	5.999
5	6.608	5.786	5.409	5.192	5.050	4.950	4.876	4.818	4.772
6	5.987	5.143	4.757	4.534	4.387	4.284	4.207	4.147	4.099
7	5.591	4.737	4.347	4.120	3.972	3.866	3.787	3.726	3.677
8	5.318	4.459	4.066	3.838	3.687	3.581	3.500	3.438	3.388
9	5.117	4.256	3.863	3.633	3.482	3.374	3.293	3.230	3.179
10	4.965	4.103	3.708	3.478	3.326	3.217	3.135	3.072	3.020
11	4.844	3.982	3.587	3.357	3.204	3.095	3.012	2.948	2.896
12	4.747	3.885	3.490	3.259	3.106	2.996	2.913	2.849	2.796
13	4.667	3.806	3.411	3.179	3.025	2.915	2.832	2.767	2.714
14	4.600	3.739	3.344	3.112	2.958	2.848	2.764	2.699	2.646
15	4.543	3.682	3.287	3.056	2.901	2.790	2.707	2.641	2.588
16	4.494	3.634	3.239	3.007	2.852	2.741	2.657	2.591	2.538
17	4.451	3.592	3.197	2.965	2.810	2.699	2.614	2.548	2.494
18	4.414	3.555	3.160	2.928	2.773	2.661	2.577	2.510	2.456
19	4.381	3.522	3.127	2.895	2.740	2.628	2.544	2.477	2.423
20	4.351	3.493	3.098	2.866	2.711	2.599	2.514	2.447	2.393
21	4.325	3.467	3.072	2.840	2.685	2.573	2.488	2.420	2.366
22	4.301	3.443	3.049	2.817	2.661	2.549	2.464	2.397	2.342
23	4.279	3.422	3.028	2.796	2.640	2.528	2.442	2.375	2.320
24	4.260	3.403	3.009	2.776	2.621	2.508	2.423	2.355	2.300
25	4.242	3.385	2.991	2.759	2.603	2.490	2.405	2.337	2.282
26	4.225	3.369	2.975	2.743	2.587	2.474	2.388	2.321	2.265
27	4.210	3.354	2.960	2.728	2.572	2.459	2.373	2.305	2.250
28	4.196	3.340	2.947	2.714	2.558	2.445	2.359	2.291	2.236
29	4.183	3.328	2.934	2.701	2.545	2.432	2.346	2.278	2.223
30	4.171	3.316	2.922	2.690	2.534	2.421	2.334	2.266	2.211
40	4.085	3.232	2.839	2.606	2.449	2.336	2.249	2.180	2.124
60	4.001	3.150	2.758	2.525	2.368	2.254	2.167	2.097	2.040
120	3.920	3.072	2.680	2.447	2.290	2.175	2.087	2.016	1.959

Contd.

F - Distribution Critical Values (0.05)

<i>Denominator df</i>	<i>Numerator df</i>								
	10	12	15	20	24	30	40	60	120
1	241.88	243.90	245.95	248.01	249.05	250.09	251.14	252.19	253.25
2	19.396	19.413	19.429	19.446	19.454	19.462	19.471	19.479	19.487
3	8.786	8.745	8.703	8.660	8.639	8.617	8.594	8.572	8.549
4	5.964	5.912	5.858	5.803	5.774	5.746	5.717	5.688	5.658
5	4.735	4.678	4.619	4.558	4.527	4.496	4.464	4.431	4.398
6	4.060	4.000	3.938	3.874	3.841	3.808	3.774	3.740	3.705
7	3.637	3.575	3.511	3.445	3.410	3.376	3.340	3.304	3.267
8	3.347	3.284	3.218	3.150	3.115	3.079	3.043	3.005	2.967
9	3.137	3.073	3.006	2.936	2.900	2.864	2.826	2.787	2.748
10	2.978	2.913	2.845	2.774	2.737	2.700	2.661	2.621	2.580
11	2.854	2.788	2.719	2.646	2.609	2.570	2.531	2.490	2.448
12	2.753	2.687	2.617	2.544	2.505	2.466	2.426	2.384	2.341
13	2.671	2.604	2.533	2.459	2.420	2.380	2.339	2.297	2.252
14	2.602	2.534	2.463	2.388	2.349	2.308	2.266	2.223	2.178
15	2.544	2.475	2.403	2.328	2.288	2.247	2.204	2.160	2.114
16	2.494	2.425	2.352	2.276	2.235	2.194	2.151	2.106	2.059
17	2.450	2.381	2.308	2.230	2.190	2.148	2.104	2.058	2.011
18	2.412	2.342	2.269	2.191	2.150	2.107	2.063	2.017	1.968
19	2.378	2.308	2.234	2.155	2.114	2.071	2.026	1.980	1.930
20	2.348	2.278	2.203	2.124	2.082	2.039	1.994	1.946	1.896
21	2.321	2.250	2.176	2.096	2.054	2.010	1.965	1.916	1.866
22	2.297	2.226	2.151	2.071	2.028	1.984	1.938	1.889	1.838
23	2.275	2.204	2.128	2.048	2.005	1.961	1.914	1.865	1.813
24	2.255	2.183	2.108	2.027	1.984	1.939	1.892	1.842	1.790
25	2.236	2.165	2.089	2.007	1.964	1.919	1.872	1.822	1.768
26	2.220	2.148	2.072	1.990	1.946	1.901	1.853	1.803	1.749
27	2.204	2.132	2.056	1.974	1.930	1.884	1.836	1.785	1.731
28	2.190	2.118	2.041	1.959	1.915	1.869	1.820	1.769	1.714
29	2.177	2.104	2.027	1.945	1.901	1.854	1.806	1.754	1.698
30	2.165	2.092	2.015	1.932	1.887	1.841	1.792	1.740	1.683
40	2.077	2.003	1.924	1.839	1.793	1.744	1.693	1.637	1.577
60	1.993	1.917	1.836	1.748	1.700	1.649	1.594	1.534	1.467
120	1.910	1.834	1.750	1.659	1.608	1.554	1.495	1.429	1.352

F - Distribution Critical Values (0.01)



<i>Denominator df</i>	<i>Numerator df</i>								
	1	2	3	4	5	6	7	8	9
1	4052	5000	5403	5625	5764	5859	5928	5981	6022
2	98.503	99.000	99.166	99.249	99.299	99.333	99.356	99.374	99.388
3	34.116	30.817	29.457	28.710	28.237	27.911	27.672	27.489	27.345
4	21.198	18.000	16.694	15.977	15.522	15.207	14.976	14.799	14.659
5	16.258	13.274	12.060	11.392	10.967	10.672	10.456	10.289	10.158
6	13.745	10.925	9.780	9.148	8.746	8.466	8.260	8.102	7.976
7	12.246	9.547	8.451	7.847	7.460	7.191	6.993	6.840	6.719
8	11.259	8.649	7.591	7.006	6.632	6.371	6.178	6.029	5.911
9	10.561	8.022	6.992	6.422	6.057	5.802	5.613	5.467	5.351
10	10.044	7.559	6.552	5.994	5.636	5.386	5.200	5.057	4.942
11	9.646	7.206	6.217	5.668	5.316	5.069	4.886	4.744	4.632
12	9.330	6.927	5.953	5.412	5.064	4.821	4.640	4.499	4.388
13	9.074	6.701	5.739	5.205	4.862	4.620	4.441	4.302	4.191
14	8.862	6.515	5.564	5.035	4.695	4.456	4.278	4.140	4.030
15	8.683	6.359	5.417	4.893	4.556	4.318	4.142	4.004	3.895
16	8.531	6.226	5.292	4.773	4.437	4.202	4.026	3.890	3.780
17	8.400	6.112	5.185	4.669	4.336	4.102	3.927	3.791	3.682
18	8.285	6.013	5.092	4.579	4.248	4.015	3.841	3.705	3.597
19	8.185	5.926	5.010	4.500	4.171	3.939	3.765	3.631	3.523
20	8.096	5.849	4.938	4.431	4.103	3.871	3.699	3.564	3.457
21	8.017	5.780	4.874	4.369	4.042	3.812	3.640	3.506	3.398
22	7.945	5.719	4.817	4.313	3.988	3.758	3.587	3.453	3.346
23	7.881	5.664	4.765	4.264	3.939	3.710	3.539	3.406	3.299
24	7.823	5.614	4.718	4.218	3.895	3.667	3.496	3.363	3.256
25	7.770	5.568	4.675	4.177	3.855	3.627	3.457	3.324	3.217
26	7.721	5.526	4.637	4.140	3.818	3.591	3.421	3.288	3.182
27	7.677	5.488	4.601	4.106	3.785	3.558	3.388	3.256	3.149
28	7.636	5.453	4.568	4.074	3.754	3.528	3.358	3.226	3.120
29	7.598	5.420	4.538	4.045	3.725	3.499	3.330	3.198	3.092
30	7.562	5.390	4.510	4.018	3.699	3.473	3.304	3.173	3.067
40	7.314	5.179	4.313	3.828	3.514	3.291	3.124	2.993	2.888
60	7.077	4.977	4.126	3.649	3.339	3.119	2.953	2.823	2.718
120	6.851	4.787	3.949	3.480	3.174	2.956	2.792	2.663	2.559

Contd.

F - Distribution Critical Values (0.01)

<i>Denominator df</i>	<i>Numerator df</i>								
	10	12	15	20	24	30	40	60	120
1	6056	6106	6157	6209	6235	6261	6287	6313	6339
2	99.399	99.416	99.433	99.449	99.458	99.466	99.474	99.482	99.491
3	27.229	27.052	26.872	26.690	26.598	26.505	26.411	26.316	26.221
4	14.546	14.374	14.198	14.020	13.929	13.838	13.745	13.652	13.558
5	10.051	9.888	9.722	9.553	9.466	9.379	9.291	9.202	9.112
6	7.874	7.718	7.559	7.396	7.313	7.229	7.143	7.057	6.969
7	6.620	6.469	6.314	6.155	6.074	5.992	5.908	5.824	5.737
8	5.814	5.667	5.515	5.359	5.279	5.198	5.116	5.032	4.946
9	5.257	5.111	4.962	4.808	4.729	4.649	4.567	4.483	4.398
10	4.849	4.706	4.558	4.405	4.327	4.247	4.165	4.082	3.996
11	4.539	4.397	4.251	4.099	4.021	3.941	3.860	3.776	3.690
12	4.296	4.155	4.010	3.858	3.780	3.701	3.619	3.535	3.449
13	4.100	3.960	3.815	3.665	3.587	3.507	3.425	3.341	3.255
14	3.939	3.800	3.656	3.505	3.427	3.348	3.266	3.181	3.094
15	3.805	3.666	3.522	3.372	3.294	3.214	3.132	3.047	2.959
16	3.691	3.553	3.409	3.259	3.181	3.101	3.018	2.933	2.845
17	3.593	3.455	3.312	3.162	3.084	3.003	2.920	2.835	2.746
18	3.508	3.371	3.227	3.077	2.999	2.919	2.835	2.749	2.660
19	3.434	3.297	3.153	3.003	2.925	2.844	2.761	2.674	2.584
20	3.368	3.231	3.088	2.938	2.859	2.778	2.695	2.608	2.517
21	3.310	3.173	3.030	2.880	2.801	2.720	2.636	2.548	2.457
22	3.258	3.121	2.978	2.827	2.749	2.667	2.583	2.495	2.403
23	3.211	3.074	2.931	2.781	2.702	2.620	2.535	2.447	2.354
24	3.168	3.032	2.889	2.738	2.659	2.577	2.492	2.403	2.310
25	3.129	2.993	2.850	2.699	2.620	2.538	2.453	2.364	2.270
26	3.094	2.958	2.815	2.664	2.585	2.503	2.417	2.327	2.233
27	3.062	2.926	2.783	2.632	2.552	2.470	2.384	2.294	2.198
28	3.032	2.896	2.753	2.602	2.522	2.440	2.354	2.263	2.167
29	3.005	2.868	2.726	2.574	2.495	2.412	2.325	2.234	2.138
30	2.979	2.843	2.700	2.549	2.469	2.386	2.299	2.208	2.111
40	2.801	2.665	2.522	2.369	2.288	2.203	2.114	2.019	1.917
60	2.632	2.496	2.352	2.198	2.115	2.028	1.936	1.836	1.726
120	2.472	2.336	2.192	2.035	1.950	1.860	1.763	1.656	1.533

Sri Ram College of Commerce
Global Business Operations

Exam Roll No. _____

Name of the Course : PGD Global Business Operations

Paper No. : 2.3

Title of the Paper : Accounting for Business-I

Semester : II

Time Duration: 2 Hours

Maximum Marks: 70

Instructions:

- 1) Attempt any four questions out of six questions
- 2) All questions carry equal marks
- 3) Think carefully and write.

Ques 1.

J.K. Kapoor started a consulting firm, J.K. Consulting, on May 1, 2014. The following transactions occurred during the month of May.

May 1	Kapoor invested \$8,000 cash in the business in exchange for shares.
May 2	Paid \$800 for office rent for the month.
May 3	Purchased \$500 of supplies on account.
May 5	Paid \$50 to advertise in the newspaper.
May 9	Received \$3,000 cash for services provided.
May 12	Declared and paid a \$700 cash dividend.
May 15	Performed \$3,300 of services on account.
May 17	Paid \$2,100 for employee salaries.
May 20	Paid for the supplies purchased on account on May 3.
May 23	Received cash payment of \$2,000 for services provided on account on May 15.
May 26	Borrowed \$5,000 from the bank on a note payable.
May 29	Purchased office equipment for \$2,300 on account.
May 30	Paid \$150 for utilities.

Instructions

- a) Show the effects of the above transactions on the accounting equation.
- b) Prepare an income statement for the month of May.
- c) Prepare a statement of financial position at May 31, 2014.

Ques 2.

ABC Company, Inc. was organized on January 1, 2014. At the end of the first 6 months of operations, the trial balance contained the accounts shown below.

	Debit (\$)		Credit (\$)
Cash	8,400	Notes Payable	20,000
Accounts Receivable	14,000	Accounts Payable	9,000
Equipment	45,000	Share Capital	22,000
Insurance Expense	2,880	Sales	58,280
Salaries and Wages Expense	30,000		
Supplies Expense	3,900		
Advertising Expense	1,900		
Rent Expense	1,500		
Utilities Expense	1,700		
	-----		-----
	109,280		109,280

Analysis reveals the following additional data.

- 1) The \$3,900 balance in Supplies Expense represents supplies purchased in January. At June 30, \$680 of supplies are on hand.
- 2) The note payable was issued on February 1. It is a 9%, 6-month note.
- 3) The balance in Insurance Expense is the premium on a one-year policy, dated March 1, 2014.
- 4) Service revenues are credited to revenue when received. At June 30, service revenue of \$1,100 is still not performed for the customer.
- 5) Depreciation is \$2,250 per year.

Instructions

- a) Journalize the adjusting entries at June 30. (Assume adjustments are recorded every 6 months)
- b) Prepare an adjusted trial balance.
- c) Prepare an income statement and a statement of financial position at June 30.

Ques 3.

JK Sports sells rolling skates, Xpress, that is popular with rolling skates enthusiasts. Information relating to JK Sports' purchases of Xpress skates during September is shown below. During the same month, 121 Xpress rolling skates were sold. JK Sports' uses a periodic inventory system.

Date	Explanation	Units	Unit Cost (\$)	Total Cost (\$)
Sept. 1	Inventory	23	970	22,310
Sept. 12	Purchases	45	1,020	45,900
Sept. 19	Purchases	20	1,040	20,800
Sept. 26	Purchases	44	1,050	46,200
Totals		132		135,210

Instructions

- a) Compute the ending inventory at September 30 and cost of goods sold using the FIFO and average-cost methods.

- b) For both FIFO and average-cost, calculate the sum of ending inventory and cost of goods sold. What do you notice about the answers you found for each method?

Additional data regarding JK Sports' sales of Xpress skates are provided below. Now, assume that JK Sports uses a perpetual inventory system.

Date		Units	Unit Price (\$)	Total Revenue (\$)
Sept. 5	Sale	12	1,990	23,880
Sept. 16	Sale	50	2,030	101,500
Sept. 29	Sale	59	2,090	123,310
Totals		121		248,690

Instructions

- Compute ending inventory at September 30 using FIFO and moving-average cost.
- Compare ending inventory using a perpetual inventory system to ending inventory using a periodic inventory system
- Which inventory cost flow method (FIFO, moving-average cost) gives the same ending inventory value under both periodic and perpetual? Which method gives different ending inventory values?

Ques 4.

Milan Saree Centre has four assets, data on which are as follows:

Asset	Date of Purchase	Cost (Rs)	Residual Value (Rs)	Useful Life	Depreciation Method
Van	Jan 1, 20X8	40,000	5,000	40,000 km	Production-units
Counters	Augt 1, 20X7	25,000	2,000	8 years	Sum of the year digit
Name board	Apr 1, 20X6	6,000	300	5 years	WDV
Cash box	Dec 1, 20X6	2,000	400	10 years	Straight-line

Required

- Compute the depreciation expense for the year ended June 30 in 20X6, 20X7, and 20X8. Round the amounts to the nearest rupee.
- Present these assets on the balance sheet on June 30 each year.

Ques 5.

Forever Ltd is a leader in brand jewellery. It started its operations in 2003. It sells its products to dealers in major cities across the country. Jewellery is subject to changes in fashion trends. The company bills the dealers on delivery of products and recognise revenue immediately. The dealers manage to sell a significant portion of their purchases and return the unsold products to the company. Sales return in the industry have ranged between 19% and 26% in the past five years. The following table gives the company's sales and return for the past three years in Rs '000s (March 31 fiscal year):

Year	Sales	Sales Returns	Net Sales	Net Profit
2006	6,412	1,375	5,037	2,015
2007	7,907	1,952	5,955	2,692
2008	9,109	2,066	7,043	3,505

The dealers are allowed to return any unsold products throughout the year. Over 70% of the sales happen in the festival season and remaining sales are spread almost evenly throughout the year. The company accounts for sales return during the year.

In 2008, Ram Malhotra, an analyst with a brokerage firm, questioned the Forever Ltd accounting practice for sales return in his research report titled as 'Dubious Accounting by Forever Ltd.' Relevant extracts from the report are as follows:

Forever Ltd has consistently outperformed its industry peers. The company's sales growth of over 18% and margin of 50 % are significantly superior to the industry mean of 12% and 32% respectively. The company's management is focused on the upper end of the market. Almost all of the new products introduced in the last year have done well. We believe that the companies biggest strength are its strong brand, ingenious design, and a committed dealer network.

Even so, we have an issue with the company's accounting for sales return. While the company accounts for all actual returns, it does not account for returns that are probable as of the balance sheet date. What this means is that product sold in a year may be returned in the following year, because they are no longer the flavour of the season. This would increase the revenue in a year of sale and reduce the revenue in the year of return.

Industry trend suggests that sales return exceed 20%. Our view is that the company's delay in recognition of sales returns could result in overstatement of revenue, and what is worse, allow the company to move its revenue from one period to another.

In view of the above we recommend SELL on Forever Ltd's share.

The company has issued following press release in response to the research report:

Forever Ltd is the industry leader in design, innovation and branding and has received a number of awards competing with international jewellers. Sales growth and margin are consistently above the industry peers. The company's shares have returned over 70% over the past three years (as against the NSE 500 return of 34%) and are now a matter of pride for its investors, much the same its products are for its customers. We are deeply disappointed by the negative research reports.

The company recognizes revenue in accordance with the two major conditions in the accounting standards:

- i. The seller of the goods has transferred to the buyer the significant risk and rewards of ownership of the goods and the seller retains no effective control of the goods transferred to a degree usually associated with ownership; and*
- ii. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.*

The company has complied with both these conditions. While there is some probability that the goods may be returned by our dealers, the amount of consideration is certain. Once the company sells the products, ownership passes to the dealers and the company has no control over the goods. Therefore, company

cannot record return of such products. The company accounts for returns from its dealer immediately and refunds the amount promptly. In our view, accounting for expected returns as contrasted with actual returns, is fraught with risk. That kind of accounting would be based on estimation and not on facts.

Required

- a) Evaluate the analyst's comment and the company's response on the company's accounting for sales returns.
- b) Develop an accounting policy for revenue recognition including sales returns.

Ques 6.

Benefice Limited, a pharmaceutical firm, has grown by the acquisition of companies engaged in drug discovery and development. Oncocure, another pharmaceutical firm, owns the rights to several product candidates. It is only engaged in R & D in immunotherapy, a new field that offers great promise in the treatment of cancer with fewer side effects. Recently Benefice acquired Oncocure Limited, including the rights to all of its product candidates and testing and development equipment, and hires all of the scientists formerly employed by Oncocure who were working on the development of the acquired product candidates. Rupali Agarwal, Benefice's controller, is pondering the company's accounting for acquisitions. The management of Benefice has considerable experience in making acquisitions. It has a robust system of identifying potential targets, performing due diligence, valuing the target, negotiating deals, complying with securities, tax and accounting requirements and integrating the acquiree successfully. While there have been some problem cases, most acquisitions have worked well. Of particular relevance to this case is the valuation of the acquiree's business. Inventories and trade receivables are valued at realizable amounts. Property, plant and equipment items are valued based on current or recent transaction prices. Patents and in-process research and development (IPR & D) are the most contentious assets. The target company's owners often build their case for a high valuation based on these assets.

Also, there is a great deal of unease within Benefice on how to allocate the purchase price among the various assets. Spot-on, Benefice's valuers for many years, uses standard methods based on income and cash flows. Even then, Rupali feels that there is much scope for discretion in distributing the purchase price. Since the acquirees often do not have established products, the numbers available are less consistent than for established businesses. Rupali recalled her professor's comment in a financial statement analysis course that valuation was ultimately a matter of opinion.

The auditors had raised concerns about the valuation methodology on Benefice's last acquisition. They felt that the company was pushing the envelope too far in valuing IPR & D. Some in the management were in favour of assigning as much of the purchase price to IPR & D. Others preferred a more conservative approach of expensing as much of IPR & D as possible as part of the acquisition related costs.

Rupali is beginning to wonder if Benefice's accounting requires rethinking. The trigger is the aggressive action being taken by the Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs on acquisition-related accounting including allocation of the

purchase price to intangible assets. A major worry is the effect of any changes in the current accounting practice on earnings. Benefice's investor relations manager has cautioned her against a negative surprise in earnings because of the fallout on stock prices. Rupali plans to meet with Benefice's chief financial officer, Srikant Kelkar, to discuss her concerns. Before the meeting she has asked for data from the research staff.

Required

- 1) What issues should Rupali consider in her decision?
- 2) How will decision affect Benefice's current and future earnings?
- 3) What can we learn from the accounting for IPR & D about Benefice's business prospects?

Sri Ram College of Commerce
Global Business Operations

Exam Roll No. _____

Name of the Course : PGD Global Business Operations

Paper No. : 2.4

Title of the Paper : Legal Environment for Global Business

Semester : II

Time Duration: 2 Hours

Maximum Marks: 70

Instructions:

- 1) Attempt any four questions out of six questions
- 2) All questions carry equal marks
- 3) Answers must be in your handwriting and language.

Attempt any four questions out of six questions. All questions carry equal marks.

- 1 Explain the meaning of current account transaction?
- 2 What are difference legal forms of organisation through with the business in India can be run / undertaken?
- 3 What is Overseas Direct Investment? Is there any restriction on ODI? If yes, please explain briefly?
- 4 How a dispute is resolved at WTO? Explain in detail.
- 5 What do you understand by Transfer Pricing? Explain all methods of Transfer Pricing in brief.
- 6 What do you understand with WTO? What are its key principles? What are the functions of WTO?

Set-I

Exam Roll No:		Paper No:	2.5
Title of the paper:	Computer Application in Business - II		
Name of the course:	PGD Global Business Operations	Semester	II
Max. Time	3 hours	Max. Marks	70

Instructions for candidates:

1. Attempt any Four questions out of Six questions
2. All questions carry equal marks
3. Read the questions carefully and provide precise and point-wise answers.
4. Assume the Data as deemed fit and state all your assumption.
5. Screenshots to be attached are clearly legible and print friendly.

Q1: You are the business consultant to “urbanpals.com,” a small but growing niche e-commerce business selling home maintenance services online.

As the business consultant, you need to give your recommendations using “Technology **Leverage Framework**” consisting of the following:

- 1.1 Two business strategies to address competitive and industry pressures
 - 1.2 Two business processes to support your chosen business strategies
 - 1.3 Two technology components aligning with those business processes
-

Q2: DELHI School of Business (DSB) maintains data about the following:

- Courses: including course ID, title, credits, syllabus, and prerequisites;
- Course offerings: including course number, year, semester, section number, instructor(s), timings, and classroom;
- Students: including student-id, name, subject and marks;
- Classrooms: including student-id, Classroom, days of attendance;
- Library: including student _id, ISBN NO, Book title, check-in, check-out;
- Instructors: including identification number, name, department, and title.

As a management consultant, you need to design the different Information systems to cater the need of DSB;

- 2.1 Discuss and describe the Transaction Processing system and identify two sample reports.
 - 2.2 Discuss and describe the Executive Information Systems and identify two sample reports.
 - 2.3 Construct a Digital Dashboard for the Director of DSB
-

Q3. A lube oil manufacturing company ships and sells car lube oils to various dealers. The dealers pay back to manufacturers based on the date when they start using that particular batch of lube oils. However, in a single shipment, there could be multiple batches of car lube oils. Now the manufacturer has a challenge to know when a particular batch of lube oil has been opened by a dealer for its use. A delay of even a single day in this information processing leads to major revenue loss to the manufacturer.

3.1 Explain how can management information systems help the management to capture this information and present the data and bill rightly to the dealers?

3.2 Describe the ERP systems and how that might be useful for these managers.

3.3 Identify and justify which business decisions of this company can be moved out to top management level of the organization?

Q4: An eCommerce company maintains data about the following entities:

- Customer: including Title, Name, Gender, Address, Telephone Number and eMailID
- Order: including OrderNumber, Date, ProductID, Quantity, Price and GST
- Product: including Product-id, Name, UnitPrice and SupplierID
- Supplier: including Name, Gender, Address, Telephone Number and eMailID
- Payment: including PaymentId, Date, Amount and payment Method

4.1 Construct an E-R diagram (ERD) for this eCommerce Company. Document all notations and assumptions that you have considered about the mapping constraints.

4.2 As a business consultant you are required to illustrate the Business Intelligence ecosystems and list out the various benefits and characteristics of the proposed Data Warehouse for this eCommerce company

Q5: Consider the 'Customer' table given below and **attach the snapshots of Query Design Window from MS- Access**, for the following questions: (No need to upload the snapshots of Query results)

CustomerID	CustomerName	City	InvoiceValue
7001	Mini Milap	Meerut	₹10,000.00
7002	Neil Sharma	Pune	₹15,000.00
7005	Kumar Pradeep	Patna	₹35,000.00
7006	Maneesh	Pune	₹50,000.00
7003	Lakshay Kumar	Mathura	₹65,000.00
7007	Puneet Jain	Pune	₹70,000.00

5.1 Design a query to display all records whose CustomerName start or end with "P" in Ascending order of CustomerName.

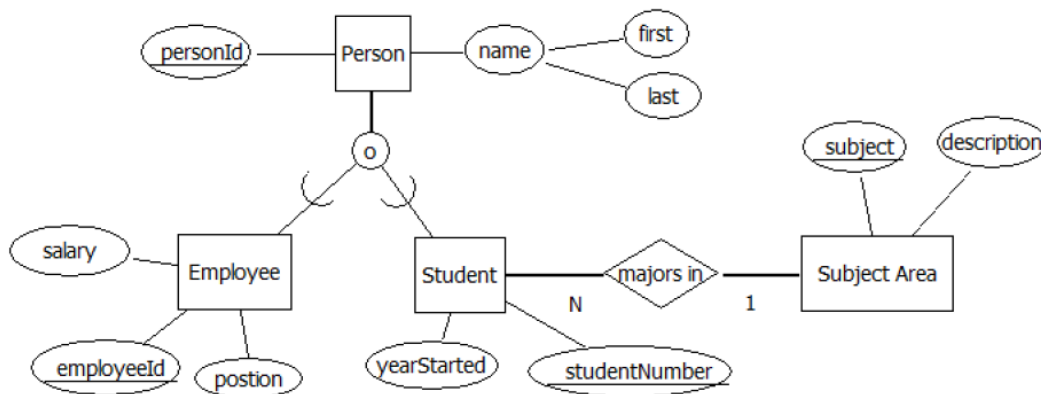
5.2 Design a query to display all the records having CustomerID between **7002 and 7006**

5.3 Design a parametric query to display the entire record by entering CustomerID at runtime.

5.4 Design a calculated field 'Discount', where Customer receives a 10% Discount on the InvoiceValue

5.5 Design a query to display **the Total InvoiceValue and Total Discount** for the **Pune** based customers whose individual Discount value is less than **₹7000**

Q6: Please refer the following first cut E-R Diagram which represents a University Model where a person may be a student and/or an employee, and where students declare a major subject area:



6.1 Create an appropriate MS Access Database with relevant Table Objects. assuming suitable Case Notation, Data Types, Field Properties and Foreign Keys. There is no need to enter any data for the tables.

6.2 List out at least one suitable field property like "Input mask" "validation rule "and "validation text" for each table to enhance the quality of data capturing.

6.3 Create appropriate relationship among All the Tables and **attach the snapshot of MS Access Database Tools-Relationships Diagram**

INDIA'S FOREIGN TRADE

Exam Roll No

Paper No.: 2.6

Title of the Paper: India's Foreign Trade & Policies

Name of the Course: PGD Global Business Operations

Semester: II

Maximum Marks: 70

Instructions

- 1. Answer four of the questions**
- 2. All questions carry equal marks**

Q1. Analyse in detail Vietnam's economic rise and what India can learn from Vietnam with respect to economic growth, trade and exports

Q2. In the context of the Chinese OBOR initiative, discuss in detail how India can plan a response and also engage with her neighbours in Asia

Q3. Analyse in detail Singapore's economic raise and what India can learn from Singapore with respect to economic growth, trade and exports

Q4. Which are the ways in which India can address her trade imbalances. Analyse with regard to the composition of India's basket of imports and exports as well as looking at India's trading partners.

Q5. What should India's strategy be with respect to trade agreements that have been discussed in class– analyse possible FTAs, RCEP etc

Q6. Explain how the recent coronavirus issues can impact foreign trade; and what can India do in the current set of circumstances. Use data regarding the impact on various sectors and traded goods and services to support your answer.

Exam Roll No

Paper No. : 2.7

Title of the Paper : Cross Cultural Buying Behaviour

Name of the Course : PGD Global Business Operations

Semester : II

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

1. **Attempt any four questions out of six questions**
2. **All questions carry equal marks**
3. **Please write legibly.**

Q1. Explain the WORKING of any ONE of the following THREE consumer behaviour models using a real life case study or even a hypothetical example: Howard – Sheth Model of consumer decision making or The Engel Kollat Blackwell Model or The Bettman's Information Processing Model.

Q2. What is Gamification? How can gamification be applied in the context and study of cross cultural buying behaviour.

Q3. Select any new product or new brand or new brand variant that has witnessed extremely slow diffusion in its sales volume since its national or even international rollout. What have been the causes of its slow diffusion. Suggest strategies that the firm needs to implement in order to transform the said chosen new product/ new brand/ new brand variant into a fast diffusing innovation.

Q4. Discuss in detail how the Chinese urban consumer behaviour has been transformed post covid 19. What are the business implications for the above behavioral transformations.

Q5. Showcase the working of the Hierarchy of Effects model with the help of a real life case study in context of SHAPING strategy of consumer behaviour.

Q6. Write short notes on any two:

- a) Japanese consumer behaviour
- b) Islamic Banking
- c) Sustainability as a future competitive advantage in context of consumer choice criteria.
- d) Consumer dissonance and redressal strategy for the same.

P.G. Diploma in Global Business Operations
Semester-1
(Nov/Dec-2015)
Paper- 1.7: Computer Applications in Business

Time Allowed- 3 Hrs.

Max marks-70

Instructions

Attempt all the questions. The marks of each question are indicated against the question.

1. a) How do the different functional components interact with each other for data processing? Explain with the help of a diagram (7)

b) Perform the following operations and verify the results so obtained using decimal number system:

I. $11111_2 + 1100_2 + 1101_2$

II. $11011_2 - 10101_2$

III. $10111_2 \times 1111_2$

IV. $10110011 \div 110$

V. $1101 \cdot 101 + 101 \cdot 111$ (7)

Or

c) The following data was obtained for the sales representatives of a company:

	B	C	D	E	F	G	H	I
1	Name	ID	Items sold	Value	Commission			
2	Harsh	9	11	\$ 100.00	none			
3	Kim	7	15	\$ 230.00	none			
4	Deepak	8	5	\$ 50.00	full			
5	Sumit	13	7	\$ 30.00	half			
6	Jenifer	10	19	\$ 200.00	full			
7	Davis	12	8	\$ 45.00	half			
8	Lalit	14	5	\$ 20.00	half			
9	Swaminathan	11	2	\$ 35.00	none			
10	Rajesh	4	4	\$ 50.00	half			
11	Deepa	3	9	\$ 100.00	full			
12	Sunny	6	13	\$ 100.00	full			
13	Monika	5	1	\$ 10.00	full			
14	Prakash	1	6	\$ 70.00	none			
15	Mohan	2	10	\$ 110.00	half			

The company is interested in finding out the list of those employees with their other details (excluding ID) who have



i) sold more than 10 items having value more than 100

ii) sold more than 10 items or has added value more than or equal to 100

Write down the steps to find out the list. Assume output cell numbers on your own. (8)

d) How are the computers helpful to human beings ? Give at least seven areas where computers are prominently used now a days (6)

Q-2 Attempt any **two** of the following. (2x7=14)

a) . "The operating system acts as the manager of the various resources of a computer system". Discuss the statement enumerating the different functions performed by the operating systems.

b) Briefly explain the following types of operating system :

- (i) Uniprograming,
- (ii) Multitasking,
- (iii) Multithreading, and
- (iv) Real time

c) What do you mean by an application software? Briefly explain the different types of application software. How is an application software different from a system software?

Q-3 a) What do you mean by wireless networking? What are the problems with wireless networks? (6)

b) Explain the prevalent topologies of local area networking with their advantages and disadvantages. (8)

Or

c) Briefly explain the following with suitable diagrams : (8)

- Star topology
- Tree topology
- Bus topology.

d) Discuss the following :

- (i) 2-tier client server architecture
- (ii) 3-tier client server architecture (6)

Q-4 a) What do you mean by normalization ? Explain first three normal forms of a relational database using an example from the real world (6)

b) In a university students (Roll No, Name, Age, Address) are admitted to different colleges (Id, Name, Location) for different courses (Id, Name, duration). Considering the above facts present an ER-Diagram. Clearly state the relationship



(8)

Or

c) Explain various keys of a relation. (7)

d) An organization maintains database of its employees in a database named "Giga Ltd". It contains two tables named "Employees" having attributes- E_Code, E_Name, Department and Experience; and "Pay_Details" having attributes- E_Code and Basic_Pay..

You are required to write down SQL statement to be implemented for the query in which you want to find out sum of the basic pay, renamed as Total_Pay, paid to employees of Marketing Department. The query should also provide the information about E_code, E_Name, Experience and the Department of the employees. (7)

Q-5 a) What are the different types of search engines? Give at least two examples of each type. (6)

b) Explain the following :

- i. Browsers
- ii. Search engines
- iii. World Wide Web.

(8)

Or

c) What are the similarities and difference between paper mail and e-mail ? (6)

d) Read the information from the following excel sheet and fill the required formulas in the cells that are numbered (a through l) (8)

	A	B	C	D	E	F	G	H
1	Amount of Loan		100000		Bi-monthly	6		
2	Period of Loan		5		Half-Year	2		
3	Rate of Interest		10%		Monthly	12		
4	Periodicity	Monthly		a	Quarterly	4		
5	Amount of Installment			b	Yearly	1		
6	Sr. No.	Op. Bal	Interest	Installment	Cl. Bal			
7	1	c	d	e	f	Interest in 20th Installment		i
8	g	h				Principal in 20th Installment		j
9						Cumulative interest for 5-10 installments		k
10						Cumulative Principal for 5-10 installments		l



Unique Code: A-102

P.G. Diploma in Global Business Operations

Semester-1

(Nov/Dec-2015)

Paper- 1.2: ECONOMICS FOR MANAGERS

Time Allowed- 3 Hrs.

Max marks-70

Instructions

Attempt any ten questions. All questions carry equal marks. (10 X 7)

- Q.1 If the income elasticity of demand for a good exceeds one, the relative price of that good will rise as real percapita income increâses, that is, will rise relative to the goods whose income elasticity is less than one. True or false? Explain.
- Q.2 Neera consumes two goods x and y with a fixed money income: if her cross elasticity of demand for x with respect to price of y is greater than zero, than we can infer that her demand for y is less elastic. True or False? Explain
- Q.3 "A monopoly's profits are not necessarily bad, but its reduction in output is". Evaluate this statement.
- Q.4 It never pays a monopolist to sell at a low price in one market when he can get a higher price in another market. Evaluate this statement.
- Q.5 Neha has always decided to spend one third of her income on clothing.
- A. What is her income elasticity of demand for clothing?
- B. What is her price elasticity of demand for clothing.
- Q.6 The demand for beer is more elastic than the demand for milk. Would a tax on beer or a tax on milk have a larger deadweight loss? Why

- Q.7 Why has the OPEC oil cartel succeeded in raising prices substantially, while the CIPEC copper cartel has not? What conditions are necessary for successful cartelization?
- Q.8 Most labour economists believe that many adult male are on the vertical section of their labour supply curves. Explain when and why someone's supply of Labour curve would be vertical, using the concept of income and substitution effects.
- Q.9 What problems can adverse selection and moral hazard cause in labour market? What steps do firms take to deal with these problems?
- Q.10 "In the long run equilibrium the price just covers average production cost and every firm is making zero economic profit. Thus if the price goes down, even a little bit, all the firms will have to go out of Business" True or False? Explain.
- Q.11 "If Consumer do not buy less of a commodity when their income rises, they will surely buy less when the price of a commodity rises" explain the statement using the concept of income and substitution effect.
- Q.12 Suppose a technological advance reduces the cost of making computers.
Draw a supply and demand diagram to show what happens to price, quantity, consumer surplus and producer surplus in the market for software?
Should software producer be happy or sad about the technological advance in computers?

SHRI RAM COLLEGE OF COMMERCE
P.G. Diploma in Global Business Operations

Semester-I
(Nov/Dec-2015)
Paper- 1.4: Principles of Marketing

Time Allowed- 3 Hrs.

Max marks-70

INSRUCTION OF CANDIDATES

Answer any 7 out of 10 questions.

Each question is worth 10 marks.

- Q.1 Maggi Masala Noodles are making a quiet entry back into the Indian Market. Simultaneously Baba Ramdev's Patanjali Noodles have also been launched. What should be Maggi Noodles new marketing strategy to the changed marketing environment.
- Q.2 Bata footwear is facing increasing fall in its market share and revenue especially in the urban market. Suggest a revival marketing strategy for Bata with respect to its target audience.
- Q.3 Paper Boat is a non-alcoholic beverage brand that is slowly making in -roads into the urban consumer mindset. Identify what is differentiating Paper Boat from all other competing brands especially with respect to 4P's.
- Q.4 Are there any gaps existing in the Indian soap market with respect to any segments that have not been serviced. For example does the rural market need a "floating" bathing soap for users taking a bath in a pond /lake etc. In case there are any such gaps identify the target segment for which such gaps exist and the innovative product offering for such a segment.

- Q.5 Baba Ramdev's Patanjali FMCG blitzkrieg is causing major problems for HUL, P&G Colgate etc. Suggest a marketing strategy for Baba Ramdev to further consolidate its hold with the upper middle class Indian urban consumer.
- Q.6 Discuss the nature of competition that is presently taking place between Samsung, Micro max and Apple in the Indian handset market.
- Q.7 The recent past (last 2 years) has seen a large number of brand failures. Select any one such brand failures and explain the reasons for the brand's failure in the Indian market.
- Q.8 Given the brand equity and retail experience of "Haldiram Bhujjiyawale" should Haldiram challenge Mc Donald's, Pizza Hut and Domino's with new innovative product offerings. Why or Why not?
- Q.9 The Indian Postal Department has one of the strongest distribution network across the country and will be entering the retail "Banking services" shortly. In the context of 7P's of service marketing. What should be Indian Postal Departments strategy to promote increased use of postal services given the increased number of technological advanced substitutes such as SMS and e-mail services.
- Q.10 Maruti Limited is aggressively entering the luxury segment of the automobile car market in urban India and has introduced exclusive retail format called "Nexa" Evaluate Maruti's marketing strategy in context of the highly competitive market.

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS**SEMESTER I****(NOV./DEC. 2015)****Paper Code: 1.5****QUANTITATIVE TECHNIQUES - I****TIME ALLOWED : 3 HOURS****MAXIMUM MARKS : 70***All the five questions are compulsory.**All the parts of a question should be answered together and in the given order.**Logarithmic Tables and graph paper will be supplied on demand.**Use of simple calculator is allowed.*1. *Attempt any two parts:*

- (a) For a distribution of incomes of families in a certain city, state the percentile(s) appropriate to determine each of the following:
- (i) Minimum income of the top 20 percent families.
 - (ii) Minimum taxable income if it is desired that 70 percent of the families pay tax.
 - (iii) Maximum income of the families which qualify for a grant of food ration from state ration shops, if it is desired to allow two-fifths of the families to do so.
 - (iv) To determine the income limits of the middle 30 percent of the families.
 - (v) The level of income below which 48 percent of the families lie.
 - (vi) To obtain the inert-quartile range
 - (vii) The median income

- (b) The profits of a large company showed following changes in the last five years.

Year:	2010	2011	2012	2013	2014
Percent	12%	8%	14%	26%	4%
Change:	increase	decrease	increase	increase	decrease

Calculate average change over the five-year period.

- (c) An analysis of monthly wages gives the following results:

	<i>Firm A</i>	<i>Firm B</i>
No. of workers	45	55
Average monthly wages	Rs 1,560	Rs 1,240
Standard Deviation	Rs 80	Rs 80

- (i) Which firm has a larger wage bill?
- (ii) In which firm is there more uniformity in wages?
- (iii) What is the combined standard deviation of the wages in the two firms? 7+7

2. Attempt any two parts:

(a) The distribution of income for 400 families is given below:

Income (000 Rs)	No. of Families
5 – 10	28
10 – 15	44
15 – 20	56
20 – 30	72
30 – 50	65
50 – 70	100
70 – 90	22
90 – 120	13

Calculate median income, lower quartile income and upper quartile income. Hence, calculate Bowley's co-efficient of skewness.

(b) Below are given figures of production of a sugar factory:

Year:	2007	2008	2009	2010	2011	2012	2013	2014
Production:	84	94	96	87	98	103	96	114

('000 tons)

- Fit straight line trend to the above data by the method of least squares, taking 2010 – 11 as the origin.
- What is the average annual change in the sugar production?
- Obtain trend values for various years. Show that the sum of difference between actual and trend values is equal to zero.
- What is the projected production for the year 2016?

(c) From the following data, calculate price index numbers for the year 2015 using (i) Laspeyres, (ii) Paasche's and (iii) Fisher's methods.

Commodity	2014		2015	
	Price	Quantity	Price	Quantity
A	25	150	28	135
B	155	48	180	40
C	54	120	45	190
D	42	95	48	82
E	16	135	24	125

7+7

3. (a) A sample of eight employees is taken from the production department of a light engineering factory. The data that follow relate to the number of weeks experience in the wiring of components, and the number of components which were rejected as unsatisfactory last week:

Employee:	A	B	C	D	E	F	G	H
Weeks of experience:	4	5	7	9	10	11	12	14
Number of rejects:	21	22	15	18	14	14	11	13

Calculate the coefficient of correlation for these data and interpret its value. Obtain the regression equation of rejects on experience. Obtain the number of rejects you would expect from an employee with 2 weeks of experience.

OR

While making calculations about correlation coefficient, a student obtained the following results:

$n = 25, \Sigma X = 125, \Sigma X^2 = 650, \Sigma Y = 100, \Sigma Y^2 = 460, \text{ and } \Sigma XY = 508$
 It was discovered later, however, that two pairs of values were wrongly recorded as

X	Y		X	Y
6	14	while the correct values were:	8	12
8	6		6	8

Calculate the corrected coefficient of correlation. 10

- (b) Two random variables have the regression lines with equations $9X + 6Y - 156 = 0$ and $6X + Y - 80 = 0$. Find the mean values of X and Y and the correlation coefficient between them. 4

4. A manufacturing company makes three products, each of which requires three operations as a part of the manufacturing process. The company can sell all of the products it can manufacture but its production capability is limited by the capacity of its operations centres. Additional data concerning the company are as follows:

Product	Manufacturing Requirement (hrs/unit)			Cost (Rs)	Selling Price (Rs)
	Centre 1	Centre 2	Centre 3		
A	1	3	2	11	15
B	3	4	1	12	20
C	2	2	2	10	16
Hours availability	160	120	80		

- (i) What is the optimal product mix? What is the maximum profit?
 (ii) What are the shadow prices of the resources? When the optimal solution has been reached, which resource has the highest marginal value?
 (iii) State the dual to this problem and write its optimal solution. 14

OR

- (a) Write dual to the following linear programming problem:

$$\begin{aligned} \text{Maximize } Z &= 17x_1 + 12x_2 - 15x_3 \\ \text{Subject to } x_1 + 2x_2 + 3x_3 &\leq 50 \\ 2x_1 + 3x_2 - 4x_3 &\geq 40 \\ 3x_1 + 4x_2 + 5x_3 &= 75 \\ x_1, x_2, x_3 &\geq 0 \end{aligned}$$

- (b) A retired lady wants to invest up to an amount of Rs 300,000 in fixed income securities. Her broker recommends investing in two bonds: Bond A yielding 8% per annum and Bond B yielding 10% per annum. After some consideration, she decides to invest at most Rs 120,000 in Bond B and at least Rs 60,000 in Bond A. She also wants that the amount invested in Bond A should be at least equal to the amount invested in Bond B. If the investor wants to maximize the return on investment, how much should she invest in each of the bonds? Formulate the investment problem as a linear programming problem and solve it graphically. 7+7

5. *Attempt any two parts:*

- (a) Containers Ltd. is a company that makes containers of many sizes and shapes. It has recently received orders to produce various amounts of five different sizes of kitchen containers. Each container size can be produced on any one of the four machines. Due to different technologies and setup times, the total number of hours, including the setup time, needed to process each container size on each machine varies, as shown in the following table. In the table, the container size is indicated in the first column by its height and diameter in inches.

<i>Container size</i>	<i>Machine</i>			
	1	2	3	4
3 × 4	25	20	28	30
4 × 6	24	22	25	23
6 × 8	30	30	28	25
8 × 12	38	32	30	30
12 × 18	40	40	28	30

Setting up a machine to switch from making one size container to another takes a long time, so management has decided that each machine will produce containers of only one size. As manager of the Production Department, you have been asked to determine which four of the five orders to accept and to develop a production plan that minimizes the total processing time for satisfying those orders.

- (b) How does the simplex algorithm indicate that:
- There is an alternate optimal solution?
 - A problem has no feasible solution?
 - A given solution is optimal?
 - A solution is degenerate?
 - A problem has unbounded solution?
- (c) Solve the following transportation problem for minimum cost. What is the total transportation cost?
Is the optimal solution obtained by you unique? If not, find another optimal solution.

<i>Plant</i>	<i>Market</i>				<i>Supply</i>
	M_1	M_2	M_3	M_4	
P_1	10	4	8	10	300
P_2	6	11	3	6	500
P_3	4	12	13	8	400
Demand	450	200	350	200	1200

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

SEMESTER I

November / December 2015

Paper Title: Organisational Psychology

Time Allowed: 3 HRS.

MAXIMUM MARKS: 70

INSTRUCTIONS TO CANDIDATES
Given Separately for Each Part

Question No.	Questions	Marks
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Part – I

*This question is **COMPULSORY**.
It carries **FIFTEEN** marks.*

15

1. Write short notes on any **three** :
 - a. VUCA
 - b. Effectiveness and Efficiency
 - c. Working of a Business Organisation
 - d. SWOT
 - e. Characteristics of a healthy organizational climate
 - f. Power Bases

Part – II

*Answer any **THREE** questions.
Each question carries **TEN** marks.*

10 Each

2. Assume that a friend of yours contends that “the collegial model is obviously the best to use with all employees in all organizations?” How would you respond and why?
3. Create a set of ten action-oriented guidelines that help managers decide what they should do to motivate employees in different situations.
4. You have joined an organization where people are always judging each other. In many cases these judgments even have negative consequences for the organization. What sequential steps would you take to improve the situation?
5. Review the typical stages in a group’s development into a team. Think of a time when you were a member of a group which was expected to become a team. Did you experience all those stages? Did they appear in a different order? Did some of them emerge more than once? Give reasons for your answer.
6. “Culture is transmitted to employees in a number of forms, the most potent being stories, rituals, material symbols and language.” Discuss.
7. Explain Edward de Bono’s concept of six thinking hats. How is this model useful in problem solving? Illustrate using an example.

Part – III

This case is **COMPULSORY**.

It carries **TWENTY FIVE** marks.

25

8. Read the following case carefully and answer the questions that follow :

SENIOR CMO ADHIKARI

Dr. Adhikari is a Senior Chief Medical Officer (CMO) in a hospital in Delhi. He has been a Senior CMO for quite some time and has been rated by many as one of the most effective doctors with good administrative skills. He has been considered an intelligent, tactful and effective leader by all concerned including his superiors.

As part of his organisational duties, Dr. Adhikari directs four units of his hospital through his competent controlling skills and aggressive executive influence. These units are given the name of units A,B,C and D within the hospital and are headed by Dr. Kapoor, Dr. Afzal, Dr. Vidya and Dr. Shastri respectively. All these four doctors working with Dr. Adhikari, care for his guidance and advice whenever they receive it from him in the day to day functioning of their respective hospital units.

During a particular week, Dr. Adhikari went on an inspection of all the four units under his control.

First, he went on a round of Unit A (Physiotherapy), which was working under the able charge of Dr. Kapoor. In this unit, achieving day to day goals had become some kind of a routine for the group because these goals and the procedures for achieving them had become very well known to all involved in achieving them as well as to the patients. During the round, Dr. Adhikari was informed that some of the items recommended for implementation of patient welfare had not yet been completed by the group. Dr. Adhikari told Dr. Kapoor to get the things done by giving some incentives to his subordinates as also closely monitor their performance. He also requested Dr. Kapoor to keep him informed on the progress achieved as and when convenient.

Dr. Adhikari then went on a round of unit B (Psychiatry), which was working under the charge of Dr. Afzal. In this unit also, the overall goals were well understood and supported. However, as the situation will have it, Dr. Adhikari was expected to turn out high quality work and service with the help of this unit. When he found during questioning, that some of the items recommended for completion had not been implemented, he became a little thoughtful. After some time, he advised Dr. Afzal to increase his co-ordinational efforts amongst his staff by paying a little more attention to his interpersonal relations with them through good communication and counseling.

Thereafter, he went on to undertake his inspection of the other units C (ICU) and D (Blood Bank), the nature of whose work, he perceived as challenging. Life in these two units was known to be rough and many risks were involved in taking decisions for implementing goals. In these units, redefining goals often became necessary and the central issues were those of commitment of all involved rather than of competence. Accordingly, junior doctors of "chosen" abilities were put in charge of these two units.

As far as the chosen in-charges of units C and D are concerned, Dr. Vidya is a unit in-charge of standing and many senior doctors have been quite satisfied with the way she conducts work in her unit. Dr. Vidya's unit has shown good results again and has also

received appreciation from patients and their attendants. There are many senior persons in Dr. Vidya's unit who along with the in-charge have shown a high sense of responsibility and are almost self-motivated to achieve results for the unit.

Further, Dr. Shastri has been the in-charge of Unit D for a year or so. He has been a good subordinate and it is felt by many that he may establish himself as a good unit in-charge as well.

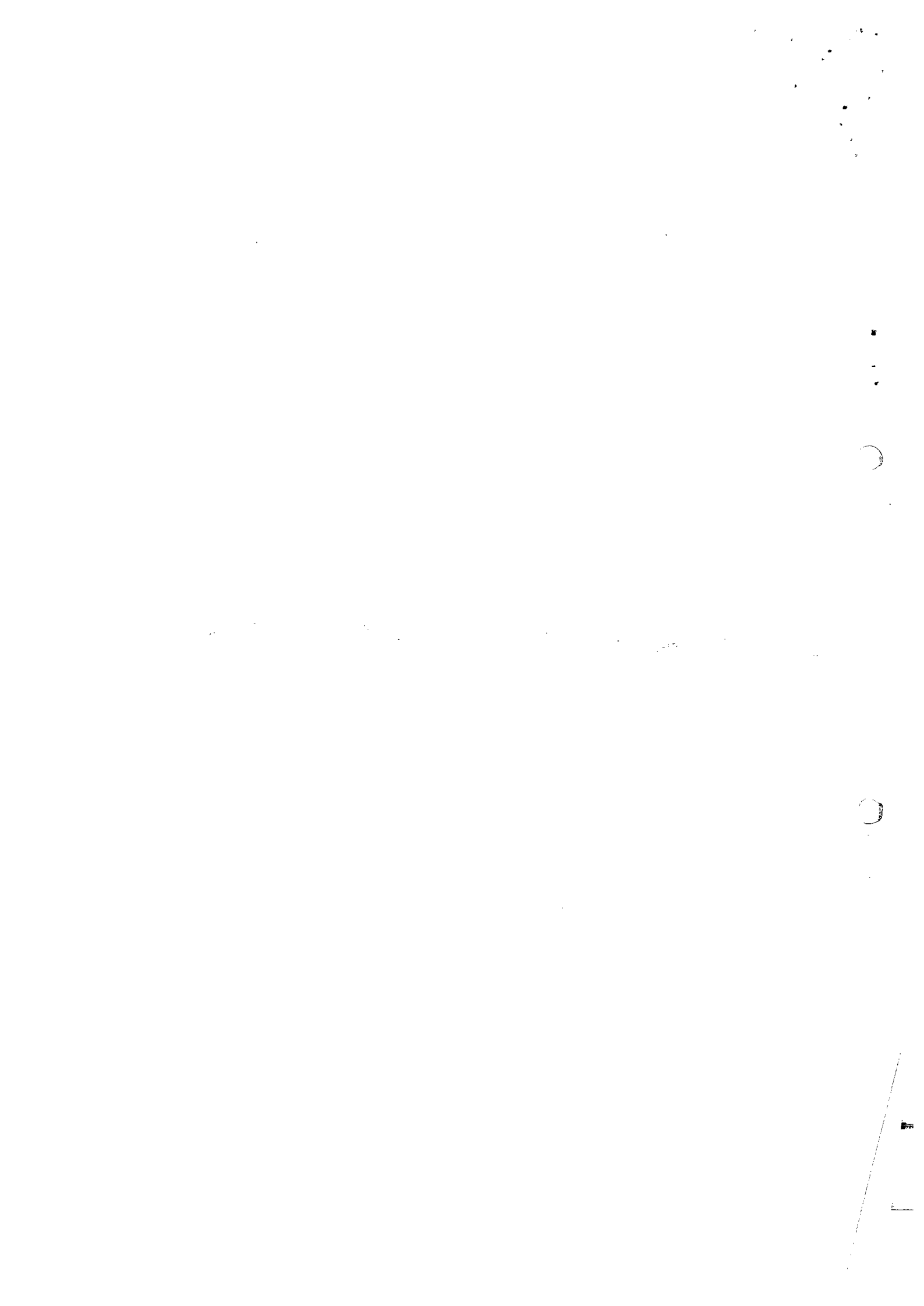
Once again, on to Dr. Adhikari's inspections of his units.

Dr. Adhikari started with Unit C which was headed by Dr. Vidya. There he found that some items suggested for improvement in the previous report had still not been implemented by Dr. Vidya and her team. Dr. Adhikari made a casual mention of these items to the in-charge and closed the topic as far as this issue was concerned. He went on to other items on his inspection list for that unit.

After completing his inspection in Dr. Vidya's unit, Dr. Adhikari went to inspect Dr. Shastri's unit D. In this unit also he noticed that a number of suggestions which were made in the last inspection report had not been implemented so far by Dr. Shastri and his team. He felt rather bad about such state of affairs and told the unit in-charge to personally look into these and do something early. Dr. Adhikari, however, indicated that any difficulty faced by Dr. Shastri in implementing the suggestions could be discussed with him and he will be glad to help.

Questions

- A. Do you find any difference in the leadership style of Senior CMO Dr. Adhikari in inspecting the four units, i.e., A,B,C and D? Give reasons for your answer.
- B. Discuss the appropriateness or otherwise of the leadership styles referred to in question 1 above.
- C. Describe how you would go about managing the four units if you were Dr. Adhikari.
- D. Give an appropriate title to the case giving reasons.



P.G. Diploma in Global Business Operations
Semester-1
(Nov/Dec-2015)
Paper- 1.7: Computer Applications in Business

Time Allowed– 3 Hrs.

Max marks-70

Instructions

Attempt all the questions. The marks of each question are indicated against the question.

1. a) How do the different functional components interact with each other for data processing? Explain with the help of a diagram (7)
- b) Perform the following operations and verify the results so obtained using decimal number system:
 - I. $11111_2 + 1100_2 + 1101_2$
 - II. $11011_2 - 10101_2$
 - III. $10111_2 \times 1111_2$
 - IV. $10110011 \div 110$
 - V. $1101 \cdot 101 + 101 \cdot 111$ (7)

Or

- c) The following data was obtained for the sales representatives of a company:

	B	C	D	E	F	G	H	I
1	Name	ID	Items sold	Value	Commission			
2	Harsh	9	11	\$ 100.00	none			
3	Kim	7	15	\$ 230.00	none			
4	Deepak	8	5	\$ 50.00	full			
5	Sumit	13	7	\$ 30.00	half			
6	Jennifer	10	19	\$ 200.00	full			
7	Davis	12	8	\$ 45.00	half			
8	Lalit	14	5	\$ 20.00	half			
9	Swaminathan	11	2	\$ 35.00	none			
10	Rajesh	4	4	\$ 50.00	half			
11	Deepa	3	9	\$ 100.00	full			
12	Sunny	6	13	\$ 100.00	full			
13	Monika	5	1	\$ 10.00	full			
14	Prakash	1	6	\$ 70.00	none			
15	Mohan	2	10	\$ 110.00	half			

The company is interested in finding out the list of those employees with their other details (excluding ID) who have

i) sold more than 10 items having value more than 100

ii) sold more than 10 items or has added value more than or equal to 100

Write down the steps to find out the list. Assume output cell numbers on your own. (8)

d) How are the computers helpful to human beings ? Give at least seven areas where computers are prominently used now a days (6)

Q-2 Attempt any **two** of the following. (2x7=14)

a) . "The operating system acts as the manager of the various resources of a computer system". Discuss the statement enumerating the different functions performed by the operating systems.

b) Briefly explain the following types of operating system :

(i) Uniprograming,

(ii) Multitasking,

(iii) Multithreading, and

(iv) Real time

c) What do you mean by an application software? Briefly explain the different types of application software. How is an application software different from a system software?

Q-3 a) What do you mean by wireless networking? What are the problems with wireless networks? (6)

b) Explain the prevalent topologies of local area networking with their advantages and disadvantages. (8)

Or

c) Briefly explain the following with suitable diagrams : (8)

- Star topology
- Tree topology
- Bus topology.

d) Discuss the following :

(i) 2-tier client server architecture

(ii) 3-tier client server architecture (6)

Q-4 a) What do you mean by normalization ? Explain first three normal forms of a relational database using an example from the real world (6)

b) In a university students (Roll No, Name, Age, Address) are admitted to different colleges (Id, Name, Location) for different courses (Id, Name, duration). Considering the above facts present an ER-Diagram. Clearly state the relationship

(8)

Or

c) Explain various keys of a relation.

(7)

d) An organization maintains database of its employees in a database named "Giga Ltd". It contains two tables named "Employees" having attributes- E_Code, E_Name, Department and Experience; and "Pay_Details" having attributes- E_Code and Basic_Pay..

You are required to write down SQL statement to be implemented for the query in which you want to find out sum of the basic pay, renamed as Total_Pay, paid to employees of Marketing Department. The query should also provide the information about E_code, E_Name, Experience and the Department of the employees.

(7)

Q-5 a) What are the different types of search engines? Give at least two examples of each type.

(6)

b) Explain the following :

- i. Browsers
- ii. Search engines
- iii. World Wide Web.

(8)

Or

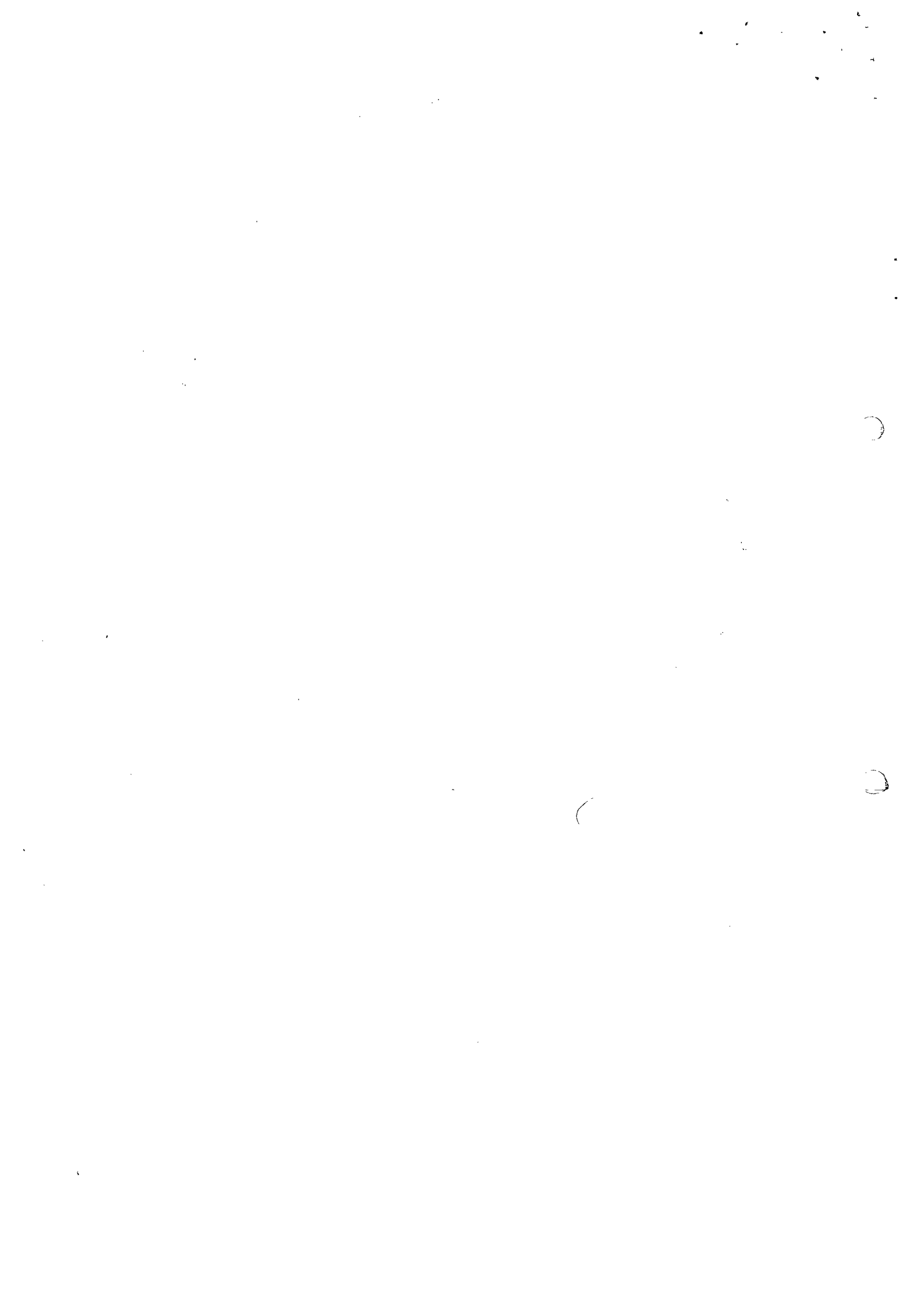
c) What are the similarities and difference between paper mail and e-mail ?

(6)

d) Read the information from the following excel sheet and fill the required formulas in the cells that are numbered (a through l)

(8)

	A	B	C	D	E	F	G	H
1	Amount of Loan		100000		Bi-monthly	6		
2	Period of Loan		5		Half-Year	2		
3	Rate of Interest		10%		Monthly	12		
4	Periodicity	Monthly		a	Quarterly	4		
5	Amount of Installment			b	Yearly	1		
6	Sr. No.	Op. Bal	Interest	Installment	Cl. Bal			
7	1	c	d	e	f	Interest in 20th Installment		i
8	g	h				Principal in 20th Installment		j
9						Cumulative interest for 5-10 installments		k
10						Cumulative Principal for 5-10 installments		l



SHRIRAM COLLEGE OF COMMERCE
P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS
(Semester III) (Paper Code: 3.4)

MID TERM EXAMINATION, Nov. 2014
DOCUMENTATION FOR GLOBAL TRADE

Time: 2 Hours
Max. Marks: 50

NOTE: Attempt any **THREE** Questions. All questions carry equal marks.

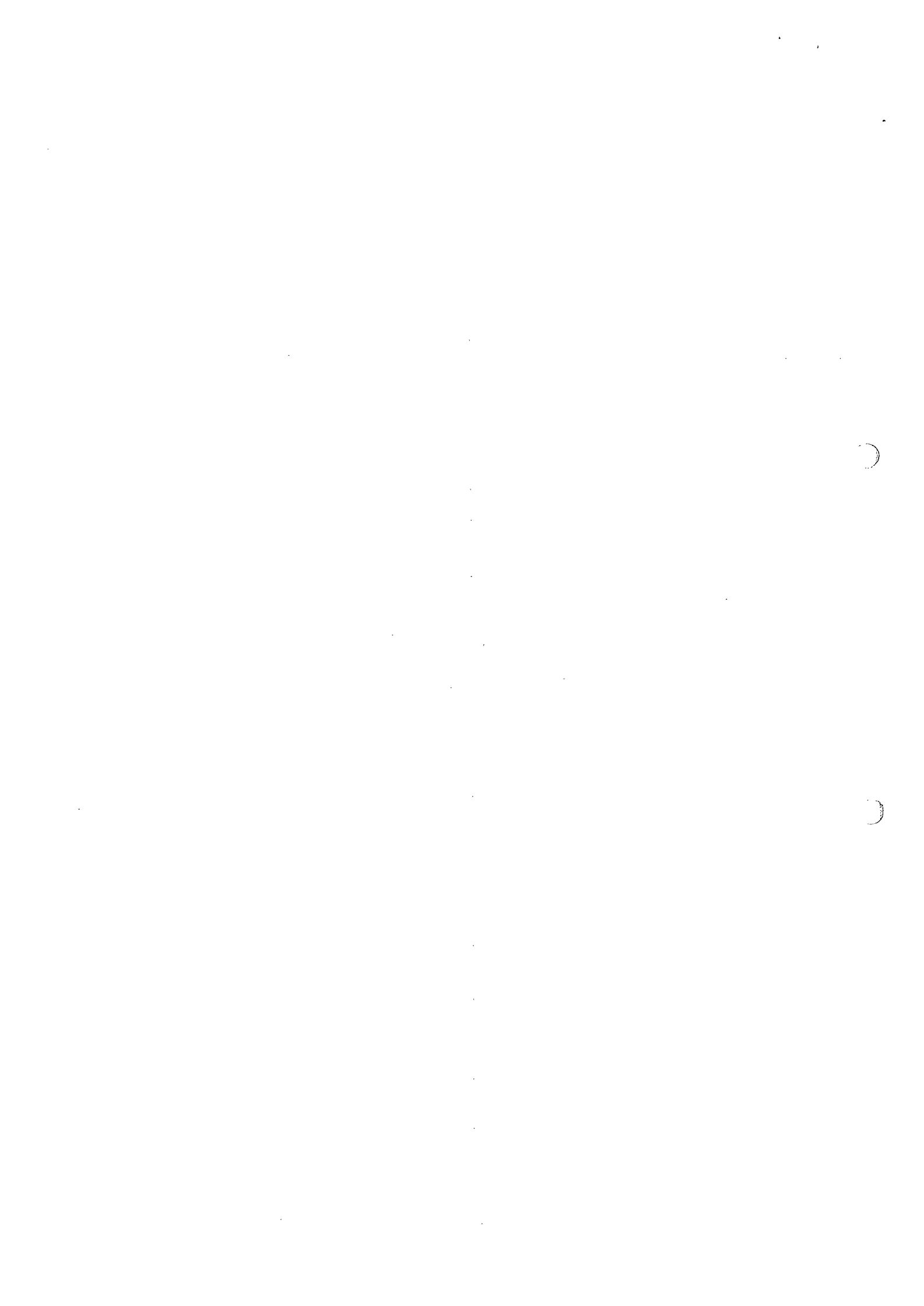
Q.1. How are regulatory documents different from commercial documents? Explain the difference between commercial invoice and consular invoice.

Q.2. "Letter of Credit is the safest and the most unsafe mode of payment". Comment critically. Which is a better mode of payment- D/A or D/P and why?

Q.3. What is meant by Packing Credit? Discuss main features of Packing Credit.

Q.4. Write Short Notes on (any TWO):-

1. PCFC
2. INCOTERMS-2000
3. UCPDC-600



SHRIRAM COLLEGE OF COMMERCE
P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS
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SHRI RAM COLLEGE OF COMMERCE
P. G. Diploma in Global Business Operations
(SEMESTER- IV)

(Mid Semester Examination: 2015)
Procedures and Logistics for Global Trade

Time Allowed: 2 Hours

Maximum Marks: 50

Kindly start each question on a fresh sheet

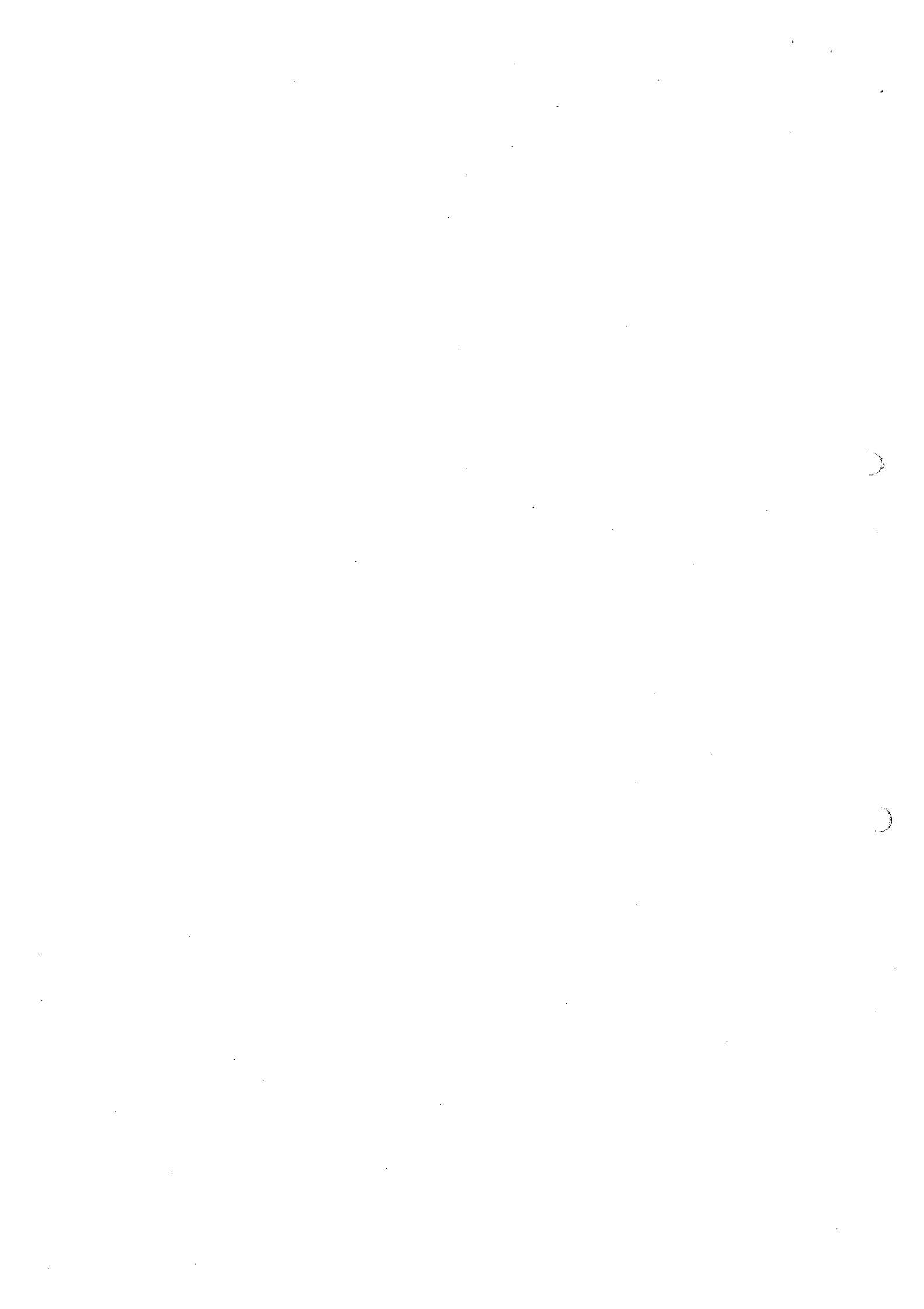
Answer any two questions

1. As per Government of India trade policy for oil imports the cargo is traded under FOB terms, explain the reasoning behind such a policy and draw a comparison with CIF terms. As an exporter what would be your preferred INCO terms keeping in mind risk mitigation strategy.

2. Shipping is said to be the life blood of global economy discuss this statement with suitable examples.

3. International trade logistics could be termed as reflection of Governmental Policies, Geo-politics, foreign relations, World Economy, Infrastructure development. Discuss this statement with examples.

4. High seas sales is very much prevalent practice in oil and bulk trade, it is believed that the cargo is sold many a times whilst at sea before being finally delivered to the ultimate buyer. Explain the whole process by means of a flow chart diagram. Also identify the role of Bills of Lading in such trade and identify the key operational risks associated with Oil trade.



P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

**SEMESTER-III
(NOV./DEC. 2015)**

Paper-3.3: Trans National Marketing

Time Allowed: 3 Hrs.

M.M: 70 Marks

Answer any 7 out of 10 questions. All questions carry equal marks.

- I. Explain the reasons for the worldwide success of Kazuri Beads from Kenya.
- II. If “innocent smoothies”, the 100 % natural fruit smoothies, are launched in India, what should be its India marketing strategy w.r.t. standardization/ adaption of its marketing offering?
- III. Can a retail model of experiential marketing such as “Build a Bear” be successful in India? Why or Why not? Justify.
- IV. Identify the reasons for the worldwide success of “Life straw” brand in the water purifying equipment market.
- V. Explain the export marketing strategy of “Jaipur Rugs”. Does this brand fulfill any social marketing obligations?
- VI. There are very few Canadian brands that have a worldwide presence. However Canadian Circus has a very strong competitive advantage in the world market for live entertainment shows. Discuss the factors for success of Canadian Circus given the increased competition from Russian and Chinese Circus.

- VII. Rocky Patel has created a niche for itself in the world market for cigars. Discuss the entrepreneurial marketing strategy of Rocky Patel.
- VIII. Marketing of an idea such as "Earth Hour" has gained worldwide acceptance. How can such an idea sustain itself in the next 10 years and increase its reach to a much wider world audience.
- IX. In the context of societal marketing orientation, brands such as TOMS, Rishi Tea, Brilliant earth, Barefoot College have created a very strong brand equity. Discuss the reasons for the success of any one such brand across cultures.
- X. A large number of brands fail when they enter international markets. Select a brand of your choice that was successful in the domestic market but faced failure when it entered the international market. Discuss the reasons for such a failure.

SHRI RAM COLLEGE OF COMMERCE
P. G. Diploma in Global Business Operations
(SEMESTER-III)
(Final Examination)
3.4 DOCUMENTATION FOR GLOBAL TRADE

Time Allowed: 3Hours

Maximum Marks: 70

Answer each question on a fresh page

Part A; Attempt any two questions (25 marks each)

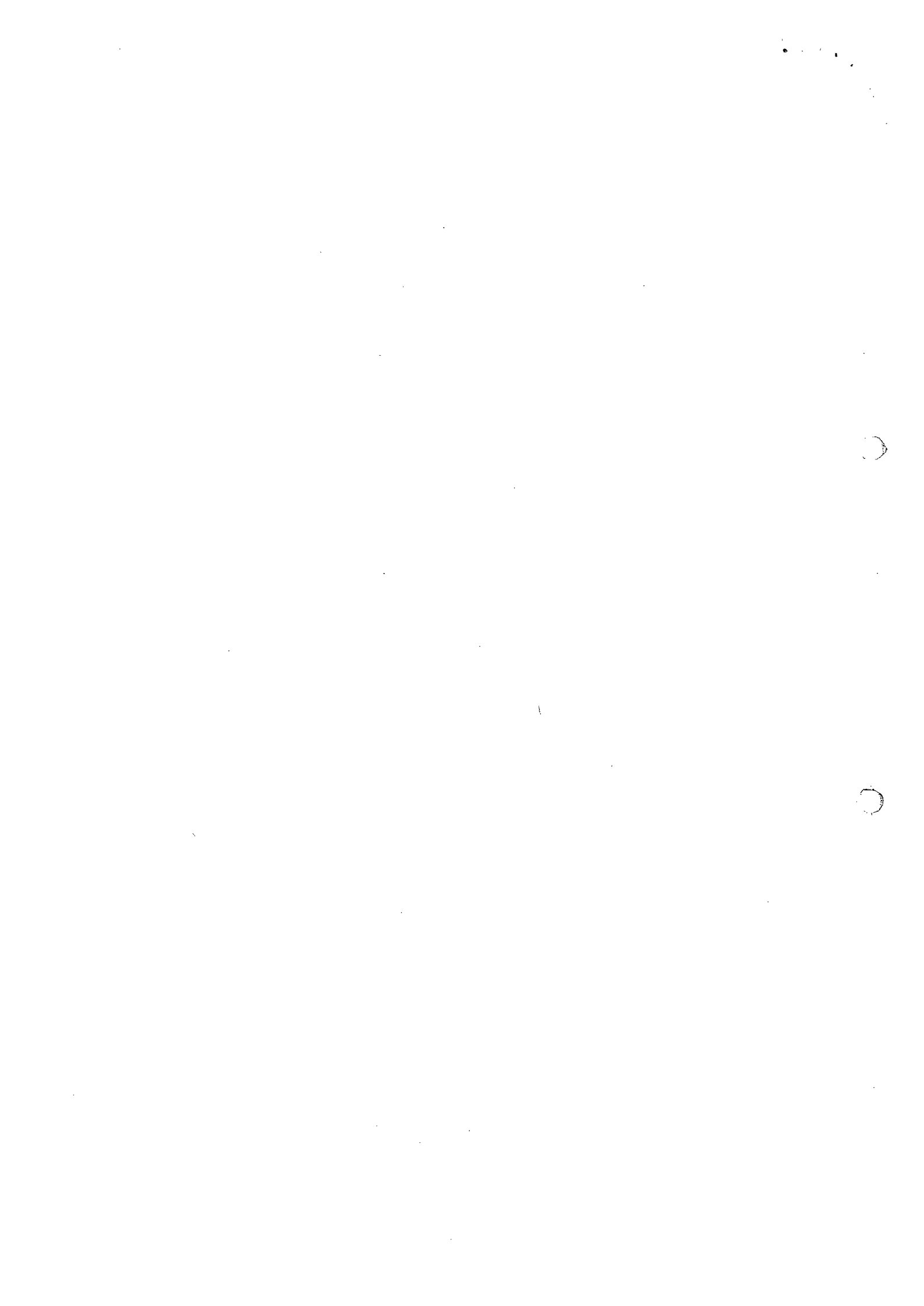
1. It is said that International trade has significant risk as it involves physical transfer of goods and money from one country to the other. Risk Managers, Traders and Bankers reduce this risk by adopting risk mitigation strategies such as ensuring proper commercial and other trade related documents. Identify the various operational and financial risks associated with the International trade and explain in detail how various documents help in mitigating such risks.
2. Explain in detail the relationship between Contract of Sale, Charter Party(3PL) and Bills of Lading, Marine Insurance and INCO Terms. Also discuss the "dominos effect" caused in case there is fundamental breach of contract in International sale of goods.
3. Documents are the soul of international trade transactions and fulfill commercial as well as regulatory requirements. Explain this statement with suitable examples.

Part B ; Attempt any one of the following (20 marks)

1. Post 9/11 incident in USA providing secured supply chain has become the priority of all governments. In doing so we have seen introduction and implementation new national and international regulations and various trade documentation. Discuss this statement with examples and also identify such documents and certificates which help provide secured supply chain for global trade.

OR

2. Government of India recent effort to improve the **ease of doing business** have yielded good result with the country jumping **12 ranks to 130** in the latest ranking compiled by the World Bank. India was ranked **142 in the ranking for 2015**. Identify the key components which play an vital role in ease to do business. Also explain the linkage between International trade and documentation and its role in this respect.



SHRI RAM COLLEGE OF COMMERCE
P.G. Diploma in Global Business Operations

Semester-III
(Nov/Dec-2015)
Paper - 3.5: Human Resource Management

Time Allowed- 3 Hrs.

Max marks-70

PART -1

This question is compulsory. It carries fifteen marks.

Q1. Write notes on any three of the following: (15)

- a. Collective Bargaining
- b. MBO as a technique of performance appraisal
- c. Role of TQM in HRM
- d. Occupational Health and Safety Administration
- e. On-the-Job training methods

PART-II (Answer any two questions. Each question carries FIFTEEN MARKS)

Q2. Explain the concept of Human Resource Planning. Assume that your organization is launching a brand-new product line, investing a significant amount of resources into technology and eliminating a business line that they feel is not profitable. Given the highly dynamic nature of the business, what methods would you recommend to forecast HR supply and demand? Provide a rationale for your selection. (15)

Q3. a. What are the main environmental and organizational challenges that are important for human resource management in the 21st century? (8)

OR

Q3. a. How is job analysis information helpful in human resource management? As workers increasingly work in teams and with less supervision, understanding how to deal with job analysis in a worker-empowered world has become more important. Comment. (8)

b. One reason for implementing global training programs is the need to avoid business losses "due to cultural insensitivity". Highlighting the importance of training in a global context explain what sort of training program would you suggest for such cultural insensitivity? (7)

Q5. Differentiate indirect financial compensation from wages and salaries. Why are decisions about indirect compensation more complex than decisions about direct component of compensation? Also discuss employee benefits in the context of knowledge workers. (15)

CASE STUDY (25)

Modern Industries Limited in Bangalore is an automobile ancillary company. It has a turnover of Rs. 100 crores. It employs around 4,000 persons. The company is professionally managed. The management team is headed by a dynamic Managing Director. He expects performance of high order at every level. It is more so at the supervisory and managerial levels. Normally the people of high caliber are selected through open advertisements to meet the personnel requirements at higher levels. However, junior level vacancies are filled up by different types of trainees who undergo training in the company. The company offers one-year training scheme for fresh engineering graduates. During the first six months of the training, the trainees are exposed to different functional areas which is considered to be the core training for this category of trainees. By then, the trainees are identified for placement against the available or projected vacancies. Their further training in the next quarter is planned according to individual placements requirements. During the last quarter the training will be on-the-job. The trainee is required to perform the jobs expected of him after he is placed there.

The company is basically a manufacturing company. Majority of the technical graduates who are taken as trainees happen to be mechanical engineering graduates. However, depending upon requirements, sometimes one or two graduates of other disciplines are also recruited. The training scheme is broadly structured mainly keeping in mind the training requirements of mechanical engineering planning. The intake of trainees is generally planned on the basis of projected requirements. Mr. Arvind Sharma joined the company in the year 1983 after his B.Tech. Degree in Paint Technology from a reputed institute. He was taken as a trainee against a projected vacancy in the Paints Application Department.

In MIL, the areas of interest for a trainee in paint technology are few. Hence, Mr. Sharma's core training was planned for the first three months only. Thereafter, he was put for on-the-job training in the Paints Application Department. He took interest and showed enthusiasm in his work there. The report from the shop manager was quite satisfactory. The performance of the trainee is normally reviewed once at the end of every quarter. The training manager personally talked to the trainee about his progress, strengths and shortcomings. At the end of the second quarter, the Training Manager called Mr. Sharma for his performance review. He appreciated his good performance and told him to keep it up. A month later Mr. Sharma met the Training

Manager. He requested that his training period be curtailed to seven months only and to absorb him as an engineer. He argued that he had been performing like a regular employee in the department for the last one quarter. As such, there was no justification for him to be put on training anymore. Further, he indicated that by doing so, he could be more effective in the department as a regular engineer. He would also gain seniority as well as some monetary benefits as the trainees were eligible for a stipend only. The regular employees were eligible for allowances like conveyance, dearness, house rent, education, etc. which was a substantial amount as compared to the stipend paid to a trainee.

The Training Manager turned down his request and informed him that it was not the practice of the company to do so. He told him that any good performance or contribution made by the trainees during the training period would be duly rewarded at the time of placement on completion of one year of training. Further, he told him that it would set a wrong precedence. Quite often some trainees were put on the job much earlier than the normal period of three quarters for several reasons. Thereafter, Mr. Sharma's behavior in the department became different. His changed attitude did not receive any attention in the initial period. However, by the end of the third quarter, his behavior had become erratic and unacceptable. When he was asked by the Department Manager to attend a particular task, he replied that he was still on training and such tasks shouldn't be assigned to a trainee. According to him those jobs were meant to be attended by full time employees and not by trainees.

The paint shop manager complained to the Training Manager about Mr. Sharma's behaviour and he was summoned by the Training Manager. During the discussions Mr. Sharma complained that while all the remaining trainees were having a comfortable time as trainees, he was the only one who was put to a lot of stress and strain. The department was expecting too much from him. He felt that he should be duly rewarded for such hard work; otherwise it was not appropriate to expect similar output from him. The Training Manager tried to convince him again that he shouldn't harp on rewards and as he was a trainee, his sole concern should be to learn as much as possible and to improve his abilities. He should have a long term perspective rather than such a narrow-minded approach. He also informed him that his good performance will be taken into account when the right occasion arose. He warned him that he was exhibiting a negative attitude for which he would be viewed seriously. His demand for earlier placement was illogical and he should forget it as he has already completed eight months and had to wait only for four months. He advised Mr. Sharma that the career of an individual had to be seen on a long-time perspective and that he should not resort to such childish behaviour as it would affect his own career and image in the company.

Mr. Sharma apparently seemed to have been convinced by the assurance given by the Training Manager and remained passive for some time. However, when the feedback was sought after a month the report stated that he had become more perverted. He was called again for a counseling session and was given two weeks time to show improvement. At the end of those two weeks, the Training Manager met the department manager, to have a discussion about Mr.

Sharma. It was found that there was absolutely no reason for Mr. Sharma to nurture a grievance on poor rewards. It was decided that he be given a warning letter as per the practice of the company and accordingly, he was issued a warning letter.

This further aggravated the situation rather than bringing about any improvement. He felt offended and retaliated by thoroughly disobeying any instruction given to him. This deteriorated the situation more and the relationship between the manager of the department and the trainee was seriously affected. In cases of rupture of relationship, normally the practice was to shift the trainee from the department where he was not getting along well so that he would be tried in some other department where he could have another lease for striking better rapport. But unfortunately, in the case of Mr. Sharma, there was no other department to which he could be transferred, since that was the only department where his specialization could have been of proper use. By the time he completes his training he turned out to be one who was not at all acceptable in the department for placement. His behavior and involvement were lacking. In view of this the department manager recommended that he be taken out of that department. When Mr. Sharma was informed about it he was thoroughly depressed.

One of the primary objectives of the Training Department is to recruit fresh graduates who have good potential and train them to be effective persons, in different department. They are taken after a rigorous selection process which includes a written test, preliminary and a final interview. During the training period their aptitudes, strengths and weaknesses are identified. Their placement departments are decided primarily on the basis of their overall effectiveness there. Here is a case where the person happened to be hard-working in the beginning but turned out to be failure in the end. The Training Manager was conscious of this serious lapse and was not inclined to recommend his termination. But at the same time it was difficult to retain a person whose track record was not satisfactory. He still felt that a fresh look be given into this case but he was unable to find a way out. He was faced with the dilemma whether to terminate or not to terminate Mr. Arvind Sharma. Questions

- 1) Where did the things go wrong?
- 2) What options are open for the Training Manager other than termination of Mr. Sharma?
- 3) Did the paints shop manager handle the trainee properly?
- 4) How could you put Mr. Sharma back on the right track?

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

SEMESTER III

(Nov./Dec. 2015)

PAPER 3.6 - ACCOUNTING FOR BUSINESS – II

Time Allowed : 3 Hours

Maximum Marks : 70

Attempt all questions.

Q 1

*EITHER*The following are the summarised Balance Sheets of Star Ltd. as on 31st March, 2014 and 2015:

	<u>2014</u>	<u>2015</u>
	(Rs. in thousands)	
Equity Share Capital of Rs. 10 each	34,00	38,00
Profit and loss Account	4,00	5,40
Securities Premium	40	80
14% Debentures	8,00	9,00
Sundry Creditors	3,60	4,40
Provision for Taxation	20	40
Proposed Dividend	3,00	4,80
	-----	-----
	53,20	62,80
	=====	=====
Sundry Fixed Assets	32,00	40,00
Less: Accumulated Depreciation	(8,40)	(14,40)
	-----	-----
	23,60	25,60
Long-term Investments	10,20	12,60
Inventories	12,00	13,00
Sundry Debtors	6,40	9,00
Cash and Bank Balance	1,00	2,60
	-----	-----
	53,20	62,80
	=====	=====

The Profit and Loss Account for the year ended 31st March, 2015 disclosed the following information:

	<i>(Rs. in thousands)</i>
Profit before tax	7,80
Less: Provision for tax	(1,60)

Profit after tax	6,20
Less: Proposed Dividend	(4,80)

Retained Profit	1,40
	=====

The following information relating to financial year 2014-15 is also available:

1. Forty thousand equity shares were issued at a premium of Re. 1 per share.
2. Income tax of Rs. 1,40,000 was paid..
3. A fixed asset costing Rs 2 lakhs (accumulated depreciation Rs. 80,000) was sold for Rs. 40,000 only.
4. Debentures of Rs. 1,00,000 were issued at the beginning of the year.
5. Interest on investments received during the year Rs. 1,50,000.

Prepare cash flow statement of Star Ltd. for the year 2014-2015 as per AS-3 revised, using indirect method. (14)

OR

(a) For each of the following transactions, calculate cash flow and state the nature of cash flow as operating, investing or financing activity:

- (i) Acquired machinery for Rs. 3,00,000 - paying 20% down and executing a bond for the balance amount.
- (ii) Paid Rs. 2,50,000 to acquire shares in Consultancy Ltd. and received a dividend of Rs. 50,000 later.
- (iii) Sold machinery at a profit of Rs. 30,000 (original cost of which was Rs. 2,00,000 and accumulated depreciation Rs. 1,50,000).
- (iv) Received interest on investments Rs. 20,000. (4)

(b) The balances of current assets and current liabilities of ABC Ltd as on 31st March, 2014 and 2015 are as follows:

	2014	2015
Sundry creditors	1,50,000	1,60,000
Bills payable	42,000	24,000
Proposed Dividend	60,000	98,000
Provision for Tax	30,000	40,000

Cash and bank	22,000	50,000
Sundry debtors	3,80,000	3,50,000
Inventories	2,70,000	2,98,000
Outstanding rent	32,000	28,000
Debenture interest outstanding	10,000	20,000

Additional information relating to the year 2014-15 is as follows:

- Net profit (after tax) earned Rs. 2,50,000
- Depreciation provided on machinery, Rs. 30,000 and on buildings Rs. 20,000.
- Loss on sale of machinery Rs. 10,000.
- Taxes paid amounted to Rs. 44,000.
- Interest on debentures for the year amounted to Rs. 40,000.
- Machine having a book value of Rs. 30,000 sold for Rs.55,000.
- Dividend on investments received Rs. 27,000.

Calculate cash generated by operating activities by preparing an extract of Cash Flow Statement as per AS -3 revised, using indirect method. (10)

Q 2

EITHER

(a) Explain meaning and significance of (i) Current ratio and (ii) Debt – Equity ratio. Calculate these two ratios from the following information and give your comments:

Summarised Balance Sheet as at 31st March, 2015

<u>Liabilities</u>	Rs.	<u>Assets</u>	Rs.
Equity Share Capital -		Cash and Bank	13,500
8,000 shares of Rs. 10 each	80,000	Building	80,000
Profit and Loss Account	12,000	Machinery	82,000
12% Debentures	70,000	Inventories	24,000
Trade Creditors	46,800	Trade Debtors	9,000
Provision for Tax	1,200	Prepaid Expenses	1,500
	-----		-----
	1, 70,000		1,70,000
	=====		=====

(4)

(b) What is meant by Basic Earnings per Share and Diluted Earnings per Share? Calculate Diluted Earnings per Share from the following information:

Outstanding equity shares of Rs. 10 each	Rs. 5,00,00,000
Net profit (after tax) for the year	1,00,00,000

Outstanding 12% Convertible Debentures of Rs. 100 each to be converted into 10 equity shares of Rs. 10 each for each debenture	50,00,000	
Tax rate	30%	(10)

OR

(a) The following values are extracted from the balance sheet of a company as at 31st March, 2015:

Current ratio	2.5	Debt collection period	2 months
Working capital	Rs 3,00,000	Shareholders' capital	Rs 5,00,000
Liquidity ratio	1.5	Reserves and surplus	Rs 4,00,000
Stock turnover ratio	6	Fixed asset turnover (on cost of sales)	2
Gross profit ratio	20%		

On the basis of above information, prepare a balance sheet of the company. (4)

(b) The information below is taken from the records of two companies - X Ltd and Y Ltd, belonging to the same industry:

Particulars	X Ltd (Rs.)	Y Ltd (Rs.)
Cash	2,10,000	3,20,000
Debtors	3,30,000	6,30,000
Stock	12,30,000	9,50,000
Plant and equipments	16,95,000	24,00,000
Total Assets	34,65,000	43,00,000
Sundry creditors	9,00,000	10,50,000
8% Debentures	5,00,000	10,00,000
Equity share capital	11,00,000	17,50,000
Retained earnings	9,65,000	5,00,000
Total Liabilities	34,65,000	43,00,000
Sales	56,00,000	82,00,000
Cost of goods sold	40,00,000	64,80,000
Other operating expenses	8,00,000	8,60,000
Interest expenses	40,000	80,000
Income taxes	2,60,000	2,75,000
Dividends	1,00,000	1,80,000

Answer each of the following questions by making a comparison of one, or more relevant ratios:

- (i) Which company is using the equity shareholders' money more profitably?
- (j) Which company is better able to meet its current debts?

- (k) If you were to purchase the debentures of one company, which company's debentures would you buy?
- (l) Which company collects its receivables faster, assuming all sales to be credit sales?
- (m) Which company is extended credit for a longer period by the creditors, assuming all purchases (equivalent to cost of goods sold) to be credit purchases?
- (n) How long does it take each company to convert an investment in stock to cash?
- (o) Which company retains the larger proportion of income in the business? (10)

Q 3

EITHER

(a) "Certain costs are controllable and certain other costs are non-controllable." Explain. (4)

(b) A factory uses a job costing system. The following cost data are available from the books for the year ended 31st March, 2015:

Direct material	Rs. 9,00,000
Direct wages	7,50,000
Selling and distribution overheads	5,25,000
Administrative overheads	4,20,000
Factory overheads	4,50,000
Profit	6,09,000

(i) Prepare a Cost Sheet of the above factory for the year 2014-15 indicating prime cost, works cost, cost of sales and sales value.

(ii) In 2015-16, the above factory received an order for a number of jobs. It is estimated that the direct materials would be Rs. 12,00,000 and direct labour would cost Rs. 7,50,000. What would be the price for these jobs, if the factory intends to earn the same rate of profit on sales, assuming that the selling and distribution overheads have gone up by 15%.

The factory recovers factory overheads as a percentage of direct wages and administrative and selling and distributions over-heads as a percentage of works cost, based on the cost rates prevalent in the preceding year. (10)

OR

(a) "Fixed costs are really variable. The more you produce the less they become." Do you agree? Explain. (4)

(b) The following is the budget of Batra Engineering Works for the year ending 31st March, 2015:

Factory overheads	Rs. 1,20,000
Direct labour cost	Rs. 6,00,000
Direct labour hours	5,000
Machine hours	4,000

Required:

- (I) From the above figures calculate the overhead application rates using (i) direct labour hours, (ii) direct labour cost, and (iii) machine hours.
- (II) Prepare a comparative statement of cost showing the result of application of each of the above rates to a particular job from the under mentioned data relating to that job:

Direct material cost	Rs. 4,500	
Direct labour cost	Rs. 5,000	
Direct labour hours	40	
Machine hours	30	(10)

Q 4

EITHER

(a) What are opportunity costs? Are opportunity costs relevant in decision making? Give examples in support of your answer. (4)

(b) The following particulars are taken from the records of a company engaged in manufacturing two products, A and B, from a certain material:

Particulars	Product A (per unit) Rs.	Product B (per unit) Rs.
Sales	2,500	5,000
Material cost (Rs. 50 per kg.)	500	600
Direct labour cost (Rs. 30 per hour)	750	1,800
Variable overhead	250	800
Total fixed overheads : Rs. 10,00,000		

Comment on the profitability of each product when:

- (i) Total sales potential in units is limited.
- (ii) Total sales potential in value is limited.
- (iii) Raw material is in short supply.

(iv) Production capacity in terms of labour hours is limiting factor.

Assuming raw material as the key factor, the availability of which is 20,000 kg, and the maximum sales potential of each product is 1,000 units, find out the product-mix which will yield the maximum profit. (10)

OR

(a) XY Ltd has a capacity to produce 12,000 units of a product per month and is producing and selling 9,000 units at present. The variable cost and selling price are Rs. 90 and Rs. 200 respectively. The fixed factory cost at present is Rs. 5,20,000 per month, and all the administrative expenses are fixed at Rs. 2,00,000 per month.

It has received an order for supply of 2,000 units to a foreign country at a price of Rs. 150 per unit. A special printing machine costing Rs. 20,000 would be required to imprint special labels on the exports units. Should the export order be accepted? (4)

(b) Durable Furniture Ltd commenced its business on 1st January, 2014. It has the normal capacity to produce 1,50,000 units. The relevant information for the year 2014 and 2015 is provided below:

Standard variable cost per unit	Rs. 6
Sales price per unit	Rs. 10
Fixed manufacturing overheads	Rs. 3,00,000
Selling and administrative expenses:	
Fixed	Rs. 1,30,000
Variable (percent of sales)	5%
Production volume:	
Year 2014	1,60,000 units
Year 2015	1,40,000 units
Sales volume:	
Year 2014	1,40,000 units
Year 2015	1,50,000 units

You are required to prepare income statements for the two years under absorption costing and variable costing. Also point out the main reason for difference in income reported under the above two methods. (10)

Q 5

EITHER

(a) What is flexible budget? What advantages, if any, has a flexible budget over an ordinary budget? (4)

(b) Calculate break-even number of candidates from the following information:

Fee collected per candidate	Rs. 130
Variable cost per candidate	60
One supervisor for every 10 candidates at the rate of	400
Fixed cost	40,000

(4)

(c) Eklavya Ltd sells its product at a price of Rs. 50 per unit. The sales and profits of this company for the year 2014 and 2015 are given below:

Period	Sales (Rs.)	Profit (Rs.)
2014	6,00,000	50,000
2015	7,00,000	70,000

Assuming that the cost structure and selling price remains the same in the year 2014 and 2015, find out for the year 2015: (i) break-even sales, (ii) profits when sales are of Rs. 4,00,000, (iii) Sales required to earn a profit of Rs. 40,000, (iv) Margin of safety in units, and (v) Margin of safety %.

(6)

OR

(a) What is meant by Zero Base Budgeting? State how is zero base budgeting superior to traditional budgeting. (4)

(b) Global Machines Ltd uses a historical cost system and applies overheads on the basis of pre-determined rates. The following data are available from the records of the company for the year ended 31st March, 2015:

	Rs.
Actual manufacturing overheads	8,50,000
Manufacturing overheads applied	7,50,000
Work-in-progress, end	2,40,000
Finished goods stock, end	4,80,000
Cost of goods sold during the year	16,80,000

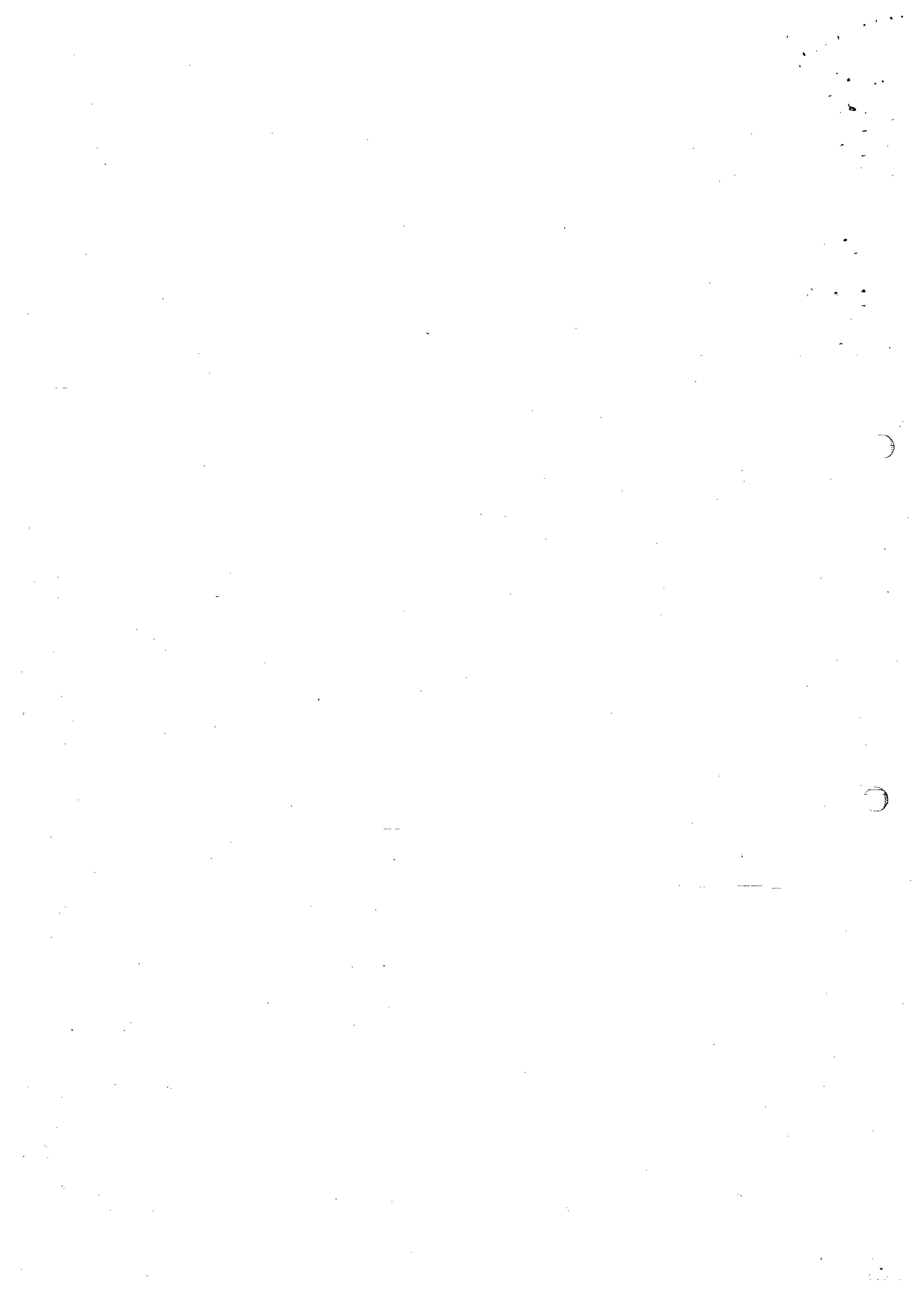
Apply two methods for disposal of under (or over)-absorbed overheads showing the implications of each method on the profit of the company. (4)

(c) The budget manager of Progressive Electrical Ltd., is preparing a flexible budget for the accounting year commencing from 1st April, 2015. The company produces one product. Direct material costs Rs. 7 per unit. Direct labour costs Rs. 2.50 per hour and requires 1.60 hours to produce one unit of the product. Salesmen are paid a commission of Re. 1 per unit sold. Fixed, selling and administrative expenses, amount to Rs. 85,000 per year. Manufacturing overheads under specified conditions of volume have been estimated as follows:

	Volume of production (units)	
	1,20,000	1,50,000
<i>Expenses:</i>	Rs.	Rs.
Indirect material	2,64,000	3,30,000
Indirect labour	1,50,000	1,87,500
Inspection	90,000	1,12,500
Maintenance	84,000	1,02,000
Supervision	1,98,000	2,34,000
Depreciation – plant	90,000	90,000
Engineering services	94,000	94,000
Total manufacturing overheads	<u>9,70,000</u>	<u>11,50,000</u>

You are required to prepare a budget of total cost at 1,40,000 units of output.

(6)



P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

SEMESTER III

(Nov./Dec. 2015)

PAPER 3.6 - ACCOUNTING FOR BUSINESS – II

Time Allowed : 3 Hours

Maximum Marks : 70

Attempt all questions.

Q 1

EITHER

The following are the summarised Balance Sheets of Star Ltd. as on 31st March, 2014 and 2015:

	<u>2014</u>	<u>2015</u>
	<i>(Rs. in thousands)</i>	
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Profit and loss Account	4,00	5,40
Securities Premium	40	80
14% Debentures	8,00	9,00
Sundry Creditors	3,60	4,40
Provision for Taxation	20	40
Proposed Dividend	3,00	4,80
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	53,20	62,80
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Sundry Fixed Assets	32,00	40,00
Less: Accumulated Depreciation	(8,40)	(14,40)
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	23,60	25,60
Long-term Investments	10,20	12,60
Inventories	12,00	13,00
Sundry Debtors	6,40	9,00
Cash and Bank Balance	1,00	2,60
	-----	-----
	53,20	62,80
	=====	=====



The Profit and Loss Account for the year ended 31st March, 2015 disclosed the following information:

	<i>(Rs. in thousands)</i>
Profit before tax	7,80
Less: Provision for tax	(1,60)

Profit after tax	6,20
Less: Proposed Dividend	(4,80)

Retained Profit	1,40
	=====

The following information relating to financial year 2014-15 is also available:

1. Forty thousand equity shares were issued at a premium of Re. 1 per share.
2. Income tax of Rs. 1,40,000 was paid..
3. A fixed asset costing Rs 2 lakhs (accumulated depreciation Rs. 80,000) was sold for Rs. 40,000 only.
4. Debentures of Rs. 1,00,000 were issued at the beginning of the year.
5. Interest on investments received during the year Rs. 1,50,000.

Prepare cash flow statement of Star Ltd. for the year 2014-2015 as per AS-3 revised, using indirect method. **(14)**

OR

(a) For each of the following transactions, calculate cash flow and state the nature of cash flow as operating, investing or financing activity:

- (i) Acquired machinery for Rs. 3,00,000 - paying 20% down and executing a bond for the balance amount.
- (ii) Paid Rs. 2,50,000 to acquire shares in Consultancy Ltd. and received a dividend of Rs. 50,000 later.
- (iii) Sold machinery at a profit of Rs. 30,000 (original cost of which was Rs. 2,00,000 and accumulated depreciation Rs. 1,50,000).
- (iv) Received interest on investments Rs. 20,000. **(4)**

(b) The balances of current assets and current liabilities of ABC Ltd as on 31st March, 2014 and 2015 are as follows:

	2014	2015
Sundry creditors	1,50,000	1,60,000
Bills payable	42,000	24,000
Proposed Dividend	60,000	98,000
Provision for Tax	30,000	40,000



Cash and bank	22,000	50,000
Sundry debtors	3,80,000	3,50,000
Inventories	2,70,000	2,98,000
Outstanding rent	32,000	28,000
Debenture interest outstanding	10,000	20,000

Additional information relating to the year 2014-15 is as follows:

- (i) Net profit (after tax) earned Rs. 2,50,000
- (ii) Depreciation provided on machinery, Rs. 30,000 and on buildings Rs. 20,000.
- (iii) Loss on sale of machinery Rs. 10,000.
- (iv) Taxes paid amounted to Rs. 44,000.
- (v) Interest on debentures for the year amounted to Rs. 40,000.
- (vi) Machine having a book value of Rs. 30,000 sold for Rs.55,000.
- (vii) Dividend on investments received Rs. 27,000.

Calculate cash generated by operating activities by preparing an extract of Cash Flow Statement as per AS -3 revised, using indirect method. (10)

Q 2

EITHER

(a) Explain meaning and significance of (i) Current ratio and (ii) Debt – Equity ratio. Calculate these two ratios from the following information and give your comments:

Summarised Balance Sheet as at 31st March, 2015

<u>Liabilities</u>	Rs.	<u>Assets</u>	Rs.
Equity Share Capital -		Cash and Bank	13,500
8,000 shares of Rs. 10 each	80,000	Building	80,000
Profit and Loss Account	12,000	Machinery	82,000
12% Debentures	70,000	Inventories	24,000
Trade Creditors	46,800	Trade Debtors	9,000
Provision for Tax	1,200	Prepaid Expenses	1,500
	-----		-----
	1, 70,000		1,70,000
	=====		=====

(4)

(b) What is meant by Basic Earnings per Share and Diluted Earnings per Share? Calculate Diluted Earnings per Share from the following information:

Outstanding equity shares of Rs. 10 each	Rs. 5,00,00,000
Net profit (after tax) for the year	1,00,00,000



Outstanding 12% Convertible Debentures of Rs. 100 each to be converted into 10 equity shares of Rs. 10 each for each debenture	50,00,000	
Tax rate	30%	(10)

OR

(a) The following values are extracted from the balance sheet of a company as at 31st March, 2015:

Current ratio	2.5	Debt collection period	2 months
Working capital	Rs 3,00,000	Shareholders' capital	Rs 5,00,000
Liquidity ratio	1.5	Reserves and surplus	Rs 4,00,000
Stock turnover ratio	6	Fixed asset turnover (on cost of sales)	2
Gross profit ratio	20%		

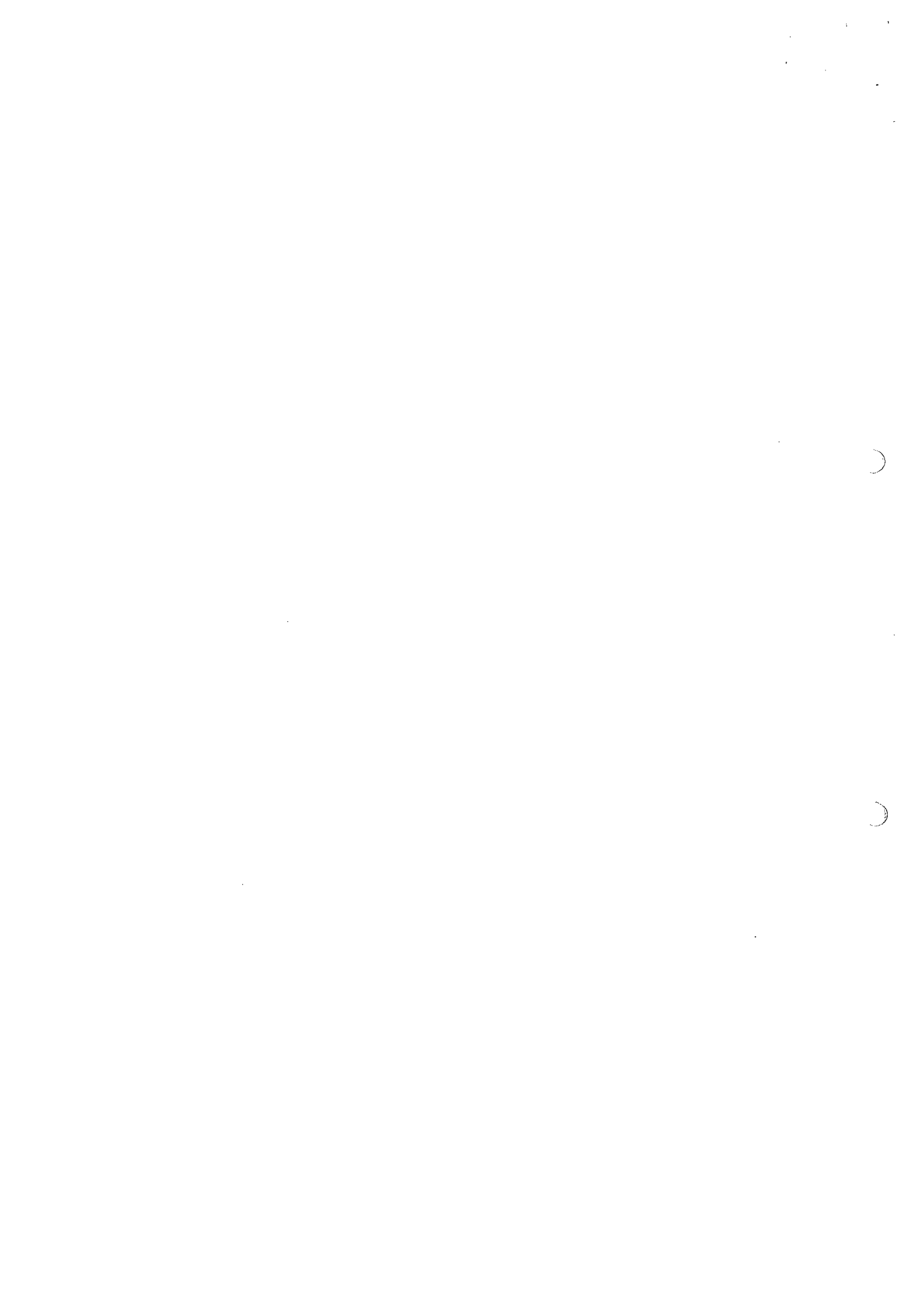
On the basis of above information, prepare a balance sheet of the company. (4)

(b) The information below is taken from the records of two companies - X Ltd and Y Ltd, belonging to the same industry:

Particulars	X Ltd (Rs.)	Y Ltd (Rs.)
Cash	2,10,000	3,20,000
Debtors	3,30,000	6,30,000
Stock	12,30,000	9,50,000
Plant and equipments	16,95,000	24,00,000
Total Assets	34,65,000	43,00,000
Sundry creditors	9,00,000	10,50,000
8% Debentures	5,00,000	10,00,000
Equity share capital	11,00,000	17,50,000
Retained earnings	9,65,000	5,00,000
Total Liabilities	34,65,000	43,00,000
Sales	56,00,000	82,00,000
Cost of goods sold	40,00,000	64,80,000
Other operating expenses	8,00,000	8,60,000
Interest expenses	40,000	80,000
Income taxes	2,60,000	2,75,000
Dividends	1,00,000	1,80,000

Answer each of the following questions by making a comparison of one, or more relevant ratios:

- (i) Which company is using the equity shareholders' money more profitably?
- (j) Which company is better able to meet its current debts?



- (k) If you were to purchase the debentures of one company, which company's debentures would you buy?
- (l) Which company collects its receivables faster, assuming all sales to be credit sales?
- (m) Which company is extended credit for a longer period by the creditors, assuming all purchases (equivalent to cost of goods sold) to be credit purchases?
- (n) How long does it take each company to convert an investment in stock to cash?
- (o) Which company retains the larger proportion of income in the business? (10)

Q 3

EITHER

(a) "Certain costs are controllable and certain other costs are non-controllable." Explain. (4)

(b) A factory uses a job costing system. The following cost data are available from the books for the year ended 31st March, 2015:

Direct material	Rs. 9,00,000
Direct wages	7,50,000
Selling and distribution overheads	5,25,000
Administrative overheads	4,20,000
Factory overheads	4,50,000
Profit	6,09,000

(i) Prepare a Cost Sheet of the above factory for the year 2014-15 indicating prime cost, works cost, cost of sales and sales value.

(ii) In 2015-16, the above factory received an order for a number of jobs. It is estimated that the direct materials would be Rs. 12,00,000 and direct labour would cost Rs. 7,50,000. What would be the price for these jobs, if the factory intends to earn the same rate of profit on sales, assuming that the selling and distribution overheads have gone up by 15%.

The factory recovers factory overheads as a percentage of direct wages and administrative and selling and distributions over-heads as a percentage of works cost, based on the cost rates prevalent in the preceding year. (10)

OR

(a) "Fixed costs are really variable. The more you produce the less they become." Do you agree? Explain. (4)



(b) The following is the budget of Batra Engineering Works for the year ending 31st March, 2015:

Factory overheads	Rs. 1,20,000
Direct labour cost	Rs. 6,00,000
Direct labour hours	5,000
Machine hours	4,000

Required:

(I) From the above figures calculate the overhead application rates using (i) direct labour hours, (ii) direct labour cost, and (iii) machine hours.

(II) Prepare a comparative statement of cost showing the result of application of each of the above rates to a particular job from the under mentioned data relating to that job:

Direct material cost	Rs. 4,500	
Direct labour cost	Rs. 5,000	
Direct labour hours	40	
Machine hours	30	(10)

Q 4

EITHER

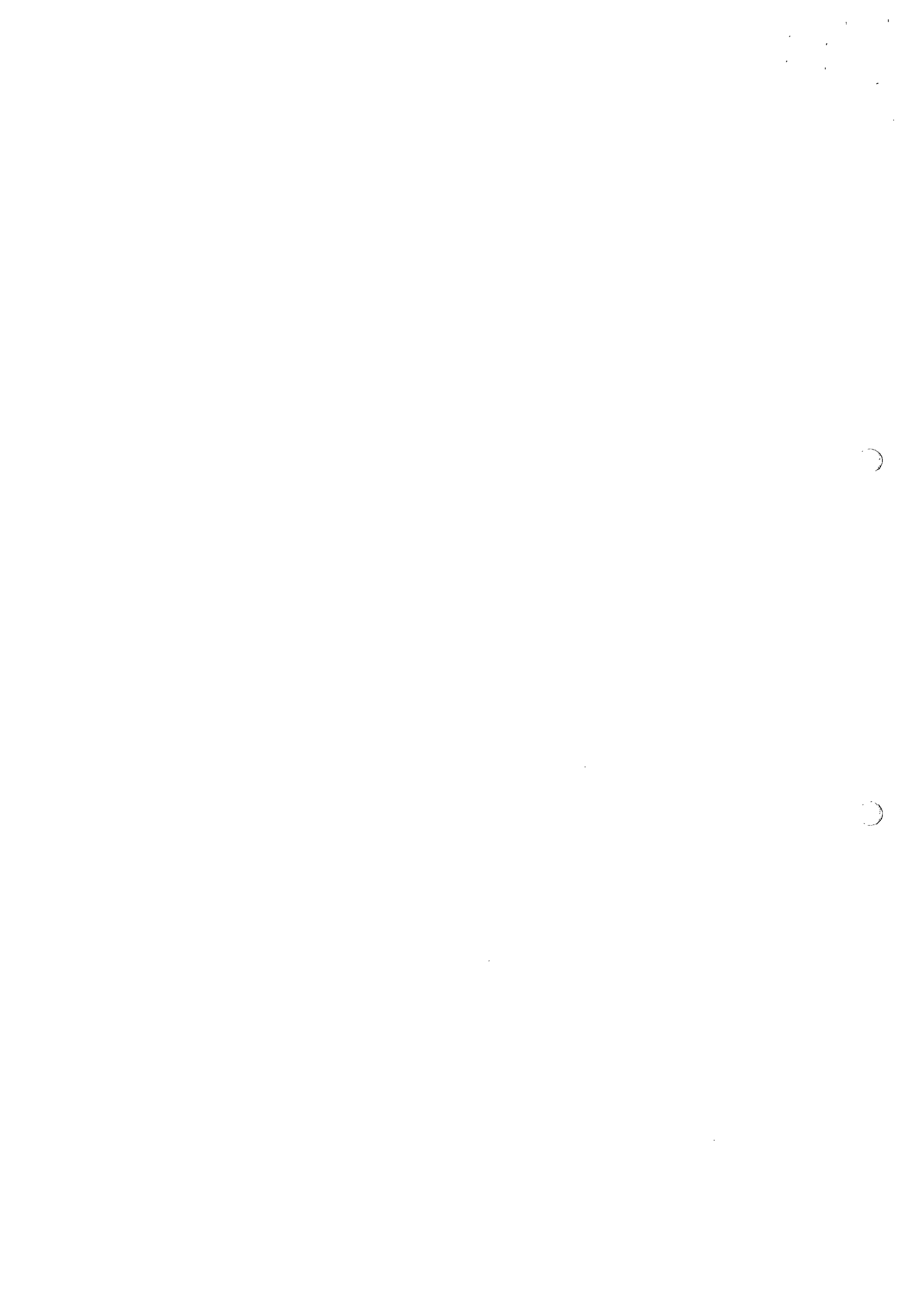
(a) What are opportunity costs? Are opportunity costs relevant in decision making? Give examples in support of your answer. (4)

(b) The following particulars are taken from the records of a company engaged in manufacturing two products, A and B, from a certain material:

Particulars	Product A (per unit) Rs.	Product B (per unit) Rs.
Sales	2,500	5,000
Material cost (Rs. 50 per kg.)	500	600
Direct labour cost (Rs. 30 per hour)	750	1,800
Variable overhead	250	800
Total fixed overheads : Rs. 10,00,000		

Comment on the profitability of each product when:

- (i) Total sales potential in units is limited.
- (ii) Total sales potential in value is limited.
- (iii) Raw material is in short supply.



(iv) Production capacity in terms of labour hours is limiting factor.

Assuming raw material as the key factor, the availability of which is 20,000 kg, and the maximum sales potential of each product is 1,000 units, find out the product-mix which will yield the maximum profit. (10)

OR

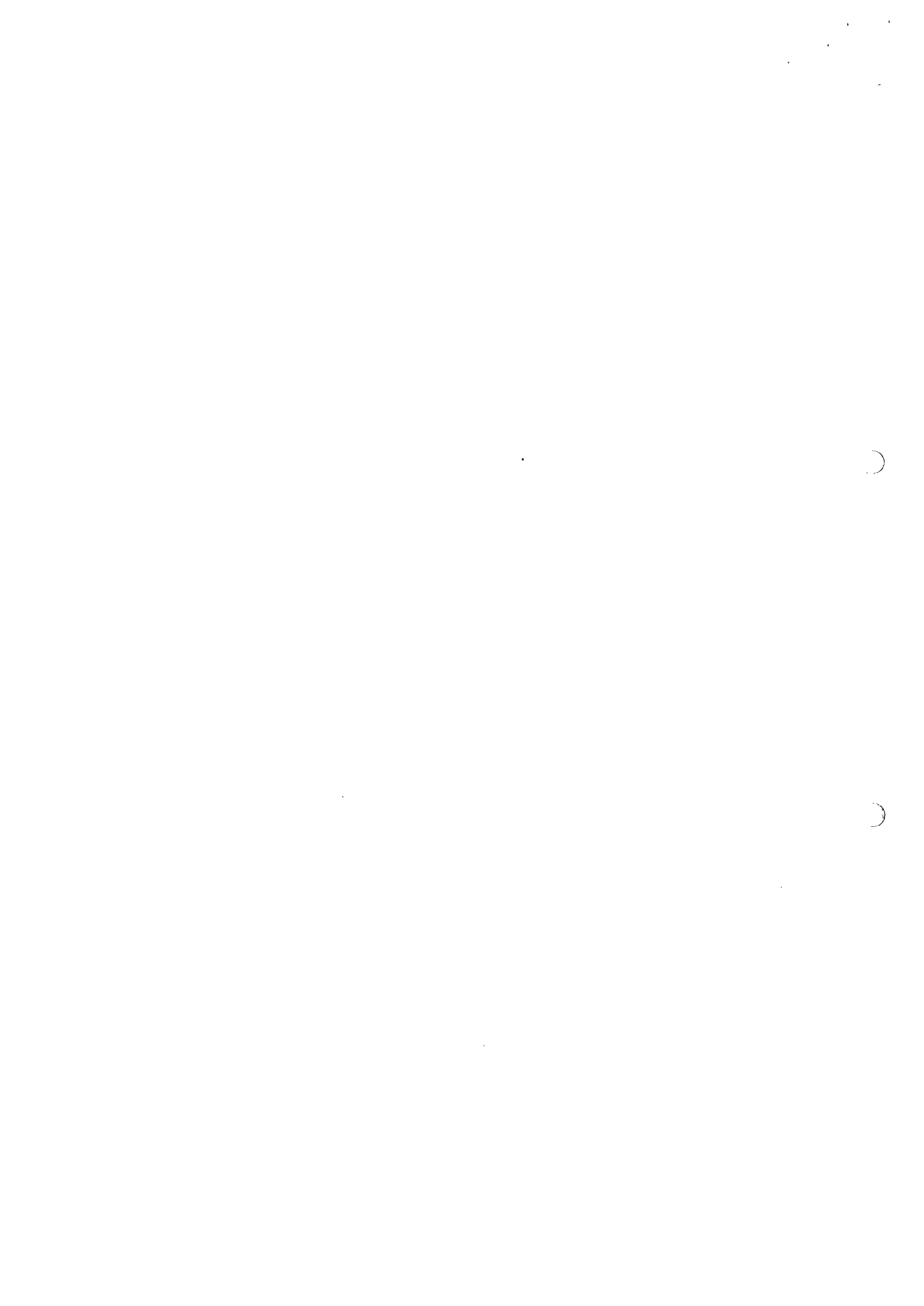
(a) XY Ltd has a capacity to produce 12,000 units of a product per month and is producing and selling 9,000 units at present. The variable cost and selling price are Rs. 90 and Rs. 200 respectively. The fixed factory cost at present is Rs. 5,20,000 per month, and all the administrative expenses are fixed at Rs. 2,00,000 per month.

It has received an order for supply of 2,000 units to a foreign country at a price of Rs. 150 per unit. A special printing machine costing Rs. 20,000 would be required to imprint special labels on the exports units. Should the export order be accepted? (4)

(b) Durable Furniture Ltd commenced its business on 1st January, 2014. It has the normal capacity to produce 1,50,000 units. The relevant information for the year 2014 and 2015 is provided below:

Standard variable cost per unit	Rs. 6
Sales price per unit	Rs. 10
Fixed manufacturing overheads	Rs. 3,00,000
Selling and administrative expenses:	
Fixed	Rs. 1,30,000
Variable (percent of sales)	5%
Production volume:	
Year 2014	1,60,000 units
Year 2015	1,40,000 units
Sales volume:	
Year 2014	1,40,000 units
Year 2015	1,50,000 units

You are required to prepare income statements for the two years under absorption costing and variable costing. Also point out the main reason for difference in income reported under the above two methods. (10)



Q 5

EITHER

(a) What is flexible budget? What advantages, if any, has a flexible budget over an ordinary budget? (4)

(b) Calculate break-even number of candidates from the following information:

Fee collected per candidate	Rs. 130
Variable cost per candidate	60
One supervisor for every 10 candidates at the rate of	400
Fixed cost	40,000

(4)

(c) Eklavya Ltd sells its product at a price of Rs. 50 per unit. The sales and profits of this company for the year 2014 and 2015 are given below:

Period	Sales (Rs.)	Profit (Rs.)
2014	6,00,000	50,000
2015	7,00,000	70,000

Assuming that the cost structure and selling price remains the same in the year 2014 and 2015, find out for the year 2015: (i) break-even sales, (ii) profits when sales are of Rs. 4,00,000, (iii) Sales required to earn a profit of Rs. 40,000, (iv) Margin of safety in units, and (v) Margin of safety %.

(6)

OR

(a) What is meant by Zero Base Budgeting? State how is zero base budgeting superior to traditional budgeting. (4)

(b) Global Machines Ltd uses a historical cost system and applies overheads on the basis of pre-determined rates. The following data are available from the records of the company for the year ended 31st March, 2015:

	Rs.
Actual manufacturing overheads	8,50,000
Manufacturing overheads applied	7,50,000
Work-in-progress, end	2,40,000
Finished goods stock, end	4,80,000
Cost of goods sold during the year	16,80,000

Apply two methods for disposal of under (or over)-absorbed overheads showing the implications of each method on the profit of the company. (4)

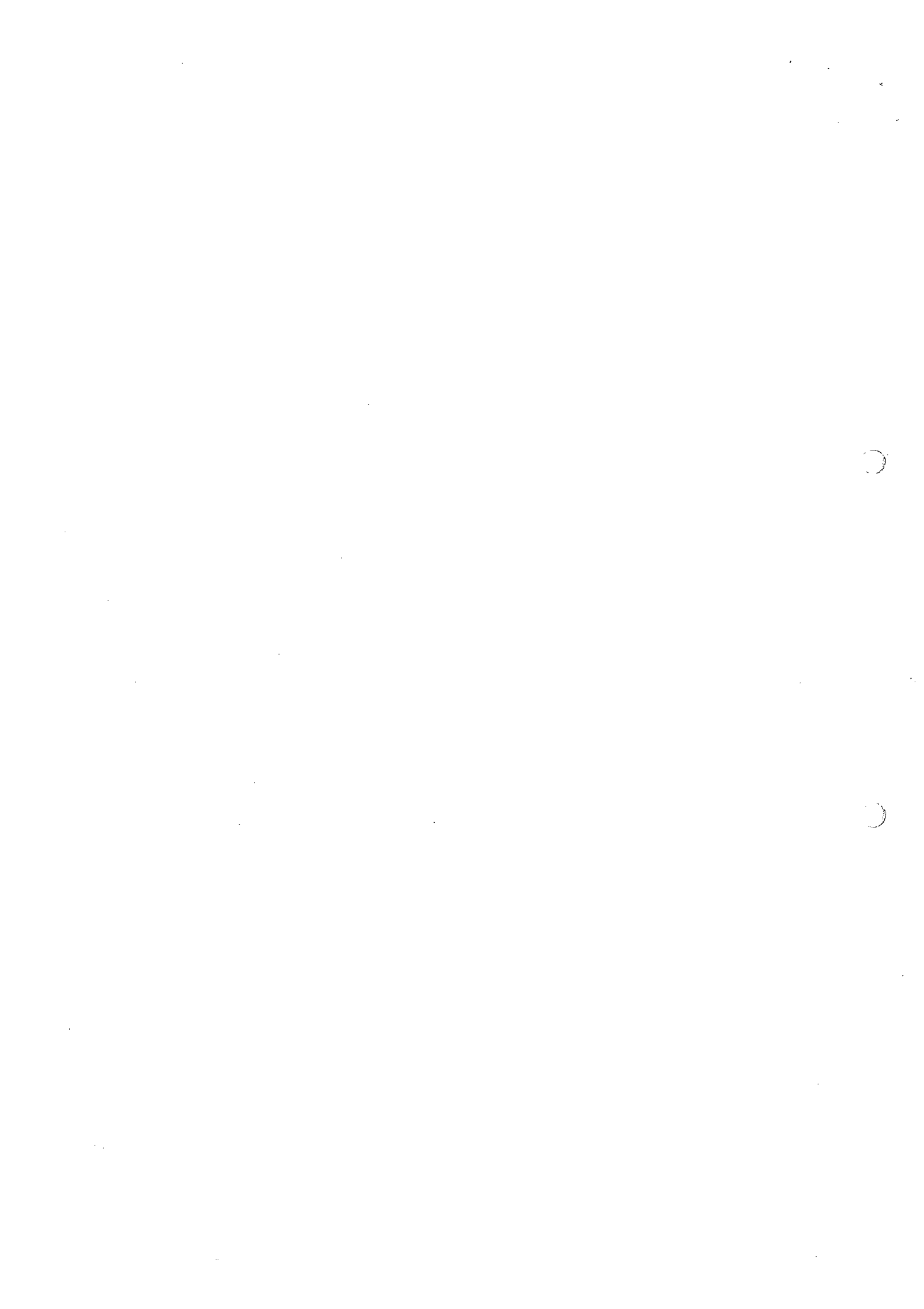


(c) The budget manager of Progressive Electrical Ltd., is preparing a flexible budget for the accounting year commencing from 1st April, 2015. The company produces one product. Direct material costs Rs. 7 per unit. Direct labour costs Rs. 2.50 per hour and requires 1.60 hours to produce one unit of the product. Salesmen are paid a commission of Re. 1 per unit sold. Fixed, selling and administrative expenses, amount to Rs. 85,000 per year. Manufacturing overheads under specified conditions of volume have been estimated as follows:

	Volume of production (units)	
	1,20,000	1,50,000
<i>Expenses:</i>	Rs.	Rs.
Indirect material	2,64,000	3,30,000
Indirect labour	1,50,000	1,87,500
Inspection	90,000	1,12,500
Maintenance	84,000	1,02,000
Supervision	1,98,000	2,34,000
Depreciation – plant	90,000	90,000
Engineering services	94,000	94,000
Total manufacturing overheads	<u>9,70,000</u>	<u>11,50,000</u>

You are required to prepare a budget of total cost at 1,40,000 units of output.

(6)



SHRI RAM COLLEGE OF COMMERCE

POST GRADUATE DIPLOMA IN GLOBAL BUSINESS OPERATIONS

**ATTENDENCE SHEET: Sem-II
(BATCH-2014-2016)**

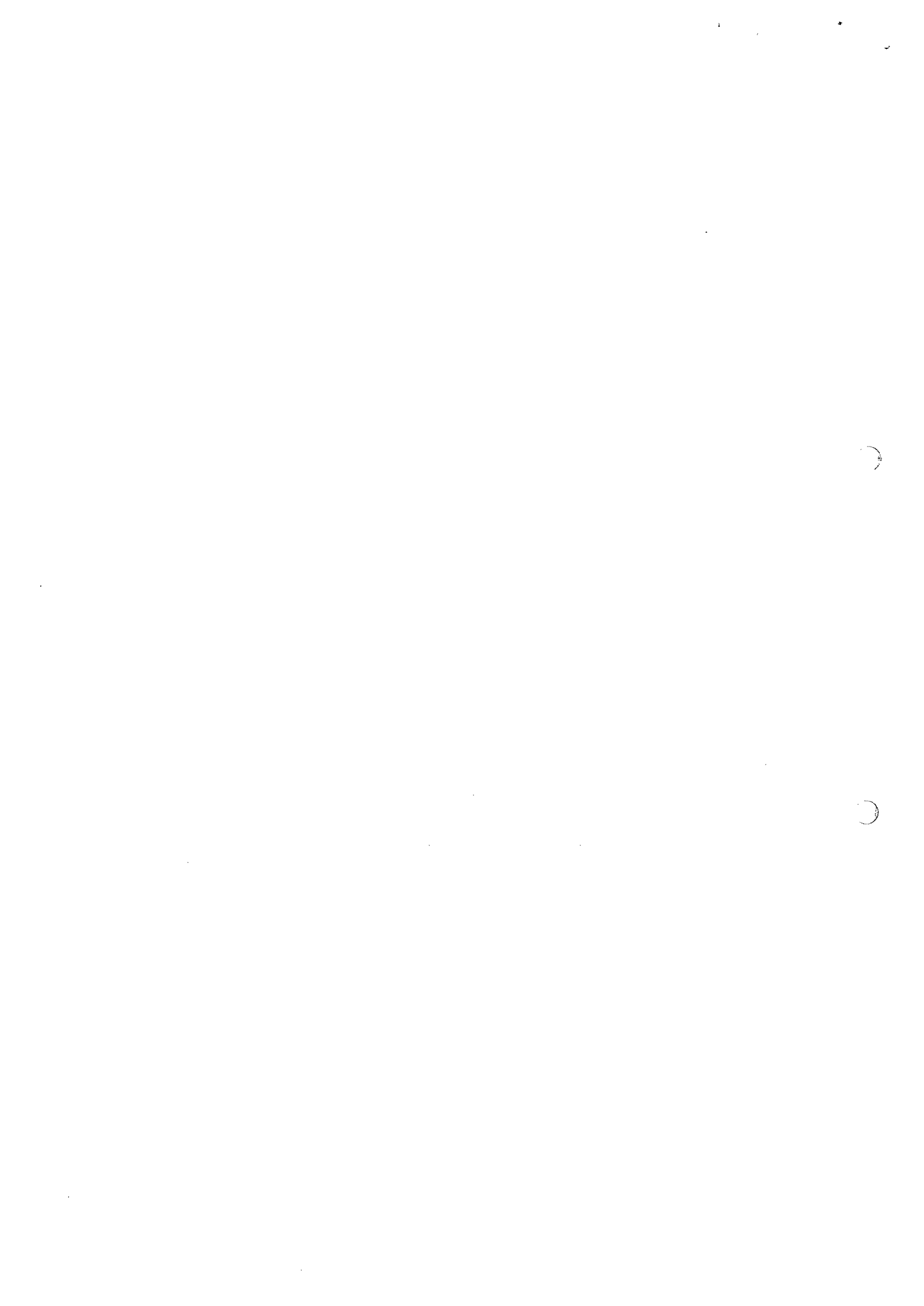
mid-term Exam

Subject Code and Title: *G.B.E (201)*.....

Faculty's Name:

Date: *30/03/2015*..... Time: *10:00 - 12:00 p.m.*

Sl.No.	Roll No.	Student's Name	Signature
1	1	Anubhuti Mehta	<i>Anubhuti</i>
2	2	Mohd. Aasim	<i>Absent</i>
3	3	Shreya Tulyan	<i>Shreya</i>
4	4	Lalit Choudhary	<i>Lalit</i>
5	5	Anu Jose Kallumkal	<i>Anu Jose</i>
6	6	Shubham Dimri	<i>Shubham</i>
7	8	Akshay Batra	<i>Akshay</i>
8	9	Tanvi Joshi	<i>Tanvi</i>
9	10	Nitin Kant	<i>Nitin</i>
10	11	Mayank Choudhary	<i>Mayank</i>
11	12	Namrata Sharma	<i>Namrata</i>
12	13	Pramod Abraham	<i>Pramod</i>
13	14	Ratna Singwal	<i>Ratna</i>
14	15	Prabhal Khurana	<i>Prabhal</i>
15	16	Vikas Yadav	<i>Vikas Yadav</i>
16	17	Rupesh Agarwal	<i>Rupesh Agarwal</i>
17	18	Sridhar Chandran	<i>Sridhar</i>
18	19	Neha Rani	<i>Neha Rani</i>
19	20	Archie Gangnar	<i>Archie</i>
20	21	Shivani Aggarwal	<i>Shivani</i>
21	22	Karan Bisht	<i>Karan</i>
22	23	Kaveri Mahajan	<i>Kaveri</i>
23	24	Hitender Kumar	<i>Hitender</i>
24	25	Ritu Nehra	<i>Ritu Nehra</i>
25	26	Pallavi Gupta	<i>Pallavi</i>



26	28	Abhimanyu Jha	Absent
27	29	Sonu	Sonu
28	30	Rajat Rajgaria	List.
29	31	Anmol Gupta	Gupta
30	34	Aparajita Hena Murmu	Absent
31	35	Anurag Singh	Absent
32	36	Apoorva Jain	Ajain
33	37	Shantanu Nagayech	SNT
34	39	Shrey Deepum	Shreydeepum
35	40	Harsh Vijay Singh Malik	Harsh
36	41	Manik Talwar	Manik
37	42	Arpan Mittal	Arpan
38	43	Rachna Singh	Rachna Singh
39	44	Ritu Rawat	Ritu Rawat
40	45	Sahib Kaur Madan	Sahib
41	46	Aashima Bhargava	Aashima
42	48	Kanika Sharma	Kanika
43	49	Shameesh Vasudev	Shameesh
44	50	Pramod Bhujangrao Jadhao	Pramod
45	51	Nayana Singh	Nayana
46	52	Insha Hasan	Insha
47	53	Ujjwal Kumar	Ujjwal
48	54	Param Yadav	Param
49	55	Kritika Dabla	Kritika
50	56	Gaurav Yadav	Gaurav
51	57	Kriti Nigam	Absent Kriti
52	58	Aakriti Rana	Aakriti
53	59	Sanyam Punjani	Sanyam
54	61	Anshul Dutt	Anshul
55	64	Rohit Yadav	Rohit
56	65	Karishma Yadav	Karishma
57	66	Gauri	Gauri
58	67	Nikhilesh Chauhan	Nikhilesh
59	68	Himani Madan	Himani

Roll No. 11

Present - 27

Absent - 03

Total

30

File
30/3/15

Abhimanyu (68503), Aparajita (68510), Kriti (68529)
Mohan Madan

Roll No - 12
Present = 23

30/03/15

Total present = 50



SHRI RAM COLLEGE OF COMMERCE
P. G. Diploma in Global Business Operations
(SEMESTER- II)
(Mid Semester Examination: 2015)
Global Business Environment

Time Allowed: 2Hours

Maximum Marks: 50

Start all questions on fresh sheet.

Answer any two questions

1. An Interview at the World Economic Forum in January 2012 Prime Minister of Singapore Lee Hsien Long when asked about the Industrial Policy of Singapore said the following:

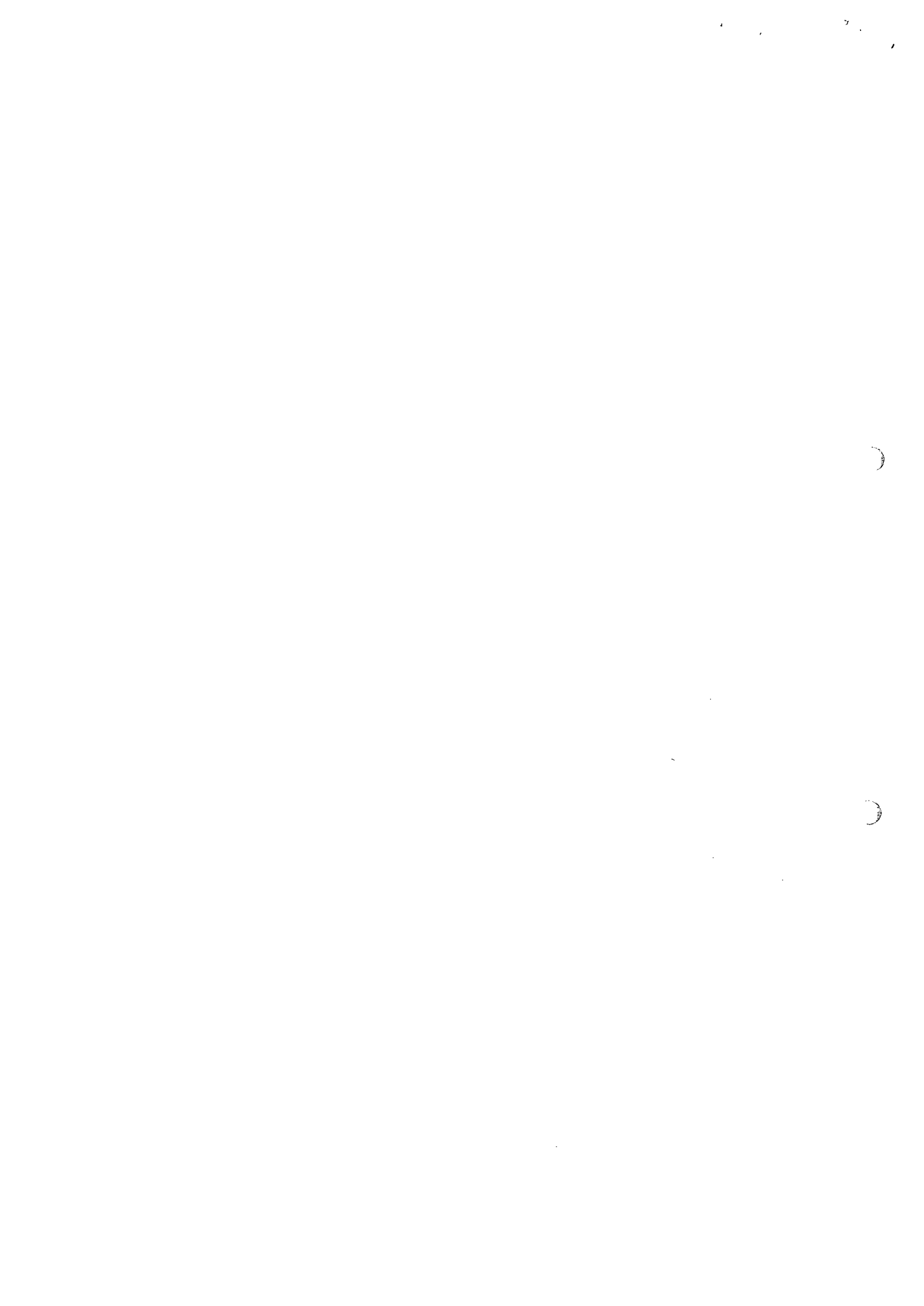
Qte'' Investing in pre-conditions to enable industry to develop ,take root and some of them to prosper .So invest in education ,infrastructure ,financial system which supports manufacturing activities, make sure government is clean and efficient and forward looking to anticipate bumps in the road and smooth the road for the industry to prosper But you need is hard working people ,well trained and disciplined people ,Unions which will understand and work with the industry to bring this about and that is the work of several administrations .Unqte

Analysis this statement in context with the current business environment and explain the role & contribution of human resources when operating in globalised & competitive world.

2. Global risks would meet with global responses in an ideal world, but the reality is that countries and their communities are on the frontline when it comes to systemic shocks and catastrophic events .In an increasingly interdependent and hyper connected world, one nation's failure to address a global risk can have a ripple effect on others .Discuss this statement with examples.

3. International trade could be termed is reflection of Governmental Policies, Geo-politics, foreign relations ,World Economy, Infrastructure development.
Discuss this statement with examples

4 .The World Economic forum believes that the circular economy could save 1\$ trillion a year in major economies by 2025 by using resource better .As business manager analysis your future role and give reasons for your answer.



P.G.D. Global Business Operations

Semester-2

Paper- 2.5 Computer Applications in Business: MIS

Time – 2 Hrs.

Max marks-50

Attempt all the questions. The marks of each question are indicated against the question.

Q-1 Read the following business situations and answer the questions that follows (attempt any two only): (12)

- a) Henry's Hardware is a small family business in Sacramento, California. The owners must use every square foot of store space as profitably as possible. They have never kept detailed inventory or sales records. As soon as a shipment of goods arrives, the items are immediately placed on store shelves. Invoices from suppliers are only kept for tax purposes. When an item is sold, the item number and price are rung up at the cash register. The owners use their own judgment in identifying items that need to be reordered. What is the business impact of this situation? How could information systems help the owners run their business? What data should these systems capture? What decisions could the systems improve?
- b) Today's US Airways is the result of a merger between US Airways and America West Airlines. Before the merger, US Airways dated back to 1939 and had very traditional business processes, a lumbering bureaucracy, and a rigid information systems function that had been outsourced to Electronic Data Systems. America West was formed in 1981 and had a younger workforce, a more freewheeling entrepreneurial culture, and managed its own information systems. The merger was designed to create synergies from US Airways' experience and strong network on the east coast of the United States with America West's low-cost structure, information systems, and routes in the western United States. What features of organizations should management have considered as it merged the two companies and their information systems? What decisions need to be made to make sure the strategy works?
- c) BestMed Medical Supplies Corporation sells medical and surgical products and equipment from over 700 different manufacturers to hospitals, health clinics, and medical offices. The company employs 500 people at seven different locations in western and midwestern states, including account managers, customer service and support representatives, and warehouse staff. Employees communicate via traditional telephone voice services, e-mail, instant messaging, and cell phones. Management is inquiring about whether the company should adopt a system for unified communications. What factors should be considered? What are the key decisions that have to be made in determining whether to adopt this technology? Use the Web, if necessary, to find out more about unified communications and its costs.

-2 Attempt any **three** of the following. (18)

- a) How are information systems transforming business and what is their relationship to globalization?
- b) Why are systems for collaboration and teamwork so important and what technologies do they use?
- c) How do information systems help businesses use synergies, core competencies, and network-based strategies to achieve competitive advantage?

- d) What are the most important tools and technologies for safeguarding information resources in an organization?
- e) What are the problems of managing data resources in a traditional file environment and how are they solved by a database management system?
- f) What do you mean by cloud computing? Write a short note highlighting its business value in today's business world.

Q-3 Read the case study attached and answer the questions that follow:

(20)

Google, Apple, and Microsoft Struggle for Your Internet Experience

CASE STUDY

In what looks like a college food fight, the three Internet titans—Google, Microsoft, and Apple—are in an epic struggle to dominate your Internet experience. What's at stake is where you search, buy, find your music and videos, and what device you will use to do all these things. The prize is a projected 2015 \$400 billion e-commerce marketplace where the major access device will be a mobile smartphone or tablet computer. Each firm generates extraordinary amounts of cash based on different business models. Each firm brings billions of dollars of spare cash to the fight.

In this triangular fight, at one point or another, each firm has befriended one of the other firms to combat the other firm. Two of the firms—Google and Apple—are determined to prevent Microsoft from expanding its dominance beyond the PC desktop. So Google and Apple are friends. But when it comes to mobile phones and apps, Google and Apple are enemies: each want to dominate the mobile market. Apple and Microsoft are determined to prevent Google from extending beyond its dominance in search and advertising. So Apple and Microsoft are friends. But when it comes to the mobile marketplace for devices and apps, Apple and Microsoft are enemies. Google and Microsoft are just plain enemies in a variety of battles. Google is trying to weaken Microsoft's PC software dominance, and Microsoft is trying to break into the search advertising market with Bing.

Today the Internet, along with hardware devices and software applications, is going through a major expansion. Mobile devices with advanced functionality and ubiquitous Internet access are rapidly gaining on traditional desktop computing as the most popular form of computing, changing the basis for competition throughout the industry. Research firm Gartner predicts that by 2013, mobile phones will surpass PCs as the way most people access the Internet. Today, mobile devices account for 5 percent of all searches performed on the Internet; in 2016, they are expected to account for 23.5% of searches.

These mobile Internet devices are made possible by a growing cloud of computing capacity available to anyone with a smartphone and Internet connectivity. Who needs a desktop PC anymore when you

can listen to music and watch videos 24/7? It's no surprise, then, that today's tech titans are so aggressively battling for control of this brave new mobile world.

Apple, Google, and Microsoft already compete in an assortment of fields. Google has a huge edge in advertising, thanks to its dominance in Internet search. Microsoft's offering, Bing, has grown to about 10 percent of the search market, and the rest essentially belongs to Google. Apple is the leader in mobile software applications, thanks to the popularity of the App Store for its iPhones. Google and Microsoft have less popular app offerings on the Web.

Microsoft is still the leader in PC operating systems and desktop productivity software, but has failed miserably with smartphone hardware and software, mobile computing, cloud-based software apps, its Internet portal, and even its game machines and software. All contribute less than 5 percent to Microsoft's revenue (the rest comes from Windows, Office, and network software). While Windows is still the operating system on 95 percent of the world's 2 billion PCs, Google's Android OS and Apple's iOS are the dominant players in the mobile computing market. The companies also compete in music, Internet browsers, online video, and social networking.

For both Apple and Google, the most critical battleground is mobile computing. Apple has several advantages that will serve it well in the battle for mobile supremacy. It's no coincidence that since the Internet exploded in size and popularity, so too did the company's revenue, which totaled well over \$40 billion in 2009. The iMac, iPod, and iPhone have all contributed to the company's enormous success in the Internet era, and the company hopes that the iPad will follow the trend of profitability set by these products. Apple has a loyal user base that has steadily grown and is very likely to buy future product offerings. Apple is hopeful that the iPad will be as successful as the iPhone, which already accounts for over 30 percent of Apple's revenue. So far, the iPad appears to be living up to this expectation.

Part of the reason for the popularity of the Apple iPhone, and for the optimism surrounding Internet-

Equipped smartphones in general, has been the success of the App Store. A vibrant selection of applications (apps) distinguishes Apple's offerings from its competitors', and gives the company a measurable head start in this marketplace. Apple already offers over 250,000 apps for its devices, and Apple takes a 30% cut of all app sales. Apps greatly enrich the experience of using a mobile device, and without them, the predictions for the future of mobile Internet would not be nearly as bright. Whoever creates the most appealing set of devices and applications will derive a significant competitive advantage over rival companies. Right now, that company is Apple.

But the development of smartphones and mobile Internet is still in its infancy. Google has acted swiftly to enter the battle for mobile supremacy while it can still 'win', irreparably damaging its relationship with Apple, its former ally, in the process. As more people switch to mobile computing as their primary method for accessing the Internet, Google is aggressively following the eyeballs. Google is as strong as the size of its advertising network. With the impending shift towards mobile computing looming, it's no certainty that it will be able to maintain its dominant position in search. That's why the dominant online search company began developing a mobile operating system and its Nexus One entry into the smartphone marketplace. Google hopes to control its own destiny in an increasingly mobile world.

Google's efforts to take on Apple began when it acquired Android, Inc., the developer of the mobile operating system of the same name. Google's original goal was to counter Microsoft's attempts to enter the mobile device market, but Microsoft was largely unsuccessful. Instead, Apple and Research In Motion, makers of the popular BlackBerry series of smartphones, filled the void. Google continued to develop Android, adding features that Apple's offerings lacked, such as the ability to run multiple apps at once. After an initial series of blocky, unappealing prototypes, there are now Android-equipped phones that are functionally and aesthetically competitive with the iPhone. For example, the Motorola Droid was heavily advertised, using the slogan "Everything iDon't... Droid Does."

Google has been particularly aggressive with its entry into the mobile computing market because it is concerned about Apple's preference for 'closed', proprietary standards on its phones. It would like smartphones to have open nonproprietary

platforms where users can freely roam the Web and pull in apps that work on many different devices.

Apple believes devices such as smartphones and tablets should have proprietary standards and be tightly controlled, with customers using applications on these devices that have been downloaded from the its App Store. Thus Apple retains the final say over whether or not its mobile users can access various services on the Web, and that includes services provided by Google. Google doesn't want Apple to be able to block it from providing its services on iPhones, or any other smartphone. A high-profile example of Apple's desire to fend off Google occurred after Google attempted to place its voice mail management program, Google Voice, onto the iPhone. Apple cited privacy concerns in preventing Google's effort.

Soon after Google CEO Eric Schmidt stepped down from his post on Apple's board of directors. Since Schmidt's departure from Apple's board, the two companies have been in an all-out war. They've battled over high-profile acquisitions, including mobile advertising firm AdMob, which was highly sought after by both companies. AdMob sells banner ads that appear inside mobile applications, and the company is on the cutting edge of developing new methods of mobile advertising. Apple was close to a deal with the start-up when Google swooped in and bought AdMob for \$750 million in stock. Google doesn't expect to earn anything close to that in returns from the deal, but it was willing to pay a premium to disrupt Apple's mobile advertising effort.

Undeterred, Apple bought top competitor Quattro Wireless for \$275 million in January 2010. It then shuttered the service in September of that year in favor of its own iAd advertising platform. iAd allows developers of the programs in Apple's App Store for the iPhone, iPad, and iPod Touch to embed ads in their software. Apple will sell the ads and give the app developers 60 percent of the ad revenue.

Apple has been more than willing to use similarly combative tactics to slow its competition down. Apple sued HTC, the Taiwanese mobile phone manufacturer of Android-equipped phones, citing patent infringement. Apple CEO Steve Jobs has consistently bashed Google in the press, characterizing the company as a bully and questioning its ethics. Many analysts speculate that Apple may take a shot at Google by teaming up with a partner that would have been unthinkable just a few years ago: Microsoft. News reports

suggest that Apple is considering striking a deal with Microsoft to make Bing its default search engine on both the iPhone and Apple's Web browser. This would be a blow to Google, and a boon to Microsoft, which would receive a much needed boost to its fledgling search service.

The struggle between Apple and Google wouldn't matter much if there wasn't so much potential money at stake. Billions of dollars hang in the balance, and the majority of that money will come from advertising. App sales are another important component, especially for Apple. Apple has the edge in selection and quality of apps, but while sales have been brisk, developers have complained that making money is too difficult. A quarter of the 250,000 apps available in early 2010 were free, which makes no money for developers or for Apple but it does bring consumers to the Apple marketplace where they can be sold other apps or entertainment services.

Google in the meantime is moving aggressively to support manufacturers of handsets that run its Android operating system and can access its services online. Apple relies on sales of its devices to remain profitable. It has had no problems with this so far, but Google only needs to spread its advertising networks onto these devices to make a profit. In fact, some analysts speculate that Google envisions a future where mobile phones cost a fraction of what they do today, or are even free, requiring only the advertising revenue generated by the devices to turn a profit. Apple would struggle to remain competitive in this environment. Jobs has kept the Apple garden closed for a simple reason: you need an Apple device to play there.

The three-way struggle between Microsoft, Apple, and Google really has no precedent in the history of computing platforms. In early contests it was typically a single firm that rode the crest of a new technology to become the dominant player. Examples include IBM's dominance of the mainframe market, Digital Equipment's dominance

of minicomputers, Microsoft's dominance of PC operating systems and productivity applications, and Cisco Systems' dominance of the Internet router market. In the current struggle are three firms trying to dominate the customer experience on the Internet. Each firm brings certain strengths and weaknesses to the fray. Will a single firm "win," or will all three survive the contest for the consumer Internet experience? It's still too early to tell.

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CASE STUDY QUESTIONS

1. Compare the business models and areas of strength of Apple, Google, and Microsoft.
2. Why is mobile computing so important to these three firms? Evaluate the mobile platform offerings of each firm.
3. What is the significance of applications and app stores to the success or failure of mobile computing?
4. Which company and business model do you think will prevail in this epic struggle? Explain your answer.
5. What difference would it make to you as a manager or individual consumer if Apple, Google, or Microsoft dominated the Internet experience? Explain your answer.

P.G.D. Global Business Operations

Semester-2

Paper- 2.5 Computer Applications in Business: MIS

Time – 2 Hrs.

Max marks-50

Attempt all the questions. The marks of each question are indicated against the question.

Q-1 Read the following business situations and answer the questions that follows (attempt any two only): (12)

- a) Henry's Hardware is a small family business in Sacramento, California. The owners must use every square foot of store space as profitably as possible. They have never kept detailed inventory or sales records. As soon as a shipment of goods arrives, the items are immediately placed on store shelves. Invoices from suppliers are only kept for tax purposes. When an item is sold, the item number and price are rung up at the cash register. The owners use their own judgment in identifying items that need to be reordered. What is the business impact of this situation? How could information systems help the owners run their business? What data should these systems capture? What decisions could the systems improve?
- b) Today's US Airways is the result of a merger between US Airways and America West Airlines. Before the merger, US Airways dated back to 1939 and had very traditional business processes, a lumbering bureaucracy, and a rigid information systems function that had been outsourced to Electronic Data Systems. America West was formed in 1981 and had a younger workforce, a more freewheeling entrepreneurial culture, and managed its own information systems. The merger was designed to create synergies from US Airways' experience and strong network on the east coast of the United States with America West's low-cost structure, information systems, and routes in the western United States. What features of organizations should management have considered as it merged the two companies and their information systems? What decisions need to be made to make sure the strategy works?
- c) BestMed Medical Supplies Corporation sells medical and surgical products and equipment from over 700 different manufacturers to hospitals, health clinics, and medical offices. The company employs 500 people at seven different locations in western and midwestern states, including account managers, customer service and support representatives, and warehouse staff. Employees communicate via traditional telephone voice services, e-mail, instant messaging, and cell phones. Management is inquiring about whether the company should adopt a system for unified communications. What factors should be considered? What are the key decisions that have to be made in determining whether to adopt this technology? Use the Web, if necessary, to find out more about unified communications and its costs.

Q-2 Attempt any **three** of the following. (18)

- a) How are information systems transforming business and what is their relationship to globalization?
- b) Why are systems for collaboration and teamwork so important and what technologies do they use?
- c) How do information systems help businesses use synergies, core competencies, and network-based strategies to achieve competitive advantage?

- d) What are the most important tools and technologies for safeguarding information resources in an organization?
- e) What are the problems of managing data resources in a traditional file environment and how are they solved by a database management system?
- f) What do you mean by cloud computing? Write a short note highlighting its business value in today's business world.

Q-3 Read the case study attached and answer the questions that follow:

(20)

Google, Apple, and Microsoft Struggle for Your Internet Experience

CASE STUDY

In what looks like a college food fight, the three Internet titans—Google, Microsoft, and Apple—are in an epic struggle to dominate your Internet experience. What's at stake is where you search, buy, find your music and videos, and what device you will use to do all these things. The prize is a projected 2015 \$400 billion e-commerce marketplace where the major access device will be a mobile smartphone or tablet computer. Each firm generates extraordinary amounts of cash based on different business models. Each firm brings billions of dollars of spare cash to the fight.

In this triangular fight, at one point or another, each firm has befriended one of the other firms to combat the other firm. Two of the firms—Google and Apple—are determined to prevent Microsoft from expanding its dominance beyond the PC desktop. So Google and Apple are friends. But when it comes to mobile phones and apps, Google and Apple are enemies: each want to dominate the mobile market. Apple and Microsoft are determined to prevent Google from extending beyond its dominance in search and advertising. So Apple and Microsoft are friends. But when it comes to the mobile marketplace for devices and apps, Apple and Microsoft are enemies. Google and Microsoft are just plain enemies in a variety of battles. Google is trying to weaken Microsoft's PC software dominance, and Microsoft is trying to break into the search advertising market with Bing.

Today the Internet, along with hardware devices and software applications, is going through a major expansion. Mobile devices with advanced functionality and ubiquitous Internet access are rapidly gaining on traditional desktop computing as the most popular form of computing, changing the basis for competition throughout the industry. Research firm Gartner predicts that by 2013, mobile phones will surpass PCs as the way most people access the Internet. Today, mobile devices account for 5 percent of all searches performed on the Internet; in 2016, they are expected to account for 23.5% of searches.

These mobile Internet devices are made possible by a growing cloud of computing capacity available to anyone with a smartphone and Internet connectivity. Who needs a desktop PC anymore when you

can listen to music and watch videos 24/7? It's no surprise, then, that today's tech titans are so aggressively battling for control of this brave new mobile world.

Apple, Google, and Microsoft already compete in an assortment of fields. Google has a huge edge in advertising, thanks to its dominance in Internet search. Microsoft's offering, Bing, has grown to about 10 percent of the search market, and the rest essentially belongs to Google. Apple is the leader in mobile software applications, thanks to the popularity of the App Store for its iPhones. Google and Microsoft have less popular app offerings on the Web.

Microsoft is still the leader in PC operating systems and desktop productivity software, but has failed miserably with smartphone hardware and software, mobile computing, cloud-based software apps, its Internet portal, and even its game machines and software. All contribute less than 5 percent to Microsoft's revenue (the rest comes from Windows, Office, and network software). While Windows is still the operating system on 95 percent of the world's 2 billion PCs, Google's Android OS and Apple's iOS are the dominant players in the mobile computing market. The companies also compete in music, Internet browsers, online video, and social networking.

For both Apple and Google, the most critical battleground is mobile computing. Apple has several advantages that will serve it well in the battle for mobile supremacy. It's no coincidence that since the Internet exploded in size and popularity, so too did the company's revenue, which totaled well over \$40 billion in 2009. The iMac, iPod, and iPhone have all contributed to the company's enormous success in the Internet era, and the company hopes that the iPad will follow the trend of profitability set by these products. Apple has a loyal user base that has steadily grown and is very likely to buy future product offerings. Apple is hopeful that the iPad will be as successful as the iPhone, which already accounts for over 30 percent of Apple's revenue. So far, the iPad appears to be living up to this expectation.

Part of the reason for the popularity of the Apple iPhone, and for the optimism surrounding Internet-

Equipped smartphones in general, has been the success of the App Store. A vibrant selection of applications (apps) distinguishes Apple's offerings from its competitors', and gives the company a measurable head start in this marketplace. Apple already offers over 250,000 apps for its devices, and Apple takes a 30% cut of all app sales. Apps greatly enrich the experience of using a mobile device, and without them, the predictions for the future of mobile Internet would not be nearly as bright. Whoever creates the most appealing set of devices and applications will derive a significant competitive advantage over rival companies. Right now, that company is Apple.

But the development of smartphones and mobile Internet is still in its infancy. Google has acted swiftly to enter the battle for mobile supremacy while it can still 'win', irreparably damaging its relationship with Apple, its former ally, in the process. As more people switch to mobile computing as their primary method for accessing the Internet, Google is aggressively following the eyeballs. Google is as strong as the size of its advertising network. With the impending shift towards mobile computing looming, it's no certainty that it will be able to maintain its dominant position in search. That's why the dominant online search company began developing a mobile operating system and its Nexus One entry into the smartphone marketplace. Google hopes to control its own destiny in an increasingly mobile world.

Google's efforts to take on Apple began when it acquired Android, Inc., the developer of the mobile operating system of the same name. Google's original goal was to counter Microsoft's attempts to enter the mobile device market, but Microsoft was largely unsuccessful. Instead, Apple and Research In Motion, makers of the popular BlackBerry series of smartphones, filled the void. Google continued to develop Android, adding features that Apple's offerings lacked, such as the ability to run multiple apps at once. After an initial series of blocky, unappealing prototypes, there are now Android-equipped phones that are functionally and aesthetically competitive with the iPhone. For example, the Motorola Droid was heavily advertised, using the slogan "Everything iDon't...Droid Does."

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platforms where users can freely roam the Web and pull in apps that work on many different devices.

Apple believes devices such as smartphones and tablets should have proprietary standards and be tightly controlled, with customers using applications on these devices that have been downloaded from the its App Store. Thus Apple retains the final say over whether or not its mobile users can access various services on the Web, and that includes services provided by Google. Google doesn't want Apple to be able to block it from providing its services on iPhones, or any other smartphone. A high-profile example of Apple's desire to fend off Google occurred after Google attempted to place its voice mail management program, Google Voice, onto the iPhone. Apple cited privacy concerns in preventing Google's effort.

Soon after, Google CEO Eric Schmidt stepped down from his post on Apple's board of directors. Since Schmidt's departure from Apple's board, the two companies have been in an all-out war. They've battled over high-profile acquisitions, including mobile advertising firm AdMob, which was highly sought after by both companies. AdMob sells banner ads that appear inside mobile applications, and the company is on the cutting edge of developing new methods of mobile advertising. Apple was close to a deal with the start-up when Google swooped in and bought AdMob for \$750 million in stock. Google doesn't expect to earn anything close to that in returns from the deal, but it was willing to pay a premium to disrupt Apple's mobile advertising effort.

Undeterred, Apple bought top competitor Quattro Wireless for \$275 million in January 2010. It then shuttered the service in September of that year in favor of its own iAd advertising platform. iAd allows developers of the programs in Apple's App Store for the iPhone, iPad, and iPod Touch to embed ads in their software. Apple will sell the ads and give the app developers 60 percent of the ad revenue.

Apple has been more than willing to use similarly combative tactics to slow its competition down. Apple sued HTC, the Taiwanese mobile phone manufacturer of Android-equipped phones, citing patent infringement. Apple CEO Steve Jobs has consistently bashed Google in the press, characterizing the company as a bully and questioning its ethics. Many analysts speculate that Apple may take a shot at Google by teaming up with a partner that would have been unthinkable just a few years ago: Microsoft. News reports

suggest that Apple is considering striking a deal with Microsoft to make Bing its default search engine on both the iPhone and Apple's Web browser. This would be a blow to Google, and a boon to Microsoft, which would receive a much needed boost to its fledgling search service.

The struggle between Apple and Google wouldn't matter much if there wasn't so much potential money at stake. Billions of dollars hang in the balance, and the majority of that money will come from advertising. App sales are another important component, especially for Apple. Apple has the edge in selection and quality of apps, but while sales have been brisk, developers have complained that making money is too difficult. A quarter of the 250,000 apps available in early 2010 were free, which makes no money for developers or for Apple but it does bring consumers to the Apple marketplace where they can be sold other apps or entertainment services.

Google in the meantime is moving aggressively to support manufacturers of handsets that run its Android operating system and can access its services online. Apple relies on sales of its devices to remain profitable. It has had no problems with this so far, but Google only needs to spread its advertising networks onto these devices to make a profit. In fact, some analysts speculate that Google envisions a future where mobile phones cost a fraction of what they do today, or are even free, requiring only the advertising revenue generated by the devices to turn a profit. Apple would struggle to remain competitive in this environment. Jobs has kept the Apple garden closed for a simple reason: you need an Apple device to play there.

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P.G.D. Global Business Operations

Semester-2

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11

12

13

14

ACCOUNTING FOR BUSINESS I - CLASS TEST (March 2015)

Time: 2 Hours

Max. Marks: 50

Attempt all the questions.

- Q 1** What, if at all, is wrong with the following accounting practices:
- a) A business firm records an expense for the electricity charges for the owner's home.
 - b) A business firm buys a car at an auction for Rs 1,50,000 and records it at that amount. One week later, the price of the car is Rs 1,65,000, and the business records the car at the new market price.
 - c) A business firm records a TV set purchased for the owner's personal use as an asset of the business.
 - d) A business firm pays wages of Rs 10,000 on installation of a machine and debits the amount to wages account.
 - e) A dealer in electrical goods purchased some electrical items for free distribution to advertise its brand and debits the purchases account.

OR

On March 1, 2014, Sharma starts a proprietary business for providing customized computer software. Show the effect of the following transactions made by Mr. Sharma on the accounting equation 'Capital + Liabilities + Incomes = Assets + Expenses':

- a) On March, 1. Sharma invests Rs 50,000 in cash.
- b) On March, 5, Sharma takes a loan of Rs 80,000 from Manish for his business.
- c) On March, 10, he buys for cash two computers costing Rs 88,000.
- d) On March, 15, he buys office supplies for Rs 6,000 on credit from Sohan and treats it as expense.
- e) On March, 20, he completes its maiden software for a retail store and receives a licence fee of Rs 12,000.

10

Q 2 Rahul Stores commenced a merchandise business on April 1, 2014. Record its following transactions in the books of the firm [i.e., purchases book, sales book, cash book (two columnar) and general journal], post them to the ledger accounts and prepare trial balance:

- a) Rahul contributed Rs 2,00,000 as capital in cash.
- b) Purchased computer on credit, for office use, from Raman Singh, Rs 32,000.
- c) Purchased merchandise on credit from Gurpreet for Rs. 20,000.
- d) Sold merchandise on credit to Manpreet for Rs. 30,000.
- e) Paid cash to Raman Singh, supplier computer, Rs 32,000.
- f) Paid to Suresh freight charges on merchandise sold, Rs 300.
- g) Purchased office supplies on credit from Inderjeet, Rs 2,500.
- h) Purchased merchandise for cash from Rohit, Rs 37,000.

- i) Paid to Suresh freight charges on merchandise purchased, Rs 200.
- j) Sold merchandise on cash to Kuljeet Rs 25,000.
- k) Received cash from customer Manpreet, Rs 29,000 in full settlement of his account.
- l) Purchased merchandise on credit from Gurpreet for Rs, 18,000.
- m) Paid cash to Gurpreet, Rs 14,500 and received discount Rs 500.
- n) Sold goods to Kalra on credit Rs 17,000.
- o) Provide depreciation on Computer, Rs 2,000; Closing stock of merchandise, Rs 24,000.
- p) Deposited available cash in hand in the saving bank account of SBI. 20

Q 3 From the following trial balance of Shyam Industries prepare Trading Account, Profit and Loss Account for the period ending 31st March, 2014 and Balance Sheet on that date:

TRIAL BALANCE AS ON 31ST MARCH, 2014

Machinery	46,000	Shyam's capital	2,00,000
Wages	28,000	Bank overdraft	14,000
Income tax	2,000	Salaries outstanding	2,000
Land	1,65,000	Bills payable	15,000
Purchases less returns	1,20,000	Sales	2,76,000
Bad debts	1,000	Rental income	6,000
Sundry debtors	35,000	Sundry creditors	23,000
Opening stock	37,000	Discount received	4,000
Repairs to machinery	2,000		
Salaries	4,000		
Cash in hand	1,000		
Cash at bank	2,000		
Bills receivable	30,000		
Building	50,000		
Sales return	4,000		
Discount allowed	2,000		
Insurance	6,000		
Sundry expenses	5,000		
	5,40,000		5,40,000

Additional information:

1. Closing stock is valued at Rs 36,000.
2. Rental income accrued but not received Rs 4,000.
3. Prepaid Salary Rs 3,000; and prepaid insurance Rs 1,000.
4. Depreciate machinery @ 10% and building @ 4% p.a.
5. Provide for bad and doubtful debts @ 2% on debtors. 20

SHRI RAM COLLEGE OF COMMERCE
P.G.DIPLOMA IN GLOBAL BUSINESS OPERATIONS
SEMESTER-I
(Nov/Dec.2014)

PAPER 1.2-ECONOMICS FOR MANAGERS

Time Allowed: 3 Hrs

Maximum Marks: 70

Note: Attempt three Questions. Question No. 1 is compulsory

Ques 1: Do you agree or disagree with each of the following statements? Explain your reasons.

(Attempt any Eight)

(6x8=48 marks)

- (a) For a competitive firm facing a market price above average total cost, the existence of economic profits means the firm should increase output in the short run even if price is below marginal cost.
- (b) A Firm suffering losses in the short run will continue to operate as long as total revenue will at least cover fixed cost.
- (c) Demand for a product is more elastic over a period than at a point of time.
- (d) Assume that $MP_L=5$ and $MP_K=10$. Assume also that $P_L=2$ and $P_K=5$. This implies that firms should substitute labour for capital. Explain why?
- (e) Given the demand for a commodity, the less sensitive the quantity supplied is to price, the smaller is the share of the tax paid by consumers and larger is the share paid by sellers.
- (f) The average number of children per family has declined in the face of rapidly rising family income, so children must be an inferior good.
- (g) Suppose a person allocates a given budget between two goods, food and clothing. If food is an inferior good, can you tell whether clothing is inferior or normal? Explain.
- (h) Price ceiling result in a deadweight loss.
- (i) A student argues, "The prisoner's dilemma game is unrealistic. Each player's strategy is based on the assumption that the other player won't cooperate. But if each player assumes that the other player will cooperate, the dilemma disappears".
- (j) A firm prefers to sell only in domestic market if it is a monopolist in domestic market and facing competitive market in world economy.
- (k) Monopolistic competition is inefficient.

Ques 2: "If everyone can do it, you cannot make money at it in perfect competitive market in the long run". Do you agree with the statement or not? Explain with diagrams. **(11 marks)**

Ques 3: Why has the OPEC oil cartel succeeded in raising prices substantially? Explain with the help of diagram? **(11 Marks)**

Ques 4: Assume that mei has \$ 100 per month to divide between dinner at a Chinese restaurant and nights at Zanzibar, a local pub. Assume that going to Zanzibar costs \$20 and eating at the Chinese restaurant cost \$10. Suppose that mei spends two nights at Zanzibar and eats six times at the Chinese restaurant.

- (a) Draw mei's budget constraint and show that she can afford six meals and two nights at Zanzibar.
- (b) Assume that mei comes into some money and can now spend \$200 per month. Draw her new budget constraint.
- (c) As a result of the increase in income, mei decided to spend eight nights at Zanzibar and eat at the Chinese restaurant four times. What kind of a good is Chinese food? What kind of a good is a night at Zanzibar?
- (d) What part of the increase in Zanzibar trips is due to the income effect, and which part is due to the substitution effect? Explain your answer. **(11 Marks)**

P.G.DIPLOMA IN GLOBL BUSINESS OPERATION

II Semester - 2016

Paper 2.1- Global Business Environment

Time Allowed: 3 Hours

Max Marks: 70

(Write your Roll No. on the top immediately on receipt of this question paper)

Note: Attempt all questions.

- Q.1 Free trade leads to positive effect on national welfare in case of a small country. Do you agree with the statement or not? Explain by using diagram {max 250 words} (15)
- Q.2 Donald Trump insists he “will no longer surrender this country or its people to the false song of globalism”. Explain why nations impose trade restrictions if free trade is the best policy? [Max 200 words] (10)
- Q.3 Comment on any three of the following {max 150 words} (5 ×3)
- Two areas of business in which globalisation is having profound effects are the globalisation of markets and production.
 - Government’s role in a market economy involves providing a stable fiscal and monetary policy.
 - There are important implications for companies and governments if Porter’s Trade Theory accurately identifies the important drivers of national competitiveness.
 - Political risk abroad affects different type of companies in different ways.
 - Quitting the EU is a big economic risk, so prudence says stay.

- Q.4 Case Study: Read the article carefully and answer the following questions:

The International Monetary Fund and others have recently revised downward their forecasts for global growth—yet again. Little wonder: the world economy has few bright spots—and many that are dimming rapidly.

Among advanced economies, the US has just experienced two quarters of growth averaging 1%. Further monetary easing has boosted a cyclical recovery in the euro zone, though potential growth in most countries remains well below 1%. In Japan, ‘Abenomics’ is running out of steam, with the economy slowing since mid-2015 and

now close to recession. In the UK, uncertainty surrounding the June referendum on continued European Union membership is leading firms to keep hiring and capital spending on hold. And other advanced economies—such as Canada, Australia, Norway—face headwinds from low commodity prices. Things are not much better in most emerging economies. Among the five BRICS countries, two (Brazil and Russia) are in recession, one (South Africa) is barely growing, another (China) is experiencing a sharp structural slowdown, and India is doing well only because—in the words of central bank governor Raghuram Rajan—in the kingdom of the blind, the one-eyed man is king. Many other emerging markets have slowed since 2013 as well, owing to weak external conditions, economic fragility (stemming from loose monetary, fiscal and credit policies in the good years), and, often, a move away from market-oriented reforms and towards variants of state capitalism.

Worse, potential growth has also fallen in both advanced and emerging economies. For starters, high levels of private and public debt are constraining spending—especially growth—enhancing capital spending, which fell (as a share of gross) after the global financial crisis and has not recovered to pre-crisis levels. That fall-off in investment implies slower productivity growth, while ageing populations in developed countries—and now in an increasing number of emerging markets (for example, China, Russia, and Korea)—reduce the labour input in production. The rise in income and wealth inequality exacerbates the global saving glut. As income is redistributed from labour to capital, it flows from those who have a higher marginal propensity to spend to those who have a higher marginal propensity to save. Moreover, a protracted cyclical slump can lead to lower trend growth. Economists call this “hysteresis”: Long-term unemployment erodes workers’ skills and human capital; and, because innovation is embedded in new capital goods, low investment leads to permanently lower productivity growth.

Finally, with so many factors dragging down potential growth, structural reforms are needed to boost potential growth. But such reforms are occurring at suboptimal rates in both advanced and emerging economies, because all of the costs and dislocations are front-loaded, while the benefits occur over the medium and long term. This gives opponents of reform a political advantage. Meanwhile, actual growth remains below the diminished potential. A painful deleveraging process implies that private and public spending need to fall, and that savings must rise, to reduce high deficits and debts. This process started in the US after the housing bust, then spread to Europe, and is now ongoing in emerging markets that spent the past decade on a borrowing binge. At the same time, the policy mix has not been ideal. With most advanced economies pivoting too quickly to fiscal retrenchment, the burden of reviving growth was placed almost entirely on unconventional monetary policies, which have diminishing returns. Asymmetric adjustment between debtor and creditor economies has also undermined growth. The former, having overspent and under-saved, had to spend less and save more when markets forced them to do so, whereas the latter were not forced to spend more and save less. This exacerbated the global savings glut and global investment slump. Finally, hysteresis further weakened actual growth. A cyclical slump reduced potential growth, and the reduction in potential growth prospects led to further cyclical weakness, as spending declines when expectations are revised downward.

There are no politically easy solutions to the global economy's current quandary. Unsustainably high debt should be reduced in a rapid and orderly fashion, to avoid a long and protracted (often a decade or longer) deleveraging process. But orderly debt-reduction mechanisms are not available for sovereign countries and are politically difficult to implement within countries for households, firms and financial institutions. Likewise, structural and market-oriented reforms are necessary to boost potential growth. But, given the timing of costs and benefits, such measures are especially unpopular if an economy is already in a slump. It will be no less difficult to leave behind unconventional monetary policies, as the US Federal Reserve recently suggested by signalling that it will normalize policy interest rates more slowly than expected. Meanwhile, fiscal policy—especially productive public investment that boosts both the demand and supply sides—remains hostage to high debts and misguided austerity, even in countries with the financial capacity to undertake a slower consolidation. Thus, for the time being, we are likely to remain in what the IMF calls the “new mediocre”, Larry Summers calls “secular stagnation”, and the Chinese call the “new normal”. But make no mistake: there is nothing normal or healthy about economic performance that is increasing inequality and, in many countries, leading to a populist backlash—both on the right and the left—against trade, globalization, migration, technological innovation and market-oriented policies.

- (a) Assess the Indian Business Environment in light of Raghuram Rajan's comment on Indian economy. **(15)**
- (b) Rise in income and wealth inequality cause problems to the world economy. Do you agree with the statement or not. If yes, do we have any solution to this problem? **(15)**

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P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS
SEMESTER II
(MAY 2016)

Paper Code: 2.2 **QUANTITATIVE TECHNIQUES - II**

TIME ALLOWED : 3 HOURS

MAXIMUM MARKS : 70

*All the five questions are compulsory.
All the parts of a question should be answered together and in the given order.
Use of simple calculator is allowed.*

Question 1 Attempt any *two* parts:

- (a) From a given response to a question, a marketing researcher wishes to determine whether a randomly selected person will choose BriDent when next purchasing toothpaste. The question is designed to reveal whether the selected person recalls the name - BriDent. Previous testing has established that 99% of the people who bought BriDent earlier recalled the name and that only 10% of the people who did not buy BriDent recalled this particular brand name. Since BriDent has cornered 30% of the toothpaste market, the researcher chooses 0.30 as the prior probability that the person will buy BriDent.
- If the person who is selected remembers BriDent, what is the posterior probability that BriDent will be purchased next?
 - If the person who is selected does not remember BriDent, what is the posterior probability that BriDent will be purchased next?
- (b) A tyre manufacturer found that the sample mean tread life of 81 radial tyres tested was 52,345 km. The population standard deviation of radial tyre tread life is 6,144 km and is assumed to be normally distributed.
- Estimate, with 99% confidence, the true mean tread life of all radial tyres manufactured.
 - How large a sample should be taken so that the true mean may be estimated within 500 km with 99% confidence?
- (c) The number of tubes of toothpaste purchased by a typical family is a random variable having a Poisson distribution with an average of 1.8 tubes per month.
- What is the probability that a typical family will purchase at least three tubes of toothpaste in any given month?
 - What is the likelihood that a typical family will purchase less than four tubes of toothpaste in any given month?
- (Given: $e = 2.7183$ and $e^{0.8} = 2.2255$)

7+7

Question 2 Attempt any *two* parts:

- (a) The manager of a book store buys a book at Rs 125 per copy and sells it for Rs 140 per copy. Any copies unsold at the end of the season are sold for Rs 100 per copy. The

demand for the book during a season is as follows:

Demand (units):	20	21	22	23	24	25
Probability:	0.05	0.12	0.15	0.18	0.30	0.20

- (i) Obtain the conditional pay-off matrix.
 - (ii) Determine the optimal policy using EMV criterion. Also calculate the EVPI.
- (b) Suppose that you are the manager of T.C. Resort Properties, a collection of five upscale resort hotels located on two resort islands. On one of the islands, the company has two facilities at two different locations, the Beachcomber and Windsurfer. In tabulating the responses to the single question on the guest satisfaction survey, "Are you likely to choose this hotel again?" 163 of 227 guests at the Beachcomber responded yes, and 154 of 262 guests at the Windsurfer responded yes. At the 0.01 level of significance, is there evidence of a significant difference in the guest satisfaction (as measured by likelihood to return to the hotel) between the two hotels?
- (c) Do as directed:
- I. Distinguish between statistics and parameters. What does it mean to say that *statistics are random variables*?
 - II. State whether the following statements is correct or not. If a statement is not correct, give reason or correct the statement.
 - (i) The parameters of a binomial distribution are: $\mu = np$ and $\sigma = \sqrt{npq}$.
 - (ii) The binomial approximation to Poisson distribution is used when n is large and p is very small.
 - (iii) Probability of Type I error = 1 – Probability of Type II error.
 - (iv) The level of significance in a statistical test refers to the probability of making a Type I error.

7+7

Question 3 Attempt any *two* parts:

- (a) The manager of a large supermarket in New Delhi believes that 25% of her customers shop for groceries daily, 35% shop at least three or four times per week, 30% shop twice weekly and the balance shop only once a week. In a survey conducted amongst a random sample of 180 customers, the following shopping frequencies were identified:

Daily	36
3–4 times	55
Twice	62
Once only	27

Does the survey data support the manager's belief about the frequency of store visits by customers? Use $\alpha = 0.05$.

- (b) The HR department of a company has been investigating two educational programmes for increasing the sensitivity of the managers: called 'formal' and 'informal'. Data relating to a sample of managers trained in both programmes are given below:

Programme Sampled	Mean Sensitivity Score after this programme	Standard Deviation	Number of managers observed
Formal	94	15	13
Informal	86	18	16

The company wishes to test whether the sensitivity achieved by the formal programme is higher than the sensitivity achieved under the informal programme. Test at 5 percent level of significance.

- (c) The manufacturer of AM/FM sets uses a small battery for its radios. The supervising inspector of the manufacturer is considering four suppliers for supply of batteries. The supervisor wants to know if there is any difference among the average lifetimes of the four battery brands. Twenty-four batteries (six of each brand) are placed on a test device that slowly drains the battery power and records the battery lifetime. The following data were obtained:

Brand 1	Brand 2	Brand 3	Brand 4
41	32	35	33
35	37	30	27
48	46	24	36
40	53	26	35
45	41	28	27
52	43	31	25

Use ANOVA procedure to answer this question, taking $\alpha = 0.05$.

7+7

Question 4

- (a) The following table shows for each activity needed to complete the project the normal time, the shortest time in which the activity can be completed of a building contract and the cost per day for reducing the time of each activity. The contract includes a penalty clause of Rs 1,000 per day over 20 days. The overhead cost per day is Rs 1,600. The cost of completing the 8 activities in normal time is Rs 75,000.

Activity	Normal Time (in days)	Shortest Time (in days)	Cost of Reduction per day (Rs)
1 - 2	8	6	800
1 - 3	10	6	900
1 - 4	7	5	300
2 - 4	5	5	--
2 - 5	7	5	400
3 - 6	14	10	2,000
4 - 6	10	7	500
5 - 6	8	8	--

Determine,

- the normal duration of the project and its cost
- the lowest cost and the associated time, and
- the shortest time and the associated cost

10

- (b) An activity in a PERT network has an expected duration of 7 weeks and a standard deviation equal to 1.5 weeks. Obtain optimistic, pessimistic and most likely times of the activity if it is further known the optimistic and pessimistic times add up to 17 weeks.

Or

The critical activities of a project, their expected durations and standard deviations (in weeks) are given here:

<i>Activity:</i>	B	E	G	H	K	L
<i>Expected duration:</i>	12	3	8	7	5	6
<i>Standard deviation:</i>	2/3	0	2	5/3	4/3	0

What is the probability that the project will be completed in more than 44 weeks?

4

Question 5 Attempt any *two* parts:

- (a) A repairman is to be hired by a company to repair machines that break down following a Poisson process, with an average rate of 4 per day. The cost of non-productive machine time is Rs 900 per day. The company has the option of choosing a fast or a slow repairman. The fast repairman charges Rs 700 per day and will repair machines at an average rate of 7 per day, while the slow repairman charges Rs 500 per day and will repair machines at an average rate of 6 per day. Which repairman should be employed?
- (b) (i) Discuss the important properties of normal curve.
(ii) State the assumptions underlying the classical EOQ model.
- (c) A company needs 2,500 units of a particular component every year. The company buys it at the rate of Rs 30 per unit. The order-processing cost for this part is estimated at Rs 15 and the cost of carrying a part in stock comes to about Rs 4 per year. The company can manufacture this part internally. In that case, it saves 20 percent of the price of the product. However, it estimates a setup cost of Rs 250 per production run. The annual production rate would be 4,800 units. However, the inventory holding costs remain unchanged.
- (i) Determine the EOQ and the optimal number of orders placed in a year.
(ii) Determine the optimum production lot size.
(iii) Should the company produce the product internally or continue to buy from outside supplier?

7+7

Your Roll No.....

POST GRADUATE DIPLOMA IN GLOBAL BUSINESS OPERATIONS

II Semester – 2016

Paper 2.3 – Accounting for Business I

Time : 3 Hours

Maximum Marks : 70

(Write your Roll No. on the top immediately on receipt of this question paper)

Attempt all questions

Q 1

EITHER

(a) Classify the following accounts as real, personal or nominal:

- (i) Bank Account (ii) Furniture account (iii) Salary account (iv) Cash account
(v) Rent outstanding (vi) Bank overdraft (vii) Capital account (viii) Sales account
(ix) Goodwill (x) Sundry creditors

5

(b) Analyse the following transactions and pass the necessary journal entries:

- (i) April 5 : Goods sold on credit to Ramdhan for Rs. 50,000.
(ii) April 7 : Cheque received from Ramdhan Rs. 20,000 and deposited in the bank on the same day.
(iii) April 15 : Ramdhan became insolvent and the amount receivable from him was treated as bad.
(iv) April 16 : Furniture purchased Rs. 18,000 for office use from Rama Furnitures for cash.
(v) April 20 : Cash received from official receiver of Ramdhan in respect of amount due from him Rs. 9,000 as full and final payment

5

OR

Ramesh Brothers entered into the following transaction in the month of March, 2016:

1 st : Purchased goods from Randhir on credit	Rs 55,000
3 rd : Cash purchases of goods from Sushil	30,000
7 th : Sold goods to Kiran Kumar on credit	60,000
10 th : Purchased goods from Hari on credit	20,000



15 th : Purchased a machine for office use from Suresh on credit	80,000
18 th : Purchased another machine for office use from Yash for cash	45,000
20 th : Sold goods to Kiran Kumar on credit	25,000
22 nd : Kiran Kumar returned part of the goods purchased on March 7	8,000
23 rd : Received cash from Kiran Kumar	50,000
25 th : Goods returned to Hari	4,000
30 th : Paid electricity charges to NDPL	3,000
30 th : Paid to Randhir in full settlement of his account	52,000
Opening cash balance at the beginning of March, 2016	98,000

Record the above transactions in the cash book, purchases book, sales book and the general journal book of Ramesh Brothers. 10

Q 2

EITHER

(a) Distinguish between FIFO and LIFO method of inventory valuation. 5

(b) Expo Cements Limited purchased a machine costing Rs. 20 lakhs. As per suppliers warranty, the physical life of the machine is estimated to be eight years. However, the management would like to replace the machine after 5 years. At that time, the machine is expected to fetch a residual value of Rs. 5 lakhs. What will be the annual depreciation if the company follows:

(i) Straight line method of charging depreciation

(ii) W.D.V. method of charging depreciation, and the rate of depreciation being 25%

(iii) Sum of year's digits method of charging depreciation

Prepare depreciation schedule for Expo Cements Limited using each of the above method. 10

OR

(a) Malhotra Printers Limited bought a printing press on 1st April, 2005 at a cost of Rs. 30 lakhs. The management estimated the useful life of the press to be 10 years with a residual value of Rs. 2 lakhs. The machine was depreciated using straight line method till 2012-13. On 1st April, 2013, it was estimated that the press will be useful for another 5 years and will have a residual value of Rs. 1 lakh. What will be the revised annual depreciation. 5

(b) Assuming that Prakash Limited uses a perpetual inventory system and keeps detailed record of purchases and sales. The date-wise break-up of purchases and sales during the quarter is given below:



Date	Quantity	Unit Price (Rs.)
Opening stock	300	110
Purchases		
April 10	800	120
May 5	600	125
June 5	700	140
Sales		
April 12	400	180
May 10	800	180
June 12	500	200

Prepare stock register using FIFO and LIFO method. Find out value of closing stock, cost of goods sold and gross profits in each of the above method. 10

Q 3

EITHER

(a) Give format of balance sheet (*without notes to accounts*) as per Schedule III of the Companies Act, 2013. 5

(b) Give format of Statement of Profit and Loss (*without notes to accounts*) as per Schedule III of the Companies Act, 2013. 5

(c) Give journal entries for recommendation, declaration and payment of final dividend. 5

OR

The following is the trial balance of Ciplax Limited as at 31st March, 2016:

Debit balances	Rs.	Credit balances	Rs.
Opening stock-in-trade	3,00,000	General reserve	1,76,000
Wages	1,20,000	Surplus in the Statement of Profit and Loss	3,40,000
Salaries	24,000	Trade creditors	68,000
Rent	30,000	Provision for doubtful debts (as on 1.4.2015)	4,000
Purchases	7,64,000	Equity share capital (Rs. 10)	10,00,000
Furniture	50,000	Purchases return	20,000
Trade debtors	1,20,000	Sales	23,00,000
Trade expenses	10,000	Bills payable	28,000
Discount allowed	16,000		
Bad Debts	11,000		
Bills receivable	28,000		
Computer software	20,000		
Cash at bank	43,000		
Plant and machinery	24,00,000		
	<u>39,36,000</u>		<u>39,36,000</u>



Additional information:

- (i) Stock-in-trade on 31st March, 2016 was Rs. 4,00,000.
- (ii) Depreciate furniture at 10%, plant and machinery at 12% and computer software at 20%.
- (iii) Salaries outstanding at the end Rs. 4,000.
- (iv) Provide 5% for bad and doubtful debts on trade debtors.
- (v) Provide for income tax at 40% and corporate dividend tax at 15%.
- (vi) Transfer 10% of the net profits to general reserve and propose final dividend @ 20%.

Prepare Statement of profit and loss for the year ended 31st March, 2016 and Balance sheet as at that date as per Schedule III of the Companies Act, 2013. 15

Q 4

EITHER

Write short notes on the following:

- (a) Debenture redemption reserve and capital redemption reserve 5
- (b) Redemption of preference share capital 5
- (c) Purposes for which securities premium can be used 5

OR

The following financial position of Clarity Limited has been extracted from the books as at 31st March, 2016:

	Rs.		Rs.
Equity share capital – 50,000 equity shares of Rs. 8 per share called up	4,00,000	Fixed assets	7,00,000
Less:		Short-term investments	60,000
Calls-in-arrears on 10,000 shares @ Rs. 2 per share	(20,000)	Inventory	2,50,000
Calls in advance – on 20,000 shares @Rs. 3 per share	60,000	Trade receivable	3,20,000
10% Redeemable preference share capital – of Rs. 100 each fully paid up	2,00,000	Cash and bank balance	1,70,000



General reserve	3,00,000		
Surplus	2,90,000		
Current Liabilities	2,70,000		
	<u>15,00,000</u>		<u>15,00,000</u>

Calls-in-arrears are outstanding for six months. Calls in arrears were received along with interest @ 12% p.a.

The Board of Directors have recommended that:

- (i) Dividend for the year ending 31st March, 2016 be allowed at 20% on equity shares.
- (ii) Money on calls in advance be refunded alongwith interest. These calls were received 6 months back. Interest payable on calls in advance is payable @ 10% p.a.
- (iii) Partly paid equity shares be converted as fully paid-up by declaring bonus dividend to shareholders.
- (iv) Redeem preference share capital at a premium of 10% by issuing 9% Debentures of Rs. 100 each for cash.

Show journal entries to give effect to the transactions resulting from implementation of the above recommendations. 15

Q 5

EITHER

Write short notes on the following:

(a) Concept of amalgamation, absorption and reconstruction 5

(b) Define amalgamation in the nature of merger as per AS 14 5

(c) In a scheme of internal reconstruction, the Radhey Limited decides as follows:

(i) 50,000 equity shares of Rs. 10 each to be reduced to Rs. 2 per share.

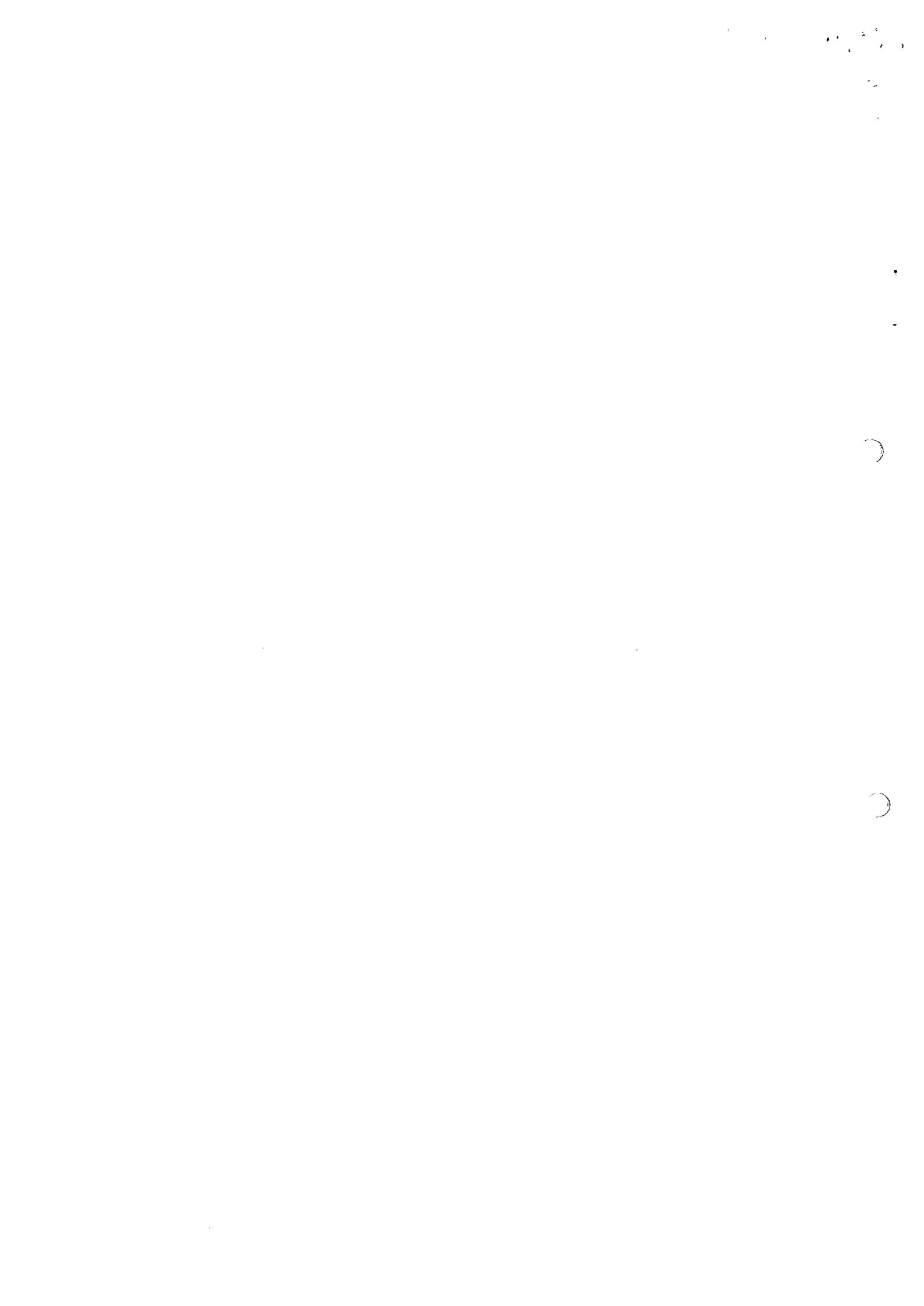
(ii) Preference share holders agree to convert their 10% Preference share capital of Rs. 2,00,000 into 12% Preference share capital of Rs. 1,50,000. They also agree to forego arrears of preference dividend Rs. 80,000 appearing as a footnote under the head contingent liability.

(iii) Creditors of Rs. 2,80,000 agree to forego Rs. 1,00,000.

(iv) Write off debit balance of profit and loss statement Rs. 4,50,000; Reduce the value of plant and machinery by Rs. 80,000.

Pass journal entries to record the above transactions in the books of Radhey Limited. 5

OR



The summarized balance sheet of Elegant Limited as at 31st March, 2016 is given below:

Equity and Liabilities	Rs.	Assets	Rs.
<i>Shareholders' funds:</i>		<i>Fixed assets:</i>	
Equity share capital	6,00,000	Land and building	3,40,000
8% Preference share capital	1,50,000	Plant and machinery	4,50,000
General reserve	80,000	Furniture	60,000
Statutory reserves	30,000	Goodwill	90,000
Surplus in Profit and Loss	90,000	<i>Current assets:</i>	
<i>Liabilities:</i>		Stock-in-trade	1,20,000
10% Debentures	2,40,000	Trade receivables	2,40,000
Staff provident fund	70,000	Cash and bank	50,000
Trade creditors	90,000		
	<u>13,50,000</u>		<u>13,50,000</u>

Quality Machines Limited acquired the business of Elegant Limited on the following terms:

(i) The assets of Elegant Limited be valued as: Land and building at 20% more than the book value, Plant and machinery and furniture at 10% less than the book value, goodwill at Rs. 60,000, trade receivables at Rs. 2,30,000 and other assets at book values.

(ii) Debenture holders of Elegant Limited be taken over at a premium of 5% and to be discharged by Quality Machines Limited by issue of its 9% Debentures of Rs. 100 each at par.

(iii) The purchase consideration to be discharged by issue of 6,000 equity shares of Rs. 100 each at a premium of 10%; 1,500 10% Preference Shares of Rs. 100 each at par and the payment of the balance in cash.

The expenses of dissolution of Elegant Limited Rs. 15,000 were agreed to be paid by the Quality Machines Limited.

You are required to pass journal entries in the books of Quality Machines Limited, purchasing company.

15



P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

II - SEMESTER

2.4 – LEGAL ENVIRONMENT FOR GLOBAL TRADE

Time Allowed: 3 hrs

Max. Marks: 70

(Write your Roll No. on the top immediately on receipt of this question paper)

Note: All questions are compulsory

Q.1 Very Short Question (Answer in 1 - 15 word) (5 X 1 marks each)

- (a) DTAA stands for
- (b) Service tax is an example of tax. (Direct / Indirect)
- (c) WTO stands for
- (d) Anti – dumping duty is levied on
- (e) India is Law Country

Q.2 Short Question (Answer in 15 - 30 word) (5 X 2 marks each)

State True or False with reason

- (a) Principle of Most Favoured Nation stands for Country A will be given a benefit and the same is extended to all other countries also
- (b) FDI is allowed in Agriculture Sector.
- (c) There can never be double taxation (Direct Tax) in case of Cross Border Transaction.
- (d) WTO helps in reducing standard of living.
- (e) International Agreements are valid only when stamp duty is paid in both the countries.

Q.3 Short questions (Answer in 100-200 words) (7 X 5 marks each)

- (a) What do you understand by Transfer Pricing?
- (b) Who is person resident in India as per FEMA Law?
- (c) How a dispute is resolved at WTO?
- (d) What is the difference between Capital Account Transaction and Current Account Transactions?

(e) Company A in Delhi wants to take consultancy services. It has 2 options:-

Option 1 - Takes services from an Indian Company at the rate of Rs. 10 lakhs.
Service Tax extra.

Option 2 - Take the services from a Singapore Company at the rate of USD 8,000.
(1USD = Rs. 65) (Assume no CENVAT Credit is available)

Which option you will choose and why?

(f) What are the different legal forms of organisation through which the business in India can be run / undertaken?

(g) Company A in Delhi wants to purchase certain goods. It has 2 options:-

Option 1 - Buy the goods from an Indian Company at Sale Price of Rs. 10 lakhs
(75% Cost) (Taxes Extra). Excise Duty @ 15% on cost, VAT @ 5% on sales price.

Option 2 - Import the goods from USA at USD 5,000. (1USD = Rs. 65). Basic
Custom Duty in India is 20% as per CETA.

Which option you will choose and why?

Q.4 Long question (Answer in 1000-15000 words) Answer any one. (1 X 20 marks)

What is WTO? Why it is formed? What are its key principles? What are the functions of WTO? Whether WTO is helpful for India?

Or

What is FEMA? What are provisions related to Foreign Direct Investment (FDI)?
What are the restrictions on FDI? Which are the eligible entities which can receive FDI in India?

P.G.D. Global Business Operations

Semester II Examination May/June 2016

Paper- 2.5 Computer Applications in Business: MIS

Time – 3 Hrs.

Max marks-70

Attempt all the questions. The marks of each question are indicated against the question.

- Q-1 Read the following business situations and answer the questions that follows (attempt any two only): (18)
- a) Don's Lumber Company on the Hudson River is one of the oldest retail lumberyards in New York State. It features a large selection of materials for flooring, decks, moldings, windows, siding, and roofing. The prices of lumber and other building materials are constantly changing. When a customer inquires about the price on pre-finished wood flooring, sales representatives consult a manual price sheet and then call the supplier for the most recent price. The supplier in turn uses a manual price sheet, which has been updated each day. Often the supplier must call back Don's sales reps because the company does not have the newest pricing information immediately on hand. Assess the business impact of this situation, describe how this process could be improved with information technology, and identify the decisions that would have to be made to implement a solution. Who would make those decisions?
 - b) Office Depot sells a wide range of office products and services in the United States and internationally, including general office supplies, computer supplies, business machines (and related supplies), and office furniture. The company tries to offer a wider range of office supplies at lower cost than other retailers by using just-in-time replenishment and tight inventory control systems. It uses information from a demand forecasting system and point-of-sale data to replenish its inventory in its 1,600 retail stores. Explain how these systems help Office Depot minimize costs and any other benefits they provide. Identify and describe other supply chain management applications that would be especially helpful to Office Depot.
 - c) Today's US Airways is the result of a merger between US Airways and America West Airlines. Before the merger, US Airways dated back to 1939 and had very traditional business processes, a lumbering bureaucracy, and a rigid information systems function that had been outsourced to Electronic Data Systems. America West was formed in 1981 and had a younger workforce, a more freewheeling entrepreneurial culture, and managed its own information systems. The merger was designed to create synergies from US Airways' experience and strong network on the east coast of the United States with America West's low-cost structure, information systems, and routes in the western United States. What features of organizations should management have considered as it merged the two companies and their information systems? What decisions need to be made to make sure the strategy works?

Q-2 Attempt any **three** of the following.

(27)

- a) How are information systems transforming business and what is their relationship to globalization?
- b) Define collaboration and teamwork and explain why they have become so important in business today. List and describe the business benefits of collaboration
- c) What are the most important tools and technologies for safeguarding information resources? What is the business value of security and control?
- d) How do supply chain management systems coordinate planning, production, and logistics with suppliers?
- e) What do you mean by E-Commerce? How is it different from E-Business? Also explain the advantages and limitations of E-Commerce.
- f) How do business intelligence and business analytics support decision making?

Q-3 Read the case study attached and answer the following questions:

(25)

- a. What concepts in the chapter are illustrated in this case?
- b. Analyze Amazon and Walmart.com using the chain and competitive forces models?
- c. What are the management, organization and technology factors that have contributed to the success of both Wal-Mart and Amazon?
- d. Compare Wal-Mart's and Amazon's e-commerce business models. Which is stronger? Explain your answer.
- e. Where would you prefer to make your internet purchase? Amazon or Walmart.com? Why?

Amazon vs. Walmart: Which Giant Will Dominate E-commerce?

CASE STUDY

Since arriving on the dot-com scene in 1995, Amazon.com has grown from a small online bookseller to one of the largest retailing companies in the world, and easily the largest e-commerce retailer. The company has come a long way from its roots as a small Internet start-up selling books online. In addition to books, Amazon now sells millions of new, used, and collectible items in categories such as apparel and accessories, electronics, computers, kitchen and housewares, music, DVDs, videos, cameras, office products, toys and baby items, computers, software, travel services, sporting goods, jewelry, and watches. In 2010, sales of electronics and general merchandise comprised the majority of Amazon's sales for the first time.

Amazon.com would like to be "The Walmart of the Web," and it is indeed the Internet's top retailer. But in 2010, another firm emerged as a serious challenger for the title of 'Walmart of the Web': Walmart. Though Walmart is a latecomer to the world of e-commerce, the world's largest retailer appears to have its sights set on Amazon and is ready to battle it out for online e-tailing supremacy.

In contrast with Amazon, Walmart was founded as a traditional, off-line, physical store in 1962, and has grown from a single general store managed by founder Sam Walton to the largest retailer in the world with nearly 8,000 stores worldwide.

Based in Bentonville, Arkansas, Walmart made \$405 billion in sales last year, which is about 20 times as much as Amazon. In fact, based on current size alone, the battle between Walmart and Amazon is far from a clash of two similarly powerful titans.

Walmart is clearly the bigger and stronger of the two, and for the time being, Amazon is not a big threat to Walmart as a whole.

Amazon, however, is not an easy target. The company has created a recognizable and highly successful brand in online retailing as a mass-market, low-price, high-volume online superstore. It has developed extensive warehousing facilities and an extremely efficient distribution network specifically designed for Web shopping. Its premium shipping service, Amazon Prime, provides "free" two-day shipping at an affordable price (currently only \$79 per year), often considered to be a weak point for online retailers. Even without Amazon Prime, designated

Super Saver items totaling at least \$25.00 ship for free.

Amazon's technology platform is massive and powerful enough to support not only sales of its own items but also those of third-party small and large businesses, which integrate their products into Amazon's Web site and use its order entry and payment systems to process their own sales. (Amazon does not own these products, and shipping is handled by the third party, with Amazon collecting 10-20 percent on the sale). This enables Amazon to offer an even wider array of products than it could carry on its own while keeping inventory costs low and increasing revenue. Amazon has further expanded its product selection via acquisitions such as the 2009 purchase of online shoe shopping site Zappos.com, which earned \$1 billion in retail sales in 2008 and gave the company an edge in footwear.

In the third quarter of 2009, when retail sales dipped 4 percent across the board, Amazon's sales increased by 24 percent. Its sales of electronics and general merchandise, which is the most prominent area of competition between Amazon and Walmart, were up 44 percent. And e-commerce is expected to become an increasingly large portion of total retail sales. Some estimates indicate that e-commerce could account for 15 to 20 percent of total retail in the United States within the next decade, as more and more shoppers opt to avoid the hassle of shopping at a physical location in favor of shopping online. If this happens, Amazon is in the best position to benefit. In the meantime, e-commerce has not suffered as much from the recession and is recovering more quickly than traditional retail, giving Walmart more reason for concern.

However, Walmart also brings a strong hand to the table. It is an even larger and more recognizable brand than Amazon. Consumers associate Walmart with the lowest price, which Walmart has the flexibility to offer on any given item because of its size and ability to keep overhead costs to a minimum. Walmart can lose money selling a hot product at extremely low margins and expect to make money on the strength of the large quantities of other items it sells. It also has a legendary continuous inventory replenishment system that

starts restocking merchandise as soon as an item reaches the checkout counter. Walmart's efficiency, flexibility, and ability to fine-tune its inventory to carry exactly what customers want have been enduring sources of competitive advantage. Walmart also has a significant physical presence, with stores all across the United States and in many other countries, and its stores provide the instant gratification of shopping, buying an item, and taking it home immediately, as opposed to waiting when ordering from Amazon.

Walmart believes Amazon's Achilles' heel is the costs and delays of shipping online purchases to buyers. Customers who buy some of the more than 1.5 million products on Walmart.com can have them shipped free to a local Walmart, and pick up their purchases at these stores. Internet shoppers may be tempted to pick up other items once they are inside the store. New service desks at the front of some stores make it even easier for shoppers to retrieve their purchases. A Walmart on the outskirts of Chicago is testing a drive-through window, similar to those found at pharmacies and fast-food restaurants, where shoppers can pick up their Internet orders.

In late 2009, Walmart.com began aggressively lowering prices on a wide variety of popular items, making sure in each instance to undercut Amazon's price. The types of items Walmart discounted included books, DVDs, other electronics, and toys. The message was clear: Walmart is not going down without a fight in e-commerce. And Walmart.com executive Raul Vazquez echoed the same thought, saying that Walmart will adjust its prices "as low as we need to" to be the "low-cost leader" on the Web. In other words, the two companies are now locked in a price war, and both sites are determined to win.

The most high profile area where the two companies have done battle is in online book sales. Amazon's Kindle e-book reader may have started the conflict by offering the most popular books in e-book format for just \$9.99. Though many publishers have since balked at allowing their books to be sold in the e-book format for that price, the battle has raged on in traditional formats. Several high-profile book releases, such as Stephen King's newest novel, *Under the Dome*, illustrated just how low both companies are willing to go. Walmart lowered its price for the novel to just \$10, claiming that it wasn't in response to the \$9.99 e-book price. Amazon matched that price shortly thereafter. In response, Walmart dropped the price to \$9.00 a few days later. The book's retail cover price is \$35 dollars, and its wholesale price is about \$17. This means that

both retailers are losing at least \$7 on every copy of *Under the Dome* that they sell at that price.

Walmart sees its massive price cuts as a way to gain market share quickly as they enter the online bookselling marketplace at a time when e-book readers and Apple iPhones and iPads make the e-book format popular. Amazon has demonstrated that in the short term it is more than capable of competing with Walmart on price. As of this case's writing, Amazon had raised its price on the *Under the Dome* back up to \$17. Walmart's price, of course, was \$16.99. The two sites have had similar clashes over many high-profile books, like J.K. Rowling's *Harry Potter and the Half-Blood Prince* and James Patterson's *I, Alex Cross*, the latter selling for \$13.00 on Amazon and \$12.99 on Walmart.com as of this writing.

The feud between the two sites has spilled over into other types of merchandise. Amazon and Walmart.com have competed over Xbox 360 consoles, popular DVD releases, and other big-ticket electronics. Even popular toys like the perennial top seller Easy-Bake Oven have been caught up in the fray. With the 2009 holiday shopping season in full swing, Walmart dropped its price for the toy from \$28 to just \$17. Amazon slashed its price to \$18 on the very same day.

Amazon claims it doesn't see shipping as a weakness. According to Amazon spokesperson Craig Berman, "Shopping on Amazon means you don't have to fight the crowds. We bring the items to your doorstep. You don't have to fight through traffic or find a parking space." Moreover, Amazon has taken steps recently to speed delivery times. In October, it began offering same-day delivery in seven U.S. cities, at an extra cost to shoppers. By working with carriers and improving its own internal systems, Amazon also started offering second-day deliveries on Saturdays, shaving two days off some orders. And Amazon continues to expand its selection of goods to be as exhaustive as Walmart's. In November 2010, Walmart introduced free shipping for all online orders.

Amazon founder and CEO Jeff Bezos is fond of describing the U.S. retail market as having "room for many winners." Will this hold true for Walmart and Amazon going forward? Walmart remains unchallenged among traditional physical retailers, but will it topple Amazon on the Web? Or will Amazon continue to be the "Walmart" of online retailers? Alternatively, will Walmart end up enlarging the online retail market space, helping Amazon grow in the process?

Roll No.....

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

SEMESTER EXAMINATION MAY/JUNE 2016

2.7- Cross-Cultural Buying Behavior

Time allowed: 3 hours

Max. Marks: 70

Write your roll no. on the top immediately after receiving the question paper.

Answer any 7 out of 10 questions. Each question carries equal marks.

1. "Swatch Bharat" Abhiyan, an initiative of Government of India faces many hurdles especially w.r.t. consumer behavior and attitude towards cleanliness of the city. Suggest any five measures to improve consumer sensitivity towards cleanliness of the city in context of Indian consumer behaviour.
2. The Delhi Government has claimed that the "Odd-Even" Part II has been a grand success. However such initiatives to control pollution have been legally forced on the citizens of Delhi. Suggest three measures such that citizen, as drivers and users of vehicle, in Delhi, VOLUNTARILY reduce usage of their vehicles in the context consumer behaviour.
3. Consider a brand of your choice that is available across two or more cultures/ sub cultures in India. Compare the firm's brand marketing mix across the two subcultures.
4. Select a service provider brand of your choice. In the context of consumer behaviour to what extent has the brand adapted to the local requirement of the costumer. Elaborate.

5. Design a product / service that is targeted towards the old and aged consumers, 70 plus, living in urban areas with their children and grandchildren. Discuss the financial feasibility of such product/ service.
6. Select a brand of your choice that enjoys substantial brand loyalty. What can the firm do to further enhance the customer loyalty towards the brand?
7. Once again select a brand of your choice that is presently a "low involvement" brand. What can the firm do to move the brand from "low involvement" to high involvement".
8. Select a brand that failed in the last six months, primarily because the firm failed to correctly study consumer behavior. Detail the reasons for such brand failure.
9. "Pulse", a brand of hard boiled sweet from the DS Group is a major success story. The firm has extended the brand by introducing Pulse Guava. DS group is interested in leveraging the brand name and is contemplating entering new product categories. As marketing consultant to DS Group which product categories should the brand enter into and why?
10. Write short notes on any two:
 - (a) Consumer behavior in rural India.
 - (b) Marketing to Children
 - (c) J-L-T brands.

Roll No.....

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

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 - (a) Consumer behavior in rural India.
 - (b) Marketing to Children
 - (c) J-L-T brands.

4.2

SHRI RAM COLLEGE OF COMMERCE
P. G. Diploma in Global Business Operations
(SEMESTER- IV)
(Mid Semester Examination: 2015)
International Financial Management

Time Allowed: 2Hours

Maximum Marks: 50

Section – ‘A’ Conceptual Assessment (Total Marks: 25)

1. Exotic Derivatives
2. Synthetics
3. Tick
4. Currency Swap
5. EFP

Section – ‘B’ Numerical Assessment (Total Marks: 11)

1. Basel Inc. and Cemex Ltd wants to raise 100 million for 5 years. They have received the following quotations from their banks. Both the firms are not convinced with the quotations and are looking forward for some cost reduction. They approached Citi Bank who advices them to enter into swap arrangement that would facilitate the firms in reducing their borrowing costs further.

FIRM	OBJECTIVE	BANK	FIXED	FLOATING
Basel Inc.	Fixed	HSBC	11.25%	P+1.50%
Cemex Ltd	Floating	ICICI	9.50%	P+1.00%

You are required to structure a swap where Citi Bank would take a spread of 50 Bps.

[5]

2. Helium Ltd. has imported machines for cloth manufacturing worth US\$ 1,000,000 from a company in US. The amount due for the imports is payable after 6 months. The treasury manager of Helium Ltd. has collected the following market quotes:

Exchange rates:

Spot	Rs./\$	56.07/56.11
Forward	6-month	56.18/56.22

Interest rates (p.a.):

Dollar (6 months)	2.50% / 3.00%
Rupee (6 months)	8.50% / 10.00%

The treasury Manager is reviewing the following alternatives to settle the payable:

- i. Cover through forward market
- ii. Cover through money market

You are **required** to suggest the treasury Manager the best alternative to settle the payable: [6]

Section – 'C' Analytical Assessment (Total Marks:14)

1. Risk and exposures are interrelated and interdependent. Discuss the different types of Exposures and Risks and also suggest methods to reduce the same.
2. Derivatives can be aggressively used for hedging. Discuss the risk management process with the derivative instruments available in the Indian market.

P.G. D. Global Business Operations

Semester- IV

Paper- 4.3 International Trade Blocks and Agreements

Time- 2Hrs

Max Marks- 50

Attempt all the questions. Question No. 4 is compulsory. All questions carry equal marks.

Ques 1: Outline the driving and restraining forces in international trade.

Ques 2: Regionalism is in the dictionary of trade policy terms described as "actions by governments to liberalize or facilitate trade on a regional basis, sometimes through FTA's or customs union ". In the light of above statement explain the scope of RTA's.

Ques 3: (a) International trade in future will have defined compulsions and targets. Outline them in detail with specific reference to your understanding of target market requirements in future.

(b) Write a brief note on FDI impetus to global markets.

Ques 4: Write short notes on: (ANY TWO)

(a) NAFTA

(b) EU

(c) MERCOSUR

Ques 5: Assume that you have been asked by the CEO of your organization to prepare a systematic approach to market scanning in the Asian market. The CEO would like detailed inputs on major markets as also on latest competitive developments. What would you recommend. (Students can assume the product).

Ques 6: (a) Explain the differences among a market allocation economic system, a command allocation system and a mixed economy.

(b) Write a short note profiling Chinese economy?



P.G.D. Global Business Operations

Semester-IV

Paper- 4:5 International Investment Management

Time – 2 Hrs.

Max marks-50

Note: Attempt all questions.

Q 1. Explain the relationship of bond value with required rate of return and time to maturity. What do you mean by Bond-Convexity?

Q 2. Find out YTM and YTC of the following bond:-

Face Value	Rs. 100
Time to Maturity	5 years
Market Price	Rs. 114
Redemption Value	Rs. 120
Callable in 3 years at	Redemption Value
Coupon Rate	16%

Explain the reason why the YTC is more than YTM

Q 3 ABC Ltd. has issued 16% bonds of the face value of Rs. 1,000 each with a maturity period of 6 years. These bonds are being traded in the market at a price to yield a return of 17% for the investors. The bond is redeemable at par on maturity.

Find out the market price and the duration of the bond. How the duration of the bond would change if the redemption period reduces to 4 years.

In case the market rate of interest increases by 2%, then by how much percentage the indicated market price is expected to change?

Q 4. A) Diversification is the key to risk reduction. Explain as to how correlation between/among the elements of a portfolio can help in risk-reduction.

B) Following information is available in respect of a portfolio:-

Security	Weight	Return	Standard Deviation
A	0.6	20%	24
B	0.4	12%	16

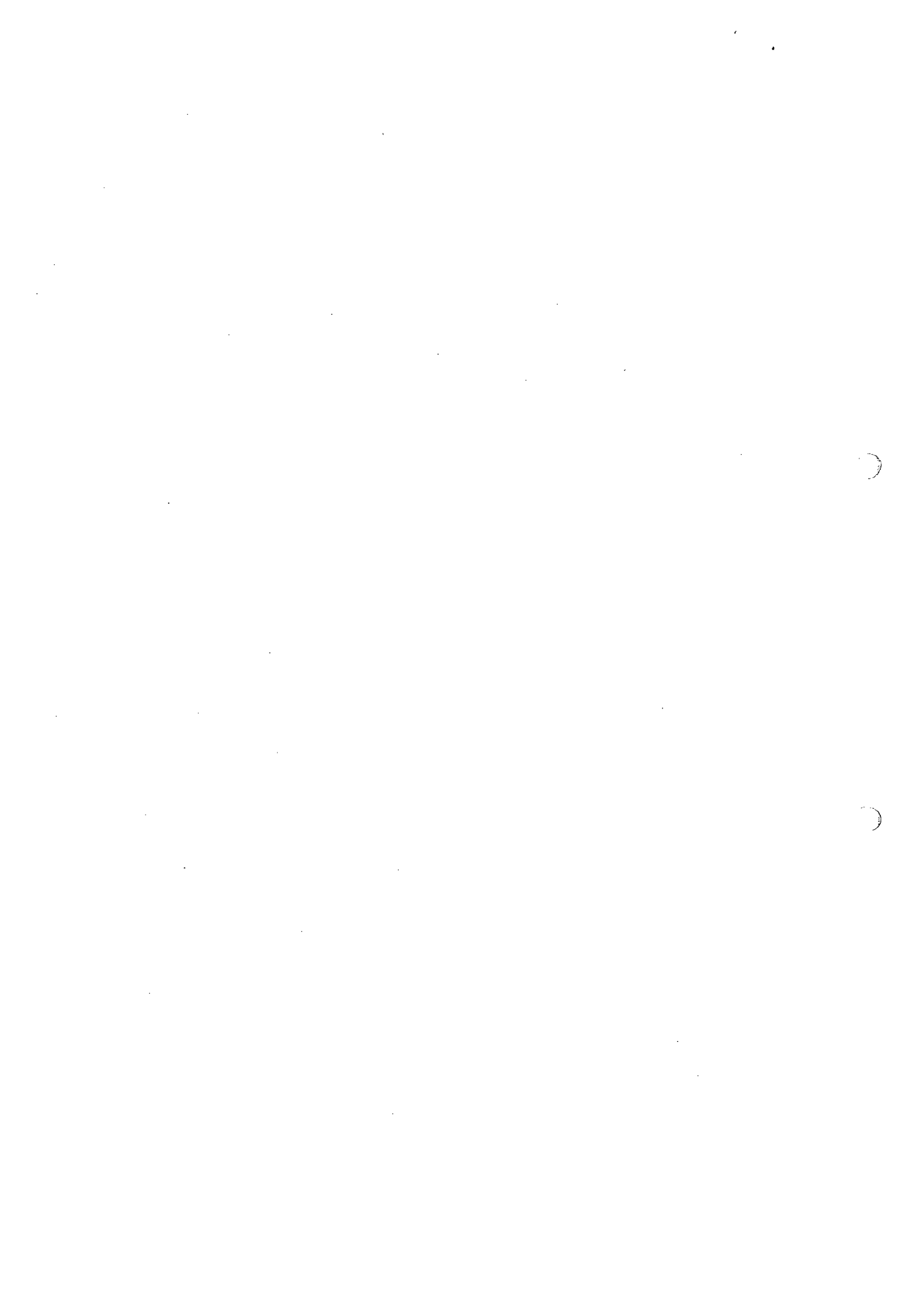
Correlation coefficient is +0.8

Find Out :-

a) Risk and return of the Portfolio.

b) Correlation Coefficient between the returns if the standard deviation of the portfolio is 20 or 18.

Year	1	2	3	4	5	6
PVF @14%	.877	.769	.675	.592	.519	.456
@15%	.870	.756	.658	.572	.497	.432
@16%	.862	.743	.641	.552	.476	.410
@17%	.855	.731	.624	.534	.456	.390
@18%	.847	.718	.609	.516	.437	.370



P.G.D. Global Business Operations

Semester-2

Paper- 2.5 Computer Applications in Business: MIS

Time – 2 Hrs.

Max marks-50

Attempt all the questions. The marks of each question are indicated against the question.

Q-1 Read the following business situations and answer the questions that follows (attempt any two only): (12)

- a) Henry's Hardware is a small family business in Sacramento, California. The owners must use every square foot of store space as profitably as possible. They have never kept detailed inventory or sales records. As soon as a shipment of goods arrives, the items are immediately placed on store shelves. Invoices from suppliers are only kept for tax purposes. When an item is sold, the item number and price are rung up at the cash register. The owners use their own judgment in identifying items that need to be reordered. What is the business impact of this situation? How could information systems help the owners run their business? What data should these systems capture? What decisions could the systems improve?
- b) Today's US Airways is the result of a merger between US Airways and America West Airlines. Before the merger, US Airways dated back to 1939 and had very traditional business processes, a lumbering bureaucracy, and a rigid information systems function that had been outsourced to Electronic Data Systems. America West was formed in 1981 and had a younger workforce, a more freewheeling entrepreneurial culture, and managed its own information systems. The merger was designed to create synergies from US Airways' experience and strong network on the east coast of the United States with America West's low-cost structure, information systems, and routes in the western United States. What features of organizations should management have considered as it merged the two companies and their information systems? What decisions need to be made to make sure the strategy works?
efficient, outdated
- c) BestMed Medical Supplies Corporation sells medical and surgical products and equipment from over 700 different manufacturers to hospitals, health clinics, and medical offices. The company employs 500 people at seven different locations in western and midwestern states, including account managers, customer service and support representatives, and warehouse staff. Employees communicate via traditional telephone voice services, e-mail, instant messaging, and cell phones. Management is inquiring about whether the company should adopt a system for unified communications. What factors should be considered? What are the key decisions that have to be made in determining whether to adopt this technology? Use the Web, if necessary, to find out more about unified communications and its costs.

-2 Attempt any **three** of the following. (18)

- a) How are information systems transforming business and what is their relationship to globalization?
- b) Why are systems for collaboration and teamwork so important and what technologies do they use?
- c) How do information systems help businesses use synergies, core competencies, and network-based strategies to achieve competitive advantage?

- d) What are the most important tools and technologies for safeguarding information resources in an organization?
- e) What are the problems of managing data resources in a traditional file environment and how are they solved by a database management system?
- f) What do you mean by cloud computing? Write a short note highlighting its business value in today's business world.

Q-3 Read the case study attached and answer the questions that follow:

(20)

Google, Apple, and Microsoft Struggle for Your Internet Experience

CASE STUDY

In what looks like a college food fight, the three Internet titans—Google, Microsoft, and Apple—are in an epic struggle to dominate your Internet experience. What's at stake is where you search, buy, find your music and videos, and what device you will use to do all these things. The prize is a projected 2015 \$400 billion e-commerce marketplace where the major access device will be a mobile smartphone or tablet computer. Each firm generates extraordinary amounts of cash based on different business models. Each firm brings billions of dollars of spare cash to the fight.

In this triangular fight, at one point or another, each firm has befriended one of the other firms to combat the other firm. Two of the firms—Google and Apple—are determined to prevent Microsoft from expanding its dominance beyond the PC desktop. So Google and Apple are friends. But when it comes to mobile phones and apps, Google and Apple are enemies: each want to dominate the mobile market. Apple and Microsoft are determined to prevent Google from extending beyond its dominance in search and advertising. So Apple and Microsoft are friends. But when it comes to the mobile marketplace for devices and apps, Apple and Microsoft are enemies: Google and Microsoft are just plain enemies in a variety of battles.

Google is trying to weaken Microsoft's PC software dominance, and Microsoft is trying to break into the search advertising market with Bing.

Today the Internet, along with hardware devices and software applications, is going through a major expansion. Mobile devices with advanced functionality and ubiquitous Internet access are rapidly gaining on traditional desktop computing as the most popular form of computing, changing the basis for competition throughout the industry.

Research firm Gartner predicts that by 2013, mobile phones will surpass PCs as the way most people access the Internet. Today, mobile devices account for 5 percent of all searches performed on the Internet; in 2016, they are expected to account for 23.5% of searches.

These mobile Internet devices are made possible by a growing cloud of computing capacity available to anyone with a smartphone and Internet connectivity. Who needs a desktop PC anymore when you

can listen to music and watch videos 24/7? It's no surprise, then, that today's tech titans are so aggressively battling for control of this brave new mobile world.

Apple, Google, and Microsoft already compete in an assortment of fields. Google has a huge edge in advertising, thanks to its dominance in Internet search. Microsoft's offering, Bing, has grown to about 10 percent of the search market, and the rest essentially belongs to Google. Apple is the leader in mobile software applications, thanks to the popularity of the App Store for its iPhones. Google and Microsoft have less popular app offerings on the Web.

Microsoft is still the leader in PC operating systems and desktop productivity software, but has failed miserably with smartphone hardware and software, mobile computing, cloud-based software apps, its Internet portal, and even its game machines and software. All contribute less than 5 percent to Microsoft's revenue (the rest comes from Windows, Office, and network software). While Windows is still the operating system on 95 percent of the world's 2 billion PCs, Google's Android OS and Apple's iOS are the dominant players in the mobile computing market. The companies also compete in music, Internet browsers, online video, and social networking.

For both Apple and Google, the most critical battleground is mobile computing. Apple has several advantages that will serve it well in the battle for mobile supremacy. It's no coincidence that since the Internet exploded in size and popularity, so too did the company's revenue, which totaled well over \$40 billion in 2009. The iMac, iPod, and iPhone have all contributed to the company's enormous success in the Internet era, and the company hopes that the iPad will follow the trend of profitability set by these products. Apple has a loyal user base that has steadily grown and is very likely to buy future product offerings. Apple is hopeful that the iPad will be as successful as the iPhone, which already accounts for over 30 percent of Apple's revenue. So far, the iPad appears to be living up to this expectation.

Part of the reason for the popularity of the Apple iPhone, and for the optimism surrounding Internet-

3) Equipped smartphones in general, has been the success of the App Store. A vibrant selection of applications (apps) distinguishes Apple's offerings from its competitors', and gives the company a measurable head start in this marketplace. Apple already offers over 250,000 apps for its devices, and Apple takes a 30% cut of all app sales. Apps greatly enrich the experience of using a mobile device, and without them, the predictions for the future of mobile Internet would not be nearly as bright. Whoever creates the most appealing set of devices and applications will derive a significant competitive advantage over rival companies. Right now, that company is Apple.

But the development of smartphones and mobile Internet is still in its infancy. Google has acted swiftly to enter the battle for mobile supremacy while it can still 'win', irreparably damaging its relationship with Apple, its former ally, in the process. As more people switch to mobile computing as their primary method for accessing the Internet, Google is aggressively following the eyeballs. Google is as strong as the size of its advertising network. With the impending shift towards mobile computing looming, it's no certainty that it will be able to maintain its dominant position in search. That's why the dominant online search company began developing a mobile operating system and its Nexus One entry into the smartphone marketplace. Google hopes to control its own destiny in an increasingly mobile world.

Google's efforts to take on Apple began when it acquired Android, Inc., the developer of the mobile operating system of the same name. Google's original goal was to counter Microsoft's attempts to enter the mobile device market, but Microsoft was largely unsuccessful. Instead, Apple and Research In Motion, makers of the popular BlackBerry series of smartphones, filled the void. Google continued to develop Android, adding features that Apple's offerings lacked, such as the ability to run multiple apps at once. After an initial series of blocky, unappealing prototypes, there are now Android-equipped phones that are functionally and aesthetically competitive with the iPhone. For example, the Motorola Droid was heavily advertised, using the slogan "Everything iDon't...Droid Does."

Google has been particularly aggressive with its entry into the mobile computing market because it is concerned about Apple's preference for 'closed', proprietary standards on its phones. It would like smartphones to have open nonproprietary

platforms where users can freely roam the Web and pull in apps that work on many different devices.

Apple believes devices such as smartphones and tablets should have proprietary standards and be tightly controlled, with customers using applications on these devices that have been downloaded from the its App Store. Thus Apple retains the final say over whether or not its mobile users can access various services on the Web, and that includes services provided by Google. Google doesn't want Apple to be able to block it from providing its services on iPhones, or any other smartphone. A high-profile example of Apple's desire to fend off Google occurred after Google attempted to place its voice mail management program, Google Voice, onto the iPhone. Apple cited privacy concerns in preventing Google's effort.

Soon after, Google CEO Eric Schmidt stepped down from his post on Apple's board of directors. Since Schmidt's departure from Apple's board, the two companies have been in an all-out war. They've battled over high-profile acquisitions, including mobile advertising firm AdMob, which was highly sought after by both companies. AdMob sells banner ads that appear inside mobile applications, and the company is on the cutting edge of developing new methods of mobile advertising. Apple was close to a deal with the start-up when Google swooped in and bought AdMob for \$750 million in stock. Google doesn't expect to earn anything close to that in returns from the deal, but it was willing to pay a premium to disrupt Apple's mobile advertising effort.

Undeterred, Apple bought top competitor Quattro Wireless for \$275 million in January 2010. It then shuttered the service in September of that year in favor of its own iAd advertising platform. iAd allows developers of the programs in Apple's App Store for the iPhone, iPad, and iPod Touch to embed ads in their software. Apple will sell the ads and give the app developers 60 percent of the ad revenue.

Apple has been more than willing to use similarly combative tactics to slow its competition down. Apple sued HTC, the Taiwanese mobile phone manufacturer of Android-equipped phones, citing patent infringement. Apple CEO Steve Jobs has consistently bashed Google in the press, characterizing the company as a bully and questioning its ethics. Many analysts speculate that Apple may take a shot at Google by teaming up with a partner that would have been unthinkable just a few years ago: Microsoft. News reports

suggest that Apple is considering striking a deal with Microsoft to make Bing its default search engine on both the iPhone and Apple's Web browser. This would be a blow to Google, and a boon to Microsoft, which would receive a much needed boost to its fledgling search service.

The struggle between Apple and Google wouldn't matter much if there wasn't so much potential money at stake. Billions of dollars hang in the balance, and the majority of that money will come from advertising. App sales are another important component, especially for Apple. Apple has the edge in selection and quality of apps, but while sales have been brisk, developers have complained that making money is too difficult. A quarter of the 250,000 apps available in early 2010 were free, which makes no money for developers or for Apple but it does bring consumers to the Apple marketplace where they can be sold other apps or entertainment services.

Google in the meantime is moving aggressively to support manufacturers of handsets that run its Android operating system and can access its services online. Apple relies on sales of its devices to remain profitable. It has had no problems with this so far, but Google only needs to spread its advertising networks onto these devices to make a profit. In fact, some analysts speculate that Google envisions a future where mobile phones cost a fraction of what they do today, or are even free, requiring only the advertising revenue generated by the devices to turn a profit. Apple would struggle to remain competitive in this environment. Jobs has kept the Apple garden closed for a simple reason: you need an Apple device to play there.

The three-way struggle between Microsoft, Apple, and Google really has no precedent in the history of computing platforms. In early contests it was typically a single firm that rode the crest of a new technology to become the dominant player. Examples include IBM's dominance of the mainframe market, Digital Equipment's dominance

of minicomputers, Microsoft's dominance of PC operating systems and productivity applications, and Cisco Systems' dominance of the Internet router market. In the current struggle are three firms trying to dominate the customer experience on the Internet. Each firm brings certain strengths and weaknesses to the fray. Will a single firm "win," or will all three survive the contest for the consumer Internet experience? It's still too early to tell.

Sources: Jennifer LeClaire, "Quattro Wireless to be Closed as Apple Focuses on iAd," *Top Tech News*, August 20, 2010; Yukari Iwatani Kane and Emily Steel, "Apple Fights Rival Google on New Turf," *The Wall Street Journal*, April 8, 2010; Brad Stone and Miguel Helft, "Apple's Spat with Google Is Getting Personal," *The New York Times*, March 12, 2010; Peter Burrows, "Apple vs. Google," *BusinessWeek*, January 14, 2010; Holman W. Jenkins, Jr., "The Microsofting of Apple?," *The Wall Street Journal*, February 10, 2010; Jessica E. Vascellaro and Ethan Smith, "Google and Microsoft Crank Up Rivalry," *The Wall Street Journal*, October 21, 2009; Jessica E. Vascellaro and Don Clark, "Google Targets Microsoft's Turf," *The Wall Street Journal*, July 9, 2009; Miguel Helft, "Google Set to Acquire AdMob for \$750 Million," *The New York Times*, November 10, 2009; Jessica E. Vascellaro, "Google Rolls Out New Tools as it Battles Rival," *The Wall Street Journal*, December 8, 2009; and Jessica E. Vascellaro and Yukari Iwatani Kane, "Apple, Google Rivalry Heats Up," *The Wall Street Journal*, December 10, 2009.

CASE STUDY QUESTIONS

1. Compare the business models and areas of strength of Apple, Google, and Microsoft.
2. Why is mobile computing so important to these three firms? Evaluate the mobile platform offerings of each firm.
3. What is the significance of applications and app stores to the success or failure of mobile computing?
4. Which company and business model do you think will prevail in this epic struggle? Explain your answer.
5. What difference would it make to you as a manager or individual consumer if Apple, Google, or Microsoft dominated the Internet experience? Explain your answer.

17

18

19

P.G. D. Global Business Operations

Semester- IV

Paper- 4.6 Social and Ethical Issues in Business

Time- 2Hrs

Max Marks- 50

Attempt all the questions. All questions carry equal marks.

Ques 1: What has been the most enduring legacy (ies) of the demise of Enron? Explain.

Ques 2: Which are the three boards you would join and three you would not, if offered? Explain in detail your reasons and parameters used to reach your decisions for both instances.

Ques 3: You are CEO of an Indian co with net profits of ₹ 100 cr, ₹ 120 cr and ₹ 150 cr over the last three years respectively. How much funds will you apportion to CSR? Which projects will you undertake, and how will you manage and audit the same. What will be the costs of administrating your CSR activities?

Ques 4: You are CEO of a large Indian company. Junior employees approach you with
a) Complaint of sexual harassment; and b) allegations of financial wrongdoing in their respective departments. Explain the process you will follow to deal with these complaints, if you address them at all. If you choose not to take any action whatsoever, explain why not.

Ques 5: As CEO, you discover that your largest, and most reliable vendor, is also the first cousin of your Director of Procurement. How do you react, and why?

3

3

3

3

3

P.G. D. Global Business Operations

Semester- IV

Paper- 4.6 Social and Ethical Issues in Business

Time- 2Hrs

Max Marks- 50

Attempt all the questions. All questions carry equal marks.

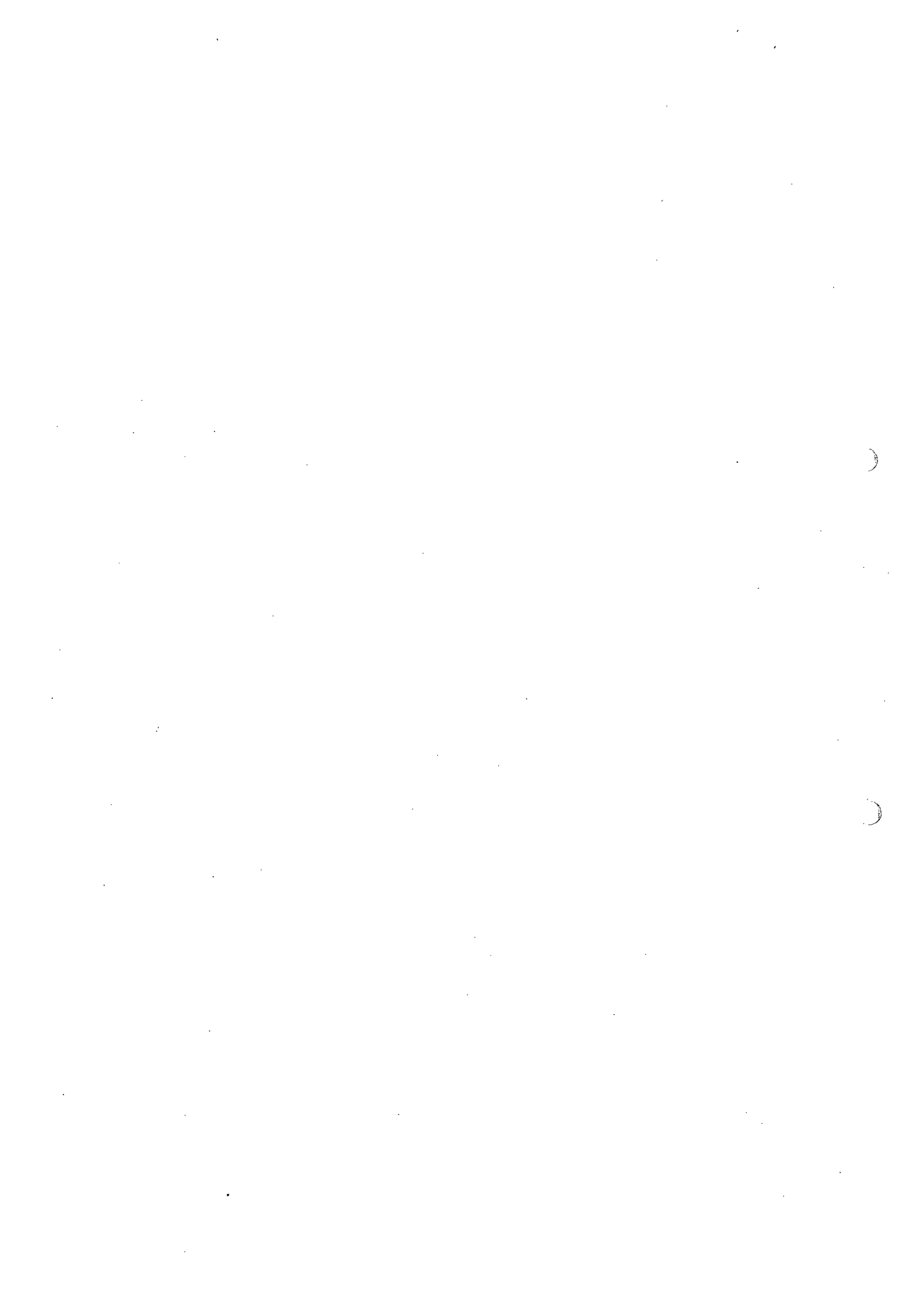
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Your Roll No.....

P.G.DIPLOMA IN GLOBAL BUSINESS OPERATIONS

IV Semester - 2016

Paper 4.2 - INTERNATIONAL FINANCIAL MANAGEMENT

Time Allowed: 3 Hours

Max. Marks: 70

(Write your Roll No. on the top immediately on receipt of the question paper.)

Section – 'A' Conceptual Assessment (Total Marks: 25)

1. Exotic Derivatives
2. Synthetics
3. Long Strangle
4. Currency Swap
5. EFP

Section – 'B' Numerical Assessment (Total Marks: 25)

1. You bought 2 calls on a stock at Rs.125 for a premium of Rs.5 each and bought 1 Put at the same strike for Rs.7 on same stock. Name the strategy, calculate the Break-even points and plot the same on pay-off profile and pay-off diagram.

[5]

2. Calico Ltd. has imported machines for cloth manufacturing worth US\$ 1,000,000 from a company in US. The amount due for the imports is payable after 6 months. The treasury manager of Calico Ltd. has collected the following market quotes:

Exchange rates:

Spot	Rs./\$	56.07/56.11
Forward	6-month	56.18/56.22

Interest rates (p.a.):

Dollar (6 months)	2.50% / 3.00%
Rupee (6 months)	8.50% / 10.00%

The treasury Manager is reviewing the following alternatives to settle the payable:

- i. Cover through forward market
- ii. Cover through money market

You are **required** to suggest the treasury Manager the best alternative to settle the payable.

[8]

3. A Importer is expecting the liability in next two months and is expecting volatility not in favour. The current rupee-dollar spot rate is Rs.55.20 / \$. The following call and Put options are available in the market:

Option	Strike price (Rs / \$)	Premium (Rs.)	Maturity (Months)
Call	54.75	0.60	2
Call	55.00	0.40	2
Put	56.25	0.60	2
Put	55.50	0.04	1

The Importer wants to hedge his position by adopting an option strategy which is most appropriate from the above four options.

You are required to suggest all possible strategies with pay-off profile and diagram to hedge keeping the risk and cost low. Also recommend the best possible strategy with reasons.
[12]

Section – ‘C’ Analytical Assessment (Total Marks: 20)

1. Risk and exposures are interrelated and interdependent. Discuss the different types of Exposures and Risks and also suggest methods to reduce the same.
2. Derivatives can be aggressively used for hedging. Discuss the risk management process with the derivative instruments available in the Indian market.

Your Roll No.....

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

IV Semester – 2016

Paper 4.3 – INTERNATIONAL TRADE BLOCK AND AGREEMENTS

TIME ALLOWED: 3 Hours

MAXIMUM MARKS: 70

(Write your Roll No. on the top immediately on receipt of this questions paper.)

ANSWER ANY FIVE QUESTIONS

ALL QUESTIONS CARRY EQUAL MARKS

Q1 The term plurilateral agreement is used in WTO. A plurilateral agreement implies that WTO member countries would be given the choice to agree to new rules on a voluntary basis. This contrasts with the multilateral WTO agreements wherein all WTO members are party to the agreement. Basis statements above give example of one plurilateral and one multilateral agreement with explanatory notes.

Q2. In global industries the borders are blurred among nations, between competitors and collaborators and among industries.

- (i) Which are the key global industries?
- (ii) What are the factors responsible for global integration?
- (iii) Explain how global industries coordinate their value chain activities across many countries.

Q3. What are the subtle shifts in international trade which will diametrically impact the patterns of world trade in future?

- (i). How will market intelligence be harnessed for functional viability of international trade agreements?
- (ii) Production sharing across borders enhances value of international trade blocks. Justify with an example.
- (iii) Explain any one major market agreement.

Q4. Regional trade agreements are an alternative strategy to increase trade flows.

- (i) What are the advantages of RTA's?
- (ii) The pressure to set more ambitious goals for existing RTA's in East Asia, Latin America and Eastern Europe is already present but they face institutional, political and policy constraints. Justify the statement.
- (iii) What is opportunistic plurilateralism?
- (iv) Countries must look for like minded partners-be they regional or extra regional and who are willing to expedite international trade. How will the potential of regional trade agreements be harnessed when extra regional players and like minded countries are included?

Q5 All agreements talk of economic integration. Integration increases market size and may result in a lower degree of monopoly in the production of certain goods and services.

- (i) Justify the above statement.
- (ii) Explain with country specific examples market allocation system, command allocation system and mixed system.
- (iii) Many FTA's in Asia have included "WTO PLUS" and "DOHA PLUS" elements like trade facilitation, investment, government procurement, competition policy as well as intellectual property, environment and labor. Why are many FTA's known as economic partnerships rather than FTA's?

Q6. Barriers is essential safeguard considered as a safety net by most countries. Why?

- (i) Trade barriers require rationalization and trade liberalization is a global requirement. In your opinion to what extent tailored and structured global organizations have as on date delivered on aspects of trade rationalization and trade liberalization?

Q7. Explain TRIPS agreement.

- (i) Differentiate between a customs union and common market with examples.
- (ii) Advantages of EU trade blocks.
- (iii) Concessions and interdependence in trade blocks is essential. Why?
- (iv) What makes NAFTA and EU special to world trade?

Your Roll No.....

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

IV Semester – 2016

PAPER 4.4- PROCEDURES & LOGISTICS FOR GLOBAL TRADE

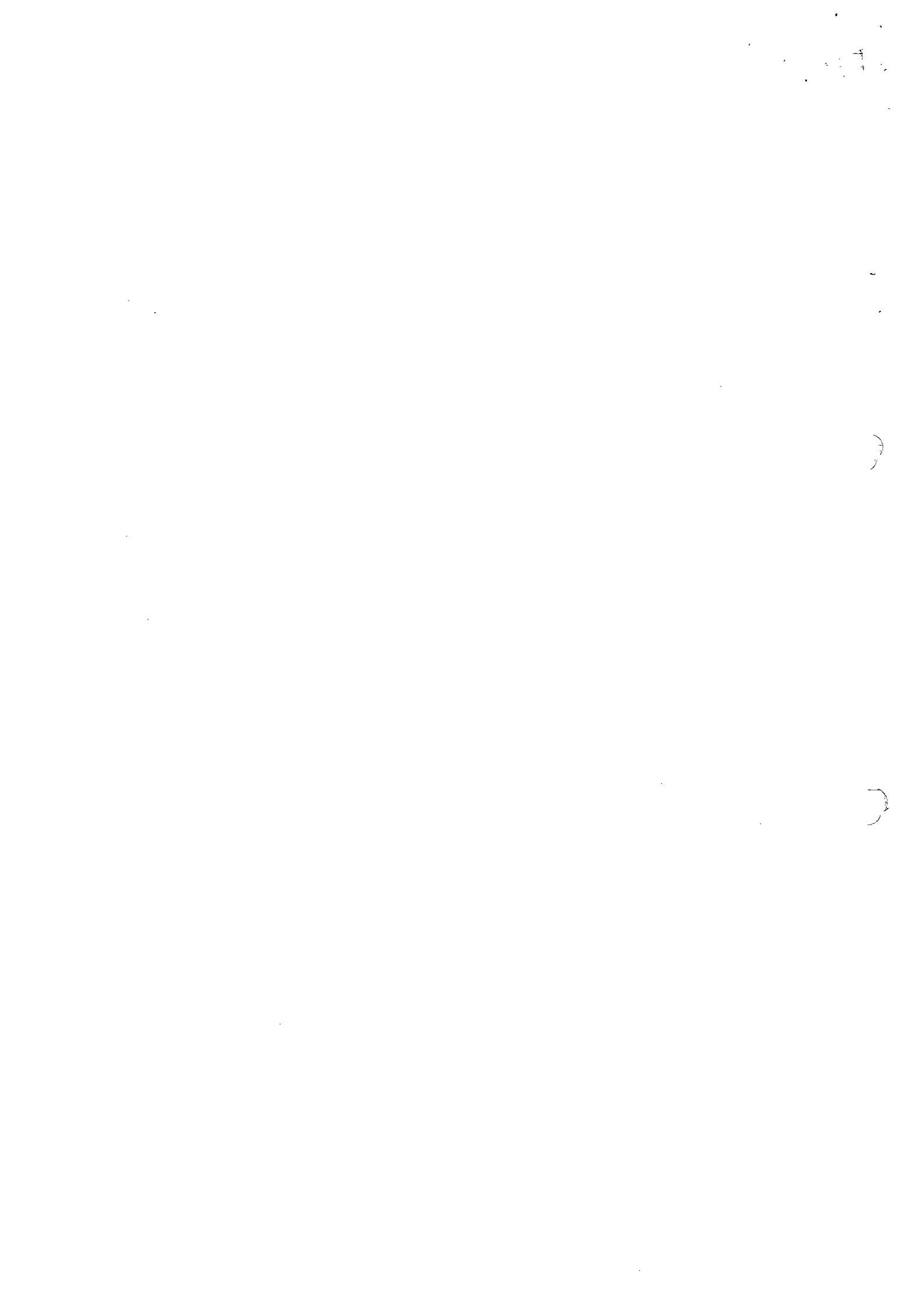
Time Allowed: 3 Hours

Maximum Marks: 70

(Write your Roll No. on the top immediately on receipt of this question paper)

Attempt any six questions. Question Number 1 is of 20 marks & remaining 10 marks each.

- Q.1 What is the role of Letter Of Credit in processing of an export order? Describe any two types of LCs which are mostly opened for carrying out import-export orders.
- Q.2 Describe role of CHA and importance of Bill Of Lading.
- Q.3 Shipping is the life line of world economy –Comment. How road and rail infrastructure is helpful for shipping industry?
- Q.4 Describe various types of Air Cargo Carrier Services. What is the importance of Integrated Express Operators?
- Q.5 Illustrate types of Freight Rates. What are those services which are not included in Air Cargo Rates?
- Q.6 What is the concept of Dry Ports? How are these beneficial?
- Q.7 What is Intermodal Transport System? Describe Containerisation and various types of Containers.



P.G. DIPLOMA IN GLOBAL BUSINESS OPERATION

IV Semester - 2016

PAPER 4.5- INTERNATIONAL INVESTMENT MANAGEMENT

TIME Allowed: 3 hours

Max. Marks: 70

*(Write your Roll No. on the top immediately on receipt of this question paper)***Directions:** This paper contains 5 questions. All are compulsoryQuestion 1.Write short notes on any **four** of the following:

- (i) Security Market Line
 - (ii) Dividend Discount Model of equity valuation
 - (iii) Fundamental analysis
 - (iv) Currency derivatives
 - (v) Harry Markowitz theory of Portfolio Management
 - (vi) Active and Passive strategy
- (5X4 = 20 Marks)

Question 2.

- (i) "International diversification offers the benefits of lucrative returns available in other economies and are free from cost of high risk". Critically evaluate the statement with reference to risks inherent in international investing. (12 Marks)
- (ii) Given below is the exposure of XYZ Exports in terms of the exchange rate risk. Calculate the net exposure that the firm needs to hedge to take a sufficient cover from the transaction risk. (3 Marks)

Item	Value	Days to maturity
1. USD receivable	800,000	60
2. EUR payable	3,000,000	90
3. USD interest payable	100,000	180
4. USD payable	400,000	60
5. USD purchased forward	200,000	60
6. USD loan instalment due	300,000	60
7. USD interest receivable	150,000	180
8. EUR purchased forward	1,000,000	90
9. CHF sold forward	2,000,000	90
10. CHF receivable	150,000	90

Question 4:

- (i) The following ratios are given for Matrix Company: (5 Marks)

Net Profit margin ratio	4 percent
Current ratio	1.25
Return on Net worth	15.23 percent
Total debt to total assets ratio	0.40
Inventory turnover ratio	25

Complete the following statements:

Income Statement

Sales	.....
Cost of goods sold	.....
Operating expenses	700
EBIT	.....
Interest	45
Profit before tax	.....
Tax provision (50 percent)	.....
Profit after tax	.....

Balance Sheet

Net Worth	.....	Fixed assets	.....
Long term debt		Current assets	.....
(15% interest)	.....	Cash	.....
Accounts payable	.....	Receivables	.....
		Inventory	.....
	-----		-----

- (ii) Consider the following information for three mutual funds A, B and C, and the market

Particulars	Mean return (%)	Standard Deviation (%)	Beta
A	12	18	1.1
B	10	15	0.9
C	13	20	1.2
Market Index	11	17	1.00

The mean risk-free rate was 6 percent. Calculate the Treynor measure, Sharpe measure and Jensen' measure for the three mutual funds and the market index. Comment on the best managed fund as per portfolio evaluation measures calculated above. (5 Marks)

Question 5

- (i) An investor finds the following position in respect of two bonds I and II:

	Face Value (Rs.)	Coupon rate	Life	Market Price (Rs.)
Bond I	5,000	8.50%	3 years	4,950
Bond II	10,000	8.75%	4 years	9,900

Given that coupon interest is payable annually and the required rate is 9%, find the value of both the bonds. Which one is better to invest in? (5 Marks)

- (ii) The following data is available for a Bond:

Face Value	INR 1,000
Coupon rate	16%
Years to Maturity	6
Redemption Value	INR 1,000
YTM	17%

Calculate the current market price and duration of the bond. If the required yield increases by 75 basis points, calculate the expected market price. (5 Marks)

OR

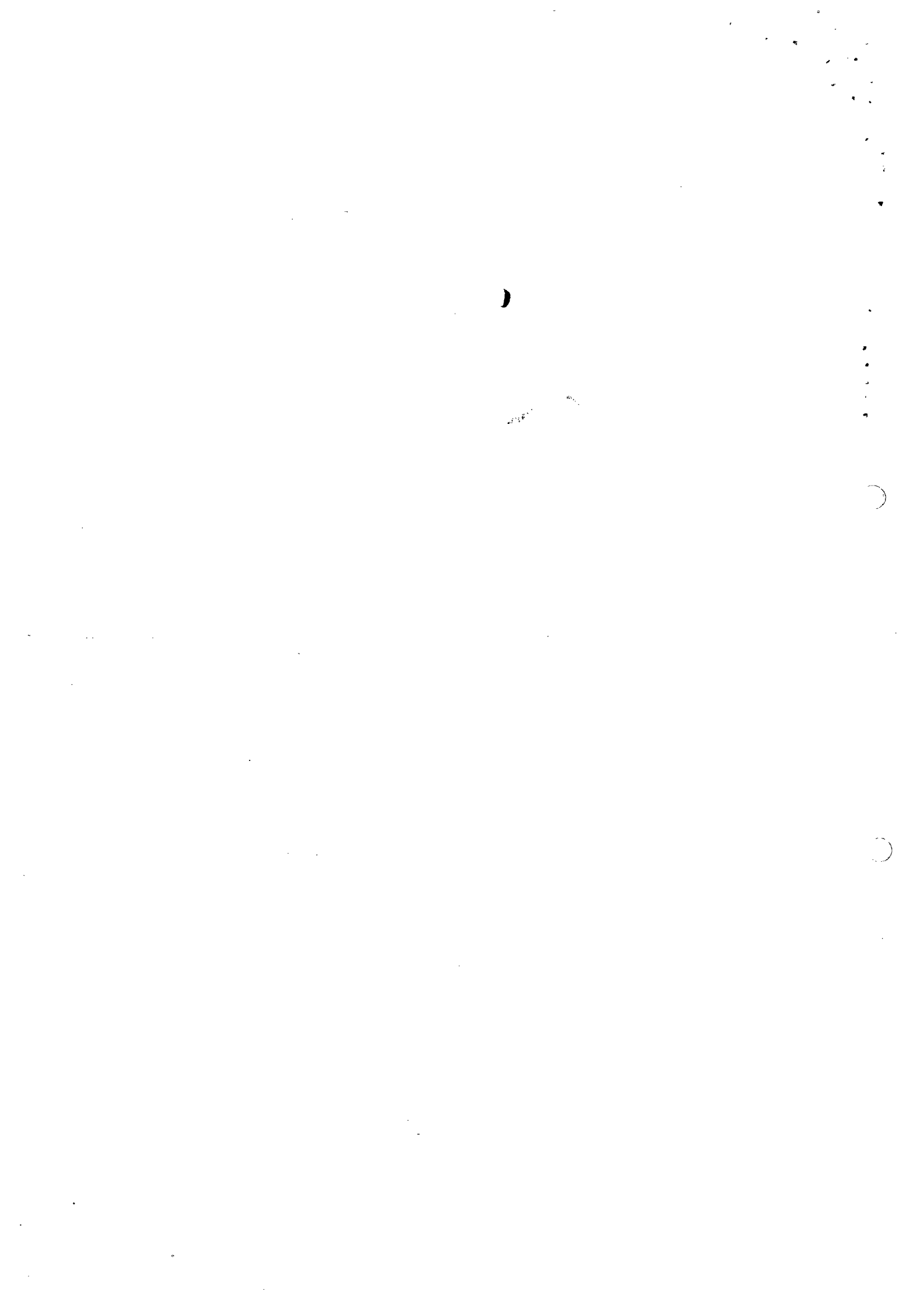
- (i) Given below is spreadsheet of daily changes in the stock price of KO Cola Ltd as well as daily % change in S&P 500.

	A	B	C	D	E
	Date	KO Closing Price	KO Daily % Change	S&P 500 Closing Price	S&P 500 Daily % Change
1					
2	31-Aug-15	39.32	-0.33%	1,972.18	-0.84%
3	28-Aug-15	39.45	0.46%	1,988.87	0.06%
4	27-Aug-15	39.27	1.39%	1,987.66	2.43%
5	26-Aug-15	38.73	1.95%	1,940.51	3.90%
6	25-Aug-15	37.99	-1.02%	1,867.61	-1.35%
7	24-Aug-15	38.38	-2.91%	1,893.21	-3.94%
8	21-Aug-15	39.53	-2.52%	1,970.89	-3.19%
9	20-Aug-15	40.55	-0.56%	2,035.73	-2.11%
10	19-Aug-15	40.78	-1.26%	2,079.61	-0.83%
11	18-Aug-15	41.3	-0.12%	2,096.92	-0.26%
12	17-Aug-15	41.35	0.24%	2,102.44	0.52%
13	14-Aug-15	41.25	0.36%	2,091.54	0.39%
14	13-Aug-15	41.1	-0.39%	2,083.39	-0.13%
15	12-Aug-15	41.26	-0.53%	2,086.05	0.10%
16	11-Aug-15	41.48	-0.48%	2,084.07	-0.96%
17	10-Aug-15	41.68	-0.22%	2,104.18	1.28%
18	7-Aug-15	41.77	-0.36%	2,077.57	-0.29%
19	6-Aug-15	41.92	-0.47%	2,083.56	-0.78%
20	5-Aug-15	42.12	0.65%	2,099.84	0.31%
21	4-Aug-15	41.85	0.75%	2,093.32	-0.22%
22	3-Aug-15	41.54		2,098.04	
23					

Given that Beta of the stock, measure of systematic risk is calculated as:

$$\text{Beta} = \text{Covariance (Ra, Rb)} / \text{variance (Rb)}$$

1. Find the beta of KO Cola Ltd and comment on the volatility of the stock
(5 Marks)
2. If interest prevailing on G-Sec is 8% p.a., calculate the expected return from stock of ZO Cola having the same volatility as that of KO Cola Ltd. Expected return from the market being 14%.
(5 Marks)



Your Roll No.....

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS

IV - SEMESTER

4.6- SOCIAL AND ETHICAL ISSUES IN BUSINESS

Time Allowed: 3 hrs

Max. Marks: 70

(Write your Roll No. on the top immediately on receipt of this question paper)

1. Read carefully the following case and answer the questions given at the end:

In the 2014 results presentation to analysts, the Chief Executive of MOONRISE, a global internet communications company, announced an excellent set of results to the waiting audience. Chief Executive, John, announced that, compared to 2013, sales had increased by 50%, profits by 100% and total assets by 80%. The dividend was to be doubled from the previous year. He also announced that based on their outstanding performance, the executive directors would be paid large bonus in line with their contracts. His own bonus as Chief Executive would be \$20 million. When one of the analysts asked if the bonus was excessive, John reminded the audience that the share price had risen 45% over the course of the year because of his efforts in skillfully guiding the company. He said that he expected the share price to rise further on the results announcement, which it duly did. Since the results exceeded market expectations, the share price rose another 25% to \$52.

Three months later, John called a press conference to announce a restatement of the 2014 results. He said this was necessary because of some 'regrettable accounting errors'. He also disclosed that in fact the figures for 2014 increased by 10% for sales, 20% for profits and 15% for total assets. The proposed dividend would now only be a modest 10% more than last year. He said that he expected a market reaction to the restatement but hoped that it would only be a short-term effect.

The first question asked from the audience was why the auditors had not spotted and corrected the fundamental accounting errors? And the second question was whether such a disparity between initial and restated results was due to fraud rather than 'accounting errors'? When a journalist asked John if he intended to pay back the \$20 million bonus that had been based on the previous results, John said he did not. The share price fell

dramatically upon the restatement announcement and, because MOONRISE was such a large company, it made headlines in the business pages in many countries.

Later that month, the company announced that following an internal investigation, there would be further restatements, all dramatically downwards, for the years 2012 and 2013. This caused another mass selling of MOONRISE shares resulting in a final share value the following day of \$1. This represented a loss of shareholder value of \$12 billion from the peak share price.

John resigned and the government regulator for business ordered an investigation into what had happened at MOONRISE. The shares were suspended by the stock exchange. A month later, having failed to gain protection from its creditors in the courts, MOONRISE was declared bankrupt. Nothing was paid out to shareholders whilst suppliers received a fraction of the amounts due to them. Some non-current assets were acquired by competitors but all of MOONRISE's 54,000 employees lost their jobs, mostly with little or no termination payment.

As MOONRISE employees' pension fund was not protected from creditors, the value of the same was also severely reduced to pay debts which meant that employees with many years of service would have a greatly reduced pension to rely on in old age.

The government investigation found that MOONRISE had been maintaining false accounting records for several years. The Chief Executive confessed to having orchestrated an accounting fraud since 2007. He admitted to manipulating the firm's accounts to report profits that were more than 10 times the actual figures and reported a cash balance of US \$1 billion that was non-existent. This was done by developing an overly-complicated company structure that contained a network of international branches and a business model that was difficult to understand. had increased the complexity of the company so that he could 'hide' losses and mis-report profits. In the company's reporting, he also substantially overestimated the value of future customer supply contracts. The investigation also found a number of significant internal control deficiencies including no effective management oversight of the external reporting process and a dis-regard of the relevant accounting standards.

John had compartmentalised the structure of the company such that among its reported 54,000 employees only a handful would really know what was going on within the company. Each department had its own finance unit which would report to a central finance team headed by the CFO. Each unit was unaware of the performance of other departments. John handpicked the top management which consisted of a few professionals and his family members. In addition, they were allotted large quantities of MOONRISE shares to ensure that they had incentives to take actions that would help boost the stock price.

John had argued that one of the reasons for the development of the complex MOONRISE business model was that it was thought to be necessary to manage the many risks that MOONRISE faced in its complex and turbulent business environment. He said that multiplicity of overseas offices was necessary to address exchange rate risks, a belief challenged by some observers who said it was just to enable the MOONRISE's Board to make their internal controls and risk management less transparent.

MOONRISE's Board comprised of six non-executive directors and five were considered independent. The Board was responsible for overseeing strategy, approving major corporate initiatives and reviewing performance. There were three Board committees — the Audit, Remuneration and Investors Grievance Committees. However, contrary to the prevailing best practices, there was no Nomination Committee. In addition to John, several other directors of the company were complicit in the fraudulent activities.

Ms. Alpha, a senior qualified accountant working in the company had approached the finance director with her concerns but failed to get the answers she felt she needed and had threatened to tell the press that future customer supply contract values had been intentionally and materially overstated (the change in fair value would have had a profit impact). When her threat came to the attention of the Board, she was intimidated to keep quiet. She finally accepted a large personal bonus in exchange for her silence in late 2013. The investigation later found that Ms. Alpha had been continually instructed, against her judgement, to report figures she knew to be grossly optimistic. When she was offered the bonus in exchange for her silence, she accepted it because she needed the money to meet several expenses related to her mother who was suffering from a long-term illness and for whom no State healthcare was available. The money was used to pay for a life saving operation for her mother and also to recover her in a healthier environment. Ms. Alpha made no personal financial gain from the bonus at all but her behavior was widely reported and criticised in the press after the collapse of the company. MOONRISE had a whistle blower policy supervised by the Audit Committee. Under this policy, another employee had written to an independent director stating that the books of the firm had been manipulated. Although this letter was circulated among the Board, no action was taken. The investigation found that the auditor, WPC partnership (one of the largest in the country), also had its independence compromised by a large audit fee but also through receiving consultancy income from MOONRISE worth several times the audit fee. Since MOONRISE was such an important client for WPC, it had many resources and jobs entirely committed to the MOONRISE account. It was found that WPC had knowingly signed off inaccurate accounts in order to protect the management of MOONRISE and their own senior partners engaged with MOONRISE. After the investigation, WPC's other clients gradually changed auditor, not wanting to be seen to have any connection with WPC. Accordingly, WPC's audit business has since closed down. This caused significant disturbance and upheaval in the audit industry.

Since MOONRISE was regarded for many years as a high performing company in a growing market, many institutional investors had increased the number of MOONRISE shares in their investment portfolios. When the share price lost its value, it meant that the -overall value of their funds was reduced and some individual shareholders demanded to know why the institutional investors had not intervened sooner to either find out what was really going on in MOONRISE or divest MOONRISE shares. Some were especially angry that even after the first restatement was announced, the institutional investors did not make any attempt to intervene. One small investor said he wanted to see more 'shareholder activism', especially among the large institutional investors.

According to the latest media reports, MOONRISE has also committed systemic fraud in its worldwide regulatory filings. MOONRISE's shareholding data as on 31st March, 2014, shows that promoters' shareholding was 32.04%, while foreign shareholding and Indian institutions' shareholding were 32.98% (including FII's shareholding of 22.68%) and 15.16% respectively. One would expect Corporate Governance of highest order with the illustrious Board and significant foreign and institutional shareholding; however, the reality was different. The Corporate Governance failures manifested in the Board's failure to check fraud, absence of adequate risk management system and unethical culture. The top management overrode the internal control system. However, can independent directors be held accountable for the same? Similarly, it may be argued that the fraud was perpetrated with the support of employees at different levels and not by a small group at the top level. But the fact remains that it was well concealed. Therefore, it would be harsh on independent directors if they were held accountable for the fraud. Independent directors' responsibility is limited to ensuring that they understand the business model, best corporate governance practices (e.g., Board process, risk management system, internal audit and statutory audit, whistle blower policy, and transparency within and outside the Board) are in place and operating effectively, analysing information available through the Board processes or otherwise and acting on that analysis for the benefit of the company as a whole.

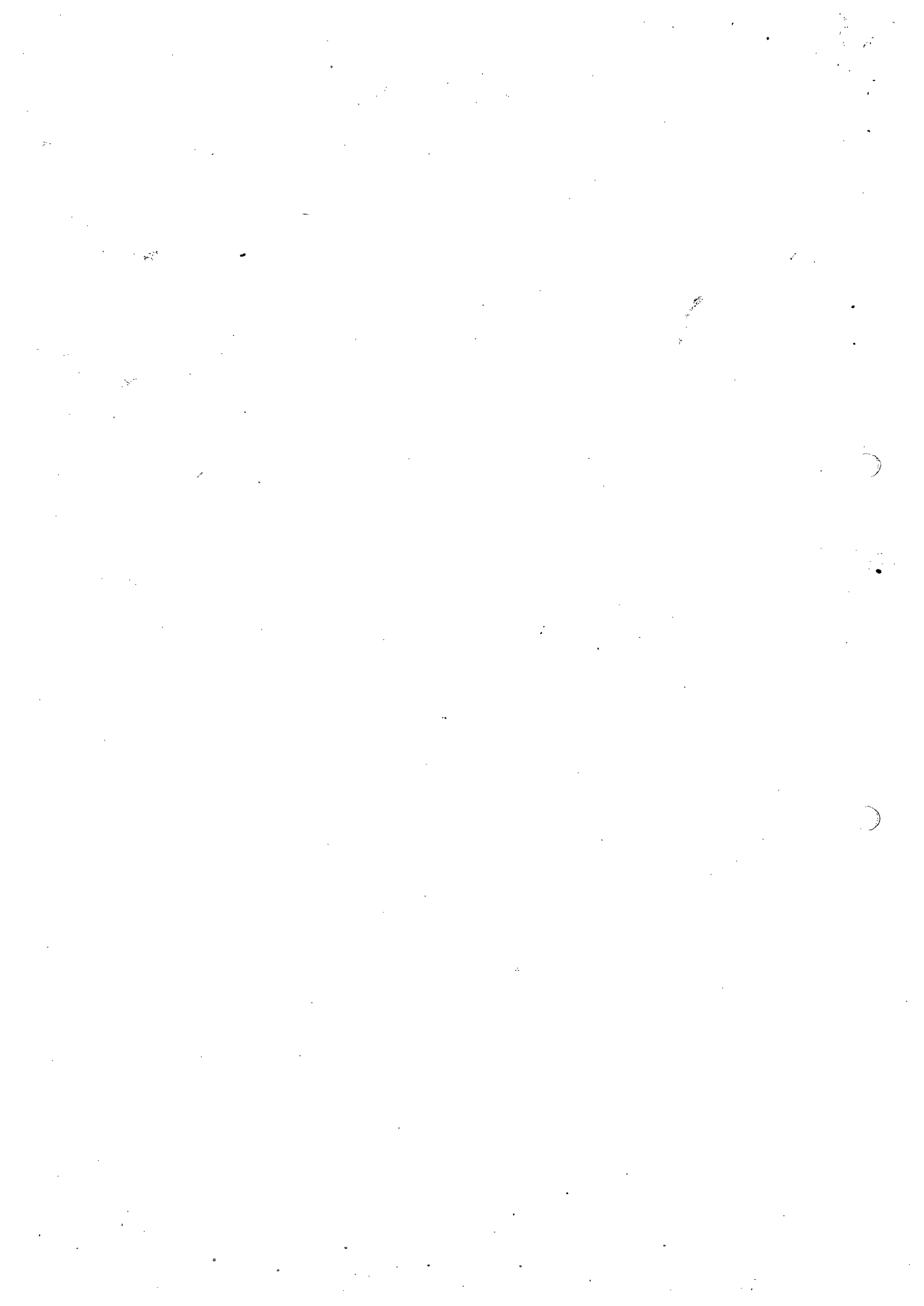
Answer the following questions:

- (a) MOONRISE had a whistle blower policy in place and an employee had written to one of the directors claiming that the accounts had been manipulated. What are the challenges of effective implementation of a whistle blower policy in a company such as MOONRISE? How should directors react to whistle blower complaints? *(10 marks)*
- (b) Is the given case an example of controlled mis-governance? Can independent directors be held responsible for frauds perpetrated by or with the support of the top management, which has the ability to override internal controls? Critically examine. *(10 marks)*

- (c) "Independent directors are a waste of time. They often have little involvement with a company and are not aware of what is really going on." Critically discuss this statement with examples. *(10 marks)*
- (d) Explain the importance of sound Corporate Governance by assessing the consequences of the Corporate Governance failures at MOONRISE. (8 marks) A number of directors resigned from the company after the fraud became public. Should they have resigned and could they have done more to protect shareholders' interests? *(10 marks)*

Attempt any three questions from Q. No. 2-5.

2. You have just been appointed as Company Secretary of a medium-sized listed company. In discussion with your chairman, you discover that he has serious concerns about the quality of decision-making by the Board of directors. He believes that decisions by the Board are often taken on the basis of insufficient information and without due regard to either risk or the environmental, social and governance (ESG) issues involved. Write a report to the Chairman, advising him on the measures that might be taken to improve the quality of decision-making by the Board specially highlighting risk management and sustainability issues. *(10 marks)*
3. "CSR is the first casualty in an economic downturn as companies will choose to cut back on this area." Critically discuss this statement. *(10 marks)*
4. In early 2015, the remuneration committee of Livin.(a listed company) met to determine the rewards for the executive directors. It was the practice of the committee to meet annually to decide on executive rewards for the forthcoming financial year. In line with best practices, the committee was made-up entirely of non-executive directors. A new member of the committee asked whether there were any performance-related elements of non-executive directors' rewards. The Chairman explained that these were only available to executive members of the board in line with the terms of the Corporate Governance Code.
- Briefly explain the role of non-executive directors in a listed company such as Livin. and discuss why non-executive directors should not receive performance-related elements in their rewards. *(10 marks)*
5. Business and ethics do not go hand on hand. Critically examine this with suitable illustrations. *(10 marks)*



Your Roll No.....

P.G. DIPLOMA IN GLOBAL BUSINESS OPERATIONS
IV Semester – 2016

Paper 4.1- Business Policy and Strategic Management

Time Allowed: 3 Hours

Max Marks: 70

(Write your Roll No. on the top immediately on receipt of this question paper)

Attempt all questions.

Q.1 Choose any company out of the following:

- Dabur
- Patanjali
- Himalaya

Prepare a detailed SWOT analysis of this firm. Give full details on the rationale behind your listing of every strength/ weakness.

What future trends do you see in this industry?

What would you advise this firm to do if you were a consultant presenting to the CEO & COO? **(20 marks)**

Q.2 Prepare a detailed Porter's Five-forces analysis of the electronic retailing industry. Give full details on why you have mentioned each and every point under the various forces.

Write down what future trends you feel you may see in this industry.

What would be your recommendations if you were presenting to the CEO/ COO of Flipkart? **(20 marks)**

Q.3 What is the Balanced Scorecard approach?

Who are the authors of this concept?

What are the factors involved in this approach and their importance?

Use the Balanced Scorecard to analyse a company of your choice **(10 marks)**

Q.4 Use the BCG matrix to analyse the various brands of Maruti Suzuki

Explain in detail the reason for your classification **(10 marks)**

Q.5 What is the McKinsey 7S approach? Explain the hard and soft S and why these are important? **(10 marks)**

Exam Roll No

Paper No.: 2.1

Title of the Paper: Global Business Environment

Name of the Course: PGD Global Business Operations

Semester: II

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

- 1. Attempt any four questions out of six questions***
- 2. All questions carry equal marks***

1. During the ongoing Covid 19 pandemic the world has seen the emergence of new products and services. It has also seen existing products and services that are retooled in the manufacturing process and reengineered to be used for a new application to deal with the ever changing macro and micro environment. Discuss any two such disruptive innovations launched during this pandemic that have proved immensely useful for a defined target audience for a defined region or even for the worldwide target audience.

2. Discuss the effectiveness of a simultaneous expansionary monetary policy and an expansionary fiscal policy to deal with a simultaneous demand shock and supply shock. You can draw diagrams to support your answer.

3. Business environment during the pandemic especially for the tourism and aviation sector has been catastrophic. Discuss specific strategies that each sector could employ at the firm level and industry level to restore trust and faith of travellers to restart travelling safely in airlines and to respective destinations globally.

4. Bhutan is not only a carbon neutral country but is a carbon negative country. It provides immense learning to the rest of the world when it comes to sustainable development. What policy initiatives can governments across the world implement to reduce their carbon footprint but simultaneously ensuring that economic growth is not compromised. List the policy initiatives and discuss in detail any two such policy initiatives.

5. Using the IS LM analysis showcase the working of any government fiscal stimulus package in a) the pure Keynesian range b) intermediate range and c) the pure classical range of the LM curve. Under what conditions is the fiscal stimulus package fully effective.

6. Governments across the world want to achieve three goals when it comes to economic development namely 1. Economic growth 2. Inclusivity 3. Sustainability. According to you, are these three goals in conflict with each other or there is a possibility to achieve these goals with the appropriate public policy mix. Support your stand with a demonstrated real life example of a defined public policy mix of particular nation of your choice.

Exam Roll No.

Paper No.: 2.2

Title of the Paper: Quantitative Techniques - II

Name of the Course: PGD Global Business Operations

Semester: II

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

- 1. Attempt any four questions out of six questions**
- 2. All questions carry equal marks**

1. The lives of batteries of a certain type are normally distributed with a mean of 880 hours.
 - (i) Find the standard deviation of the distribution if it is known that 10 percent of the batteries had a life of 944 hours or more.
 - (ii) If the manufacturer of these batteries gives a guarantee to replace batteries with a life of less than 800 hours, what percentage of them are likely to be replaced?
 - (iii) What is the minimum life of the top 15 percent of batteries?
 - (iv) In a lot of 1,000 batteries, how many are expected to have of life between 820 and 920 hours?

2. The manager of a grocery retail chain wished to find out if shelf height played a role in influencing a product's sales. A drinking chocolate product was displayed at four different shelf heights for equal periods of time and the volume of sale (units sold) was recorded.

<i>Shelf Height</i>			
<i>Bottom</i>	<i>Waist</i>	<i>Shoulder</i>	<i>Top</i>
78	78	83	69
84	85	86	76
74	76	75	74
75	82	78	72
68	81	80	83
80	75	88	75
74	94	90	
	80	78	
		84	

Can the manager of the grocery retail chain conclude that mean product sales are same for different shelf heights? Test at the 5% level of significance.

3. The HR department of a company has been investigating two educational programmes for increasing the sensitivity of the managers: called 'formal' and 'informal'. Data relating to a sample of managers trained in both programmes are given below:

<i>Programme Sampled</i>	<i>Mean Sensitivity Score after this programme</i>	<i>Standard Deviation</i>	<i>Number of managers observed</i>
Formal	67	14.6	12
Informal	82	16.2	10

The company wishes to test whether the sensitivity achieved by the formal programme is lower than the sensitivity achieved under the informal programme. Test at 5 percent level of significance. Now, test at 1 percent level of significance. Does the conclusion change?

4. A market research team has conducted a survey of consumer habits with respect to three brands of body lotion, A, B and C, in an area. At present, the market share for three brands is 30%, 50% and 20% respectively for C, B and A. Following is the brand switching matrix:

<i>Brand just bought</i>	<i>Brand next bought</i>		
	A	B	C
A	0.6	0.3	0.1
B	0.4	0.5	0.1
C	0.2	0.1	0.7

- What is the probability that a customer who is buying brand C in the current period will buy brand B two periods hence?
 - What will be the expected distribution of customers two periods later?
 - What will be the market shares of the three brands in equilibrium?
5. You are given the following information about an item:

Demand per annum = 60,000 units

Ordering cost = ₹140 per order irrespective of its size

Holding rate = 20% of the cost of item

The item can be purchased at the following rates:

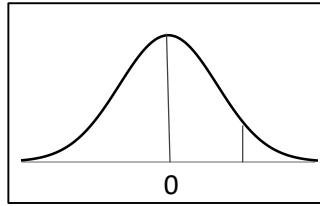
<i>Order Quantity</i>	<i>Unit cost (₹)</i>
Less than 1,000	28
1,000 – 1,499	26
1,500 – 2,499	24
2,500 and more	22

Find the most economical order quantity and the corresponding total cost.

6. Using the following information about a project,
- Draw an arrow diagram.
 - Find the critical path and duration of the project.
 - Obtain earliest and latest start and finish times for various activities.
 - Calculate total, free and independent floats for each of the activities.

<i>Activity</i>	<i>Immediate Predecessor(s)</i>	<i>Duration (Days)</i>	<i>Activity</i>	<i>Immediate Predecessor(s)</i>	<i>Duration (Days)</i>
A	-	8	G	E	6
B	-	4	H	D	4
C	-	3	I	E	10
D	A	9	J	F,H,I	10
E	C	12	K	G	6
F	A,B	5			

TABLE A1
NORMAL AREA TABLE



This table gives area between mean and a specific value of z.

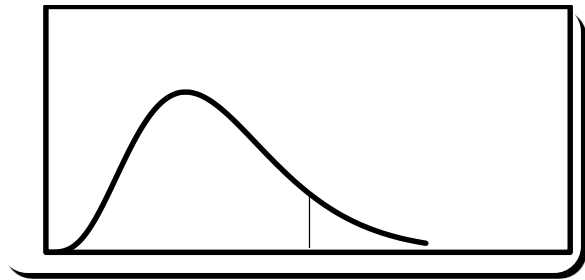
z	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.0000	0.0040	0.0080	0.0120	0.0160	0.0199	0.0239	0.0279	0.0319	0.0359
0.1	0.0398	0.0438	0.0478	0.0517	0.0557	0.0596	0.0636	0.0675	0.0714	0.0753
0.2	0.0793	0.0832	0.0871	0.0910	0.0948	0.0987	0.1026	0.1064	0.1103	0.1141
0.3	0.1179	0.1217	0.1255	0.1293	0.1331	0.1368	0.1406	0.1443	0.1480	0.1517
0.4	0.1554	0.1591	0.1628	0.1664	0.1700	0.1736	0.1772	0.1808	0.1844	0.1879
0.5	0.1915	0.1950	0.1985	0.2019	0.2054	0.2088	0.2123	0.2157	0.2190	0.2224
0.6	0.2257	0.2291	0.2324	0.2357	0.2389	0.2422	0.2454	0.2486	0.2517	0.2549
0.7	0.2580	0.2611	0.2642	0.2673	0.2704	0.2734	0.2764	0.2794	0.2823	0.2852
0.8	0.2881	0.2910	0.2939	0.2967	0.2995	0.3023	0.3051	0.3078	0.3106	0.3133
0.9	0.3159	0.3186	0.3212	0.3238	0.3264	0.3289	0.3315	0.3340	0.3365	0.3389
1.0	0.3413	0.3438	0.3461	0.3485	0.3508	0.3531	0.3554	0.3577	0.3599	0.3621
1.1	0.3643	0.3665	0.3686	0.3708	0.3729	0.3749	0.3770	0.3790	0.3810	0.3830
1.2	0.3849	0.3869	0.3888	0.3907	0.3925	0.3944	0.3962	0.3980	0.3997	0.4015
1.3	0.4032	0.4049	0.4066	0.4082	0.4099	0.4115	0.4131	0.4147	0.4162	0.4177
1.4	0.4192	0.4207	0.4222	0.4236	0.4251	0.4265	0.4279	0.4292	0.4306	0.4319
1.5	0.4332	0.4345	0.4357	0.4370	0.4382	0.4394	0.4406	0.4418	0.4429	0.4441
1.6	0.4452	0.4463	0.4474	0.4484	0.4495	0.4505	0.4515	0.4525	0.4535	0.4545
1.7	0.4554	0.4564	0.4573	0.4582	0.4591	0.4599	0.4608	0.4616	0.4625	0.4633
1.8	0.4641	0.4649	0.4656	0.4664	0.4671	0.4678	0.4686	0.4693	0.4699	0.4706
1.9	0.4713	0.4719	0.4726	0.4732	0.4738	0.4744	0.4750	0.4756	0.4761	0.4767
2.0	0.4772	0.4778	0.4783	0.4788	0.4793	0.4798	0.4803	0.4808	0.4812	0.4817
2.1	0.4821	0.4826	0.4830	0.4834	0.4838	0.4842	0.4846	0.4850	0.4854	0.4857
2.2	0.4861	0.4864	0.4868	0.4871	0.4875	0.4878	0.4881	0.4884	0.4887	0.4890
2.3	0.4893	0.4896	0.4898	0.4901	0.4904	0.4906	0.4909	0.4911	0.4913	0.4916
2.4	0.4918	0.4920	0.4922	0.4925	0.4927	0.4929	0.4931	0.4932	0.4934	0.4936
2.5	0.4938	0.4940	0.4941	0.4943	0.4945	0.4946	0.4948	0.4949	0.4951	0.4952
2.6	0.4953	0.4955	0.4956	0.4957	0.4959	0.4960	0.4961	0.4962	0.4963	0.4964
2.7	0.4965	0.4966	0.4967	0.4968	0.4969	0.4970	0.4971	0.4972	0.4973	0.4974
2.8	0.4974	0.4975	0.4976	0.4977	0.4977	0.4978	0.4979	0.4979	0.4980	0.4981
2.9	0.4981	0.4982	0.4982	0.4983	0.4984	0.4984	0.4985	0.4985	0.4986	0.4986
3.0	0.4987	0.4987	0.4987	0.4988	0.4988	0.4989	0.4989	0.4989	0.4990	0.4990
3.1	0.49903	0.49906	0.4991	0.49913	0.49916	0.49918	0.49921	0.49924	0.49926	0.49929
3.2	0.49931	0.49934	0.49936	0.49938	0.49940	0.49942	0.49944	0.49946	0.49948	0.49950
3.3	0.49952	0.49953	0.49955	0.49957	0.49958	0.49960	0.49961	0.49962	0.49964	0.49965
3.4	0.49966	0.49968	0.49969	0.49970	0.49971	0.49972	0.49973	0.49974	0.49975	0.49976
3.5	0.49977	0.49978	0.49978	0.49979	0.49980	0.49981	0.49981	0.49982	0.49983	0.49983
3.6	0.49984	0.49985	0.49985	0.49986	0.49986	0.49987	0.49987	0.49988	0.49988	0.49989
3.7	0.49989	0.49990	0.49990	0.49990	0.49991	0.49991	0.49992	0.49992	0.49992	0.49992
3.8	0.49993	0.49993	0.49993	0.49994	0.49994	0.49994	0.49994	0.49995	0.49995	0.49995
3.9	0.49995	0.49995	0.49996	0.49996	0.49996	0.49996	0.49996	0.49996	0.49997	0.49997

TABLE A2

t –Distribution Critical Values

<i>df</i>	Level of Significance for One-Tailed Test					
	0.10	0.05	0.025	0.01	0.005	0.0005
	Level of Significance for Two-Tailed Test					
	0.20	0.10	0.05	0.02	0.01	0.001
1	3.078	6.314	12.706	31.821	63.657	636.619
2	1.886	2.920	4.303	6.965	9.925	31.599
3	1.638	2.353	3.182	4.541	5.841	12.924
4	1.533	2.132	2.776	3.747	4.604	8.610
5	1.476	2.015	2.571	3.365	4.032	6.869
6	1.440	1.943	2.447	3.143	3.707	5.959
7	1.415	1.895	2.365	2.998	3.499	5.408
8	1.397	1.860	2.306	2.896	3.355	5.041
9	1.383	1.833	2.262	2.821	3.250	4.781
10	1.372	1.812	2.228	2.764	3.169	4.587
11	1.363	1.796	2.201	2.718	3.106	4.437
12	1.356	1.782	2.179	2.681	3.055	4.318
13	1.350	1.771	2.160	2.650	3.012	4.221
14	1.345	1.761	2.145	2.624	2.977	4.140
15	1.341	1.753	2.131	2.602	2.947	4.073
16	1.337	1.746	2.120	2.583	2.921	4.015
17	1.333	1.740	2.110	2.567	2.898	3.965
18	1.330	1.734	2.101	2.552	2.878	3.922
19	1.328	1.729	2.093	2.539	2.861	3.883
20	1.325	1.725	2.086	2.528	2.845	3.850
21	1.323	1.721	2.080	2.518	2.831	3.819
22	1.321	1.717	2.074	2.508	2.819	3.792
23	1.319	1.714	2.069	2.500	2.807	3.768
24	1.318	1.711	2.064	2.492	2.797	3.745
25	1.316	1.708	2.060	2.485	2.787	3.725
26	1.315	1.706	2.056	2.479	2.779	3.707
27	1.314	1.703	2.052	2.473	2.771	3.690
28	1.313	1.701	2.048	2.467	2.763	3.674
29	1.311	1.699	2.045	2.462	2.756	3.659
30	1.310	1.697	2.042	2.457	2.750	3.646
40	1.303	1.684	2.021	2.423	2.704	3.551
60	1.296	1.671	2.000	2.390	2.660	3.460
120	1.289	1.658	1.980	2.358	2.617	3.373
∞	1.282	1.645	1.960	2.326	2.576	3.291

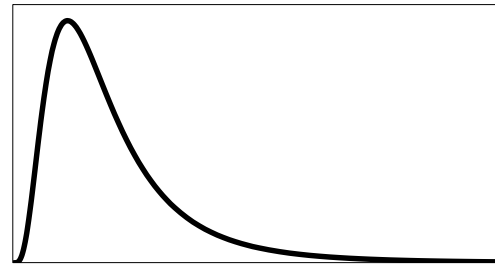
TABLE A3
Chi-square Distribution Critical Values



<i>df</i>	UPPER TAIL AREAS									
	0.995	0.990	0.975	0.950	0.900	0.100	0.050	0.025	0.010	0.005
1			0.001	0.004	0.016	2.706	3.841	5.024	6.635	7.879
2	0.010	0.020	0.051	0.103	0.211	4.605	5.991	7.378	9.210	10.597
3	0.072	0.115	0.216	0.352	0.584	6.251	7.815	9.348	11.345	12.838
4	0.207	0.297	0.484	0.711	1.064	7.779	9.488	11.143	13.277	14.860
5	0.412	0.554	0.831	1.145	1.610	9.236	11.070	12.833	15.086	16.750
6	0.676	0.872	1.237	1.635	2.204	10.645	12.592	14.449	16.812	18.548
7	0.989	1.239	1.690	2.167	2.833	12.017	14.067	16.013	18.475	20.278
8	1.344	1.646	2.180	2.733	3.490	13.362	15.507	17.535	20.090	21.955
9	1.735	2.088	2.700	3.325	4.168	14.684	16.919	19.023	21.666	23.589
10	2.156	2.558	3.247	3.940	4.865	15.987	18.307	20.483	23.209	25.188
11	2.603	3.053	3.816	4.575	5.578	17.275	19.675	21.920	24.725	26.757
12	3.074	3.571	4.404	5.226	6.304	18.549	21.026	23.337	26.217	28.300
13	3.565	4.107	5.009	5.892	7.042	19.812	22.362	24.736	27.688	29.819
14	4.075	4.660	5.629	6.571	7.790	21.064	23.685	26.119	29.141	31.319
15	4.601	5.229	6.262	7.261	8.547	22.307	24.996	27.488	30.578	32.801
16	5.142	5.812	6.908	7.962	9.312	23.542	26.296	28.845	32.000	34.267
17	5.697	6.408	7.564	8.672	10.085	24.769	27.587	30.191	33.409	35.718
18	6.265	7.015	8.231	9.390	10.865	25.989	28.869	31.526	34.805	37.156
19	6.844	7.633	8.907	10.117	11.651	27.204	30.144	32.852	36.191	38.582
20	7.434	8.260	9.591	10.851	12.443	28.412	31.410	34.170	37.566	39.997
21	8.034	8.897	10.283	11.591	13.240	29.615	32.671	35.479	38.932	41.401
22	8.643	9.542	10.982	12.338	14.041	30.813	33.924	36.781	40.289	42.796
23	9.260	10.196	11.689	13.091	14.848	32.007	35.172	38.076	41.638	44.181
24	9.886	10.856	12.401	13.848	15.659	33.196	36.415	39.364	42.980	45.559
25	10.520	11.524	13.120	14.611	16.473	34.382	37.652	40.646	44.314	46.928
26	11.160	12.198	13.844	15.379	17.292	35.563	38.885	41.923	45.642	48.290
27	11.808	12.879	14.573	16.151	18.114	36.741	40.113	43.195	46.963	49.645
28	12.461	13.565	15.308	16.928	18.939	37.916	41.337	44.461	48.278	50.993
29	13.121	14.256	16.047	17.708	19.768	39.087	42.557	45.722	49.588	52.336
30	13.787	14.953	16.791	18.493	20.599	40.256	43.773	46.979	50.892	53.672
31	14.458	15.655	17.539	19.281	21.434	41.422	44.985	48.232	52.191	55.003
32	15.134	16.362	18.291	20.072	22.271	42.585	46.194	49.480	53.486	56.328
33	15.815	17.074	19.047	20.867	23.110	43.745	47.400	50.725	54.776	57.648
34	16.501	17.789	19.806	21.664	23.952	44.903	48.602	51.966	56.061	58.964
35	17.192	18.509	20.569	22.465	24.797	46.059	49.802	53.203	57.342	60.275
36	17.887	19.233	21.336	23.269	25.643	47.212	50.998	54.437	58.619	61.581
37	18.586	19.960	22.106	24.075	26.492	48.363	52.192	55.668	59.893	62.883
38	19.289	20.691	22.878	24.884	27.343	49.513	53.384	56.896	61.162	64.181
39	19.996	21.426	23.654	25.695	28.196	50.660	54.572	58.120	62.428	65.476
40	20.707	22.164	24.433	26.509	29.051	51.805	55.758	59.342	63.691	66.766

TABLE A4

F - Distribution Critical Values (0.05)



<i>Denominator df</i>	<i>Numerator df</i>								
	1	2	3	4	5	6	7	8	9
1	161.448	199.500	215.707	224.583	230.162	233.986	236.768	238.883	240.543
2	18.513	19.000	19.164	19.247	19.296	19.330	19.353	19.371	19.385
3	10.128	9.552	9.277	9.117	9.013	8.941	8.887	8.845	8.812
4	7.709	6.944	6.591	6.388	6.256	6.163	6.094	6.041	5.999
5	6.608	5.786	5.409	5.192	5.050	4.950	4.876	4.818	4.772
6	5.987	5.143	4.757	4.534	4.387	4.284	4.207	4.147	4.099
7	5.591	4.737	4.347	4.120	3.972	3.866	3.787	3.726	3.677
8	5.318	4.459	4.066	3.838	3.687	3.581	3.500	3.438	3.388
9	5.117	4.256	3.863	3.633	3.482	3.374	3.293	3.230	3.179
10	4.965	4.103	3.708	3.478	3.326	3.217	3.135	3.072	3.020
11	4.844	3.982	3.587	3.357	3.204	3.095	3.012	2.948	2.896
12	4.747	3.885	3.490	3.259	3.106	2.996	2.913	2.849	2.796
13	4.667	3.806	3.411	3.179	3.025	2.915	2.832	2.767	2.714
14	4.600	3.739	3.344	3.112	2.958	2.848	2.764	2.699	2.646
15	4.543	3.682	3.287	3.056	2.901	2.790	2.707	2.641	2.588
16	4.494	3.634	3.239	3.007	2.852	2.741	2.657	2.591	2.538
17	4.451	3.592	3.197	2.965	2.810	2.699	2.614	2.548	2.494
18	4.414	3.555	3.160	2.928	2.773	2.661	2.577	2.510	2.456
19	4.381	3.522	3.127	2.895	2.740	2.628	2.544	2.477	2.423
20	4.351	3.493	3.098	2.866	2.711	2.599	2.514	2.447	2.393
21	4.325	3.467	3.072	2.840	2.685	2.573	2.488	2.420	2.366
22	4.301	3.443	3.049	2.817	2.661	2.549	2.464	2.397	2.342
23	4.279	3.422	3.028	2.796	2.640	2.528	2.442	2.375	2.320
24	4.260	3.403	3.009	2.776	2.621	2.508	2.423	2.355	2.300
25	4.242	3.385	2.991	2.759	2.603	2.490	2.405	2.337	2.282
26	4.225	3.369	2.975	2.743	2.587	2.474	2.388	2.321	2.265
27	4.210	3.354	2.960	2.728	2.572	2.459	2.373	2.305	2.250
28	4.196	3.340	2.947	2.714	2.558	2.445	2.359	2.291	2.236
29	4.183	3.328	2.934	2.701	2.545	2.432	2.346	2.278	2.223
30	4.171	3.316	2.922	2.690	2.534	2.421	2.334	2.266	2.211
40	4.085	3.232	2.839	2.606	2.449	2.336	2.249	2.180	2.124
60	4.001	3.150	2.758	2.525	2.368	2.254	2.167	2.097	2.040
120	3.920	3.072	2.680	2.447	2.290	2.175	2.087	2.016	1.959

TABLE A4

F - Distribution Critical Values (0.05)

<i>Denominator df</i>	<i>Numerator df</i>								
	10	12	15	20	24	30	40	60	120
1	241.882	243.906	245.950	248.013	249.052	250.095	251.143	252.196	253.253
2	19.396	19.413	19.429	19.446	19.454	19.462	19.471	19.479	19.487
3	8.786	8.745	8.703	8.660	8.639	8.617	8.594	8.572	8.549
4	5.964	5.912	5.858	5.803	5.774	5.746	5.717	5.688	5.658
5	4.735	4.678	4.619	4.558	4.527	4.496	4.464	4.431	4.398
6	4.060	4.000	3.938	3.874	3.841	3.808	3.774	3.740	3.705
7	3.637	3.575	3.511	3.445	3.410	3.376	3.340	3.304	3.267
8	3.347	3.284	3.218	3.150	3.115	3.079	3.043	3.005	2.967
9	3.137	3.073	3.006	2.936	2.900	2.864	2.826	2.787	2.748
10	2.978	2.913	2.845	2.774	2.737	2.700	2.661	2.621	2.580
11	2.854	2.788	2.719	2.646	2.609	2.570	2.531	2.490	2.448
12	2.753	2.687	2.617	2.544	2.505	2.466	2.426	2.384	2.341
13	2.671	2.604	2.533	2.459	2.420	2.380	2.339	2.297	2.252
14	2.602	2.534	2.463	2.388	2.349	2.308	2.266	2.223	2.178
15	2.544	2.475	2.403	2.328	2.288	2.247	2.204	2.160	2.114
16	2.494	2.425	2.352	2.276	2.235	2.194	2.151	2.106	2.059
17	2.450	2.381	2.308	2.230	2.190	2.148	2.104	2.058	2.011
18	2.412	2.342	2.269	2.191	2.150	2.107	2.063	2.017	1.968
19	2.378	2.308	2.234	2.155	2.114	2.071	2.026	1.980	1.930
20	2.348	2.278	2.203	2.124	2.082	2.039	1.994	1.946	1.896
21	2.321	2.250	2.176	2.096	2.054	2.010	1.965	1.916	1.866
22	2.297	2.226	2.151	2.071	2.028	1.984	1.938	1.889	1.838
23	2.275	2.204	2.128	2.048	2.005	1.961	1.914	1.865	1.813
24	2.255	2.183	2.108	2.027	1.984	1.939	1.892	1.842	1.790
25	2.236	2.165	2.089	2.007	1.964	1.919	1.872	1.822	1.768
26	2.220	2.148	2.072	1.990	1.946	1.901	1.853	1.803	1.749
27	2.204	2.132	2.056	1.974	1.930	1.884	1.836	1.785	1.731
28	2.190	2.118	2.041	1.959	1.915	1.869	1.820	1.769	1.714
29	2.177	2.104	2.027	1.945	1.901	1.854	1.806	1.754	1.698
30	2.165	2.092	2.015	1.932	1.887	1.841	1.792	1.740	1.683
40	2.077	2.003	1.924	1.839	1.793	1.744	1.693	1.637	1.577
60	1.993	1.917	1.836	1.748	1.700	1.649	1.594	1.534	1.467
120	1.910	1.834	1.750	1.659	1.608	1.554	1.495	1.429	1.352

Exam Roll No. _____

Name of the Course : PGD Global Business Operations

Paper No. : 2.3

Title of the Paper : Accounting for Business-I

Semester : II

Time Duration: 2 Hours

Maximum Marks: 70

Instructions:

- 1) Attempt any four questions out of six questions
- 2) All questions carry equal marks
- 3) Think carefully and write.

Ques 1.

Matt started a delivery service, Matt Deliveries, on June 1, 2019. The following transactions occurred during the month of June.

June 1	Shareholders invested Rs 10,000 cash in the business for equity shares.
June 2	Purchased a used van for deliveries for Rs 14,000. Matt paid Rs 2,000 cash and signed a note payable for the remaining balance.
June 3	Paid Rs 500 for office rent for the month.
June 5	Performed Rs 4,800 of services on account.
June 9	Declared and paid Rs 300 in cash dividends.
June 12	Purchased inventory for Rs 150 on account.
June 15	Received a cash payment of Rs 1,250 for services provided on June 5.
June 17	Purchased gasoline for Rs 100 on account.
June 20	Received a cash payment of Rs 1,500 for services provided.
June 23	Made a cash payment of Rs 500 on the note payable.
June 26	Paid Rs 250 for utilities.
June 29	Paid for the gasoline purchased on account on June 17.
June 30	Paid Rs 1,000 for employee salaries.

Instructions

- a) Show the effects of each of the above transactions on the accounting equation
- b) Prepare an income statement for the month of June
- c) Prepare a statement of financial position at June 30, 2019

Ques 2.

Mr Heera began operations as a private investigator on January 1, 2019. The trial balance for 'Heera Investigations Pvt Ltd' at March 31 is as follows.

**Heera Investigations Pvt Ltd
Trial Balance
For the Quarter Ended March 31, 2019**

Account Title	Dr Amount (Rs)	Cr Amount (Rs)
Cash	11,410	
Accounts Receivable	5,920	
Supplies	1,250	
Prepaid Insurance	2,400	
Equipment	30,000	
Notes Payable		10,000
Accounts Payable		12,350
Share Capital - Equity Shares		20,000
Dividends	600	
Service Revenue		14,200
Salaries and Wages Expense	2,240	
Travel Expense	1,300	
Rent Expense	1,200	
Miscellaneous Expense	230	
TOTAL	56,550	56,550

Other data:

- i. Supplies on hand total Rs 480.
- ii. Depreciation is Rs 720 per quarter.
- iii. Interest accrued on 6-month note payable, issued January 1, Rs 300.
- iv. Insurance expires at the rate of Rs 200 per month.
- v. Services provided but unbilled at March 31 total Rs 1,080.

Required

- a) Journalize the adjusting entries
- b) Prepare an income statement and the Balance sheet for the quarter ended March 31 2019.

Ques 3.

In recent years, Freeman Transportation purchased three used buses. Because of frequent turnover in the accounting department, a different accountant selected the depreciation method for each bus and various methods were selected. Information for the buses is summarized below.

Bus	Acquired Date	Cost (Rs)	Residual Value (Rs)	Useful Life in years	Depreciation Method
1	01-Jan-12	96,000	6,000	5	Straight-line
2	01-Jan-12	1,40,000	10,000	4	Written down value
3	01-Jan-13	92,000	8,000	5	Units-of-activity

For Written Down Value method the rate of depreciation used per year was 20%.

For the units-of-activity method, total miles are expected to be 1,20,000.

Actual miles of use in the first 3 years were:

2013: 24,000; 2014: 36,000; and 2015: 31,000.

Instructions

- a) Compute the amount of accumulated depreciation on each bus at December 31, 2014.
- b) If Bus 2 was purchased on April 1 instead of January 1, what is the depreciation expense for this bus in (i) 2012 and (ii) 2013?

Ques 4.

Selected financial data of ABC Ltd and XYZ Ltd for a recent year are presented below.

Income Statement for the year		
	ABC Ltd (Rs)	XYZ Ltd (Rs)
Net sales	67,390	4,05,046
Cost of goods sold	45,725	3,04,657
Selling and administrative expenses	13,469	79,607
Interest expense	757	1,884
Other income (expense)	(2,944)	2,576
Income tax expense	1,575	7,139
Net Income	2,920	14,335

Statement of Financial Position at the end of the year		
	ABC Ltd (Rs million)	XYZ Ltd (Rs million)
Non-current assets	26,492	1,22,375
Current assets	17,213	48,331
Total assets	43,705	1,70,706

Total equity	15,487	70,749
Non-current liabilities	18,148	44,396
Current liabilities	10,070	55,561
Total equity and liabilities	43,705	1,70,706

Beginning of Year Balances		
	ABC Ltd (Rs million)	XYZ Ltd (Rs million)
Total assets	44,533	1,63,429
Total equity	15,347	65,285
Current liabilities	11,327	55,390
Total liabilities	29,186	98,144

Other Data		
	ABC Ltd (Rs million)	XYZ Ltd (Rs million)
Average net accounts receivable	6,560	4,025
Average inventory	7,388	33,836
Net cash provided by operating activities	5,271	26,249

Required:

Compare and comment on the liquidity, profitability, and solvency positions of the two companies.

Ques 5.

Wiz Fiz Ltd had traditionally used the FIFO method of inventory valuation. You are given the following information on transactions during the year affecting its inventory account. (The purchases are in sequence during the year. The company uses a Periodic Inventory method.)

Inventory Transactions 2009-2011				
<u>2009</u>				
Beginning balance	1,840	Cartons	@ Rs	40.00
Purchases	600	Cartons	@ Rs	40.50
	800	Cartons	@ Rs	42.00
	400	Cartons	@ Rs	42.50
	200	Cartons	@ Rs	43.00
Sales	2,820	Cartons	@ Rs	68.00
<u>2010</u>				
Beginning balance	1,020	Cartons		
Purchases	700	Cartons	@ Rs	43.00
	700	Cartons	@ Rs	43.00
	700	Cartons	@ Rs	44.00
	1,000	Cartons	@ Rs	44.50
Sales	3,080	Cartons	@ Rs	71.50
<u>2011</u>				
Beginning balance	1,040	Cartons		
Purchases	1,000	Cartons	@ Rs	45.00
	700	Cartons	@ Rs	45.50
	700	Cartons	@ Rs	46.00
	700	Cartons	@ Rs	47.00
Sales	2,950	Cartons	@ Rs	71.50

Required:

- a. Calculate the cost of goods sold and year-end inventory amounts for 2009, 2010, and 2011 using:
 - i. FIFO method
 - ii. LIFO method

- b. Wiz Fiz Ltd is considering switching from FIFO to LIFO to reduce its income tax expense. Assuming a corporate income tax rate of 40 percent, calculate the tax savings this would have made for 2009 to 2011. Would you recommend that Wiz Fiz Ltd make this change?

Ques 6.

Forever Ltd is a leader in brand jewellery. It started its operations in 2003. It sells its products to dealers in major cities across the country. Jewellery is subject to changes in fashion trends. The company bills the dealers on delivery of products and recognise revenue immediately. The dealers manage to sell a significant portion of their purchases and return the unsold products to the company. Sales return in the industry have ranged between 19% and 26% in the past five years. The following table gives the company's sales and return for the past three years in Rs '000s (March 31 fiscal year):

<u>Year</u>	<u>Sales</u>	<u>Sales Returns</u>	<u>Net Sales</u>	<u>Net Profit</u>
2006	6,412	1,375	5,037	2,015
2007	7,907	1,952	5,955	2,692
2008	9,109	2,066	7,043	3,505

The dealers are allowed to return any unsold products throughout the year. Over 70% of the sales happen in the festival season and remaining sales are spread almost evenly throughout the year. The company accounts for sales return during the year.

In 2008, Ram Malhotra, an analyst with a brokerage firm, questioned the Forever Ltd accounting practice for sales return in his research report titled as 'Dubious Accounting by Forever Ltd.' Relevant extracts from the report are as follows:

Forever Ltd has consistently outperformed its industry peers. The company's sales growth of over 18% and margin of 50 % are significantly superior to the industry mean of 12% and 32% respectively. The company's management is focused on the upper end of the market. Almost all of the new products introduced in the last year have done well. We believe that the companies biggest strength are its strong brand, ingenious design, and a committed dealer network.

Even so, we have an issue with the company's accounting for sales return. While the company accounts for all actual returns, it does not account for returns that are probable as of the balance sheet date. What this means is that product sold in a year may be returned in the following year, because they are no longer the flavour of the season. This would increase the revenue in a year of sale and reduce the revenue in the year of return.

Industry trend suggests that sales return exceed 20%. Our view is that the company's delay in recognition of sales returns could result in overstatement of revenue, and what is worse, allow the company to move its revenue from one period to another.

In view of the above we recommend SELL on Forever Ltd's share.

The company has issued following press release in response to the research report:

Forever Ltd is the industry leader in design, innovation and branding and has received a number of awards competing with international jewellers. Sales growth and margin are consistently above the industry peers. The company's shares have returned over 70% over the past three years (as against the NSE 500 return of 34%) and are now a matter of pride for its investors, much the same its products are for its customers. We are deeply disappointed by the negative research reports.

The company recognizes revenue in accordance with the two major conditions in the accounting standards:

- i. The seller of the goods has transferred to the buyer the significant risk and rewards of ownership of the goods and the seller retains no effective control of the goods transferred to a degree usually associated with ownership; and*
- ii. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.*

The company has complied with both these conditions. While there is some probability that the goods may be returned by our dealers, the amount of consideration is certain. Once the company sells the products, ownership passes to the dealers and the company has no control over the goods. Therefore, company cannot record return of such products. The company accounts for returns from its dealer immediately and refunds the amount promptly. In our view, accounting for expected returns as contrasted with actual returns, is fraught with risk. That kind of accounting would be based on estimation and not on facts.

Required

- a) Evaluate the analyst's comment and the company's response on the company's accounting for sales returns.
- b) Develop an accounting policy for revenue recognition including sales returns.

Exam Roll No

Paper No.: 2.4

Title of the Paper: Legal Environment for Global Business

Name of the Course: PGD Global Business Operations

Semester: II

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

1. *Attempt any four questions out of six questions*
2. *All questions carry equal marks*

1. Explain the meaning of capital account transaction?
2. What are pre-requisites for a valid International Agreements?
3. What is Foreign Direct Investment? Is there any restriction on FDI? If yes, please explain briefly?
4. What are the different legal forms of organisation through which the business in India can be run/ undertaken?
5. How a dispute is resolved at WTO? Explain in detail.
6. What is WTO? What are its key principles? What are the functions of WTO?

Exam Roll No

Title of the Paper: Computer Applications in Business-II

Name of the Course: PGD Global Business Operations

Paper No.: 2.5

Semester: II

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

1. *Attempt any four questions out of six questions*
 2. *All questions carry equal marks*
-

1. What characteristics a good information system should have and what relevance these characteristics play in the Information system success.
2. What are the integral components of MIS and how are they related to each other?
3. What are different types of Information Systems? Discuss each one of its importance and working?
4. Database is one of main component of Management Information System. What role it play in the working of MIS and how MIS is dependent on database(s). Explain with example.
5. What are the challenges for business in implementation of Management Information System? List and explain.
6. What is strategic information system? How is the role and importance of strategic information system for business? Explain.

INDIA'S FOREIGN TRADE

Exam Roll No

Paper No.: 2.6

Title of the Paper: India's Foreign Trade & Policies

Name of the Course: PGD Global Business Operations

Semester: II

Duration: 2 Hours

Maximum Marks: 70

Instructions

- 1. Answer all four of the questions**
- 2. All questions carry equal marks**

Q1. In the context of the Chinese OBOR initiative, discuss in detail how India can plan a response and also engage with her neighbours in Asia

Q2. Which are the ways in which India can address her trade imbalances. Analyse with regard to the composition of India's basket of imports and exports as well as looking at India's trading partners.

Q3. What are the various forms of trade pacts and agreements? List these down clearly and describe them in detail. Explain the benefits using economic theory (use the relevant diagrams as well)

Q4. Explain how the recent coronavirus issues can impact foreign trade; and what can India do in the current set of circumstances. Use data regarding the impact on various sectors and traded goods and services to support your answer

Q5. How do you expect India's foreign trade patterns to evolve over the next few years. Analyse with respect to traded goods, trading patterns and other relevant aspects.

Q6. Do you think trade is compatible with the Prime Minister's new 'Atma nirbhar' policy? Explain in detail

Exam Roll No

Paper No.: 2.7

Title of the Paper: Cross-cultural Buying Behaviour

Name of the Course: PGD Global Business Operations

Semester: II

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

1. *Attempt any four questions out of six questions*
2. *All questions carry equal marks*

1. Following the pandemic, a large section of the population across the world is not following the non pharmaceutical interventions (NPIs) such as social distancing in public, wearing of a mask in public, frequent hand washing etc. due to various reasons. Design and draw a print advertising campaign to showcase the critical need for NPIs targeting such individuals and groups to strictly follow the non pharmaceutical interventions.

2. Panic buying was witnessed before the start of the lockdown across various cities across the world. Panic buying of toilet paper, food items and medications resulted in retail shelves being emptied in a very short period. Why do individuals and groups resort to panic buying. What initiatives can the governments undertake to prevent such panic buying behaviours.

3. With rising unemployment rates across countries hit hardest by the pandemic the luxury good industry faces an uphill task to ensure that buyers keep purchasing their aspirational luxury brands. What strategic initiatives can the luxury goods sector implement to continue surviving (or even ensure growth) during such uncertain and anxious times.

4. Consumer behaviour in the near future shall be studied B.C. (Before Covid) and A.D. (After Covid). But during the ongoing Covid crisis some behaviours have become an essential such as having virtual meetings or webinars in real times (on various platforms such as Google Meet, Cisco Web Ex and Zoom) or online buying of essentials such as groceries and medications. This has substantial implications as such behaviours shaped during the Covid crisis may be carried forward during the post Covid 19 pandemic (A.D.). List any five additional such consumer behaviours that are being shaped and forged during the pandemic that are likely to be carried forward in the post Covid 19 period.

5. Models explaining consumer behaviour such as the Howard Sheth Model, Engel Kollat Model and Sheth Newmann Gross model have been studied extensively in marketing literature. Select any one of the above mentioned three models and explain its marketing applicability for a brand of your choice. You are not required to explain the original model and its details. You are to focus on the marketing application of that model for a specific brand of your choice.

6. Write short notes on any two:

A) Diffusion of a specific innovation of your choice across a defined target segment.

- B) Building and enhancing brand loyalty for a brand of your choice.
- C) Role of perception in brand building.
- D) Reference groups as an external influence impacting consumer behaviour.

PGD – Global Business Operations SRCC (DU)

Semester Examination - IV

International Financial Management – Paper No 4.2

MAX MARKS: 70

MAX TIME: 2 HRS

ROLL NO:

Instructions

- 1. Students are required to answer ANY 4 questions out of 6 below.**
- 2. All questions carry equal marks (Total Marks: 70)**

Section - Analytical Assessment

1. Risk and exposures are interrelated and interdependent. Discuss how managing the Exposures can mitigate the cost of hedging.
2. Derivatives can be aggressively used for hedging. Discuss the risk management process with the derivative instruments available in the Indian market. Support your explanation with Hedging Strategies.
3. Exotic Derivatives are not true Hedging Instruments. Discuss Exotic Derivatives and their features and why they are not advisable for Hedging.
4. Covid – 19 Pandemic has led to an economic meltdown. Explain how awareness of derivatives could have safeguarded the wealth of many.
5. In the wake of high volatility expectation which strategy (Butterfly Spread vs Condor Spread) you would suggest and why? Support your recommendations with payoff tables, diagrams and other calculations.
6. Global contingencies can erode the wealth of any nation. Suggest an **‘Innovative Financial Strategy’**, that can protect a nation from such financial loss.

Exam Roll No

Paper No.: 4.3 International Trade Blocks and Agreements

Name of the Course: PGD Global Business Operations

Semester: IV

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

1. ***Attempt any four questions out of six questions***
2. ***All questions carry equal marks***

Q. 1. Given the ongoing pandemic of COVID-19 the world economy has been pushed to the wall. You are a manager of an Indian company importing silk from China. The business processing at your unit typically includes the import of raw silk from China and after churning out formal and casual wears from silk, later these apparels are exported to U.S based international apparel house named 'Merry and Summers'. The Corona Virus has impacted the globe alike leaving scores of people affected across the world and India is no exception. You are worried about your future as well future of your business. At the forthcoming meeting with the Indian CEO, you are required to examine the reasons leading to spread the Covid-19 beyond China? Discuss the long term and short term impact of Covid -19 on your business.

Q 2 The financial crisis of 2007-2008 engulfed many European countries along with USA. The ripple effects of the crisis were also felt across Asia. However, way back in India, the impact of global crisis was not as severe as in U.S and Europe. Explain what is contagion effect? What factors led to the far reaching and prolonged impact of financial crisis? How capital and financial markets reacted worldwide and in India, to the financial crisis? As a student of GBO, how would you safeguard yourself and your company from any future contagion, given the ever 'changing and complex business scenario'?

Q. 3 after completing your Diploma Programme at GBO, you are offered a lucrative job at a small but growing Indian company, Sunrise Ltd. Your profile is Strategic analyst and you strongly believe that your organisation, which is in Solar panel production, should internationalize the operations. However your boss does not feel the same way for company's growth path. You get an opportunity to meet Mr. Kamath, Country head of Sunrise Ltd. at the annual dinner of the company. Explain as to how you would impress Mr. Kamath for Internationalization of your Business? Discuss in detail the process of Internationalization to be pursued by Sunrise Ltd.

Q.4 the Popular cab aggregator, OLA Cabs Ltd. is a celebrated unicorn in its industry. Recently after getting fresh influx of funding from Soft Bank, a Japanese venture capital fund, B.K Aggarwal, founder chairman, is eyeing an opportunity to enter United Kingdom, given the revocation of the license of its competitor, Uber by British Vehicle authority, owing to non-compliance with the stipulated norms. However, the board members are not in consensus with the Chairman and believe that given the Covid pandemic, looming Brexit and fears of global slow down along with the cultural and geographical distance with U.K, the prospective entry in U.K will not result in desired outcomes. Many of them however, feel that their cash rich company should enter foreign markets like Singapore, Hongkong or Thailand having geographical proximity with India. Imagine yourself as the Country head of OLA Ltd. Given the divergent views of the Board members and Chairman, conduct a SWOT analysis while examining and justifying which market should be entered by Ola.

Q. 5 what structural changes were instituted in the formation of WTO vis-a-vis its erst while successor, GATT. Identify and discuss, major developments brought in WTO, in terms of new aspects being included in WTO. WTO has also provided for resolving the dispute between trading members through constitution of Dispute settlement Body (DSB). Identify and enumerate any major trade dispute between any two nations or Trade block. Also discuss the resolution offered by the DSB in the discussed trade dispute. In case a complainant country feels dissatisfied with the verdict of DSB, what recourse is available to such a nation/ Trade block?

Q.6 Thermal corporations, an Indian company is in the business of producing microchips and semiconductors. Given the future of machine learning and internet of things, it is interested in exporting its products to developed countries like USA as well as huge markets like China. Its CEO, Sheetal Thakur is upbeat about the future prospects of exporting. But she is unaware about various types of tariff and non-tariff barriers, she may face while exporting her products. Imagine yourself as an expert consultant in export business. Ms. Sheetal has fixed an appointment with you for learning about the hidden and explicit costs especially w.r.t tariff barriers and non-tariff barriers. Consult and guide Ms. Sheetal appropriately for her forthcoming foray in exporting, while illustrating the meaning, distinction and impact of the above barriers on the competitiveness of business in foreign country.

Exam Roll No

Paper No.: 4.4

Title of the Paper: Procedures and Logistics for Global Trade

Name of the Course: PGD Global Business Operations

Semester: IV

Duration: 2 Hours

Maximum Marks: 70

Instructions for candidates:

1. *Attempt any four questions out of six questions*
2. *All questions carry equal marks*

Question 1:

A Voyage Chartered vessel is hired for the export of 25000 MTs of shipment of RICE from Mumbai to Djibouti. The following information is available in this regard:

- The quantity to be loaded is 2500MTs per WWD.
- The vessel Reports at JNPT on 14th June (Sunday) at 0800 Hrs & NOR is issued at 08:20:00 hrs.
- 15th June (Monday), 0600 to 1200 hrs. is declared as BWD.
- 16th (Tuesday) is Holiday at the port.
- 23rd June, 2020 (Tuesday) is declared as half day holiday & port functioning is from 1200 hrs.
- The free period after NOR is 12 hours & the vessel completes the loading on 15th July, 2020 at 10:50:45hrs.
- The demurrage is 5000 US\$ PER DAY.

Based on the above facts, answer the following:

- a) Explain the concept of Tramp shipping and what kind of cargo is being handled by Tramp vessels?
- b) Prepare the LAY TIME Statement, Demurrage, dispatch if the vessel completes the Loading on 24th (W) at 12:45:20 hrs.
Does it make any difference if, the vessel is detained for 10 days 20 hrs due to the allegation of fraud?

Question 2:

Sea transport plays a vital role in the international transportation. It occupies almost 80% of the international trade & as per Hague Visby rules Shipping companies are obligated to issue B/Lading. In this context, answer the following:

- a) Explain various forms of Bill of Lading.
- b) Prepare the Bill of lading in the following case:
The shipment is from ICD, ND to NJ , USA.
Shipper: ABC-----ND, Consignee; ITC, NJ.
Buyer: OPQ-----NJ. Freight: Prepaid. B/L No. 12345678 Dt. 15/06/2020 & On board on 24/06/2020.
Quantity: 50 MTs of Alfonzo Fruit Pulp Packed in 50 kg steel containers.
- c) Calculate the freight in the following case and also explain the basis of freight charges to be levied by the shipping lines.:
If the quantity is 50 tons, dimensions are 4'x2 'x2' & the rates of freight are US\$ 300/ MT & US\$ 270 per cubic feet respectively. The freight charges decrease by 5% per 1000 NM & the distance is 5000 NM.

Question 3:

In the context of 'LOGISTICS Management', answer the following:

- a) How does the logistics Management help in the Economic growth of the country and why are we not able to match the Chinese logistics strategy?
- b) Explain the role of pricing in the LOGISTICS Management.
- c) Quote the prices of a product as per Inco terms 2020 if the cost of production is US \$5000, packing charges are US \$300, local transport charges up to ICD are US \$150. The haulage in India is US\$ 400 & in the buyer's country is US\$ 300. International insurance is US\$ 250 & freight charges are US\$ 450 respectively. Customs duty in the buyer's country is US \$1500.

Question 4:

In the context of 'Warehousing & cold chain systems', answer the following:

- a) India wastes around 30% of fruits & vegetables due to lack of adequate warehousing & cold chain facilities. Discuss the role of warehousing in efficient Logistics Management.
- b) An exporter intends to export the consignment of 500 kgs. of fresh fruits to Dubai. The cost of transportation by Air is \$ 5/Kg & by sea is \$1/kg. The goods are to be kept in the cold storage for at least 30 days & the expenses for the storage are \$ 10 per 100 kgs for 10 days. The value of consignment is \$ 2 million. The interest charges are 7%. The transit time is 45 days by sea & 5 days by air. The insurance charges are 0.001% per day. Calculate the cost by air & by sea to decide the right mode of transport.

Question 5:

Suggest the right mode of transport in the following cases:

- a) The goods are to be transported from Delhi to Kenya. There is no direct vessel but the L/C does not permit Transshipment.
- b) The garments consignment is to be sent in hanged form.
- c) The fresh fruits are to be protected from the atmospheric attacks & than to be exported. Explain the concept of packing & than transportation by the appropriate mode.
- d) The 20' containers capacity is 26 tons & exporter is able to make only 20 tons of cargo. In 40' it can occupy only 1/2 of the space. L/C does not permit partial shipment.
- e) The life saving medicine is to be exported & they must be transported by the fastest mode of transport. Explain the document to be issued by the carrier. How is this instrument legally different from the other modes?

Question 6:

In the topic 'Inventory Management', the following systems are considered to be effective in the inventory control: EOQ, Reorder System and JIT. In this context, answer the following:

- a) KLM Ltd. uses EOQ for the components & its annual consumption is 80,000 pcs. Cost of per order is Rs. 1200. The cost per unit is Rs. 50 & the carrying cost is 6%. Find EOQ, Ordering cost, No of orders, carrying cost & total cost?
- b) Explain the concept of Reordering and also calculate the reordering in the following case, where two types of materials are used:
Minimum usage: 20 units/ week each
Maximum usage: 40 units/ week each
Normal usage: 60 units/ week each
Reorder or lead time of the material is as follows:
Material A: 3-5weeks and Material B: 2-4 weeks.
- c) How does the concept of JIT help in the inventory management & improves the logistics?

Exam Roll No

Paper No.: 4.5
Title of the Paper: International Investment Management
Name of the Course: PGD Global Business Operations
Semester: IV

Duration: 2 Hours

Maximum Marks: 70

1. *Attempt any four questions out of six questions*
2. *All questions carry equal marks*

1. Explain why investment objectives should be expressed in terms of risk and return? Also examine the considerations and factors responsible for differing risk-tolerance limits of different sets of investors.
2. Mr. Krishnan has just retired as the CFO of a multinational firm and has received Rs. 1 crore as his retirement benefits. A portfolio manager has suggested him to invest his money in a combination of two sets of portfolios: one comprising equities and other debt securities. Following information is available in respect of these portfolios:

Portfolio	Return	Risk,σ
Equities	24%	18%
Debts	18%	14%

Being a senior citizen, he wants to construct a portfolio with minimum risk. The correlation coefficient between the returns of these portfolios depends on socio-economic position and may be : -1, -.8, -.6, -.2, 0, or, +1.

You are required to advise him about portfolio construction with the objective of minimizing the risk under each of correlation coefficient situation. Also calculate risk and return for each such suggestion.

3. RST Ltd. has decided to go for diversification into pharma business for which additional funds of Rs. 100 crores would be required now for next 6 years. Keeping in view the uncertainty prevailing in the equities market, the company decides to tap the debt market by issuing 10% Bonds of the Face value of Rs. 10,000 each redeemable at 5% premium, coupon payable annual.

Bonds having similar features and risk level are currently selling in the market to provide a YTM of 12%. Advise the company about the pricing of these bonds so that the bonds are equally attractive in the market.

Would your opinion be different if, in order to make these bonds more attractive, the company increases the coupon to 11% and wants to offer a return of 13% to the prospective investors. Show workings and give reasons for the change in offer price.

4. Following information is available in respect of a 'AAA' bond:

Face Value	Rs. 5,000
Coupon	12%
Life	8 years
Redemption	Rs. 5,100
YTM	11%

Find out the price at which the bond would be selling in the market .

Find out the Duration and Modified Duration of the bond.

Applying the concept of duration, find out the expected price if the YTM of the bond changes to 10%. The actual market price will be lesser or more than this calculated price? Give reasons.

5. Equity shares of XYZ Ltd. having face value of Rs. 100 had been very volatile in the market for several years. On the basis of dividends and yearly closing market prices, the annual % rates of return on share for last 10 years have been calculated. The rates of return provided by the relevant market index over the same period have also been noticed. The information is presented in the following table:

Year	% Return on XYZ	% Return on Market Index
1	10	-9
2	-8	14
3	6	7
4	9	-6
5	12	-2
6	8	-5
7	-4	8

8	11	6
9	16	-7
10	3	8

You are required to calculate and interpret the β , Beta value for XYZ Ltd.

6. 'Fundamental Analysis of a company encompasses a logical and systematic approach to estimate the returns from, and true intrinsic worth of a share.' In the light of this statement, analyse the determinants of fair value of a security.

P G Diploma in Global Business Operations
4.6 Social and Ethical Issues in Business

Time Allowed: 2 Hours

Max Marks: 70

Roll Number of the Candidate _ _ _ _ _

Important Instructions

- (i) Do *any four* questions out of the six questions
- (ii) All questions carry equal marks

1. Describe Kohlberg's theory of cognitive moral development and its main implications for business leaders. Discuss also the individual and structural factors influencing ethical decisions in organisations.
2. Suppose you are the CEO of a company that manufactures specialised electronic equipment used by a government department. You have submitted your bid for the supply of this equipment to them. Both the quality and cost of your offer are better than those of the competitors. Yet the concerned officer is demanding a hefty bribe for approving the tender. Getting the order is important both for you and for your company. Not getting the order would mean closing a production line. It may also affect your own career. On the other hand, agreeing to give the bribe would violate your personal code of conduct. As a value-conscious person, what would you do to get out of this dilemma ? Give reasons for your answer.
3. "If a country does not have a reputation for strong corporate governance practices, capital will flow elsewhere. If investors are not confident with the level of disclosure, capital will flow elsewhere". Do you agree with this? If yes, why? Spell out the corporate governance practices which may attract investors.
4. 'Board of Directors of a company is the fulcrum of corporate governance system which is accountable to the stakeholders, and directs and controls the management'. In the light of this suggest an appropriate composition of the board of directors of a company including board committees and its functioning to ensure the accountability of the board to the stakeholders.
5. You are appointed CSR Head of a pharmaceutical company having manufacturing units in Kandla (Gujrat) on April 1, 2020. While the paid up share capital of the company was Rs 1500 million on March 31, 2020, the Net Profit was Rs 490 million, Rs 510 million and Rs 510 million for the years 2019-20, 2018-19 and 2017-18 respectively. Suggest a suitable Corporate Social Responsibility Policy for the year 2020-21 covering structure, range of activities, implementation mode and financials.
6. 'Even though Satyam Computer Services scam is dubbed as 'India's Enron, there were differences between the two scams'. Do you agree? Elaborate pointing out the similarities and differences in the two scams.

Roll No.

This paper has 5 printed sheets.



M.Com Semester-I Examination

(December 2019)

Paper no./ Unique paper Code - MCCC101/ 324101101

Title – Business Statistics

S. No. MCT101D19

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks. All parts of a question must be attempted together and in sequence.

1. Part (a) and (b) are compulsory. Attempt either part (c) or (d).

(a) For the following cases, state which method of sampling has been used?

- (i) A city is divided into six regions for an opinion poll and samples are drawn from each region.
- (ii) For monitoring purposes, a call centre manager makes a sample by choosing every 50th call starting from a random call during the first hour of operation.
- (iii) To find out opinion of people on rising pollution levels in the city, the population is classified according to age groups and then samples are collected from each group.
- (iv) A sample of 80 employees is chosen from 895 employees by drawing a slip out of a box which has 895 slips, one for each employee. (4)

(b) Which probability approach would you use to calculate the following probabilities? Give reason also.

- (i) A nuclear accident at the site of a nuclear power plant.
- (ii) The tenth toss of a fair coin landing on a head.
- (iii) The probability of success of a new product in the market.
- (iv) A randomly selected consumer prefers Times of India to other newspapers. (4)

(c) Sixty percent of the managers who enroll in a special training program will successfully complete the program. If a large company sends 328 of its managers to enroll in the program,

- (i) what is the probability that at least 200 of them will pass? (6)
- (ii) what is the probability that at most 200 will pass?

OR

(d) To gauge the relationship between education and unemployment, an economist develops the following table of joint probabilities based on census data.

Education	Employed	Unemployed
Lower than High School	.0975	.0080
High School Graduate	.3108	.0128
Bachelor's Degree	.1785	.0062
Master's Degree	.0849	.0023
Professional course	.1959	.0041
Advanced Degree	.0975	.0015



Compute the probabilities of the following events:

- (i) A high school graduate is unemployed.
- (ii) A randomly selected individual is employed.
- (iii) An unemployed person possess an advanced degree.
- (iv) A randomly selected person did not finish high school.
- (v) A randomly selected individual either has master's degree or is unemployed.
- (vi) An individual has advanced degree and is unemployed.

(6)

2. (a) Explain sampling distribution of mean. What are its properties?

(4)

(b) An analyst kept track of the daily price quotation for a given stock. The frequency data led to the following probability distribution of daily stock price.

Price (X) (in Rupees)	Probability P(X)
17	0.05
17.125	0.05
17.25	0.10
17.375	0.15
17.5	0.20
17.625	0.15
17.75	0.10
17.875	0.05
18	0.05
18.125	0.05
18.25	0.05



If 100 shares are bought today at 17.25 and must be sold tomorrow, what is the expected profit, disregarding transaction costs? (Assume that the stock price is independent from day to day).

(5)

(c) It is known that the amount of time needed to change the oil on a car is normally distributed with a standard deviation of 5 minutes. The amount of time to complete a random sample of 10 changes was recorded and listed here.

11 10 16 15 18 12 25 20 18 24

Compute the (i) 99% and (ii) 95% confidence interval estimate of the mean of the population. What would you say about the relationship between confidence level and confidence interval?

(5)

OR

(d) What is Central Limit theorem? Explain its usefulness.

(4)

(e) The annual report of a shoe company shows that the on an average, the resident of a particular city, buys 6.5 pairs of sports shoes per year. Suppose the population standard deviation is 2.1 and that a sample of 81 customers will be examined.

(i) What is the probability that the sample mean is between 6 and 7 pairs of sports shoes?

(ii) What is the probability that the difference between the sample mean and the population mean is less than 0.25 pairs?

(5)

(f) Suppose a new production method will be implemented if it reduces the mean operating cost per hour. The mean cost for the current production method is Rs. 220 per hour.

(i) Develop the appropriate null and alternative hypotheses for the above situation.

(ii) What is the Type I error in this situation? Explain.

(ii) What is the Type II error in this situation? Explain. (5)

3. (a) What are the properties of a good estimator? Explain. (4)

(b) A real estate developer is considering investing in a shopping mall on the outskirts of a large metropolitan city. Three plots of land are being evaluated. Of particular importance is the income in the area surrounding the proposed mall. A random sample of four families is selected from the area near each proposed mall and the sample results are shown below. At 5% level of significance, can the developer conclude there is a difference in the mean income?

Income (in Rs. '000)		
Area A	Area B	Area C
64	74	75
68	71	80
70	69	76
60	70	78

(10)

OR

(c) Distinguish between a lower-tailed and an upper-tailed test in hypothesis testing. Give examples also. (4)

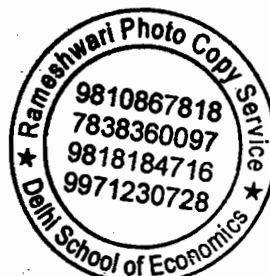
(d) A local pizza restaurant and a local branch of a national pizza chain are located across the street from a college campus. The local pizza restaurant advertises that it delivers to the hostels faster than the national chain. In order to determine whether this advertisement is valid, some of the hostel students have decided to order 10 pizzas from the local pizza restaurant and 10 pizzas from the national pizza chain at different times. The sample mean and variances (in minutes) were found to be as follows:

	Local pizza restaurant	National pizza chain
Sample mean	16.7	18.88
Sample variance	9.58	8.22

At a 5% level of significance, is there evidence to conclude that the mean delivery time for the local pizza restaurant is less than the mean delivery time for the national pizza chain? (10)

4. (a) What are non-parametric tests? What are the advantages and disadvantages of non-parametric tests? (4)

(b) The director of advertising of a certain newspaper is studying the relationship between the type of community in which a subscriber resides and the section of the newspaper he or she reads first. For a sample of readers, she collected the following sample information.



	National news	Sports	Editorial
City	170	124	90
Suburb	120	112	100
Rural	130	90	88

At a 5% level of significance, can we conclude there is a relationship between the type of community where the person resides and the section of the paper read first? (10)

OR

(c) State the characteristics of the t-distribution. (4)

(d) The director of a company has recommended a training program for managers to improve the knowledge of database usage in different functional areas. To test the effectiveness of the program, a sample of 15 managers was selected at random. A panel of database experts determined the general level of competence of each manager with respect to using the database. The competence was rated as being poor, fair, good, excellent and outstanding (with poor being the lowest rating and outstanding being the highest). After the training program, the same panel of database experts rated each manager again. The ratings assigned (before and after the training program) are given below.

Manager Code	Before	After
1	Good	Outstanding
2	Fair	Excellent
3	Excellent	Good
4	Poor	Good
5	Excellent	Excellent
6	Good	Outstanding
7	Poor	Fair
8	Excellent	Outstanding
9	Good	Poor
10	Poor	Good
11	Good	Outstanding
12	Fair	Excellent
13	Good	Fair
14	Good	Outstanding
15	Poor	Good

The director wants to know whether the training program effectively increased the competence of the managers in using databases. Regarding the same, conduct an appropriate hypothesis test for 10% level of significance. (10)

5. (a) What is Expected Value of Perfect Information (EVPI)? Explain its importance in decision-making. (4)

(b) Critics of television often believe that watching television reduces the amount of physical exercise in children causing weight gain. A sample of 15 children was taken and the number of pounds each child was overweight was recorded (a negative number indicates that the child is

underweight). Additionally, the number of hours of television viewing per week was also recorded. The data is given below.

Hours of TV viewing per week	42	34	25	35	37	38	31	33
Overweight	18	6	0	-1	13	14	7	7
Hours of TV viewing per week	19	29	38	28	29	36	18	
Overweight	-9	8	8	5	3	14	-7	

(i) Find out the least squares regression line and describe what the coefficients tell you about the relationship between the two variables.

(ii) Compute the coefficient of determination and explain its meaning.

(iii) Determine the standard error of estimate.

(4+3+3=10)

OR

(c) Explain the least squares method of finding the regression line.

(4)

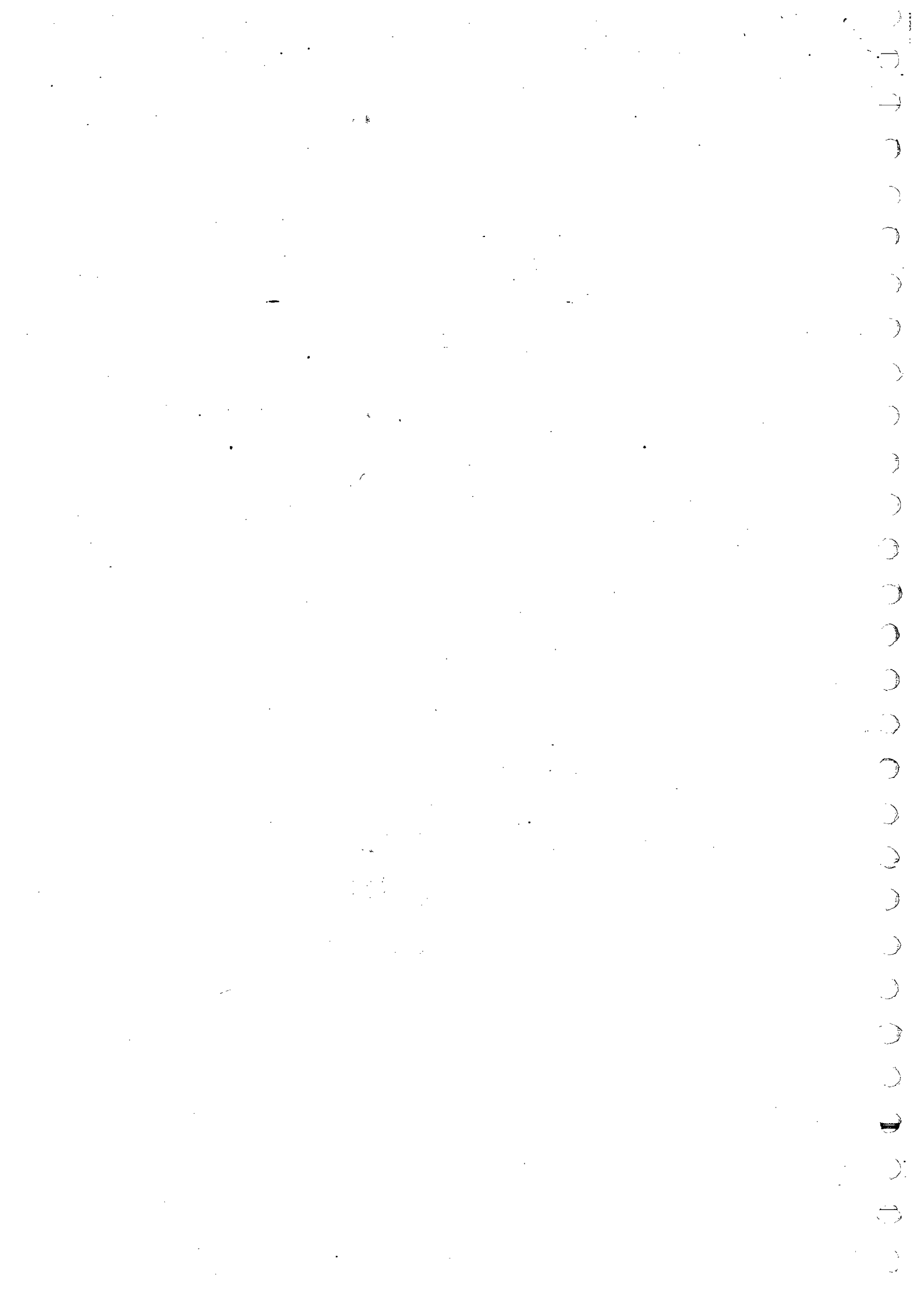
(d) An investor is considering investing Rs. 15,000 in wheat futures and believes that there is a 0.10 probability that he will lose Rs. 5,000 by the expiration of the contract; a 0.20 probability that he will make Rs. 2,000; a 0.25 probability that he will make Rs. 3,000; a 0.15 probability that he will make Rs. Rs. 4,000; a 0.15 probability that he will make Rs. 5,000; a 0.10 probability that he will make Rs. 6,000; and a 0.05 probability that he will make Rs. 7,000. If the investor should find out that he is going to lose Rs. 5,000, he can pull out of his contract, losing Rs. 3,500 for certain and an additional Rs. 3,000 with probability 0.20 (the latter amount deposited with a brokerage firm as a guarantee).

Suppose the investor is also considering another investment option as an alternative to wheat futures. He is considering investing Rs. 15,000 in a limited partnership for the same duration of time as the future contract. This alternative has a 0.50 chance of earning Rs. 5,000 and a 0.50 chance of earning nothing.

Draw the decision tree for this problem and suggest what the investor should do.

(10)





2019

[This question paper contains 10 printed pages.]

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Your Roll No./

M.Com. / Sem. I

(2019) J

Paper No. / Unique Paper Code – MCCC101 / 324101101

Business Statistics

Time : 3 Hours

Maximum Marks : 100

*(Write your Roll No. on the top immediately
on receipt of this question paper.)*

Attempt All questions.

All questions carry equal marks.



1. (a) What are the different types of sampling? Explain giving examples. (6)

(b) A crucial game of a basketball team depends on the health of their key player. According to his doctor's report, there is a 40% chance that he will be fully fit to play, a 30% chance that he will be somewhat fit to play and a 30% chance that he will not be able to play at all. The coach has estimated the chances of winning at 80% if the player is fully fit, 60% if he is somewhat fit and 40% if he is unable to play.

P.T.O.

- (i) What the probability that the team will win the game?
- (ii) If the team has won the game, what is the probability that the key player has been fully fit to play in the game? (7)
- (c) Hits on a personal website occur quite infrequently. They occur randomly and independently with an average of four per week.
- (i) Find the probability that the site gets 6 or more hits in a week.
- (ii) Determine the probability that the site gets at least 5 hits in 2 weeks. (7)

OR

- (d) Explain marginal, joint and conditional probabilities under conditions of (i) statistical independence and (ii) statistical dependence. (6)
- (e) A company employs 400 salespeople. Of these, 83 received a bonus last year, 100 attended a special sales training program last year, and attended 42 both the special sales training program and received a bonus. (The bonus was totally based on sales performance).

- (i) What proportion of the salespeople received a bonus last year?
- (ii) What is the probability that an employee received a bonus or attended a special training program last year?
- (iii) What proportion of the salespeople who attended the special sales training program received a bonus last year?
- (iv) Based on your answers to part (i) and (iii), does the special sales training program seem to have been more effective? Explain your answer. (7)
- (f) The average annual amount spent by households in a city for daily transportation is Rs. 6312. Assume that the amount spent is normally distributed.
- (i) Suppose you learn that 5% of these households spend less than Rs. 1000 for daily transportation. What is the standard deviation of the amount spent?
- (ii) What is the probability that a household spends between Rs. 4000 and Rs. 6000?

P.T.O.

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4

(iii) What is the amount spent by the 3% of households with the highest daily transportation cost? (7)

2. (a) Under what conditions can the normal distribution be used as an approximation to the binomial distribution? Explain the process of approximation. (6)

(b) For providing a certain service to its customers, a bank decides to undertake an experiment to determine the average amount of a transaction, in rupees per person per day. A random sample of 10 experimental transactions on a trial run of the machine is collected. The following data are the result: 53, 40, 39, 10, 12, 60, 72, 65, 50, 45. Give a 95% confidence interval for the average amount of a transaction. (7)

(c) Assume that for a population of MBAs with a Finance specialisation, the mean monthly starting salary μ is = Rs. 34,000, and the standard deviation σ is = Rs. 2000.

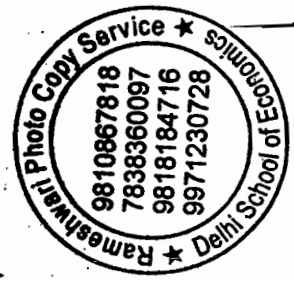
(i) What is the probability that a simple random sample of Finance majors will have a sample mean within \pm Rs. 250 of the

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5

population mean for each of the following sample sizes: 30, 50, 100, 200 and 400?

(ii) What is the advantage of a larger sample size when attempting to estimate the population mean? (7)



(M)

(d) Distinguish between a point estimate and an interval estimate. Which one would you prefer for estimating a population parameter and why? (6)

(e) The mean travel time to work for individuals in a particular city is = 31.5 minutes. The population standard deviation σ is = 12 minutes. A sample of 50 residents of the city is selected.

(i) Show the sampling distribution of x where x is the sample mean travel time to work for the 50 residents.

(ii) What is the probability that the sample mean will be within \pm 1 minute of the population mean?

(iii) What is the probability that the sample mean will be within \pm 3 minutes of the population mean? (7)

P.T.O.

(f) A medical researcher wants to investigate the amount of time it takes for patients' headache to be relieved after taking a new prescription painkiller. She plans to use statistical methods to estimate the mean of the population of relief times. She believes that the population is normally distributed with a standard deviation of 15 minutes. How large a sample should she take to estimate the mean time to within 1 minute with 99% confidence level. (7)

OR

- (c) Explain the steps involved in hypothesis testing. (8)
- (d) A large corporation is interested in determining whether a relationship exists between the commuting time of its employees and the level of stress-related problems observed on the job. A study of 116 assembly line workers reveals the following:

Commuting time	Stress Level			TOTAL
	High	Moderate	Low	
Under 15 mins.	9	5	18	32
15-45 mins.	17	8	28	53
Over 45 mins.	18	6	7	31
TOTAL	44	19	53	116

3. (a) Explain the concept of standard error. How do we use it in sampling? (8)

(b) In a preliminary study to determine whether the installation of a camera designed to catch cars that go through red lights affects the number of violators, the number of red-light runners was recorded for each day of the week before and after the camera was installed. The data is given below.

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Before	12	16	31	18	20	24	16
After	8	18	24	19	16	19	16

Can we infer that the camera reduces the number of red light runners? (Use $\alpha = 0.05$). (12)

At 1% significance level, is there evidence of a significant relationship between commuting time and stress level. (12)

4. (a) Distinguish between coefficient of determination and coefficient of correlation. (8)

(b) A regression model was fitted to sales data of a certain product. After the model was fitted to the

P.T.O.

data, the following residual series was obtained from the computer, with the signs of the residuals indicated. (A regression model is considered adequate if the residuals are random and don't follow a regular pattern). At 5% level of significance, is there any statistical evidence to conclude that the residuals are not random?

- 23, 30, 12, -10, -5, -17, -22, 57, 43, -23, 31, 42,
- 50, 61, -28, -52, 10, 34, 28, 55, 60, 32, 88, -75,
- 22, -56, -89, -34, -20, -2, -5, 29, 12, 45, 77, 78,
- 91, 25, 60, -25, 45, 42, 30, -59, -60, -40, -75, -25,
- 34, -66, -90, 10, -20

(c) Explain the working of the sign test as a non-parametric test. (8)

(d) Attempting to analyse the relationship between advertising budget and sales, the owner of a furniture store recorded the monthly advertising budget (thousands of rupees) and the sales (lakhs of rupees) for a sample of 12 months. The data is as follows :

Advertising (X)	23	46	60	54	28	33
Sales (Y)	9.6	11.3	12.8	9.8	8.9	12.5
Advertising (X)	25	31	36	88	90	99
Sales (Y)	120	114	126	137	144	159

(i) Draw a scatter diagram. Does it appear that advertising budget and sales are linearly related?

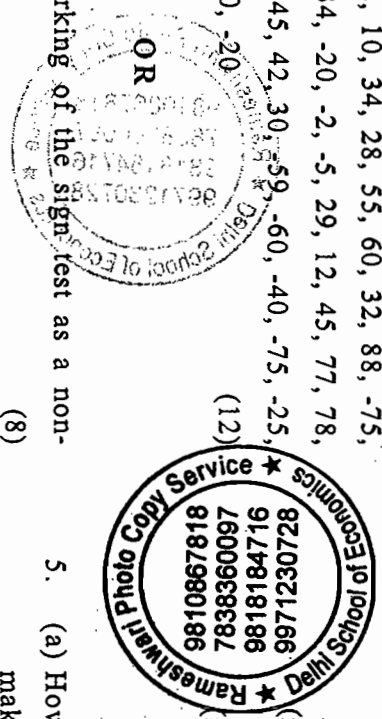
(ii) Calculate the least squares line and interpret the coefficients.

(iii) Determine the standard error of estimate.

(iv) Compute the coefficient of determination and interpret this value. (12)

5. (a) How do decision trees facilitate the decision-making process? Explain. (8)

(b) To test whether the mean time needed to mix a batch of material is the same for machines produced by three manufacturers, the following data is obtained on time (in minutes) needed to mix the material. Use the data to test whether the population mean times for mixing a batch of material differ for the three manufacturers. (use $\alpha = 0.05$)



Manufacturer		
A	B	C
20	28	20
26	26	19
24	31	23
22	27	22

(12)

OR

(c) Explain sampling distribution of proportion. (8)

(d) A company is considering three staffing options for managing its data processing operations which are given in the table below. The annual cost of each option (in thousands of rupees) depends on demand as follows:

Staffing options	Demand		
	High	Medium	Low
Own staff	650	650	600
Outside vendor	900	600	300
Combination of the above 2 methods	800	650	500

(i) If the demand probabilities are 0.2, 0.5 and 0.3, which decision alternative will minimize the expected cost of data processing operation? What is the expected annual cost associated with your recommendation?

(ii) What is the expected value of perfect information? (12)

(800)



Roll No. _____

This paper has 05 printed sheets.

M.Com. Semester I Examination
(December 2019)

Paper no./ Unique Paper Code - MCCC102/ 324101102

Title:- Advanced Management Accounting

S.No. MC102D19

Duration: 3 Hours

Max. Marks: 70

General Instructions: Answer all questions. All questions carry equal marks

1. Comment on the validity of the statement. Correct the statement if it is wrong. (2 x7= 14)

- CVP analysis is relevant in long term decisions.
- If selling price is Rs.10, Variable Cost per unit 6, Fixed cost Rs.10,000, then breakeven point will be 2500.
- Sunk Cost are relevant to make or buy decisions
- The potential rental value of space used for production activities represents an opportunity cost of production.
- Activity based costing uses a plant wide overhead rate to assign overheads
- A flexible budget is a budget that is adjusted to reflect different activity levels
- The sum of actual cost and the standard cost is known as variance analysis

2. (A) What are the causes of Material price variance? Suggest two corrective course of action for such variance. 4

(B) The 1st January cash balance of the Jay Company is ₹5,000. Sales for the first four months of the year are expected to be as follows: 10

Months	Amount(in ₹)
January	65,000
February	54,000
March	66,000
April	63,000



On January1, uncollected amounts for November and December of the previous year, are ₹13,500 and ₹39,150 respectively. Collections from customers follow this pattern: 55% in the month of sale, 30% in the month following the sale, 13% in the second month following the sale

and 2% un-collectible. Materials purchases for December were ₹10,000. Forecast purchases for the coming year are as follows:

Months	Amount (in ₹)
January	12,500
February	16,500
March	13,000
April	14,000

Purchases are usually paid by the 10th of the month following the month of purchase. Other cash expenditures of ₹41,000 are forecasted for each month.

Calculate:

- (i) Expected cash collections during February
- (ii) Expected cash balance as on February 1
- (iii) Expected cash balance as on February 28.

Or

(C) Distinguish between Cost, expense and loss with example. Mention the name of the appropriate books of account where each of this item would appear. 7

(D) 80 kgs of material A at a standard price of ₹2 per kg and 40 kgs of material B at a standard price of ₹5 per kg were to be used to manufacture 100 kgs of a chemical. During a month, 70 kgs of material A priced at ₹2.10 per kg and 50 kgs of material B price at ₹4.5 per kg were actually used and the output of the chemical was 102 kgs. Find out the material variances. 7

3. A company has two manufacturing divisions, X and Y: X has a capacity of 96,000 hours per annum. It manufactures two products: Gear and Engines details as per following: 14

	(in ₹)	
	Gears	Engines
Direct materials	240	34
Variable costs at ₹64/hour	256	64
Selling price in the outside market	640	128

Division Y produces 'wheels' as per following details. (in ₹)

Imported components per unit	640
Direct material per unit	96
Variable cost at ₹40 per hour	320
Selling price in the outside market	1160

The fixed overheads for X and Y are ₹24 lakhs and ₹4 lakhs respectively. With view to minimizing the dependence on the imported component, the company has explored a possibility of division Y using product "Gears" instead of the imported component. This is possible provided division Y spends 2 machine hours entailing additional expenditure of ₹64 per component on modification of product "Gear" to fit into 'wheels'. Production and sales of 'wheel' in division Y is limited to 5,000 units per annum.

(i) What will be maximum transfer price per unit that Y will offer?

(ii) In each unit of the following independent situations, state with supporting calculations, the minimum Transfer Price per unit that X will demand from Y if 5,000 units are required by Y.

	Gears(no. of units)	Engines (no. of units)
Market demand is limited to	20,000	20,000
Market demand is limited to	15,000	10,000
Market demand is limited to	18,000	24,000

Or

(A) How an MNC can use Transfer Pricing mechanism to minimize its tax burden? Explain with suitable example. 7

(B) Compare and contrast a profit centre and an investment centre with suitable example. State three advantages of divisionalization. 7

4. (A) Mighty Mike's Accounting Service provides two types of services: audit and tax. All company personnel can perform either service. In efforts to market its services, Mighty Mike relies on radio and billboards for advertising. Information on Mighty Mike's projected operations for the coming year follows: 7

	<u>Audit</u>	<u>Taxes</u>
Revenue per billable hour (Rs.)	35	30
Variable cost of professional labor (Rs.)	25	20
Material cost per billable hour (Rs)	2	3
Allocated fixed costs per year (Rs.)	100,000	200,000
Projected billable hours	14,000	10,000

- a. What is Mighty Mike's projected profit or (loss)?
- b. If Rs.1 spent on advertising could increase either audit services billable time by 1 hour or tax services billable time by 1 hour, on which service should the advertising dollar be spent?



(B) A computer manufacturer is deciding whether to produce a large monitor with a thin flat screen. One of the manager suggested that the incremental costs for this line of manufacturing will be primarily variable because the company currently has a lot of idle capacity. 3

(i) What is the cost object in this decision?

(ii) What is the opportunity cost for using this decision?

(C) Define Semi-variable cost and Semi-fixed cost with diagram. 4

or

(D) The Samuels Company normally 150,000 units of Product LM per year. Due to an economic downturn, the company has some idle capacity. Product LM sells for \$15 per unit. 7

The firm's production, marketing, and administration costs at its normal capacity are:

	<u>Per Unit</u>
Direct material	1.00
Direct labor	2.00
Variable overhead	1.50
Fixed overhead _____	
(\$450,000/150,000 units)	3.00
Variable marketing costs	1.05
Fixed marketing and administrative costs	
(\$210,000/150,000 units)	<u>1.40</u>
Total	<u>9.95</u>

For the current year, the firm expects to sell the same number of units as it sold in the prior year. However, in a trade newspaper, the firm noticed an invitation to bid on selling LM to a state government. There are no marketing costs associated with the order if Davis is awarded the contract. The company wishes to prepare a bid for 40,000 units

Comment on the price it should bid.

(E) What is Balance scorecard? Depict the Linking of the Balanced Scorecard to an Organizational strategy with an example. 7

5. DOC Ltd manufactures and sells two product models, Model A and Model B. Management must estimate the profitability of each product to decide which products to produce and sell and how to price them. They hire you as a consultant to guide them. On your request some aspects of A and B are presented by the accountant. 14

Products Compared	Product A	Product B
1. Units produced & sold	9,00,000	21,00,000
2. Selling price/unit (Rs.)	3.00	2.00
3. Direct labor cost/unit (Rs.)	50.00	0.50
4. Direct materials cost/unit (Rs.)	0.75	0.50

He further informs you that indirect cost incurred during the year are as follows:

Indirect Components	Indirect Costs
Materials purchasing	1,80,000
Machine setups	3,75,000
Product packaging	2,80,000
Machine testing & calibration	3,00,000
Machine maintenance & cleaning	2,87,000
Total Indirect	14,22,500



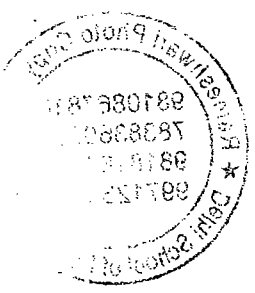
Traditionally, the firms allocates this cost total to each product, A or B, based on proportional usage of direct labour costs. You decide to identify the various activities required for A and B. After interviewing managers of all departments you are able to collect the following information:

Activity	Total Activity	Product A	Product B
Purchase orders	No of purchase orders	75	25
Machine setups	No of setups	150	100
Product packaging	No of product packages packed	900,000	500,000
Machine testing & calibration	No of tests	1,000	2,000
Maintenance & cleaning	No of batch runs	200	50

Prepare a report for the management with your recommendations. Include the following

- i) Compare Indirect cost per unit allocated to Model A & B under traditional and ABC method
- ii) Compare Profitability of Product A & B under traditional and ABC method
- iii) Suggest a pricing strategy to improve profitability

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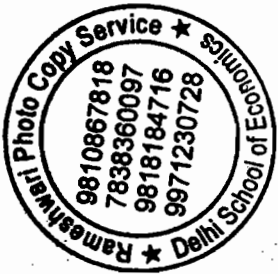


(iii) The Board Division and System Divisions have negotiated a transfer price of ₹11,000 per printed circuit board. Discuss the impact this transfer price will have on each division. 20

OR

(A) Discuss the external and internal transfer pricing objectives of a multinational company. 10

(B) What is ROI? What are the advantages of ROI? 10



(2019)

[This question paper contains 12 printed pages]

Your Roll No. :

Sl. No. of Q. Paper : 9189 J 2019

Unique Paper Code : MCCC102/324101102

Name of the Course : M.Com

Name of the Paper : Advanced Management Accounting

Semester : IV

Time : 3 Hours Maximum Marks : 100

Instructions for Candidates :

- Write your Roll No. on the top immediately on receipt of this question paper.
 - Question no. 1 is compulsory. Attempt four questions from the remaining questions.
 - Answer all questions.
 - Each question carries 20 marks.
1. Brick by Brick (BBB) is a building business that provides a range of building services to the public. Recently they have been asked to quote for garage conversions (GC) and extensions to properties (EX) and have found that they are winning fewer GC contracts than expected. BBB has a policy to price all jobs at budgeted total cost plus 50%. Overheads are currently absorbed on a labour

hour basis. BBB thinks that a switch to activity based costing (ABC) to absorb overheads would reduce the cost associated to GC and hence make them more competitive.

A typical GC costs ₹ 3,500 in materials and takes 3000 labour hours to complete. A GC requires only one site visit by a supervisor and needs only one planning document to be raised. The typical EX costs ₹ 8,000 in materials and takes 500 hours to complete. An EX requires six site visits and five planning documents. In all cases labour is paid ₹ 15 per hour.

You are provided with the following data :

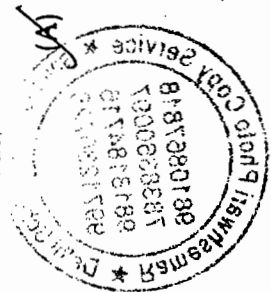
Overhead Category	Annual overheads ₹	Activity driver	Total number of activities per year
Supervisors	90,000	Site visits	500
Planners	70,000	Planning documents	250
Property related	2,40,000	Labour hours	40,000
Total	400,000		

2

Required :

- (a) Calculate the cost and quoted price of a GC and of an EX using labour hours to absorb the overheads. 8
- (b) Calculate the cost and the quoted price of a GC and of an EX using ABC to absorb the overheads. 8
- (c) Assuming that the cost of a GC falls by nearly 7% and the price of an EX rises by about 2% as a result of the change to ABC, suggest possible pricing strategies for the two products that BBB sells and suggest two reasons other than high prices for the current poor sales of the GC. 4

2. Answer any two : 10+10=20



(A) Suppose 'Hotel ABC' has fixed cost of ₹ 32,00,000 for its 400 room hotel. Average daily rent is ₹ 50 and variable cost is ₹ 10 per room. It operates 365 days a year.

(A) How much profit will be generated

(a) If hotel is full occupied

(b) If hotel is half full

(A) Compute the break - even point in number of rooms rented. What percentage occupancy for the year is needed to break even ?

3

P.T.O.

(B) the management of Whale Industries has been evaluating whether the company should continue manufacturing a component or buy it from an outside supplier. A ₹ 100 cost per component was determined as follows :

Direct material	15	₹
Direct labour	40	
Variable manufacturing overhead	10	
Fixed manufacturing overhead	35	
Total	100	

Whale Industries uses 4,000 components per year. After Sunrise Corporation submitted a bid of ₹ 80 per component, some members of management felt they could reduce costs by buying from outside and discontinuing production of the component. If the component is obtained from Sunrise Corporation, Whale Industries' unused production facilities could be leased to another company for ₹ 50,000 per year.

Required :

- (i) Determine the maximum amount per unit Whalen Industries could pay an outside supplier.
- (ii) Indicate if the company should make or buy the component and the total benefit of the chosen alternative.

4

(iii) Assume the company could eliminate one production supervisor with a salary of ₹ 30,000 if the component is purchased from an outside supplier. Indicate if the company should make or buy the component and the total gain from the alternative.

(C) Power Recreation assembles two engines, a snowmobile engine and a boat engine at its plant.

	Snowmobile	Boat
Selling price (₹)	800	1,000
Variable cost per unit (₹)	560	625
Machine hours	2	5

Only 600 machine-hours are available daily for assembling engines. Additional capacity cannot be obtained in the short run.

- (1) If Power Recreation can sell as many engines as it produces, what product mix should Power Recreation's managers choose to maximize ?

5

P.T.O.

(II) If the maximum demand for snowmobile is 200 and for Boat Engine is 150, should the product mix change?

3. Answer any two from the following :

10+10=20

(A) Rani is considering the possibility of obtaining a two year master degree from an institute. In order to do this, however, she must give up her job that pays a salary of ₹2,40,000 per year. Living cost, whether she goes on for the degree or not, are estimated at ₹1,50,000 per annum. However the cost of tuition and books at the institute will amount to ₹50,000.

(i) What is the opportunity cost, if Rani decides to go for the degree ?

(ii) What is the sunk cost in this decision ?

(iii) Identify the differential costs in this decision.

(B) What is balanced scorecard ? Explain the financial perspective of the balanced scorecard.

(C) Define management accounting. Discuss the scope of management accounting.

4. (a) The SG Ltd. has prepared the following estimates of working results for the year ending March 31, 2019 :

Direct material per unit = ₹16

Direct labour per unit = ₹40

Variable overhead per unit = ₹12

Selling price per unit = ₹125

Fixed expense = ₹ 6,75,000 per annum

Sales = ₹25,00,000 per annum

During 2019-20 it is expected that material price and variable overheads will go up by 10% and 5% respectively. As a result of re-engineering of business process, the overall direct labour efficiency will increase by 12% but wages will go up by 5%. The fixed overheads are expected to increase by ₹1,25,000. The Vice president-manufacturing states that the same level of output as obtained in 2018-19 should be maintained in 2019-20 and efforts should be made to maintain the same level of profit by suitably increasing the selling price.

The VP - marketing states that the market will not absorb any increase in the selling price and he proposes that publicity involving advertisement expense as given below will increase the quantity of sales as under.

Advertisement expense (₹)	80,000	1,94,000	3,20,000	4,60,000
Additional units of Sale	2,000	4,000	6,000	8,000

You are the Management accountant and you need to do the following :

- Present income statement for 2019-20.
- Find the revised price and the percentage of increase in the price for 2019-20, if the views of the vice president - manufacturing are accepted.
- Evaluate the four alternative proposals put forth by the vice president marketing. Determine the best output level to be budgeted and prepare an overall income statement for the year 2019-20 at that level of output.

8

OR

(b) IKIA Company has the following standard cost per unit of furniture.

	In ₹
Direct material (50 feet of lumber @ ₹400 per 100 feet)	200
Direct labour (3 hours @ ₹100)	300
Variable overhead (3 direct labour hours @ ₹50)	150
Fixed overhead :	
(₹3,00,000 per month/3,000 monthly direct labour hours) × 3 direct labour hours	300
Total	950

For July, 2019, when 1100 units of furniture were produced, the following information is available :

Lumber purchased : 50,000 feet @ ₹390 per 100 feet
 Lumber used : 56,000 feet
 Direct labour : 3,100 hours @ ₹105
 Variable overhead : ₹1,55,000
 Fixed overhead : ₹2,90,000

9

P.T.O.

Any material price variance is assigned to the purchasing department at the time of purchase.

You are required to :

- (a) Prepare a flexible budget for the actual level of activity.
- (b) Prepare a complete analysis of all variances. 20

5. UCB industries has several divisions that operate as profit centres. In this company, systems division manufactures scientific instruments and uses the products of two other divisions. The Boards division produces printed circuit boards (PCBs) and one PCB model exclusively for the systems division. Less complex PCB models are sold in outside markets. The products of the Transistor Division are sold in a well-developed competitive market. However one Transistor model is also used by the system division. The cost per unit of the products used by the System Division as following :

Particulars	PCB	Transistor
Direct materials	2,500	800
Direct Labour	4,500	1,000
Variable Overheads	2,000	500
Fixed Overheads	800	750
Total	9,800	3,050

The Board Division sells its commercial product at full cost plus 25% markup and believes the exclusive board made for the System Division would sell for ₹12,250 per unit on the open market. The market price of the Transistor used by the System Division is ₹3,700 per unit.

Required :

- (i) What is the minimum transfer price for the Transistor Division ? What is the maximum transfer price of the Transistor for the System Division.
- (ii) Assume that the System Division can purchase transistors from an outside source at ₹2,900 per unit. Also assume that the transistor Division has excess capacity. Can the transistor Division meet this price ?



Roll No. _____

This paper has 2 printed sheets.

**M.Com Semester I Examination (Regular)
(November/December 2019)**

Paper no.- MCCC103

Subject- Managerial Economics

S.No. MC103D19

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. Marks are indicated against each question.

Q.No. Marks

1 a) What do you understand by Managerial economics? Discuss nature and scope of managerial economics. 14

Or

b) Why firms follow different objectives? How Marris argues the importance of firms objective in Marris Model? 14

2 a) From the following production function draw; a) the isoquants for 10, 8, 12, 16 units of output and b) the ridge line, c) what are the returns to scale for i)- 2L and 2K to 3L and 3K, ii) 2L and 2K to 4L and 4K

Capital	Output					
6	4	8	14	16	13	11
5	6	12	16	18	15	14
4	7	13	16	20	18	16
3	8	12	14	16	16	14
2	4	7	12	13	12	8
1	1	3	8	7	6	5
0	1	2	3	4	5	6

Labour

b) Distinguish between short run and long run cost curves. 4

Or

c) Distinguish price determination between perfect competition and monopoly. How the shift in demand, increase in cost and imposition of tax impacts equilibrium in these markets? 14



3 a) Explain equilibrium in goods market in an open economy. Does this equilibrium in goods market always coincides with trade balance? Show the possible cases of goods market equilibrium and trade with the help of suitable diagram(s). 14

Or

b) Given a small open economy and perfect capital mobility, show what impact expansionary and contractionary fiscal policies have on trade balance and net foreign investment 14

4 a) Show the derivation of aggregate demand curve. Also explain how decrease in money supply given the price level is different from decrease in money supply due to rise in price level with respect to their effect on AD curve? 14

Or

b) What do you mean by Demand management policies? How a tax rate cut is different from increase in money supply with respect to their impact on rate of interest and level of output in the economy? Show with the help of IS-LM framework. 14

5 Write short note on any two of the following

2x7

- a) Revealed preference approach
- b) Stacklberg Model
- c) Equilibrium in labour market.
- d) Fixed and flexible exchange rate.

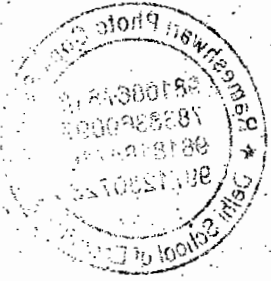


9190

5. Write short note on any two of the following :

2×10

- (a) Price Discrimination
- (b) Monopoly equilibrium
- (c) Real and Nominal exchange rate
- (d) Circular flow of income



[This question paper contains 4 printed pages]

Your Roll No. : ...

Sl. No. of Q. Paper : 9190 J

Unique Paper Code : MCCC103/324101103

Name of the Course : M. Com.

Name of the Paper : Managerial Economics

Semester : I

Time : 3 Hours Maximum Marks : 100

Instructions for Candidates :

- (a) Write your Roll No. on the top immediately on receipt of this question paper.
 - (b) Attempt all questions.
 - (c) Marks are indicated against each question.
1. (a) 'Managerial economics is basically application of microeconomics'. Discuss this statement. 10
- (b) How consumer maximises satisfaction ? Discuss price effect and derivation of demand curve. 10

OR

- (c) Explain input price determination in the perfectly competitive market. 10
- (d) Discuss importance and features of Cobb-Douglas production function. 10
2. (a) Explain the concept of cost. Discuss difference in the short and long run cost curves and show the concept of excess capacity and economies and diseconomies through cost curves. 20

OR

- (b) What is Oligopoly? Show duopoly equilibrium with the help of Cournot and Stackleberg model. 20
3. (a) What do you mean by fiscal and monetary policies? How differently an expansionary fiscal policy have its impact on rate of interest as compare to impact of an expansionary monetary policy on rate of interest, show with the help of suitable diagram(s)? 20

2

OR

- (b) Show the derivation of IS curve and also discuss the possible impact of increase in tax on rate of interest and level of output in an economy. 20

4. (a) Given the level of output and perfect capital mobility in a small open economy, show how rate of interest determined in world market. Also explain how an expansionary fiscal policy at home will impact the trade balance and net foreign investment. 20

OR

- (b) Given the equilibrium in an open economy along with a large trade deficit, how a combination of fiscal policy and exchange rate policy could reduce the trade deficit? Explain. 20

3

P.T.O.



Roll No. _____

This paper has **3** printed sheets.

**M.Com. (New Syllabus) Regular Semester I Examination
(December 2019)**

Paper no. / Unique Paper Code - MCCC104/ 324101104

Title - Financial Planning

S.No. 324101104

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. All Questions carry equal marks.

Q1 (a) What do you mean by Financial Planning? Explain the various investment avenues available to individual investors in India. (10)

(b) ENT Ltd has book value per share of Rs138. The return on equity is 15% and it follows policy of retaining 60% of its earnings. Its opportunity cost of capital is 18%. What is the price of share today? (4)

OR

(c) What do you mean by Real estate investment trust (Reits)? How they are different from Infrastructure investment trust (Invits). Explain the main advantages of REITs. (7)

(d) What is Demat Account? Explain the process involved in opening of Demat Account. (7)

Q2 (a) Discuss the components considered to identify companies with Durable Competitive Advantage and why does buffetology prescribe it. (14)

OR

(b) Discuss the clauses to be considered in large purchases such as house along with home loan spoilers. (14)

Q3.(a) Incorporated in 2001 as a joint venture between ICICI Bank Limited and Prudential Corporation Holdings Limited, ICICI Prudential Life Insurance Company Ltd is a Mumbai based largest private sector life insurer in India. ICICI Prudential Life offer a range of life insurance, health insurance and pension products and services to its customers. ICICI Prudential offers the products and services through an extensive multi-channel sales network across India, including through the branches of bank partners, individual agents, corporate agents, employees, offices and its website. Company has a market share of 11.3% on a retail weighted received premium basis in India. Among the 23 private sector life insurance companies in India, Company has a market share of 21.9% on a retail weighted received premium basis. Key competitive strengths of company are as follows:



1. Consistent Leadership across Cycles
2. Delivering Superior Customer Value
3. Diversified Multi-channel Distribution Network
4. Leveraging Technology
5. Robust and Sustainable Business Model
6. Strong Brand
7. Experienced Senior Management Team

On 29th September 2016, company came out with its public offer with an issue price of ₹ 334 with FV of ₹ 10 each. Company intends to utilize the Net Proceeds towards the following:

1. To achieve the benefits of listing the equity shares of the company on the stock exchanges and
2. To carry out the sale of up to 181,341,058 equity shares by the selling shareholder.

The further details pertaining to the issue are provided in table below.

Issue Period	29 th Sep 2016 - 30 th Sep 2016
Issue Type	Book Build Issue IPO
Issue Size	181,341,058 Eq Shares of Rs 10 (aggregating up to Rs 6,056.79 Cr)
Offer for Sale	181,341,058 Eq Shares of Rs 10 (aggregating up to Rs [] Cr)
Face Value	Rs 10 Per Equity Share
Issue Price	Rs 334 Per Equity Share
Min. Lot Size	44 Shares
Min. Order Qty	44 Shares
Listing St	BSE, NSE

Using the price information, provided below:

Issue Price	Listing Day	1 month's closing price	3 months closing price	6 months closing price	12 months closing price
334	29/09/16	334.00	330.00	351.80	356.80



Calculate the following:

- (i) listing day return and
 - (ii) Return for the holding period of 1month, 2months, 3months and 4months. (10)
- (b) Write a short note on IPO Grading. (4)

OR

(c) What are the main sources of raising funds in the Primary Market? Explain in detail. (14)

Q4 (a) How do mutual funds help in managing risk? Explain the role of Systematic Investment Plans (SIPs) in avoiding volatility risk. (10)

(b) Martin invested \$5,000 in shares of a load mutual fund. The load of the fund is 5 percent. When Martin purchased the shares, the NAV per share was \$50. A year later Martin sold the shares at a NAV of \$58 per share. What is Martin's return from selling his shares in the mutual fund? (4)

OR

(c) Elucidate the Philip A Fisher's fifteen pointer checklist to buy a stock. How scuttlebutt approach is used to pick the final stock? (14)

Q5. Jitin aged 28 and Gippy aged 27, a couple live in Delhi. They have not saved anything for their retirement but hold stocks amounting Rs 5 lakhs primarily in midcaps & cash Rs 180,000 with an education loan of Rs 6 lakhs to be repaid in next three years with an EMI of Rs 18000. Jitin earns Rs 85,000 and Gippy brings Rs 75,000 p.m. and both of them are tech savvy individuals working for a multinational company. They have an outflow of Rs 20,000 for household expenses, Rs 22,000 rent, and insurance premium of Rs 1200 p.m. as a term plan for Jitin. Make a financial plan to incorporate their financial goal of house down payment of Rs 60 lakhs in ten years, child's education of Rs 95 lakhs in 20 years, child's wedding in 25 years for Rs 1 crore and a retirement corpus of Rs 5 crore in 30 years from now. (14)



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CO.

This question paper contains 8 printed pages]

5. Write explanatory notes (Do any four) :

4*5

Roll No.

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(a) Time to buy, sell and stay away from market

S. No. of Question Paper : 9191

(b) Five investment mistakes

Unique Paper Code : MCCC104/324101104

J

(c) Differentiation of insurance and investment

Name of the Paper : Financial Planning

(d) Factors to the considered while taking a home loan

Name of the Course : M.Com

(e) REITS.

Semester : I

Duration : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.



1. (a) Explain the steps involved in the investment decision process. How do they help investor in making good investment decisions ?

10

(b) Jordan has a choice between two stocks. Stock A has

a current stock price of \$33.50 and earnings per share of

\$2.23. Stock B has a current stock price of \$30.50 and

earnings per share of \$2.79. Both stocks are in the same

industry, and the average PE Ratio for the industry is

14. Using the PE Ratio, which stock is better choice ?
Why ?

10

Or

(c) What is meant by Public Provident Fund Account ? Who can open PPF account ? What are the benefits of opening PPF account ?

10

(d) An investor deposits Rs. 50,000 in a security which is AAA rated. It pays 10% interest compounded semi-annually. How much money will be available on this after 8 years ?

10

2. (a) Explain how common mistakes of investors gulp the exponential gains and at times lead to losses.

20

Or

(b) Discuss in detail the time and factors to buy, sell and stay away from a stock to maximize gains and minimize losses.

20

3. (a) What is meant by IPO market ? How is it different from follow on public offerings ? Explain in detail the process of book building method of an IPO.

15

(b) Write a short note on Offer for sale (OFS).

5

Or

(c) Incorporated in 1999, central Depository Services (India) Limited (CDSL), a subsidiary of BSE Limited operates as a securities depository in India. They offer various services, such as account opening, dematerialization, processing, delivery and receipt instructions, account statement, re-materialization, pledging, nomination, transmission of securities, change in address, bank account details and SMS services for depository participants.

CDSL also offers facilities to issuers to credit securities to a shareholder's or applicant's demat accounts; KYC services in respect of investors in capital markets to capital market intermediaries; and facilities to allow holding of



(4)

9191

insurance policies in electronic form to the holders of these insurance policies of various insurance companies.

The further details pertaining to the issue are provided in table below.

(5)

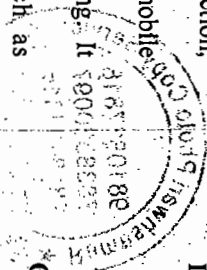
9191

In addition, they provide other online services, such as e-voting, e-locker, national academy depository, electronic access to security information, electronic access to security information and execution of secured transaction, drafting and preparation of wills for succession, and mobile application and transactions using secured texting. It serves investors through intermediaries, such as depository participants, issuer companies, registrar and transfer agents, beneficial owners, and clearing members.

BSE Limited is the promoter of the company. On 30th June 2017, company came out with its public offer with an issue price of ₹ 149 with FV of ₹ 10 each. Company intends to utilize the Net Proceeds towards the following :

1. Achieve the benefits of listing the equity share on NSE.

2. Enhance its visibility and brand image and provide liquidity to its existing shareholders.



Issue Open	Jun 19, 2017 – Jun 21, 2017
Issue Type	Book Built Issue IPO
Issue Size	35,167,208 Eq Shares of Rs. 10 (aggregating up to Rs. 523.99 Cr)
Offer for Sale	35,167,208 Eq Shares of Rs. 10 (aggregating up to Rs. [.] Cr)
Face Value	Rs. 10 Per Equity Share
Issue Price	Rs. 145 – Rs. 149 Per Equity Share
Market Lot	100 Shares
Min Order	100 Shares
Quantity	
Listing At	NSE

Using the price information provided below :

Issue	Listing Day	1 months	2 months	3 months	4 months
Price	Price	closing price	closing price	closing price	closing price
149	261.60	339.60	340.10	341.75	373.90

Calculate the following :

- (i) Listing day return and
- (ii) Return for the holding period of 1 month, 2 months, 3 months and 4 months. 15

(d) Write short note on Application supported by blocked amount (ASBA) facility in IPO market ? 5

4. (a) Discuss the process of estimation of future value of retirement corpus. Find out the amount of retirement corpus required by the family if the present expenses are INR 1,00,000 but going to decrease in tune of INR

30,000 due to removal of home loan EMI, till the time of retirement foreseen at 25 years from now and life expectancy of 25 years post retirement, considering 5% inflation. 20

Or

Find out NAV per unit from the following information : 10

Size of the scheme Rs. 10,00,000

Face value of shares Rs. 10

Number of outstanding share Rs. 1,00,000

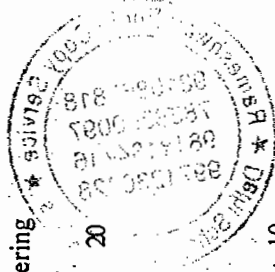
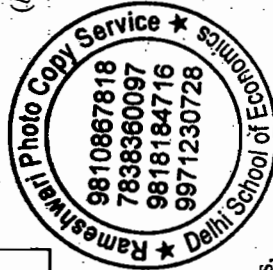
Market value of fund's investment Rs. 18,00,000

Bill receivable Rs. 17,200

Liabilities Rs. 14,340

(c) What is the difference between no-load and load mutual funds ? How do loads affect a funds return ? 10

P.T.O.



Roll No. _____

This paper has 3 printed sheets.

M.Com. (New Syllabus) Semester I Examination

(November-December 2019)

Paper No.- MCCC105/324101105

Subject- Organizational Behaviour (Regular)

S.No. MC105D19

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all Questions. All questions carry equal marks.

1. A. Organization theories have evolved over time in order to respond to the call of the time. Explain this statement and state its contribution towards building premise for strong organizational behavior model. 14
or
B. Elucidate positive organizational behavior. What role does Psychological Capital (PsyCap) play in the field of organizational behavior? 9+5
2. A. Discuss and distinguish Inherited and Learned characteristics for individual behaviour? State the importance of 'learning'. 10+4
or
B. Motivation is a product of values one seeks and one's estimation of the probability that a certain action will lead to these values. Discuss the idea contained in the statement. 14
3. A. Conflict and cohesiveness are closely related to productivity and performance. Comment on this statement and explain impact of social loafing on performance. 10+4
or
B. i. Aggression and Assertion affect group behavior. Elucidate. 8
B. ii. State practices of misbehavior at workplace. 6
4. A. 'Influence is the primary component of Power.' Comment on this statement and explain the five bases of power as given by French & Raven. 4+10
or
B. How Organization Culture creates its impact on workforce? Suggest measures for developing impactful organization culture? 6+8
5. A senior ISRO scientist, Tapan Misra posted his personal views on his Facebook wall after the reports and pictures appeared on social/mass media concerning Chandrayaan 2 (Vikram). His views on leadership sparked controversy over the statements given by ISRO Chairman, K Sivan.
You are expected to read the post given hereunder and answer the questions given at the end.



Space Technology is not "Rocket Science"

You are surprised with the title, isn't it? But contrary to popular beliefs, simplicity is the hall Mark of space technology, including "Rocket Science". Space Technology may be based on complex scientific knowledge and principles. But reliability is the essence of space technology. If your scooter tyre gets punctured on road, you can bring a mechanic to repair it and get going. But if something wrong happens to spacecraft, rockets - You just have to forget it.

Near 100 percent reliability is the crying need of space science and technology. Our life experience tells, simpler the person, more reliable he is. Similarly simpler the technology, more reliable it is. Technology should be simple to understand, simple to explain, material should be easy to source, easy to manufacture, operate and maintain, and preferably cheap. When you put these attributes together, you get space technology. I personally believe simplicity in the product is the mark of genius. Sharper you are, easier for you to explain even the complex subjects in layman's language. Complex way of doing things, complex way of explaining or describing things are, more often than not, signs of lesser mortals.

Once you send machines to space, you cannot access it in person to carry out corrective measures. You must be able to imagine all possible behaviours of spacecraft in space, in harsh and unforgiving environment. So we have to test it in all possible imaginable conditions. We should test it in the sequence in which we fly to space. It has to survive harsh vibration tests, similar to the one you experience when the rocket takes off. We should test the space hardware prior to launch, in high vacuum, extreme temperatures it is going to experience. Imagination is the key. If you cannot imagine a situation of failure, you cannot make a provision to recover from anomalies in future. So the development need not be hurried through. Please remember, for reproducing a rat, it takes gestation period of 23 days. Gestation period of human being is 9 months. And you see the importance of gestation period. It should be well thought of, well debated, tested and simulated for worst and best possible cases of imagination. So when space hardware fails, more often than not, it failed in a failure condition which we could not imagine. Usually hardware never fails, but engineers behind it fail. But we should not be disheartened with failure, but take it as a learning experience. Just like a child falls and gets up and learns walking upright.

Reliability of a product is a function of knowledge and skills of people behind it. So most important component of space industry are its people. And it is the solemn duty of managers to treat employees as valuable assets. Bossy behaviours are absolute No No. Rather managers should behave as custodians of valuable assets. It is not enough to keep the ornaments in safety. Occasionally they have to be polished to keep their lustre. So training, upgradation of knowledge have to be given great emphasis along with work environment. Success or failures of space agencies are as good as their employees and leaders.

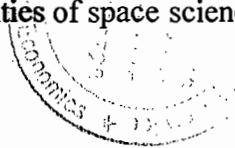
Culture and ethics are integral part of any successful organisation or institution. These two attributes, carried forward from one generation to another, are beautifully defined by Sanskrit word "Sanskar", roughly meaning value system. It is your "sanskar" which prevents you from doing wrong things, prevents you from betraying your mother land, helps you exhibit the rare spine to tell your boss what is right, what is wrong. Highest reliability and success of space technology is enhanced by practising right kind of "sanskar". When you start compromising with "sanskar", downhill slide of the institution begins. Initially it may be imperceptible, encouraging you to compromise further on this priceless asset. But with time, the slide picks up momentum, reaching a point of no return.

Leadership determines the backbone of an institution. All successful institutions have one thing in common: they choose a leader who built something new, chosen an untrodden path,

building a new one. You become a complete leader when you pass through the stages of being ignored and ridiculed for your new ideas, grudgingly accepted when you prove your point by adding value to your institution and society at large and finally admired for what you built and what you are. Leaders inspire, they do not manage. When you see a sudden spurt in emphasis on adhering to rules, sudden increase in paper work, frequent meetings, unwinding discussions, you surely know leadership is becoming rare material in your institution. Institutions do not evolve with time as they stop innovating. Ultimately, they become living fossil, footnote in history.

When faced with spectre of failure, I take inspiration from medical professionals. You will see they are not much interested in post mortem report of the deceased, but exhibit more interest in understanding and deciphering the maze of medical reports and history. It is important to know what ails you, but more important is to understand how you contracted the disease in first place. You learn the most valuable lesson: prevention is better than cure. No point in crying when things go wrong.

- a. What traits are required in an effective leader? 6
- b. In case of crisis and failure how should a good leader behave? 5
- c. Looking at the above case, do you think the post given by senior ISRO scientist justifies explanation on the technicalities of space science and leader behaviour. 3



SECRET



Roll No. _____

This paper has 5 printed sheets.

M.Com Semester-I Examination (Regular)
(November/December 2018)

Paper no.- 4101

Subject – Business Statistics

S. No. 4101D18

Duration: 3 Hours



General Instructions: Attempt all questions. All questions carry equal marks. All parts of a question must be attempted together and in sequence.

1. Part (a) and (b) are compulsory. Attempt either part (c) or (d).

(a) Classify each of the following random variables as discrete or continuous.

- (i) The number of incorrect lab procedures conducted at a hospital during a particular week.
- (ii) The weight of the cheese placed on a sandwich.
- (iii) The temperature of a pizza oven at a particular time.
- (iv) The time needed by a clerk to complete a task.
- (v) The number of defects found in an automobile at final inspection.

(5)

(b) Suppose that A and B are events and that $P(A)$ and $P(B)$ are both positive.

- (i) If A and B are mutually exclusive, what is $P(A \cap B)$?
- (ii) If A and B are independent events, would $P(A \cap B)$ be positive? Explain your answer.
- (iii) Can two mutually exclusive events, each having a positive probability of occurrence, also be independent? Prove your answer using answers to parts (i) and (ii).

(4)

(c) 15 percent of the employees in a company have managerial positions and 25 percent of the employees in the company have MBA degrees. Also, 60 percent of the managers have MBA degrees. Calculate the following:

- (i) Proportion of employees who are managers and have MBA degrees.
- (ii) Proportion of MBAs who are managers.
- (iii) Are the events 'being a manager' and 'having an MBA' independent? Explain.
- (iv) Proportion of employees who either have MBA or are managers.

(1+1+2+1=5)

OR

(d) A marketing research firm specializes in providing assessments of the prospects for kids apparel shops in shopping malls. The prospects are assessed as good, fair or poor. Records from previous assessments show that 60% of the time the prospects were rated as good, 30% of the time fair and 10% of the time poor. Of those rated good, 80% made a profit the first year; of those rated fair, 60% made a profit the first year; and of those rated poor, 20% made a profit the first year.



(i) XYZ Ltd. was a client of this firm and made a profit last year. What is the probability that it was given an original rating of poor?

(ii) If XYZ Ltd. did not make a profit last year, what is the probability that it was given an original rating of fair? (5)

2. (a) Distinguish between stratified and cluster sampling. Give examples. (4)

(b) Suppose that the amount of time teenagers spend weekly working at part-time jobs is normally distributed with a standard deviation of 40 minutes. A random sample of 15 teenagers was drawn and each reported the amount of time spent at part-time jobs (in minutes). These are listed here.

180	130	150	165	90	130	120	60
200	180	80	240	210	150	125	

Determine the (i) 95% and (ii) 90% confidence interval estimate of the population mean. On the basis of your answer, what would you say about the relationship between the confidence level and confidence interval. (5)

(c) A set of final examination marks in an introductory statistics course is normally distributed with a mean of 73 and a standard deviation of 8.

(i) If the top 5% students are to be picked up for an advanced course, what are the minimum marks required by a candidate?

(ii) If A grades are given to the top 10% of the class, regardless of the score, are you better off with a score of 81 on this exam or a score of 68 on a different exam where the mean is 62 and standard deviation is 3? Explain. (5)

OR

(d) What are the similarities and differences between the z-distribution and the t-distribution. Explain. (4)

(e) A quality control manager of a Cookie company is inspecting a batch of chocolate chip cookies that has just been baked. Under usual production process, the mean number of chocolate chip parts per cookie is 6.

(i) What is the probability that in any particular cookie being inspected, less than 5 chocolate chip parts will be found?

(ii) How many cookies in a batch of 100 should the manager expect to discard if company policy requires that all chocolate chip cookies sold have at least 4 chocolate chip parts? (5)

(f) The operations manager of a large production plant would like to estimate the average amount of time workers take to assemble a new electronic component. After observing a number of workers assembling similar devices, she guesses that the standard deviation is 6 minutes.

(i) How large a sample of workers should she take if she wishes to estimate the mean assembly time to within 10 seconds? Assume that the confidence level is to be 90%.

(ii) Would the answer in (i) change if the confidence level is 99%? (6)

3. (a) Distinguish between a one-tailed and two-tailed test. Support your answer with examples. (4)

(b) A man wants to invest Rs.10,00,000 for 1 year. After evaluating numerous possibilities, he narrows down his choices to the following three alternatives:

A: Invest in a guaranteed income certificate paying 10%.

B: Invest in a bond with a coupon value of 8%

C: Invest in a well-diversified portfolio of stocks

The payoffs with the last two options depend significantly on interest rates. He concludes that there are three possible states of nature regarding interest rates.

S1: Interest rates increase.

S2: Interest rates don't change.

S3: Interest rates decrease.

The investor assigns the following probabilities to the above states of nature: $P(S1)=0.2$; $P(S2)=0.5$; and $P(S3)=0.3$

The profits for each alternative (in Rs.) are summarized below.

States of nature	Investment alternatives		
	A	B	C
S1	1,00,000	-50,000	1,50,000
S2	1,00,000	80,000	90,000
S3	1,00,000	1,80,000	40,000

(i) Compute the expected monetary value for each decision. What decision would you recommend?

(ii) Develop an opportunity loss table and compute the expected opportunity loss for each decision.

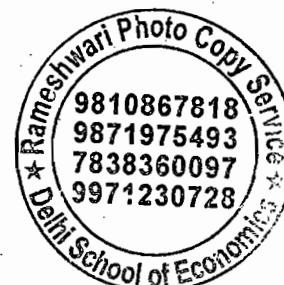
(iii) Construct a decision tree for the above problem.

(3+3+4=10)

OR

(c) Explain the concept of decision trees in decision making. How do decision trees facilitate the decision-making process? (4)

(d) As part of its development process, a company wants to compare the effects of three types of gasoline (A, B, C) on gasoline mileage of a popular car model. A sample of 15 cars of the model are taken and randomly assigned to each type of gasoline. The gasoline mileage data for each type of gasoline is given below.



Gasoline mileage (in miles/hr)		
Gasoline Type A	Gasoline Type B	Gasoline Type C
34.0	35.3	33.3
35.0	36.5	34.0
34.3	36.4	34.7
35.5	37.0	33.0
35.8	37.6	34.9

Test at 5% level of significance if the different types of gasoline have different effects on gasoline mileage of the car model? (10)

4. (a) An automobile manufacturer is considering using robots for parts of its assembly process. Converting to robots is an expensive process, so it will be undertaken only if there is strong evidence that the proportion of defective installations is lower for the robots than human assemblers. Let p denote the true proportion of defective installations for the robots. It is known that human assemblers have a defect proportion of 0.02.

- (i) What hypotheses about p should the manufacturer test? Explain.
- (ii) Describe type I and type II errors in this case.
- (iii) Would you prefer a test with $\alpha = 0.01$ or $\alpha = 0.10$. Explain your reasoning. (6)

(b) The Table below presents the ranking of 12 mid-size cars given by two automobile magazines.

Car	1	2	3	4	5	6	7	8	9	10	11	12
Ranking by Magazine 1	5	1	4	7	6	8	9	12	2	3	10	11
Ranking by Magazine 2	7	1	5	4	6	10	8	11	3	2	12	9

For the data above, test whether there exists any significant correlation between the two sets of ranks ($\alpha = 0.05$). (8)

OR

(c) What are non-parametric tests and their advantages? In a situation where both parametric and non-parametric test can be applied, which one would you prefer and why? (6)

(d) A student had to choose between two brands of scanners (A and B) available in the market. To help determine which brand of scanner to buy, he conducts an experiment wherein 8 documents are scanned by each of the two scanners. He records the number of errors made by each. The data is given below. Can he infer from the data given below that Brand A is better than brand B? ($\alpha=0.05$).

Document	1	2	3	4	5	6	7	8
Brand A	17	29	18	14	21	25	22	29
Brand B	21	38	15	19	22	30	31	37

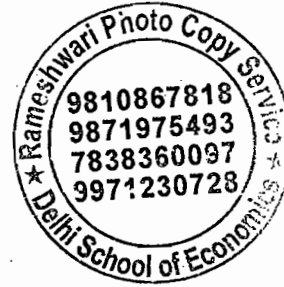
(8)

5. (a) Distinguish between coefficient of determination and coefficient of correlation. Which one is a more direct measure of measuring the strength of relationship between two variables?

(4)

(b) A car owner wants to see if the mileage of a certain model of a car is normally distributed. The following information is collected with respect to 50 gas mileages.

Mileage (Miles/ gallon)	Observed Frequency
Less than 30	1
30.0-30.5	3
30.5-31.0	8
31.0-31.5	11
31.5-32.0	11
32.0-32.5	9
32.5-33.0	5
Greater than 33.0	2



Use goodness-of-fit test to see if data are normally distributed with mean 31.6 and standard deviation 0.798. ($\alpha = 0.05$)

(10)

OR

(c) Distinguish between a point estimate and an interval estimate. Which one would you prefer for estimating a population parameter and why?

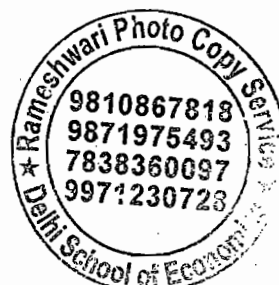
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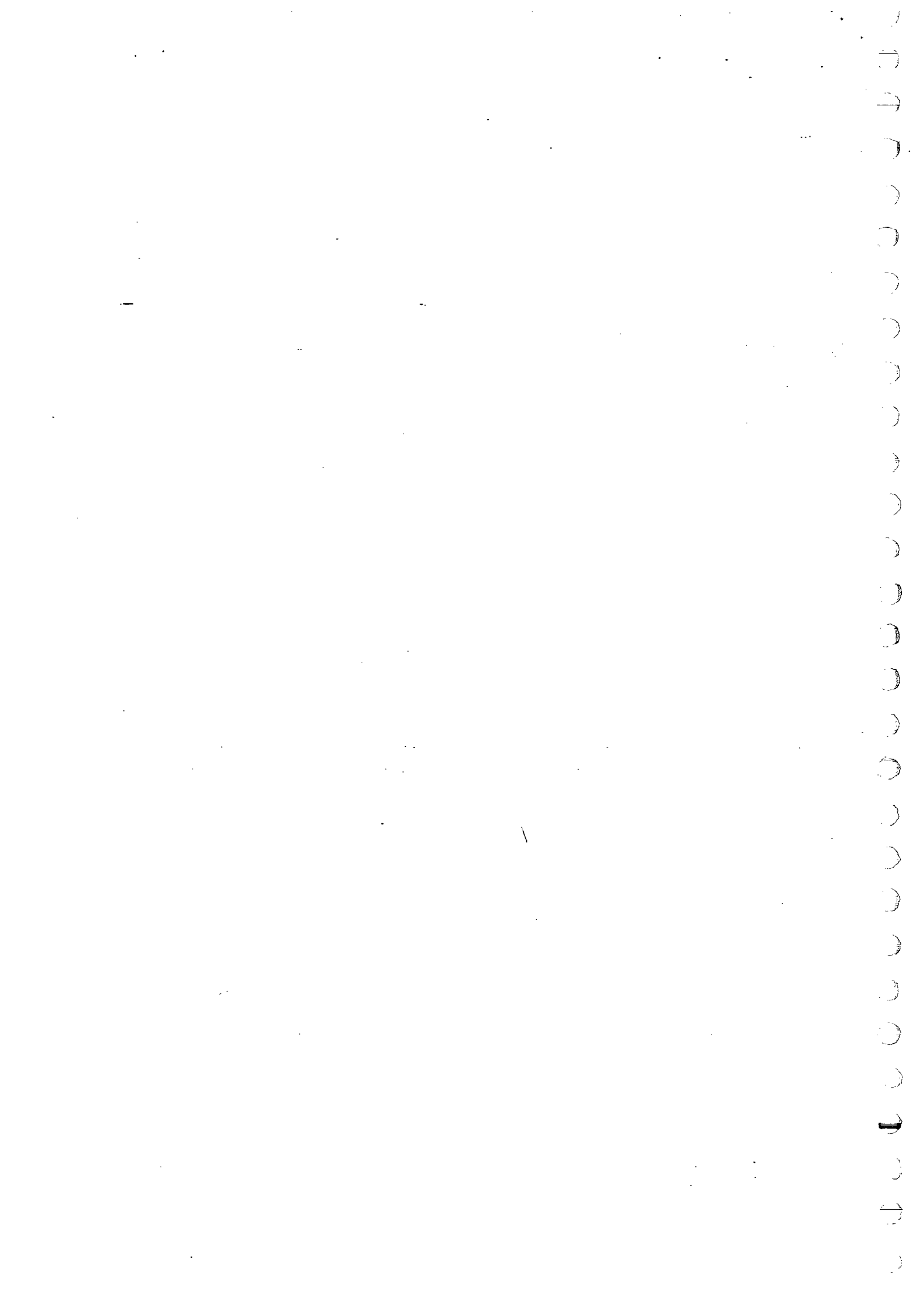
(d) A natural gas company wishes to predict weekly fuel consumption for its city. They use average hourly temperature (X_1) and Chill Index (an index that expresses combined effects of other major weather related variables such as wind velocity, cloud cover etc.) (X_2) to predict weekly fuel consumption (Y). The company has collected the following data concerning weekly fuel consumption, average hourly temperature and Chill Index for the last 8 weeks.

Week	Average Hourly Temperature ($^{\circ}$ F)	Chill Index	Fuel consumption
1	28.0	18	12.4
2	28.0	14	11.7
3	32.5	24	12.4
4	39.0	22	10.8
5	45.9	8	9.4
6	57.8	16	9.5
7	58.1	1	8.0
8	62.5	0	7.5

Use the data above to find the least squares equation that best relates these variables.

(10)





in the range of Rs. 7,00,000 only, the owner can choose to promote the convention on his own by offering participants discounts. Analysts believe that if such action is taken, there is a 0.60 probability that profits would increase to Rs. 7,40,000 and a 0.40 probability that the promotion would fail, lowering profit to Rs. 6,80,000 due to the cost of promotional campaign. With the help of a decision tree, help the owner arrive at a decision. (12)

2001

Your Roll No.

M.Com. / Sem. I (2018) I

Paper No. 4101 : Business Statistics

Time : 3 Hours

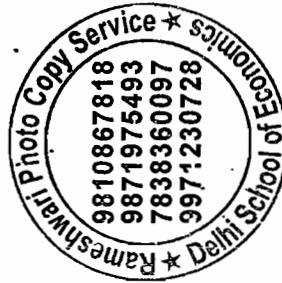
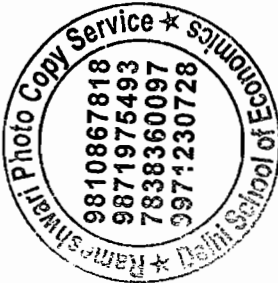
Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

All parts of a question must be attempted together and in sequence.



1. (a) Discuss the different approaches to the study of probability theory. Give examples. (6)
- (b) The following joint probabilities are developed regarding actions taken by male and female drivers when they are lost.

Action	Male	Female
Consult a map	0.23	0.14
Ask someone for direction	0.12	0.28
Continue driving until direction or location determined	0.15	0.08

- (i) What is the probability that a man would ask for directions?
- (ii) What proportion of drivers consult a map?
- (iii) What is the probability that a female driver would consult a map?
- (iv) What is the probability that a person asking for direction is a female?
- (v) What proportion of drivers are male?
- (vi) What proportion of drivers continue driving until direction or location is determined?
- (vii) Are gender and consulting a map independent? (7)
- (c) Before marketing new products nationally, companies often test them on samples of potential customers. Such tests have a known reliability. For a particular product type, a test will indicate success of the product 75% of the time if the product is indeed successful and 15% of the time when the product is not successful. From past experience with similar products, a company knows that a new product has a 0.60 chance of success on the national market. If the test indicates that the product will be successful, what is the probability that it really will be successful? (7)

OR

- (d) What are the conditions for using a binomial distribution? Under what conditions can the Poisson distribution be used as an approximation to the binomial distribution? (6)
- (e) Which probability approach would you use to calculate the following probabilities? Give reason also.
- (i) The probability of the Democratic Party winning the next US election.
- (ii) The probability of winning a lottery prize amongst 10,000 other ticket holders.
- (iii) The probability of selecting a black card in a deck of cards.
- (iv) The probability of a radiation leak at the site of a nuclear power plant.
- (v) The probability that next toss of a fair coin will land on heads.
- (vi) The probability of India winning the next cricket match with England.
- (vii) The success of a new type of product launched in the market. (7)

(f) A customer service supervisor regularly conducts a survey of customer satisfaction. The results of the latest survey indicate that 8% of customers were not satisfied with the service they received at their last visit to the store. Of those who are not satisfied, only 22 % return to the store within a year. Of those who are satisfied, 64% return within a year. A customer has just entered the store. In response to your question, he informs you that it is less than 1 year since his last visit to the store. What is the probability that he was satisfied with the service he received? (7)

2. (a) Distinguish between simple random sampling and systematic sampling. Give examples. (6)

(b) Airline passengers arrive randomly and independently at the passenger-screening facility at a major international airport. The mean arrival rate is passengers¹ per minute.

(i) Compute the probability of no arrivals in a 1-minute period.

(ii) Compute the probability that three or fewer passengers arrive in a 1-minute period.

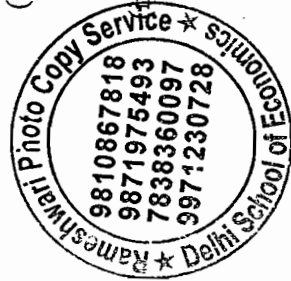
(iii) Compute the probability of at least one arrival in a 15-second period. (7)

(c) A survey is planned to determine the mean annual family medical expenses of employees of a large company. The management of the company wishes to be 95% confident that the sample mean is correct to within \pm Rs. 50 of the mean annual family medical expenses. A previous study indicates that the standard deviation is approximately Rs. 400.

(i) How large a sample size is necessary?

(ii) If management wants to be correct to within \pm Rs. 25, what sample size is necessary?

(iii) On the basis of the above results, what would you conclude about the relationship between margin of error and required sample size? (7)



OR

(d) What is sampling distribution of mean? What are its properties? Explain the relevance of sampling distribution in estimation. (6)

(e) A Grocery Manufacturers Association reports that 76% of consumers read the ingredients listed on a product's label. Assume the population proportion is $p = .76$ and a sample of 400 consumers is selected from the population.

(i) What is the probability that the sample proportion will be within ± 0.03 of the population proportion?

(ii) What would be you answer in part (i) for a sample of 750 consumers. (7)

(f) The operation manager of a plant making cellular telephones has proposed rearranging the production process to be more efficient. She wants to estimate the time to assemble the telephone using the new arrangement. She believes that the population standard deviation is 12 seconds. How large a sample of workers should she take to estimate the mean assembly time to within 3 seconds with 95% confidence? What would be the minimum required sample size for a confidence level of 90%? (7)

3. (a) Distinguish between parametric and non-parametric tests. Compare the conditions under which we should use parametric and non-parametric tests. (8)

(b) A local pizza restaurant and a local branch of a national pizza chain are located across the street from a college campus. The local pizza restaurant advertises that it delivers to the hostels faster than the national chain. In order to determine whether

this advertisement is valid, some of the hostel students have decided to order 10 pizzas from the local pizza restaurant and 10 pizzas from the national pizza chain at different times. The sample mean and variances (in minutes) were found to be as follows :

	Local pizza restaurant	National pizza chain
Sample mean	16.7	18.88
Sample variance	9.58	8.22

At a 5% level of significance, is there evidence to conclude that the mean delivery time for the local pizza restaurant is less than the mean delivery time for the national pizza chain? (12)

OR

(c) Distinguish between Type I and Type II errors in hypotheses testing with examples. Can we reduce both these errors simultaneously? Explain. (8)

(d) A juice manufacturing company wants to determine whether consumers prefer plain orange juice or juice with some orange pulp in it. A random sample of 212 consumers was selected and each consumer tasted a small unlabeled cup of one kind and then tasted the other kind. 12 consumers said they

had no preference, 40 preferred plain juice, and the remainder liked the juice with pulp better. Employ the sign test to test if the preferences for plain juice and for juice with pulp are equal ($\alpha=0.05$). (12)

4. (a) Explain coefficient of determination. How is it developed from the sample data? (8)
- (b) A study cross-classified grocery shoppers by age and major shopping day. The data were reported as percentages, as given below.

Major Shopping Day	Age (in years)		
	Under 35	35-54	Over 54
Saturday	24%	28%	12%
A day other than Saturday	76%	72%	88%

Assume that 200 shoppers for each age category were surveyed. Is there evidence of a significant difference among the age groups with respect to major grocery shopping day? (Use $\alpha=0.05$) (12)

OR

- (c) What is meant by one-way ANOVA? Explain the process on which one-way ANOVA works. (8)

(d) The marketing manager of a large supermarket chain would like to use shelf space to predict the sales of pet food. A random sample of 12 equal-sized stores is selected with the following results.

Store	Shelf space (feet)	Weekly sales (in hundreds of Rs.)
1	5	160
2	5	220
3	5	140
4	10	190
5	10	240
6	10	260
7	15	230
8	15	270
9	15	280
10	20	260
11	20	290
12	20	310

- (i) Assuming a linear relationship, use the least squares method to find the regression coefficients and give the estimated line.
- (ii) Predict the mean weekly sales of pet food for stores with 8 feet of shelf space for pet food.

(iii) Determine the coefficient of determination and interpret its meaning.

(iv) Determine the standard error of the estimate.

5. (a) Explain the concept of Expected Value of Perfect Information (EVPI). How is it used in the process of decision making? (8)

(b) The management director for a large industrial firm wants to determine whether three different training programs have different effects on employees' productivity levels. Fourteen employees are randomly selected and assigned to one of the three programs. The productivity scores of employees in each program are given below.

Program 1	Program 2	Program 3
85	80	82
72	84	80
83	81	85
80	78	90
	82	88

At a 5% level of significance, test whether mean test scores are the same for all three training programs.

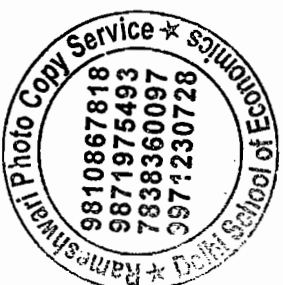
(12)

OR

(c) Distinguish between a lower-tailed and an upper-tailed test. Give examples also. (8)

(d) A company arranges a cruise ship named 'QE' to be used as a floating hotel for the company's annual convention which will last for 9 days. In agreeing to lease the QE, the ship owner has to make a decision. If the cruise ship is leased to the company, the ship owner would get a flat fee and an additional percentage of profits from the convention. Analysts estimate that if the ship was leased, there would be a 0.5 probability that the owner would make Rs. 7,00,000; 0.3 probability that the owner would make Rs. 8,00,000; 0.15 probability that the owner would make Rs. 9,00,000 and 0.05 probability that profits would be as high as Rs. 10,00,000. If the ship was not leased, it could be used for another voyage that would also last 9 days. In such case, there would be a 0.9 probability that profits would be Rs. 7,00,000 and 0.10 probability that profits would be Rs. 7,80,000.

The owner has one more option. If the ship was leased and it became clear from the first few days of the convention that profits were going to be



M.Com Semester I Examination (Regular)

(November/December 2018)

Paper no.- 4102

Subject- Managerial Economics

No. 4102 D 18

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. Marks are indicated against each question.

- | Q.No. | | Marks |
|-------|--|--------|
| 1 | a) Given $Q = 228 - 12P$, (where $Q = Q_A + Q_B$). Find a) the reaction functions of duopolist A & B, b) Cournot equilibrium and c) Price
b) Discuss price effect. Differentiate the price effect given by JR Hicks and E. Slutsky and derive demand curve using both the approaches. | 7
7 |
| | Or | |
| | c) When objectives of managers are aligned with the objectives of owners the firm is supposed to achieve balance growth. Discuss Marris model of balanced growth in this context.
d) Cost curves are derived functions of production function. Comment on this statement and elaborate economies and diseconomies of scale to justify U shape of average cost curve. | 7
7 |
| 2 | a) What do you understand by Theory of Income distribution? Discuss equilibrium of factor inputs (labour) in perfect and imperfect markets. | 14 |
| | Or | |
| | b) Critically examine equilibrium of a firm under monopoly in the short run and in the long run. What will be the impact of specific tax under monopoly?
c) How H. V. Stackelberg uses isoprofit curves to show equilibrium in oligopoly? Discuss Stackelbergs approaches, when a) firm A is leader and firm B is follower b) firm B is leader and firm A is follower. What option the duopolist's have when there is Stackelberg disequilibrium? | 7
7 |
| 3 | a) Explain how an expansionary monetary policy could help in case of deficient demand in the economy, given the price level and also explain how it will affect the rate of interest and level of output in the economy. | 14 |
| | or | |
| | b) How expansionary fiscal policies such as increase in government expenditure and decrease in tax rates could be used appropriately with respect to their effect on different components of output, as an alternative of each other? | 14 |
| 4 | a) Explain how real exchange rate is related with nominal exchange rate with the help of example. How do policy changes in rest of the world influence the real exchange rate for a small open economy? | 14 |

1 of 2

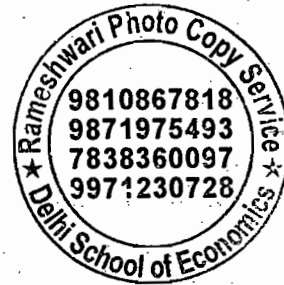
Or

b) How rate of interest in a small open economy is determined? How do policy changes such as investment tax credit and contractionary fiscal policy affect the trade balance and net foreign investment in a small open economy? 14

5 Write short note on any two of the following

2x7

- a.) Theory of Attributes
- b.) Cobb-Douglas Production function
- c.) Fiscal and Monetary Policy Mix.
- d.) Goods market equilibrium and trade balance in an open economy



2 of 2

[This question paper contains 2 printed pages.]

Your Roll No.

Sr. No. of Question Paper : 2002 I

Unique Paper Code : 4102

Name of the Paper : Managerial Economics (2018)

Name of the Course : M.Com./Sem. - I

Duration : 3 Hours Maximum Marks : 100

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt all questions.
3. Marks are indicated against each question.

1. (a) Ordinal approach is considered an advancement to the cardinal approach in consumer behavior. Comment on this statement and also elaborate the revealed preference hypothesis as an advancement over the ordinal approach. (20)

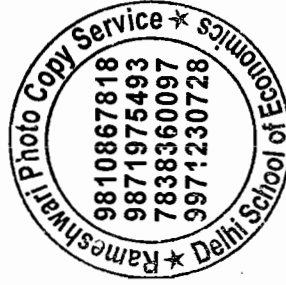
OR

(b) What do you understand by factor pricing? Discuss factor price determination under different market situations. (20)

2. (a) Explain characteristics of production function in the short run and in the long run. Discuss the relationship of production and cost function in the long run with the help of the diagram. (20)

OR

P.T.O.



2002

2

(b) Distinguish between perfect and imperfect market structure. Describe Stackelberg model of duopoly in detail. (20)

3. (a) Distinguish between real exchange rate and nominal exchange rate? Show the impact of expansionary fiscal policy on output level and trade balance in the goods market in an open economy. (20)

OR

(b) Aggregate supply represents the quantity supplied of all products in a certain country or area at different price levels." Explain the derivation of Aggregate Supply curve to support this statement. (20)

4. (a) Show the simultaneous equilibrium between Goods market and Money market and also shows the impact of decrease in money supply on the equilibrium rate of interest and equilibrium output. (20)

OR

(b) What do you understand by Real Business Cycle? Explain the theory of Real business cycle. (20)

5. Write short note on any two of the following :

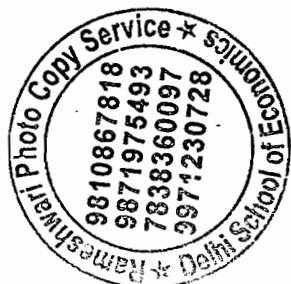
(a) Monopolistic competition

(b) Cournot model

(c) Protectionist policy

(d) Equilibrium in small open economy (2×10=20)

(1000)



Roll No. _____

This paper has 6 printed sheets.

M.Com Semester I Examination (Regular)
(November/December 2018)
Paper No.- 4103
Subject- Managerial Accounting

S. No. - 4103D18

Duration: 3 Hours

Max. Marks: 70

General Instructions: Question no. 1 is compulsory. Attempt four questions from the remaining questions.

1. (a) A manufacturing company has budgeted fixed costs for the year at ₹12,00,000. It is estimated that no less than 40,000 units of product are to be manufactured next year. In a relatively poor year 50,000 units would be made. If the company were to operate at an average or normal level, it could make 60,000 units. With very good conditions, it would be possible to make 80,000 units.

Required:

Which unit cost would you be inclined to use in determining product cost in the long run. Explain. 4

(b) The commissioner of Municipal Corporation, Delhi is dissatisfied with rising costs and deteriorating quality of the services provided by the municipal workers, particularly in the Public Works Department, paving roads, repairing potholes and cleaning the streets. He is contemplating privatizing these services by outsourcing the business to independent private contractors. The commissioner has demanded his staff develop an Activity Base cost system for municipal services. He declared, "Introducing competition and privatization to government services requires real cost information. You cannot compete out if you are using fake cost." Currently, the accounting and financial systems of Delhi city report only how much being spent in each department by type of expenditure, payroll, benefits, materials, vehicles, equipment and supplies.

Required:

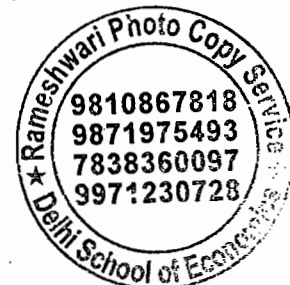
(i) Before outsourcing to the private sector, why does the Commissioner want to develop activity base cost estimates of the current cost of performing these municipal services?

(ii) After building activity base cost models, should this information be shared with municipal workers? Why or Why not? 6

2. (a) What is balance Scorecard? Discuss the different perspectives of a suitable balances score card. 8

(b) Distinguish between traditional costing and activity base costing. What are the advantage of activity base costing? 7

Or



(c) Explain the differences and similarities between management accounting and financial accounting. 8

(d) Discuss different measures of financial performance to evaluate a division's performance. 7

3. (a) Explain uses and implications of cost indifference point. 5

(b) On the basis of the following information in respect of a company, what is the product mix which will give the highest possible profit. Do you recommend overtime working up to a maximum of 15,000 hours at twice the normal wage?

Products	A	B	C
Raw materials per unit (kg) <i>Rs</i>	10	6	15
Labor hours per unit (@ ₹1 per hour)	15	25	20
Sales price per unit (₹)	125	100	200
Maximum production possible (units)	6,000	4,000	3,000

1,00,000 Kgs of raw materials are available at ₹10 per kg. Maximum production hours are 1,84,000 with facility for a further 15,000 hours on overtime basis at twice the normal wages rate. 10

Or

Haryana Dairy company has two divisions: Milk Division and Dairy products Division. The milk Division has the capacity to produce 5,00,000 litres of milk per day. The following data are available for the Milk Division.

Selling price per litre ----- ₹22.5

Variable production cost ----- ₹5.0

Fixed production cost ----- ₹10.0

(Based on 5,00,000 litres of output)

The Dairy Product Division uses 6,00,000 litres of milk per day when it is operating at capacity.

Required:

(Unless otherwise indicated, assume that the requirements are independent of each other)

(i) Assume that the Milk Division can sell all that it produces. The Dairy Products Division can buy all the milk it needs for ₹23.5 per litre from outside suppliers. What are the minimum and maximum transfer prices? What transfer price would you recommend?

(ii) Refer to requirement (i). How would your answer differ if the Milk Division can avoid distribution cost of ₹1.5 per litre if the Milk is sold internally?

(iii) The Manager of the Milk Division realizes that excess production capacity of 40,000 litres will exist for the next six months. Discouraged with possibility of finding any new outside customers, Milk Division approaches Dairy Product Division to sell if a deal for internal sales can be made. Dairy Product Division has been buying all its milk from outside suppliers at ₹20 per litre. Under these conditions, identify the minimum and maximum transfer prices. Assume that both the Divisions split the difference between the two prices, by how much will the profits of the firm and each Division increase.

(iv) Refer to requirement (iii). Now assume that the Milk Division has an offer to sell the 40,000 litres extra milk to a government agency. The offering price is ₹10 per litre. How does this change your answer to requirement (iii). 15

4. Jaishanker was appointed in a new firm as Manager. The president of the company was pleased with the first year performance and at the beginning of the second year (2016) promised Jaishanker a ₹20,000 bonus if the company's income increases by 25% in 2016. The following are the reports for the year 2015 and 2016.

	2015	2016
Production units	6,000	3,000
Sales units	4,000	5,000
Selling price per unit (₹)	500	500
Unit Cost:		
Variable production (₹)	300	300
Variable selling (₹)	20	20
Fixed production (₹)	1,80,000	2,10,000
Fixed selling (₹)	1,00,000	1,40,000



Income Statement (FIFO)

	2015	2016
Sales (₹)	20,00,000	25,00,000
Cost of goods sold (₹)	<u>13,20,000</u>	<u>17,70,000</u>
Gross margin	6,80,000	7,30,000
Selling Price	<u>1,80,000</u>	<u>2,40,000</u>
Net Income	5,00,000	4,90,000

Required:

- (i) Prepare variable costing income statement for the year 2015 and 2016.
- (ii) Prepare a reconciliation statement for 2015 and 2016 for the difference in net income in absorption and variable costing.
- (iii) Explain to Jaishanker why he lost his ₹20,000 bonus. Which set of income statements more accurately measure performance? Why?

15

Or

The following data are given about a company.

	Budgeted	Actual
Output units	15,000	16,000
No. of working days	25	27
Fixed overheads (₹)	3,00,000	3,05,000
Variable overheads (₹)	4,50,000	4,70,000

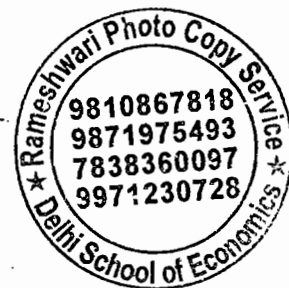
There was an increase of 5% in capacity. Compute the following variances:

- (i) Total overhead cost variance _____
- (ii) Variable overhead variance
- (iii) Fixed overhead variance
- (iv) Volume variance
- (v) Fixed overhead expenditure variance
- (vi) Capacity variance
- (vii) Calendar variance
- (viii) Variable overhead expenditure variance

15

5. When Alpha Ltd. operates at normal capacity, it produces 2,00,000 units per year. The unit cost of producing at normal capacity is as follows:

	In (₹)
Direct materials	78
Direct Labor	21
Variable overheads	25
Fixed overheads	40
Product cost (unit)	164
Selling price per unit	210



During the next three months, only 10,000 units can be produced and sold. Management plans to shut down the plant estimating that the fixed manufacturing overhead can be reduced to ₹7,40,000 for the quarter when the plant is not operating. The fixed overheads are incurred at a uniform rate throughout the year. Additional costs of plant shut down for the three months are estimated at ₹1,40,000.

Required:

(i) Should the plant be shut down for three months? Show computations.

(ii) What is the shut down point for the three months in units of product?

15

Or

Assam Board Co., a manufacturer of snow boards, decided in October year 1 that it needed cash to continue operations. It began negotiating for a one month bank loan of ₹1,00,000 starting November 1 year 1. The bank would charge interest @1% per month and require the company to pay interest and principal on November 30 year 1. To consider the loan, the bank requested for a projected income statement and cash budget for November. The following information is available.

(i) The company budgeted sales at 2,000 units per month in October and December of year 1 and January of year 2 and 3,000 units in November year 1. The selling price to distributors is ₹100 per unit.

(ii) The inventory of finished goods on October 1 was 24,000 units. The number of units of finished goods inventory at the end of each month equals 20% of unit sales anticipated for the following month. There is no work in process.

(iii) The company purchase materials, so it has no raw materials inventory.

(iv) Selling expenses are 10% of gross sales. Administrative expense total ₹33,000 per month which includes depreciation of ₹500 per month on office furniture.

(v) The manufacturing budget for snow boards on normal production of 2,000 units per month, follows:

	(in ₹)
Materials	80,000
Labour	20,000
Variable overhead	10,000
Fixed overhead (includes depreciation of ₹4,000)	60,000
Total	1,70,000

Required:

(i) How much is the expected production units for October, November and December?

(ii) Prepare a projected income statement for November.

15

-----X-----



[This question paper contains 12 printed pages]

Your Roll No. :

Sl. No. of Q. Paper : 2003 I

Unique Paper Code : 4103 2018

Name of the Course : M.Com

Name of the Paper : Managerial Accounting

Semester : IV

Time : 3 Hours Maximum Marks : 100

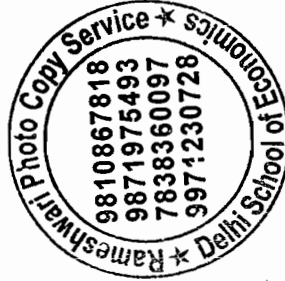
Instructions for Candidates :

(a) Write your Roll No. on the top immediately on receipt of this question paper.

(b) Questions no.1 is compulsory. Attempt four questions from the remaining questions.

1. (a) Two years ago, the manager of a super market purchased a new scanner costing ₹ 50,000. A sales person recently tried to sell the manager a new scanner for the store. The new system would save the store a substantial amount of money each year. The

P.T.O.



recently purchased scanner can be sold for ₹ 25,000 in the second hand market. The manager refused to listen to the sales person saying, "I just bought these scanners. I cannot get rid of them until I get my money's worth out of them".

10

Required:

What type of cost is the cost of purchasing the old scanner? What common behavioural tendency is the manager displaying?

(b) Pravin was having dinner with one of his friend at a restaurant in New Delhi. His friend Rajnish a local manager in a company told Pravin that he consistently overstated the amount of resources needed in his budget requests for his division. He also told, Pravin that year after year he was able to obtain the budget requested. When Pravin asked him why he did this, Rajnish, replied, "It is dog-eat dog world out there. If I am going to succeed and move up the ladder, I have got to perform well. Having those extra resources really helps."

2

Required:

Discuss Rajnish's point of view relating to budgeting. Is he justified in this approach? Explain.

10

2. (a) Define budgeting and discuss the objectives

of introducing a budgeting system in an organization.

*Performance check
Cost control
Profit maximising*

10

(b) Discuss some of the problems that might be created by standards which are set too high and by standards which are too loose? 10

OR

(a) What is a profit centre? Explain the basic requirements of a profit centre in a decentralized organization. 10

(b) Discuss the current focus of management accounting. 10

3

2003

3. (a) Bring out clearly the significance of following costs of management :
- (i) Product and Period cost
 - (ii) Controllable and non-controllable costs 10
- (b) Discuss the stages and flow of costs in Activity based costing. 10

OR

A company has prepared the following income statement on absorption costing basis :

	In ₹	In ₹
Sales		4,70,000
Cost of goods sold:		
Opening inventory	70,000	
(Variable cost ₹ 42,000		
Current Production cost	2,56,000	
	3,26,000	
Less; Closing inventory	52,000	2,74,000
(Variable cost ₹ 31200		

4

2003

Gross margin (manufacturing/ unadjusted)	1,96,000
Less: Capacity variance (adverse)	32,000
Gross margin (adjusted)	1,64,000
Less selling & distribution cost	20,000
Administration cost	22,000
Net income before taxes	1,22,000

Additional information:

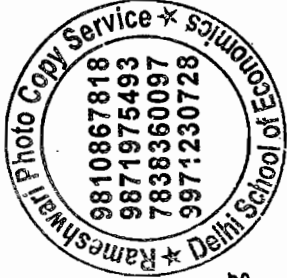
- (i) The fixed manufacturing overhead are absorbed on a standard rate per unit of product.
- (ii) Total fixed costs of the current period (budgeted as well as actual) is ₹1,34,400
- (iii) All units in inventory at the end of the year were produced during the year.

Required:

prepare an income statement on variable costing basis. 20

5

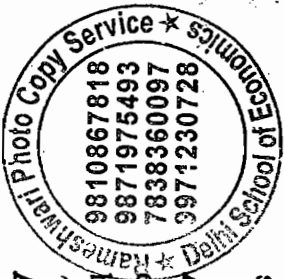
P.T.O.



4. In 2010, the turnover of a company which operated at a margin of safety of 25% amounted to ₹ 900000 and p/v ratio was 33%. During 2011, the company estimated that although the same volume of sales as 2010 would be maintained, the sales value would go down due to decrease in selling price. There will be no change in variable costs. The company proposes to reduce its fixed costs thought an intensive cost reduction programme. These changes will alter the p/v ratio and margin of safety to 30% and 40% respectively in 2011. Even if the company close down its operation in 2011, it would incur a minimum fixed cost of ₹ 50,000.

Required:

- (i) Prepare a comparative statement indicating sales, verbal cost's fixed costs and profit for 2010 and 2011.
- (ii) At what minimum sales the company will be better off by locking up in business in 2011.



OR

Alpha company has the following budgeted figures for its various products for next year.

Products (in ₹ 000)	A	B	C
Sales value	480	480	160
Variable costs	432	384	120
Fixed costs(allocated)	24	36	50

The company in concerned about product C and several alternatives are being considered.

Alternative 1: Cuts C's selling price by 10% it is estimated that this will increase C's unit sales by 40%.

Alternative 2 : Substitute a new product D for C. Estimated sales are ₹ 140000 in the first year. Variable cost are estimated at 55% of sales fixed cost directly attributable to C of ₹ 10000 will be eliminated but ₹ 16000 additional fixed costs directly attributable to D will be incurred.

Raw Lumber can be sold at ₹2000 per 100 board feet and finished Lumber can be sold at ₹ 2750 per 100 board feet.

Required:

(i) Should Assam Lumber process raw Lumber into finished form ? show your computation.

(ii) Assume that internal transfers are made at 110% of variable costs. Will it maximize division operating income and will it be in the interest of Assam Lumber ? Explain.

(iii) Assume that internal transfer is made at market prices. Will in maximize division's operating income and will it be in the best interest of Assam Lumber. Explain. 20

Alternative 3 : Eliminate C entirely. This will reduce the fixed costs attributable to c by ₹ 10000.

Alternative 4 : Convert C into a special finish by adding additional treatments which will secure a price increase of 20 % the additional costs incurred will be 10% of the new increased Price.

Required:

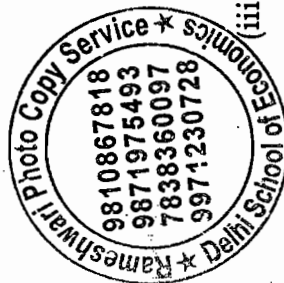
Determine the effect of each a alternative ion the company profit and thier raking in order of performance. 20

5. Assam Lumber has a Raw Lumber Division and a Finished Lumber Division. The varibale costs are:

Raw Lumber Division ----₹ 1000 per 100 board feet of raw Lumber. X

Finished Lumber Division ---₹1250 per 100 board feet of finished Lumber.

Assume that there is no board feet loss in processing raw Lumber into finished Lumber.



Dr

The following is the standard cost of a component.

	In ₹
Materials 2 units at ₹ 15	30
Labor 3 hour at 20	60
Total overheads 3 hours at ₹ 10	30

During a particular month, 10,000 units of the component were produced at 60% capacity of the budget. The cost accountant gathered the following information for the month :

	In ₹
Labour	6,50,000
Variable overheads	2,00,000
Fixed overheads	3,00,000
Material price variance (A)	70,000
Material cost variance (A)	50,000
Labor rate variance (F)	50,000
Fixed expenditure variance(A)	50,000

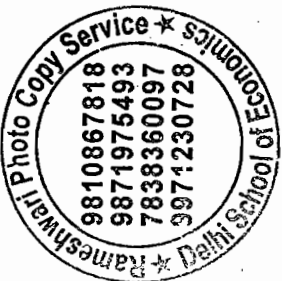
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Required:

Compute the following details :

- (i) Actual material cost incurred
- (ii) Standard cost of materials actually consumed
- (iii) Labour efficiency variance.
- (iv) Variable overhead efficiency variance
- (v) Variable overhead expenditure variance
- (vi) Fixed overhead efficiency variance
- (vii) Fixed overhead capacity variance
- (viii) Fixed overhead volume variance

20



11

900

Roll No. _____

This paper has 2 printed sheets.

M.Com. Semester I Examination
(November-December 2018)

Paper no.-4104

Subject-Financial Planning

S.No. 4104D18

Duration: 3 Hours

Max. Marks: 70

General Instructions: All Questions Carry Equal Marks. Use of Financial Calculator is allowed

1. Elucidate the financial planning process for an individual assessee who has started earning three months back. Also explain the benefits of undertaking the process at the initial stage of the earning cycle. (14)

OR

Discuss the components of a financial plan in detail and elaborate how financial planning affects the cash flows of an individual. (14)

2. Explain the factors affecting the choice of investments and common investing mistakes amongst retail investors. (14)

OR

Discuss the critical factors and safety points while executing the housing finance schemes for a tenure of ten, twenty and twenty five years.

3. (a). What do you mean by investment decision making process? How is it going to help the investor in making sound investment decisions? (7)

(b) Mr. John makes an investment at Rs.50. The year-end price of this investment under different market conditions with equal probabilities are as follows:

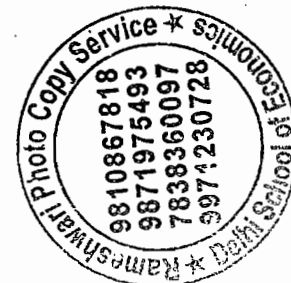
Condition	Year end Price (Rs.)
Bullish	75
Normal	60
Bearish	45

Find the expected value of return and risk for one year period. (7)

OR

(c) Following information is available regarding four mutual funds:

Mutual Fund	Returns (%)	Risk (σ) (%)	Beta (β)
A	13	16	0.9
B	17	23	0.86
C	23	39	1.2
D	15	25	1.38
Market	14.5	20	1



Evaluate the performance of these mutual funds using Sharpe's Ratio and Treynor's Ratio if risk free return is 10%. Comment on the evaluation after ranking the funds. (10)

(d) "Securities Investment provide hedge against inflation". Comment (4)

4. (a) What do you mean by asset allocation strategies in portfolio diversification? Explain different types of asset allocation strategies in portfolio diversification. (7)

(b) Mr. Peter is being offered a scheme in which he has to deposit Rs.18250 now which will give him year- end return of Rs.5000 each year for the next 5 years. Should he accept the offer if his required rate of return is (i) 10% ,(ii) 12%. (4)

(c) What do you mean Systematic Investment Plan? (3)

OR

(c) What is meant by Initial Public offerings (IPOs)? How is it different from Follow -on Public Offerings (FPOs)? Explain the different types of Investors in Indian IPO market. (7)

(d) Critically evaluate the performance of Securities and Exchange Board of India (SEBI). (7)

5. Mr. Ajitabh has started earning two months back and earns a monthly salary of INR 75,000 and he has no dependent family member. He stays with his parents and often brings fruits for her mother worth INR 2500. He also prefers to pay for the dish tv charges of 1000 per month to enjoy latest movies and sports at home on his new 42" LED bought on and EMI of INR 4,999 out of which nine are still to be paid. He spends around INR 25000 on his commuting and daily expenses. He plans to travel to Europe after a span of 24 months with spouse. Create financial plan for Mr. Ajitabh, considering his present age as 27. He needs rupees 40 lakhs in 10 years for home down payment, rupees 60 lakhs for child education in 15 years, rupees 50 lakhs for child marriage and 2.5 crore for retirement. (14)

(c) What are mutual funds? What are their benefits to a common investor? Discuss various types of Mutual fund Schemes. (10)

(d) Why is it important to diversify your financial holdings across financial assets? How does asset allocation enable you to accomplish diversifications? Discuss the role that your stage in life plays in the asset allocation decision. (10)

5. Shyam and his wife are less than 30 years of age and wanted to create a corpus of INR 2 crores by the time they both retire. They have around 33 years of service in hand with a state government department. They also wish to create a fund of INR 60 lakhs for their child education to be available in twenty years from now. They have inflows and outflows mapped closely and left with only INR 1500 per month as investible surplus. You are required to create a financial plan for them to achieve the two prominent financial goals of their life. (20)

OR

Write explanatory note on the following : (10×2=20)

(a) Retirement planning

(b) Testament and its essential elements

(900)

Your Roll No.....

Sr. No. of Question Paper : 2004 I

Unique Paper Code : 4104 (2018)

Name of the Paper : Financial Planning

Name of the Course : M.Com./Sem. - I

Semester : I

Duration : 3 Hours Maximum Marks : 100

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. All Questions carry equal marks.
3. Use of Financial Calculator is allowed.

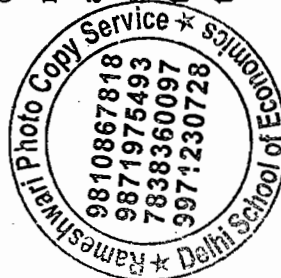
1. "Investment and insurance instruments are divergent in its innate objective" Elucidate statement by comparing the results of investment and insurance alternatives. (20)

OR

Discuss the scope and outcomes of financial planning for an individual and its family. (20)

2. Discuss the relevance of overdraft coverage, overdraft protection and credit limit for smooth credit planning. (20)

P.T.O.



~~Discuss the critical factors and safety points while purchasing a health insurance scheme and life insurance scheme.~~ (20)

OR

2. (a) What are the key differences between an investor and a speculator? Explain the attributes that one should consider while making investment in securities and while following value investing strategies. (10)

(b) A Rs. 1000 par value bond bears a coupon rate of 12% per annum. The bond has a maturity period of 5 years. Interest is payable semiannually. Compute the value of the bond if the investors' required rate of return is 16% per annum. Is it a worthwhile to buy if the current market price of the bond is Rs. 800? (10)

OR

~~(c) Explain the concepts of Financial Derivatives. How are futures different from options Contract? (10)~~

~~(d) A company declared a dividend of Rs. 2 per share last year. The dividend is expected to grow at the rate of 10% per annum forever. If the investor's required rate of return is 16%, what should be the fair price of the stock? (5)~~

~~(c) What are real estate investment trusts (REITs)? Explain its main characteristics. (5)~~

4. (a) Describe the role of Securities and Exchange Board of India (SEBI) in regulating Indian capital market. Do you think it has succeeded in achieving its objective? (10)

(b) An investor is considering investment in securities Sungold Ltd. and Moonlight Ltd. whose details are given below :

Particulars	Sungold Ltd. (P)	Moonlight Ltd. (Q)
Expected Return	14%	19%
Risk (in terms of Standard deviation)	3%	6%

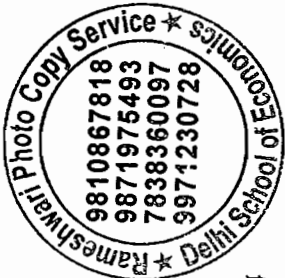
If a portfolio of 70% of P and 30% of Q is formed, find the

(i) Expected return of the portfolio

(ii) Risk of the portfolio if the correlation coefficient is 0.5.

(iii) Risk of the portfolio when there is no correlation between the securities. (10)

OR



Roll No. _____

This paper has 2 printed sheets.

M.Com. Semester I Examination

(November-December 2018)

Paper No.- 4105

Subject- Organizational Theory and Behaviour

S.No. 4105D18

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all Questions.

1. a. Critically examine classical theories and emergence of human relations school of thought. How are they relevant in the present day condition? (20)
OR
b. 'Perception and Attitude, both are cognitive processes'. How are they formed? Explain the relationship between Values, Perception and Attitude. (20)
2. a. Explain behavior patterns as given by Chris Argyris. Illustrate how they relate to Theory X and Theory Y. (20)
OR
b. State the relevance of Johari Window for personality development and communication. Do you think Johari Window helps in building effective communication? (20)
3. a. Compare and contrast contribution of Maslow, Elderfer and McClelland concerning human need. Which of them is more relevant in the present day context, explain? (20)
OR
b. Explain the relationship between Performance Goals and Learning Goals. State the contribution of expectancy theory in establishing relationship between effort and outcome. (20)
4. a. Taking support from leadership literature, explain how leadership has transformed over the last one century? How do you see it further changing in the coming decades? (20)
OR
b. 'Influence, group and goals are inherent part of Power'. Comment. (6)
c. Explain the characteristics of organizational culture and state how it gets formed in fast changing work environment. (14)
5. This is a brief written by Minda Zetlin (inc.com) on how 'Nike' responded to few incidents of misbehaviour at work. In the light of #MeToo movement causing companies going in panic mode, go through the writeup and answer the questions given at the end:

When Nike management refused to acknowledge (never mind try to fix) the company's misogynist culture, female executives used something very simple, yet surprisingly effective to

turn things around: a survey. The survey, distributed informally among Nike's female employees, asked respondents whether they had experienced sexual harassment or bias while at the company.

In March 2018, they delivered the completed surveys to Nike CEO Mark Parker. Within a few weeks, six high-level male executives announced they were leaving the company, including Trevor Edwards president of the Nike brand, who had been widely expected to take over as CEO of the company within two years. The dismissals came about after a review by an outside firm, according to some reports. Either way, they prove how powerful this humble tool that's available to everyone can be if you use it right.

In response to the survey, Parker issued a statement that said, *"It has pained me to hear that there are pockets of our company where behaviors inconsistent with our values have prevented some employees from feeling respected and doing their best work."* If it's really true that he was unaware of these issues, then Parker might qualify as the most clueless leader of a \$112 billion corporation the world has ever seen. Women who worked at Nike used everything short of skywriting to alert upper management that something was very wrong. Many made official complaints to HR, often to be told that they themselves were the source of the problem. After observing men receive coveted promotions over more experienced women, several highly-placed executives left for other companies. And at least one departing high-level executive, Nikki Neuburger, formerly a vice president in global brand marketing, wrote Parker a detailed letter describing the problem and explaining that it had driven her to leave. A Nike spokesperson told *The New York Times* that Parker had read the letter, "took the letter very seriously" and even met with Neuburger about it.

And yet. Male executives went right on filling their business trips with strip club visits. Egregious sexual harassment continued--in one case a male supervisor reportedly forced his way into a bathroom and tried to kiss an employee against her will. When she complained to HR, she was summoned to a meeting to discuss the matter--in a public on-campus cafe, surrounded by other Nike employees. Whether that was an attempt to make her soften or retract her story, or just a supreme example of thoughtlessness, the survey turned out to be an effective way to get a company with an entrenched "bro" culture to begin taking sexual harassment and gender discrimination more seriously.

- a. What is your take on the whole issue of sexual harassment and the initiative taken by the employees at Nike? (7)
- b. How do you describe the response of Mark Parker for saving the brand Nike? (5)
- c. Explain the pros and cons of #Metoo movement as it has affected big corporate houses like Google, Uber, Nike etc. (8)

[This question paper contains 2 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 2005

Unique Paper Code : 4105

Name of the Paper : Organizational Theory & Behaviour

Name of the Course : M.Com./Sem. - I

Duration : 3 Hours Maximum Marks : 100

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt all questions.
3. All questions carry equal marks.



1. What are the forces that have helped evolve Management as a discipline? State evolution of organizational theories from its inception to the 21st century conditions. (20)

OR

(a) 'Psychology is the major discipline contributing to the development of Organizational Behaviour'.

Defend your answer. (10)

(b) Describe biographical characteristics that influence individual behavior. (10)

2. Explain decision making process and illustrate any two techniques (best known to you) of group decision making. (20)

P.T.O.

OR

'Johari Window is an effective tool for personality development and to resolve problems of communication'. Comment on this statement and illustrate how it helps Johari Window builds effective communication. (20)

3. Discuss factors that have come out of Herzberg's two factor theory. Comment on the relevance of these factors in the modern day organizations. (20)

OR

Distinguish between Intrinsic and Extrinsic motivation. Explain the components of intrinsic motivation as described by Ken Thomas. (20)

4. 'Leaders make rules, managers follow'. In the light of this statement illustrate the distinction between a leader and a manager and explain trait theory of leadership. (20)

OR

How can you relate Empowerment with Power? Explain the relationship between Power and Politics. (20)

5. Write detailed note on any two from the following :

(a) Managing Misbehavior at workplaces

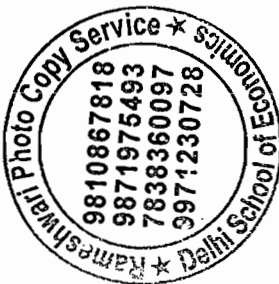
(b) OCTAPACE model

(c) Relationship between Stress and Burnout

(d) OD Interventions

(10+10)

(1000)



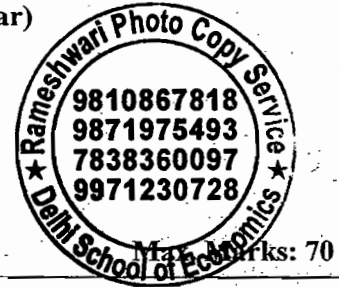
Roll No. _____

This paper has 5 printed sheets.

M.Com Semester-I Examination (Regular)
(November/December 2017)
Paper no.- 4101
Subject – Business Statistics

S. No. 4101D17

Duration: 3 Hours



General Instructions: Attempt all questions. All questions carry equal marks. All parts of a question must be attempted together and in sequence.

1. Part (a) and (b) are compulsory. Attempt either part (c) or (d).

(a) For each of the following, state the events created in terms of whether they are *mutually exclusive* or not and *collectively exhaustive* or not.

(i) People are asked if they live on the first floor or second floor of their building.

(ii) A card drawn from a deck of cards is red or black.

(iii) Respondents in a survey are classified by the type of car they drive: American, European, Japanese or none.

(iv) The roll of a dice results in an even number or 3. (4)

(b) For the following cases, state which method of sampling has been used?

(i) A student picks up every 15th name from the student list to get his questionnaire filled.

(ii) To find out brand preference in case of TVs, the population is classified according to income groups (low income, middle income, high income) and then samples are collected from each group.

(iii) A professor conducting research uses his student volunteers to constitute a sample for his research.

(iv) A town is divided into various blocks for a survey and samples are drawn from each block. (4)

(c) In a survey of MBA students, the following data were obtained on "students' first reason for application to the school in which they matriculated."

Reason for Application

		School Quality	School Cost or Convenience	Other	Totals
Enrollment Status	Full Time	421	393	76	890
	Part Time	400	593	46	1039
	Totals	821	986	122	1929

(i) Develop a joint probability table for these data.

(ii) On the basis of the above information, comment on the most important reason for choosing a school:

(iii) If a student goes full time, what is the probability that school quality is the first reason for choosing a school?

(iv) If a student goes part time, what is the probability that school quality is the first reason for choosing a school?

(v) Let A denote the event that a student is full time and let B denote the event that the student lists school quality as the first reason for applying. Are events A and B independent? Justify your answer. (6)



OR

(d) Sports utility vehicles (SUVs) and vans are generally considered to be more prone to rollover than other vehicles. A survey by an independent agency found that in 2013, 24% of all highway fatalities involved rollovers; 15.8% of all fatalities involved SUVs and vans, given that the fatality involved a rollover. Given that a rollover was not involved, 5.6% of all fatalities involved SUVs and vans.

(i) Find the probability that a fatality involved a rollover, given that the fatality involved an SUV or van.

(ii) Compare the result in (i) to the probability that a fatality involved a rollover and comment on whether SUVs and vans are generally more prone to rollover accidents than other vehicles.

(6)

2. (a) What are the properties of a good estimator? Explain with the help of examples. (4)

(b) An insurance company underwrites insurance for beachfront properties in a certain coastal area. It uses the estimate that the probability of a hurricane striking a region of the coast in any one year is 0.05. If a homeowner takes a 30-year mortgage on a recently purchased property in a particular region of the coastal area, what is the likelihood that

(i) the owner will experience at least one hurricane during the mortgage period?

(ii) the owner will experience one hurricane during the mortgage period? (5)

(c) An agreement between the management and labour union of a firm stipulates that the mean output for a particular production section be held at 112 units per month per employee. To see if mean production levels were in accordance with this stipulation, 20 workers were tested, yielding a mean of 102 units. Assuming the standard deviation of 8.5 for the sample, find a 90% confidence interval for the mean output. Does the 90% confidence interval suggest any violation of the said agreement?

(5)

OR

(d) Explain the concept and importance of Central Limit Theorem. (4)

(e) A government survey for a metropolitan city reports that 56% of the households in the city have internet access.

(i) For a sample of 300 households, what is the probability that the sample proportion will be within ± 0.03 of the population proportion?

(ii) What will be your answer in (i) if sample size is 600? (5)

(f) The operations manager of a large production plant would like to estimate the average amount of time workers take to assemble a new electronic component. After observing a number of workers assembling similar devices, she guesses that the standard deviation is 2 minutes.

(i) How large a sample of workers should she take if she wishes to estimate the mean assembly time to within 10 seconds? Assume that the confidence level is to be 90%.

(ii) Would the answer in (i) change if the confidence level is 99%?

(iii) In the light of answers above, explain the relationship between sample size and confidence level. (5)

3. (a) Distinguish between statistics and parameters. Give examples. (4)

(b) The management of a soft drink bottling company wants to develop a method for allocating delivery costs to customers. One of the variable costs reflects the time required to unload the cases of soft drinks at the delivery point. A sample of 20 deliveries within a territory was selected. The data on delivery times and the number of cases delivered is given below:

Customer	Number of cases	Delivery time (Minutes)
1	52	32.1
2	64	34.8
3	73	36.2
4	85	37.8
5	95	37.8
6	103	39.7
7	116	38.5
8	121	41.9
9	143	44.2
10	157	47.1
11	161	43.0
12	184	49.4
13	202	57.2
14	218	56.8
15	243	60.6
16	254	61.2
17	267	58.2
18	275	63.1
19	287	65.6
20	298	67.3



- (i) Find out the least squares regression line and interpret the coefficients.
- (ii) Predict the delivery time for 150 cases of soft drink.
- (iii) Compute the coefficient of determination and explain its meaning.
- (iv) Determine the standard error of estimate.

(3+2+3+2=10)

OR

(c) Distinguish between coefficient of determination and coefficient of correlation.

(4)

(d) A marketing research firm surveyed passengers from four different airlines regarding their level of satisfaction with the services of the airlines. Scores were obtained and the higher the score, the greater the level of satisfaction. Below is the sample information.

Airlines A	Airlines B	Airlines C	Airlines D
94	75	70	68
90	68	73	70
85	77	76	72
80	83	78	65
	88	80	74
		68	65
		65	

Is there a difference in the mean satisfaction level among the four airlines? Use a significance level of 1%.

(10)

4. (a) Distinguish between Type I and Type II errors in hypothesis testing. How does an increase in the significance level affect these two types of errors? (6)

(b) A regression model was fitted to sales data of a certain product. After the model was fitted to the data, the following residual series was obtained from the computer, with the signs of the residuals indicated. (A regression model is considered adequate if the residuals are random and don't follow a regular pattern). At 5% level of significance, is there any statistical evidence to conclude that the residuals are not random?

-23, 30, 12, -10, -5, -17, -22, 57, 43, -23, 31, 42, 50, 61, -28, -52, 10, 34, 28, 55, 60, 32, 88, -75, -22, -56, -89, -34, -20, -2, -5, 29, 12, 45, 77, 78, 91, 25, 60, -25, 45, 42, 30, -59, -60, -40, -75, -25, -34, -66, -90, 10, -20

(8)

OR

(c) What are non-parametric tests? Explain the advantages and disadvantages of using non-parametric tests. (6)

(d) A tax firm is interested in comparing the quality of work at two of its regional offices. By randomly selecting samples of tax returns prepared at each office and verifying the sample returns' accuracy, the firm will be able to estimate the proportion of erroneous returns prepared at each office. Independent random samples from the two offices provide the following information:

	Sample size	Number of returns with errors
Office 1	250	35
Office 2	300	27

Conduct a hypotheses test to determine whether the error proportions differ between the two offices. ($\alpha=0.10$) (8)

5. (a) What are the properties of t- distribution? Explain. (4)

(b) An investor is considering investing Rs. 15,000 in commodity futures and believes that there is a 0.10 probability that he will lose Rs. 5,000 by the expiration of the contract; a 0.20 probability that he will make Rs. 2,000; a 0.25 probability that he will make Rs. 3,000; a 0.15 probability that he will make Rs. 4,000; a 0.15 probability that he will make Rs. 5,000; a 0.10 probability that he will make Rs. 6,000; and a 0.05 probability that he will make Rs. 7,000. If the investor should find out that he is going to lose Rs. 5,000, he can pull out of his contract, losing Rs. 3,500 for certain and an additional Rs. 3,000 with probability 0.20 (the latter amount deposited with a brokerage firm as a guarantee).

Further, the investor is considering another investment as an alternative to commodity futures. He is considering investing Rs. 15,000 in a limited partnership for the same duration of time as the futures contract. This alternative has a 0.50 chance of earning Rs. 5,000 and 0.50 chance of earning nothing. Draw a decision tree for this problem. On the basis of the decision tree, suggest what should the investor do? (10)

OR

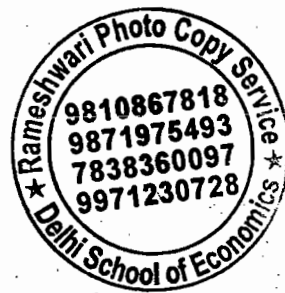
(c) Explain the concept of EVPI. What is the importance of EVPI in decision making? (4)

(d) A management behavior analyst has been studying the relationship between male/female supervisory structure in the workplace and the level of employees' job satisfaction. The results of his recent survey are shown below.

Level of satisfaction	Boss/employee			
	Female/Male	Female/Female	Male/Male	Male/Female
Satisfied	21	25	54	71
Neutral	39	49	50	38
Dissatisfied	31	48	10	11

Is there sufficient evidence to infer that the level of job satisfaction depends on the boss/employee gender relationship? (Use a 10% significance level)

(10)



1988
1988
1988
1988

Income (in ₹ '000)		
Area A	Area B	Area C
64	74	75
68	71	80
70	69	76
60	70	78

9251

M.Com/Sem. I H

Paper 4101 : Business Statistics

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

All parts of a question must be attempted together and in sequence.

- (a) What is meant by (i) statistical independence and (ii) statistical dependence ? Explain with examples. Explain conditional probability under both the above conditions. 7

- (b) An economist believes that during periods of high economic growth, the Indian rupee appreciates with probability 0.70; in periods of moderate economic growth, the rupee appreciates with probability 0.40; and during

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periods of low economic growth, the rupee appreciates with probability 0.20. During any period of time, the probability of high economic growth is 0.30, the probability of moderate growth is 0.50 and the probability of low economic growth is 0.20.

(i) What is the probability that the rupee appreciates in a given period ?

(ii) Suppose the rupee has been appreciating during the present period. What is the probability we are experiencing a period of high economic growth ?

7

(c) There are four people being considered for the position of Chief Executive Officer of a company. Three of the applicants are over 60 years of age. Two are female of which only one is over 60.

(i) What is the probability that a candidate is over 60 and female ?

(ii) Given that a candidate is male, what is the probability that he is less than 60 ?

(iii) Given that the person is over 60, what is the probability that the person is female ?

6

Or

(d) Distinguish between stratified and cluster sampling. Support your answer with examples.

7

(e) To gauge the relationship between education and unemployment, an economist develops the following table of joint probabilities :

Education	Employed	Unemployed
Not passed tenth standard	0.0975	0.0080
Tenth standard	0.3108	0.0128
Senior secondary	0.1785	0.0062
Graduation	0.0849	0.0023
Post graduation	0.1959	0.0041
Advanced degree	0.0975	0.0015

Provide the following probabilities :

(a) A person who has passed tenth standard is unemployed.

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- (b) A randomly selected individual is unemployed.
- (c) An unemployed person possesses an advanced degree.
- (d) A randomly selected individual did not pass the tenth grade.
- (e) An employed person has done graduation.
- (f) A randomly selected individual possesses an advanced degree.
- (g) A randomly selected individual has not passed tenth standard and is unemployed.
- (h) The number of students who seek assistance with their statistics assignments is Poisson distributed with a mean of three per day.
- (i) What is the probability that no students seek assistance tomorrow ?
- (ii) Find the probability that 10 students seek assistance in a week.

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2. (a) In the following cases, state whether the random variable is discrete or continuous, giving reason thereof.
- (i) The number of home loans approved per week at the local branch office of a bank.
 - (ii) The distance travelled by a truck on a litre of diesel.
 - (iii) Customers coming to a restaurant in one day.
 - (iv) Time between customer arrivals in a bank.
 - (v) Accidents on a busy stretch of highway.
 - (vi) Questions answered correctly in a 50 question multiple choice exam.
 - (b) A company is considered installing a colour copier at one of its offices. As part of the decision process as to whether to install the machine, the company's manager wants the average number of documents that would be copied daily if the machine were installed. From experience at other offices, the company manager believes the standard deviation of the number of documents copied daily is 32. The manager also believes the number of documents

(7.)

Or

(d) What is an estimate ? What are the two types of estimates ? Which one of the two is preferable and why ? 6

(e) A survey of 705 workers were asked how they used the internet at work. 423 said they used it within limits and 183 said that they did not use the internet at work.

(i) Construct a 95% confidence interval for the proportion of all workers who used the internet within limits.

(ii) Construct a 90% confidence interval for the proportion of all workers who did not use the internet. 7

(f) A binomial probability distribution has $p = .20$ and $n = 100$.

(i) What is the mean and standard deviation ?

(ii) Is this a situation in which binomial probabilities can be approximated by the normal probability distribution ? Explain. P.T.O.

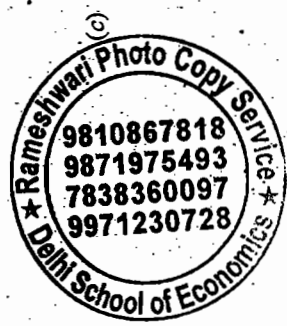
(6)

copied daily is a normally distributed random variable. The machine is tested over a random sample of 15 days, and the resulting sample mean is 267.

(i) Give a 99% confidence interval for the average number of documents that would be copied daily if the machine were installed.

(ii) How would your answer change if the sample size is increased to 40 days ? What does this say about the relationship between confidence interval and sample size ? 7

(c) A production process is checked periodically by a quality control inspector. The inspector selects simple random samples of 30 finished products and computes the sample mean product weight \bar{x} . If test results over a long period of time, show that 5% of the \bar{x} -values are over 2.1 pounds and 5% are under 1.9 pounds, what are the mean and the standard deviation for the population of products produced with this process ? 7



(8)

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(iii) What is the probability of exactly 24 successes ?

(iv) What is the probability of 15 or fewer successes ?

3. (a) The label on a container of orange juice claims that the

orange juice contains an average of 1 gram of fat or less.

(i) Develop the appropriate null and alternative hypotheses to test the claim on the label.

(ii) What is the Type I error in this situation ? Explain.

(iii) What is the Type II error in this situation ? Explain.

8

(b) The manufacturers of compact disk players want to test

whether a small price reduction is enough to increase the sales of their product. Randomly chosen data on 15 weekly sales total at outlets in a given area before the price reduction show a sample mean of ₹ 6,598 and a sample standard deviation of ₹ 844. A random sample of 12 weekly sales totals after the small price reduction gives a sample

(9)

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mean of ₹ 6,870 and a sample standard deviation of ₹ 669. Is there evidence that the small price reduction is enough to increase sales of compact disk players ? ($\alpha = 0.05$)

12

Or

(c) Explain the procedure for hypotheses testing. 8

(d) An article reports that smaller firms seem to be hiring more than large ones as the company picks up its pace. The table below gives the number of employees hired and those laid off, out of a random sample of 1,032 firms, broken down by firm size. Is there evidence that hiring practices are dependent on firm size ? ($\alpha = 0.05$) 12

	Small firm	Medium - size firm	Large firm	Total
Number hired	210	290	325	825
Number laid-off	32	95	80	207
Total	242	385	405	1032

4. (a) What are non-parametric tests ? What are their advantages ? Explain the working of the 'Sign test'. 8

PTO.

- (b) The profits (Y) of a product in a sales territory is thought to be related to the total population (X_1) of the territory as well as to the advertising expenditure per person (X_2) in the territory. Use the data given below to find the least squares equation that best relates these variables.

Sales profit (₹ '000)	Population (millions)	Advertising per person (₹ '000)
3.6	2.4	0.16
2.5	1.3	0.21
4.2	5.1	0.12
4.1	4.9	0.14
4.0	3.2	0.26
5.1	6.7	0.10
4.3	3.2	0.41
11.5	0.7	0.11

12

Or

- (c) What is meant by the coefficient of determination? Explain the process of finding out the coefficient of determination.

8

- (d) A teacher wants to know whether his brightest students tend to turn in their tests earlier or later than the others in the class. For a particular test, he observes that the students get the following marks in order of turning their tests in :

94, 70, 85, 89, 92, 98, 63, 88, 74, 85, 69, 90, 57, 86, 79,
72, 80, 93, 66, 74, 50, 55, 47, 59, 68, 63, 89, 51, 90, 88.

- (i) If the teacher counts those getting marks 90 and above as his brightest students, can he conclude that the brightest students turn their tests in randomly? ($\alpha = 0.05$)

- (ii) If 60 and above are passing marks, then did the students passing versus those not passing turn their tests in randomly? ($\alpha = 0.05$) 12

5. (a) What are the applications of the chi-square test? Explain the working of the chi-square test. 8

- (b) A man wants to invest ₹ 10,00,000 for 1 year. After evaluating numerous possibilities, he narrows down his choices to the following three alternatives :

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A : Invest in a guaranteed income certificate paying 10%

B : Invest in a bond with a coupon value of 8%

C : Invest in a well-diversified portfolio of stocks

The payoffs with the last two options depend significantly on interest rates. He concludes that there are three possible states of nature regarding interest rates.

S1 : Interest rates increase.

S2 : Interest rates don't change.

S3 : Interest rates decrease.

The investor assigns the following probabilities to the above states of nature : $P(S1) = 0.2$; $P(S2) = 0.5$; and $P(S3) = 0.3$

The profits for each alternative (in ₹) are summarized below :

		Investment alternatives		
States of nature	A	B	C	
S1	1,00,000	-50,000	1,50,000	
S2	1,00,000	80,000	90,000	
S3	1,00,000	1,80,000	40,000	

(13)

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- (i) Compute the expected monetary value for each decision. What decision would you recommend ?
- (ii) Develop an opportunity loss table and compute the expected opportunity loss for each decision.
- (iii) Construct a decision tree for the above problem.

12

Or

- (c) Explain the concept of decision trees in decision-making. How do decision trees facilitates the decision-making process ? Explain with an example. 8

- (d) A real estate developer is considering investing in a shopping mall on the outskirts of a large metropolitan city. Three plots of land are being evaluated. Of particular importance is the income in the area surrounding the proposed mall. A random sample of four families is selected from the area near each proposed mall and the sample results are shown below. At 5% level of significance can the developer conclude there is a difference in the mean income ?

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This paper has 2 printed sheets.

M.Com Semester I Examination (Regular)

(November/December 2017)

Paper no.- 4102

Subject- Managerial Economics

S.No. 4102D17.1

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. Marks are indicated against each question.

- | Q.No. | | Marks |
|-------|---|-------|
| 1 | a) Suppose that the production function of a firm is $Q = 200L^{0.5}K^{0.5}$, and $K=100$, $P=Rs. 1$, $w=Rs. 40$, and $r=Rs.10$. Determine the quantity of labour that the firm should hire in order to maximise profit. What is the maximum profit of the firm. | 7 |
| | b) Mohan estimates his demand function as
$Q_I = 120 - 20P_I$
Where
Q_I = quantity demanded of Ice-cream
P_I = price of Ice-cream | 7 |
| | i. Find demand schedule for Mohan | |
| | ii. Find the point price elasticity of demand at each rupees price from $P=Rs.6$ to $P=Rs.0$ and | |
| | iii. Find the arc price elasticity of demand between consecutive rupees prices (i.e. between $P=Rs.6$, $P=Rs.5$, $P=Rs.4$, $P=Rs.3$ and so on) | |
| | Or | |
| | e) What are the objectives of the firm? Is there any limit for the growth of the firm? Critically examine the joint utility maximization of managers and owners for balanced growth of the firm. | 14 |
| 2 | a) How the demand and supply curves for a factor input are derived under different market situations 1) when there is a single variable input and 2) when there are several variable inputs? Discuss price determination in factor input market. | 14 |
| | Or | |
| | b) Discuss characteristics of non-collusive oligopoly. Explain how oligopolistic equilibrium in the Cournot approach is different from Stacklebergs Approach. | 14 |
| 3 | a) Show the derivation of economy's demand curve with the help of IS and LM curves and also explain how an expansionary fiscal policy could help in case of deficient demand in the economy. | 14 |
| | or | |
| | b) What do you understand by the concept of demand management? How different demand management policies could be used appropriately with respect to their effect on different components of output? | 14 |



4 a) Explain the concept of nominal and real exchange rate with the help of example(s). How do policy changes in a small open economy and rest of the world influence the real exchange rate? 14

or

b) Given the level of output and perfect capital mobility in a small open economy, how do policy changes influence the trade balance and net foreign investment, explain with the help of suitable example(s) and diagrams? 14

5 Write short note on any two of the following 2x7

- a.) Price Discrimination
- b.) Elasticity of Input Substitution and Technological Progress
- c.) Derivation of LM.
- d.) Goods market equilibrium in an open economy



[This question paper contains 3 printed pages]

Your Roll No. :

Sl. No. of Q. Paper : 9252 **H**

Unique Paper Code : 4102

Name of the Course : **M.Com.**

Name of the Paper : Managerial Economics

Semester : I

Time : 3 Hours **Maximum Marks : 100**

Instructions for Candidates :

- (a) Write your Roll No. on the top immediately on receipt of this question paper.
 - (b) Attempt **all** questions.
 - (c) Marks are indicated against each question.
1. (a) Distinguish between cardinal and ordinal approaches of consumer behaviour. How utility is maximized under ordinal approach ?

20

OR

- (b) Elaborate the theory of firm propounded by Marris.

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2. Distinguish between short run and long run cost curves. Explain economies and diseconomies of scale. What is the impact of economies and diseconomies of scale on the cost curves ? 20

OR

Elaborate derivation of isoquant and iso-cost curves. Explain producer's equilibrium and show economic region for producer using isoquant curves.

3. What do you mean by equilibrium real exchange rate ? Show the impact of depreciation of real exchange rate on output level and trade balance in the goods market in an open economy. 20

OR

Explain the trade-off between unemployment and inflation. Also discuss how do sticky wages explain the formation of the aggregate supply function.

4. Show the derivation of real LM curve and also discuss the impact of increase in money supply on the real rate of interest and real output. 20

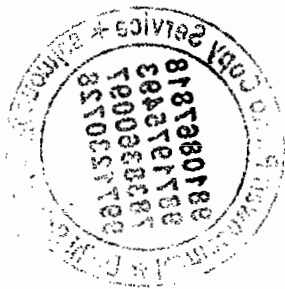
OR

Explain Tobin's portfolio theory of money demand.

2

5. Write short note on any **two** of the following :
2 × 10 = 20

- (a) Revealed preference approach
- (b) Euler' Theorem
- (c) Real Business Cycle
- (d) Effectiveness of Fiscal Policy



3

1000

Roll No. _____

This paper has 4 printed sheets.

M.Com Semester- I Examination (Regular)

(Dec 2017)

Paper no. - 4103

Subject- Managerial Accounting

S.No. – 4103D17

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks.

1. (a) Distinguish between financial accounting and Management accounting. 7

(b) Explain the status and functions of management accountant in a large sized business firm. 7

Or

(c) Distinguish between product costs and period costs. What are their effect on net income of a business firm? 7

(d) How are costs assigned to products under Activity Based Costing (ABC) system? 7

2. Discuss the advantages and limitations of variable costing over absorption costing. 14

Or

Explain different measures of financial performance to evaluate a division's performance. Also examine the importance of non-financial measures. 14

3. What are the objectives of transfer pricing system? Evaluate different methods of transfer pricing generally used by a decentralized organization. 14

Or

Pfizer industries has several divisions that operate as profit centres. In this company, systems division manufactures scientific instruments and uses the products of two other divisions. The Board division produces printed circuit boards (PCBs) and one PCB model exclusively for the systems division. Less complex PCB models are sold in outside markets. The products of the Transistor Division are sold in a well-developed competitive market. However one Transistor model is also used by the system division. The cost per unit of the products used by the System Division as following:

(in Rupees)

Particulars	PCB	Transistor
Direct materials	2,500	800
Direct Labour	4,500	1,000
Variable Overheads	2,000	500
Fixed Overheads	800	750
Total	9,800	3,050



The Board Division sells its commercial product at full cost plus 25% markup and believes the exclusive board made for the System Division would sell for ₹12,250 per unit on the open market. The market price of the Transistor used by the System Division is ₹3,700 per unit.

Required:

(i) What is the minimum transfer price for the Transistor Division? What is the maximum transfer price of the Transistor for the System Division?

(ii) Assume that the System Division can purchase transistors from an outside source at ₹ 2,900 per unit. Also assume that the transistor Division has excess capacity. Can the transistor Division meet this price?

(iii) The Board Division and System Divisions have negotiated a transfer price of ₹ 11,000 per printed circuit board. Discuss the impact this transfer price will have on each division. 14

4. Under normal operating conditions a company produces 6,000 units of a particular product in a six months period. Each unit contributes ₹100 to fixed overhead cost and to profits. The fixed overheads for six months are ₹4,50,000. Strikes at other companies that buy this product have cut sales to 300 units per month. The company management is considering closing the plant for six months anticipating that the market will be back to normal at the end of that time. If the plant is closed, the fixed overheads costs would be reduced to ₹2,50,000 for the six months. However, the additional costs to protect the facilities and to start the plant again have been estimated at ₹50,000.

Required:

Should the plant be closed? If not, what is the lowest volume of sales for the next six months which would justify keeping the plant open? Show your working also. 14

Or

The operating results of BM Ltd. for the year 2016 were as under:

Product	Sales mix (%)	P/V ratio (%)
A	40	20
B	10	6
C	30	12
D	20	10

Total sales value of all the products was ₹80 lakhs. Total fixed overheads amounted to ₹10 lakhs. The raw material content of each of the products represented 50% of the respective variable costs. The forecast for the year 2017 is as under:

(i) The raw material costs will go up by 10%.

(ii) The company has been able to obtain import quota of raw materials of the value of ₹35 lakhs.

(iii) The maximum sales potential of any of the above four products is 40% of the 2016 sales value.

(iv) The company expects to secure an increase of 5% in the selling prices of all the products uniformly.

Required:

- (i) Prepare a statement showing the profitability of 2016.
- (ii) Set a product mix to maximize profits in 2017.
- (iii) Prepare a statement showing the profitability of 2017.



14

5. The management of a company at the beginning of 2017 anticipated (i) a decrease in sales as compared with 2016 and (ii) a smaller profit margin due to higher material and labour costs. The controller was asked to prepare a cash budget based on estimated 2017 sales of ₹24 lakhs (a decrease of ₹3,00,000) and in particular to forecast the cash position at the close of 2017. The forecast of certain balance sheet and other items was as follows:

Account receivables (net)	₹35,000 (decrease)
Account payable	₹20,000 (decrease)
Inventories	₹17,000 (increase)
Additions to plant (gross)	₹1,25,000
Additions to retained earnings	₹25,000
Income for 2017(after depreciation but before income taxes)	₹95,000
Depreciation expense, 2017	₹48,000
Income taxes for 2017 (payable in 2018)	₹45,000
Dividends payment (at 2016 rates)	₹30,000

The cash balance on January 1, 2017 was ₹54,000 and the tax liability on that date, arising from 2016 taxable income amounted to ₹93,000.

Required:

(a) Assuming that any balance sheet items not listed above would be unchanged, prepare a schedule of forecast cash receipts and cash disbursements for 2017 and determine the expected cash balance as on December 31, 2017.

(b) What action would you expect management to take when it sees the cash flow estimates for the year?

14

Or



A condensed income statement for the Snowboard division of Jindal Co. for the year ended December 2016 is as follows:

Sales	₹12,00,000
Cost of goods sold	₹8,26,000
Gross profit	₹3,74,000
Operating expense	₹2,30,000
Income	₹1,44,000
Invested assets	₹10,00,000

The president of Jindal Co. has indicated that the division's rate of return must be increased to at least 18% by the end of the next year. The division manager is considering the following three proposals.

Proposal 1: Transfer equipment with a book value of ₹40,000 to other divisions and lease similar equipment. The annual lease payments will be ₹24,000 which would be included as part of the cost of goods sold. Sales would remain unchanged.

Proposal 2: Purchase new machine equipment which would increase invested assets by an additional ₹6,00,000 for the year. Cost of goods sold would decrease by ₹1,20,000. Sales would remain unchanged.

Proposal 3: Reduce invested assets by discontinuing by an engine line. This action would eliminate sales of ₹3,30,000, Cost of goods sold of ₹2,86,300 and operating expense of ₹65,000. Assets of ₹4,20,000 would be transferred to other divisions.

Required:

1. Using the DuPont formula, determine the profit margin, investment turnover and ROI for the Snowboard division for the past year.
2. Prepare estimated income statement and compute the invested assets for each proposal.
3. Using the DuPont formula, determine the profit margin, investment turnover and ROI for each proposal.
4. Which of the three proposals would meet the required 18% ROI.
5. If the Snowboard division were in an industry where the profit margin could not be increased, how much would the investment turnover have to increase to meet the required 18% rate of return on investment.

This question paper contains 7 printed pages]

Your Roll No.

9253

M.Com./Semester I H

Paper 4103: MANAGERIAL ACCOUNTING

Maximum Marks : 100

Time : 3 Hours

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

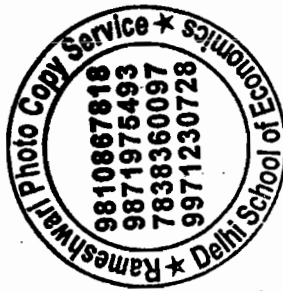
All questions carry equal marks

1. (a) Discuss the role of management accounting in the areas of planning, control and decision making. 10
- (b) Explain the importance of the following costs for managerial decisions :
- (i) Controllable and Uncontrollable cost
- (ii) Direct and Indirect cost. 10

Or

- (c) Distinguish between Traditional Costing and Activity Based Costing (ABC) 10

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(2)

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- (d) Discuss the factors responsible for difference in income between absorption costing and variable costing. 10
2. (a) Explain the importance and drawbacks of absorption costing. 10
- (b) Discuss the different techniques of CVP analysis. 10
- Or
- (c) What is a decision making process ? Explain the importance of differential analysis in decision making process. 10
- (d) Discuss the different functions of an effective budgeting system. 10
3. (a) Distinguish between standard costs and budgets. 10
- (b) What is a Profit Centre ? What are its benefits in a divisionalised company ? 10
- Or

Action Shoe Company has the following absorption costing

income statements for January and February.

(3)

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	January (₹)	February (₹)
Sales (8,000 units)	16,00,000	16,00,000
Cost of goods sold	<u>9,92,000</u>	<u>10,88,000</u>
Gross profit	6,08,000	5,12,000
Selling and Administrative expense	<u>3,00,000</u>	<u>3,00,000</u>
Net income	3,08,000	2,12,000

Other data are as follows :

	January	February
Production in units	10,000	6,000
Variable production cost per unit	₹ 100	₹ 100
Fixed production cost	₹ 2,40,000	₹ 2,40,000

The selling and administrative expense shown above include variable cost of ₹ 10 per unit sold.

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Required :

- (i) Prepare income statements for both months under variable costing.
 - (ii) Explain why the net income under absorption costing for January was higher than that of February month.
 - (iii) Reconcile the net income figures for each month under absorption costing and variable costing. 20
4. (a) The cost accountant of Vikas Ltd. found that the actual profit for the year ending 31st March, 2017 was the same as budgeted inspite of realizing 10% more than the budgeted selling prices. The following were the results.

	Budget (₹)	Actual (₹)
Sales	5,00,000	8,25,000
Variable cost of sales	3,00,000	5,75,000
Fixed costs	1,00,000	1,50,000
Profit	1,00,000	1,00,000

you are required to assist the cost accountant in preparing the necessary explanations as to why the profit remained the same despite an increase in sales. 10

(b) Explain the managerial decision types related to make/by drop/sell.

000

A multiproduct company has the following cost and output data for the last year. 10

Product	X	Y	Z
Sales mix	40%	35%	25%
Selling price (₹)	20	25	30
Variable cost per unit (₹)	10	15	18

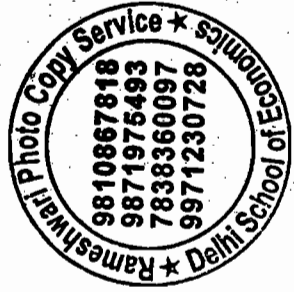
Total fixed costs ₹ 1,50,000 and total sales ₹ 5,00,000. The company proposes to replace product Z by Product E with the following estimated cost and output data.

Sales mix	50%	30%	20%
Selling price (₹)	20	25	28
Variable cost per unit (₹)	10	15	14

There shall be no change in total fixed costs and total sales.

Required :

Analyse the proposed change and suggest what decision the company should take.



(6)

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5. From the following data calculate overhead variances:

	Budgeted	Actual
Output in units	15,000	16,000
No. of working days	25	27
Fixed overheads (₹)	3,00,000	3,05,000
Variable overheads (₹)	4,50,000	4,70,000

There was an increase of 5% in capacity.

20

Or

Assam Lumber has a Raw Lumber Division and a Finished Lumber

Division. The variable costs are as follows :

(a) Raw Lumber Division- ₹ 1000 per 100 board feet of raw lumber.

(b) Finished Lumber Division- ₹ 1250 per 100 board feet of finished lumber.

Assume that there is no board feet loss in processing raw lumber into finished lumber. Raw lumber can be sold at ₹ 2000 per 100

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board feet. Finished lumber can be sold at ₹ 2750 per 100 board feet.

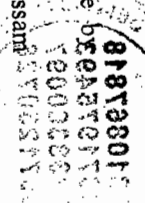
Required :

(i) Should Assam Lumber process raw lumber into its finished form. Show your computation.

(ii) Assume that internal transfers are made at 110% of variable costs. Will each division maximize its division operating income by adopting the action that is in the best interest of Assam Lumber. Explain.

(iii) Assume that internal transfers are made at market prices. Will each division maximize its operating income by adopting the action that is in the best interest of Assam Lumber. Explain.

20



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Roll No. _____

This paper has ___ printed sheets.

M.Com Semester- I Examination (Regular)
(November/December 2017)
Paper no.- 4104
Subject- Financial Planning

S.No.4104D17

Duration: 3 Hours

Max. Marks: 70

General Instructions:

All questions carry equal marks. Financial/ Scientific Calculators are allowed

1. Create a comparative matrix evaluating at least seven investment alternatives suitable for tax exemption and wealth creation. (14)

OR

Discuss the life cycle approach of financial planning and critically analyse the outcomes thereof. (14)

2. Discuss the long term (twenty years) and medium term (ten) strategies for wealth creation amidst both bull and bear market scenario. (14)

OR

Explain in detail the factors, spoilers and safety points for executing consumer and housing finance. (14)

3. (a) Discuss the various investment avenues available to individual investors in India. (7)
(b) Mr. John is interested in a fixed annual income. He is offered three possible alternatives.

Alternatives I. Pay Rs.100000 now in order to receive Rs.15000 at the end of each year for next 10 years.

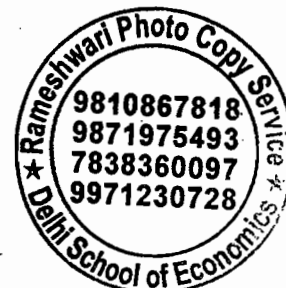
Alternatives II. Pay Rs.150000 now in order to receive Rs.16000 at the end of each year for next 20 years.

Alternatives III. Pay Rs.200000 now in order to receive Rs.18000 at the end of each year for next 30 years.

If he could earn 8 percent on his money elsewhere, which of the alternative is most suitable investment for him? (7)

Or

- (c) What are mutual funds? What are their benefits to a common investor? Discuss various types of Mutual fund Scheme. (10)



8/10/2

(d) A company is planning to issue debentures carrying a coupon rate of 6% per annum (face value: Rs1000) which will be redeemed after 3 years at its par value. If the investors required rate of return is 10%, What should be the value of the debentures if:

- (i) Interest is payable annually.
- (ii) Interest is payable semi – annually. (4)

4. (a) Why is it important to diversify your financial holdings across financial assets? How does asset allocation enable you to accomplish diversifications? (7)

(b) An investor is considering investment in securities A and B, whose details are given below:

Particulars	A	B
Expected Return	14%	19%
Risk (in terms of Standard deviation)	3%	6%

If a portfolio of 60% of A and 40% of B is formed, find the Expected return of the portfolio.

- (i) Risk of the portfolio if the correlation coefficient is 0.5. (7)

Or

(c) Evaluate the role of SEBI in Indian Securities Market. (7)

(d) What are real estate investment trusts (REITs)? How are they classified? What are the main characteristics of REITs? (7)

5. The long term family goals of Ishan and Ishita seem difficult to be achieved and therefore they sought help of a financial planner. Ishan and Ishita, a couple lives in Delhi, hold stocks amounting Rs3 lakhs & cash Rs 200,000 with an education loan of Rs 4 lakhs to be repaid in next three years. Ishan bought mid cap equity some fourteen months back and its value indicated above is inclusive of investment and capital gain as of today. Ishan earns Rs75,000 and Ishita brings Rs 65,000 p.m. They have an outflow of Rs 30,000 for household expenses, Rs 22,000 rent, and EMI of education loan for Rs 15000 and one insurance premium of Rs 1200 p.m. as a term plan of Ishan. Make a financial plan to incorporate house down payment of Rs 50 lakhs in ten years, child's education of Rs 80 lakhs in 20 years, child's wedding in 22 years for Rs 1 crore and a retirement corpus of Rs 4.5 crore in 30 years from now. Assume that there will be a moderate inflation of about 5% and then suggest solution. (14)

M.Com. Semester- I Examination (Regular)
(November/December 2017)
Paper No. - 4105
Subject: Organizational Theory & Behaviour

S.No. 4105 D17

Duration: 3 Hours

Max. Marks: ~~70~~ 100

General Instructions: Attempt all Questions. All questions carry equal marks.

1. 'Flat structure of organizations are more effective as compared to Tall structure of organizations'. Comment on this statement and deliberate on modern structures of organizations. (5+9)

OR

How is perception different from sensation? Discuss in detail the shortcuts used in judging others and attribution theory. (4+10)

2. Delineate on decision making process and illustrate different techniques of group decision making. (6+8)

OR

'The incidences of Bullying and Sabotaging are witnessed more in the modern day organizations'. Comment on this statement and explain the challenges organizations face in order to deal with misbehavior in organizations. (14)

3. 'Opposite of Satisfaction is not Dissatisfaction, rather it is No Satisfaction'. In the light of this statement explain Herzberg's contribution in the field of motivation. (14)

OR

What is the role of expectation in motivation? Explain Expectancy Theory and state how this theory can contribute in improving performance of individuals in an organization. (3+7+4)

4. What makes a manager an effective leader? Distinguish between Behavioural Theory and Situational Theory of Leadership. (5+9)

OR

What is Positional Power? Discuss the relationship of Power & Politics with business leadership & organizational aspirations. (4+10)

5. Answer the questions given at the end of the following case:

New Delhi Arts Project had its headquarters at Cannaught Place. The project had five full-time employees, and during busy times of the year, particularly the month before Diwali, it hired as many as six part-time workers to type, address envelopes, and send out mailings. Although each of the five full-timers had a title and a formal job description, an observer would have had trouble telling their positions apart. Sujeeta, for instance, was the executive director, the head of the office, but she could be found typing or licking envelopes just as often as Rajeev, who had

been working for less than a year as office coordinator, the lowest position in the project's hierarchy.

Despite a constant sense of being a month behind, the office ran relatively smoothly. No outsider would have had a prayer of finding a mailing list or a budget in the office, but project employees knew where almost everything was, and after a quiet fall they did not mind having their small space packed with workers in November. But a number of funding agencies on which the project relied began to grumble about the cost of the part-time workers, the amount of time the project spent handling routine paperwork, and the chaotic condition of its financial records. The pressure to make a radical change was on. Finally Rajeev said it: "May be we should get a computer."

To Rajeev, fresh out of college, where he had written his papers on a word processor, computers were just another tool to make a job easier. But his belief was not shared by the others in the office, the youngest of whom had fifteen years more seniority than he. A computer would eat the project's mailing list, they said, destroying any chance of raising funds for the year. It would send the wrong things to the wrong people, insulting them and convincing them that the project had become another faceless organization that did not care. They swapped horror stories about computers that had charged them thousands of rupees for purchases they had never made or had assigned the same airplane seat to five people.

"We'll lose all control," Sujeeta complained. She saw some kind of office automation as inevitable, yet she kept thinking she would probably quit before it came about. She liked hand-addressing mailings to arts patrons whom she had met, and she felt sure that the recipients contributed more because they recognized her neat blue printing. She remembered the agonies of typing class in high school and believed she was too old to take on something new and bound to be much more confusing. Two other employees, with whom she had worked for a decade, called her after work to ask if the prospect of a computer in the office meant they should be looking for other jobs. "I have enough trouble with English grammar," one of them wailed. "I'll never be able to learn computer language."

One morning Sujeeta called Rajeev into her office, shut the door, and asked him if he could recommend any computer consultants. She had read an article that explained how a company could waste thousands of rupees by adopting integrated office automation in the wrong way, and she figured the project would have to hire somebody for at least six months to get the new machines working and to teach the staff how to use them. Rajeev was pleased because Sujeeta evidently had accepted the idea of a computer in the office. But he also realized that as the resident authority on computers, he had a lot of work to do before they went shopping for machines.

Questions

- a. Is organization development appropriate in this situation? Why or why not? (5)
- b. What kinds of resistance to change have the employees of the project displayed? (5)
- c. What can Rajeev do to overcome the resistance? (4)

Roll No. _____

This paper has 4 printed sheets.

M.COM SEMESTER I EXAMINATION
(November/December 2016)
PAPER NO.- 4101
SUBJECT- Business Statistics

S.No. 4101 D16

Duration: 3 Hours

Max. Marks: 70

Attempt all questions. All questions carry equal marks. All parts of a question must be attempted together and in sequence.

1. Part (a) and (b) are compulsory. Attempt either part (c) or (d).

(a) Which probability approach would you use to calculate the following probabilities? Give reason also.

(i) The probability that a future NASA space mission is successfully completed, given that 2 disasters have happened in 113 space missions for NASA.

(ii) The probability of winning a lottery prize amongst 10,000 other ticket holders.

(iii) The probability of selecting a red ace from a deck of cards.

(iv) The probability of an M. Com. student receiving first division in Statistics paper.

(4)

(b) In the following cases, state whether the random variable is discrete or continuous, giving reason thereof.

(i) The number of questions answered correctly in a 50 question multiple choice exam.

(ii) The gender of a customer coming to a departmental store.

(iii) The time between consecutive incoming calls in a bank.

(iv) The thickness of a metal sheet used in a production process.

(4)

(c) A company employs 400 salespersons. Of these, 83 received a bonus last year, 100 attended a special sales training program last year, and 42 had both attended the special sales training program and received a bonus. (The bonus was totally based on sales performance).

(i) What is the probability that an employee received a bonus or attended a special training program last year?

(ii) What is the probability that a salesperson who attended the special sales training program received a bonus last year?

(iii) Based on your answers to part (i) and (ii), does the special sales training program seem to have been effective? Explain your answer.

(6)

OR

(d) A construction company X Ltd. is determining whether it should submit a bid for a new shopping centre. In the past, its main competitor, Y Ltd. has submitted bids 70% of the time. If Y Ltd. does not bid on a job, the probability that X Ltd. will get the job is 0.50. If Y Ltd. bids on a job, the probability that X Ltd. will get the job is 0.25.

(i) If X Ltd. gets the job, what is the probability that Y Ltd. did not bid?

(ii) What is the probability that X Ltd. will get the job?

(6)

2. (a) Explain the relationship between confidence level and confidence interval? Support your answer with an example.

(4)



(b) A telephone company's goal is to have no more than 5 monthly line failures on any 100 miles of line. The company currently experiences an average of 2 monthly line failures per 50 miles of line. Assuming monthly line failures follows a Poisson distribution, what is the probability that:

- (i) the company will meet its goal on a particular 100 miles of line.
 - (ii) the company will have no more than 5 monthly failures on a particular 200 miles of line.
- (6)

(c) There are 250 families in a small town; a random sample of 40 of these families revealed that the mean monthly contribution to society fund was Rs. 450 and the standard deviation of this was Rs. 75.

- (i) Develop a 90% confidence interval for the population mean.
 - (ii) What would be the 90% confidence interval if the sample size is increased to 60?
- (4)

OR

(d) Explain systematic sampling. What are its limitations and how can they be overcome? Support your answer with suitable examples.

(4)

(e) A study by a health club revealed that 30% of its new members are overweight. A membership drive by the club had resulted in 500 new members.

- (i) Does this problem qualify as a binomial problem? Explain.
 - (ii) Can the normal approximation to the binomial be used to determine the probability of 175 or more members being overweight? Why?
 - (iii) What is the probability that 175 or more new members are overweight?
 - (iv) What is the probability that 140 or more new members are overweight?
- (6)

(f) A consumer group wants to estimate the mean electric bill for a month for households in a large city. Based on studies conducted in other cities, the standard deviation is assumed to be Rs. 25. The group wants to estimate the mean bill to within \pm Rs. 5 with 99% confidence.

- (i) What sample size is needed?
 - (ii) If 95% confidence is desired, what sample size is needed?
- (4)

3. (a) Distinguish between parametric and non-parametric tests. Under what circumstances do we need to use non-parametric tests?

(6)

(b) In a preliminary study to determine whether the installation of a camera designed to catch cars that go through red lights affects the number of violators, the number of red-light runners was recorded for each day of the week before and after the camera was installed. The data is given below.

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Before	12	16	31	18	20	24	16
After	8	18	24	19	16	19	16

Can we infer that the camera reduces the number of red light runners? (Use $\alpha = 0.05$)

(8)

OR

(c) The purchasing manager for a large office complex must decide between two competing brands of fluorescent light bulbs. One is the brand currently used in the building and has a mean life of 900 hours. The new brand is more expensive but the manufacturer claims that mean life exceeds that of current brand.



(i) What hypotheses about μ , the true mean life for the new brand should the purchasing manager test? Explain.

(ii) For the hypothesis of part (i), describe type I and type II errors.

(6)

(d) A juice manufacturing company wants to determine whether consumers prefer plain orange juice or juice with some orange pulp in it. A random sample of 212 consumers was selected and each consumer tasted a small unlabeled cup of one kind and then tasted the other kind. 12 consumers said they had no preference, 40 preferred plain juice, and the remainder liked the juice with pulp better. Employ the sign test to test if the preferences for plain juice and for juice with pulp are equal ($\alpha=0.05$).

(8)

4. (a) Explain the concept of coefficient of determination.

(4)

(b) As part of its development process, a company wants to compare the effects of three types of gasoline (A, B, C) on gasoline mileage of a popular car model. A sample of 15 cars of the model are taken and randomly assigned to each type of gasoline. The gasoline mileage data for each type of gasoline is given below. Test at 5% level of significance if the different types of gasoline have different effects on gasoline mileage of the car model?

Gasoline mileage (in miles/hr)		
Gasoline Type A	Gasoline Type B	Gasoline Type C
34.0	35.3	33.3
35.0	36.5	34.0
34.3	36.4	34.7
35.5	37.0	33.0
35.8	37.6	34.9

(10)

OR

(c) Explain the importance of Central Limit theorem in the sampling process.

(4)

(d) The marketing manager of a supermarket chain would like to use shelf space to predict sales of pet food. A random sample of 12 equal-sized stores is selected with the following results.

Store	Shelf space (feet)	Weekly sales (in hundreds of Rs.)
1	5	160
2	5	220
3	5	140
4	10	190
5	10	240
6	10	260
7	15	230
8	15	270
9	15	280
10	20	260
11	20	290
12	20	310

(i) Assuming a linear relationship, use the least squares method to find the regression coefficients and give the estimated line.

(ii) Predict the mean weekly sales of pet food for stores with 8 feet of shelf space for pet food.

- (iii) Determine the coefficient of determination and interpret its meaning.
 (iv) Determine the standard error of the estimate.

(3+2+3+2=10)

5. (a) What are the applications of the chi-square test? Explain the working of the chi-square test.

(4)

(b) A company is considering introducing two new products. The company can add both to the current line, neither, or just one of the two. The success of these products depends on consumers' reactions. These reactions can be summarised as 'good' (having probability = 0.30), 'fair' (having probability = 0.50) or 'poor' (having probability = 0.20). The company's revenues, in lakhs of rupees, are estimated in the following pay-off table.

Decision	States of nature		
	Good	Fair	Poor
Neither	0	0	0
Product 1 only	125	65	30
Product 2 only	105	60	30
Both	220	110	40

- (i) Compute the expected monetary value for each decision. What decision would you recommend?
 (ii) Develop an opportunity loss table.
 (iii) Compute the expected opportunity loss for each decision.
 (iv) Compute EVPI.

(3+2+3+2=10)

OR

(c) What are decision trees? Explain how they are used in decision making with the help of an example.

(4)

(d) The quality control department of a grocery chain in a town conducts a monthly check on the comparison of scanned prices to posted prices. The Table below summarises the results of a sample of 500 items last month. The company management would like to know whether there is any relationship between error rates on regularly priced items and specially priced items. Use a significance level of 0.01.

	Regular price	Advertised special price
Undercharge	20	10
Overcharge	15	30
Correct price	200	225

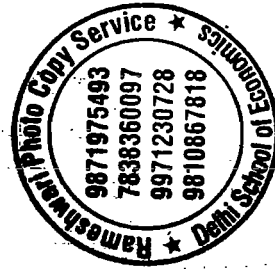
(10)

- (d) To test whether the mean time needed to mix a batch of materials is the same for machines produced by 3 manufacturers, a chemical company obtained the following data on the time (in minutes) needed to mix the material. Use these data to determine whether the population mean times for mixing a batch of material differ for the 3 manufacturers? (Use $\alpha=0.05$)

Manufacturer

1	2	3
20	28	20
26	26	19
24	31	23
22	27	22

(12)



(1000)

[This question paper contains 12 printed pages.]

7261

Your Roll No.

2016

M.Com./Sem. I (NC)

Paper 4101 : Business Statistics

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

All parts of a question must be attempted together and in sequence.

1. (a) Distinguish between the classical and relative frequency approach to probability. Explain the advantages and disadvantages of both these approaches. (7)

- (b) The following table gives the number of claims at a large health insurance company by kind and by geographic region.

	East	South	North	West
Hospitalisation	75	128	29	52
Physician's visit	233	514	104	251
Outpatient treatment	100	326	65	99

408 968 198

482 P.T.O.

Compute the probabilities of the following events :

- (i) A randomly chosen bill is either from North or South. $P(E_1 \cup E_2)$
- (ii) A bill for hospitalisation is from South. $P(E_2) + P(E_2) - P(E_1 \cap E_2)$

(iii) A randomly chosen bill is either from East or West for outpatient treatment.

- (iv) A bill from West is for the physician's visit.
- (v) A randomly chosen bill is for hospitalisation.
- (vi) A bill for outpatient treatment is from West.
- (vii) A randomly chosen bill is for hospitalization or physician's visit. (7)

(c) The probability that a new product will be successful if a competitor does not come up with a similar product is 0.67. The probability that the new product will be successful in the presence of a competitor's new product is 0.42. The probability that the competing firm will come out with a new product during the period in question is 0.35. What is the probability that the product will be a success ? (6)

OR

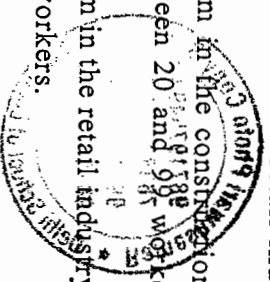
(d) Explain marginal, joint and conditional probabilities under conditions of (i) statistical independence and (ii) statistical dependence. (6)

(e) An analyst develops the following table of joint probabilities relating the size of firm (measured in terms of number of employees) and type of firm.

Number of employees	Industry		
	Construction	Manufacturing	Retail
Under 20	0.2307	0.0993	0.5009
20-99	0.0189	0.0347	0.0876
100 or more	0.0019	0.0147	0.0113

If one firm is selected at random, find the probability of the following events :

- (i) a firm employs fewer than 20 employees.
- (ii) a firm is in the retail industry.
- (iii) a firm in the construction industry employs between 20 and 99 workers.
- (iv) a firm in the retail industry employs less than 20 workers.
- (v) a firm is in construction or manufacturing industry.



- (vi) a firm with 100 or more employees is in retail.
- (vii) a firm employs 20-99 employees. (7)

(f) Suppose that the amount of time teenagers spend weekly working at part-time jobs is normally distributed with a standard deviation of 40 minutes. A random sample of 15 teenagers was drawn and each reported the amount of time spent at part-time jobs (in minutes). These are listed here. Determine the 95% confidence interval estimate of the population mean.

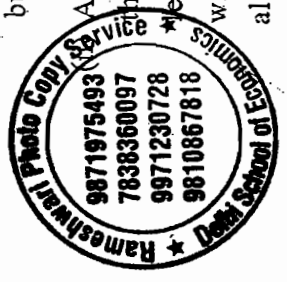
180	130	150	165	90	130	120	60
200	180	80	240	210	150	125	

- 2. (a) State the characteristics of the t-distribution. (6)
- (b) An author's computer has too many softwares as a result of which the computer crashes on average once per week. If the number of crashes is Poisson distributed, (i) find the probability that the computer will not crash at all over the next 2 weeks, (ii) find the probability that the computer will crash at most once in the next two weeks. (7)

$\frac{1 - e^{-\lambda}}{\lambda}$

(c) The time needed to complete a final examination in a particular college course is normally distributed with a mean of 80 minutes and a standard deviation of 10 minutes.

- (i) What is the probability that a student will complete the exam in more than 60 minutes but less than 75 minutes?



Assume that the class has 60 students and that the examination period is 90 minutes in length. How many students do you expect will be unable to complete the exam in the allotted time? (7)

QR

- (d) Distinguish between a point estimate and an interval estimate. Which one would you prefer for estimating a population parameter and why? (6)

(e) Typing speed on a new kind of keyboard for people at a certain stage in their training program is approximately normally distributed. The probability that the speed of a given trainee will be greater than 65 words per minute is 0.45, The probability that the speed will be more than 70 words per minute is 0.15. Find the mean and the standard deviation of typing speed. (7)

$\frac{\bar{x} - \mu}{\sigma/\sqrt{n}}$

P.T.O.

(f) A survey of 611 office workers investigated telephone answering practices, including how often each office worker was able to answer incoming telephone calls and how often incoming telephone calls went directly to voice mail. A total of 281 office workers indicated that they never need voice mail and are able to take every telephone call.

(i) What is the point estimate of the proportion of the population of office workers who are able to take every telephone call?

(ii) What is the 90% confidence interval for the proportion of the population of office workers who are able to take every telephone call?

(iii) How would your answer in (ii) change if the confidence level is 95%? (7)

3- (a) Distinguish between a one-tailed and a two-tailed test. Give examples also. (8)

(b) A test is being designed to compare the wearing quality of two brands of tyres. Six cars were randomly selected, equipped with one tyre of brand

A and one tyre of brand B (the other two tyres are not part of the test) and driven for one month. The Table below gives the amount of wear (in thousandths of an inch) that took place in such a test.

Tyre brand	Car					
	1	2	3	4	5	6
A	125	64	94	38	90	106
B	133	65	103	37	102	115

Do the sample data provide sufficient evidence for us to conclude that the two brands show unequal wear, at 5% level of significance? (12)

OR

(c) Explain the relevance of 'level of significance' in hypotheses testing. (8)

(d) The number of accidents per day in a particular city is believed to have a Poisson distribution. A sample of 120 days during the past year gives the following data. Do these data support the belief that the number of accidents per day has a Poisson distribution? (Use $\alpha=0.05$)

Number of accidents	Observed frequency (days)
0	39
1	30
2	30
3	18
4	3

(12)

4. (a) Explain the least squares method of finding the regression line. (8)

(b) A management consultant wants to test if there are differences in attitudes towards managers who hold MBA degrees. The consultant designed a study that recorded the attitude towards the same group of 17 managers before and after these completed an MBA programme, on a scale of 1 to 5 (5 being the highest). Use the sign test to see if there is a difference in attitude towards managers following the award of an MBA degree. (Test at a significance level of 1%).

Manager	Attitude before MBA	Attitude after MBA
1	3	4
2	5	5
3	2	3
4	2	4
5	4	4
6	2	3
7	1	2
8	5	4
9	4	5
10	5	4
11	3	4
12	2	5
13	2	5
14	2	3
15	1	2
16	3	2
17	4	5

(12)

OR

(c) What are non-parametric tests? Explain with examples. What are the advantages and disadvantages of non-parametric tests? (8)

(d) Critics of television often believe that watching television reduces the amount of physical exercise in children causing weight gain. A sample of 15 children was taken and the number of pounds each child was overweight was recorded (a negative number indicates that the child is underweight). Additionally, the number of hours of television viewing per week was also recorded. The data is given below.

Hours of TV viewing per week	42	34	25	35	37	38	31	33
Overweight	18	6	0	-1	13	14	7	7
Hours of TV viewing per week	19	29	38	28	29	36	18	
Overweight	-9	8	8	5	3	14	-7	

(i) Find out the least squares regression line and describe what the coefficients tell you about the relationship between the two variables.

*Unbiased
efficient
consistency
sufficient*

(ii) Compute the coefficient of determination and explain its meaning.

(iii) Determine the standard error of estimate. (4+4+4=12)

5. (a) Explain the properties of a good estimator. (8)

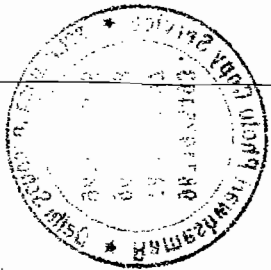
(b) An author is trying to choose between two publishing companies that are competing for the marketing rights to her new novel. Company A has offered the author Rs. 10,000 plus Rs. 2 per book sold. Company B has offered the author Rs. 2,000 plus Rs. 4 per book sold. The author believes that five levels of demand for the book are possible: 1,000; 2,000; 5,000; 10,000 and 50,000 books sold.

(i) Construct a payoff table, indicating the events and alternative courses of action.

(ii) Construct an opportunity loss table. (12)

OR

(c) Explain the concept of Expected Value of Perfect Information (EVPI). What is the importance of EVPI in decision making? (8)



Roll No. _____

This paper has 02 printed sheets.

M.Com Semester- I Examination (Regular)

(November/December 2016)

Paper no. - 4102

Subject- Managerial Economics

S.No. 4102D16

Duration: 3 Hours

Max. Marks: 70

General Instructions:

1. All questions carry equal marks.
2. Attempt all questions (with internal choice).
3. Label figures clearly

1. a. "The finance constraint limits the growth of the firm". Explain. Is there any optimal growth rate of the firm?

OR

1. b. Explain the Law of Equi-Marginal Utility with the help of the assumptions of Cardinal Utility Analysis. Derive a Demand Curve that is convex to the origin?

2. a. What do you understand by cost-volume-profit or breakeven analysis? Show the relationship of breakeven point, operating leverage and variability of profits with the help of a diagram.

2. b. Discuss technical and economic efficiency. Explain marginal rate of technical substitution and optimal input output combination.

OR

2. c. Given the wage rate of labor (w) is 100 per unit and the rental price of capital (r) is also 100 per unit, and that the amount of labor (L) and capital (K) used to produce various levels of output (O) are given in the following table. a) draw a figure showing expansion path of the firm, the long run total cost curve and long run average and marginal cost curves of the firm. On the panel showing the long the long run average cost curves of the firm, draw four short run average cost curves.

L	0	3	5	6	8	11	15
K	0	3	5	6	8	11	15
O	0	100	200	300	400	500	600

2. d. Given $Q = 100K^{0.5}L^{0.5}$, $w=30$ and $r=40$. Show how to determine the amount of labor and capital that the firm should use in order to minimize the cost of producing 1444 units of output. What is the minimum cost?

3. a. What do you understand by factor pricing? Discuss factor price determination under perfect and imperfect market.

OR

3. b. Derive the real LM function. How would an increase in nominal money supply affect the LM function? Explain.

4. a. Derive the Aggregate Demand Function. Explain its shape and slope.

OR

4. b. Analyze the Phillips Curve. How is Aggregate Supply Function derived?

5. a. What do you mean by open economy? Describe demand and supply of loanable funds and the market for foreign currency exchange in small open economy. How are these markets linked?

OR

5. b. Business cycles fluctuations to a larger extent can be accounted by real shocks in contrast to nominal shocks. Critically examine the statement in the context of real business cycle theory.

[This question paper contains 2 printed pages.]

7262

Your Roll No. 2016

M.Com./Sem. I (NC)

G

Paper 4102 : Managerial Economics

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)



Attempt All questions. (with internal choice)

Each question carries equal marks.

Label figures properly.

1. (a) What is the "managerial factor" in growth of the firm? Are new managers bad? Discuss.

OR

(b) Explain the Axioms of Indifference Curve Analysis. Derive an ordinary demand function with the help of Price-Consumption-Curve.

2. (a) Define production function. Describe different stages of law of variable proportion with the help of the diagram.

(b) Why are cost curves SAC and SMC, U shape? Discuss economies and diseconomies of scale in this context.

P.T.O.

OR

(c) What is the rationale for optimum use of variable inputs? Show the optimum variable input combination using a diagram.

(d) Discuss the relationship between long run and short run cost curves. Why is the Long-Run Average cost curve also called a 'learning curve'?

3. (a) What is oligopoly? Critically evaluate price determination under Cournot oligopoly.

OR

(b) Derive the Nominal IS and LM functions and show how disequilibrium can be removed.

4. (a) What are the different types of investors? How can you explain a downward sloping, convex to the origin Money Demand function.

OR

(b) Derive an Aggregate Money Supply Function that is sensitive to the Price Level.

5. (a) Describe open economy? Discuss impact of real interest rate and real exchange rate on small open economy.

OR

(b) What do you understand by real business cycle? Discuss impact of real business cycles on changes in government spending, technology and productivity.

(1000)



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This paper has 5 printed sheets.

M.Com Semester-~~XI~~ Examination (Regular)
(November/December 2016)
Paper no.- 4103
Subject-Managerial Accounting

S. No. 4103016

Duration: 3 Hours

Max. Marks: 70

General Instructions : Attempt all questions. Question No.1 carries then marks and the remaining questions carry fifteen marks each. Question No. 1 is compulsory.

1. (a) The management accountant of Allywin Automobile company, Chennai was not satisfied with the historical cost depreciation being used for charging cost of expensive machinery to individual products. Therefore, the management accountant calculated each year the replacement cost of each machine and calculated depreciation accordingly which was subsequently included in calculating machine hour rate. This machine hour rate was used to assign machine expenses to the products produced on that machine. The management accountant also included imputed interest charge based on 50% of machine replacement value into the machine hour rate.

As a consequence of these two decisions, the product cost figures used internally by company managers were inconsistent with the numbers that were needed for inventory valuation and tax reporting. The accounting staff had to perform a tedious reconciliation process at the end of each year to back out the interest and replacement value costs from the cost of goods sold and inventory values before they could prepare the financial statements.

Required:

(I) Why would the management accountant introduce additional complications into the costing system by assigning replacement value depreciation costs and imputed interest costs to the company's products.

(II) Why should management accountant create extra work for the organization by deliberating adopting policies for internal costing that violates the generally accepted accounting principles that must be used for external reporting. (6)

(b) A manufacturing company has budgeted fixed costs for the year at ₹ 12,00,000. It is estimated that no less than 40,000 units of product are to be manufactured next year. In a relatively poor year, 50,000 units would be made. If the company were to operate at an average or normal level, it could make 60,000 units. With very good conditions, it would be possible to make 80,000 units.

Required :

Which unit cost would you be inclined to use in determining product cost in the long run? Explain (4)

2. (a) Why is classification of costs into (i) Product and Period (ii) Controllable and uncontrollable heads, is vital for a business firm? (8)

(b) What are the advantages and disadvantages of Activity-Based Costing (ABC). (7)

Or



(c) Explain the financial and non-financial measures for evaluating divisional performance. (8)

(d) Discuss the different methods of transfer pricing. (7)

3. What is a balanced scorecard? Discuss the different perspectives for inclusion in designing a balanced scorecard for a large sized manufacturing company.

Or

The following is the income statement and additional information given for a business firm for the two years, 2015 and 2016.

Income Statement (FIFO)

	2015 ₹	2016 ₹
Sales	₹ 20,00,000	₹ 25,00,000
Cost of goods sold	13,20,000	17,70,000
Gross Margin	6,80,000	7,30,000
Selling	1,80,000	2,40,000
Net Income	5,00,000	4,90,000

Additional Information

	2015	2016
(a) Production (units)	6,000	3,000
(b) Sales (units)	4,000	5,000
(c) Unit selling price (₹)	500	500
(d) Unit Costs :		
Variable Manufacturing ₹	₹ 300	300
Variable Selling (₹)	20	20
(e) Fixed Manufacturing ₹	1,80,000	2,10,000
(f) Fixed Selling ₹	1,00,000	1,40,000

Required :

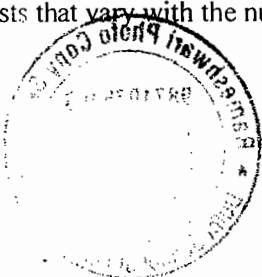
(i) Prepare variable costing income statement for the two years, 2015 and 2016.

(ii) Prepare a reconciliation statement for 2015 and 2016 for the differences between the net incomes under variable costing and absorption costing.

(iii) Which set of income statements measure performance more accurately why? (15)

4. Award plus company produces medals for winners of athletic events and other contests. Its manufacturing plant has the capacity to produce 10,000 medals each month. Current production and sales are 7,500 medals per month. The company normally charges ₹ 150 per medal cost information for the current activity level is as follows:

(i) Variable costs that vary with the number of units produced :



Direct Materials	₹ 2,62,500
Direct Manufacturing labour	₹ 3,00,000
(ii) Variable costs for set up materials, handling, quality control and so on that vary with the number of batches, 150 batches X ₹ 500 per batch	75,000
(iii) Fixed manufacturing costs	2,75,000
(iv) Fixed Marketing costs	1,75,000
Total Costs	10,87,500

Award Plus has just received a special order (one time) for 2500 medals at ₹ 100 per medal. Accepting the special order would not affect the regular business. The company makes medals for its existing customers in batch sizes of 50 medals (150 batches X 50 medals per batch = 7500 medals). The special order requires Award Plus to make medals in 25 batches of 100 each.

Required :

(i) Should Award Plus accept this special order. Show your calculations.

(ii) Suppose plant capacity were only 9,000 medals instead of 10,000 medals each month. The special order must either be taken in full or rejected completely should Award Plus accept the special order?

(iii) As in Requirement (i), assume that monthly capacity is 10,000 medals. Award Plus is concerned that if it accepts the special order, the existing customers will demand a price discount of ₹ 10 in the month in which the special order is being filled. Under these situations, should Award Plus accept the special order if discount of ₹ 10 is given to existing customers.

Or

Prepare cash budget for July-December from the following information.

(i) The estimated sales, expenses etc. are as follows.

	June	July	August	September	October	November	December
Sales	34	40	40	50	50	60	65
Purchases	24	16	17	20	20	25	28
Wages and Salaries	12	14	14	18	18	20	22
Miscellaneous Expenses	5	6	6	6	7	7	7
Interest received	2			2			2
Sales of Share			20				

(ii) 20% of sales are on cash with 3% cash discount and the balance on credit.

(iii) 1% of credit sales are returned by customers. 2% of the net receivable constituted bad debt losses. 50% of the good accounts receivable are collected in the month following the sales with 1% cash discount, 30% of the good accounts receivable are collected in the second month following the sales and the rest in the third month following sales.

(iv) The time lag in the payment of miscellaneous expenses and purchases is one month. Wages and salaries are paid fortnightly with a time lag of 15 days.

(v) The company keeps a minimum cash balance of ₹ 25 lakhs. Cash in excess of ₹ 27 lakhs is invested in 9% Govt. securities in the multiple of ₹ one lakh. Interest is receivable on monthly basis. Shortfalls in the minimum cash balance are made good by borrowings from banks in multiple of ₹ 2 lakhs and also repaid by same amount. The rate of interest is 12% p.a. (compound interest).

(vi) The opening cash balance is ₹ 26 lakhs.

(vii) Sales in the months April and May was ₹ 44 lakhs and 40 lakhs respectively. (15)

5. Bajaj Company's small Motor Division produces a variety of small motors that are used in the various household and office appliances. Bajaj's kitchen products Division produces appliances. Such as blenders, juicers and soon. The most frequently, used motor is Model A28 which can be purchased from a number of outside suppliers for ₹ 2300 each. The manger of the kitchen products Division has approached the manager of the small Motor Division and offered to buy 1,50,000 Model A28 motors to outside customers for ₹ 2,300 each.

Required:

(i) What is the minimum transfer price for the small Motor Division? What is the maximum transfer price for the kitchen Products Division? Is it important that transfers take place internally. If the transfers do take place, what should the transfer price be?

(ii) Now assume that the small Motor Division incurs selling cost of ₹ 200 per motor that could be avoided if the motors are sold internally. Identify the minimum transfer price for the small Motor Division and the maximum transfer price for the kitchen Products Division. Should internal transfers take place? If so, what is the benefit to the firm as a whole?

(iii) Suppose you are the manager of the small Motor Division. Selling costs of ₹ 200 per motor is avoidable if they are sold internally. Would you accept an offer of ₹ 2200 from the manager of the other division? How much better off (or worse off) would your division be if this price is accepted?

Or

J K company has five separate divisions organized as investment centres. Income statement for the Apparel Division for the past year 2015 is as follows:

Income Statement
(Apparel Division)

For the year ended December 31, 2015

	₹
Sales	2,25,00,000
Cost of goods sold	1,68,70,000
Gross profit	56,30,000
Operating expenses	11,30,000
Income from operations	45,00,000
Invested assets	3,00,00,000

The manager of the Apparel Division was given the opportunity to add an additional product line, which would require invested assets of ₹ 1,50,000. A projected income statement for the new product line is as follows for the year ended December 2016.

Income Statement (New Product Line)

	₹
Sales	90,00,000
Cost of goods sold	52,00,000
Gross Profit	38,00,000
Operating Expenses	24,50,000
Income from operations	13,50,000

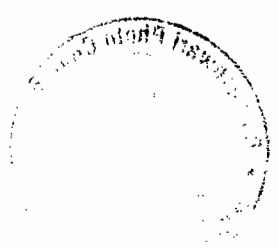
The company's overall ROI, including all divisions, is 8%. Each divisional manager is evaluated on ROI basis and a bonus equal to ₹ 9,000 for each percentage point by which the division's ROI exceeds the company average is awarded each year. The president of the company is concerned that the manager of the apparel Division rejected the addition of new product line.

Required :

- (i) Determine the ROI for the Apparel Division for the past year.
- (ii) Determine the Apparel Division Manager's bonus for the past year.
- (iii) Determine the estimated ROI for the new product line.
- (iv) Why might the manager of Apparel Division decide to reject the new product line? Support your answer with calculations.
- (v) Can you suggest an alternative performance measure for motivating division opportunity that would increase the overall company income. Support your answer with calculations. (15)



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- (f) Budgeted monthly operating expenses total Rs. 3,36,000-3,36,000 of which Rs. 50,000 is depreciation and Rs. 6,000 is expiration of prepaid insurance. (The annual premium of Rs. 72,000 is paid on January, 1)
- (g) Dividends of Rs. 40,000 declared on June 30, will be paid on July 15.
- (h) Old equipment will be sold for Rs. 25,200 on July 4.
- (i) On July 13 new equipment will be purchased for Rs. 1,68,000
- (j) The company maintains a minimum cash balance of Rs. 20,000
- (k) The cash Balance on July 1 is Rs. 27,000. 20



This question paper contains 8+4 printed pages]

Your Roll No. 2016

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M.Com./Semester I (NC)

Paper 4103 : MANAGERIAL ACCOUNTING

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

- What are the steps involved in the managerial decision making process ? What role does management accounting play in that process ? 10
- (b) Discuss the various costs used in decision-making and explain their characteristics. 10

Or

- (c) Explain why a costing system that uses either a plant wide or a departmental overhead rate is likely to produce distorted product costs. 10

- (d) Explain the concept of variable costing. Describe its characteristics and limitations. 10
- 2. (a) What is operating leverage ? How is it useful to business enterprises ? 10
- (b) Define insourcing and outsourcing. Explain how relevant cost analysis is used in insourcing/outourcing decision. 10

Or

- (c) Discuss full cost plus and marginal cost plus methods of pricing. Which pricing method can be useful to a firm under what situations ? 10
- (d) Discuss the differences between fixed and flexible budgeting. Why are flexible budgets considered superior to fixed budgets ? 10
- 3. (a) What is a profit centre ? Discuss the benefits of creating profit centres in a business firm. 10
- (b) What are the measurement issues to consider when using return on investment ? 10

PTO.



Or

The following is the income statement of a company which is producing shampoo for January 31, 2016. The controller of the company has been asked for advice on whether to continue production during February or to suspend the manufacture of shampoo.

Income Statement for the month ended January, 2016

	Rs.
Sales (2,45,000 units)	1,07,80,000
Cost of goods sold	<u>1,00,62,000</u>
Gross profit	7,18,000
Selling & administrative expenses	<u>15,22,000</u>
Loss from operations	(8,04,000)

The production costs, selling and administrative expenses based on production of 2,45,000 units in January, are as follows :

	Per Unit Rs.
Direct Materials	8.00
Direct Labour	10.00
Variable manufacturing cost	<u>19.60</u>
Variable selling & administrative expenses	5.60

PTO.

10/2/16
A/31

For January fixed manufacturing costs incurred was Rs. 8,50,000. Sales for February are expected to drop by 30% below those of the preceding month. No changes are anticipated in the fixed costs or variable costs per unit. The inventory of shampoo at the beginning or end of February is expected to be nil.

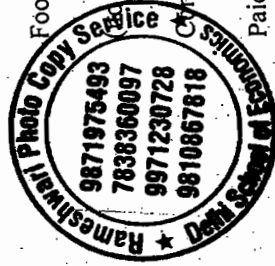
Required :

- (i) Prepare an estimated income statement under absorption costing and variable costing for February.
- (ii) What would be the estimated loss in income from operations if the shampoo production is suspended for February ?

20

4. Jet Airways has leased a single jet aircraft that it operates between Delhi and Bangalore. Only economy class seats are available on this plane. An analyst has collected the following information :

Seating capacity per plane 360 passengers
 Average No. of passengers per flight 200 passengers
 Average oneway fare Rs. 5,000
 Variable fuel costs Rs. 4,40,000 per flight
 Food and beverage service costs Rs. 200 per passenger charge to passenger
 Commission to travel agents 8% of fare



Paid by Jet Airways (all tickets are booked by travel agents)

Fixed annual lease costs allocated to each flight

Rs. 5,30,000 per flight

Fixed ground services (maintenance, check-in, baggage handling)

70,000 per flight

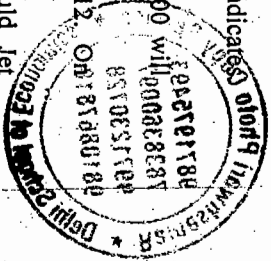
Fixed flight crew salaries allocated to such flight

Rs. 40,000 per flight

For simplicity, assume that fuel costs are unaffected by the actual number of passengers on a flight.

Required :

- (a) Calculate total contribution margin, from passenger that Jet Airways earns on each oneway flight between Delhi and Bangalore.
- (b) The market research department of Jet Airways indicates that lowering the average oneway fare to Rs. 4,000 will increase the number passenger per flight to 212. On the basis of financial consideration alone, should Jet Airways lower its fare ? Show your calculations.
- (c) Travel International, a tour approaches Jet Airways on the possibility of chartering its aircraft on the following terms :
- (i) For each oneway flight, Travel International, will pay Jet Airways Rs. 7,45,000 to charter the plane and to use its flight crew and ground service staff.



- (ii) Travel International will pay for fuel costs.
- (iii) Travel International will pay for all food costs. On the basis of financial considerations alone, should Jet Airways accept Travel International offer ? Show your calculations. 20

Or

The standard cost card of producing one unit of item 'Q' is as under :

Direct Material	
A, 12 kg @ Rs. 10	120
B, 5 kg @ Rs. 6	30
Direct wages 5 hrs @ Rs. 3	15
Fixed production overheads	35
Total standard cost	200
Fixed production overhead is absorbed on expected annual output of 13,200 units.	
Actual results for the month of September, 2016 are as under :	
Actual production 1000 units	
Direct material	

A, 11000 kg. Rs. 1,21,000

B, 5,200 kg. Rs. 28,600

Direct wages. 5,500 hrs. Rs.17,500

Fixed production overheads. Rs. 39,000.

Calculate the following variances :

- (i) Material variances (cost, prices, usage, mix, yield)
- (ii) Labour variances (cost, rate, efficiency)

(iii) Fixed overhead (cost, expenditure volume, capacity, efficiency) 20

5. Reliance Industries has several divisions that operate as decentralized profit centres. The system division manufactures scientific instruments and uses the products of two other divisions. The Board Division produces printed circuit boards (PCB). One PCB model is made exclusively for the systems Division and the other models are sold in outside markets. The products of the Transistor Division are sold in a well

developed competitive market. However, one transistor model is also used by the system Division. The cost per unit of the products used by the system Division follow :

	PCB	Transistor
	Rs.	Rs.
Direct Material	2,500	800
Direct Labour	4,500	1,000
Variable overhead	2,000	500
Fixed overhead	800	750
Total Cost	9,800	3,050

The Board Division sells its commercial product at full cost plus a 25% markup and believes the board made for the system Division would sale for Rs. 12,250 per unit on the open market. The market price of the transistor used by the system Division is Rs. 3,700 per unit.

Required :

- (i) What is the minimum transfer price for the Transistor Division ? What is the maximum transfer price of the transistor for the system Division ?



(ii) Assume the system division is able to purchase a large quantity source transistors from an outside source at Rs. 2,900 per unit. Further assume that the Transistor Division has excess capacity. Can the Transistor Division meet this price ?

(iii) The Board Division and systems Division have negotiated a transfer price of Rs. 11,000 per PCB. Discuss the impact this transfer price will have on each division.

Or

20

The management accountant of a company is gathering data to prepare the cash budget for July, 2016. He plans to develop the budget from the following information :

- (a) of all sales, 30% are cash sales.
- (b) of credit sales, 60% are collected within the month of sale.
Half of the credit sales, collected within the month receive a 2% cash discount (for accounts paid within 10 days).
Twenty percent of credit sales are collected in the following month. Remaining credit sales are collected the month thereafter. There are virtually no bad debts.



(c) Sales for the second two quarters of the year follow. (The first three months are actual sales, and the last three months are estimated sales) :

Sales	Rs.
April	4,60,000
May	6,00,000
June	10,00,000
July	11,40,000
August	12,00,000
September	11,34,000

- (d) The company sells all that it produces each month. The cost of raw materials equals 24 percent of each sales. The company requires a monthly ending inventory equal to the coming month's production requirements. Of raw material purchases, 50% are paid for in the month of purchase. The remaining 50% are paid for in the following month.
- (e) Wages total Rs. 1,10,000 each month and are paid in the month incurred.

Roll No. _____

This paper has 3 printed sheets.

M.Com Semester- I Examination (Regular)
(November/December 2016)
Paper no.-4104
Subject- Financial Planning

No. _____

Duration: 3 Hours

Max. Marks: 70

General Instructions: All questions carry equal marks

1. Discuss the life cycle approach of financial planning and how does it lead to varied freedom of financial domain. (14)

OR

- Discuss the primary clauses of an insurance agreement and the crucial contents of health insurance which are must have in today's environment. (14)
2. Deliberate upon the advantages and disadvantages associated with credit cards and how credit management can make use of credit card advantageous. (14)

OR

Discuss the avenues available to create wealth from minor savings generating continuous investments in case of both risk averse and risk seeker. (14)

3. (a) What are the objectives of investment? Explain in detail. (7)

(b) A share is selling for Rs.50 on which a dividend of Rs,3 per share is expected at the end of the year. The expected market price after the dividend declaration is to be Rs.60. Compute:

(i) The return on investment in shares

(ii) Dividend yield

(4)

(c) Write a short note on Exchange traded Fund (ETF)

(3)

Or

(d) What is the difference between no-load and load mutual funds? How do loads affect a funds return? (5)

(e) Mr.X is planning to retire this year. He is given two choices. His company can either pay him a lump sum retirement payment of Rs. 400000 or Rs.6000 life time annuity. Mr.X is in good health and expects to live for atleast 20 more years. If he has opportunity to earn interest at the rate of 12% p.a. which alternative should he choose? Would his



decision change, if he has opportunity to earn interest rate of 14% per annum.

(5)

(f) Write a short note on Public Provident Fund (PPF). (4)

4. (a) Information about three mutual fund schemes X, Y and Z are available:

Mutual Fund	Actual Returns (%)	Beta	S.D.(%)
A	14	0.70	21
B	26	1.20	30
C	24	1.15	29

The return on market index is 22% and standard deviation of returns on market index is 25%.

The risk free rate is 5%.

(9)

- Calculate Sharpe ratio for all the funds and market index and rank them.
- Calculate Treynor's ratio for all the funds and market index and rank them.
- Calculate Jensen's alpha for all the funds and market index and rank them.

(b) What do you mean by investor protection? Explain the role of SEBI in this regard. (5)

Or

(c) What do you mean by asset allocation strategies in portfolio diversification? Explain different types of asset allocation strategies in portfolio diversification. (7)

(d) An investor has short listed two securities X and Y for investment. The expected returns and probabilities for these securities are as follows:

Security X		Security Y	
Return	Probabilities	Return	Probabilities
4%	0.1	-2%	0.2
6%	0.3	18%	0.5
10%	0.4	27%	0.3
15%	0.2		

Find out the expected return and standard deviation for both the securities. Which security should be preferred? (7)

5. Sambhav and Sakshi, a couple lives in Delhi, hold stocks amounting to Rs 4 lakhs & cash Rs120,000 with an education loan of Rs 4 lakhs to be repaid in next three years. Sambhav earns Rs95,000 and Sakshi brings Rs65,000 p.m. They have an outflow of Rs30,000 for household expenses, Rs 22,000 rent, and EMI of education loan for Rs 15000 and insurance premium of Rs 1200 p.m. as a term plan for Sambhav. Make a financial plan to incorporate house down payment of Rs 60 lakhs in ten years, child's education of Rs 75 lakhs in 20 years, child's wedding in 25 years for Rs 1 crore and a retirement corpus of Rs 4.5 crore 30 years from now. (14)





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across financial assets ? How does asset allocation enable you to accomplish diversifications ? 10

(d) What are real estate investment trusts (REITs) ? How are they classified ? What are the main characteristics of REITs ? 7

(e) Mr. X invested Rs. 9,300 in a mutual fund at time when the price per share was Rs: 30. The fund has a load fee of Rs. 300. How many shares should he purchase ? 3

5. Write explanatory notes on any four of the following : 4x5

(a) Systematic investment plans and systematic withdrawal plan

(b) Risk Aversion

(c) Credit card management and credit limit

(d) Retirement planning

(e) Reverse Mortgage.

Your Roll No.....

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M.Com./Sem.I (NC)

Paper 4104

FINANCIAL PLANNING

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

1. Discuss the significance of financial planning and the globally accepted principles of financial planning process. 20

Or

Define financial planning process and elaborate the general principles of cash flow planning.

2. Differentiate between the essence of tax saving, investment and insurance and in view of it discuss the various tax saving instruments. 20

Elaborate the components of financial planning process.

Or

- 3. (a) What is meant by investment ? How is it different from speculation ? Explain the steps involved in the investment decision process. 10

(b) The shares of XYZ Ltd. are currently trading at Rs. 150. It declared dividend per share of Rs. 8 last year. The dividend is expected to grow at the rate of 9% p.a. forever. Investors A, B and C have expected rate of return of 15%, 18% and 12%. Find whether the current price offers them proper opportunity for investment in the shares of the company. 10

Or

- (a) Discuss the role of Securities and Exchange Board of Indian (SEBI) in improving the capital market and protecting investor's interest in India. 10
- (b) What are mutual funds ? Which two broad categories

of mutual funds exist and how are they different ? Do investors select the securities the mutual funds invest in ? 10

- 4. (a) The following information is available :

Particulars	Share Mars	Share Sun
Expected Return (%)	15	20
Standard deviation (%)	10	15
Covariance (%)	- 120	

- (i) What is the correlation between the two shares ?
- (ii) What is the expected return and risk of a portfolio in which Mars and Sun have weights of 60% and 40% respectively ? 10

(b) Explain how knowledge of time value of money can assist a financial manager in making financial decisions. 10

Or

- (c) Why is it important to diversify your financial holdings

Roll No. _____

This paper has 3 printed sheets.

M.Com. Semester- I Examination (Regular)
(November/December 2016)
Paper no.-4105
Subject-Organizational Theory and Behavior

S.No.4105D16

Duration: 3 Hours

Max. Marks: 70

- General Instructions: 1. Attempt all questions.
2. All questions carry equal marks.

1. "Organizational theories of the 20th Century are not relevant in 21st Century particularly in the digital economy." Critically evaluate the statement. Also discuss the contingency theory and its relevance. 14

Or

- (a) Compare and contrast the terminal values and instrumental values with suitable examples. 7
(b) "It is important to have positive attitude with balanced emotions and right personality traits." Discuss with the help of suitable examples and 16 personality traits. 7
2. "It is more appropriate to take decisions by an individual in an organization particularly when there is crisis and there is no time to waste." Critically evaluate the statement. Also discuss the advantages and drawbacks of individual and group decision making. 14

Or

- (a) "Professor of OB can never be in the child ego state." Critically evaluate the statement. Also write a detailed note on TA. 7
(b) "Shared discovery is the most important dimension of Johari Window." Elaborate the statement with the help of diagram and suitable examples. 7
3. "Intrinsic motivation to do work and the loyalty towards the organization are getting diluted in the generation next." Critically evaluate the statement. Also discuss the Ken Thomas Model. 14

Or

- (a) Compare and Contrast the Maslow's theory and Herzberg's theory with the help of suitable examples. 7
(b) "Perception of Subordinates about the helping behaviour of Superior is very important." Discuss. Also discuss the factors that affect perception. 7
4. Write short notes on any two of the following:
(a) The Managerial Grid
(b) Stress Management
(c) Managing Misbehaviour at work
(d) Conflict Management



7X2=14

5. Analyse the following Case and answer the questions given at the end:

Turnaround guy Lohani was picked by the Prime Minister's Office in August last year to head Air India. The decision came as a surprise. Unlike the usual IAS appointed to head Air India, Lohani is a Railway Service officer with no experience in aviation. There were compelling reasons for the move. Nearly half of the ₹30,000 crore equity promised by the government to turn around the ailing flag carrier had been used up with little signs of a turnaround. The government needed a man who could deliver. And Lohani has the reputation of a "turnaround specialist". He had earlier turned around sick government organisations like the India Tourism Development Corporation and Madhya Pradesh Tourism and made them profitable. "AI has to turn around. There are no ifs and buts about it," Lohani told HT.

"A merger that really never happened and, in the process, resulted in a chaotic situation is at the root of all ills that we are currently witness to."

This isn't an 'aviation expert' giving gyan on the industry's favourite punching bag, Air India (AI). It's the man in the hot seat, Ashwani Lohani, the chairman and MD of the state-owned national carrier, writing in his blog, Think, about the problem that has seen thousands of crores of rupees go down the drain.

Rarely do we see a serving bureaucrat speak so openly. But that has been Lohani's style from the beginning, say people who have known him for years.

"I haven't seen an AI chief talk so openly on why the airline, which once commanded a 50% market share, landed in such a mess," says a top official of the airline.

Appreciation is coming from unexpected quarters. "He is fighting the legacy issues of Air India and trying to change the culture of the airline and we must appreciate him for that. He is working extremely hard," said Ajay Singh, whose Spice jet competes with Air India.

He is a firm believer in the "employee first" approach. On his office table is a picture of Virgin Group founder Richard Branson with a quote that says, "Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients."

Lohani says it makes him sad when the common employee is often blamed for the ills of the organisation. "The real reason for the debacle lies elsewhere, in my opinion with the head honcho," Lohani wrote in the blog.

Within months of taking over, he made sure most employee grievances lingering on for years, relating to Air India's merger with Indian Airlines, pay parity, and pilot salaries, were settled. Passenger comfort was a top priority and so was an emphasis to get planes off the ground. At a time when rivals were ramping up their fleets, more than 10% of AI's fleet was grounded. Within months that changed and the airline's aircraft utilization touched an all-time high.

Decision-making was another area. The decision on the Delhi-San Francisco flight had been pending for years. Lohani cleared it in one go and followed it up with flights to Vienna and Newark.

As the chairman of ITDC, Lohani had an office at New Delhi's Ashoka hotel but never did he or his family dine there. "Even when friends came to office, nothing was ordered from the hotel. It was a message to the staff - if the boss doesn't eat for free, they shouldn't either," said a former employee of the hotel.

As director, Rail Museum, Lohani was credited with restoring the world's oldest working steam locomotive for running the Fairy Queen Express. But his family never got to travel in the train till he stayed in the post.

He is following the same policy in AI. "Upgrade my family and face action" is the message to his staff. By virtue of being the CMD, Lohani's family is entitled to travel in executive class. "It sends a message to bureaucrats and politicians who are perpetually requesting for upgrades," said an official.

"It's extremely important to set an example," said Lohani, who stays in his house in the railway colony at Sardar Patel Marg in New Delhi.

He recently ordered employees not to present him bouquets nor queue up at airports to receive him. The emphasis is on work, not on petty courtesies.

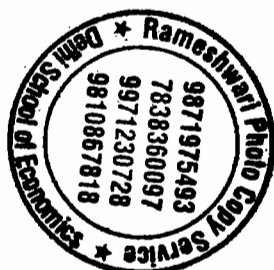
Lohani is not merely about banning bouquets and free food. AI is set to post its first operating profit this financial year, its first since its merger with Indian Airlines in 2007. Lohani is aiming for a net profit in 2017-18, two years before the turnaround plan expected.

"The benefits of lower fuel prices are visible," said Kapil Kaul, South Asia CEO of Centre for Asia Pacific Aviation. "Deferment of expenses may be key to delivering operating profits given aircraft ownership costs are below-the-line item and not included in operating costs. But overall a good beginning. Lower service levels, asset productivity and customer engagement continue to be a challenge and need to be addressed to ensure structural improvement."

If oil prices don't upset his flight path, the turnaround man may script his biggest turnaround yet.

Questions

- A) Which leadership style has been followed by Ashwani Lohani. Elaborate the leadership traits of Ashwani Lohani. 3.5
- B) Is there any change in the culture of Air India after the joining of Ashwani Lohani? Explain the characteristics of new culture of Air India. 3.5
- C) Discuss about the decision making style of Ashwani Lohani. 3.5
- D) Discuss the impact of the policies of Ashwani Lohani on the motivation level of the employees of Air India. 3.5





[This question paper contains 2 printed pages.]

2875

Your Roll No. 55061

M.Com. Semester I/(NC)

F

Course : 4105—Organizational Theory and Behaviour

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. Compare and contrast bureaucracy (as ^{general} given by Weber) and Administrative Theory (as given by Fayol) _{for managing an organization} for managing an organization.

OR

Distinguish between inherited characteristics and learned characteristics with reference to individual behavior and explain role of learning.

2. Why it is becoming more important to study decision making in the changing business environment. Explain the steps of decision making process.

OR

P.T.O.

Write note on -

- (a) Delphi Technique
- (b) Transactional Analysis

3. Why do people work? Explain in the light of contribution made by Maslow, Alderfer and Herzberg.

OR

Discuss the role of motivation theories in making organizations effective.

has low Herzberg
room = IVE

4. 'Leaders are born not made'. Critically examine this statement.

OR

Should an organization encourage conflict? Examine its need and state the process of conflict resolution.

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manifest
aftermath

5. What is the role of organizational culture in maintaining efficiency? Also explain relationship between organizational culture and organizational development.

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solution
undesired
clearly

OR

'The biggest challenge for present day organizations is to manage misbehavior at work'. Defend your answer with relevant examples.

11/1/2011 (800)

This paper contains 8 printed pages.

M. Com. Examination 2015
Semester I
Paper 4101: Business Statistics

S. N.O: 4101151

Max. marks: 70

Time: 3 Hrs.

Attempt all questions. All questions carry equal marks. All parts of a question must be attempted together and in sequence.

1. Part (a) is compulsory. Attempt either part (b) or (c).

(a) State if the following are *True* or *False*. Also explain your answer giving reasons.

(i) To calculate the probability of a radiation leak at the site of a nuclear power plant, the classical approach to probability would be used.

(ii) As the sample size increases, standard error decreases and the precision of estimating the population parameter increases.

(iii) An estimator is said to be consistent if its expected value is equal to the population parameter it estimates.

(iv) The method of sampling where elements are selected from the population at uniform intervals is known as cluster sampling.

(v) The download time for a company's home page follows a continuous distribution.

(vi) Respondents in a survey are classified according to whether they drive an American car, Japanese car or no car: the events so created are mutually exclusive and collectively exhaustive.

(vii) The probability of India winning the next cricket match with Australia could be find out using the relative frequency approach.

(viii) Finite population multiplier needs to be used when the size of the sample relative to the population is large. (8)

(b) To gauge the relationship between education and unemployment, an economist develops the following table of joint probabilities based on census data.

Education	Employed	Unemployed
Lower than High School	.0975	.0080
High School Graduate	.3108	.0128
Bachelor's Degree	.1785	.0062
Master's Degree	.0849	.0023
Professional course	.1959	.0041
Advanced Degree	.0975	.0015

Compute the probabilities of the following events:

(i) A high school graduate is unemployed.

(ii) A randomly selected individual is employed.

(iii) An unemployed person possess an advanced degree.

(iv) A randomly selected person did not finish high school.

(v) A randomly selected individual either has master's degree or is unemployed.

(vi) An individual has advanced degree and is unemployed.

(6)

OR

(c) The editor of a textbook publishing company is trying to decide whether to publish a proposed business statistics textbook. Information on previous textbooks published indicate that 10% are huge successes, 20% are moderate successes, 40% break even and 30% are losers. However, before a publishing decision is made, the book will be reviewed. In the past, 99% of the huge successes received favourable reviews, 70% of the moderate successes received favourable reviews, 40% of the break even books received favourable reviews and 20% of the losers received favourable reviews.

(i) If the proposed textbook receives a favourable review, how should the editor revise the probabilities of the various outcomes to take this information into account?

(ii) What proportion of textbooks receive favourable reviews? (6)

2. (a) What is sampling distribution of the mean? What are its properties? Explain. (4)

(b) A set of final examination marks in an introductory statistics course is normally distributed with a mean of 73 and a standard deviation of 8.

(i) If the top 5% students are to be picked up for an advanced course, what are the minimum marks required by a candidate?

(ii) If A grades are given to the top 10% of the class, regardless of the score, are you better off with a score of 81 on this exam or a score of 68 on a different exam where the mean is 62 and standard deviation is 3? Explain. (5)

(c) An agreement between the management and labour union of a firm stipulates that the mean output for a particular production section be held at 112 units per month per employee. To see if mean production levels were in accordance with this stipulation, 20 workers were tested, yielding a mean of 102 units. Assuming the standard deviation of 8.5 for the sample, find a 90% confidence interval for the mean output. Does the 90% confidence interval suggest any violation of the said agreement? (5)

OR

(d) A University bookstore claims that 50% of its customers are satisfied with the service and prices. (i) If this claim is true, what is the probability that in a random sample of 600 customers, less than 45% are satisfied? (ii) Suppose that in a random sample of 600 customers; 270 express satisfaction with the book store. What does this tell you about the bookstore's claim? (4)

(e) A survey is planned to determine the mean annual family medical expenses of employees of a large company. The management of the company wishes to be 95% confident that the sample mean is correct to within \pm Rs. 50 of the mean annual family medical expenses. A previous study indicates that the standard deviation is approximately Rs. 400.

(i) How large a sample size is necessary?

(ii) If management wants to be correct to within \pm Rs. 25, what sample size is necessary?

(iii) On the basis of the above results, what would you conclude about the relationship between margin of error and required sample size? (5)

(f) Based on past experience, it is assumed that the number of flaws per foot in rolls of a high grade paper follows a Poisson distribution with a mean on 1 flaw per 5 feet of paper. Find the following probabilities.

- (i) At least 2 flaws in a 1-foot roll.
(ii) At most 3 flaws in a 12 foot roll. (5)

3. (a) Suppose a new production method will be implemented if it reduces the mean operating cost per hour. The mean cost for the current production method is Rs. 220 per hour.

- (i) Develop the appropriate null and alternative hypotheses for the above situation.
(ii) What is the Type I error in this situation? Explain.
(ii) What is the Type II error in this situation? Explain. (6)

(b) A large corporation is interested in determining whether a relationship exists between the commuting time of its employees and the level of stress-related problems observed on the job. A study of 116 assembly line workers reveals the following:

Commuting time	Stress Level			
	High	Moderate	Low	TOTAL
Under 15 mins.	9	5	18	32
15-45 mins.	17	8	28	53
Over 45 mins.	18	6	7	31
TOTAL	44	19	53	116

- (i) At 1% significance level, is there evidence of a significant relationship between commuting time and stress level.
(ii) What is your answer to (i) if you use 5% level of significance? (8)

OR

(c) What are the similarities and differences between the z-distribution and the t-distribution? Explain. (6)

(d) A local pizza restaurant and a local branch of a national pizza chain are located across the street from a college campus. The local pizza restaurant advertises that it delivers to the hostels faster than the national chain. In order to determine whether this advertisement is valid, a group of hostel students decide to order pizzas from the local pizza restaurant as well as from the national chain. Each time the group orders a pizza from the local pizza restaurant, they order the other pizza from the national pizza chain. For each of the ten times pizzas were ordered, the following measurements (in minutes) are available:

Time	Local pizza restaurant	National chain
1	16.8	22.0
2	11.7	15.2
3	15.6	18.7
4	16.7	15.6
5	17.5	20.8
6	18.1	19.5
7	14.1	17.0
8	21.8	19.5
9	13.9	16.5
10	20.8	24.0

At a 5% level of significance, is there evidence to conclude that the mean delivery time for the local pizza restaurant is less than the mean delivery time for the national pizza chain? (8)

4. (a) What are properties of a good estimator? Explain with examples. (4)

(b) Critics of television often believe that watching television reduces the amount of physical exercise in children causing weight gain. A sample of 15 children was taken and the number of pounds each child was overweight was recorded (a negative number indicates that the child is underweight). Additionally, the number of hours of television viewing per week was also recorded. The data is given below.

Hours of TV viewing per week	42	34	25	35	37	38	31	33
Overweight	18	6	0	-1	13	14	7	7
Hours of TV viewing per week	19	29	38	28	29	36	18	
Overweight	-9	8	8	5	3	14	-7	

(i) Find out the least squares regression line and describe what the coefficients tell you about the relationship between the two variables.

(ii) Compute the coefficient of determination and explain its meaning.

(iii) Determine the standard error of estimate. (4+3+3=10)

OR

(c) What is coefficient of determination? How is it developed from the sample data? (4)

(d) The management director for a large industrial firm wants to determine whether three different training programs have different effects on employees' productivity levels. Fourteen employees are randomly selected and assigned to one of the three programs. The productivity scores of employees in each program are given below.

Program 1	Program 2	Program 3
85	80	82
72	84	80
83	81	85
80	78	90
	82	88

At a 5% level of significance, test whether mean test scores are the same for all three training programs. (10)

5. (a) What are non-parametric tests? Explain giving examples. In a situation where both parametric and non-parametric test can be applied, which one would you prefer and why? (4)

(b) A man wants to invest Rs. 10, 00,000 for 1 year. After evaluating numerous possibilities, he narrows down his choices to the following three alternatives:

A: Invest in a guaranteed income certificate paying 10%.

B: Invest in a bond with a coupon value of 8%

C: Invest in a well-diversified portfolio of stocks

The payoffs with the last two options depend significantly on interest rates. He concludes that there are three possible states of nature regarding interest rates.

S1: Interest rates increase.

S2: Interest rates don't change.

S3: Interest rates decrease.

The investor assigns the following probabilities to the above states of nature: $P(S1)=0.2$; $P(S2)=0.5$; and $P(S3)=0.3$

The profits for each alternative (in Rs.) are summarized below

States of nature	Investment alternatives		
	A	B	C
S1	1,00,000	-50,000	1,50,000
S2	1,00,000	80,000	90,000
S3	1,00,000	1,80,000	40,000

(i) Compute the expected monetary value for each decision. What decision would you recommend?

(ii) Develop an opportunity loss table and compute the expected opportunity loss for each decision.

(iii) Construct a decision tree for the above problem.

(2+4+4=10)

OR

(c) Explain the concept of Expected Value of Perfect Information (EVPI). What is the importance of EVPI in decision making? (4)

(d) A teacher wants to know whether his brightest students tend to turn in their tests earlier or later than the others in the class. For a particular test, he observes that the students get the following marks in the order of turning their tests in.

94, 70, 85, 89, 92, 98, 63, 88, 74, 85, 69, 90, 57, 86, 79, 72, 80, 93, 66, 74, 50, 55, 47, 59, 68, 63, 89, 51, 90, 88.

(i) If the teacher counts those getting marks 90 and above as his brightest students, can he conclude that the brightest students turn their tests in randomly? ($\alpha=0.05$)

(ii) If 60 and above are passing marks, then did the students passing versus those not passing turn their tests in randomly? ($\alpha=0.05$)

(10)

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Your Roll No. 2013

Course: M. Com. Semester I
Paper – 4102
Subject: Managerial Economics

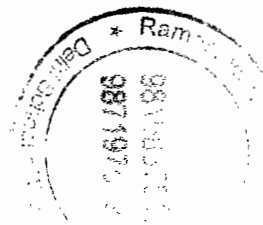
Sl. No. 4102151

Time: 3 Hours

Maximum Marks: 70

Attempt *all* questions. Each question carries equal marks. Label figures properly.

1. (a) Explain growth in demand and growth in supply functions. Is there any limit on growth of a firm? Discuss. 14
OR
(b) Through Revealed Preference analysis show how price effect can be explained. Also show how an indifference curve can be constructed. 14
2. (a) What is a production function? Explain the properties of a Cobb-Douglas production function. Critically evaluate them. 14
OR
(c) Derive AVC, AFC, AC, MC, TFC, TVC and TC. 14
3. (a) Discuss the dynamics of long run equilibrium under perfect competition. 7,7
(b) Explain the three degrees of discriminating monopoly. 7,7
OR
(c) Define and derive nominal IS-LM curves. Show the dynamics of equilibrium. 14
4. Derive the modified LM curve and show asset market equilibrium with the help of such a curve. 14
OR
Derive the aggregate demand curve with the help of a set of IS and LM curves. What are the implications of fiscal and monetary policy for demand management? 14
5. Explain the propagation of a Real Business Cycles. What is the impact of government expenditure on RBC? 14
OR
Explain the relationship between real and nominal exchange rate. In an open economy how can you explain the role of net exports? 14



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Your Roll No.

2015

2872

M.Com./Sem. I (NC)

F

Paper 4102 : Managerial Economics

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

Each question carries equal marks.

Label figures properly.

1. (a) What are 'unused resources' and how do they lead to growth of the firm ? In the presence of Penrose Effect how does optimum growth take place ? 20

Or

- (b) Explain Lancaster's 'Theory of Attributes'. On the basis of this theory show how demand for consumer durables can be analyzed. 20

P.T.O.

(2)

2872

2 (a) Prove that both AC and MC are U-shaped and MC attains the minimum value at a lower level of output compared to AC.

(b) Discuss the three stages of economies and diseconomies of scale.

10,10

Or

(c) Distinguish between product lines, isoclines and expansion path.

(d) With the help of product lines, prove that the presence of increasing returns to scale may not imply the existence of increasing returns to a factor.

10,10

3 (a) Differentiate between Cournot and Stackelberg models of duopoly. Show how neither of them maximizes industry profit.

20

Or

(b) Derive the real LM function and show the impact of nominal money supply on the real LM function.

20

(3)

2872

4 (a) Explain the behavior of different types of investors. Derive a money demand function on the basis of such portfolio choice.

20

Or

(b) Derive the Aggregate supply function with the help of the Phillip's curve.

20

5 (a) Explain Real Business Cycles. What is the impact of Technology on RBC ?

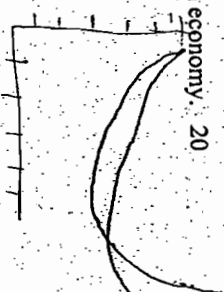
20

Or

(b) Explain goods market equilibrium in an open economy.

20

1	10	10	10
2	8	18	9
3	7	25	8.3
4	6	31	8
5	6	6	
6	6	7	



2872

3

800

this paper contains 8 printed pages.

Course: M.Com. Sem I
Paper No: 4103 2015
Subject: Managerial Accounting

Roll No-----

S.No--- 4103151

Time 3 hours

Max Marks: 70

Instructions: Attempt all questions. Question No. 1 is compulsory.

1 a) The Customer Service Department of Supreme Industries asked the Publication Department in the company to prepare a brochure for its training programme. The Publications Department delivered the brochures and charged the Customer Service Department a rate that was 25% higher than could be obtained from an outside printing company. The policy of the company required the customer Service Department to use the internal publications group for brochures. The Publications Department claimed that it had a drop in demand for its services during the fiscal year, so it had to charge higher prices in order to recover its pay- roll and fixed costs.

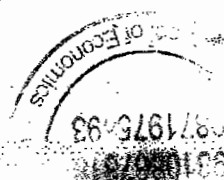
Required:

Should the cost of the brochure be transferred to the Customer Service Department in order to hold the department head accountable for the cost of the brochures? What changes in policy would you recommended? (6)

(b) The Controller of Apollo System Co. devised a new costing system based on tracing the cost of activities to products. The controller was able to measure post-manufacturing activities, such as selling, promotional and distribution activities and to allocate these activities to products in order to have a more complete view of the company's product cost. This effort produced better strategic information about the relative profitability of product lines. In addition, the controller used the same product cost information for inventory valuation on the financial statements. Surprisingly, the controller discovered that the company's reported net income was larger under this scheme than under the traditional costing approach.

Required:

Why was the net income larger, and how would you react to the controller's actions? (4)



2. a) What is Activity-Based costing (ABC). Discuss the advantages and disadvantages of ABC. (8)

b) How do management accounting and financial accounting differ? (7)

OR

(c) What is a balanced scorecard? Explain the different perspectives of a balanced score card. (8)

(d) What is transfer price? Explain the relevance of market prices, cost based prices and negotiated prices under transfer pricing policy. (7)

Q3 (a) Explain the advantages and disadvantages of ROI for divisional performance measurement. (8)

What is the importance of non-financial measures of performance? (8)

(b) Explain how an organization can benefit from budgeting? (7)

OR

c) Samsung Company's Cabinet Division manufactures a standard cabinet for television sets. The cost per cabinet is:

Variable cost per cabinet Rs. 7000

Fixed cost per cabinet Rs. 3000

Total cost per cabinet Rs. 10000

Fixed cost per cabinet is based on capacity of 10000 cabinets per year.

Part of the Cabinet Division's output is sold to outside manufacturers of television sets and part is sold to Samsung Company's Quark Division which produces a TV set under its own name. The Cabinet Division Charges Rs 14000 per cabinet for all sales.

The costs, revenue, and net income associated with the Quark Division's TV set are given below:

Selling price per TV set Rs. 48,000

Less variable cost per TV set:

Cost of the cabinet Rs. 14,000

Variable cost of electronic parts Rs. 21,000

Total variable cost Rs 35,000

Contribution margin Rs 13,000

Less fixed costs per TV set Rs 8,000

Net income per TV set Rs 5,000

Note: Fixed costs per TV set (Rs.8000) is based on a capacity of 3000 sets per year. *Normal cap.*

The Quark Division has an order from an overseas source for 1,000 TV sets. The overseas source wants to pay only Rs. 34,000 per set.

Required:

- (i) Assume that the Quark Division has enough idle capacity to fill the 1,000- set order. Is the division likely to accept Rs. 34,000 price or to reject it? Explain.
- (ii) Assume that both the Cabinet Division and the Quark Division have idle capacity. Under these conditions would it be an advantage or a disadvantage to the company as a whole for the Quark Division to reject Rs. 34,000 price? Show computations to support your answer.
- (iii) Assume that the Quark Division has idle capacity but that the Cabinet Division is operating at capacity and could sell all of its cabinets to outside manufacturers. Compute the advantage or disadvantage of the Quark division accepting the 1,000 set orders at the Rs.34, 000 per unit price.
- (iv) What conclusions do you draw concerning the use of market price as a transfer price in intra-company transactions? (15)

4. "Now this doesn't make any sense at all, said Mona Dhar, Financial vice president for Bajaj Company". Our sales have been steadily rising over the last several months, but profits have been going in the opposite direction. In September we finally hit Rs 2,00,00,000 in sales but the bottom line for that month drops off to a Rs 10,00,000 loss. Why aren't profits more closely correlated to sales?"

The statement to which Ms Mona Dhar was referring is shown below:

Bajaj Company

Monthly Income Statements

	July (Rs)	August (Rs)	September (Rs)
Sales(@Rs250)	1,75,00,000	1,87,50,000	2,00,00,000
Less cost of goods sold			
Beginning inventory	8,00,000 <i>45,000</i>	32,00,000	40,00,000
Cost applied to production:			
Variable manufacturing cost Rs 90 per unit	76,50,000	72,00,000	54,00,000
Fixed manufacturing overhead @ 70	59,50,000	56,00,000	42,00,000

3

5950

3,50,000 *59,50,000*

5950
2700
8650

Cost of goods manufactured	1,36,00,000	1,28,00,000	96,00,000
Goods available for sale	1,44,00,000	1,60,00,000	136,00,000
Less ending inventory	32,00,000	40,00,000	8,00,000
Cost of goods sold	1,12,00,000	1,20,00,000	1,28,00,000
Under applied or (Over applied) Fixed overhead cost	(3,50,000)		14,00,000
Adjusted cost of goods sold	1,08,50,000	1,20,00,000	1,42,00,000
Gross Margin	66,50,000	67,50,000	58,00,000
Less Selling and Administrative Expenses	62,00,000	65,00,000	68,00,000
Net Income (loss)	4,50,000	2,50,000	(10,00,000)

Profit 70,000 75,000 80,000

Rajiv Dhawan a recent Honours graduate from Delhi University, who has just been hired by Bajaj Company, has stated to Ms. Dhar that the contribution approach, with variable costing is a much better way to report profit data to management. Sales and production data for the last quarter was allowed:

	July	August	September
Production in units	85,000	80,000	60,000
Sales in units	70,000	75,000	80,000

Open 5000 20,000 25,000
 Close 20,000 25,000 5,000

Additional information about the company's operations is given below:

- Five thousand units were in inventory on July 1
- Fixed manufacturing overhead costs total Rs 1,68,00,000 per quarter and are incurred evenly throughout the quarter. This fixed manufacturing overhead cost is applied to units of product on the basis of budgeted production volume of 80,000 units per month.
- Variable selling and administrative expenses are Rs 60 per unit sold. The remainders of the selling and administrative expenses on the income statements above are fixed.
- The company uses FIFO inventory flow assumption.

Required

- Prepare an income statement for each month using variable costing.
- Reconcile the variable costing and absorption costing net income (loss) figures for each month.

Handwritten calculations and notes:

- 70,000
- 1,44,00,000
- 32,00,000
- 1,12,00,000
- 29,000
- 34
- 59,500
- 1,08,50,000
- 65,50,000
- 4,50,000
- 168,00,000
- 1,68,00,000
- 1,08,50,000
- 59,50,000
- 49,00,000

OR

A company manufactures two products A and B which pass through two of its departments exclusively used for them. A market research study conducted by the company reveals that the company can sell either 38,500 units of A or 31,500 units of B in a year. The manufacturing cost and selling price details are as under:

	A		B	
Selling price per unit	Rs. 375		Rs. 540	
Costs:				
Department 1:				
Direct materials	58		100	
Direct labour	5 hours	50	7.5 hours	75
Department 2:				
Direct materials	21		26	
Direct labour	7.5 hours	90	10 hours	120
Overheads:	Department 1		Department 2	
Variable overhead rate	Rs. 2.40		Rs. 3.60	
(per direct labour hour)				
Fixed overheads	Rs. 5,00,000		Rs. 10,00,000	
Budgeted direct labour hours	1,75,000		2,80,000	

Since the quantity which can be sold exceeded the production capacity, the company has been considering the use of subcontracting production facilities. Accordingly, when tenders were floated two contractors responded as under:

Contractor DS offer to produce up to a maximum of 17,500 units of A or 14,000 units of B in a year for the type of work done by department 1 of the company. The price charged by DS is Rs. 138 per unit of A and Rs.212 per unit of B. These prices included the cost of direct materials used in department 1 of the company.

Contractor DW can produce up to a maximum of 11,200 units of A and 7,000 units of B in a year for the type of work done by department 2 of the company. The price charged by DW is Rs. 150 per unit of A and Rs. 192 per unit of B. These prices included the cost of direct materials used in department of the company.

Required:

- (i) If the company does not wish to use the sub-contracting facility, which of the two products and in what quantity should be produced and sold by the company by using its own manufacturing capacity to earn maximum profit? Calculate the resultant maximum profit.
- (ii) If the company wishes to produce either 38,500 units of A or 31,500 units of B by using sub-contracting facility, state which of the two products should be produced to maximize the profits. Calculate the resultant maximum profit.

(15)

5. The Lakme Company, which produces and sells to wholesalers a highly successful line of summer lotions and insect repellents, has decided to diversify in order to stabilize sales throughout the year. A natural area for the company to consider is the production of winter lotions and creams. After considerable research, a winter products line has been developed. However, because of the conservative nature of the company management, the company's president has decided to introduce only one of the new products for this coming winter. If the product is successful, further expansion in future years will be initiated.

The product selected (called "Chap-off) is a lip balm that will be sold in a lipstick-type tube. The product will be sold to wholesalers in boxes of 24 tubes for Rs. 800 per box. Because of available capacity, no additional fixed charges incurred to produce the product. However, a Rs 1,00,00,000 fixed charges will be absorbed by the product to allocate a fair share of the company's present fixed costs to the new product.

Using the estimated sales and production of 1, 00,000 boxes of Chap-off as the standard volume, the accounting department has developed the following costs:

	(Rs.)		
Direct labour	200 per box	200	100
Direct materials	300 per box	300	240
Total overhead	150 per box	150	125
<hr/>			555
Total	650 per box		

555
90
645

90

Lakme has approached a cosmetics manufacturer to discuss the possibility of purchasing the tubes for Chap-off. The purchase price of the empty tubes from the cosmetics manufacturer would be Rs 90 per 24 tubes. If the Lakme accepts the purchase proposal it is estimated that the direct labour and variable overhead costs would be reduced by 10 percent and direct material costs would be reduced by 20 percent.

Required:

- (i) Should the Lakme Company make or buy the tubes? Show calculations to support your answer.
- (ii) What would be the minimum purchase price acceptable to the Lakme Company for the tubes? Support your answer with an appropriate explanation. $120 + 90 = 210$
- (iii) Instead of sales of 1, 00,000 boxes, revised estimates show sales volume at 1, 25,000 boxes. At this new volume, additional equipment, at an annual rental of Rs. 10, 00,000 must be acquired to manufacture the tubes. However, this incremental cost would be the only additional fixed cost required even if sales increased to 3, 00,000 boxes. (The 3, 00,000 level is the goal for the third year of production.) Under these circumstances, should the Lakme Company make or buy the tubes? Show calculations to support your answer.
- (iv) The company has the option of making and buying at the same time. What would be your answer to question (iii) if this alternative was considered? Show calculations to support your answer.
- (v) What non quantifiable factors should the Lakme Company consider in determining whether they should make or buy the lipstick tubes? *Idle capacity* (15)

OR

The following information has been extracted from the books of a company using standard costing system for November 2014:

Direct materials:

800 kgs of materials were consumed. The purchase cost thereof is Rs. 49,600. Standard price per Kg. of direct material is Rs. 60. The expected output is 8 units per kg. of direct materials.

Direct Labour:

- Budget for a 5-day week of 40 hours:
- Grade A labour 8,000 hours @ Rs. 5 per hour
- Grade B labour 8,000 hours @ Rs. 4 per hour

During November 2014, due to shortage of labour, the mix was changed as under:

Grade A labour 6,000 hours @ Rs. 5 per hour

Grade B labour 10,000 hours @ Rs. 4 per hour

Analysis of working revealed:

Grade A labour 6,600 hours @ Rs. 5.20 per hour

Grade B labour 11,000 hours @ Rs. 3.90 per hour

There were 21 days in November 2014, out of which one day was holiday leaving 20 working days. In fact the company actually worked 21 days in November 2014. However, power failure, machine breakdown, etc. resulted in 240 idle hours of grade A labour.

Variable overheads:

Standard cost per unit Rs. 2.50.

Actual overheads of Rs. 15,750 for November 2014.

Fixed overheads:

Budgets Rs. 4,40,000 per annum.

Budget production 62,500 units per annum

Actual overheads for November 2014 is Rs. 35,000.

Other data

Budget weeks 50 in a year

Actual production in November 2014, 6000 units

Sales:

Budget 6,000 units @ Rs. 60 each.

Actual 4,800 units @ Rs. 62 each.

Analyse the variance in as much detail as possible.

(15)

(12)

- (i) Standard cost of materials actually consumed
- (ii) Labour efficiency variance
- (iii) Variable overhead efficiency variance
- (iv) Variable overhead expenditure variance
- (v) Fixed overhead efficiency variance
- (vi) Fixed overhead capacity variance
- (vii) Fixed overhead volume variance.



This question paper contains 8+4 printed pages]

Your Roll No.

2873

M.Com./I Sem. (NC)

2015 F

Paper 4103 : MANAGERIAL ACCOUNTING

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. (a) What are the steps involved in the managerial decision making process ? What role does management accounting play in that process ? 10

(b) Define and illustrate the following concepts of cost :

(i) Product and Period cost

(ii) Controllable and Non-controllable cost. 5+2=10

2873

12

800

P.T.O.

The statements above show the results of the first two years of operation. In the first year, the company produced and sold 20,000 units; in the second year, the company again sold 20,000 units, but it increased production in order to have a stock of units on hand, as shown below:

	Year 1	Year 2
Production in units	20,000	25,000
Sales in units	20,000	20,000
Variable production cost per unit	Rs. 8	Rs. 8
Fixed Manufacturing Overhead		
Costs (total)	Rs. 3,00,000	Rs. 3,00,000

ITC Company produces a single product, fixed manufacturing overhead costs are applied to the product on the basis of each year's production. Thus, a new fixed manufacturing overhead rate is computed each year. Variable selling and administrative expenses are Re. 1 per unit sold.

Required:

- (i) Prepare an income statement for each year, using variable costing.
- (ii) Reconcile the variable costing and absorption costing net income figures for each year. 20

4. A cycle tyre manufacturing company has been approached by a large shopkeeper that offers to buy 10,000 tyres at Rs. 3,200. ^{SR} Delivery must be made within 30 days. The production capacity of the company is 64,000 units per month and there is inventory of 2,000 tyres. Expected sales at regular prices for the coming month are 60,000 tyres. It is estimated by the sales manager that about 50% of sales lost during the month would be made up in later months. Price and cost data per unit are as follows:

Selling Price	Rs. 4,800
Variable Costs:	
Production	(2,400)
Selling	(600)
Profit Contribution	1,800

(6)

2873

The variable selling costs on the special order would be Rs 100 per unit.

Required :

(i) Determine whether the offer should be accepted by the firm or not.

(ii) Determine the lowest price that the company could charge on the special order and not reduce its income

(iii) Suppose now that the shopkeeper offers to buy 8,000 tyres per month at Rs 3200 per tyre. The offer would be for an entire year. Expected sales are 60,000 tyres per month without accepting the special order.

Assuming further that there is no beginning inventory and that sales lost during the year would not be made up in the following year, determine whether the offer should be accepted and determine the lowest price that company could accept.

20

(7)

2873

Or

Sri Ram Piston Co. has the following data from year 1 operations, which are to be used for developing year 2 budget estimates :

Revenues (1,00,000 units)

Rs. 7,46,000

Manufacturing Costs :

Materials

Rs. 1,33,000

Variable Costs

Rs. 1,80,900

Fixed Costs (excluding depreciation)

Rs. 72,000

Depreciation (Fixed)

Rs. 89,000

Rs. 4,74,900

Marketing and Administrative Costs :

Marketing (Variable)

Rs. 95,000

Depreciation of Marketing Building

and Equipment

Rs. 22,600

Administrative (Fixed) (excluding depreciation)

depreciation)

Rs. 90,110

Depreciation of Administrative

Building and Equipment

Rs. 8,400

Rs. 2,16,110

Total Costs

Rs. 6,91,010

Operating Profits

Rs. 54,990

P.T.O

All depreciation costs are fixed. Sales volume and prices are expected to increase by 12 percent and 6 percent, respectively. On a per unit basis, expectations are that materials costs will increase by 10 percent and variable manufacturing costs will decrease by 4 percent. Fixed manufacturing costs are expected to decrease by 7 percent.

Variable marketing costs will change with volume. Administrative cash costs are expected to increase by 8 percent.

Prepare a budget profit plan for year 2. Management wants to increase operating profits by 20 percent over year 1's Rs. 54,990 expected profits. Based on your budget for year 2, are profits expected to increase by 20 percent? Why or why not?

20

5. Bajaj Company's small motor division produces a variety of small motors that are used in various household and office appliances. Bajaj's Kitchen Products division produces

appliances such as blenders, juicer and so on. The most frequently used motor is model A-28, which can be purchased from a number of outside suppliers for Rs. 2,300 each. The manager of the Kitchen Products division has approached the manager of the small motor division and offered to buy 1,50,000 model A-28 small motors. The Small Motor division is producing at capacity and produces and sells 2,00,000 model A-28 motors to outside customers for Rs. 2,300 each.

Handwritten calculations:
 345000000
 465000000
 1900

Required :

(i) What is the minimum transfer price for the Small Motor Division? What is the maximum transfer price for the Kitchen Products division? Is it important that transfer take place internally? If transfers do take place, what should the transfer price be?

(ii) Now assume that the Small Motor division incurs selling costs of Rs. 200 per motor that could be avoided if the

motors are sold internally. Identify the minimum transfer price for the Small Motor division and the maximum transfer price for the Kitchen Products Division. Should internal transfers take place? If so, what is the benefit to the firm as a whole?

(iii) Suppose you are the manager of the Small Motor Division. Selling costs of Rs. 200 per motor are avoidable if they are sold internally. Would you accept an offer of Rs. 2,200 from the manager of the other division? How much better off (or worse off) would your division be if this price is accepted?

Or

The following is the standard cost card of a component :

Materials	2 units at Rs. 15
Labour	3 Hours at Rs. 20
Total overheads	3 Hours at Rs. 10

During a particular month 10,000 units of the component were produced and the same was found to be at 60% capacity of the budget. In preparing the variance report for the month, the cost accountant gathered the following information :

Labour	Rs. 6,50,000
Variable Overheads	Rs. 2,00,000
Fixed Overheads	Rs. 3,00,000
Material Price Variance	Rs. 70,000(A)
Material Cost Variance	Rs. 50,000(A)
Labour Rate Variance	Rs. 50,000(F)
Fixed overhead expenditure variance	Rs. 50,000(A)

Required :

Compute the following :

(i) Actual material cost incurred

Roll No.....

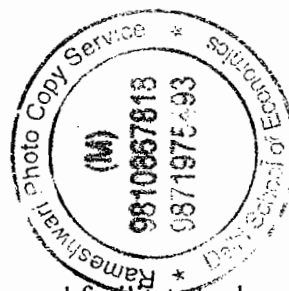
McomSem I

Paper No: 4104 2015

Subject: Financial Planning

S.No. 4104151

Time: 3 hours



Max Marks: 70

Instructions: All questions carry equal marks.

1. Discuss the components of a financial plan and facilitate to develop a financial plan on its basis. (14)

Or

Examine the statement "Financial Planning lead to Freedom" and highlight the common investing mistakes made by investors which ruin a financial plan. (14)

2.

- a) The following information is available:

Particulars	Security A	Security B
Expected Return (%)	15	20
Standard Deviation (%)	3	5
Coefficient of correlation between securities	0.6	

Compute the expected return and risk of a portfolio in which Security A and B have weights of 45% and 55% respectively. (7)

- b) Discuss the role of Securities and Exchange Board of Indian (SEBI) in improving the capital market and protecting investor's interest in India. (7)

Or

(c) Why is it important to diversify your financial holdings across financial assets? How does asset allocation enable you to accomplish diversifications? (7)

(d) What is an Open-end Mutual fund scheme? How is it different from closed-end Mutual fund scheme? (4)

e) Mr X invested Rs 9000 in a mutual fund at a time when the price per share was Rs30. The fund has a load fee of Rs 300. How many shares will he purchase? (3)

3.

- a) Explain the steps involved in the investment decision process. (5)
- b) What are real estate investment trusts (REITs)? How are they classified? What are the main characteristics of REITs? (5)
- c) A Rs 100 par value bond bears a coupon rate of 14 percent and matures after five years. Interest is payable semi annually. Compute the value of the bond if the required rate of return is 16 percent. Should the bond be purchased if its current market price is Rs.80? (4)

Or

d) Mr. X won a prize in a game show. He is provided with following three opportunities of receiving his prize:

Alternative I- An annuity of Rs. 10000 at the end of each year for 30 years.

Alternative II-. An annuity of Rs. 14000 at the end of each year for 20 years.

Alternative III-. Rs. 110000 in cash right now.

Which one of the three alternatives is most suitable for Mr. X, if he has opportunity to earn 10% per annum? (5)

e) Mr 'X' has a choice between two stocks. Stock A has a current stock price of Rs.33.50 and earnings per share of Rs.2.23. Stock B has a current stock price Rs.30.50 and earning per share of Rs.2.79. Both stocks are in the same industry and the average P/E ratio for the industry is 13. Using the P/E ratio, which stock is the better choice and why? (5)

f) "Securities Investment provide hedge against inflation". Comment (4)

4. Do you think that planning for life and health insurance is critical for all individuals? What factors are crucial while buying a life and health insurance? (14)

Or

Argue for the usage of credit cards despite its negative image while explaining the mechanism of credit card operations. (14)

5. David and Jenny, are a couple is residing in Delhi and both are employed in a Multinational Corporation with a demanding and challenging job in a sales department. David completed his MBA from a reputed institute in Bangalore for which he took an education loan of Rs 500,000 and has to repay the loan in two years period from now. David hold stocks amounting Rs 3 lakhs & cash Rs 1,20,000. Jenny has completed her MBA from a Central University have no baggage of any education loan. David earns Rs 89,000 p.m and Jenny brings Rs 80,000 p.m. They have a monthly outflow of Rs 24,000 for household expenses, Rs 20,000 rent, and EMI of loan for Rs 15000, and insurance premium of Rs 1200 as a term plan for David. Make a financial plan to incorporate house down payment of Rs 40 lakhs in ten years, child's education of Rs 90 lakhs in 20 years, child's wedding in 30 years for Rs 2 crore and a retirement corpus of Rs 8 crore in 30 years from now along with an emergency fund. Also suggest the areas of improvement which may raise financial concerns for this family in future.

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- (c) What is Mutual Fund? Briefly explain the various types of Mutual fund Schemes. (10)

- (d) The following information is available:

Particulars	Stock A	Stock B
Expected Return (%)	16	10
Standard deviation (%)	3	4
Coefficient of correlation between securities return	0.8	

Compute the expected return and risk of a portfolio in which stocks A and B have weights of 80% and 20% respectively. (10)

5. Write explanatory notes on any four of the following:

(a) ETF

(b) Systematic Investment Plans

(c) REITs

(d) Reverse Mortgage

(e) Identity Theft

(5×4=20)

(800)

[This question paper contains 4 printed pages.]

2874

Your Roll No. 2015

M.Com./Sem. I (NC)

F

Paper 4104

FINANCIAL PLANNING

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

All questions carry equal marks.

1. Discuss the globally accepted steps of financial planning process and how do they create wealth and secure the future financially. (20)

OR

Elucidate how cash flow planning is intertwined with the financial planning process and examine the impact of budgeting on the financial plan. (20)

2. Discuss the primary clauses of an insurance agreement and the crucial content or health insurance which are must have in today's environment. (20)

P.T.O.

Elaborate the operation of credit card from the authorised bank to the issuer banks end along with the role of credit bureau. (20)

OR

3. (a) Discuss the various investment avenues available to individual investor.

(b) An Investor is planning to invest in the bond of a company which are currently trading at Rs 870 (Face value =Rs 1000). The bond will have a term of 5 years and a coupon rate of 12%. Should the investor purchase the bond if his required rate of return is 14%? (8)

OR

(c) ABC Company's next year dividend per share is expected to be Rs. 4.50. The dividend in subsequent years is expected to grow at a rate of 10% per year forever. If the required rate of return is 15% per year. what should be the fair price of the stock? (6)

(d) Explain the concept of Financial Derivatives. How are 'Futures' different from 'Options' contract? Explain (10)

(e) 'A' deposited Rs. 10,000 at the rate of 10% compounded on quarterly basis for 2 years. What would be the amount at the time of maturity? $10,000 \times (1 + \frac{10}{4})^8 = 14,025.57$

4. (a) A Mutual Fund made an issue of 10,00,000 units of Rs. 10 each on Jan 1, 2014. No entry load was charged. It made the following investments:

- 50,000 equity shares of Rs 100 @Rs.160 80,00,000
- 7% govt. securities 8,00,000
- 10% debentures (unlisted) 5,00,000
- 10% debentures (listed) 5,00,000

During the year dividends of Rs. 12,00,000 was received on equity shares. Interest on all debt securities was received as and when due. At the end of year, equity shares & 10% debentures are quoted at 175% and 90% respectively. Find out NAV per unit given that operating expenses paid are Rs. 5,00,000. (10)

(b) Critically evaluate the performance of Securities and Exchange Board of India (SEBI). (10)

OR

Sl. No. 4105151
Max. Time : 3 Hours

Max. Marks : 70

Attempt all questions. All questions carry equal marks.

1. (a) What is Taylorism? Explain its relevance or otherwise in the context of present day organizations. 14

OR

(b) 'Organizational behaviour has gained significance in business education as an extension of Management'. Explain. 6

(c) Critically examine behavior patterns as given by Chris Argyris. 8

2. (a) Explain the contribution made by Herzberg in the field of motivation and relate it with 'need' theories. 14

OR

Write note on –

(b) Equity Theory 7

(c) Intrinsic Motivation Theory 7

3. (a) What makes a manager an effective leader? Discuss Behavioral theory of leadership in detail. 14

OR

(b) What is positional power? Discuss the relationship of power & politics with business leadership & organizational aspirations. 2+12

4. (a) 'Organizations should follow dynamic culture.' Critically examine this statement and illustrate through relevant examples. 14

OR

(b) Discuss in detail the stressors and suggest measures to manage stress successfully. 14

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

Rohit and Shobhit started RS Enterprises (RSE) in 2005 to provide supply groceries online with their personal savings and loan from friends. Total amount invested was Rs 25 lacs. They employed 10 engineers to provide online support and to maintain supply chain. The decisions were taken by the duo only in consultation with each other. As RSE grew over time their turnover and clientele started multiplying and they looked at expansion alternative. They sought help of VCs and got funding of 10 crores from 4 VC firms on a condition that they would each have one of their nominees on the board.

They employed few more senior level managers, hence the decision making was delegated. However all the strategic decisions were taken by the board. The board of directors now had 8 persons. Rohit (Chairman & CEO) and Shobhit (Vice President & CFO), 2 Senior Managers, 4 VCs nominees.

By the end of 2010 their turnover skyrocketed and they had 70% of the market share and enjoyed much greater brand loyalty as compared to their competitor. The board was cohesive and decisions were taken on consensus basis. In the meantime one of the VCs also invested in a competing firm PQE. In 2015 Rohit and Shobhit brought a proposal before the board to expand the business and to diversify into other types of supplies apart from groceries. The board thought that it would be in the interest of RSE to have the feasibility done by an external agency which was agreed by all. They target to expand the market and increase turnover by 15% in following years next year and to become number one online portal by 2020 covering all product ranges. They had difference of opinion. The promoters had one opinion to diversify whereas the VCs representatives were of the opinion that they should focus on their present portfolio for few more years.

The feasibility report suggested alternatives to the board:

- a. For financing –
 - i. loan from banks and financial institutions
 - ii. exploring from existing and new VCs
 - iii. going for IPO
- b. For HR –
 - i. Outsource most activities and reduce employee liability.
 - ii. Hire few more senior executives.
- c. For Marketing –
 - i. Whole marketing communication to be outsourced

One of the VC's nominee is adamant that RSE should not go for diversification and warns that if his views are not entertained they would withdraw their stake. However all other members are somehow convinced that the option could be tried in order to expand the business. The promoters feel threatened and intrusion into their domain as they are not able to implement their individual decision for business growth. They suspect some foul play by this VC (they have also invested in PQE) and feel that their dream of becoming number one by 2020 overall may not become a reality.

Questions:

In the light of the case -

(a) Discuss the process of decision making.

8

(b) What are the problems faced during decision making? Suggest ways to resolve the problems.

6

M.Com. Semester I/(NC)

G

Course 4105— Organizational Theory and Behaviour

Time : 3 hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

1. "Bureaucratic structures can eliminate the variability that results when managers in the same organization have different skills, experiences, and goals." Elucidate the statement. Also explain the concept of Scientific management and its advantages and limitations. 20

Or

- (a) Write a detailed note on 'learning' based on classical conditioning and operant conditioning. Also discuss the types and schedules of reinforcement. 10
- (b) "Behavior of people is largely governed by emotions instead of logic and rationality." Critically evaluate the statement in the light of bounded rationality and emotions. 10
2. "There are various techniques of group decision making even then people are unable to make good use of them." Critically evaluate the statement. Also discuss the advantages and drawbacks of various group decision making techniques. 20

Or

- (a) "A student can never be in the parent ego state." Critically evaluate the statement. Also write a detailed note on all the ego states with the help of suitable diagrams and examples. 10
- (b) "Self disclosure is the most important dimension of Johari Window in building trust in interpersonal relations." Elaborate the statement with the help of diagram and suitable examples. 10
3. "Intrinsic motivation is for long term and extrinsic motivation is for short term." Elucidate the statement. Also discuss the relevant models of intrinsic and extrinsic motivation. 20

Or

- (a) "Managing misbehavior at workplace is very essential and critical for the efficiency and effectiveness of the employees." Elucidate the statement with the help of suitable examples. 10
- (b) "Managing conflict in time is very important in any organization." Discuss. Also discuss the modes of handling conflict. 10
4. "Appropriate Leadership style is followed based on the assumption about the people." Elucidate the statement with the help of Theory X & Theory Y, and Hersey & Blanchard's Situational Leadership Theory. 20

P. T. O.

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Or

- (a) "Stress is based on the perception about the situation and the gap between the expectation and the reality." Explain the sources of stress and the techniques to cope with stress. 10
- (b) Compare and contrast the transactional and transformational Leadership. 10

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

Tata Sons, one of India's largest and iconic business conglomerates threw a huge surprise on Monday i.e., Oct. 24, 2016. The salt-to-software conglomerate replaced Cyrus Mistry from the Chairman's post, within four years of his appointment. The group's doyen Ratan Tata has returned as its interim chairman. He would hold the office for a period of four months till the selection committee finds a new person to lead the business empire. The committee includes Ratan N Tata, Venu Srinivasan, Amit Chandra, Ronen Sen and Lord Kumar Bhattacharyya.

Meanwhile, Tata stocks came under selling pressure and fell by up to 3.16 per cent on the Bombay Stock Exchange on Tuesday. The market capitalisation — or the market value of listed shares — of top listed Tata companies lost close to Rs 10,877 crore. Tata Steel fell 2.51 per cent, TCS 1.20 per cent and Indian Hotels 3.16 per cent. There are 29 publicly-listed Tata enterprises with a combined market capitalisation of about \$116 billion (around Rs 775,000 crore) as on March 31, 2016.

The position of chief executives leading the group's companies remained undisturbed.

While the Tata Group remained tight-lipped about the reasons leading to the decision, unconfirmed reports claimed that Mistry himself was planning to move the Bombay High Court against the decision. The sudden announcement on change of guard has come as a shocker for many industry analysts and experts. This is because, Mistry's appointment in 2013 was considered as a move for stability, to ensure a smooth succession plan for the group. Now with his removal, uncertainties have emerged over the conglomerate's future. By stating that he would be the 'interim Chairman', septuagenarian Ratan Tata has made it clear that he is unlikely to take permanent control.

The change in leadership is not expected to be a smooth ride, considering the way things transpired. Cyrus Mistry is the son of Shapoorji Pallonji Mistry, an Irish-Indian construction tycoon and chairman of the Shapoorji-Pallonji Group. Interestingly, this group is also the single largest shareholder in Tata Sons with an 18.5 per cent stake. According to unconfirmed reports, Pallonji had termed the development as an 'illegal move'.

Taking over as the interim Chairman of the Tata Sons after the sacking of Cyrus Mistry, Ratan Tata wrote to employees stating he agreed to take up the role of interim Chairman in the interest of stability and reassurance to the group.

In a letter, Tata, 78, said the board of directors of Tata Sons in its meeting today i.e., Oct. 24, 2016, replaced Cyrus P Mistry as Chairman, with immediate effect.

"A new management structure is being put in place and a selection has been constituted to identify the next Chairman of Tata Sons," he said.

Tata, who became Chairman Emeritus of the group when he retired on December 29, 2012, further said: "The committee has been mandated to complete the process in four months. In the interim, the board has requested me to perform the role of Chairman and I have agreed to do so in the interest of stability of and reassurance to the Tata group." Before he hung up his boots nearly four years back, Tata had led the salt-to-software conglomerate for 21 years after being chosen successor by his uncle, the iconic JRD Tata, in 1991.

Cyrus Mistry said the decision by the board of Tata Global Beverages to remove him as chairman of the company, announced earlier on Tuesday, was "inaccurate and illegal." Mistry also compared his removal from Tata Global Beverages, which co-owns and runs the Starbucks chain of coffee stores in India, to his ouster last month from Tata Sons, the holding company for the Tata conglomerate.

His ouster from Tata Sons has sparked a bitter feud between the Tata group and Mistry over the past few weeks.

Moving swiftly to ensure that no ex-parte order is passed in case ousted Tata Sons chairman Cyrus Mistry decides to move court, the Tata group Tuesday filed caveats against Mistry and his firm Cyrus Investment Pvt Ltd at various legal forums.

The caveats have been filed by Tata Sons, Ratan Tata and Sir Dorabji Tata Trust in the Bombay High Court and the National Company Law Tribunal, sources familiar with the development said. The Tata move comes a day after a Tata Sons board announcement said Mistry would be immediately replaced by Ratan Tata, for an interim period of four months.

However, the Cyrus Mistry camp said they have not moved the court against the decision of the Tata Sons board. "A caveat is a notice filed by a party fearing legal action seeking notice before action. Tatas have filed caveats seeking notice from Cyrus Mistry fearing legal action. Cyrus has not filed any caveat. He has already made a statement that such concerns are misplaced at this stage," an official statement from Cyrus Mistry said.

While Tata Sons has appointed law firm Shardul Amarchand Mangaldas and Karanjawala & Co to advise them, Mistry has approached Desai & Diwanji for legal advice.

Questions

- A) Do you think that the decision to replace Mistry is correct from the point of view of the Tata Group? Justify your answer. If you were in place of Mistry then what you would have done? 5
- B) Development of the Leadership pipeline is very important in any organization which it seems could not be done in the Tata group properly. 5
- C) Does this decision match with the value system and culture of Tata group? Describe the value system of Tata group. 5
- D) What will be the impact of this decision on the motivation level of the employees of Tata group? 5

M. Com. Examination 2014
Semester I
Paper 4101: Business Statistics

S.N.O 4101141

Max. marks: 70

Roll NO.

Time: 3 Hrs.

Attempt all questions. All questions carry equal marks. All parts of a question must be attempted together and in sequence.

1. (a) For each of the following, indicate whether the random variable is discrete or continuous, giving reason thereof.

- (i) Thickness of brass washers manufactured by a large company.
- (ii) The number of cars a jogger passes each morning while running.
- (ii) The number of patients treated at a hospital between 6 p.m. and 10 p.m. each night.
- (iv) Download time for a company's home page.

(4)

(b) The following table gives the number of claims at a large health insurance company by kind and by geographic region.

	East	South	North	West
Hospitalisation	75	128	29	52
Physician's visit	233	514	104	251
Outpatient treatment	100	326	65	99

Compute the probabilities of the following events:

- (i) A randomly chosen bill is either from North or South.
- (ii) A bill for hospitalisation is from South.
- (iii) A randomly chosen bill is either from East or for outpatient treatment.
- (iv) A bill from West is for the physician's visit
- (v) A randomly chosen bill is for hospitalisation.

(5)

(c) Sports utility vehicles (SUVs) and vans are generally considered to be more prone to rollover than other vehicles. A survey by an independent agency found that in 2013, 24% of all highway fatalities involved rollovers; 15.8% of all fatalities involved SUVs and vans, given that the fatality involved a rollover. Given that a rollover was not involved, 5.6% of all fatalities involved SUVs and vans.

(i) Find the probability that a fatality involved a rollover, given that the fatality involved an SUV or van.

(ii) Compare the result in (i) to the probability that a fatality involved a rollover and comment on whether SUVs and vans are generally more prone to rollover accidents than other vehicles.

(3+2=5)

OR

(d) In each of the following cases, which probability approach would you use to calculate the probabilities? Give reason also.

- (i) The probability of India winning the next cricket match with Australia.
- (ii) The probability that the sum of the faces of two dice will be seven.
- (iii) The probability of a college student having a part-time job.
- (iv) The probability of success of a new product in the market.

(4)



(e) The fill amount of soft drink bottles is normally distributed with a mean of 2 litres and a standard deviation of 0.05 litre. If bottles contain less than 95% of the listed net content (1.9 litres, in this case), the manufacturer may be subject to penalty by the Department of Consumer Affairs. Bottles that have a net content above 2.1 litres may cause excess spillage upon opening.

(i) What proportion of bottles could lead to the manufacturer being subject to penalty by the Department of Consumer Affairs?

(ii) 99% of the bottles contain at least how much soft drink?

(2.5+2.5= 5)

(f) The probability that a new product will be successful if a competitor does not come up with a similar product is 0.67. The probability that the new product will be successful in the presence of a competitor's new product is 0.42. The probability that the competing firm will come out with a new product during the period in question is 0.35.

(i) What is the probability that the product will be a success?

(ii) Given that the product is success, what is the probability that the competitor had come out with a new product?

(3+2=5)

2. (a) Explain statistical independence and statistical dependence with examples. How do we calculate joint probabilities under both these conditions? (4)

(b) The operations manager of a large production plant would like to estimate the average amount of time workers take to assemble a new electronic component. After observing a number of workers assembling similar devices, she guesses that the standard deviation is 6 minutes.

(i) How large a sample of workers should she take if she wishes to estimate the mean assembly time to within 10 seconds? Assume that the confidence level is to be 90%.

(ii) Would the answer in (i) change if the confidence level is 99%?

(2+2=4)

(c) A university found that 20% of its students withdraw without completing the introductory course in management. Assume that 10 students registered for the course this year.

(i) Is the selection of 10 students a binomial experiment? Explain.

(ii) Compute the probability that two or fewer will withdraw.

(iii) Compute the probability that more than three will withdraw.

(2+2+2=6)

OR

(d) Under what conditions can the Poisson distribution be used as an approximation to the binomial distribution. Explain with the help of an example. (4)

(e) In a survey conducted by an agency, 27% of small business owners indicated that they never check in with the office when on vacation.

(i) Suppose the survey was based on 500 small business owners. Construct a 95% confidence interval estimate for the population proportion of small business owners who never check in with the office when on vacation.



(ii) Suppose the survey was based on 1000 small business owners. Construct a 95% confidence interval estimate for the population proportion of small business owners who never check in with the office when on vacation.

(iii) In the light of (i) and (ii), discuss the effect of sample size on the confidence interval estimate. (2+2+1=5)

(f) A new slimming centre advertises that those who join their weight loss programme, will lose, on the average 10 kgs in the first two months with a standard deviation of 2.8 kgs. A random sample of 50 people who joined the programme revealed the mean loss of weight to be 9 kgs. At 5% level of significance can we conclude that those joining the programme will lose less than 10 pounds? (5)

3. (a) Distinguish between stratified sampling and cluster sampling. Explain giving examples. (4)

(b) A real estate developer is considering investing in a shopping mall on the outskirts of a large metropolitan city. Three plots of land are being evaluated. Of particular importance is the income in the area surrounding the proposed mall. A random sample of four families is selected from the area near each proposed mall and the sample results are shown below. At 5% level of significance, can the developer conclude there is a difference in the mean income?

Income (in Rs. '000)		
Area A	Area B	Area C
64	74	75
68	71	80
70	69	76
60	70	78

(10)

OR

(c) Explain the Central limit Theorem. How is it useful in the sampling process? (4)

(d) An article reports that smaller firms seem to be hiring more than large ones as the economy picks up its pace. The table below gives number of employers hired and those laid off, out of a random sample of 1032, broken down by firm size. Is there evidence that hiring practices are dependent on firm size? Test at 5% level of significance.

	Small firm	Medium-sized firm	Large firm
Number hired	210	290	325
Number laid off	32	95	80

(10)

4. (a) An automobile manufacturer is considering using robots for parts of its assembly process. Converting to robots is an expensive process, so it will be undertaken only if there is strong evidence that the proportion of defective installations is lower for the robots than human assemblers. Let p denote the true proportion of defective installations for the robots. It is known that human assemblers have a defect proportion of 0.02.

(i) What hypotheses about p should the manufacturer test? Explain.

(ii) Describe type I and type II errors in this case.

(iii) Would you prefer a test with $\alpha = 0.01$ or $\alpha = 0.10$. Explain your reasoning.

(1+4+1=6)

(b) A management consultant wants to test if there are differences in attitudes towards managers who hold MBA degrees. The consultant designed a study that recorded the attitude towards the same group of 17 managers before and after these completed an MBA programme, on a scale of 1 to 5 (5 being the highest). Use the sign test to see if there is a difference in attitude towards managers following the award of an MBA degree. (Test at a significance level of 1%).

<u>Manager</u>	<u>Attitude before MBA</u>	<u>Attitude after MBA</u>
1	3	4
2	5	5
3	2	3
4	2	4
5	4	4
6	2	3
7	1	2
8	5	4
9	4	5
10	5	4
11	3	4
12	2	5
13	2	5
14	2	3
15	1	2
16	3	2
17	4	5

(8)

OR

(c) Distinguish between a lower-tailed and an upper-tailed test. Support your answer with the help of examples.

(6)

(d) The manufacturers of compact disk players want to test whether a small price reduction is enough to increase the sales of their product. Randomly chosen data on 15 weekly sales total at outlets in a given area before the price reduction show a sample mean of Rs. 6,598 and a sample standard deviation of Rs. 844. A random sample of 12 weekly sales totals after the small price reduction gives a sample mean of Rs. 6,870 and a sample standard deviation of Rs. 669. Is there evidence that the small price reduction is enough to increase sales of compact disk players? ($\alpha = 0.05$)

(8)

5. (a) Distinguish between parametric and non-parametric test. Under what conditions do we apply non-parametric test?

(4)

(b) A company is considering introducing two new products. The company can add both to the current line, neither, or just one of the two. The success of these products depends on consumers' reactions. These reactions can be summarised as 'good' (having probability = 0.30), 'fair' (having

probability = 0.50) or 'poor'(having probability = 0.20). The company's revenues, in lakhs of rupees, are estimated in the following pay-off table.

Decision	States of nature		
	Good	Fair	Poor
Neither	0	0	0
Product 1 only	125	65	30
Product 2 only	105	60	30
Both	220	110	40

- (i) Compute the expected monetary value for each decision.
- (ii) What decision would you recommend?
- (iii) Develop an opportunity loss table.
- (iv) Compute the expected opportunity loss for each decision

(3+1+3+3=10)

OR

- (c) Explain Expected Value of Perfect Information (EVPI).

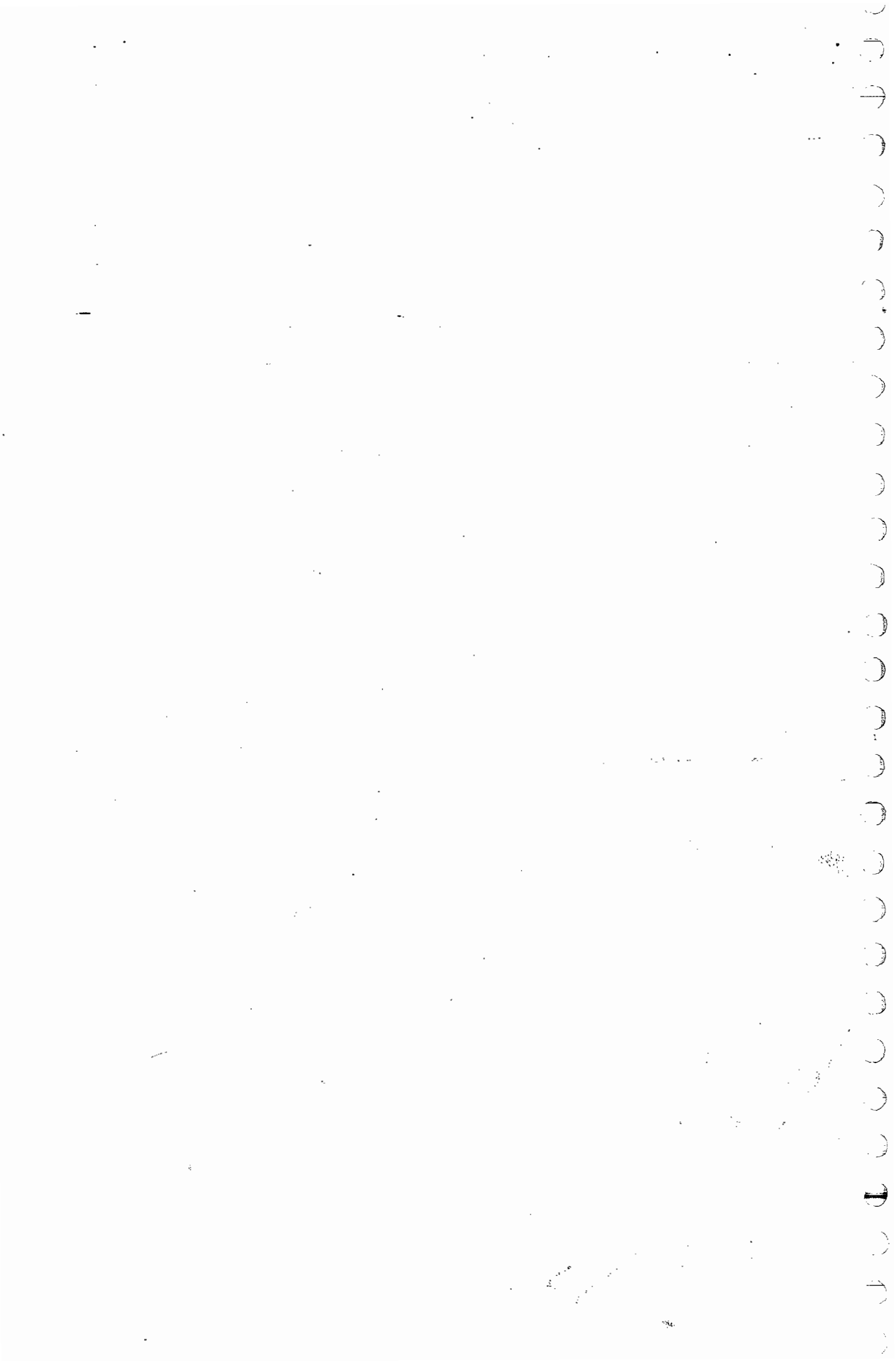
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(d) The management of a soft drink bottling company wants to develop a method for allocating delivery costs to customers. One of the variable costs reflects the time required to unload the cases of soft drinks at the delivery point. A sample of 20 deliveries within a territory was selected. The data on delivery times and the number of cases delivered is given below:

Customer	Number of cases	Delivery time (Minutes)
1	52	32.1
2	64	34.8
3	73	36.2
4	85	37.8
5	95	37.8
6	103	39.7
7	116	38.5
8	121	41.9
9	143	44.2
10	157	47.1
11	161	43.0
12	184	49.4
13	202	57.2
14	218	56.8
15	243	60.6
16	254	61.2
17	267	58.2
18	275	63.1
19	287	65.6
20	298	67.3

- (i) Find out the least squares regression line and interpret the coefficients.
- (ii) Predict the delivery time for 150 cases of soft drink.
- (iii) Compute the coefficient of determination and explain its meaning.
- (iv) Determine the standard error of estimate.

(3+2+3+2=10)



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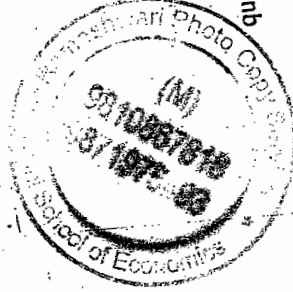
M.Com. (NC)/I Sem.

Paper-4101 : BUSINESS STATISTICS

Maximum Marks : 100

Time : 3 Hours

(Write your Roll No. on the top immediately on receipt of this question paper.)



Attempt All questions.

All questions carry equal marks. All parts of a

question must be attempted together and in sequence.

Sales Profit (Rs. '000)	Population (millions)	Advertising per person (Rs. '000)
3.6	2.4	0.16
2.5	1.3	0.21
4.2	5.1	0.12
4.1	4.9	0.14
4.0	3.2	0.26
5.1	6.7	0.10
4.3	3.2	0.41
11.5	0.7	0.11

1. (a) Which probability approach would you use to calculate the following probabilities ? Give reason also.

- (i) The probability of that a randomly selected consumer prefers Coca-Cola to other soft drinks.
- (ii) The probability of a M.Com. student receiving first division in Statistics paper.

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(2)

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(iii) The probability of winning a lottery prize amongst 1,00,000 other ticket holders.

(iv) The probability of a radiation leak at the site of a nuclear power plant.

6

(b) The Department of Labor Statistics for a city lists the number of employees who receive various types of benefits from the employer. From the information in the latest report of the Department, the following joint probabilities were derived.

Dental Care

Type of Worker	Provided by Employer	Not Provided by Employer
Professional/Technical	.166	.094
Clerical/Sales	.195	.135
Blue-Collar/Services	.230	.180

(3)

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(i) What proportion of workers provided with dental care ?

(ii) What proportion of professional/technical workers are provided with dental care ?

(iii) What is the probability that the employer of a randomly selected blue-collar worker provides dental care ?

6

(c) A customer service supervisor regularly conducts a survey of customer satisfaction. The results of the latest survey indicate that 8% of customers were not satisfied with the service they received at their last visit to the store. Of those who are not satisfied, only 22% return to the store within a year. Of those who are satisfied, 64%

return within a year. A customer has just entered the store. In response to your question, he informs you that it is less than 1 year since his last visit to the store.

- (i) What is the probability that he was satisfied with the service he received ?
- (ii) What is the probability that he was not satisfied with the service he received ?

8

Or

- (d) Under what conditions can the normal distribution be used as an approximation to the binomial distribution ? Explain the process of approximation with the help of an example.

6

- (e) The number of arrivals at a car wash is Poisson distributed with a mean of 8 per hour.

- (i) What is the probability that 10 cars will arrive in the next hour ?

- (ii) What is the probability that more than 5 cars will arrive in the next hour ?

6

(f) A local bank reviewed its credit card policy with the intention of recalling some of its credit cards. In the past approximately 5% of cardholders defaulted, leaving the bank unable to collect the outstanding balance. Hence, management established a prior probability of .05 that any particular cardholder will default. The bank also found that the probability of missing a monthly payment is .20 for customers who do not default. Of course, the probability of missing a monthly payment for those who default is 1.

- (i) Given that a customer missed one or more monthly payments, compute the posterior probability that the customer will default.

(ii) The bank would like to recall its card if the probability

that a customer will default is greater than .20.

Should the bank recall its card if the customer misses a

monthly payment? Why or why not? $6-2=8$

(a) Distinguish between statistics and parameters. Give

examples. 6

(b) An automatic filling machine fills cola into 750-milliliter

bottles. At the start of shift an inspector will take a random

sample of 50 bottles and measure the volume of cola in

them accurately. After computing the sample mean, she

will approve the machine operation only if the sample

mean falls between 749.5 and 750.5 milliliter. Assume that

during a particular shift the population mean was 750.4

milliliters and the standard deviation was 1.2 milliliters.

What is the probability that the inspector will approve the

machine operation. 6

(c) A management consulting agency needs to estimate the

average number of years of experience of executives in a

given branch of management. A random sample of 28

executives gives a mean of 6.7 years and standard deviation

of 2.4 years. $\bar{x} \pm 99\% \frac{s}{\sqrt{n}}$

(i) Give a 99% confidence interval for the average number

of years of experience for all executives in this branch.

(ii) Will the confidence interval change if the sample

size is 36 instead of 28? If yes, what will be the 99% confidence interval? $4-4=8$

Or

(d) Explain sampling distribution of mean. 6

(e) Weekly sales of soup cans at a grocery store are believed

to be approximately normally distributed with mean 2,450

and standard deviation 400. The store management wants

P.T.O.

to find two values, symmetrically on either side of the mean, such that there will be a 0.95 probability that sales of soup cans during the week will be between the two values. Such information is useful in determining levels of orders and stock. Find these two values. 6

(f) A medical researcher wants to investigate the amount of time it takes for patients' headache pain to be relieved after taking a new prescription painkiller. She plans to use statistical methods to estimate the mean of the population of relief times. She believes that the population is normally distributed with a standard deviation of 15 minutes.

(i) How large a sample should she take to estimate the mean time to within 1 minute with 99% confidence ?

(ii) What will be the required sample size if the desired confidence level is 90%.

4+4=8

3. (a) Explain the procedure for hypotheses testing. 8
- (b) The temperature at which a plant is maintained is believed to affect the rate of production. The table below gives the number of units produced in one hour when the production process in the plant was operating at three different temperature levels. Do these data suggest that there is a difference in the production levels for different temperature levels ? (Use significance level of 5%). 12

Sample from 68°F	Sample from 72°F	Sample from 76°F
10	7	3
12	6	3
10	7	5
9	8	4
	7	
Total 41	35	15

(10)

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Or

(11)

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(c) What is an estimate ? What are the two types of estimates ?

8

(d) From the data given below, can a statistician conclude that the undergraduate degree affects the choice of specialization in an MBA programme ?

(Use a significance level of 5%)

12

Undergraduate degree	Specialization in MBA				Total
	Accounting	Finance	Marketing	Total	
B.A.	31	13	16	60	
B.Com.	8	16	7	31	
B.B.A.	12	10	17	39	
Other	10	5	7	22	
Total	61	44	47	152	

4.

(a) Distinguish between Type I and Type II errors in hypothesis testing with examples. Can we reduce both these errors simultaneously ? Explain.

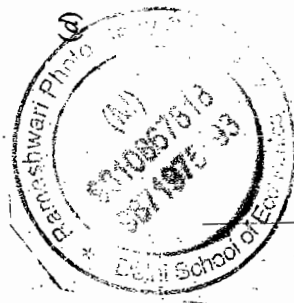
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(b) A company wants to determine whether individuals who are expected at the time of employment to be better salesperson actually turnout to have better sales records. To investigate this, the HR manager ranked 10 salespersons in terms of their potential for success, basing the assessment solely on the basis of information available at the time of employment. On the basis of actual sales performance, a second ranking of these 10 salespersons was

P.T.O.

obtained. The rankings were as follows :

Salesperson	Ranking of Potential	Ranking According to sales
A	2	1
B	4	3
C	7	5
D	1	6
E	6	7
F	3	4
G	10	10
H	9	8
I	8	9
J	5	2



(c) What are non-parametric tests ? Give examples. What are

the advantages and disadvantages of non-parametric tests ? 8

A test is being designed to compare the wearing quality of two brands of tyres. Six cars were randomly selected, equipped with one tyre of brand A and one tyre of brand

B (the other two tyres are not part of the test) and driven for one month. The table gives the amount of wear (in thousandths of an inch) that took place in such a

test.

Do these data indicate that the expected potential at the time of employment and sales record are related to each other ?

($\alpha = 0.01$).

Type	Car					
	1	2	3	4	5	6
Brand A	125	64	94	38	90	106
B	133	65	103	37	102	115

Do the sample data provide sufficient evidence for us to con-

clude that the two brands show unequal wear, at 5% level of significance ?

5. (a) Explain the concept of 'Coefficient of Determination'. 8
- (b) An author is trying to choose between two publishing companies that are competing for the marketing rights to her new novel. Company has offered the author Rs. 10,000 plus Rs. 2 per book sold. Company B has offered the author Rs. 2,000 plus Rs. 4 per book sold. The author

believes that five levels of demand for the book are possible : 1,000; 2,000; 5,000, 10,000 and 50,000 books sold.

- (i) Construct a payoff table, indicating the events and alternative courses of action.

- (ii) Construct an opportunity loss table.

Or

12 Explain the addition rule and multiplication rule of probability. 8

- (d) The profits (Y) of a product in a sales territory is thought to be related to the total population (X₁) of the territory as well as to the advertising expenditure per person (X₂) in the territory. Use the data below to find the least squares equation that best related these variables.

Sl. No. 6202141

Your Roll No. 2014

M. Com.
Semester II
Course – 6202 – Business Environment

Time: 3 Hours

Maximum Marks: 70

– Attempt *all* questions
Each question carries equal marks
Label figures properly

Q 1. Derive the real LM function and show the impact of an increase in nominal money supply on the real rate of interest and real output?

OR

Derive a modern aggregate demand function and show the relevance of demand management.

Q 2. Explain the behavior of different types of investors towards risk and return. For a diversifier how can the market demand curve for real cash balances be derived?

OR

Explain the trade-off between unemployment and inflation. How do sticky wages explain the formation of the aggregate supply function? Explain.

Q 3. Derive a modified LM function. How does it affect general equilibrium?

OR

Explain the concept of Steady State growth. Show how does technological progress affects the steady state growth.

Q 4. Explain real business cycles with the help of stylized facts. Show the impact of technology on a real business cycle.

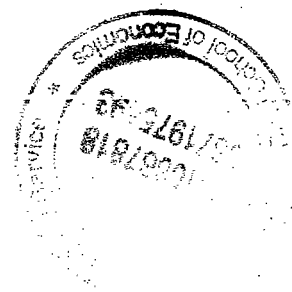
OR

With the help of an example explain the concept of real exchange rate determination. Show the impact of depreciation of exchange rate on output level and trade balance in the goods market in an open economy.

Q 5. "Globalization is a necessary evil" comment on this statement in view of advantages and disadvantages of globalization in context of developing economies.

OR

Which has done better WTO or its predecessor? Explain.



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This question paper contains one printed page

M. COM.: Semester I
Paper 4102
Subject: Managerial Economics

Roll No. 2014

S. No. 4102141
Time: 3 hrs.

Max Marks: 70

Instructions: All questions carry equal marks. Attempt five questions in all. Select at least two from each section. Draw neat diagrams and label the axes.

PART A - MICROECONOMICS

1. With help of Indifference Curves and Price Consumption Curves explain the derivation of the demand curve in the case of normal goods, inferior goods and Giffen goods. 14
- 2.a) What is the effect of technological progress on isoquants? Explain capital deepening and labor deepening technical progress.
- b) Explain the properties of the Cobb Douglas Production function and derive the cost function from it. 7, 7
3. Discuss the dynamics of long run equilibrium in case of Perfectly Competitive firm. How is the equilibrium affected by imposition of specific tax and lump sum tax? 6, 8
4. Write notes on any two:
 - a) Revealed Preference Theory
 - b) Euler's Product Exhaustion Theorem
 - c) Penrose Effect
 - d) Theory of Attributes 7, 7

PART B - MACROECONOMICS

5. Explain the behavior of different types of investors and show how the demand for money function is derived through the behavior of the diversifiers. 14
6. Explain how the money supply function is upward sloping. How does this help in explaining asset market equilibrium? 14
7. How does goods market equilibrium occur in an open economy? Does trade balance necessarily coincide with equilibrium of the goods market? Explain with diagrams. 14
8. Explain real business cycle theory. Show the impact of government spending on a real business cycle. 14

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S. No. 7721A
Time: 3 hrs.

Max Marks:100

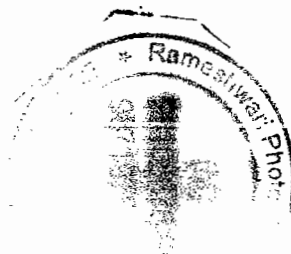
Instructions: All questions carry equal marks. Attempt five questions in all. Select at least two from each section. Draw neat diagrams and label the axes.

PART A MICROECONOMICS

1. Show the breakup of price effect into income and substitution effect. In light of your answer bring out the difference between inferior and Giffen goods. 10, 10
2. What are isoquants? Isoquants can be convex, L-shaped and straight lines. What does it tell about MRTS and nature of production function? 5, 15
3. a) Under Perfect Competition in Long Run a firm is in equilibrium where $LMC=SMC=LAC=SAC=AR=MR=P$. Explain. 12
- b) Explain absence of supply curve under Monopoly. 8
4. Write notes on any two
 - a) Derive demand curve for labor for individual firm in short run.
 - b) Monopolistic and Monopsonistic exploitation of labor.
 - c) Traditional versus Modern theory of cost.
 - d) Demand for Consumer Durables10,10

PART B MACROECONOMICS

5. Explain Tobin's portfolio theory of Money Demand. 20
6. Explain the Reserve Identity for Money Supply. Show asset market equilibrium with the help of an endogenous money supply function. 20
7. How is the goods market equilibrium in the domestic economy different from equilibrium in an open economy? What is the impact of domestic expansionary fiscal policy on output and trade balance? 20
8. How are real business cycles generated? Show the impact of technology on a real business cycle. 20



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This paper consists of 5 printed pages.

Roll No. 2014.....

M.Com Semester II

Paper No. 6201

Subject: Managerial Accounting

S.No. 6201141

Time: 3 hours

Max. Marks: 70

Instructions: Attempt all questions. Question 1 carries 10 marks and the remaining questions carry 15 marks each.

Ques. 1(a) The Dean, Faculty of Management Studies at the University of Bombay at Mumbai was considering whether to offer 'One Month Executive Development Programme for corporate executives. The tuition fee was Rs.65,000 per person. Variable Costs, which included meals, materials and lodging, were Rs. 8000 per person. Certain costs of offering the programme, including advertising the programme, faculty members' fees, audiovisual equipment rent would not be affected by the number of people attending (within a relevant range). Such costs, which could be thought of as step costs, amounted to Rs. 8,00,000 for the programmes.

In addition to these costs, a number of staff including the Dean of Management Studies, worked on the programmes. Although the salaries paid to these staff were not affected by organizing the programme, working on the programme took these people away from other duties, thus creating an opportunity cost, estimated to be Rs. 7,00,000 for this programme. Using this information, the Dean calculated the breakeven point to be 26.3 students $(Rs. 8,00,000 + Rs. 7,00,000) / (Rs. 65,000 - Rs. 8,000)$. If the Dean of the faculty wanted to at least break even on this programme, it should offer the programme only if it expected at least 27 students to attend.

Prepare a report to the Dean that evaluates the quality of this analysis. Further, your report should focus on concerns about the accuracy of data and limitations of cost-volume profit analysis. **5 marks**

(b) Rahul is the manager of photocopying at State Bank of India, Regional Office, New Delhi. He purchased a photocopy machine last year for Rs. 5,00,000. This year, a new photocopier, which is faster and more reliable than the current photocopier is available in the market. In deciding whether or not to purchase the new machine, should Rahul consider how much he paid for the old machine? Should Rahul consider the value of the old machine in the used photocopier market? Give reasons for your answer. **3 marks**

(c) Select the correct answer for the following multiple choice questions.

(i) When production levels are expected to decline within a relevant range, and a flexible budget is used, what-effects would be anticipated with respect to each of the following.

Fixed Costs per unit	Variable Costs per unit
(a) Increase	Increase
(b) Increase	No change
(c) No change	No change
(d) No change	Increase

- (ii) Internal reports prepared under the responsibility accounting approach should be limited to which of the following costs?
- (a) Only variable costs of production
 - (b) Only conversion costs
 - (c) Only controllable costs
 - (d) Only costs properly allocable to the cost centre under generally accepted accounting principles.
- 2 marks**

Ques. 2 (a) Discuss the current focus of management accounting? **7 marks**

(b) Distinguish between activity based costing and traditional costing. What are the benefits of activity based costing? **8 marks**

Or

(a) Explain the behavioural dimensions of budgeting. **7 marks**

(b) Discuss each of the following transfer pricing systems.

- (i) Market prices
 - (ii) Cost-based prices
 - (iii) Negotiated prices
- 8 marks**

Ques.3 Distinguish between absorption costing and variable costing. Discuss the important areas of management decisions helped by the application of variable costing. **15 marks**

Or

X Co. Ltd. manufactures and sells two types of products, A and B. An increase in the sale of one depresses sales of the other on a unit basis and vice-versa.

	Per unit	
	A (Rs.)	B (Rs.)
Sales Price	45	55
Fixed overhead	4	8
(Rs. 4,80,000 allocated on 1:2 basis)		
Variable costs of sales	24	30
Sales Commission		
(20% of sales)	9	11
Net Profit	8	6

Required:

- (a) Work out the number of units of A and B.
- (b) Show clearly the actual operating results.
- (c) State, with arguments, whether the management should increase the sales of A or B.
- (d) If the units of A actually sold are increased by 20% or alternatively decreased by 10%, how this increase or decrease affect the quantum of profit or loss? **15 marks**

Ques. 4 B Ltd. started trading on 1st November 2011, manufacturing and selling one product. The standard cost per unit was:

Direct materials: Standard Price Rs. 10 per kilogram

Standard quantity: 20 kilograms per unit

Direct Labour: Standard rate of pay Rs. 5.50 per hour.

Standard time allowance: 12 hours per unit

Production overhead costs, all classified as fixed, were budgeted at Rs. 9,00,000 per annum. The standard time for producing one unit is 12 machine hours and normal capacity is 60,000 machine hours per annum.

Production overheads are absorbed on machine hours.

For the year ended 31st October, 2012, the costs incurred and other relevant information are given below.

Direct materials used: 1,00,000 kilograms at a cost of Rs. 10,50,000

Direct wages paid: Rs. 3,10,000 for 62,000 hours.

Production overhead: Rs. 9,26,000

Machine Capacity used: 60,000 hours

Actual output: 4,800 units.

Required:

- (i) Show the standard product cost for one unit.
- (ii) Calculate variances for material (usage and price), labour (rate and efficiency), fixed overhead (volume and expenditure).

15 marks

Or

Big Bazar Company is concerned with the performance of Dry Fruits Department. Although, the business of the company as a whole was profitable, the Dry Fruits Department had shown a substantial loss as per their income statement for 2011, produced below.

**Dry Fruits Department
Income Statement for the year ending 2011**

Particulars	Amount (Rs.)	Amount (Rs.)
Sales	2,50,00,000	
Cost of goods sold	1,87,50,000	
Gross Margin		62,50,000
Costs:		
Payroll, direct labour and supervision	16,50,000	
Commission of sales staff	15,00,000	
Rent	13,00,000	
State govt. taxes	1,50,000	
Insurance on inventory	2,00,000	
Depreciation	3,50,000	
Administration and general office	11,00,000	
Interest for inventory carrying	2,50,000	

costs		
Total Costs		65,00,000
Loss before income taxes		2,50,000

Additional information:

- (i) All sales staff are compensated on straight commission at a uniform 6% of all sales.
- (ii) Rent is charged to departments on a square-foot basis. The company rents an entire building and the Dry Fruits Department occupies 15% of the building.
- (iii) State govt. taxes are assessed annually on the basis of average inventory on hand each month.
- (iv) Depreciation is calculated at 5% of cost of departmental equipment.
- (v) Administration and general office is allocated on basis of departmental sales as a fraction of total company sales.
- (vi) Interest for inventory carrying cost is based on average inventory quantity multiplied by the company's borrowing rate for three months loans.

Analysis of these results has led management to suggest that it close the Dry Fruits Department.

Required:

What action do you recommend to management of Big Bazar Company? Why?

15 marks

Ques.5 The XYZ company manufactures and sells 10,000 boom boxes per year. The Assembly Division assembles the boom boxes. It buys the cassette deck for the boom box from the Cassette Deck Division. The Cassette Deck Division can manufacture at most 12,000 cassette decks. The demand for cassette decks is strong and can be sold in the outside market for Rs. 350 per unit. The Cassette Deck Division currently sells 10,000 cassette decks to the Assembly Division and 2,000 cassette decks in the outside market. The incremental cost of manufacturing the cassette deck is Rs. 250 per units.

A crucial component for producing high quality cassette decks is the (cassette) head mechanism, The Cassette Deck Division manufactures the head mechanism for its cassette decks. Many outside suppliers have offered to supply cassette decks to XYZ company. To ensure quality, XYZ co. requires that any outside supplier wanting to supply cassette decks to XYZ company must purchase the head mechanism from the Cassette Deck Division. The Cassette Deck Division will charge Rs. 180 per unit for the head mechanism. The incremental cost of manufacturing the head mechanism is Rs. 120 per unit out of the total incremental costs of Rs, 250 per unit. The Cassette Deck Division has unused capacity for manufacturing the head mechanism. That is, even if the Cassette Deck Division manufactures the head mechanism for outside suppliers, it will still be able to manufacture 12,000 cassette decks for sale in the outside market at Rs. 350 per unit.

An outside supplier is currently negotiating to supply 10,000 cassette decks to the Assembly Division for a price in the range of Rs. 370 to Rs. 430. If the outside supplier gets the business, it will buy the head mechanism from the Cassette Deck Division for Rs. 180 per unit.

Required:

Consider each question independently.

- (i) From the standpoint of XYZ Co. as a whole, should the assembly Division accept outside vendor's offer (a) at a price of Rs. 370 per cassette deck? (b) at a price of Rs. 430 per cassette deck. Show your computations.
- (ii) What transfer price for cassette decks will result in the Cassette Deck Division and the Assembly Division taking actions that are optional for XYZ Co. as a whole? Explain your answer. **15 marks**

OPTIMAL Or

The Birla Group Company at Kolkata manages several divisions in India. The head office staff of the Birla Group evaluates managers of the divisions on the rate of return on investment basis and 20% is the minimum acceptable rate of return on average investment which is also the Birla's Group after tax cost of capital.

In Division A, average assets employed during the year amount to Rs. 60,00,000. Division A has been earning 40% per year on its average investment for several years.

In Division B, average assets employed during the year also amount to Rs. 60,00,000. Division B has been earning 25% per year on its average investment. In the preceding three years, the ROI was 20%, 22%, and 23% respectively.

New investment opportunities have arisen at both Division A and Division B. In both cases, the new investment opportunity will require today a cash outlay of Rs. 30,00,000 and will provide ROI of 30% for each of the next eight years. The average amount of assets invested in the project will be Rs. 30,00,000 for each of the next eight years.

The head office staff was pleased with the prospects of the two new investments, because both the investments would yield a better-than-average return for the Birla Group.

Management of Division A computed its ROI on investment both with and without the new investment and decided not to undertake the project. Management of Division B computed its ROI both with and without the new investment and decided to undertake it.

When words of two divisions' actions reached the head office staff, it was perplexed. Why did Division A's management turn down such a good opportunity? Is management of Division B doing a better job than management of Division A? What may the head office do to give Division A an incentive to act in a way more consistent with the wellbeing of Birla Group? Show your computations. **15 marks**



SOL.

This question paper contains 8+4 printed pages]

Your Roll No. 2014

3110

M.Com./Sem. II D

Paper-6201 : MANAGERIAL ACCOUNTING

(Admissions of 2011 and onwards)

Time : 3 Hours Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. Discuss the current focus of management accounting. Also, explain the differences between management accounting and financial accounting.

Or

What is an activity based approach to designing a costing system ? Distinguish between activity based costing and traditional costing system.

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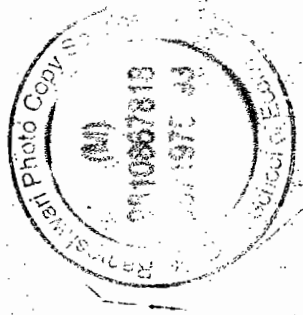
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(12)

(a) Assuming that any Balance sheet items not listed above would be unchanged, prepare a schedule of forecast cash receipts and cash disbursements for 2013 and determine the expected cash balance as on December 31, 2013.

(b) What action would you expect management to take when it sees the cash flow estimates for the year ?



(2)

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2. (a) Bring out clearly the significance of the following costs for management :

(i) Opportunity costs

(ii) Sunk costs.

(b) Explain the advantages of variable costing system.

Or

(c) Discuss the behavioral dimensions of budgeting.

(d) Explain the merits and demerits of ROI and RI as measures of divisional performance.

3. What are the objectives of transfer pricing ? Evaluate each of the following transfer prices :

(i) Market prices

(ii) Negotiated prices

(iii) Cost-based transfer prices.

(3)

3110

On the basis of the following information in respect of a company, what is the product mix which will give the highest possible profit ? Do you recommend overtime working upto a maximum of 15000 hours at twice the normal wages :

Product Manufactured

A B C

Raw material per unit (kg)

10 6 15

Labour hours per unit

(@ Rs. 10 per hour)

15 25 20

Sales price per unit (Rs.)

125 100 200

Maximum production possible (units)

6000 4000 3000

1,00,000 kgs raw material are available @ Rs. 10 per kg.

Maximum production hours are 1,84,000 with facility for a further

15000 hours on overtime basis at twice the normal wages

rate.

P.T.O.

4. Alpha Co. has the following budgeted figures for its various products for the next year :

	Products (Rs. 000)		
	A	B	C
Sales value	480	480	160
Variable costs	432	384	120
Fixed costs (allocated)	24	36	50

Handwritten notes:
 Company's actual contribution
 from the allocated cost
 is Rs. 160000
 Balance actual contribution
 is Rs. 160000

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The company is concerned about product C and several alternatives are being considered.

Alternative 1 :

Cut C's selling price by 10%. It is estimated that this will increase C's unit sales by 40%.

Alternative 2 :

Substitute a new product D for C. Estimated sales are Rs. 1,40,000 in the first year. Variable costs are estimated at

55% of sales. Fixed costs directly attributable to C of

Rs. 10,000 will be eliminated but Rs. 16,000 additional fixed costs directly attributable to D will be incurred.

Alternative 3 :

Eliminate C entirely. This will reduce the fixed costs attributable to C by Rs. 10,000.

Alternative 4 :

Convert C into special finish by adding treatments (additional), which will secure a price increase of 20%. The additional costs incurred will be 10% of the new increased price.

Required :

Management wants to know the effect of each alternative on the profit of the company and their ranking in order of preference.

(6)

3110

Or

Fair Deal produces a product specially for its three customers

P, Q, R requiring 20,000 units, 15,000 units and 10,000 units respectively per annum.

The data in 2011-12 about the products are :

Production cost Rs. 48 per unit

Sales price (net) Rs. 90 per unit overhead (Rs. for the

year) :

Quality inspection 2,62,500

Delivery 2,55,600

Salesmen 74,000

After sales service 93,720

Fair deal apportion these overhead costs on the basis of the production cost. The ECO is unhappy about this and asks

you for an analysis upon ABC method.

(7)

3110

You find the following activity volumes in the

period :

	P	Q	R
Number of inspections	8,330	420	0
Number of deliveries	2,080	40	10
No. of salesmen visit	160	20	5
After sales visits	160	84	40

Required :

(a) Rework the apportionment of overhead to find the comparative costs of sales.

(b) Comment on the results so obtained.

5. Bajaj Co's Small Motor Division produces a variety of small motors that are used in various households and office appliances. The Kitchen Products Division in the Bajaj Co.

(ii) Now assume that the Small Motor Division incurs selling cost of Rs. 200 per motor that could be avoided if the motors are sold internally. Identify the minimum transfer price for the Small Motor Division and the maximum transfer price for the Kitchen Products Division. Should internal transfers take place? If so, what is the benefit to the firm as a whole?

(iii) Suppose you are the manager of the Small Motor Division. Selling costs of Rs. 200 per motor are avoidable if they are sold internally. Would you accept an offer of Rs. 2,200 from the manager of the other division? How much better off (or worse off) would your division be if this price is accepted?

P.T.O.

produces blenders, juicers, coffee grinders and so on. The most frequently used motor is model A28, which can be purchased from a number of outside suppliers for Rs. 2,300 each. The manager of the Kitchen Products Division has approached the manager of the Small Motor Division and offered to buy 1,50,000 model A28 small motors. The Small Motor Division currently is producing at capacity and produces and sells 2,00,000 model A28 motors to outside customers for Rs. 2,300 each.

Required :

(i) What is the minimum transfer price for the Small Motor Division? What is the maximum transfer price for the Kitchen Products Division? Is it important that transfers take place internally? If transfers do take place, what should the transfer price be?

(10)

3110

Or

The management of a company at the beginning of 2013

anticipated (i) decrease in sales as compared with 2012 because of production time lost in converting to new products and

(ii) a considerably smaller profit margin due to higher material

and labour costs. The controller was asked to prepare a cash

budget based on estimated 2013 sales of Rs. 24 lakhs

(a decrease of Rs. 3,00,000) and in particular to forecast the

cash position at the close of 2013.

The forecast of certain Balance sheet and other items was

as follows :

Accounts receivable (net) Rs. 35,000 decrease

Accounts payable Rs. 20,000 decrease

(11)

3110

Inventories Rs. 17,000 increase

Addition to plant (gross) Rs. 1,25,000

Addition to retained earnings Rs. 25,000

Income for 2013 (after depreciation

but before income tax) Rs. 95,000

Depreciation expense, 2013 Rs. 48,000

Income tax for Rs. 2013

(payable in 2014) Rs. 45,000

Dividend payments

(at 2012 rates) Rs. 30,000

The cash balance on January 1, 2013 was Rs. 54,000 and tax

liability on that date, arising from 2012 taxable income

amounted to Rs. 93,000.



This question paper contains 6 printed pages

Roll No. 2014...

M.Com – Semester I

Paper No. 4103

Subject: Managerial Accounting

S.N.O. 4103141

Max Marks: 70

Time: 3 Hours

Instructions: Attempt All Questions. Question no. 1 carries 10 marks and the remaining questions carry 15 marks each.

Q.1 (a) You have been hired by Dabur India Ltd. to fill a new position that has been created in response to rapid growth in sales. It is your responsibility to coordinate dispatch of finished goods from the factory to distribution warehouses located in various parts of India so that goods will be available as orders are received from customers.

The company is unsure how to classify your annual salary in its cost accounting records. The cost accountant says that salary should be classified as a manufacturing (product) cost; the controller says that salary should be classified as a selling expense and the managing director says that it does not matter which way your salary is classified.

Required:

- (i) Which view point is correct? And why?
- (ii) From the point of view of reported net income for the year, is the Managing Director correct in his statement that it does not matter which way your salary is classified. Explain. [5]

(b) The Commissioner of New Delhi Municipal Corporation is dissatisfied with rising costs and deteriorating quality of services provided by the municipal workers, particularly in the Public Works Department; paving roads, repairing potholes and cleaning the streets. He is contemplating privatizing these services by outsourcing the business to independent private contractors. The commissioner has demanded that his staff develop an activity based cost system for municipal services. However, before proceeding with his privatization initiative, he declared, "Introducing competition and privatization to government services requires real cost information. You cannot compete if you are using fake cost". Currently the accounting systems of Delhi city reports only how much is being spent in each department, by type of expenditure, payroll, benefits, materials, vehicles, equipment and supplies.

Required:

- (i) Before outsourcing to the private sector, why does the commissioner want to develop activity based cost estimates of performing municipal services?
- (ii) After building activity based cost models, should this information be shared with municipal workers? Why or Why not? [5]

Q.2 (a) What is a balanced score card? Explain the different perspectives of a balanced score card. [7.5]

(b) Distinguish between Traditional costing and Activity Based Costing. What are the advantages of Activity Based Costing? [7.5]

OR

(a) Discuss ROI and RI as measures of performance measurement. Also discuss the problems in using ROI as a performance measure. [7.5]

(b) Distinguish between Financial Accounting and Management Accounting. What is the role of management accountant in today's business environment? [7.5]

Q.3 (a) What is transfer pricing? What are its objectives? Critically evaluate different methods of transfer pricing. [15]

OR

The Truck division of Mahindra and Mahindra Co. has been experiencing revenue and profit growth during the year 2009-2011. The income statements for the truck division are provided below.

	2009 (Rs.)	2010(Rs.)	2011(Rs.)
Sales	8,40,000	12,00,000	14,00,000
Cost of Goods sold	6,05,000	8,56,000	9,87,000
Gross Profit	2,35,000	3,44,000	4,13,000
Operating Expenses	1,09,000	1,28,000	1,33,000
Income from Operations	1,26,000	2,16,000	2,80,000

Assume that there are no charges from service departments. The vice-president of the division, Gyan Murthy, is proud of his division's performance over the last three years. The president of the company, Sameer Nanda, is discussing the division's performance with Gyan as follows:

Gyan: As you can see, we had a successful three years in the Truck Division.

Sameer: I am not too sure

Gyan: What do you mean? Look at our results. Our income operations have more than doubled, while our profit margins are improving.

Sameer: I am looking at your results. However, your income statements fail to include one very important piece of information, namely, the invested assets. You had Rs. 4,20,000 in invested assets in 2009; Rs. 8,00,000 in 2010; and Rs. 17,50,000 in 2011.

Gyan: you are right. I have needed the asset in the order to upgrade our technologies and expand our operations. The additional assets are one reason we have been able to grow and improve our profit margins. I do not see that this is a problem.

Sameer: The problem is that we must maintain a 20% rate of return on invested assets.

As a management accountant, you are required to:

- (i) Determine the profit margins for the truck division for 2009-11.
- (ii) Compute the investment turnover for the truck division for 2009-11.
- (iii) Compute the rate of return on investment for the truck division for 2009-11.
- (iv) Evaluate the division's performance over 2009-11 time periods. Why was Sameer concerned about the performance? [15]

Q.4 The component division produces a part that is used by the goods division. The cost of producing the part is given below:

	Rs.
Direct material	10
Direct Labour	2
Variable Overheads	3
Fixed overheads	5
Total Cost	20

Fixed overhead is based on a practical volume at 2,00,000 parts. Other costs incurred by the components Division are as follows:

- Fixed selling and administrative Rs. 5,00,000
- Variable selling cost Re. 1 per unit
- The part usually sells for between Rs. 28 and Rs. 30 in the external market. Currently, the components Division is selling it to external customers for Rs. 29 per unit. The division is capable of producing 2,00,000 units of the part per year. However, because of a weak economy, only 1,50,000 parts are expected to be sold during the coming year. The variable selling expenses are avoidable if the part is sold internally. The goods division has been buying the same part from an external supplier for Rs. 28. It expects to use 50,000 units of the part during the coming year. The manager of the goods Division has offered to buy 50,000 units from the components Division for Rs. 18 per unit.

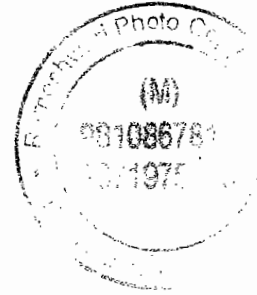
Required:

- (a) Determine the minimum transfer price that the component Division would accept.
- (b) Determine the maximum transfer price that the manager of goods Division would pay.
- (c) Should an internal transfer take place, why? If you were the manager of the components division, would you sell the 50,000 components for Rs. 18 each? Explain
- (d) Suppose that the average operating assets of the components division total Rs. 100 lakh. Compute the ROI for the coming year, assuming that 50,000 units are transferred to the goods division for Rs. 21 each. [15]

OR

Q.4 The financial controller of SG Ltd. has prepared the following estimates of working results for the year ending March 31, 2014:

Direct material per unit (Rs.)	16.00
Direct labour per unit (Rs.)	40.00
Variable overheads per unit (Rs.)	12.00
Selling price per unit (Rs.)	125.00
Fixed expenses (Rs.)	6,75,000 p.a.
Sales (Rs.)	25,00,000 p.a.



During the 2014-15, it is expected that the material prices and variable overheads will go up by 10% and 5% respectively. As a result of re-engineering of business processes, the overall direct labour efficiency will increase by 12%, but the wage rate will go up by 5%. The fixed overheads are also expected to increase by Rs. 1,25,000. The vice president-manufacturing states that the same level of output as obtained in 2013-14 should be maintained in 2014-15 also and efforts should be made to maintain the same level of profit by suitably increasing the selling price.

The vice-president-marketing states that the market will not absorb any increase in the selling price. On the other hand, he proposes that publicity involving advertisement expenses as given below will increase the quantity of sales as under:

Advertisement expenses (Rs.)	80,000	1,94,000	3,20,000	4,60,000
Additional units of sales	2,000	4,000	6,000	8,000

You have been appointed as a management Accountant in SG Ltd., and as a initial assignment during the training period, you have been requested to:

- Present an income statement for the year 2014-15
- Find the revised price and the percentage of increase in the price for 2014-15, if the views of the vice-president-manufacturing are accepted.
- Evaluate the four alternative proposals put forth by the vice-president-marketing. Determine the best output level to the budgeted and prepare an overall income statement for the year 2014-15 at that level of output. (workings should form part of your answer) [15]

Q.5 Harish Aggarwal, a management accountant with the Maruti Udyog, is evaluating whether a particular component should continue to be manufactured by Maruti or purchased from outside vendor company. Outsider vendor has submitted a bid to manufacture and supply the 32,000 units of the components that Maruti Udyog will need for 2012 at a selling price of Rs. 173 per component.

Harish has gathered the following information regarding Maruti's costs to manufacture 30,000 units of components in 2011

	Rs.
Direct Materials	19,50,000
Direct manufacturing labour	12,00,000
Plant space rental	8,40,000
Equipment leasing	3,60,000
Other manufacturing overhead	22,50,000
Total manufacturing costs	66,00,000

Harish has also collected the following information related to manufacture the components.

- Price of direct materials used in the production of the components are expected to increase by 8% in 2012.
- Maruti Udyog's direct manufacturing labour contract calls for a 5% increase in 2012.
- Maruti Udyog can withdraw from the plant space rental agreement without any penalty.
- Maruti Udyog will have no need for this space if component is not manufactured
- The equipment lease can be terminated by paying Rs. 60,000.
- 40% of the other manufacturing overheads is considered variable. Variable overhead changes proportionately with the number of units produced. The fixed component of other manufacturing overhead cost is expected to remain the same whether or not component is manufactured.

Pradeep, a plant manager at Maruti Udyog, indicates to Harish that the current performance of the plant can be significantly improved and the cost increases he is assuming are unlikely to occur. Hence, the analysis should be done assuming costs will be considerably below current levels. Harish knows that Pradeep is concerned about outsourcing the component because it will mean that some of his close friends will be laid off.

Harish believes that it is unlikely that the plant will achieve the lower costs as Pradeep describes. He is very confident about the accuracy of the information he has collected, but he is also unhappy about laying off employees.

Required:

- (i) On the basis of the financial information Harish has obtained, should Maruti Udyog make the component or buy it 2012? Show your calculations.
- (ii) What other factors should Maruti Udyog consider before making a decision? [15]

OR

Q.5 (a) SG Ltd., for the purpose of controlling costs, has introduced the standard costing and the following data have been provided for your kind consideration. You have been appointed as Management Accountant in the Company and as the initial assignment of your job, it has been asked to calculate the fixed overhead cost variances. [10]

	Budget	Actual
Output (units)	30,000	32,500
Hours	30,000	33,000
Manufacturing Fixed Overheads (Rs.)	45,000	50,000
Variable Manufacturing Overheads	60,000	68,000
Working Days	25	26

Note: Working should form part of your answer.

(b) From the following data relating to the labour cost incurred in the manufacturing department of XYZ Ltd. (5 marks)

Actual Output (units)	9,000
Total Actual Hours	1,10,000
Idle time (included in above) (hours)	5,000
Actual Wage rate per hour (Rs.)	22
Labour Efficiency Variance (Rs.)	3,75,000 A

As a management Accountant, you are requested to calculate the following:

- Standard Wage rate per hour
- Labour Cost Variance
- Idle Time Variance
- Labour Rate Variance



This question paper contains 8+4+1 printed pages]

Your Roll No. 2014

7722-A

M.Com./I Sem. (NC) E-1

Paper 4103 : MANAGERIAL ACCOUNTING

Time : 3 Hours

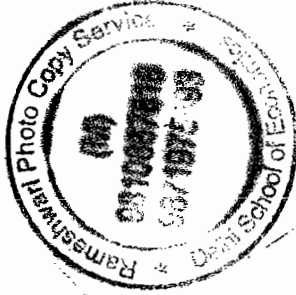
Maximum Marks : 100

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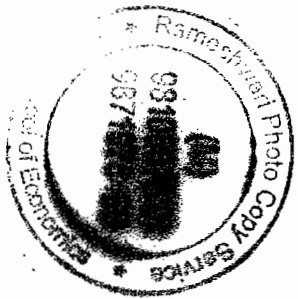
Attempt All questions.

All questions carry equal marks.

1. (a) Discuss the role of management accounting in the areas of planning, control and decision making. What are the functions of management accountant in today's business environment? 10
- (b) Distinguish between absorption costing and variable costing. What is their influence on net income of a business firm? 10



P.T.O.



0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99

(a) What is a balanced scorecard ? Explain the different perspectives of a balanced scorecard. 10

(a) Explain ROI and RI as measures of performance measurement. 10

(b) Discuss the different methods of transfer pricing. 10

Which transfer pricing policy is most suitable and why ? 10

Or

Bharat Seat Ltd. produces and sells one product—an infant car seat, called Baby comfort, at a price of Rs. 500. Variable costs are Rs. 200 per seat. Fixed costs are Rs. 49,50,000. Bharat Seats Ltd. manufactures Baby comfort upon the receipt

P.T.O.

1-What is Activity Based Costing ? Discuss the procedural steps required in Activity Based Costing for cost assignment to the cost objects. 20

(a) Discuss the different methods of pricing strategies used by a business firm. What are the factors to be considered in pricing decisions ? 10

(b) Distinguish between Strategic Planning, tactical planning and budgeting. Explain the behavioural dimensions associated with budgeting. 10

(c) Distinguish between standards and budgets. How is setting standards useful to business firms ? 10

P.T.O.

of orders from its customers. In year 2013, it sold 30,000 units of Baby Comfort. One of the company's customers, Hyundai Motor Company has asked it in the year 2014 to manufacture a different style of car seat called Baby Luxury. Hyundai will pay Rs. 250 for each unit of Baby Luxury. The variable cost for Baby Luxury is estimated at Rs. 150 per seat. Bharat Seats has enough capacity to manufacture all the units of Baby Comfort as well as the units of Baby Luxury, and will incur no additional fixed costs. The company estimates that in the year 2014 it will sell 30,000 units of Baby Comfort and 20,000 units of Baby Luxury.

Required :

- (i) Calculate the break-even point in units and revenue for 2013.

- (ii) Calculate the break-even points in units and revenues for 2014 at the planned sales mix.
- (iii) Explain why the break-even point in revenues calculated in (i) and (ii) are different.
- (iv) Should the company accept Hyundai's offer ? Provide supporting computations.

20

4. A company has supplied the following data for first three quarters of 2014 about its product television :

	Cost Per Unit		
	First	Second	Third
Direct Material (Rs.)	1,500	2,000	2,500
Direct labour (Rs.)	2,000	2,000	3,000
Variable manufacturing overheads (Rs.)	500	1,000	2,000

P.T.O.

The television's selling price per unit is Rs. 10,000, fixed manufacturing costs Rs. 25,00,00,000 each quarter; variable selling and administrative expenses Rs. 600 per unit sold; fixed selling and administrative expenses per quarter is Rs. 8,00,00,000. Beginning inventory at the first quarter was

20,000 units at Rs. 11,00,00,000 (including Rs. 3,00,00,000 Fixed

Costs). The company uses the FIFO inventory method.

Production and sales data are as follows :

Quarter	Produced	Sold
First (units)	1,56,000	1,40,000
Second (units)	1,60,000	1,50,000
Third (units)	1,60,000	1,70,000

Required :

- (i) Prepare income statements for each quarter using absorption costing and variable costing.
- (ii) Reconcile the income for each quarter between two methods.

20

Or

Modi company purchases 10,000 items of a product annually

from Bajaj Company. The company now is thinking of

manufacturing the items internally. The accounts department

has prepared a report for an assembly run of 10,000 items.

To manufacture the items, Modi will hire additional production

P.T.O.

employees but will need no additional equipment or space.

The current purchase price is Rs. 88 per unit. If the items

are purchased, the currently unused space could be leased

for Rs. 1,50,000 annually. The estimate to manufacture 10,000

items is as follows :



Components Rs.
2,70,000

Assembly Hours 2,90,000 ✓

Share of existing facility based

on labour 6,40,000

Total cost 12,00,000

Assembly labour consists of hourly production workers.

Required :

(a) With computation, suggest whether the company should

purchase from outside or manufacture within the

company.

(b) Present several factors and problems that should be

considered while dealing with outside suppliers such

as Bajaj Company.

5. A company is a multidivisional company and its managers

have been delegated full profit responsibility and autonomy

to accept or reject transfers from other divisions. Division A

produces a Sub-assembly with a ready competitive market. This

sub-assembly is currently used by Division B for a final product

that is sold outside at Rs. 1,200 per unit. Division A charges

Division B market price for the sub-assembly which is

Rs. 700 per unit. Variable costs are Rs. 520 per unit and Rs.

600 for Division A and B respectively.

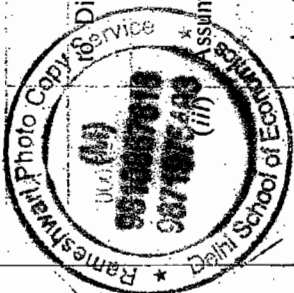
The manager of division B feels that Division A should transfer the sub-assembly at a lower price than market because

at this price, Division B is unable to make a profit.

Required :

- (i) Compute Division B's profit contribution if transfers are made at the market price and also the total contribution to profit for the company.

Assume that Division A can sell and its production in the open market. Should Division A transfer goods



Division B ? If so, at what price ?

Assume that Division A can sell in the open market only 500 units at Rs. 700 per unit out of 1,000 units

that it can produce every month and that a 20% reduction in price is necessary to sell full capacity.

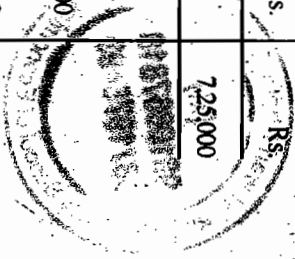
Should transfer be made, if so, how many units should it transfer and at what prices ? Submit a schedule showing comparisons of contribution margins under three different alternatives to support your decision.

Or

The following information is available for the year 2013 for

Reliance products :

	Rs.	Rs.
Revenues (1,00,000 units)		7,25,000
Manufacturing Costs :		
Materials	42,000	
Variable Costs	35,600	
Fixed Costs (Excluding Depreciation)	81,900	
Depreciation (Fixed)	2,49,750	4,09,250
Marketing and Administrative Costs :		
Marketing (Variable)	1,05,600	
Depreciation of Building and Equipments	37,400	
Administration (Fixed)	1,27,300	
Administration (Depreciation)	18,700	2,89,000
Total Costs		6,98,250
Operating Profits		26,750



All depreciation costs are fixed and are expected to remain the same for 2014. Sales volume is expected to increase by 20% and prices are expected to increase by 5%. Materials costs are expected to decrease by 8% per unit. Variable manufacturing costs are expected to decrease by 2% per unit. Fixed manufacturing costs, other than depreciation, are expected to increase by 5%. Variable marketing costs change with volume. Administrative costs are expected to increase by 10%.

Prepare a budgeted profit plan for 2014 showing operating profits.

20

This question paper contains 4 printed pages

Roll No...2014...

M.Com Sem -I
Paper: 4104
Subject: Financial Planning

S. No. 4104141

Time: 3 hours

Max. Marks: 70

Instructions: (i) Attempt all questions. All questions carry equal marks.

(ii) Part (a) of Question no. 1 is compulsory.

1. (a) Select the correct answer for the following Multiple choice questions (Compulsory):

(i) Compounding of the interest is best explained by a:

- (A) Balanced fund
- (B) Growth fund
- (C) Value fund
- (D) Income fund

(ii) Direct investment in stock market can be a better option than investing through mutual funds if the investor:

- (A) Wants better returns than offered by mutual funds
- (B) Has large capital, knowledge and resource for research
- (C) Has identified a bullish phase in the stock market
- (D) Wants to invest for the long term

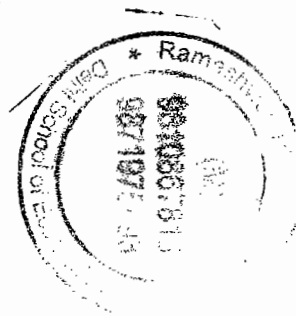
(iii) Sharpe and Treynor ratios are measures of:

- (A) Risk
- (B) Return
- (C) Risk adjusted return
- (D) Beta of the portfolio

(iv) Which of the following is recommended by Bogle for older investors in accumulation stage:

- (A) 50% in equity and 50% in debt
- (B) 60% in equity and 40% in debt
- (C) 70% equity and 30% debt
- (D) 40% equity and 60% debt

(v) Inflation is a problem for the economy but will most likely benefit:



- (A) Government
- (B) Borrowers
- (C) Lenders
- (D) Retired persons

(vi) Which of the following goals would be the easiest to implement and measure?

- (A) Invest Rs.5,000 a year for retirement.
- (B) Reduce our debt payments.
- (C) Save funds for an annual vacation.
- (D) Save Rs.200 a month to create a Rs.5, 000 emergency fund.

(vii) Sally Smith's friends have told her that they think she should consider a visit to a personal financial planner. Why do you think her friends made the suggestion?

- (A) Sally usually saves 10 percent of her paycheck for long-term goals.
- (B) Sally has no credit card debt.
- (C) Sally tracks her investments and makes changes to her allocations once per year.
- (D) Sally plans to quit her job and volunteer for local organizations. (1×7)

(b) How do your financial goals fit into your financial plan? Why should goals be realistic? What are three time frames for goals? Give an example of a goal for each time frame. (7)

OR

(c) Discuss the legal aspects of financial planning essential to be observed by a financial advisor. How does the legal framework help in evaluating a financial instrument? (7)

2. (a) Mr. Amar is a marketing executive working in Tata Motors Pvt. Ltd, in Mumbai. He is around 30 years old and married recently and his wife is also working in a private firm. At the time of marriage, his wife brought home jewelry worth Rs.30,000. They have recently purchased a flat in Andheri in west Mumbai for Rs.50,00,000. They raised a housing loan of Rs.20,00,000 from HDFC. They also purchased a Santro car for Rs.4,00,000 for which they have taken a loan for Rs.2,00,000. Then, they went to furnish their new home by purchasing furniture and fittings worth Rs.50,000 for which they had taken a loan of Rs.10,000. They have a TV, fridge of total worth Rs.50,000. They have an appliance loan of Rs.20,000 from GE finance.

Since, Mr. Amar and his wife are both working, they could mobilize a savings to the tune of Rs.7,50,000, which they invested in the following instruments: life insurance for Rs.5,00,000, ICICI bonds worth Rs.100,000, fixed deposits of Rs.1,00,000 and savings A/C worth Rs.40,000. They used the remaining amount as liquid cash, which they may need for household emergency.

Their annual payments by way of municipal corporation taxes, outstanding bills, insurance premium etc. are as follows: life insurance premium of Rs.20,000, municipal taxes worth

Rs.10,000, credit card payments of Rs.10,000, medical expenses to the tune of Rs.5,000, and mobile bill payments of Rs.5,000. Mr. Amar had also taken an education loan of Rs.10,000 while he was pursuing his MBA.

On the basis of above financial information of Mr. Amar and his family, calculate his net worth. If the saving ratio of Mr. Amar is 0.40, what would you advise him?

(7)

(b) What is the purpose of life insurance? Do you think everybody needs life insurance? Explain.

(3)

(c) What is the return-risk tradeoff? What type of stock investments are particularly tempting for stock investors? What other factors individual investors must consider before making this type of investment?

(4)

OR

(d) Between watching a financial news network on cable, reading articles in some business magazines, and listening to a co-worker recount his story of doubling his portfolio in six months; Brad is now convinced that his financial future lies in the stock market. His co-worker's was in technology stocks, so Brad has focused his portfolio on three highly speculative technology stocks. He believes that the three stocks will give him adequate diversification with maximum growth potential.

Although he has heard that it might be a good idea to buy bonds for diversification purposes, he finds bonds boring and their returns too low. Brad read an article on how trading online with a margin account can increase his return, and he's interested in your opinion. Brad admits that he has virtually no knowledge of investing or time to do research, but a broker gives him lots of "hot tips". He believes that is all he really needs. Brad has heard about misleading financial statements issued by some firms, but believes that even if companies misstate their financial condition; this will not affect their stock price.

Give your comments about Brad's financial plan? Justify your answer. (7)

(e) (i) List three reasons for investing in mutual funds. (3)

(ii) Ana invested \$10,000 in a mutual fund at a time when price per share was \$40. The fund has a load fee of 4 percent. How many shares did she purchase? If Ana had invested the same amount of money in a no-load fund with the same price per share, how many shares could she have purchased? Ana later sells her shares in the mutual fund for \$45 per share. What would her return be in each of the above cases? (4)

3. Discuss the advantages and modus operandi of credit cards. How credit management can wipe off the disadvantages of plastic money? (14)

OR

Deliberate how critical is the housing finance planning. Elaborate the vital clauses and their safety counters for effective planning in case of housing finance. (14)

4. (a) Prepare a format for estimating the retirement income of a person. Give suitable example. (7)

(b) If an investor is dissatisfied with a depository participant, what is the grievance redressal mechanism that is available to her in India? What are the qualifications for appointment as a presiding officer of SAT? (7)

OR

(c) What are the basic steps of tax planning? List out the different tax planning strategies to reduce your tax liability. (7)

(d) What are the reasons behind the ongoing SEBI-DLF case? If DLF is dissatisfied with the judgement given by SAT, what other course of action can it take? (7)

5. Write short notes on any four:

(a) Systematic withdrawal plans

(b) Rupee cost averaging

(c) Tactical asset allocation

(d) Power of attorney

(e) Risk profiling (3.5×4)

7723A

This question paper contains 4 printed pages]

5. Write explanatory notes on any two of the following :

(a) Overdraft coverage and protection

(b) Reverse Mortgage

(c) Role of SEBI in investor grievance mechanism in

India.

2×10=20

7723A

M.Com./Sem. I (NC)

E-I

Paper 4104

FINANCIAL PLANNING

Time : 3 Hours

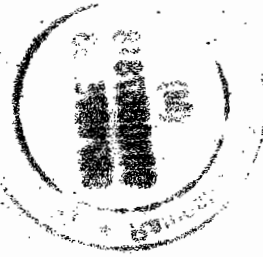
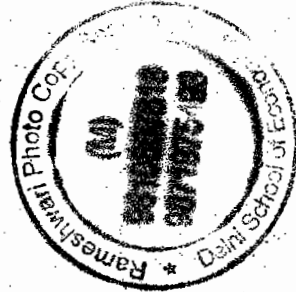
Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

- I. (a) What are the various factors that one should consider for formulating financial planning strategies ? What is the role of cash budgeting in financial planning. 10
- (b) What is net worth ? Describe how wealth is built over time ? How do your personal cash flow statement and your personal balance sheet assist in this process ? 10



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(2)

7723A

How does tax planning help you in reducing your tax liability ? Elucidate the tax planning alternatives suitable for the Indian residents. 20

Or

2. (a) What are mutual funds ? What two broad categories of mutual funds exist and how are they different ? Describe the three ways a mutual fund can generate return for investors. Give suitable examples. 10

(b) Why is it important to diversify your financial holdings across financial assets ? How does asset allocation enable you to accomplish diversification ? Discuss the role that your stage in life plays in the asset allocation decision. 10

Or

(c) What are the salient features of a will ? How do you change or revoke a will ? 10

(d) Discuss briefly about the various types of financial risks present in the market. 10



(3)

7723A

3. (a) Define compounding. How is it used in financial planning ? 10
(b) Describe the common investment mistakes made by individuals. 10

Or

(c) Write explanatory notes on the following :

(A) Commodity derivatives

(B) Sources of financial information. 2x10=20

4. Discuss the advantages and disadvantages of credit cards. How do the transactions executed with the help of credit cards ? 20

Or

(a) Prepare a format for estimating the retirement income of a person. 10

(b) Discuss the critical clauses of Life and Health Insurance instruments. 10



P.T.O.

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Roll No. 2014

M. Com. Semester I/OS
Course: 6101 - Organizational Theory and Behaviour
(Old Course)

This paper contains two typed pages

Sl. No. 610114R

Max. Time : 3 Hours

Max. Marks : 70

Notes :

1. Attempt all questions.
2. All questions carry equal marks.

1. Write a detailed note on contributing disciplines to Organizational Behaviour with the help of diagram and suitable examples.

Or

1. Distinguish between any two of the following:

- (a) Flat and Tall Structures with diagram and examples
- (b) Classical and Neo-classical theories
- (c) Theory X and Theory Y with the help of appropriate leadership styles
- (d) Terminal Values and Instrumental Values.

2. (a) Write a detailed note on group decision making with the help of various techniques.

- (b) "Interpersonal Communication is based on trust due to which there are hidden areas in the life of each individual which can never be disclosed to other people." Critically evaluate the statement with the help of suitable examples and diagram of Johari Window.

Or

- (a) Write a detailed note on the concept and intervention techniques of Organizational Development

- (b) "Transactional Analysis helps you understand the ego states of other person so that you can choose appropriate ego state to respond." Elucidate the statement with the help of suitable examples.

3. "Motivation is the key to better performance and effectiveness in Organizations." Elucidate the statement with the help suitable theories and examples.

Or

Write a detailed note on process based theories of Motivation.

4. Write a detailed note on leadership styles with the help of suitable diagrams.

Or

Write short notes on any two of the following:

- (a) Conflict resolution strategies
- (b) Individual and Organizational factors of stress
- (c) Big Five Model of Personality
- (d) Sources of Power

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

In ten years, Plant World had grown from a one-person venture into the largest nursery and landscaping business in its area. Its founder, Myta Ong, combined a lifelong interest in plants with a botany degree to provide a unique customer service. Ong had managed the company's growth so that even with twenty full-time employees working in six to eight crews, the organization culture was still as open, friendly, and personal as it had been when her only "employees" were friends who would volunteer to help her move a heavy tree.

To maintain that atmosphere, Ong involved herself increasingly with people and less with plants as the company grew. With hundreds of customers and scores of jobs at any one time, she could no longer say without hesitation whether she had a dozen arborvitae bushes in stock or when Mrs. Carnack's estate would need a new load of bark mulch. But she knew when Rose had been up all night with her baby, when Gary was likely to be late because he had driven to see his sick father over the weekend, and how to deal with Ellen when she was depressed because of her boyfriend's behaviour. She kept track of the birthdays of every employee and even those of their children. She was up every morning by five-thirty arranging schedules so that John could get his son out of daycare at four o'clock and Martina could be back in town for her afternoon high school equivalency classes.

Paying all this attention to employees may have led Ong to make a single bad business decision that almost destroyed the company. She provided extensive landscaping to a new mall on credit, and when the mall never opened and its owners went bankrupt, Plant World found itself in deep trouble. The company had virtually no cash and had to pay off the bills for the mall plants, most of which were not even salvageable.

One Friday, Ong called a meeting with her employees and leveled with them: either they would not get paid for a month or Plant World would fold. The news hit the employees hard. Many counted on the Friday paycheck to buy groceries for the week. The local unemployment rate was low, however, and they knew they could find other jobs.

But as they looked around, they wondered whether they could ever find this kind of job. Sure, the pay was not the greatest, but the tears in the eyes of some workers were not over pay or personal hardship; they were for Ong, her dream, and her difficulties. They never thought of her as the boss or called her anything but "Myta." And leaving the group would not be just a matter of saying good-bye to fellow employees. If Bernice left, the company softball team would lose its best pitcher, and the Sunday game was the height of everyone's week. Where else would they find people who spent much of the weekend working on the best puns with which to assail one another on Monday morning? At how many offices would everyone show up twenty minutes before starting time just to catch up with friends on other crews? What other boss would really understand when you simply said, "I don't have a doctor's appointment, I just need the afternoon off"?

Ong gave her employees the weekend to think over their decision: whether to take their pay and look for another job or to dig into their savings and go on working. Knowing it would be hard for them to quit, she told them they did not have to face her on Monday; if they did not show up, she would send them their checks. But when she arrived at seven-forty Monday morning, she found the entire group already there, ready to work even harder to pull the company through. They were even trying to top one another with puns about being "mall-contents."

Questions:

- (a) How would you describe the organization culture at Plant World?
- (b) How large can such a company get before it needs to change its culture and structure?
- (c) Would you like to work for such a company? Why or why not? Justify your answer.
- (d) If you were Ong then what kind of culture you would have nurtured in the Organization?

M.Com (Semester -II)-May 2019

Paper No. -4201

Quantitative Techniques for Business Decisions

S.No. 4201M19

Max. Time: 3 Hours

Max. Marks: 70

Instructions: Attempt all parts of question together.

Q1. (a) Tiara company produces various types of food products and sells them to Western Foods, a chain grocery store located at eastern and western sides of the country. The company makes two types of salsa products: Green salsa and Red salsa, essentially having different blends of tomato, tomato sauce and tomato paste. Green salsa is the blend of 50% whole tomato, 30% tomato sauce and 20% tomato paste. The red salsa, which has thicker and chunkier consistency, consists of 70% whole tomato, 10% tomato sauce and 20% tomato paste. Each Jar of Salsa produced weighs 10 pounds. For the current production period company can purchase up to 280 pounds of whole tomatoes, 130 pounds of tomato sauce and 100 pounds of tomato paste; the price per pound for these ingredients is \$0.96, \$0.64 and \$ 0.56 respectively. The cost of the spice and the other ingredients is approximately \$0.10 per jar. The company buys empty glass jar for \$0.02 each, and labeling and filling costs are estimated to be \$0.03 for each jar of salsa produced. Company's contract with Western Foods results in sales revenue of \$1.64 for each jar of Green Foods Salsa and \$1.93 for each jar of Red Food Salsa. (1 pound = 16 ounces)

- (i) Formulate the linear programming problem and use graphic method to obtain mix of salsa products that will maximize the total profit contribution. (10)
- (ii) Determine the amount of slack or surplus for each constraint (10)

- (b) Discuss the role and scope of quantitative methods for scientific decision making in business management. (4)

OR

- (c) A manufacturing firm has just discontinued production of an unprofitable product line which has resulted in excess capacity. The management is contemplating to use the capacity for the production of three products A, B and C. The per unit contribution margin of the three products is, respectively, Rs. 20, Rs. 6 and Rs. 8. Further the available capacity and the capacity requirements of the three products are as given below:

Machine Type	Capacity Requirement (machine hours per unit)			Available excess capacity (machine hours per week)
	A	B	C	
Milling	8	2	3	250
Lathe	4	3	0	150
Grinder	2	0	1	50

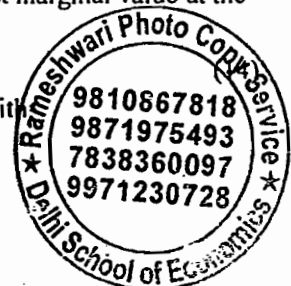
- (i) Formulate the linear programming problem and use simplex algorithm to obtain mix of products that will maximize the total contribution.
- (ii) Determine the amount of slack or surplus for each constraint.
- (iii) What are the shadow prices of the resources? Which resource has the highest marginal value at the point of optimality?
- (iv) Over what range in each of RHS values are these shadow prices valid?

- Q2.(a) A dealer supplies the following information with regard to a product he is dealing with

Annual demand	=	5,000 units
Buying cost	=	Rs. 250 per order
Inventory carrying cost	=	30% per year
Price	=	Rs. 100 per unit

The dealer is considering the possibility of allowing some back-orders to occur for the product. He has estimated that the annual cost of back-ordering the product will be Rs. 10 per unit.

- (i) What is the optimum number of units of the product that he should buy in one lot?
- (ii) What quantity of the product should he allow to be back ordered?



(iii) How much additional cost will he have to incur on inventory if he does not permit back-ordering? (9)

(b) What is degeneracy? Describe the conditions leading to degeneracy in a transportation problem? (5)

OR

(c) The following is the quantity discount situation, where $D=500$ units per year, $C_o = \$40$ and the annual holding cost rate is 20%. What order quantity do you recommend:

Discount category	Order size	Discount	Unit cost
1	0 to 99	0%	Rs.10.0
2	100 and more	3	Rs. 9.70

(d) Two companies compete for a share of the soft drink market. Each worked with an advertising agency in order to develop alternative advertising strategies for the coming year. A variety of television advertisements, product promotions, in-store displays, and so on provides four different strategies for each company. The following table summarizes the projected change in market share for Company A once the two companies select their advertising strategy for the coming year. What is the optimal solution to this game for each of the players? What is the value of the game?

		Company B			
		B1	B2	B3	B4
Company A	A1	3	0	2	4
	A2	2	-2	1	0
	A3	4	2	5	6
	A4	-2	6	-1	0

(9)

Q3.(a) The product development group at Kolkata Corporation has been working on a new computer software product that has the potential to capture a large market share. Through outside sources, the Kolkata's management learnt that a competitor is working to introduce a similar product and therefore wanted to use PERT/CPM as a tool to schedule the remaining activities for the launch of new product in the market. The activities, their inter-relationship and the activity time estimates (in weeks) are as follows:

Activity	Immediate Predecessor	Optimistic Time (t_o)	Most Probable time (t_m)	Pessimistic time (t_p)
A	-	3	4	5
B	-	3	3.5	7
C	B	4	5	6
D	A, C	2	3	4
E	B	6	10	14
F	B	7.5	8.5	12.5
G	E	4.5	6	7.5
H	E	5	6	13
I	D, G	2	2.5	6
J	F, H	4	5	6

(i) Develop a project network.

(ii) Identify the critical activities for the project and project duration based on given time estimates.

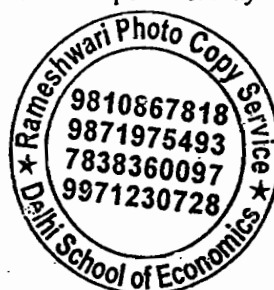
(iii) What is the probability that the project will be completed so that Kolkata corporation may introduce the new product within 25 weeks? Within 30 weeks? (10)

(b) Distinguish the following:

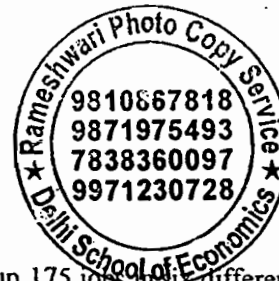
(i) Recurrent and absorbing states

(ii) Transition probabilities and steady state probabilities

OR



(4)



- (c) The personal manager of a company is in the process of filling up 175 jobs at six different entry level skill jobs. The requirement of skills at different wage scale levels (A to F) are:

Entry level skills	A	B	C	D	E	F
Wage scale (Rs. pm)	1,000	1,100	1,200	1,300	1,400	1,500
No. required	25	29	31	40	33	17

230 applicants applied for the jobs have been tested and their aptitude and skills for the jobs have been matched against company standards and evaluated. The applicants have been grouped into four categories by their abilities. The groupings and their values for each category to the company are shown in the below given table:

Applicant category	Category value (Rs. p.m)						No. of Applicants
	A	B	C	D	E	F	
I	1,000	1,100	1,500	1,400	1,400	1,450	54
II	1,200	1,250	1,200	1,350	1,400	1,400	57
III	1,000	1,100	1,200	1,400	1,500	1,600	45
IV	1,500	1,500	1,600	1,400	1,400	1,500	74

How many applicants of each category should the personal manager hire and for which job? (9)

- (d) What is a dummy activity in the network? Why do we use dummy activities in the network? Bring out clearly the difference between identity and logic dummies. (5)

Q4. (a) The following data relate to a project:

Activity	Activity time (days)		Activity cost (Rs.)	
	Normal	Crash	Normal	Crash
1-2	7	6	700	750
1-3	8	6	650	750
2-4	9	7	800	900
2-5	11	8	1,600	1,800
3-5	8	5	750	1,000
3-6	10	7	1,900	2,100
4-7	12	10	1,200	1,300
5-7	13	11	1,300	1,400
6-7	14	10	1,500	1,800

- (i) Draw the network and find the critical path and the duration of the project with normal and crash time.
(ii) If the project duration to be reduced to 25 days, which are the activities which the manager of the project needs to crash and by how much time? What is the cost involved in crashing, given the overhead cost of Rs. 1000 per day?
(iii) Can this project be completed in 22 days? Why and why not? If yes, what is the cost involved? (14)

OR

(b) Given the following set of information:

Weekly receipts (Rs.)	Probability	Weekly payment (Rs.)	Probability
3,000	0.20	4,000	0.30
5,000	0.30	6,000	0.40
7,000	0.40	8,000	0.20
12,000	0.10	10,000	0.10

Using following random numbers simulate the weekly pattern of receipts and payments for the 12 weeks of next quarter, assuming the opening bank balance is Rs. 8,000. What is the highest weekly balance during the quarter? What is the average weekly balance for the quarter?

Random numbers- For receipts: 03, 91, 38, 55, 17, 46, 32, 43, 69, 72, 24, 22

For payments: 61, 96, 30, 32, 03, 88, 48, 28, 88, 18, 71, 99 (7)

(c) Data collected from selected major metropolitan areas in the eastern UP show that 2% of the individuals living within the city limits move to the suburbs during a one-year period while 1% of individuals living in the suburbs move to the city during one-year period. Assuming that this process is modeled by a Markov process with two areas: city and suburbs.

- (i) Prepare the matrix of transition probabilities.
- (ii) compute steady state probabilities.
- (iii) In a particular metropolitan area 40% of the population lives in the city and 60% in suburb area. What population changes do your steady-state probabilities project for this metropolitan area? (7)

Q5. Attempt any two of the following:

(a) Given below the LPP and the final table of its solution:

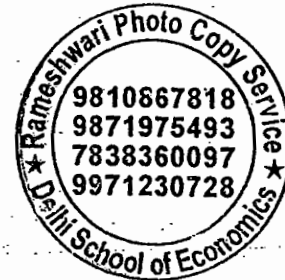
$$\text{Max. } Z = 25X + 25Y$$

Sub. to:

$$2X + 4Y \leq 18$$

$$6X + 5Y \leq 30$$

Non-Neg. : $X, Y \geq 0$ and integer



Final table

B_j	Basic Variable	Value	X	Y	S1	S2
25	Y	24/7	0	1	3/7	-1/7
25	X	15/7	1	0	-5/14	1/7

- (i) Solve the problem using cut-plane method to provide integer solution to the problem.
- (ii) Revise the given problem after using cut-plane method. (7)

(b) Arrivals at the enquiry counter of Transport company are Poisson distributed with an average of six per hour. The time that the customers spend in seeking information from the clerk stationed at the counter is known to be exponentially distributed with an average of three minutes. Using this information determine:

- (i) the probability that a customer reaching the counter shall have to wait for getting the needed information.
- (ii) the probability that a queue shall be formed.
- (iii) the expected time that a customer shall wait in the queue to obtain information.

Suppose that the company manager employs another clerk if he is convinced that a customer has to wait for at least 4 minutes for receiving information. What arrival flow rate would justify employing the second clerk? (7)

(c) The university is planning to schedule the teaching assignments during the upcoming semester. Four core courses -UG, MBA, MS and Ph.D. need to be covered. Four Professors will be assigned to the courses, with each professor receiving one of the courses. Student evaluation of professors are available from previous terms. Based on the rating scale of 4 (excellent), 3 (very good), 2 (average) 1 (fair) and 0 (poor), the average student evaluation of each professor is shown. Professor D does not have a Ph.D. degree and cannot be assigned to teach the Ph.D. level course. If the department head makes teaching assignments based on maximizing the student evaluation ratings over all four courses, what staffing assignments should be made?

Professor	Courses			
	UG	MBA	MS	Ph.D.
A	2.8	2.2	3.3	3.0
B	3.2	3.0	3.6	3.6
C	3.3	3.2	3.5	3.5
D	3.2	2.8	2.5	-

(7)

[This question paper contains 10 printed pages.]

2021

Your Roll No.

2019
I

M.COM. : SEMESTER-II

Paper 4201

2019

QUANTITATIVE TECHNIQUES FOR
BUSINESS DECISIONS

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt all parts of question together.

1. (a) Describe the stages of operation research approach to problem solving. State the two applications of OR techniques in real life situations to suggest how they improve the organisation performance.
- (b) Explain the implications of following linear programming assumptions :
 - (i) Linearity of objective function and constraints
 - (ii) Certainty about decision parameters

(10,10)

P.T.O.



OR

(c) A company produces two types of pens, Gel Pens and Ball Point Pens. Gel Pens require raw material twice as much as of Ball Pens, where the supply of raw material is sufficient only for 1000 Ball Pens. Gel Pens require the special tip and only 500 tips are available per week. For Ball Pens only 600 tips are available. Company can sell Gel Pens at least two times the sale of Ball Pens in a week in the market. Given the per unit profit for Gel Pens is ₹5 and for Ball Pens ₹3, (i) Formulate this as linear programming problem; (ii) Use graphical method to find optimal solution to the problem; (iii) Suggest with reason whether there is an alternate solution to given LPP; (iv) Is there any redundant constraint in the problem? Give reason for your answer. (20)

2. (a) Given the following LPP :

$$\text{Minimise } Z = x + y/2$$

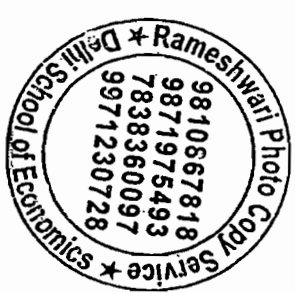
Subject to:

$$6x + 2y \geq 24$$

$$3x + 2y \geq 18$$

$$x + 3y \geq 12$$

$$x, y \geq 0$$



(i) Write the dual of the given LPP.

(ii) Solve the dual and obtain the solution for primal problem.

(iii) Give the shadow prices of the resources. (20)

OR

(b) A company has three plants allocations A, B and C, which supply to warehouses located at P, Q, R, S, and T. Monthly plant capacities are: 800, 500 and 900 units respectively. Monthly warehouse requirements are 400, 400, 500, 400 and 800 units respectively. Unit transportation cost (in rupees) is given below for each of the route :

From	To					
	P	Q	R	S	T	
A	5	8	6	6	3	
B	4	7	7	6	5	
C	8	4	6	6	4	

(i) Determine the optimum distribution for the company in order to minimize the total transportation cost.

P.T.O.

(ii) Does the problem have multiple optimal solution? Give reasons.

(iii) If the transport cost from A to S is increased by Rs. 5 per unit, will the optimal solution change? If so, give the new solution. (20)

3. Attempt any two of the following :

(a) A company manufacturing microwave oven uses Rs. 75,000 worth of LED readout circuits annually in its production process. Cost per order is Rs. 45, and the carrying cost against this classification of inventory is 25% of the average balance per year. The company follows an EOQ purchasing system and to date has not been offered discounts on these circuits. Now the supplier has indicated that if the company would buy its circuits four times a year in equal quantities, a discount of 1.5% off list price would be given in return. What will be your advice to the company in regard to that offer? In order to maintain the present total cost, what should be the minimum discount acceptable to the company if four orders of equal size are placed in a year?

(b) A typist receives on an average 15 letters per day of typing and works 8 hours a day. It takes on an average 25 minutes to type a letter. The company has determined that the cost of a letter waiting to be mailed (opportunity cost) is 60 paise per hour and the equipment operating cost plus the salary of the typist will be Rs. 80 per day.

(i) What is the utilization rate of typist?

(ii) What is the average number of letters waiting to be typed?

(iii) What is the average waiting time needed to have a letter typed?

(iv) What is the total cost of waiting letters to be mailed?

(c) Daily demand of a product is normally distributed with mean = 80 units and standard deviation of 6 units. The lead time is constant at 9 days (working). The cost of placing an order is Rs. 20 and the annual holding costs are 20% of the unit price of Rs. 10. A 95% service level is desired for the customers, who place orders during the

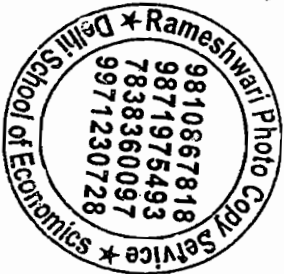


re-order period. You are required to determine the order quantity and re-order level for the item in question, assuming that there are 300 working days during a year. (10,10)

4. (a) The table below provides cost and time estimates for seven activities of a project :

ACTIVITY	TIME ESTIMATES(WEEKS)		COST ESTIMATES ('000)	
	Normal	Crash	Normal	Crash
A:1,2	2	1	10	15
B:1,3	8	5	15	21
C:2,4	4	3	20	24
D:3,4	1	1	7	7
E:3,5	1	1	8	15
F:4,6	5	3	10	16
G:5,6	6	2	12	36

- (i) Draw the network corresponding to normal time.
- (ii) Calculate the various floats for each activity.
- (iii) Determine the critical path and normal duration and cost of the project.
- (iv) Crash the activities so that the project completion time reduces to 9 weeks. (20)



(b) The duration of the activities involved in the project are not known definitely and hence three-time estimates (in weeks) have been made as shown in the table given below :

Activity	Duration			Activity	Duration		
	t_o	t_m	t_p		t_o	t_m	t_p
1-2	1	4	19	1-3	4	10	16
2-4	1	4	7	3-5	2	5	14
3-6	4	7	16	4-5	3	6	21
4-8	6	15	30	5-6	1	4	7
5-8	6	9	18	6-8	2	8	26

- (i) Draw the network of the project and based on time analysis find the critical path.
- (ii) Find the probability of the project being completed by 40 weeks.
After commencement of the project, this became known that the three time estimates for the activity 3-6 need revision to 14-17-26 (weeks). Analyze the impact of this change on the project duration and the probability of completion of the project by 40 weeks. (10)

(c) There are two media houses in the city using three media forms for advertising. The pay-off matrix indicating the effectiveness of advertisement in different media forms is given below:

A	B	
	Radio	Television
Radio	3	-2
Television	-1	4
Press	2	2

- (i) State whether there is saddle point and a pure strategy for optimum returns. Give reasons.
- (ii) Use dominance property to evaluate the mixed strategy of A and B and the value of the game. Test the results from A's as well as B's point of view. (10)

5. Attempt any two of the following:

- (a) A company is using Markov Theory to find out brand switching between three different brands of DVDs. Data has been obtained and used to

estimate the following transition matrix for the probability of moving between two brands each month:

FROM	TO		
	X	Y	Z
X	.80	.10	.10
Y	.03	.95	.02
Z	.20	.05	.75

The current market share for three products are: 45%, 25% and 30% for brands X, Y and Z respectively.

- (i) Obtain expected market share after elapse of three months.
- (ii) What is the expected market share in the long run? (10)

- (b) The following information is available regarding four different jobs to be performed and about the clerks capable of performing the jobs:

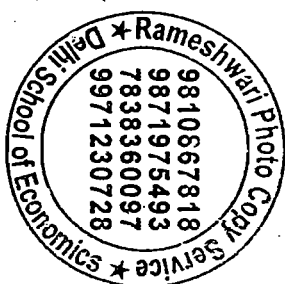
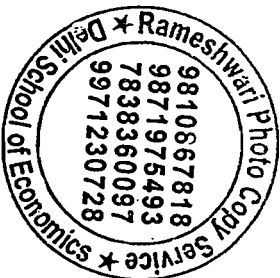


JOBS (TIME TAKEN IN HOURS)

CLERKS	A	B	C	D
I	4	7	5	6
II	-	8	7	4
III	3	-	5	3
IV	6	6	4	2

Clerk II cannot be assigned to job A and clerk III cannot be assigned to job B. You are required to find the optimum assignment schedule and the total time taken to perform the jobs. Also find whether the given problem has more than one optimal assignment schedule. (10)

(c) What is simulation? Describe the simulation process. State the major reasons for using simulation to solve the problem. What are the advantages and limitations of simulation? (10)



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This paper has 3 printed sheets

M. Com. Semester II Examination (Regular)
(May 2019)

Paper No.: 4205

Subject: International Business

S. No.: 4205M19

Duration: 3 hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks.

1. For managers dealing with international business operations, explain the important elements of economic environment that they would use to assess a country's level of performance and potential. Explain how Venezuela's Depression has been the result of political and economic mismanagement. (14)

OR

Distinguish between greenfield and brownfield FDI. What are the reasons associated with choosing one form of FDI over another? Also explain the costs and benefits associated with FDI for both home and host economies. (14)

2. "Administrative trade policies are bureaucratic rules designed to make it difficult for imports to enter a country". In the context of this statement, explain some significant administrative barriers used by governments as instruments of trade intervention. Also state as to why has the importance of quantitative barriers like tariffs and quotas has reduced over a period of time. (14)

OR

Explain the main features of the Agriculture Agreement of WTO. How are subsidies in agriculture distorting the pattern of international trade? To what extent has the Agriculture agreement been successful in dealing with subsidies? Discuss. (14)

3. Explain the 'Theory of Comparative Advantage'. How does the 'Factor Endowment theory' build on the 'Theory of Comparative Advantage'? Which one of these theories, according to you, is a better predictor of international trade patterns and why? (14)

OR

What are the different types of exchange rate systems that exist in the world? What are relative merits and demerits of each of these exchange rate systems? From an international business perspective, which exchange rate system do you think is more desirable? Explain.

4. Write notes on *any two* of the following:
- (a) Elasticity approach to correction of disequilibrium in BOP
 - (b) Strategic alliance as a mode of entry
 - (c) Trade creation, trade diversion and trade deflection

(7,7)



5. Read the case study given below and answer the questions that follow.

The European Union (EU) was established in 1993, an outgrowth of regional integration efforts in Europe since the 1950s. The EU's main objectives are to establish pan-European citizenship and assert Europe's economic and political role in the world. In 1998, the European Central Bank (ECB) was established in Germany. In 1999, the euro became the currency for large transactions of 11 EU member states and euro banknotes and coins were issued in 2002, replacing traditional currencies such as French franc and the German mark. There are presently 19 EU member states that have adopted euro as their currency.

Sharing a single currency helps knit together the euro zone economies into a unified whole, eliminates exchange fluctuations and simplifies trade. The introduction of the euro was a unique opportunity and a stimulus for European firms to rethink fundamentals about how they did business. Accounting transactions became cheaper and easier to carry out because there is only one currency to deal with. Firms had to undertake a range of operational preparations particularly regarding financial and accounting operations.

Managers at large MNEs favour the euro because it reduces the cost of doing business in many national markets, especially by removing the effect of currency fluctuations in cross-border trade and investment. US and Japanese companies doing business in Europe now have fewer currency exchange hassles. Many companies found that they had to radically modify their pricing strategies. For instance, computer maker Dell decided to be a leader in harmonising prices across EU. Use of single currency makes price easier to compare, which increase the competition in EU. Firms like ^{Dell} had to standardise their pricing across Europe to prevent customers from shopping the continent and making their purchases in the country with lowest price.

One problem with euro was that while the countries had tied themselves to the euro, their economies had not yet converged in terms of economic and fiscal conditions. When one country's economy is booming, with little debt and low unemployment, another country's economy may be stalled with high unemployment. In such a case, when a common monetary policy is devised for all EU members, it does not suit circumstances across such a wide range of national economic conditions.

Interest rates may even be more problematic. When ECB cuts interest rates, more euros are released into EU money supply that can drive up inflation. The inflation rate varies widely across member countries. Less well-off countries in Southern Europe, trying to catch up with wealthier countries like Germany, have inflation rates that are often above 3%. Inflation in other countries can be below 1%, prompting fears of deflation which is as harmful to the economy as inflation.

Another risk faced by EU is asymmetric shock, an economic problem that afflicts one part of the euro zone much more than any other. When such an event occurs in a currency union, the policy response is difficult, because there is little scope for independent monetary or exchange rate management. For instance, if Southern Europe experiences high inflation and northern Europe experiences deflation, ECB policy that aims to fix the problem in one region is likely to make it worse in another region.

ECB policy has become especially challenging with the admission into the EU of poorer Eastern European countries such as Poland and Czech Republic whose economies are much less stable than those in western Europe. As the number of diverse EU member rises, there is an ever-greater risk of asymmetric shocks. Compared to the original EU members, living standards in the

new EU countries are low. Giving up the freedom to adjust interest rates, and accepting a monetary policy that may be either too tight or too slack, could hobble their progress towards attaining higher living standards. While the euro has become a symbol of Europe's solidarity, Britain has opted not to join the monetary union, fearing threat to its national autonomy and hence kept the British pound as its currency.

The success of the euro as a unifying force in Europe is gradually changing the international balance of power. European governments feel more powered to challenge US policy initiatives in the wider global arena. Euro's position in global foreign currency reserves is growing, eroding the power of dollar. Many governments are increasing their euro holdings, and Asia is now significantly less dollar centric than in the past.

Questions

1. For countries that have achieved a high level of economic integration and harmonisation through adoption of a common currency (euro), what are the benefits and costs associated with the adoption of euro? (6)
2. What types of challenges did European firms face in doing business across borders prior to adopting the euro? What types of changes did these firms make once the euro became the new currency? (4)
3. Why does the ECB have to implement a one-size-fits-all monetary policy? What are the challenges of such a policy? (4)



2019

[This question paper contains 4 printed pages.]

2025

Your Roll No.

~~2019~~
2019

M.Com. : Semester - II

Paper 4205

(International Business)

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. While contemplating doing business in another country, what dimensions of the political and legal environment of the host country are relevant for a manager? Explain and support your answer with examples. (20)

OR

Elaborate on how the Product Life Cycle theory explains international trade patterns. What are the

(900)

P.T.O.

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(b) World Bank

(c) Gold Standard

(10,10)



2025

4

(b) World Bank

(c) Gold Standard

(10,10)

[This question paper contains 4 printed pages.]

2025

Your Roll No. ~~123456789~~

M.Com. : Semester - II

I

Paper 4205

(International Business)

Time : 3 Hours

Maximum Marks : 100

*(Write your Roll No. on the top immediately
on receipt of this question paper.)*

Attempt All questions.

All questions carry equal marks.

1. While contemplating doing business in another country, what dimensions of the political and legal environment of the host country are relevant for a manager? Explain and support your answer with examples. (20)

OR

Elaborate on how the Product Life Cycle theory explains international trade patterns. What are the

P.T.O.

(900)

Roll No. _____

This paper has 02 printed sheets.

M.Com. Semester-II Examination
(May 2019)

Paper no.: 4203

Subject: Marketing Management

S. No. 4203M19

Duration: 3 Hours

Max. Marks: 70

General Instructions:

- i) All questions carry equal marks i.e., 14 marks each
- ii) Attempt any five questions
- iii) Give suitable examples to support your answers

1. Select a product of your choice and elaborate the concept of New Product Development with examples for each stage. [14]

OR

Differentiate between, need, want, demand, taste and preferences. Discuss in detail the core concepts of Marketing with examples. [14]

2. Shed light on the need and importance of studying the consumer behaviour. Also explain in detail the consumer purchase decisions marking process. Briefly mention different roles played by consumers. [14]

OR

Scanning the marketing environment is imperative for marketers in today's too fierce globally competitive markets. Justify the statement in the light of micro and macro marketing environment factors. Provide examples for each factor of PESTLE. [14]

3. Write short notes on any four of the following: [4x3.5-14]

- | | |
|-----------------------------|-------------------------------------|
| i) Services Marketing | v) Customer Relationship Management |
| ii) Promotion-Mix | – vi) Segmentation, Targeting and |
| iii) Social Media Marketing | Positioning (STP) |
| iv) Green Marketing | |



4. Enumerate the concept of Product life cycle (PLC) along with different marketing-mix strategies adopted in different stages. Also demonstrate, how PLC can be extended through various strategies? [14]

OR

Discuss the importance of distribution channel for a marketer. Explain different types of distribution middlemen and their functions. Also highlight different approaches to distribution and levels. [14]

5. Attempt any two:

- (A) Illustrate various pricing objectives and different determinants of pricing. [07]
- (B) Elucidate with examples, various methods to fix pricing. [07]
- (C) Highlight the importance of price-sensitivity while fixing the price of a product. Also explain in detail with examples, all the factors which influence the price-sensitivity. [07]

- (i) Channel management selection, motivation and their performance appraisal
- (ii) Segmentation, its characteristics and different bases. Also explain targeting and positioning along with different positioning strategies.
- (iii) Types of retail formats, theories and recent developments in retailing in India

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M.Com. Semester - II

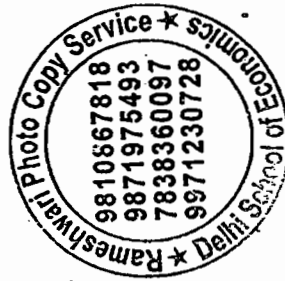
Paper No. 4203

MARKETING MANAGEMENT

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)



All questions carry equal marks i.e., 20 marks each.

Attempt all questions.

Provide examples to support your answers.

1. Write short notes on any five of the following :

- (i) Marketing management process
- (ii) Customer quality, value and satisfaction
- (iii) Packaging and labelling
- (iv) Ethical issues in promotion decisions
- (v) Product support services

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(vi) Rural marketing

(vii) Integrated Marketing Communication (IMC)

(5×4=20)

2. (a) Explain in detail the concept of marketing environment and its significance for marketing decisions. (10)

(b) Elucidate the term 'consumer behaviour'. How studying consumer behaviour is relevant to marketing? Differentiate between consumer and business buying behaviour. (10)

OR

(c) Explain in detail the marketing planning process and various ways of organising marketing department. Also shed light on sales, cost and profit analysis. (20)

3. Attempt any two of the following:

(a) Today, social media marketing has over-powered the traditional ways of marketing. Justify the statement keeping in the mind the increasing number of smart phone users in India and Digital India campaign by the Government of India. (10)

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(b) Emphasize on the need and relevance of Customer Relationship Management in today's too fierce globally competitive world. What it brings to the companies and brands? Give live examples. (10)

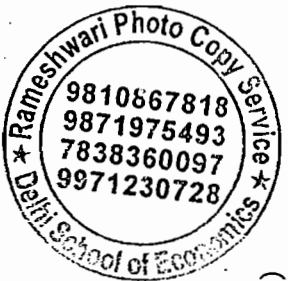
(c) Write an essay on Green Marketing – the need of the hour. Also highlight the evils of green washing. (10)

4. Illustrate the concept and importance of channels of distribution. Also explain in detail with examples the different types of distribution middlemen and their functions. (20)

OR

Critically examine the role of promotion in marketing. Shed light on various methods of promotion. Is promotion only limited to making consumers aware and selling the product to them? Justify your answer with reasons and examples. (20)

5. Write detailed notes with examples on any two of the following: (10×2=20)



Note: - Attempt all questions. Answers should be specific and precise.

Q.1 Attempt any four out of the following-

- (i) "Financial management is interdisciplinary in nature". Do you agree? Explain.
 (ii) Calculate Discounted Payback period (DPB) and Modified Internal Rate of Return (MIRR) from the following data. Assume that the normal DPB period is 3 years, initial investment is Rs.65, 000 and cost of capital is 10%.Based on your calculations, should the project be accepted by both the methods? Why?

Year	CFAT(Rs.)
1	40000
2	30000
3	25000
4	20000
5	5000

- (iii) . The following are two mutually exclusive projects having life of 5 years.

Particulars	Project A	Project B
Initial cost (Rs.)	15,00000	500000
CFAT (Rs.) p.a.	500000	200000
Risk adjusted discount rate (%)	14%	12%

Which project should be accepted and why? .

- (iv) Why is Integer Programming better than Linear Programming technique for selecting optimal mix of the capital projects when there is multi-Period budget constraint? From the following data formulate an Integer Programming Problem for selecting optimal projects.

(All amounts are in Rs.'000)

Project	Year 1 outlay	Year 2 outlay	NPV
A	30	19	40
B	27	35	60
C	57	46	74
D	48	43	51
E	32	31	30

Budget constraints for two years are Rs. 200,000 and Rs.150,000 respectively. Further projects A, C and E are mutually exclusive and surplus funds of year 1 can earn 10% return and be used in year 2.

P.T.O.

- (v) You are given that beta of an unlevered company is 1.40, risk free return is 6% and market return is 10%. Calculate beta of a levered company with 60% debt financing using Hamada equation and cost of equity using CAPM.

(3.5 x 4 = 14)

Q.2 (A) Explain Trade-off theory of capital structure with diagram.

(B). Firm P and Q are similar except that P is unlevered while Q has Rs. 400000 of 5% debentures outstanding. Assume that the tax rate is 30% and expected EBIT of both companies is Rs. 60,000 while cost of equity of unlevered company is 10%.

- (i) Calculate the value of the firms as per MM hypothesis with corporate taxes.
- (ii) Suppose market value of Q is Rs. 580,000. Does it represent equilibrium value according to MM approach? If not, then explain how the equilibrium will be set?

(7+7)

OR

(C). Explain Merton Miller argument regarding capital structure. Under what conditions capital structure is irrelevant to the valuation of a firm even with the presence of corporate and personal taxes? Calculate P.V. of interest tax shield under the following cases assuming total amount of debt is Rs. 100,000.

- (i) no corporate and personal taxes
- (ii) 35% corporate taxes and no personal taxes
- (iii) 35% corporate tax rate, personal tax rate on interest income is 30%, and tax on dividend income is nil.

(D) Akashi Ltd. presently has no debt and 2,00,000 equity shares outstanding of Rs. 10 per share and selling at Rs. 15 per share. In order to finance an expansion program, the company needs Rs. 15 lakh of additional funds which can be raised either by the issue of 1 lakh equity shares at Rs. 15 per share OR issue of 10% debentures for Rs. 15 lakh at par.

After expansion, EBIT of the company will have an expected value of Rs. 6 lakh p.a. normally distributed with a standard deviation of Rs. 3 lakh. The corporate tax rate is 30%. Calculate

- (i) Indifference level of EBIT between 2 options and interpret the result.
- (ii) What is the probability that debt alternative is better than equity alternative with respect to EPS.

(7+7)

Q.3 (A) Explain Pecking order theory of capital structure.

(B). Mr. Mehta, a trader, whose current sales are Rs.6 lakh per annum and an average collection period of 30 days wants to pursue a more liberal credit policy to improve sales. A study made by a management consultant reveals the following information:-

Credit Policy	Increase in collection period	Increase in sales(Rs.)	Present default anticipated
A	10 days	30,000	1.5%
B	20 days	48,000	2%
C	30 days	75,000	3%
D	45 days	90,000	4%

Page | 2

The selling price per unit is Rs.3. Average cost per unit is Rs. 2.25 and variable costs per unit are Rs.2. The current bad debt loss is 1%. Required return on additional investment is 20%. Assume a 360 days year.

Which of the above policies would you recommend for adoption?

(7+7)

OR

(C) Explain the following.

(i) Financial slack.

(ii) Determinants of dividend in practice.

(D) Biocon Ltd. currently provides 30 days of credit to its customers. Its present level of sales is Rs.50 Lakh. The company's cost of capital is 10 percent and the ratio of variable costs to sales is 0.85. The company is considering extending its credit period to 60 days. Such an extension is likely to push sales up by Rs 5 Lakh. The bad debt proportion on additional sales would be 9 percent. The tax rate for the company is 40 percent. Should the company extend its credit period? Show all calculations.

(7+7)

Q. 4 (A) Explain the determinants of working capital in practice.

(B) What is corporate restructuring? Explain various bases for calculation of exchange ratio in case of acquisition.

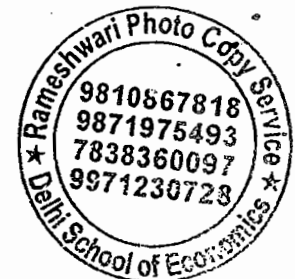
(7+7)

OR

(C) "Merely increasing the level of current asset holding does not necessarily reduce the risk of the firm. Rather the composition of current assets, whether highly liquid or highly illiquid, is the important factor to consider". Comment.

(D) Amtech Ltd. is planning to acquire Matrix Ltd. on a share exchange basis. The relevant financial data for the two companies before merger is given below:

	Amtech Ltd.	Matrix Ltd.
Total earnings (in Rs. lakh)	450	125
No. of outstanding share (in lakh)	25	10
Earnings per share (in Rs.)	18	12.5
P/E Ratio	10	7
Market Price per share (in Rs.)	150	65



Determine

(i) the maximum exchange ratio acceptable to Amtech Ltd. if the expected P/E ratio of the combined entity is 11 and there is no synergy gain.

(ii) The minimum exchange ratio acceptable to Matrix Ltd. if the expected P/E ratio of the combined entity is 11 and there is synergy benefit of 5%.

(iii) Assuming that there is no synergy gain, where will the lines of the exchange ratio of Amtech Ltd. and exchange ratio of Matrix Ltd will intersect??

(7+7)

Q.5 (Case study)

Read the following case and answer the questions that follow.

Modern bakery Ltd. is a medium sized company specializing in packaged breads.

The R&D department of the company has developed a new product with an expected life of five years. The manufacturing facilities of the new product will

Page | 3

require an investment outlay of Rs. 12 crores which the company would depreciate over 6 years. Assume that straight line method of depreciation is used and there is no salvage value. The company expects to sell 10 lakh units of the new product at a price of Rs.120per unit. Mr. Sen, the recently joined finance manager has been informed that depending upon market competition and company's response to it both the actual volume and selling price may vary. The selling price could decrease by 5%under adverse economic conditions and increase by 10% under favourable economic conditions. The actual volume can also decrease by 15% or increase by 5%depending upon market conditions. Mr. Sen also feels that initial outlay and variable cost can also vary from expected value. The initial outlay and variable costs can increase by 10% from expected under unfavourable conditions. Variable cost per unit can decline by 5% under favourable market conditions. Mr. Sen prepares the following financial forecast Table based on the most expected data.

Particulars	Per unit	Total (Rs.'000)
Selling price	120	120,000
Variable cost	60	30,000
contribution	60	30,000
Fixed costs	40	40,000
PBT	20	20,000
Tax @40%	8	8000
PAT	12	12,000

Further it is given that fixed costs include depreciation on straight line basis. The cost of capital of the company is 14% and there is no inflation.

Questions

- i. Identify the factors that are most critical to the decision by performing sensitivity analysis and calculating the sales volume, selling price, unit variable cost and initial outlay at which NPV is zero, other things remaining the same.
- ii. Average NPV using Scenario analysis.
- iii. Should Mr. Sen accept this new product? Why?

(14)

Determine

- (i) Pre-merger market price per share for both the companies.
- (ii) The exchange ratio A Ltd. should offer without the dilution of its EPS.
- (iii) The exchange ratio A Ltd. should offer if it does not want the dilution of its market price per share. (10)

OR

(c) Write short notes on the following :

- (i) Benefits of mergers and acquisition
- (ii) Operating cycle Vs. cash cycle
- (iii) Spin offs Vs. Split up
- (iv) Approaches to working capital financing (4x5=20)



1022

Your Roll No.

M.Com. : Semester - II
2019 I

Paper No. - 4202

(Financial Management and Policy)

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

Answers should be specific and precise.

1. Attempt any four out of the following :

- (i) Explain risk-return trade off in financial management decisions.
- (ii) Explain the reasons for time value of money.
- (iii) What is Modified Internal Rate of Return (MIRR)? Why is it used? Can it be higher than cost of capital?

(1000)

P.T.O.

- (iv) Calculate NPV of the following project using Certainty Equivalent method. Assume that investment outlay is Rs. 65,000, cost of capital is 14% and risk free rate is 8%. Should the project be accepted? Why?

Year	CFAT (Rs.)	Certainty coefficient
1	50,000	0.9
2	40,000	0.8
3	20,000	0.75
4	15,000	0.50

- (v) Under which situations NPV and IRR may give contradictory results? Explain and also provide the method to be used in each situation.

(4×5=20)

2. (a) What is Discounted Cash Flow (DCF) break even sales? Explain its significance in capital budgeting decision. (5)
- (b) Thomas Ltd. is evaluating a project which requires an investment outlay of Rs. 70,000 and is expected to produce cash inflows for two years as given below –

	Year 1		Year 2	
CFAT (Rs.)	Prob.	CFAT (Rs.)	Prob.	
25,000	0.20	40,000	0.30	
50,000	0.60	60,000	0.40	
75,000	0.20	80,000	0.30	

Assume that the cash flows are independent and follow normal distribution. The risk free rate is 10% and cost of capital is 13%. Calculate –

- (i) NPV and risk i.e. σ (NPV) of the project.
- (ii) The probability that NPV will be 0 or less.
- (iii) Based on your calculations, should the project be accepted? Why? (15)

OR

- (c) Explain the treatment of following while calculating cash flows in capital budgeting situation.

- (i) Sunk costs
- (ii) Allocated overheads
- (iii) Opportunity costs of resources.
- (iv) Financial costs such as interest rate. (5)

(d) Does inflation need to be considered while evaluating capital projects? Why? A finance executive is given that Grofers Ltd. wants to invest in a new project which will cost Rs. 200,000 and have an economic life of 5 years with no salvage value. The expected Earnings before depreciation and Taxes (EBDT) is Rs. 1,40,000 p.a which is subject to inflation of 5% p.a. Assume the Tax rate is 30%, Real cost of capital is 12% and depreciation is charged on Straight line Basis. Calculate

(i) Nominal CFATs of the project.

(ii) Real CFATs of the project.

(iii) Should the project be accepted? Why? (15)

(a) Explain the following:

(i) Traditional approach of capital structure.

(ii) Determinants of capital structure in practice. (10)

(b) Pepper Ltd. presently has Rs. 4,00,000 15% debentures and 2,00,000 equity shares outstanding of Rs. 10 per share, selling at Rs. 16 per share. For expansion the company needs Rs. 16 lakh of

additional funds which can be raised either by the issue of 1 Lakh equity shares at Rs. 16 per share OR issue of 15% debentures for Rs. 16 lakh at par.

After expansion, the expected EBIT of the company will be Rs. 9, Lakh p.a. normally distributed with a standard deviation of Rs. 5 Lakh. Assume that the corporate tax rate is 30%. Calculate

(i) The expected EPS under each financial plan.

(ii) Indifference level of EBIT between debt and equity optioris.

(iii) Probability that debt option is better than equity option.

(iv) Which financial plan would you advise? Why? (10)

OR

(c) Explain Merton Miller argument with corporate and personal taxes in the context of capital structure. (5)

P.T.O.



(d) Uhaan Ltd. is an all equity company having 50,000 shares outstanding. Its cost of equity is 10%. Lina Ltd. is similar to Uhaan Ltd. and belongs to the same risk class except that it also has 5% debentures amounting Rs. ~~30,00,000~~^{30,000} in its capital structure. The EBIT of both the companies is Rs. 70,000. Assume that the corporate tax rate is 30%.

- (i) Calculate the value of both the companies as per MM hypothesis with corporate tax.
- (ii) If the actual market value of Lina Ltd. is Rs. 6,20,000, specify whether the company is overvalued or undervalued in the market. Also explain the process through which the equilibrium will be set? (15)

4 (a) What is cash management? Explain the difference between Baumol's model and Miller-Orr Model of Cash Management. (10)

(b) Explain the following :

- (i) Types of dividend policies.
- (ii) Determinants of dividend policy in practice. (10)

Determinants of Dividend Policy

OR

(c) Explain signaling theory of dividend. ^{21, 583} (10)

(d) LITE Ltd. currently provides 30 days of credit to its customers. Its present level of sales is Rs. 50 Lakhs. The company's cost of capital is 10 percent and the ratio of variable costs to sales is 0.85. the company is considering extending its credit period to 60 days. Such an extension is likely to push sales up by Rs. 5 Lakhs. The bad debt proportion on additional sales would be 7 percent. The corporate tax rate is 30%. Should the company extend its credit period? Why? Show all calculations. (10)

5. (a) Explain the determinants of working capital in practice. (10)

(b) T Ltd. is being acquired by A Ltd. on a share exchange basis. The relevant financial data for the two companies is given below -

Particulars	A Ltd.	T Ltd.
Earning after Tax (Rs. Lakh)	120	30
No. of Shares (Lakh)	12	5
P/E Ratio	6	5

P.T.O.

S.No. 4401M19

Duration: 3 Hours

Max. Marks: 70

Instructions: Attempt all questions. All questions carry equal marks. Answer briefly and to the point.

1. Drawing from different theories of corporate governance, discuss the role of directors and shareholders. (14)

Or

Do you think the Cadbury report of UK and Sarbanes Oxley Act of USA is similar or different? Justify your answer. (14)

2. The board details of Bajaj Auto Ltd are given below (as on March 2017)

	Name of Director	Category	Relationship with other directors
1	Rahul Bajaj	Chairman Executive	Father of Rajiv Bajaj and Sanjiv Bajaj, brother in law of Manish Kejriwal, Cousin of Madhur Shekhar and Niraj Bajaj
2	Madhur Bajaj	Vice Chairman, Executive	Brother of Shekhar Bajaj and Niraj Bajaj, Cousin of Rahul Bajaj
3	Rajiv Bajaj	Managing Director Executive	Son of Rahul Bajaj, brother of Sanjiv Bajaj, brother in law of Manish Kejriwal
4	Shekhar Bajaj	Non Executive	Brother of Madhur Bajaj and Niraj Bajaj, Cousin of Rahul Bajaj
5	Niraj Bajaj	Non Executive	Brother of Madhur Bajaj and Shekhar Bajaj, Cousin of Rahul Bajaj
6	Sanjiv Bajaj	Non Executive	Son of Rahul Bajaj, brother of Rajiv Bajaj, brother in law of Manish Kejriwal
7	Manish Kejriwal	Non Executive	Son in law of Rahul Bajaj, brother in law of Rajiv Bajaj and Sanjiv Bajaj
8	Pradeep Shrivastava	Executive Director	-
9	D.S. Mehta	Non-Executive	-
10	Kantikumar R Podar ¹	Non Executive	-
11	J. B. Bajaj Rao	Non Executive	-
12	J N Godrej	Non Executive	-
13	Suresh Chandra	Non Executive	-
14	Nanoo Pamnani	Non Executive	-
15	M. Mohan	Non Executive	-
16	Dr. Gita Piramal	Non Executive	-

1. Kanti Kumar R Podar Resigned as a director of the company w.e.f. 15 march 2017

₹ 20/-

- a) What is the percentage of board members belonging to the same family? What is the strength or weakness of such a board? (7)
- b) How do you think the culture of such companies are formed (4)
- c) To what extent do you think Dr. Gita Piramal, a well known business historian and author will have her voice heard in board meetings. (3)

or

Critically evaluate the following (14)

- a) Giving Loan to Directors
- b) Requirement of at least one independent woman director
- c) Separation of Chairman and CEO

3. With the help of example(s) explain how CSR can be a win-win for all.

or

Satyam collapsed even though it was complying with stringent US listing requirements. Why do you think that happened? Identify any five measures taken by Indian laws to prevent such events in the future. In your opinion are the adequate to prevent another corporate scam. (6+5+3)

4. Comment on the following (14)

- a) A company selling wood is cutting trees for its business.
- b) The promoter, retired from the board wants prior information and involvement in board decisions.
- c) A CEO's salary is 50 times the pay of the lowest employee and he uses private jets to travel.

or

Why is there a need for a whistle blower policy? What features will help make the policy effective (14)

5. Examine the legal validity of the following (14)

1. The audit committee of a company listed in India consists of four members. Ms. A – Executive Director and part of promoter group, Mr. B – Independent Director, Mr. C – Independent Director, Mr. D – Non- Executive Director and chairman of the committee

2. The board is considering a decision to sell a property of the company to Mr. X the Chairman cum Managing Director of the company. Directors present during deliberations – Mr. X, Mr. Y (brother of Mr. X), Mr. P (Independent Director), Ms. Q (Independent Director). The board has six members of which two are independent.
3. A director attended only one meeting during the year and that was through Video conferencing as he was in the USA during this period.
4. A private company that meets the threshold requirements for CSR decides not to spend 2% of its profits on CSR.

All the Best



[This question paper contains 3 printed pages.]
2026 Your Roll No. 2019

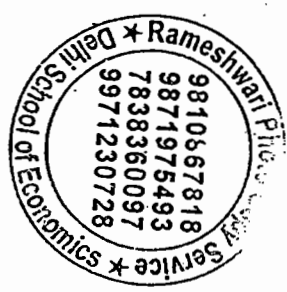
M.Com. : SEMESTER-IV I
Paper - 4401

CORPORATE GOVERNANCE AND SOCIAL
RESPONSIBILITY OF BUSINESS

Time : 3 Hours Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Answer All questions.
All questions carry equal marks.



1. (a) "The business of business is to make profits." Do you agree? Justify your answer?

Or

(b) Explain to what extent the Indian model of corporate governance is similar or different from the Anglo-Saxon Model (20)

2. (a) Discuss the events that led to creation of the Cadbury report. Briefly describe the major provisions of the report (20)

Or

(b) Comment on the role of the auditors in the collapse of Enron. Suggest measures to improve auditors' effectiveness.

- 3: (a) Discuss the composition and role of the CSR committee in India. Is there a need for the committee to have independent directors? What kind of information is contained in the CSR report? (20)

Or

(b) Critically evaluate the following

- (i) Fixed Tenure of five years for independent director
- (ii) Rotation of auditors
- (iii) CSR spending of 2%
- (iv) Requirement of boards to have at least one women director

34

4. (a) What is the role of the board in ensuring long term success of the company? (20)

Or

- (b) What is code of ethics? Why does a company need a code of ethics? To whom does it apply? (10)

- (c) Briefly describe the business responsibility reporting structure adopted by India. (10)

5. Given below is the composition of the board of company PQR listed on the Bombay Stock Exchange. Based on the information provided identify any 5 provision of Companies Act. 2013 and state whether company PQR has complied with them or not. (20)

Name of Director	Type of Director	Role
Mr. A	Executive	Chairman and Managing Director, Chairman of Nomination and Remuneration committee, Chairman of CSR Committee
Mr. B 135	Executive	Chief Financial Officer, member of CSR committee
Mr. C f	Executive	Chief Operating Officer and member of Audit Committee
Mr. D	Independent	Chairman of Audit Committee
Mr. E	Independent	Member of Audit Committee
Ms. F	Independent	Member of Nomination Committee
Mr. G	Non-Executive	Member of Nomination Committee
Mr. H	Non-Executive	Promoter, Member of CSR committee, Member of Audit Committee





Roll No.

This paper has 4 printed sheets

Com Semester II Examination (Regular)

(May/June 2018)

Paper No.- 4201

Subject- Quantitative Techniques for Business

S. No. 4201M18

Duration: 3 Hours

Max. Marks: 70

General Instructions: (i) Read the questions carefully and attempt each question on a fresh page
(ii) Marks for each question are indicated.

1a) An air force is experimenting with three types of bombs, P, Q and R in which three kinds of explosives, namely, A, B and C will be used. Taking the various factors into account, it has been decided to use the maximum 600kg explosive A, at least 480kg of explosive B and exactly 540 kg of explosive C. Bomb P requires 3,2,2 kg; bomb Q requires 1,4,3 kg and bomb R requires 4,2,3 kg of explosives A,B,C respectively. Bomb P is estimated to give the equivalent of a 2 ton explosion; bomb Q, a 3 ton explosion and bomb R, a 4 ton explosion respectively. Under what production schedule can the Air Force make the biggest bang? (14)

OR

b) Explain the specification of general model of Linear Programming. State the assumptions advantages and disadvantages. (07)

c) A marketer XYZ estimates the annual requirement of an item as 2000 units. He buys it from supplier A at a cost of Rs 10 per item and the cost of ordering is Rs 50. If the stockholding costs are 25 per cent of the stock value, how frequently should he replenish his stocks? Further, suppose the supplier offers a 10 per cent discount on orders between 400 and 699 items, and a 20 percent discount on orders exceeding or equal to 700. Can the shopkeeper reduce his costs by taking advantage of either of these discounts? (07)

2. Let there be only three factories in a country producing scooters and let the manufacturers of these factories be A, B and C respectively. It has been observed that during the previous month, the manufacturer A sold a total of 120 scooters, manufacturer B sold a total of 203 scooters and the manufacturer C sold 377 scooters. It is known to all the manufacturers that the customers do not always purchase a new scooter from the same producer who manufactured their previous scooter because of advertising, dissatisfaction with the service and other reasons. All manufacturers maintain records of the number of their customers and the factory from which they obtain new customer. Following table gives the information regarding the movement of the customers from one factory to another with the condition that in this month manufacturer A sold 100 scooters, Manufacturer B sold 200 scooters and manufacturer C sold 400 scooters. Further, it is assumed that the new customer is allowed to enter the market and no old customer left the market.

Manufacturers of the factories wish to know the following:

- Should the advertising campaign of manufacturer C be directed towards attracting previous purchasers of scooters manufactured by A or B. or should it concentrate on retaining a larger proportion of the previous purchasers of scooters manufactured by C.

- ii. The purchaser of a new scooter keeps the vehicle on an average for three years. If this trend in brand switching continues, what will the market shares of the three companies be in three years?
- iii. If this trend in brand switching continues, will the market share continue to fluctuate or will an equilibrium be eventually reached? (14)

OR

A road transport company has one reservation clerk on duty at a time. He handles information of bus schedules and makes reservations. Customers arrive at a rate of 8 per hour and the clerk can on an average service 12 customers per hour. After stating your assumptions, answer the following:

- i. What is the average number of customers waiting for the service of the clerk?
- ii. What is the average time a customer has to wait before being served?
- iii. The management is contemplating to install a computer system for handling information and reservations. This is expected to reduce the service time from 5 to 3 minutes. The additional cost of having the new system works out to Rs. 50 per day. If the cost of goodwill of having to wait is estimated to be 12 paise, per minute spent waiting, before being served, should the company install the computer system? Assume an 8 hours working day. (14)

3a) A company Manufacturers around 200 mopeds. Depending upon the availability of raw materials and other conditions, the daily production has been varying from 196 mopeds to 204 mopeds, whose probability distribution is as given below:

Production	196	197	198	199	200	201	202	203	204
Probability	0.05	0.09	0.12	0.14	0.20	0.15	0.11	0.08	0.06

The finished mopeds are transported in a specially designed three storied lorry that can accommodate only 200 mopeds. Using the following 15 random numbers: 82, 89, 78, 24, 53, 48, 61, 18, 45, 23, 50, 77, 27, 54 and 10, simulate the mopeds waiting in the factory?

- i. What will be the average number of mopeds waiting in the factory?
- ii. What will be the number of empty spaces in the lorry? (07)

b) Player A and Player B play a game in which each has three coins, 5p, 10p and 20p. Each selects a coin without the knowledge of the other's choice. If the sum of the coins is an odd amount, then A wins B's coin. But if the sum is even, then B wins A's coin. Find the best strategy for each player and the value of the game. (07)

OR

c) A marketing manager has four salesman and four districts. Considering the capabilities of the salesman and the nature of the districts, the marketing manager estimates that the sales per month (in hundred rupees) for each salesman in each district would be as follows:

Districts

Salesman	I	II	III	IV
A	42	35	28	21
B	30	25	20	15
C	30	25	20	15
D	24	20	16	12

Find the assignment to districts that will result in maximum sales.

(14)

4a). A company has decided to conduct a new project. The steps shown in the following table are to be planned.

Activity	Predecessors	Duration (days)
A	-	6
B	A	4
C	B	7
D	A	2
E	D	4
F	E	10
G	-	2
H	G	10
I	J,H	6
J	-	13
K	A	9
L	C,K	3
M	I,L	5

- i. Draw an arrow diagram for this project
- ii. Indicate the critical path
- iii. For each non-critical activity, find the total and free float.

(14)

OR

b) Use Big M method to solve the following LP Problem

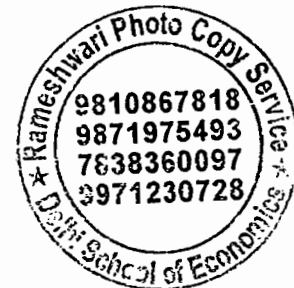
Minimize $Z = 5x_1 + 3x_2$

Subject to constraints:

$2x_1 + 4x_2 \leq 12$

$2x_1 + 2x_2 = 10$

$5x_1 + 2x_2 \geq 10$



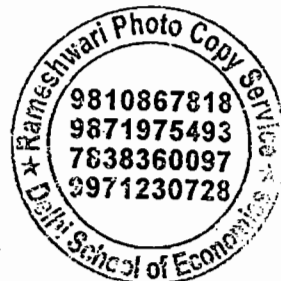
and $x_1, x_2 \geq 0$

(14)

5. Explain the following (Any 4):

(14)

- i. Assumptions for Markov Problem
- ii. Total and Independent Float
- iii. PERT Vs CPM
- iv. Resource Levelling
- v. Balking, renegeing and Jockeying Queues
- vi. Single server queuing model
- vii. EOQ Assumptions



Roll No. _____

This paper has 03 printed sheets

M. Com. Semester II Examination (Regular)

(May 2018)

Paper No.: 4205

Subject: International Business

S. No.: 4205M18

Duration: 3 hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks.

1. Explain John Dunning's OLI theory of FDI, with special focus on location-specific advantages. Give examples to support the applicability of the theory in FDI decision-making. How do we extend Dunning's argument to knowledge-based industries such as Information Technology? (14)

OR

"Porter's theory of National Competitive Advantage is a hybrid theory which blends the traditional country-based theories that emphasise factor endowments with the firm-based theories that focus on the action of individual firms". In the light of this statement, explain Porter's theory while highlighting as to how it builds up on the previous theories of international trade. Support your answer with suitable examples. (14)

2. "Cross-border activity of non-equity modes of international business has become significant worldwide and particularly important in developing countries". In the light of this statement, explain the various non-equity modes of doing international business and their benefits and costs. (14)

OR

What is meant by disequilibrium in Balance of payments (BoP)? Explain the different types of disequilibrium in BoP. Also examine the different approaches to correction of disequilibrium in BoP of a country. (14)

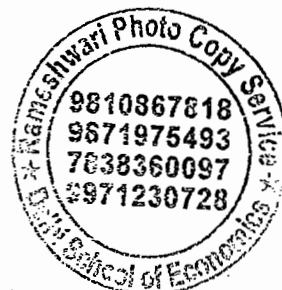
3. (a) Despite free trade being advocated by a number of trade theories, why do governments still intervene in international trade? Explain the various arguments that are used to justify government intervention in international trade. (7)

(b) What are the dimensions of culture given by Geert Hofstede which, according to him, affect values at work place? Explain. (7)

OR

(c) Evaluate the working of NAFTA as a case of regional economic integration. How do you see the future of NAFTA in the light of recent criticism of the agreement by the US President? (7)

(d) Explain the features of the International Monetary System under the Bretton Woods era. What led to the collapse of the fixed exchange rate system established under the Bretton Woods era? (7)



4. Write notes on *any two* of the following:
- (a) SPS and TBT Agreements of WTO
 - (b) Importance of World Bank Group in facilitating international business
 - (c) Common market

(7,7)

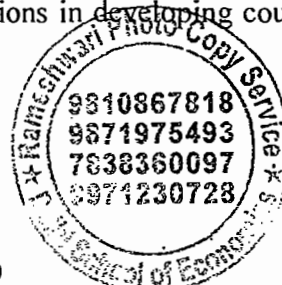
5. Read the case study given below and answer the questions that follow.

The global pharmaceutical industry is dominated by about 10 firms most of which are headquartered either in Europe or the United States. Examples include GlaxoSmithKline (UK), Merck (US), Pfizer (US) and Sanofi Aventis (France). Europe and US which account for the global majority of worldwide pharmaceutical sales are confronting several major challenges in this industry. Some of these have been outlined below.

High Cost of R&D Expenses: Pharmaceutical firms engage in large scale, intensive research and development (R&D) to create market drugs meant to treat everything from cancer to hair loss. Europe and US that are home to major pharmaceutical firms and to industry RD benefit from strong patent protection laws and abundant investment capital. According to industry statistics, it takes to 12 to 15 years and over \$800 million in R&D expense, to successfully bring a new pharmaceutical compound to the market. Only 1 in 10,000 investigated and tested compounds is approved for patent use. Only 3 out of every 10 new approved compounds are successful enough to recover their R&D costs. For their successful products, pharmaceutical firms must charge prices high enough to recover not only the high costs of product development, but also to recover the costs of products that never achieve profitability.

Limited Protection for Intellectual Property: Governments grant patents and provide other types of protections for intellectual property. In practice, such protection is inadequate, especially in developing countries. For instance, in India, very few citizens can afford expensive healthcare or medication and the country has a history of weak intellectual property protection. In 1972, a major revision to the Indian Patent Act revoked all patents for medicines. Following this dramatic shift, foreign branded pharmaceutical manufacturers abandoned India and numerous domestic firms emerged. The new firms infringed on drug patents and reverse engineered patented compounds developed by European and US companies and began selling pirated generics at drastically lower prices. The foreign pharmaceutical firms launched legal actions these violations but in the absence of strict patent protection, and with little local competition, the Indian generic drug manufacturers flourished.

The Challenge from Generic Brands: Under WTO rules, a patent protects a drug inventor from competition for up to 20 years. In reality, when the lengthy testing and approval phase is factored in, the effective life of a drug patent is often less than 12 years. The manufacturer typically has only 5 to 8 years of patent protection in which to recover its investment before generic manufacturers can legally enter the market. Once a patent expires, generic manufacturers have the right to produce medications originally invented by major pharmaceutical firms. Generic manufacturers typically sell the medications that they produce at very low prices. The main reason for this is that they do not incur the high cost of R&D to develop new drugs. As the medications are already established in the existing market place, generic manufacturers also incur substantially lower marketing and sales expenses. The retail prices for the compound can fall by as much as 90% within 12 months. The generic pharmaceutical industry is growing rapidly, partly due to rising demand for medications in developing countries and countries with weak patent protection.

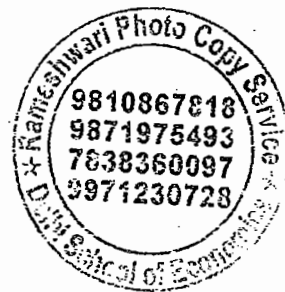


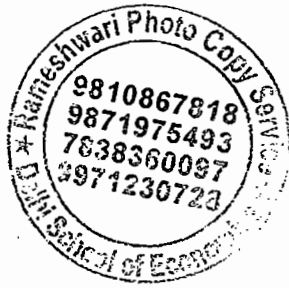
Neglected Therapeutic Areas: A large portion of pharmaceutical research is focused on developing treatments for diseases that can return the cost of capital and generate profits. For these reasons, pharmaceutical firms tend to target the most attractive markets. For example, these firms are much more likely to develop a drug for cancer and central nervous system diseases than for ailments common to poor countries (such as tuberculosis). At the same time, governmental and private initiatives have begun to address these market realities by providing incentive packages and public-private partnerships. For example, the Bill and Melinda Gates Foundation is investing billions of dollars to fight AIDS, tuberculosis and various infectious diseases that affect developing countries.

Public Scrutiny: The pharmaceutical industry's actions are often subject to public scrutiny. For example, the government of South Africa got into a tussle with several manufacturers of branded AIDS drugs. Due to high prices, the government sanctioned imports of non-approved generics. The reaction from branded pharmaceutical manufacturers was to sue South Africa, which created an international backlash against the firms. Not only did the episode generate much negative publicity for the branded pharmaceutical firms, it made people more aware of the generic drug industry and its potential for helping AIDS patients. In the wake of the South African debacle, Brazil and several other countries threatened to break patents if pharmaceutical firms did not make their drugs more affordable. In the interest of good public relations, several branded pharmaceutical firms began to offer their drugs at lower prices in Africa.

Questions

1. Specify the types of country risks that pharmaceutical firms face in international business. How do political and legal systems of countries affect global pharmaceutical industry? (6)
2. In the light of the fact that the poor cannot afford expensive medications and pharmaceutical firms focus their R&D on compounds likely to provide best returns, what is the proper role of the following groups in addressing this dilemma: national governments, branded pharmaceutical firms, and generic manufacturers? (4)
3. What enforcement mechanism/ agreement does the WTO have to ensure protection of the rights of such pharmaceutical firms? Explain. (4)





M.Com Semester II Examination (Regular)

(May/June 2018)

Paper No. – 4203

Subject – Marketing Management

S. No. 4203M18

Duration: 3 Hours

Max. Marks: 70

General Instructions:

- i) Attempt all questions.
- ii) All questions carry equal marks i.e., 14 marks each.
- iii) Support your answers with examples.

1. (A) Elaborate the core concepts of marketing. Explain in detail the term 'marketing myopia'. Provide examples for both. [14]

OR

(B) Describe with live examples ten (10) different entities which can be marketed. [10]

(C) Explain four (4) I's of services marketing. [04]

2. Illustrate the concept of Product Life Cycle (PLC). Describe different marketing-mix (4 Ps) decisions in different stages. Explain with live examples. [14]

OR

The companies today have a separate huge budget for social media marketing. Justify the statement in the light of the advent of different social media platforms for marketing a product or service. [14]

3. Write short notes on any four of the following: [4x3.5=14]

- | | |
|--|--|
| a. Levels of distribution and its approaches | d. Consumer roles |
| b. Promotion-mix | e. Consumer buying vs. industrial buying |
| c. Product-mix | f. Factors to be considered while fixing price |

4. Why developing a new product is important for a company? Highlight the detailed process of new product development. [14]

OR

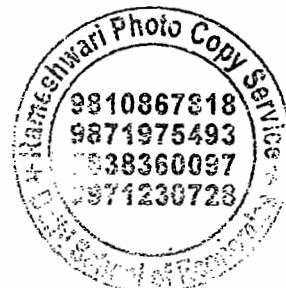
Briefly explain the following: [4x3.5=14]

- | | |
|-----------------------------------|---------------------|
| a. Surrogate Advertisement | c. Green Marketing |
| b. Publicity vs. Public Relations | d. Direct Marketing |

5. Explicate with examples the concept of 'Marketing-Mix' (7Ps) for services. Also highlight corresponding 7Cs for customers. [14]

OR

In today's era of consumerism, how important it is to maintain the customer database? Also explain, how Customer Relationship Management (CRM) can help in bringing customer delight & customer retention and thereby spread positive word of mouth (WOM) to bring more referrals? [14]



Roll No.....

this paper has 5 printed pages

M.Com. – Semester II Examination

May/June- 2018

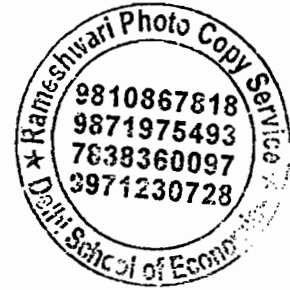
Paper No. 4202

Financial Management and Policy

S. No.4202M18

Time: 3 Hours

Maximum marks: 70



Note: Attempt all questions. Answers should be relevant and precise

Q. 1 Attempt any four out of the following:

- (i) What are the reasons for Time value of money? Why is it important to consider time value of money in financial decisions?
- (ii) Explain agency conflicts that may arise in a company. How can they be minimized?
- (iii) What is Profitability Index method for evaluation of Capital projects? When is it used? Determine the optimal mix of the projects from the following data assuming that capital budget is Rs. 80,000 and projects are divisible.

project	Investment outlay (Rs.)	NPV(RS.)
A	50,000	15,000
B	45,000	22,000
C	30,000	18,000
D	25,000	10,000
E	10,000	5,000

- (iv) From the following information, calculate discounted cash flow (DCF) break even sales assuming cost of capital 14%, Investment outlay = Rs 10,00,000 and Life of project = 10 years.

Annual Data (Rs.)

Sales Revenue	10,00,000
Variable Cost	7,50,000
Fixed Cost	50,000
Depreciation (fixed)	75,000
Profit before tax	1,25,000
Tax @ 40%	50,000
Profit after tax	75,000
CFAT	1,50,000

- v) What is the main limitation of Internal Rate of return (IRR) method? How is it overcome by Modified Internal Rate of Return (MIRR) method? Explain. (4*3.5= 14)

Q.2 (a) What is optimal capital structure? Explain trade off theory and pecking order theory of capital structure.

(b) Leelavati Ltd. is into hotel business. In order to finance the acquisition of new hotels, it requires Rs. 30, 00,000 additional funds. Mr. Bakshi, the finance manager of the company has suggested the following two financial plans:

Plan A- Raise Rs. 30,00,000 through Equity Capital by issuing equity shares of Rs. 100 each; and

Plan B- Issue Rs. 15, 00,000 10% Debentures and Rs. 15000 Equity Shares at Rs. 100 each.

The corporate tax rate is 35%. After acquisition of new hotels, the expected EBIT of the company will be Rs.5, 00,000 p.a. normally distributed with a standard deviation of Rs.2, 00,000.

Calculate

- (i) Indifference level of EBIT between two options of fund raising and interpret the result.
- (ii) Calculate EPS under both financial plans A and B
- (iii) What is the probability that equity option is better than debt option?

OR

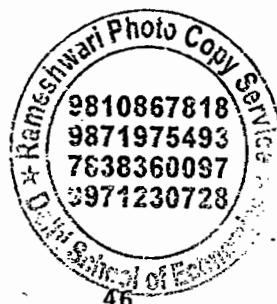
(c) What is the criticism of MM hypothesis of capital structure? Also explain the Melton-Miller hypothesis regarding Capital Structure in the presence of Corporate and personal taxes?

(d) Mohan textiles currently has 5 lakh equity shares selling at Rs. 10 each. It is considering investment in a new project for which it requires Rs. 60 Lakhs. This amount can be raised either through 10% debentures or issue of 5 lakhs shares at a price of Rs.12. The company's expected EBIT with associated probabilities after undertaking new project is as follows

EBIT (Rs. Lakhs)	Probability
30	0.2
70	0.3
100	0.4
200	0.1

Tax rate is 40%. Calculate company's expected EBIT and expected EPS under each plan. Also interpret the result and advise which plan is better in terms of maximization of EPS.

(7+7= 14)



Q. 3 (a) Is Dividend relevant for the valuation of a firm? Support your answer with appropriate theories of dividend.

(b) Explain Baumol's model of Cash management. If the total Cash requirement for the forthcoming year is Rs. 2 Crore, interest rate is 15 per cent per annum, the conversion cost for converting marketable securities into cash is Rs. 150 per conversion, then calculate the Optimal Cash balance, total opportunity cost and total conversion cost as per Baumol's model.

OR

(c) Explain Lintner's model of corporate dividend behaviour. You are given that Sahani Ltd. is expecting an EPS of Rs. 20 for the year 2018-19. Its dividend per share last year was Rs. 8. The target payout ratio and adjustment rate for the company are 0.70 and 0.60 respectively. What would be company's dividend per share for the year 2018-19 as per Lintner's Model?

(d) The current sales of a Company are Rs 150 lakhs. The company classifies its customers into 3 categories. Credit rating diminishes as one goes from category 1 to category 3. The company presently extends unlimited credit to customers in category 1 and limited credit to customers in category 2 and no credit to customers in category 3. As a result of this credit policy, the company is losing sales to the extent of Rs20 Lakhs to customers in category 2 and Rs 10 Lakhs to customers in category 3. The firm is considering the adoption of a more liberal credit policy under which customers in category 2 would be extended unlimited credit and customers in category 3 would be extended limited credit. Such relaxation would increase the sales by Rs 25 Lakhs on which bad debt losses would be 10 percent. The contribution margin ratio for the firm is 20 percent, the average collection period, ACP, is 40 days, and the post-tax cost of funds, k, is 10 percent. The tax rate for piano is 40 percent. Should the company change its credit policy? Show all calculations.

(7+7=14)

Q. 4 (a) explain the following

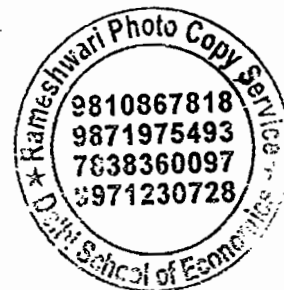
(i) Determinants of working capital requirement in a manufacturing company

(ii) Operating cycle Vs. Cash Cycle

(b) R TS Software Ltd. wants to acquire STR software Ltd. by exchanging 0.5 of its shares for each share of S Ltd. The relevant financial data before acquisition are as follows-

Particulars	RTS Ltd	STR Ltd
EAT (RS.)	18,00,000	3,60,000
Equity shares	6,00,000	1,80,000
EPS (Rs.)	3	2
P/E ratio	10	7

You are required to calculate the following-



- (i) what is the number of equity shares required to be issued by RTS Ltd. for acquisition of STR Ltd.?
- (ii) what is the EPS of RTS Ltd. after acquisition?
- (iii) What is the expected market price per share of RTS Ltd. after the acquisition assuming its P/E ratio remains unchanged?
- (iv) Determine the market value of RTS Ltd. After acquisition.

OR

(c) What is Corporate Restructuring? Explain various forms of corporate restructuring which have become popular in India.

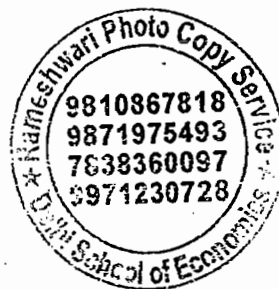
(d) DTY Ltd. plans to acquire firm BTY Ltd. The relevant financial data of the two companies prior to merger are given below-

Particulars	DTY Ltd	BTY Ltd
Market price per share (Rs.)	25	10
No. of shares	5,00,000	2,50,000
Market value of the firm (Rs.)	12500,000	25,00,000

The merger is expected to bring gains which have a present value of Rs. 10,00,000. DTY Ltd. offers 1,25,000 shares in exchange for 2,50,000 shares to the shareholders of BTY Ltd.

Calculate

- (i) the value of DTY Ltd. after acquisition
- (ii) true cost of merger
- (iii) NPV to DTY Ltd
- (iv) NPV to BTY Ltd.



(7+7=14)

Q. 5. Read the following case and answer the questions that follow.

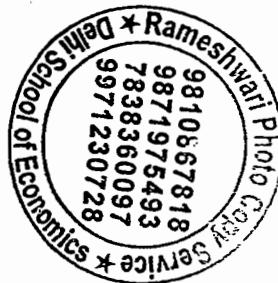
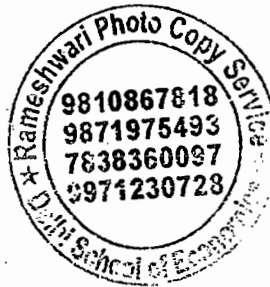
Himalaya Healthcare is currently into ayurvedic medicine business since the past two decades. They are now considering an expansion into homeopathic and allopathic medicines segments of the industry for which they require an investment outlay of Rs. 55,000. Mr. Dasgupta, the finance manager has estimated the following cash inflows for two years -

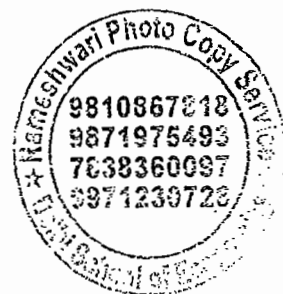
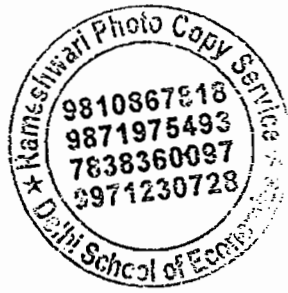
Year 1		Year 2	
CFAT (Rs.)	Prob.	CFAT (Rs.)	Prob.
20000	0.2	10000	0.3
40000	0.6	30000	0.4
60000	0.2	50000	0.3

Mr. Dasgupta assume that the cash flows are independent and follow normal distribution. The cost of capital of the company is 14% and interest rate on treasury bills is 10%. Based on his analysis, Mr. Dasgupta is of the opinion that the company should go ahead with the expansion. Calculate:

- NPV and Risk i.e., $\sigma(\text{NPV})$ of the expansionary project.
- The probability that NPV will be less than 0.
- The probability that NPV will be between Rs, 10,000 and Rs.20,000
- Based on your calculations, should the company go ahead with the expansion as suggested by Mr. Dasgupta?

(14)





4401M18

Duration: 3 Hours

Max. Marks: 70

Instructions: Attempt all questions. All questions carry equal marks. Answer briefly and to the point.

1. Drawing from different theories, discuss the benefits and costs associated with appointment of directors. (14)

Or

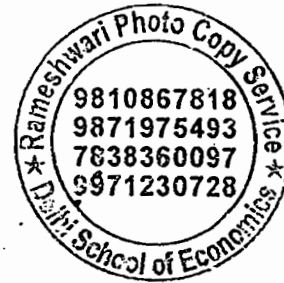
What is the role of the board in ensuring long term success of the company? (14)

2. Examine the impact of accounting fraud and window dressing in any three corporate failures. Suggest measures to prevent it. (6+8=14)

or

Critically evaluate the following (14)

- a) Fixed tenure of 5 years of independent directors
b) Rotation of Auditors every 10 years
c) Mandatory Training of directors



3. In your opinion will electronic voting and class action suit effectively empower shareholders? Can institutional investors make a difference? (10+4=14)

or

Comment on the following (14)

- a) A director over dinner at home examines the financial statements of the company with the help of his brother who is a Chartered Accountant so as to prepare for the board meeting next day
b) The promoter, retired from the board wants prior information and involvement in board decisions.
d) An employee who informs the CEO of malpractices is fired stating incompetence.
4. CSR is a cost or benefit to the company. Justify your answer. (14)

₹ 10/-

or

Discuss the main contents of a business responsibility report. ? Is it information relevant to shareholders? Is preparing the report a waste of company effort and resources?
(14)

5. Given below is the composition of the board of company PQR listed on the Bombay Stock Exchange. Based on the information provided identify any 5 provisions of Companies Act 2013 and state whether company PQR has complied with them or not.
(14)

Name of Director	Type of Director	Role
Mr. A	Executive	Chairman and Managing Director , Chairman of Nomination and Remuneration committee, Chairman of CSR Committee
Mr. B	Executive	Chief Financial Officer , member of CSR committee
Mr. C	Executive	Chief Operating Officer and member of Audit Committee
Mr. D	Independent	Chairman of Audit Committee
Mr. E	Independent	Member of Audit Committee
Ms. F	Independent	Member of Nomination Committee
Mr. G	Non- Executive	Member of Nomination Committee
Mr. H	Non-Executive	Promoter , Member of CSR committee , Member of Audit Committee



[This question paper contains 2 printed pages.]

9276

2018

Your Roll No.

M.Com.: SEMESTER-IV 2018

Paper - 4401

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY OF BUSINESS

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Answer All questions.

All questions carry equal marks.

Discuss how ethical theories help understand business decisions. (20)

Or

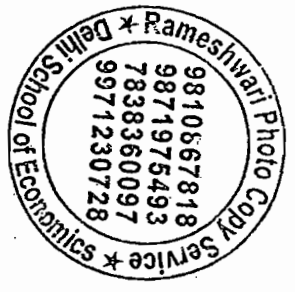
Explain why different countries adopt different forms of Corporate Governance. (20)

What led to the collapse of world.com? What measures did USA adopt to protect investors in future? (20)

Or

Comment on the role of the auditors in the collapse of Satyam. Suggest measures to improve auditors' effectiveness. (20)

Discuss the composition and role of the nomination and remuneration committee in India. Is there a need for the committee to be independent? (20)



Or

"Shareholders just don't have teeth to protect their interests" Do you agree with this statement. Justify your answer. (20)

4. "Maximizing shareholder wealth is the guiding principle for companies." Critically evaluate the statement. (20)

Or

(a) Why is a whistle blower protection policy required? Very briefly describe the legal provisions in India with respect to whistle blowing? (10)

(b) What is NCLT? What is its role in ensuring good corporate governance. (10)

5. Examine the legal validity of the following: (57)/(4x5)

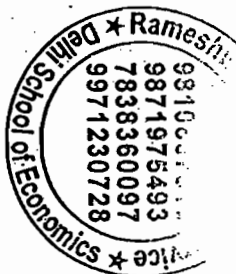
(a) An account executive of LMN Pvt. Limited has unearthed a fraud. He wishes to speak to the chairman of the audit committee but is not given access.

(b) Mr. Roy, a board member discussed a complex situation the board was facing with his brother to get an independent opinion.

(c) The chairman of a listed company is fired.

(d) A shareholder with 5% voting is asking for an item to be added in the agenda of the AGM. The Company secretary refuses.

(e) The audit committee chairman is the promoter of the committee. (500)



Roll No. 2017

This paper has 6 printed sheets.

M.Com Semester- II Examination
(May 2017)

Paper no.- 4201

Subject- Quantitative Techniques for Business

S.No. 4201 M17

Duration: 3 Hours

Max. Marks: 70

General Instructions:

Question 1:

(a) State with reason whether the following statements are true or false (Attempt any eight).

- i. Degeneracy in a LPP occurs when one or more of the basis variables assume a value of zero
- ii. In PERT network, standard deviation of the project completion time is the summation of the standard deviation of each critical activity
- iii. Duality does not have any role in post optimality analysis
- iv. The cost of providing service in queuing system decreases with decreased service rate.
- v. Activities on the critical path do not have any float – total, free or independent.
- vi. Setup costs are independent of the size of the production run for inventory
- vii. SDE analysis deals with classification of inventory on the basis of the availability.
- viii. In case of mixed strategy, the maximin value is equal to minimax value of the game
- ix. Dummy activities are used when two or more activities have same tail and head events
- x. Safety stock is required to meet the variation in demand during lead time

(b) Distinguish between the following (attempt any three):

- (i) Free and independent float
- (ii) Infeasibility and unboundedness
- (iii) Transient state and absorbing state
- (iv) Maximin and minimax strategy



(8)

(6)

Question 2:

(a) Industrial Design Company has been awarded a contract to design a label for a new medicine produced by a pharmaceutical company. The company estimates that 150 hours will be required to complete the project. The firm's three graphic designers available with the company for this project are: Leena, a senior designer and team leader; Rahul, a senior designer and Sarah, a junior designer. Because Leena has worked on several projects for the company, and that she must be assigned 40% of the total number of hours assigned to the two senior designers. To provide label designing experience for Sarah, she must be assigned at least 15% of the total project time. However, the number of hours assigned to Sarah must not exceed 25% of the total number of hours assigned to the two senior designers. Due to other project commitments, Leena has a maximum of 50 hours available to work on the project. Hourly wage rates are Rs. 1500 for Leena, Rs. 1250 for Rahul and Rs. 900 for Sarah.

- (i) Formulate a linear programming problem to determine number of hours each graphic designer should be assigned for the project to minimize the total cost. What is the total cost?

(ii) Suppose Leena could be assigned more than 50 hours. What effect would this have on the optimal solution? Give reason:

(14)

OR

(b) An oil refinery can blend three grades of crude oil to produce quality R and quality S petrol. Two possible blending processes are available. For each production run the older process uses 5 units of crude A, 7 units of crude B and 2 units of crude C to produce 9 units of R and 7 units of S. The newer process uses 3 units of crude A, 9 units of crude B and 4 units of crude C to produce 5 units of R and 9 units of S petrol. Because of prior contract commitments, the refinery must produce at least 500 units of R and at least 300 units of S for the next month. It has available 1500 units of crude A, 1900 units of crude B and 1000 units of crude C. For each unit of R the refinery receives Rs. 60, while for each unit of S it receives Rs. 90. Write down the linear programming formulation of the problem so as to maximize the revenue and solve it by graphic method.

(10)

(c) Explain the following terms:

- (i) Degeneracy in transportation
- (ii) Saddle point
- (iii) Waiting time in system
- (iv) Safety stock

(4)

Question 3:

(a) A project is composed of seven activities as per details given below:

Activity	Normal time (days)	Crash time (days)	Normal cost (Rs)	Crash cost (Rs)
1-2	4	3	1500	2000
1-3	2	2	1000	1000
1-4	5	4	1875	2250
2-3	7	5	1000	1500
2-5	7	6	2000	2500
3-5	2	1	1250	1625
4-5	5	4	1500	2215

Indirect cost per day of the project is Rs. 500.

Required:

1. Draw the project network
2. Determine the critical path and its duration
3. Find the optimum duration and the resultant cost of the project.

(8)

(b) For SKU A3510 at the Hardware Warehouse, the order quantity has been set at 150 units each time an order is placed. The daily demand is normally distributed, with a mean of 12 units and a standard deviation of 4. It always takes exactly 5 days for an order of this item to arrive. Holding cost has been determined to be Rs. 10 per unit per year. Due to the large volume of this item sold, management wants to maintain a 99% service level.

- (a) What is the standard deviation of demand during the lead time?
 (b) How much safety stock should be carried, and what should be the re-order point?
 (c) What is the total annual holding cost?

(6)

OR

(c) The time schedule for different activities of a project is given below:

Activity	Time in days
1-2	8
1-3	10
1-4	8
2-3	10
2-6	16
3-5	17
4-5	18
4-6	14
5-6	9



Construct the network and compute:

- (a) Critical path and its duration
 (b) Total and free float for each activity.

(8)

(d) The owner of the small machine shop has four machinists available to assign to jobs for the day. Five jobs are offered with an expected profit in rupees for each machinist on each job as follows:

Machinist	A	B	C	D	E
1	62	78	50	101	82
2	71	84	61	73	59
3	87	92	111	71	81
4	48	64	87	77	80

Determine the assignment of machinist to jobs that will result in a maximum profit and compute the maximum profit.

(6)

Question 4:

- (a) An exporter of ready-made garments makes two types of shirts: X and Y. He makes a profit of Rs 10 and Rs 40 per shirt on X and Y, respectively. He has two tailors, A and B, at his disposal to stitch these shirts. Tailors A and B can devote at the most 7 hours and 15 hours per day, respectively. Both these shirts are to be stitched by both the tailors. Tailor A and B spend 2 hours and 5 hours, respectively in stitching X shirt and 4 hours and 3 hours, respectively, in stitching Y shirt. How many shirts of both types should be stitched in order to maximize daily profits? (A non-integer solution for this problem will not be accepted)



(9)

- (b) There are two companies A and B in a certain city. Both companies have similar reputation and the total number of customers is equally divided between the two companies. Both the companies want to attract a greater number of customers by using different media of advertisement. By seeing the market trend, the company A constructed the following pay-off matrix where numbers in the matrix indicate a gain or a loss of customers to it.

Company A	Company B		
	Newspaper	Radio	TV
Newspaper	40	50	-17
Radio	10	25	-10
TV	100	30	60

Find optimal strategies for both the companies and also the value of the game.

(5)

OR

- (c) Consider the following transportation problem:

Factory	Godowns						Stock available
	1	2	3	4	5	6	
A	7	5	7	7	5	3	60
B	9	11	6	11	-	5	20
C	11	10	6	2	2	8	90
D	9	10	9	6	9	12	50
Demand	60	20	40	20	40	40	

It is not possible to transport any quantity from factory B to godown 5.

Determine:

- Initial basic feasible solution by Vogel's Approximation Method
- Optimum basis feasible solution
- Is the optimum solution unique? If not, find alternate optimum basis feasible solution

(8)

- (d) ABC Co. had 45% of the local market for its cosmetics, while the other two manufacturers, XYZ Co and PQR Co have 30% and 25% shares, respectively, in the local market as on January 1st of this year. A study by a market research firm has disclosed the following: every year, ABC retains 80% of its customers, while it gains 3% and 6% of the customers from its two competitor, XYZ and PQR respectively. XYZ retains 90% of its customers, and gains 14% and 9% of the customers from ABC and PQR respectively. PQR retains 85% of its customers, and gains 7% and 6% of the customers from XYZ and ABC respectively.

What will be the share of each firm on January 1 next year? What will be the market share of each firm at equilibrium?

(6)

Question 5:

(a) A project has the following activities and other characteristics:

Activity	Preceding Activity	Optimistic days	Most likely days	Pessimistic days
A	-	4	7	16
B	-	1	5	15
C	A	6	12	30
D	A	2	5	8
E	C	5	11	17
F	D	3	6	15
G	B	3	9	27
H	E,F	1	4	7
I	G	4	19	28

- (i) Draw the PERT network diagram
- (ii) Identify the critical path and determine the expected project duration.
- (iii) What is the probability that the project is completed between 35 and 40 days?
- (iv) If the project manager wishes to be 95% sure that the project is completed on June 30, 2017, when should he start the project work?

(9)

(b) Machines in a repair station arrive at rate of forty per hour and the workman can cope with sixty per hour for an eight hour day. You are required to calculate

- i. The average time in the system
- ii. The average length of the queue of machines
- iii. The implied cost of machine's time if owner of the system has rejected a faster service which could raise cost by Rs. 800 per day and would raise the service to eighty per hour.

(5)

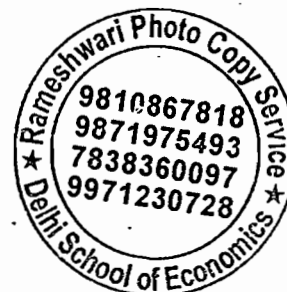
OR

(c) Mr. X is a dentist who schedules all his patients for 30 minutes appointments. Some of the patients take more or less than 30 minutes depending on the type of dental work to be done. The following summary shows the various categories of work, their probabilities and the time actually needed to complete the work.

Category	Time required	Probability of category
Crown	45 minutes	0.10
Filling	60 minutes	0.20
Cleaning	15 minutes	0.30
Extraction	45 minutes	0.25
Check up	15 minutes	0.15

Simulate the dentist's clinic for four hours and determine the average waiting time for the patients as well as the idleness of the doctor. Assume that all the patients show up at the clinic at exactly their scheduled arrival time starting at 9.00 a.m. Use the following random numbers for handling the above problem.

34 25 66 17 79 40 82 11



234
(8)

(d) A manufacturing company of microwave ovens uses Rs. 75,000 worth of LED readout circuits annually in its production process. Cost per order is Rs. 45, and the carrying charge assessed against this classification of inventory is 25% of the average balance per year. This company follows an EOQ purchasing system and to date has not been offered discounts on these circuits. Now the supplier has indicated that if the company would buy its circuits four times a year in equal quantities, a discount of 1.5% off list price would be given in return. Would you advise this company to accept this offer? In order to maintain the present total cost, what should be the minimum discount acceptable to the company if four orders of equal sizes are placed in a year?

(6)

This question paper contains 8 printed pages]

Your Roll No. 80678

2017

4091

M.COM. : SEMESTER-II (NC)

G

Paper 4201

QUANTITATIVE TECHNIQUES FOR BUSINESS DECISIONS

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. (a) "Every linear programming problem has a mirror image in the form of another linear programming problem, called its dual." Explain the primal-dual relationship. 8
- (b) A dealer supplies you the following information with regard to a product dealt with by him :

Annual Demand : 5000 units

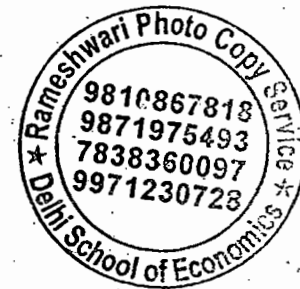
Buying cost : Rs. 250 per order

Inventory carrying cost : 30% per year

Price : Rs. 100 per unit

The dealer is considering the possibility of allowing some back-orders to occur for the product. He has estimated that the annual cost of back-ordering the product will be Rs. 100 per unit.

- (i) What is the optimum number of units of the product that he should buy in one lot ?



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has

P.T.O.

- (ii) What quantity of the product should he allow to be back-ordered ?
- (iii) How much additional cost will he have to incur on inventory if he does not permit back-ordering ?

12

Or

- (c) At a tool counter, the supply clerk is paid daily wage at Rs. 100 per day for an 8-hour working day. The employees who come to him to take and return the tools, their daily charges are Rs. 120 per day. On an average, 25 workers come to the counter every hour for replacing the tools. The supply clerk takes on an average, 2 minutes either for issuing or for replacing the tools. The company is considering a semi-automatic device at the tool counter so that the service rate becomes faster. It will involve an additional expenditure of Rs. 100 per day besides the clerk. But, at the same time, it will increase the service rate by 33.33 percent (one-third). Should the company install the semi-automatic device ?

12

2. In a product mix problem x_1, x_2, x_3, x_4 indicate the units of products A, B, C and D respectively and it is given that :

Max.

$$Z = 4x_1 + 6x_2 + 3x_3 + x_4$$

Subject to :

$$1.5x_1 + 2x_2 + 4x_3 + 3x_4 \leq 550 \text{ (machine I hours)}$$

$$4x_1 + x_2 + 2x_3 + x_4 \leq 700 \text{ (machine II hours)}$$

$$2x_1 + 3x_2 + x_3 + 2x_4 \leq 200 \text{ (machine III hours)}$$

$$x_1, x_2, x_3 \text{ and } x_4 \geq 0.$$

- (i) What is the best product mix ? What is the optimal profit ?
- (ii) What are the shadow prices of the resources ? Which resource has the highest marginal value ?
- (iii) Over what range in each of the RHS values are these shadow prices valid ?
- (iv) What are the ranges over which the objective function coefficients can vary for each of the two decision variables ?
- (v) State the dual to this problem and write its solution. 20

Or

A company currently producing 3 products P_1, P_2, P_3 at two plants A and B. It plans to start a new plant either in city C or D. The unit profits from various plants along with the demand and capacity available are listed in the table :

Plant	P_1	P_2	P_3	Capacity
A	35	24	20	600
B	30	28	25	1000
C	20	25	37	800
D	24	32	28	800
Demand	500	800	600	

The company wants to maximise aggregate profits. Using transportation method determine in which city the plant should be setup and what would the corresponding profit be ? 20

P.T.O.



3. Draw a network corresponding to the following info :

Activity	Time (days)	Activity	Time (days)
1—2	8	6—8	10
1—3	2	7—10	12
1—4	6	8—9	3
1—5	12	8—10	6
2—4	5	9—12	8
2—7	9	10—12	18
3—5	3	10—14	9
3—6	7	11—12	7
4—10	4	11—14	4
5—11	10	12—13	11
6—7	2	13—14	4

- (i) Find the earliest and latest scheduling times of various activities.
- (ii) Obtain the total, interfering, free and independent floats.
- (iii) Can this project be completed within 65 days.
- (iv) What would be the impact on project length if activity 8-10 is delayed by 5 days.
- (v) Activity 3-5 will be delayed by 9 days. What will be its impact on project completion date and start of its successor activity.

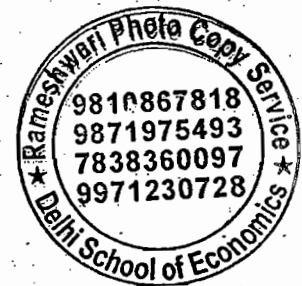
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Or

- (a) There are 5 employees and 5 jobs need to be done which can be done by any one of them. Wages/hr are Rs. 15/hr for A, B and C and Rs. 13/hr for D and E each.

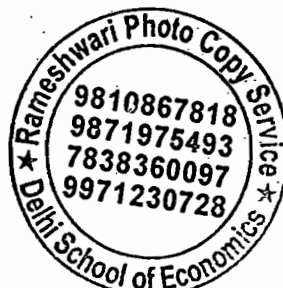
Amount of time taken (in hours) by each employee is given as follows :

Job	Employees				
	A	B	C	D	E
1	7	9	3	3	2
2	6	1	6	6	5
3	3	4	9	10	7
4	1	5	2	2	4
5	6	6	9	4	2



Determine the assignment pattern that minimizes the total time taken and minimizes the total cost of getting five units of work done. 14

- (b) In an emergency clinic, on an average 4 patients per hour arrive and it takes 10 minutes to serve a patient. It cost the clinic Rs. 300 per patient treated. Each minute decrease in the average service time will cost Rs. 50 per patient. How much should be the budgeted cost of the co. if it wants to reduce the average size of the queue from $4/3$ patients to $1/2$ patients ? 6



P.T.O.

4. ABC Ltd. has three production shops supplying a product to five warehouses. The cost of transportation are given as follows :

	Warehouses					Supply
	I	II	III	IV	V	
Shop A	6	4	4	7	5	100
Shop B	5	6	7	4	8	125
Shop C	3	4	6	3	4	175
Demand	60	80	85	105	70	400

The cost of manufacturing the product at different production shops is :

Shop	Variable Cost (Rs.)
A	14
B	16
C	15

- (i) Find the optimum distribution pattern so as to minimize cost.
(ii) Identify alternate solution (if any).

20

Or

A company manufactures three models of cars. There is backlog of orders with the company. Model A requires 60, 100 and 80 worker days in three production processes I, II and III respectively. Model B requires 100, 240 and 100 worker days, while model C requires 200, 360 and 160 worker days respectively in the three production processes. The number of workers employed in the three production processes are 15, 30 and 15 respectively, and average worker is on the job for 2000 working days in a year. The expected profit per car of the three models is Rs. 7,500, Rs. 15,000 and Rs. 30,000 respectively.

- (i) Determine the optimal product mix and total maximum profit obtainable.

- (ii) What are the shadow prices of the resources ? Determine the range over which each of these is valid.
- (iii) Write the dual to the above LPP and obtain the optimal values of the dual variables from the solution in (i) above. 20
5. (a) Discuss integer linear programming. Give an example each of the pure and mixed integer programming problem. 6
- (b) The pay-off table for a zero-sum game between A and B is shown below, where A is playing to maximize his pay-off :

	B1	B2	B3	B4
A1	150	-18	78	90
A2	6	102	54	70
A3	130	-30	78	80

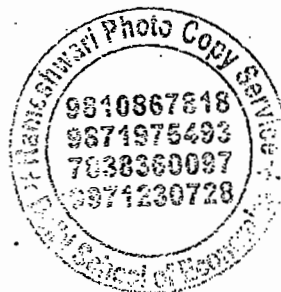
- (i) Solve the game for the optimal strategies of the two players and the value of the game.
- (ii) State whether as a manager of firm B you would adopt the policy prescribed in part (i). Why or why not ?
- (iii) State whether the solution strategies obtained in (i) would necessarily maximise profit for either of them. 14

Or

- (c) A small retailer has studied the weekly receipts and payments over the past 200 weeks and has developed the following set of information :

Weekly Receipts (Rs.)	Probability	Weekly Payments (Rs.)	Probability
3000	0.20	4000	0.30
5000	0.30	6000	0.40
7000	0.40	8000	0.20
12000	0.10	10000	0.10

P.T.O.



Using the following sequence of random numbers, simulate the weekly pattern of receipts and payments for the 12 weeks of the next quarter, assuming further that the beginning bank balance is Rs. 8,000. What is the estimated balance at the end of the 12 weekly period ? What is the highest weekly balance during the quarter ? What is the average weekly balance for the quarter ?

14

Random Numbers

For Receipts

For Payments

03

61

91

96

38

30

55

32

17

03

46

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This paper has 3 printed sheets

M. Com. Semester II Examination (Regular)
(May 2017)

2017

Paper No.: 4205

Subject: International Business

S. No.: 4205M17

Duration: 3 hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks.

1. While contemplating doing business abroad, what are the different economic measures that managers use to assess a country's level of performance and potential? In this context, also explain the concept of 'economic risk' in international business decisions. Support your answer with suitable examples. (14)

OR

"In an increasingly integrated global economy, the product life cycle theory seems to be less predictive than it was earlier". Comment on this statement, elaborating on the product life cycle theory, and its relevance in contemporary international business environment. (14)

2. Distinguish between fixed and flexible exchange rate systems. What are relative merits of each of these exchange rate systems? From an international business perspective, which system do you think is more desirable? Explain. (14)

OR

What are the basic entry decisions that a firm contemplating international business has to take? Explain and evaluate the various modes of entry in international business that are available to a firm. (14)

3. (a) 'TRIPs has legalized an unethical IPR system which encourages piracy of indigenous knowledge'. Comment on this statement giving suitable example from the Indian context. (7)

(b) Distinguish between horizontal FDI and vertical FDI. Explain with examples. (7)

OR

(c) What is dumping? What are the reasons for dumping? How do importing countries deal with dumping to protect domestic producers from unfair foreign competition? (7)

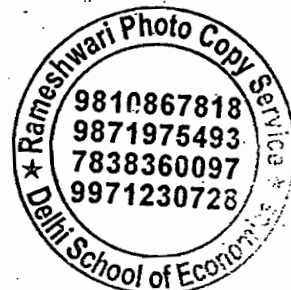
(d) Explain the different approaches to correction of disequilibrium in BoP. (7)

4. Write notes on *any two* of the following:

(a) Trade creation and trade diversion

(b) EPRG framework

(c) Role of IMF



5. Boeing versus Airbus: The Complex Global Commercial Aircraft Industry

In the 1960s, U.S. company Boeing was a dominant player in the global aircraft manufacturing. Boeing was founded in 1916 in Seattle and had many years to develop the critical mass necessary to become the world's leading aerospace manufacturer. During World War II and subsequent Cold War years, Boeing was the recipient of many lucrative contracts from the US Department of Defence.

In Europe, no single country possessed the means to launch an aerospace company capable of challenging Boeing. Manufacturing commercial aircraft is an extremely capital-intensive and complex industry that necessitates a highly skilled work force. In 1970, the governments of France and Germany formed an alliance, supported with massive government subsidies, to create Airbus S.A.S. The governments of Spain and Britain joined Airbus later. By 1981, the four-country alliance succeeded in becoming the number two civil aircraft maker in the world. Airbus launched the A300, among the best-selling commercial aircraft of all time. By 1992, Airbus had captured roughly one-third of the global market in commercial aircraft.

Airbus has benefitted from tens of billions of dollars of subsidies and soft loans from the four founding country governments and the European Union (EU). Airbus has to repay the loans only if it achieves profitability. By 2005, government aid had financed, in whole or part, every major Airbus aircraft model. European governments have forgiven debt of Airbus, dedicated infrastructure support, and financed R&D for civil aircraft projects. European governments justify their financial aids to Airbus on several grounds. First, Airbus R&D activities result in new technologies of considerable value to the EU. Second, Airbus provides jobs to some 53,000 skilled and semi-skilled Europeans. Third, Airbus' value-chain activities attract massive amounts of capital into Europe. Finally, Airbus generates enormous tax revenues.

Boeing and the US government have long complained about the massive subsidies and the soft loans that were responsible not only for birth of Airbus, but also for its on-going success: The outcry became louder in the early 2000s, when Airbus surpassed Boeing in annual sales to become the world's leading commercial aircraft company. Boeing has argued that Airbus would never have gotten this far without government support. In 2005, the US Trade Representative brought its case to the WTO. The case alleged that financial aid for the A350, A380, and earlier aircraft qualified as subsidies under the WTO's Agreement on Subsidies and Countervailing Measures (ASCM) and that the subsidies were actionable because they caused adverse effects to international trade. Officials of the European Commission countered that the government subsidies are permissible and that it is up to individual EU countries to decide whether to provide them.

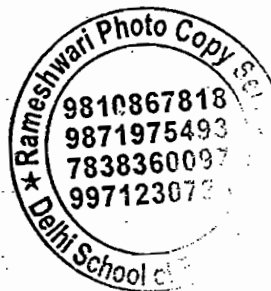
The EU argues that the US has long indirectly subsidised Boeing through massive defence contracts that, after all, are paid with tax dollars. The US has given Boeing approximately \$23 billion in indirect government subsidies by means of R&D funding and other indirect support from the Pentagon and from NASA. Boeing is at liberty to use the knowledge acquired from such projects to produce civilian aircraft. European officials also complained that Washington, Boeing' manufacturing headquarters, has provided the firm with tax breaks, infrastructure support and other investment incentives, amounting to billions of dollars.

The EU also has a strong case at the WTO regarding Boeing's relations with its Japanese business partners. The new Boeing 787 Dreamliner is built in an alliance with the heavy-industry divisions of Japanese MNEs like Mitsubishi, Kawasaki, and Fuji. The EU argues that the

Japanese government provided at least \$1.5 billion in soft loans, repayable only if the aircraft is a commercial success, just like the soft loans given to Airbus. Boeing successfully launched its Boeing 787 Dreamliner in July 2007 and appears to be six years ahead of Airbus in bringing out an innovative and fuel-efficient aircraft. Meanwhile, the US officials conclude that EU subsidies and soft loans to Airbus constitute unfair trade practices and are going ahead with their action at the WTO.

Questions

1. Do you think that EU subsidies and soft loans to Airbus are fair? Why or why not? What advantages does Airbus gain from free financial support from the EU governments? Explain. (4+4 = 8)
2. Under the WTO rules on Subsidies, do you think US military contracts with Boeing amount to subsidies? What about infrastructure development and investment incentives provided by the State of Washington to Boeing over the years? Do the above give Boeing unfair competitive advantages? Justify your answer. (6)



This question paper contains 3 printed pages]

Your Roll No. 2017

4095

M.Com. : Semester-II (NC) C

Paper 4205

(International Business)

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. Explain Porter's theory of National Competitive advantage. How is it an improvement over the traditional theories of international trade ? 20

Or

Why is it important for managers engaged in international business to understand the culture of a host country if they want to develop successful long-term business relationships? Also discuss the various elements of cultural environment that are of importance in international business. Support your answer with examples. 20

P.T.O.



- 4. (a) Distinguish between current account and capital account in a country's BOP statement. 10
- (b) Evaluate strategic alliance as a mode of entry in international business. 10

Or

- (c) Explain the main features of the Agriculture Agreement of WTO. 10
- (d) Explain the role of World Bank (and its affiliated institutions) as a vital source of financial and technical assistance to developing countries around the world. 10

5. Write notes on any two of the following : 10,10

- (a) Greenfield and brownfield FDI
- (b) Leontif's paradox
- (c) Trading principles of WTO.

2. What is meant by regional economic integration ? Explain the different levels of regional economic integration, supporting them with examples. What are the benefits and costs associated with each of these levels of regional economic integration ? 20

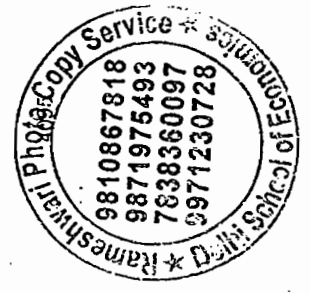
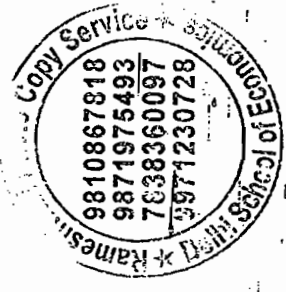
Or

Despite free trade being advocated by a number of trade theories, why do governments still intervene in international trade ? What are the various tariff and non-tariff measures adopted by countries to regulate international trade ? 20

3. "Globalisation has resulted in rapid growth of international business activity during the past few decades." What have been the drivers of globalisation and how have they contributed to expansion of international business ? 20

Or

Explain the features of the International Monetary System under the Bretton Woods era. How did this system differ from the Gold Standard ? What led to the collapse of the fixed exchange rate system established under the Bretton Woods era ? 20



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M.Com Semester- II Examination (Regular)

(May, 2017)

Paper no. - **4203**

Subject - Marketing Management

S.No. **4203 M17**

Duration: 3 Hours

Max. Marks: 70

General Instructions: All questions carry equal marks.

1. Attempt any two:
 - (A) Elaborate the concept of Product Life Cycle (PLC) with examples. Are Parle-G Biscuit and Nestlé's Maggi an exception to PLC? Why? [7]
 - (B) Elucidate different strategies in regard to 4 P's adopted during different PLC stages. [7]
 - (C) Explain in detail various strategies to extend PLC of a product. [7]

2. (A) Pricing is one of the very important decisions that a marketer takes and the profitability of a marketer depends on that. Explain in detail the 'process of setting prices'. [14]
OR
(B) Illustrate different pricing methods with examples. [7]
(C) Elucidate the concept of New Product Development. [7]

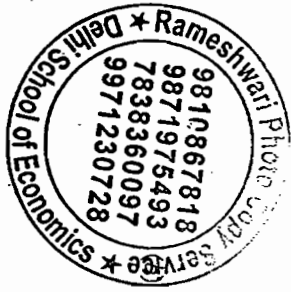
3. Differentiate between a Product and Service with help of 4 I's concept. Graphically represent the SERVQUAL Model and explain it in detail with examples. [14]
OR
Differentiate between 'Consumer buying behaviour' and 'Business buying behaviour'. Explain different Customer roles. Also elaborate the five stages model of Customer Buying Behaviour. Give examples. [14]

4. Write detailed notes on any two: [14]
 - (A) Promotion-Mix
 - (B) Product-Mix
 - (C) Marketing-Mix
 - (D) Levels/Layers of Product

5. Write **short notes (any 2) :-** [14]
 - (A) Segmentation, Targeting and Positioning
 - (B) Marketing Environment
 - (C) Core concepts of marketing / marketing philosophiesOR
Elucidate the term Retail Management. Enumerate the various characteristics and functions of retailing. Also shed light on different retail formats. [14]



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4093

This question paper contains 4 printed pages]

Your Roll No. 80619 2017

5. Attempt any two of the following :

(a) Discuss in detail all the factors that are important and

always considered while making pricing decisions. 10

A major issue in marketing and consumer behavior today

is acceptance of new products and services. Explain the

stages and processes that a consumer passes through

for adopting a new product and service. 10

(c) Explain in detail the various marketing mix strategies

used by the marketer in different stages of Product

Life Cycle. 10

4093

M.Com. : Semester-II (NC) C

Paper No. 4203

MARKETING MANAGEMENT

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

All questions carry equal marks.

1. Write short notes on any five of the following :

(a) Marketing Myopia

(b) Holistic marketing

(c) Promotion mix

(d) Product mix

(e) Retailing and Wholesaling

(f) Ethical issues in distribution decisions

(g) Integrated Marketing Communication.

2. Discuss core concepts of marketing with examples. Why is it important for a firm to be aware of its macro and micro environment ? Discuss elaborating all the factors of marketing environment with suitable examples. 20

Or

(a) Customer is the king of the market and a focal point of all the marketing activities. Justify this statement and discuss the relevant factors which affect the buying behavior and consumption patterns in India. 10

(b) Elaborate major considerations while selecting a distribution channel for consumer products. What is the criteria which can be used for the evaluation of channel partners ? Provide examples to support your answer. 10

3. Explain in detail the pre-requisite that need to be kept in mind while targeting the rural customers. Keeping this in mind, develop a marketing-mix plan for a new brand of wrist watch. 20

Or

(a) What is a product layer concept ? How is it significant to a marketer ? 6

(b) Briefly discuss various types of store and non-store based retailers. 7

(c) Differentiate between customer buying and industrial buying. 7

4. Attempt any two of the following :

(a) What do you understand by sales promotion ? How is it different from advertising ? Also shed light on non-paid form of promotion. 10

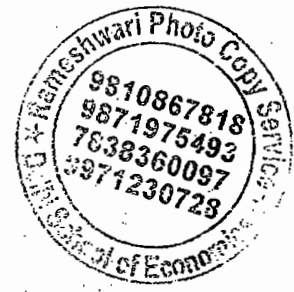
(b) Elaborate the process of new product development. Provide examples of support you answer. 10

(c) Write short notes on any two : 2x5=10

(i) Services Marketing

(ii) Social Media Marketing

(iii) Green Marketing.



Roll No.....

This paper has 4 printed pages

M.Com- Semester II Examination (Regular)

May 2017

Paper No. 4202

Subject: Financial Management and Policy



S. No. 4202M17

Time : 3 Hours

Max. Marks: 70

Attempt all questions. All questions carry equal marks. Answers should be specific and precise.

Q. 1 Attempt any FOUR out of the following-

- "Financial decisions pertain only to capital structure decision in an organization". Do you agree? Justify.
- "The chances of agency problems are higher in large corporate houses". Do you agree? Why? What are the ways to resolve agency problems?
- "If there is no uncertainty regarding inflation and interest rate, the Time value of money concept will not exist". Do you agree? Justify your answer.
- Differentiate between Risk Adjusted discount rate method (RADR) and Certainty Equivalent method of incorporating risk and uncertainty in capital projects.
- "Scenario analysis is of no use in an uncertain world". Do you agree? Justify your answer.
- What is Discounted Payback Period? Can it be used to determine the financial viability of a project? Why?

(3.5 X 4= 14)

Q.2 (a) What is Equivalent Annual Net Present Value (EANPV) ? How is it calculated and what is its significance in capital budgeting?

(4)

(b) Shri Hari Textile Ltd. is considering purchase of a new machinery at a cost of Rs. 50,000 so as to increase its production and hence sales. The machinery will have two years of economic life with no salvage value and is expected to generate additional cash inflows for two years. However cash inflows in second year are conditional on the cash inflows generated in first year. The expected incremental cash inflows after tax along with respective probabilities are given below:

Year 1		Year 2	
CFAT (Rs.)	Prob.	CFAT (Rs.)	Prob.
40,000	0.70	30,000	0.60
		50,000	0.40
50,000	0.20	60,000	0.70
		30,000	0.30
60,000	0.10	70,000	0.80

Page | 1

		40,000	0.20
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The firm uses 15% discount rate to assess its capital budgeting proposals. Should the project be accepted? Why? (10)

OR

(c) Mobile Data Ltd. is considering a proposal for expanding its operations in Southern region of India. The project is expected to provide incremental cash inflows for 3 years. However due to surmounting uncertainties the exact cash inflows cannot be determined. The financial analyst of the company has provided the following data. The proposed expansion will cost Rs. 750 Lakhs. The cost of capital of the company is 12%.

Year 1		Year 2		Year 3	
CFAT (Rs. Lakh)	Prob.	CFAT (Rs. Lakh)	Prob.	CFAT (Rs. Lakh)	Prob.
600	0.40	650	0.50	800	0.40
700	0.30	750	0.30	900	0.50
800	0.30	850	0.20	1000	0.10

Calculate the expected NPV of the project by using Simulation method as per the following 4 sets of random numbers. Should the company accept the proposal for expansion? Why?

Random Numbers

Year	Set 1	Set 2	Set 3	Set 4
1	29	69	17	35
2	83	92	28	88
3	58	71	73	64

(14)

Q 3 (a) How is Trade off theory of capital structure different from Traditional theory? Explain in detail with the help of suitable diagrams. (7)

(b) Ulipbuild Ltd. is an all equity company having current beta of 1.20. Risk free rate is 5% and expected market return is 15%. Corporate tax rate is 30%. The company is contemplating inclusion of debt in its capital structure. The following data is available at different levels of debt financing.

Debt (%)	Pre Tax Cost of Debt (%)
0	6
20	7
40	9
60	12
80	15
90	20

Calculate the optimal capital structure for the company. You can use Hamada equation and CAPM.

(7)

OR

(c) What does Signaling theory and Pecking order theory of capital structure say about the capital structure choice in an organization? Explain using suitable examples. (7)

(d) Wifilog Ltd. presently has Rs.50 Lakh, 10% debentures and 8 Lakh equity shares outstanding of Rs. 10 per share, selling at Rs. 12 per share. In order to finance a new project, the company needs Rs. 60 lakh of additional funds which can be raised either by the issue of 5 lakh equity shares at Rs. 12 per share OR issue of 10% debentures for Rs. 30 lakh at par and 10% preference share capital for Rs.30 Lakh at par. After undertaking new project the expected EBIT of the company will be Rs. 18 Lakh p.a. normally distributed with a standard deviation of Rs. 5 Lakh. Assume that the corporate tax rate is 30%. Calculate-

- i. Indifference level of EBIT between the two options of fund raising and interpret it.
- ii. The probability that equity plan is better.
- iii. Which option is more suitable to the company and why? (7)

Q.4 (a). "A number of firm specific, industry specific and macroeconomic factors affect the dividend policy of a company". In the light of this statement explain various determinants of dividend policy of a company. (7)

(b). Raksha Ltd. has current sales of Rs. 150 lakhs and average collection period of 25 days. The company's fixed costs are Rs.2 Lakhs and its variable cost to sales ratio is 75%. The post tax cost of capital is 12% and its current bad debt ratio is 1% of sales.

The corporate tax rate is 30%.The company grants credit to only a few selected customers and hence is losing some sales to its competitors. The finance manager of the company has suggested to extend credit to other good customers as well and adopt somewhat liberal credit terms. Such a change in credit policy will increase sales by Rs. 5 Lakhs. However the average collection period will increase to 30-days while fixed costs will increase by Rs. 20,000. The bad debt ratio will increase to 2% of total sales. Assume 360 days in a year.

Should the company accept the suggestion of its finance manager and change its credit policy? Why? Show all relevant calculations. (7)

OR

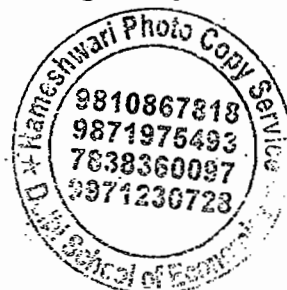
(c). "Dividends are irrelevant for the value of a firm". Do you agree? Justify your answer with supporting theories and real life examples. (7)

(d) . Growffers Ltd. currently has 4 Lakh shares outstanding selling @ Rs. 50 each. The company expects a net earnings after tax of Rs. 25 lakh during the current year and intends to make new investment of Rs. 40 lakh at the end of the year. The company is also planning to declare a dividend of Rs. 4 per share at the end of the year. The cost of capital is 12 %. Assume that MM hypothesis on dividend applies, what will be the price of the share at the end of the year if-

- (i) dividend is not declared.
- (ii) dividend is declared
- (iii) How many new shares must be issued if dividend is declared?
- (iv) Calculate market value of the company in case (i) and (ii). Are they different? Why? (7)

Q. 5 (a)What do you mean by Divestiture? Explain various forms of divestiture with suitable examples. (7)

(b).What are the bases for calculation of share exchange ratio in a merger? Explain in brief. (3)



(c). Acquirer Ltd. plans to acquire Acquired Ltd. The relevant financial data of the two companies prior to merger are given below-

Particulars	Acquirer Ltd.	Acquired Ltd.
Market price	75	35
No. of Shares	20,00,000	10,00,000

The merger is expected to bring synergistic gains having a present value of Rs. 80,00,000. The share exchange ratio is 1:2.

Calculate

- (i) the benefit and cost of merger
- (ii) NPV to Acquirer Ltd
- (iii) NPV to Acquired Ltd. (4)

OR

(d) Explain various types of Mergers with suitable examples. What are the main motives of mergers in Indian context? Explain in the context of recent trends in M&A in India. (7)

(e) T Ltd. is being acquired by A Ltd. on a share exchange basis. The relevant financial data for the two companies before merger is given below-

Particulars	A Ltd.-	T Ltd.
Earnings after Tax (Rs. Lakh)	180	150
EPS (Rs.)	15	7.5
P/E Ratio	12	8

Determine

- (i) The maximum exchange ratio acceptable to A Ltd if the expected P/E ratio of the combined entity is 12.
- (ii) The minimum exchange ratio acceptable to T Ltd if the expected P/E ratio of the combined entity is 12.
- (iii) In what situation the two companies can have a common exchange ratio.

(7)

This question paper contains 8+3 printed pages]

Your Roll No. 2017

4092

M.Com. : Semester – II (NC) G

Paper No. – 4202

(Financial Management and Policy)

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

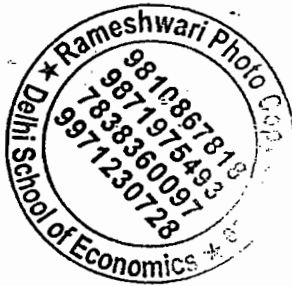
Attempt All questions.

All questions carry equal marks.

Answers should be specific and precise.

1. (a) Write a detailed note on the nature and scope of financial management as it has evolved over the years. 10
- (b) "The Time Value of Money does not exist in case the interest rates are negligible." Do you agree? Justify your answer. 5

P.T.O.



(c) Why is Modified Internal Rate of Return (MIRR) considered superior to Internal Rate of Return ? When can a project be accepted using MIRR ? 5

Or

(d) "The Finance function in an organization is concerned only with financing aspects of the business." Do you agree ? Explain. 10

(e) Explain wealth maximization as the operationally feasible criterion for financial decisions. Is maximization of sales same as maximization of shareholders' wealth ? 10

2. (a) What is Fisher's Rate of Intersection ? Explain its significance in capital budgeting. 5

(b) Worldwide Tour Ltd. is evaluating a project which requires an investment outlay of Rs. 1,00,000 and is expected to produce cash inflows for two years as given below : 5

	Year 1		Year 2	
	CFAT (Rs.)	Prob.	CFAT (Rs.)	Prob.
	75,000	0.30	75,000	0.20
	65,000	0.40	70,000	0.60
	40,000	0.30	90,000	0.20

Assume that the cash flows are independent and follow normal distribution. The risk free rate is 10% and cost of capital is 14%. Calculate :

- (i) NPV and risk i.e. σ (NPV) as well as Coefficient of variation of the project.
- (ii) The probability that NPV will be more than 0.
- (iii) Based on your calculations, should the project be accepted ? 15

Or

(c) What is capital rationing ? Which method is used to evaluate the capital budgeting proposals in such a situation ? 5

(d) How does inflation affect evaluation of capital projects ?

Pepper Clock Ltd. is considering purchase of a new machine which will cost Rs. 8,00,000 and have an economic life of 8 years with no salvage value. The expected Earnings before depreciation and Taxes (EBDT) is Rs. 1,60,000 p.a. which is subject to inflation of 10% p.a. Assume the tax rate is 30% and depreciation is charged on Straight line Basis. Calculate :

- (i) nominal CFATs of the machine
- (ii) real CFATs of the machine
- (iii) If real cost of capital is 15%, should the machine be purchased ?

3. (a) Explain the following :

- (i) Net Operating Income (NOI) Approach Vs. Traditional approach of capital structure.
- (ii) MM Hypothesis with Corporate Taxes.

(h) MCPizza Ltd. presently has Rs. 10,00,000 10% debentures and 3,00,000 equity shares outstanding of

Rs. 10 per share, selling at Rs. 15 per share. In order to finance a new project, the company needs Rs. 30 lakh of additional funds which can be raised either by the issue of 2 lakh equity shares at Rs. 15 per share OR issue of 10% debentures for Rs. 30 lakh at par.

After undertaking new project, the expected EBIT of the company will be Rs. 8 Lakh p.a. normally distributed with a standard deviation of Rs. 5 Lakh. Assume that the corporate tax rate is 35%. Calculate :

- (i) The expected EPS under each financial plan.
- (ii) Indifference level of EBIT between the two options of fund raising.
- (iii) Which financial plan would you advise ? Why ?



Or

(c) What is the effect of corporate taxes and personal taxes on leverage benefits? Explain using Merton Miller argument on Capital structure. 5

(d) The capital structure of Everdrive Ltd. comprises 1 Lakh equity shares of Rs. 10 each selling at a price of Rs. 12 each and Rs. 10 Lakh 12% debentures. What is the present value of Interest tax shield for the company under the following cases :

(i) When there is no corporate tax or personal tax rates.

(ii) When corporate tax rate is 25% but personal tax rates are Nil.

(iii) When corporate tax rate is 25%, personal tax rate on interest income is 20% and personal tax rate on dividend income 10%.

(iv) When corporate tax rate is 25%, personal tax rate on interest income is 25% and personal tax rate on dividend income Nil. 5

(e) Unidell Ltd. is an all equity company having 1,00,000 shares outstanding. Its cost of equity is 10%. Lovadell Ltd. is similar to Unidell Ltd. and belongs to the same risk class except that it also has 10% debentures amounting Rs. 10,00,000 in its capital structure. The EBIT of both the companies is Rs. 1,40,000. Assume that the corporate tax rate is 40%.

(i) Calculate the value of both the companies as per MM hypothesis with corporate taxes.

(ii) If the actual market value of Lovadell Ltd. is Rs. 13,00,000, specify whether the company is overvalued or undervalued in the market. Also explain the process through which the equilibrium will be set ? 10

P.T.O.



(8)

4092

4. (a) Explain Miller-Orr Model of Cash Management. How is

it different from Baumol's Model ? What is the significance of Return Point in that Model ? Explain with the help of an example. 10

(b) Xylo Ltd. has 8 lakh shares outstanding at the beginning of the year. The current market price of the share is Rs. 120. The Board of Directors of the company is contemplating Rs. 6 per share dividend. The rate of capitalization appropriate to the risk class to which the company belongs is 9%. Based on MM approach calculate the market price of the company when :

(i) Dividend is declared.

(ii) Dividend is not declared.

(iii) How many new shares are to be issued by the company if the company desires to fund an investment budget of Rs. 3 Crores by the end of the year assuming that the net income for the year will

be Rs. 1.6 Crores.

(9)

4092

Or

(c) Why is MM hypothesis on irrelevance of dividend criticized ? Explain in brief Signaling theory on dividend. 10

(d) The present cash discount terms of Giani Ltd. is "1/10 net 20 days". The company has present sales of Rs. 60 lakhs. Its average collection period is 15 days. The proportion of sales on which customers currently avail cash discount is 0.70. To stimulate demand, the company is planning to give credit terms of "2/10 net 30 days". In such a case, sales are expected to increase by 25%. After the change, the average collection period is expected to be 35 days. However the proportion of sales on which customers avail cash discount goes up to 0.80. The variable cost to sales ratio is 0.80 and the company's before tax required rate of return on investment in receivables is 20%. Corporate tax rate is 30%. Should the company change its credit terms ? Show all necessary calculations. Assume a 360-days year. 10

5. (a) What are the approaches of current assets financing ? Explain in detail. Which approach is more suitable in highly uncertain financial environment ? Explain. 10
- (b) Target Ltd. is being acquired by Acquirer Ltd. on a share exchange basis. The relevant financial data for the two companies is given below :

Particulars	Acquirer Ltd.	Target Ltd.
Earning after Tax	150	40
(Rs. Lakh)		
No. of Shares	15	5
(Lakh)		
P/E Ratio	8	6

Determine :

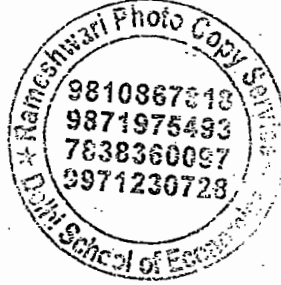
- (i) Pre merger market price per share for both the companies.

- (ii) The exchange ratio Acquirer Ltd. should offer without the dilution of its EPS
- (iii) The exchange ratio Acquirer Ltd. should offer if it does not want the dilution of its market price per share. 10

Or

Write short notes on the following :

- (i) Demerger
- (ii) Leveraged Buyout
- (iii) Operating Cycle
- (iv) Collection Matrix.



Roll No. 1511510

This paper has 2 printed sheets.

M.Com Semester- IV Examination (Regular/)
(May 2017)

Paper no.- 4401

Subject- Corporate Governance and Social responsibility of Business

S.No. 4401M17

Duration: 3 Hours

Max. Marks: 70

General Instructions: Answer all questions

1. Discuss the Anglo-Saxon and German Model of Corporate Governance 14
or

What is the objective of the OECD principles of corporate governance? Briefly describe them.

2. Do you think greed was the primary cause for the failure of Enron? Justify your answer. 14
or

Comment on the role of the Board in the collapse of Satyam. Suggest measures to improve corporate boards' effectiveness.

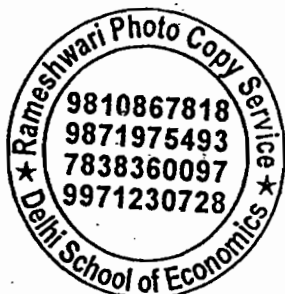
3. Discuss the composition, role and responsibility of an audit committee in India. Can they prevent scams? 14
or

"Shareholders just don't have teeth to protect their interests" Do you agree with this statement. Justify your answer.

4. "Maximizing shareholder wealth is the guiding principle for companies." Critically evaluate the statement 14
or

a) Why is a whistle blower protection policy required? Very briefly describe the legal provisions in India with respect to whistle blowing? 7

b) Elaborate how ethical theories explain decisions managers make. 7



₹ 10/-

5. Examine the legal validity of the following?

(3.5 x 4)

- a) An account executive of LMN Pvt. Limited has unearthed a fraud. He wishes to speak to the chairman of the audit committee but is not given access.
- b) Mr. Roy a board member discussed a complex situation the board was facing with his brother to get an independent opinion.
- c) The chairman of a listed company is fired.
- d) A shareholder with 5% voting is asking for an item to be added in the agenda of the AGM. The Company secretary refuses.

This question paper contains 3 printed pages]

Your Roll No. ~~5557~~ 2017

4096

M.Com. : SEMESTER-IV (NC) G

Paper—4401

CORPORATE GOVERNANCE AND SOCIAL
RESPONSIBILITY OF BUSINESS

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

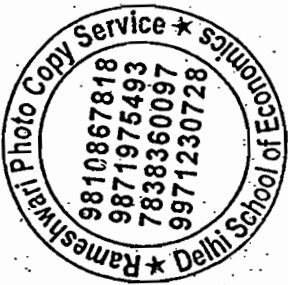
Answer All questions.

All questions carry equal marks.

1. (a) "In order to determine whether an action, conduct, behaviour or judgement is correct or not, we have to try it based on ethical principles, these principles are provided by ethical theories." In the light of the above statement discuss the various ethical theories that postulate some standards of behaviour. 20

Or:

- (b) What is Insider Trading ? Is it legal in India ? 10
- (c) Explain the various kinds of whistleblowers. 10
2. (a) Discuss the major corporate governance failures that led to the collapse of Enron. 20



M.Com SEMESTER-II 2016

Paper No. 4201: Quantitative Techniques for Business Decisions

P. NO. 4201M16C

Time allowed: 3 Hours

Maximum Marks: 70

Instructions: (i) Attempt all questions. (ii) Attempt all parts of the question together. (iii) All questions carry equal marks

- Q 1. State with reason whether the following statements are true or false. (Attempt any ten)
- The certainty assumption of LP model holds when coefficients of objective function are the known constants.
 - Sensitivity analysis is done to take care of violation of certainty assumption.
 - Initial solution to a transportation problem can be obtained by applying any known method provided the solution is non-degenerate.
 - The dominance principle suggests that strategies of one player are dominating the strategies of the other.
 - Degeneracy in transportation problem means that the solution so obtained is not feasible.
 - Feasible region of an LPP must be a convex set.
 - If dual has an unbounded solution, primal has an infeasible solution.
 - If EOQ is calculated, but is found to be of inappropriate size, the total cost per unit rise slowly around EOQ.
 - In PERT network each activity time assumes a β distribution.
 - As a significant property of Markov chains the process tends to stabilize in the long run.
 - Peak resource requirements are reduced and period to period assignments are smoothed out without changing the project duration. (10)

Q2. (a) Consider the given problem and the optimum table given along with that

$$\begin{aligned} \text{Max } Z &= x + 2y \\ \text{Sub to: } & x + y \leq 7 \\ & 2x \leq 11 \\ & 2y \leq 7 \end{aligned}$$

Non-Neg. : $x, y \geq 0$ and are integers

			1	2	0	0	0
C_j	Basic Variable	Value	x	y	S_1	S_2	S_3
1	x	3.5	1	0	1	0	-1/2
0	S_2	4	0	0	-2	1	1
2	y	3.5	0	1	0	0	1/2
	$C_j - Z_j$	10.5	0	0	1	0	1/2

- Discuss the effect on optimality when the objective function is changed to $Z = 2x + y$ and capacity for second resource changes from 11 to 18 units. (4,6)
- Find out integer value for the variable x using cut plane method. (4,6)

b) Explain the concept of float. Distinguish clearly between the free, interfering and independent floats. (5)

OR



- c) A manufacturer of a line of microwave ovens must decide the manufacturing batch sizes. The setup cost for manufacturing a particular microwave oven is Rs. 15,000. The annual rate of sales is 10,000 and the rate of sales is constant during the year. The annual manufacturing capacity is 20,000. The cost of a completed microwave oven is Rs. 15,000. The inventory holding cost fraction is 0.01 per year.

- i) What is the most economical batch size (EBQ)?
- ii) What is the minimum annual total of inventory holding and set-up costs?
- iii) What is the number of production runs per year?
- iv) What is the amount of time required for the production of each batch?
- v) What is the maximum inventory on hand for the EBQ?

(9)

(d)

$$\text{Max } Z = 2x + y$$

Sub to:

$$x + 2y \leq 10$$

$$x + y \leq 6$$

$$x - y \leq 2$$

$$x - 2y \leq 10$$

$$x \geq 0 \text{ and } y \text{ unrestricted in sign}$$

- i. Use graphical method to find optimal solution.
- ii. Identify the constraints having the slack or surplus capacity at the point of optimality.

(6)

- Q3.(a) A company uses 8,000 units of a product as raw material, costing Rs. 10 per unit. The administrative cost per purchase is Rs. 40. The holding costs are 28% of the average inventory. The company is following an optimal purchase policy and places orders according to the EOQ. It has been offered a quantity discount of one percent if it purchases its entire requirement only four times a year.

Should the company accept the offer of quantity discount of one percent? If not, what minimum discount should the company demand?

- (b) Three companies A, B and C introduced new potato chips in the market almost at the same time. Initially they had 40%, 30% and 30% respective market share. During the first year A retained 80%, B retained 75%, and C retained 85% of its customers. A could get 15% of B's and 5% of C's customers. For B the share in A's and C's customers was 10% each. C also shared 10% each in A's and B's customers. Assuming that customer buying habits do not change, find the market share of each of the company at the end of first two years. Also, what would be the market share of each of the company in the long run time?

(9,6)

OR

- (c) A national truck-rental service has a surplus of one truck in each of the cities 1,2,3, 4,5 and 6; and a deficit of one truck in each of the cities A,B,C,D,E,F, and G. the distance (in kilometers) between the cities with the a surplus and the cities with a deficit are displayed below:

From/To	A	B	C	D	E	F
1	40	15	30	25	16	22
2	38	29	26	34	38	20
3	46	18	17	27	28	41
4	31	32	40	22	19	51
5	25	27	32	55	26	35
6	33	12	22	41	30	25

How should the trucks be dispersed so as to minimize the total distance travelled? Use Least Cost method to obtain initial basic feasible solution.

- d) The effectiveness of advertisement in different media by two competitive firms A and B is given by the pay-off matrix (in Rs.'00) as follows:

		Player B		
		Radio	TV	Press
Player A	Radio	3	-2	4
	TV	-1	4	2
	Press	2	2	6

- i) Test whether there exists a saddle point and a pure strategy for optimum returns, with reasons
 ii) Use dominance property to evaluate the mixed strategies of A and B and the value of the game. Test the results from A's as well as B's point of view. (7,8)

Q4. Attempt any *three* of the following.

- a) The occurrence of rain is dependent upon whether it rained on previous day.

Probability Distributions

Rained on Previous day:		No rain on Previous day:	
Event	Probability	Event	Probability.
No Rain	0.50	No Rain	0.75
1 cm rain	0.25	1 cm rain	0.15
2 cm rain	0.15	2 cm rain	0.06
3 cm rain	0.05	3 cm rain	0.04
4 cm rain	0.03		
5 cm rain	0.02		

Assuming that for the first day of simulation, it had not rained the day before. Simulate city's weather for 10 days and determine the total days without rain as well as total rainfall during the period. Use the following random numbers: 67, 63, 39, 55, 29, 78, 70, 06, 78, 76.

- b) A company has four salesmen who are to be assigned to four different sales territories. The monthly increases, estimated for each salesman in different territories (in lakh rupees) are shown in the table below:

Salesman	Sales territories				
	I	II	III	IV	V
A	75	80	85	70	90
B	91	71	82	75	85
C	78	90	85	80	80
D	65	75	88	85	90

Suggest optimal assignment for the salesmen. Which sales territory will remain unassigned? What will be the maximum sales increase every month?

- (c) The rate of arrival of customers at a public telephone follows Poisson distribution with an average time of 600 seconds between two customers. The duration of a phone call is assumed to follow exponential distribution with a mean time of 180 seconds.
- What is the probability that a person arriving at the booth will have to wait?
 - What is the average length of the queue?
 - The Telephone Company has decided to install another booth if the customers had to wait for at least 180 seconds to make a call. What should be the flow of customers to justify the installation of second booth?
- (d) Write a note on Crashing and Resource leveling as a part of network analysis. (5,5,5)

Q5.(a) Following are the various activities involved in a project. The cost and time information for these activities is given below:

Activity		NORMAL TIME (DAYS)	Shortest Time(days)	Cost of reduction per day (RS)
A	1-2	8	6	200
B	1-3	5	4	600
C	1-4	9	6	100
D	2-3	3	3	-
E	2-5	6	4	250
F	3-7	9	7	800
G	4-6	12	8	400
H	5-7	5	2	700
I	6-8	3	3	-
J	7-8	2	1	300

It is further given that the normal cost of doing all activities of the project in normal time is Rs. 18,400 and the overhead cost is Rs. 500 per day. Further a penalty of Rs. 2000 per day in excess of 21 days would be levied. You are required to *answer the following:*

- Draw a PERT network, find out the critical path and the expected project completion date and the associated cost.
- What is the minimum possible project completion time after crashing the activities and the associated cost of completing the project?

OR

- c) A diet conscious housewife wishes to ensure certain minimum intake of vitamin A, B and C for the family. The minimum daily needs of Vitamin A, B and C are 60, 40 and 32 units respectively. For the intake of these vitamins the housewife relies on two fresh foods F1 and F2. One unit of F1 contains 14, 10 and 4 units of vitamin A, B and C respectively. One unit of F2 contains 4, 8 and 16 units of the three vitamins respectively. Food F1 costs Rs. 3 per unit and F2 costs Rs. 2 per unit. The problem is to determine how many units of each food the housewife should buy everyday to keep her food bill as low as possible.
- Formulate it as LPP
 - Write the dual of the problem as formulated in (i) and present the economic interpretation of the dual,
 - Solve the dual by simplex method and read the solution to the primal from the dual.

(15)

[This question paper contains 12 printed pages.]

2888

Your Roll No. 2016

M.COM. : SEMESTER - II (NC) F

Paper No. - 4201

Quantitative Techniques for Business Decisions

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt all questions.

Attempt all parts of the question together.

All questions carry equal marks.

97

1. (a) Given below is the LPP,

Maximize $Z = 2x + 3y + 4z$

Sub to :

$$3x + y + 6z \leq 600$$

$$2x + 4y + 2z \geq 480$$

$$2x + 3y + 3z = 540$$

$$x, y, z \geq 0,$$

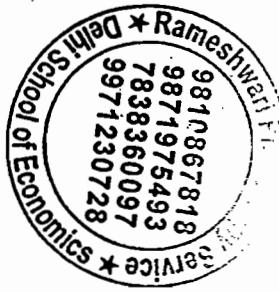
(i) Use simplex method to solve the given
problem.

P.T.O.



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2



- (ii) Write the dual and find out the solution of dual variables.
- (iii) The coefficient of 'x' in the objective function changes to 5. What will be its effect on the optimality ?

(b) Trucks in a service station arrive at rate of twenty per hour and workman can cope with thirty per hour for an eight hour day. You are required to calculate

- (i) The average time in the queue
- (ii) Probability that a truck arriving faces a queue
- (iii) What hike in wages of workman is justified for a day who assures to raise the service rate to 40 per hour if waiting charges of each truck is Rs. 250 per hour ? (12,8)

OR

(c) Arrivals at the enquiry counter of a transport company are poisson distributed with an average of 6 per hour. The time that the customers spend in seeking information from the clerk stationed at the counter is known to be exponentially distributed with an average of three minutes. Using this information determine :

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- (i) The probability that a customer reaching the counter shall have to wait for getting the needed information.
- (ii) The probability that a queue shall be formed.
- (iii) The expected time that a customer shall wait in the queue to obtain information.

Suppose that the company manager employs another clerk if he is convinced that the customer has to wait for at least 4 minutes for receiving information. What arrival rate would justify employing the second clerk ?

(d) A truck company has a budget of Rs. 40,00,000 and it is deciding to buy 3 types of vehicles. Further details are as follows :

Vehicle type	Capacity	mileage	Cost	Crew requirement per shift	Average run per day
A	10 tonnes	35kmph	80,000	1	18 hrs in 3 shifts
B	20 tonnes	30kmph	1,30,000	2	18 hrs in 3 shifts
C	18 tonnes	30kmph	1,50,000	2	18 hrs in 3 shifts

Company has 150 drivers available and the total number of vehicles must not exceed 30. Company wants to maximise its capacity in tonne-kms per day. Formulate it as LPP.

2. (a) Demand for an item is deterministic and constant over time at 500 units per year. The item costs Rs. 60 per unit and the cost of placing an order are estimated to be Rs. 10. The inventory carrying cost is 25% and the shortage cost is Rs. 2 per unit per month. Find the optimal ordering quantity if stockouts are permitted and the units can be back-ordered at the shortage cost indicated. What quantity should be allowed for back ordering? What is the maximum inventory at any time of the year? State the rules for constructing a project network.

(b) Given below is the information related to per kilometre cost of transportation

Factory	X	Y	Z	W	Supply
A	25	55	40	60	60
B	35	30	50	40	140
C	36	45	26	66	150
D	35	30	41	50	50
Demand	90	100	120	140	

(i) Solve and assess the optimal cost.

(ii) A new transporter agrees to transport goods from C to W at a unit cost of Rs. 50, analyse its impact on current optimal solution. (6,14)

OR

(c) Machines in a repair station arrive at rate of forty per hour and workman can cope with sixty per hour for an eight hour day. You are required to calculate

- (i) The average time in the system
- (ii) The average length of the queue of machines that form from time to time
- (iii) The implied cost of machine's time if owner of the system has rejected a faster service which could raise cost by Rs. 800 per day and would raise the service to eighty per hour. (8)

(d) Formulate the given problem as LPP.

A firm is planning to advertise its product through two mediums, i.e., leading newspaper and billboards during the month of April-May 2016. The firm has the budget of Rs. 5 lack. Each newspaper ad of

P.T.O.

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8" x 6" cost Rs. 50,000 and municipal charges for the billboard are Rs. 20,000 per day display excluding the cost of developing the bill-board of size 8' x 6'. The target audience size is estimated as 2 lakh and it is expected that newspaper ad will have 70% and billboards will have 50% reach among the target audience. Space in newspaper is available for maximum often continuous days and billboard to be displayed for at least fifteen continuous days. If the firm expects to maximize the total exposures (reach x frequency) among the target audience, what should be the optimum number of repetitions of newspaper ads and number of days for billboard display? Use graphical method. (12)

3. (a) On January 16 (current year), Bakery A had 40% local market share while bakeries B and C had 40% and 20% respectively.

Based on a study by a marketing research firm, the following facts were stated:

Bakery A retains 90% of its customers, gains 5% of B's customers and 10% of C's customers.

Bakery B retains 85% of its customers, gains 5% of A's customers and 7% of C's customers.

Bakery C retains 83% of its customers, gains 5% of A's customers and 10% of B's customers.

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What will be each firm's share on January 17 next year and their individual share at equilibrium?

(b) A company has a total of Rs. 48,000 to invest in 5 different proposals. The NPV and Cash outflows are as follows:

Investment	NPV (Rs.)	Cash outflow (Rs.)
I	20,000	12,000
II	28,000	14,000
III	18,500	7,000
IV	27,500	13,000
V	31,000	16,000

(i) The company should not make more than 3 investments.

(ii) The company should invest in investment II if it invests in investment III.

(iii) If the company invests in proposal IV, then it should not invest in proposal V.

Formulate the problem as IPP. Do not solve.

If for certain reasons, salesman D cannot be assigned to territory III, will the optimal assignment schedule be different? If so, show the new assignment schedule. (10,10)

P.T.O.

OR

(c) ABC Ltd. Trade in perishable commodity. It purchases goods from a wholesaler which is a random variable and sells them to retailers. Both the supply and demand are expressed in batches of 50 units and over the past working year (300 days), the firm has produced the following records of supplies and demands:

Wholesaler Supplies	Number of days occurring	Customer's Demand	Number of days occurring
50	60	50	60
100	90	100	60
150	90	150	150
200	60	200	30

ABC Ltd. purchases the goods at Rs. 6 per unit and sells at Rs. 10 per unit. Unsold units at the end the days are worthless and there are no storage facilities. Unsatisfied demand on any day results in a loss of Rs. 2. Using the random numbers; 8, 4, 8, 0, 3, 3, 4, 7, 9, 6, 1 and 5, Simulate six days trading and estimate the annual profits.

(d) An insurance company has decided to modernize and refit one of its branch offices. Some of the existing office equipments will be disposed off and the remaining will be returned back to the offices after the completion of renovation work. Tenders are invited from selected contractors. The contractors will be responsible for all the activities connected with renovation work except the removal of old equipment and its subsequent replacement. Major activities of the project have been identified with their durations and immediately preceding activities.

Activity	Description	Duration (Weeks)	Immediate Predecessors
A	Design new premises	14	-
B	Obtain tenders from the contractors	4	A
C	Select the Contractor	2	B
D	Arrange details with selected Contractor	1	C
E	Decide which equipment is to be used	2	A
F	Arrange storage of equipment	3	E
G	Order disposal of other equipment	2	E
H	Order new equipment	4	E
I	Take delivery of new equipment	3	H, L
J	Renovation take Piece	12	K
K	Remove old equipment for storage or disposal	4	D, F, G
L	Cleaning after the contractor has finished	2	J
M	Return old equipment for storage	2	H, L

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Draw the network diagram and compute the earliest start time, the earliest finish time and latest start time, latest finish time of activities. (8,12)

4. (a) You are given the following details of a project:

Activity	Preceding activity	Normal		Crash	
		Time (weeks)	Cost (Rs 000)	Time (weeks)	Cost (Rs 000)
A	--	10	20	7	30
B	--	8	15	6	20
C	B	5	8	4	14
D	B	6	11	4	15
E	B	8	9	5	15
F	E	5	5	4	8
G	A,D,C	12	3	8	4

Overhead cost of the project is Rs. 400 per day.

(i) Compute the normal duration of the project, its cost and the critical path,

(ii) Compute the project cost and state the lowest cost with associated time and shortest time with associated cost. (20)

OR

(b) What is operation research? Discuss the importance of operation research in decision making process.

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(c) Distinguish between fixed order quantity system and periodic review system. What are the assumptions of basic EOQ model and discuss its sensitivity? (8,12)

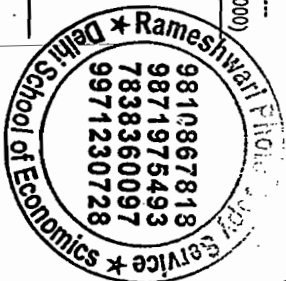
5. Attempt any two of the following:

(a) Explain the following:

- (i) Merge and burst events
- (ii) Infeasibility and unboundedness
- (iii) Resource Levelling
- (iv) ABC analysis of inventory management

(b) The captain of the team has to allot the fielding positions to five fielders on the field. The average number of catches taken by each one of them are:

Fielders	Point A	Point B	Point C	Point D	Point E
I	20	48	35	25	60
II	22	30	26	35	37
III	50	38	40	60	50
IV	20	39	30	18	35
V	58	50	59	65	53



Find the assignment of fielders to fielding positions to have maximum possible catches.

(c) A company manufacturing microwave ovens uses Rs. 1,05,000 worth of LED readout circuits annually in its production process. Cost per order is Rs. 55, and the carrying cost against this classification of inventory is 15% of the average balance per year. The company follows an EOQ purchasing system and to date has not been offered discounts on these circuits. Now the supplier has indicated that if the company would buy its circuits four times a year in equal quantities, a discount of 2.5% off list price would be given in return. Give your advice to the company in regard to that offer.

(10,10)

This paper contains three printed pages.

M. Com.: SEMESTER I
Paper No. 4205
Subject: International Business

S. No. 4205M16C

Time: 3 hours

Max. marks: 70

Attempt all questions. All questions carry equal marks.

1. "Administrative non-tariff barriers are more difficult to eliminate than tariffs and quotas". Discuss this statement and explain the different types of administrative trade barriers. Support your answer with examples. (14)

OR

"A lack of familiarity with the business practices, social customs, and etiquette of a country can weaken a company's position in the markets. Managers who understand the culture of a country are more likely to develop successful, long-term business relationships." Discuss this statement in the light of various elements of cultural environment that are of importance in international business. (14)

(14)

2. Explain how Porter's theory of National Competitive Advantage is a hybrid theory which blends the traditional country-based theories that emphasise factor endowments with the firm-based theories that focus on the action of individual firms. Support your answer with suitable examples. (14)

OR

Why do countries engage in regional economic integration? Explain the different levels of regional economic integration, supporting them with examples. What are the benefits and costs associated with each of these levels of regional economic integration? (14)

(14)

3. (a) Explain the 'elasticity approach' to correction of disequilibrium in Balance of payments. (7)

(7)

(b) Explain John Dunning's theory of FDI, with special focus on location-specific advantages. Give examples to support the applicability of the theory in FDI decision-making. (7)

(7)

OR

(c) What are the main types of exchange rate systems in the world? Explain giving examples. (7)

(7)

(d) Explain ownership risk, operating risk and transfer risk in the context of political environment of a country. (7)

(7)

(1)



4. (a) Distinguish between 'amber box', 'blue box' and 'green box' subsidies. How do they affect production and international trade? (7)

(b) Explain the role of World Bank (and its affiliated institutions) as a vital source of financial and technical assistance to developing countries around the world. (7)

OR

(c) What are the major trading principles of WTO? Explain exceptions, if any, which exist for any of these trading principles. (7)

(d) Explain the infant industry argument supporting government intervention in international trade. What have been the criticisms of this argument? (7)

5. Read the case study given below and answer the questions that follow.

Subway, the fast food marketer of submarine sandwiches and salads, has roughly 28,300 shops in 86 countries and generates over \$ 10 billion in annual revenues. In China, Subway is the third- largest U.S. fast food chain after McDonald and KFC. Fish and tuna salad sandwiches are the top sellers. Despite China's huge potential, however, by 2005 Subway had opened only 19 stores there. The franchise had its share of initial setbacks. Subway's master franchisor in Beijing, Jim Bryant, lost money to a scheming partner and had to teach franchising concept to a country that had never heard of it.

Multinational franchisors face significant challenges, particularly in dealing with China's ambiguous legal environment, finding appropriate partners and identifying the most suitable marketing, financing and logistics strategies. In addition, cultural problems are an ongoing challenge. After Bryant opened his first Subway shop, customers stood outside and watched for a few days. When they finally tried to buy a sandwich, they were so confused that Bryant had to print signs explaining how to order. They did not like the idea of touching their food, so they would gradually peel off the paper wrapping and eat the sandwich like a banana. To make matters worse, few customers liked sandwiches. But Subway is forging ahead. Bryant managed to recruit a few highly committed franchisees that he monitors closely to maintain quality.

On the surface, franchising in China is very attractive because of its huge market, long-term growth potential, and the dramatic rise in disposable income among its rapidly expanding urban population. The market for fast food is estimated at \$15 billion per year. China's urban population has expanded at 5% compound annual growth rate over the past several years, a trend expected to continue. Increasingly hectic lifestyles also have led to an increase in meals the Chinese eat outside home. The other usual benefits of franchising as a mode of entry also apply to China.

Despite the above, China's market also poses various challenges for franchisors. Firstly, realistically, few Chinese have significant knowledge about how to start and operate a business. There is still much confusion about franchising among lawmakers, entrepreneurs and consumers.

Secondly, the legal system is full of loopholes and ambiguities and some critical elements are not covered. Franchisors must be vigilant about protecting trademarks. A local imitator can quickly dilute or damage a trademark that a firm has built up through much expense and effort. These challenges combined with linguistic and cultural barriers, can increase the upfront investment and resource demands of new entrants in China and delay profitability.

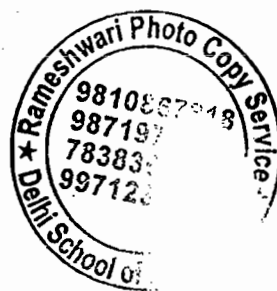
Perhaps the biggest challenge is finding the right partners. It is paradoxical that entrepreneurs with the capital to start a restaurant often lack the business experience or entrepreneurial drive, while entrepreneurs with sufficient drive and expertise often lack the start-up capital. Availability and financing of suitable real estate are major considerations as well, particularly for initial showcase stores where location is critical.

Experience has shown that new entrants to China in franchising have launched stores in smaller Chinese cities, gaining experience there before expanding into more costly competitive urban environments such as Beijing and Shanghai.

Adapting offerings to local tastes appear to be a prerequisite. Suppliers and business infrastructure in the country are often lacking. Franchisors spend much money to develop supplier and distribution networks. They may also need to build logistical infrastructure to move inputs from suppliers to individual stores. McDonald's has replicated its supply chain, bringing its key suppliers, such as potato supplier Simplot, to China. There is no one best approach in China. For instance, TGI Friday's imports roughly three-quarters of its food supplies, which helps maintain quality. But heavy importing is expensive and exposes profitability to exchange rate fluctuations.

Questions:

1. What are the advantages and disadvantages of franchising in China from Jim Bryant's perspective? What can Bryant do to overcome the disadvantages? (6+4)
2. From Subway's perspective, is franchising the best entry strategy for China? (4)



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Roll No.

2205

M. Com.: SEMESTER II
Paper No. 6401
Subject: International Business

S. No.

Time: 3 hours

Max. marks: 100

Attempt all questions. All questions carry equal marks.

1. What do you understand by disequilibrium in the BOP? What are the various approaches to the correction of BOP disequilibrium? (20)

Or

Distinguish between the theory of absolute advantage and the theory of comparative advantage? How useful are these theories in explaining international trade? (20)

2. What are the various tariff and non-tariff measures adopted by countries to regulate international trade? (20)

Or

What implications does the political and legal environment of countries have for international business? (20)

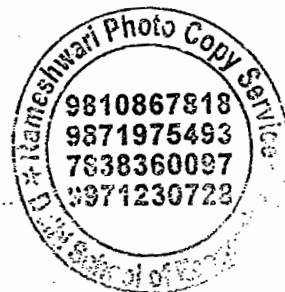
3. (a) What were the key accomplishments of the Bretton Woods conference? (10)

(b) What is foreign direct investment (FDI)? Distinguish between horizontal and vertical FDI. Give examples. (10)

Or

(c) What are the various kinds of exchange rate systems that exist in the world today? Explain supporting your answer with examples. (10)

(d) Explain the internalization theory of FDI. (10)



Handwritten marks/signature

4. Why do countries opt for Regional Economic Integration? Evaluate the European Union as the epitome of Regional Economic Integration. (20)

Or

Explain the factors that have contributed to the rapid growth of international business activity during the past few decades. What are the main forms of the contractual mode of entry into international business? (20)

5. Write notes on any two of the following:

(a) World Bank

(b) Leontief's paradox

(10, 10)

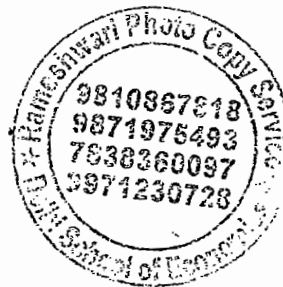
Or

(c) Explain the role of IMF as the regulator of international monetary system.

(10)

(d) What are the main features of the Agriculture Agreement of WTO?

(10)



Handwritten scribbles and a small diagram with lines and arrows, possibly representing a flow or a process. There are some numbers like '2' and '1' written near the lines.

Course: M.Com Semester – II
 Paper No.: 4203
 Subject: Marketing Management

S. No. 4203M16C
 Time: 3 Hours

Max. Marks: 70

1. What is the scope of marketing in today's modern competitive environment for any business? Explain the different significant factors in the marketing environment whether Micro or macro that effect the marketing decisions of the organization, provide example. [14]

OR

(A) Market Segmentation is the tool for Targeting and positioning the product or service for any organization, elaborate. [7]

(B) What are the steps that a company takes while positioning a product or service? What are the factors that influence the selection of the segmentation? [7]

2. What do we mean by the term 'Buyer Behavior'? Why it is important to study the buyer behavior? Also explain in detail the buying decision process of a buyer with examples. [14]

OR

(A) Marketing today is not only seen as a functional unit but as an important strategic unit explain. [7]

(B) Explain the concept of quality, value and satisfaction in light of today's growing competitive business world. [7]

3. What do you understand by the concept of 'Product Life Cycle (PLC)'? Explain it in context of Lifebuoy soap, mentioning the different stages and the relevant steps/measures taken by the company in those stages, to tackle different life stages of it. [14]

OR

There are many important decisions that a marketer has to take with regard to his product or service. Pricing is one such very important decision. Explain the factors that affect Pricing Decision and policies of an organization. Also shed light on setting the pricing process and different pricing methods. [14]

4. What are the different levels/layers of product? Elaborate the concept of Product Mix with respect to the TATA Group. [14]

OR

In Marketing-Mix concept, Place has an important factor of consideration in marketing decisions. How important the channel of distribution is and what factors are considered while choosing a particular channel? Explain with regard to various levels of distribution channel and their respective advantage and disadvantage. [14]

5. Promotion is a strong tool that helps achieve the marketing objectives of a business, explain the role of promotion and the concept of Promotion-Mix in detail; provide examples. [14]

OR

(A) Retailing has evolved in the recent years; explain the various retail formats in practice. Also mention various trends and developments in the field of retailing in India in the recent past. [7]

(B) Intangibility & Inconsistency are two major characteristics of services therefore it is tough to measure the service quality. In the light of this statement, explain the Servqual Model. [7]

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4

[This question paper contains 4 printed pages.]

(a) Write an essay on the role of social media marketing in today's too fierce globally competitive markets. (10)

(b) Highlight various Ethical issues in distribution decisions. (10)

2890

Your Roll No.

2016

M.COM. : SEMESTER - II (NC) F

Paper No. - 4203

Marketing Management

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

1. (a) Elaborate the concept of Services Marketing-Mix with special reference to online grocery store. Also highlight the corresponding C's to all 7 P's of marketing-mix. (10)

(b) Marketing is not confined to a particular department of a company rather it has become the core of any organization. In the light of this statement, write an essay on evolution of marketing in today's global scenario. (10)



OR

Explain various Pricing Methods adopted by marketers in detail. Provide examples for each of them. Also suggests the marketing strategies with which these different pricing methods are adopted. (20)

2. Elaborate the various micro and macro environmental factors to be considered by a company for its strategic planning. Explain in view of FDI in retail industry in India. (20)

OR

Elucidate the concept and different stages of Product Life Cycle (PLC) with reference to Nestle's Maggi brand. (20)

3. Grabbing the attention of consumer and convincing him for buying a product comes with challenges. Explain the promotion-mix strategies for combating the same. Quote relevant examples to support your answer. (20)

OR

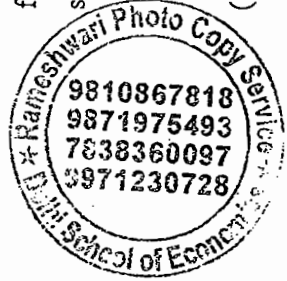
Differentiate between Segmentation, Targeting and Positioning. Explain in detail the various bases on which segmentation is done, provide examples. (20)

4. Discuss in detail the journey and evolution of retailing in India in the light of different trends, patterns and shifts from bricks-and-mortar to bricks-and-clicks and further a paradigm shift from clicks-on-the-PC to swipes-on-the-phones. (20)

OR

(a) Illustrate the concept of 'marketing myopia' with the help of suitable examples ? (10)

(b) Explain the core concepts of marketing and provide examples for each of them. (10)



5. What do you understand by the term 'consumer roles' ? → Consumer goods
Differentiation between individual buying and industrial buying. Explain in detail the industrial buying process, provide examples. (20)

OR

M.COM. Semester II 2016
PAPER 4202 : FINANCIAL MANAGEMENT & POLICY

Time : 3 Hours

Maximum Marks : 70

*Note :- Attempt all questions. Answers should be specific and precise.***Q.1 Attempt any four out of the following-****(3.5 x 4)**

- (a) "Financial management draws heavily from other disciplines". Do you agree? Explain.
- (b) "In the wake of rising concerns for corporate social responsibility the objective of shareholders' wealth maximization has been severely criticized". Comment.
- (c) "If there is no inflation, there will be no time value of money and hence there will not be any requirement to discount future cash inflows". Do you agree? Why?
- (d) A company is evaluating a project requiring an initial investment of Rs 200000. The expected life of the project is 5 years and expected cash inflows after tax is Rs 100000 p.a. The cost of capital of the company is 13%. Calculate Modified Internal rate of return (MIRR) of the project. Should this project be undertaken?
- (e) The following are two mutually exclusive projects

Particulars	Project 1	Project 2
Initial cost(Rs.)	2000000	500000
Life (Years)	8	6
CFAT (Rs.) p.a.	500000	200000
Risk adjusted discount rate (%)	14%	10%

Which project should be accepted and why?

- (f) Company U and L belong to the same risk class and have same expected EBIT of Rs. 100,000. Company U is an all equity firm employing Rs. 5,00,000 of equity capital while Company L uses Rs. 2,00,000, 15% debt besides the book value of equity Rs. 3,00,000. Corporate tax rate is 35%, personal tax rate on interest income is 30% and personal tax rate on dividends is 10%. You are required to calculate for each company (i) earnings of all investors and (ii) present value of interest tax shield.

Q. 2. (a) Explain the following

- (i) Discounted payback period and its utility
(ii) Scenario analysis

(3.5+3.5)

(b) SDP Ltd. is evaluating a project which requires an initial investment in plant and machinery of Rs. 2000 lakhs. The installation cost of the plant and machinery is Rs. 200 lakhs. The project has a useful life of two years. The finance manager of the company has been given the task of assessing the profitability of the project. After careful analysis the

finance manager came to the conclusion that uncertainty is very high and at best the following estimation is made regarding cash inflows after tax for two years -

Year 1		Year 2	
CF(Rs. Lakhs)	Prob.	CF (Rs. Lakhs)	Prob.
1000	0.5	2000	0.4
2000	0.3	4000	0.4
4000	0.2	5000	0.2

The risk free rate is 6% and cost of capital is 12%. Calculate -

- (i) NPV and risk i.e. $\sigma(\text{NPV})$ of the project.
- (ii) The probability that NPV will be less than 0.
- (iii) The probability that NPV will lie between Rs 2000 Lakhs and Rs 3000 Lakhs.

(7)

OR

(c) Is Net Present Value (NPV) the best method for evaluating capital projects in all situations? Why? What is the relationship between NPV and discount rate? Can we use different discount rates in different years while calculating NPV?

(3)

(d) UKP Ltd. is considering the following investment projects for the forthcoming year.

Project	Year 1 Outlay	Year 2 Outlay	NPV (Rs. in lakhs)
A	33	26	16
B	40	45	25
C	55	50	35
D	60	80	25
E	55	43	28
F	35	0	10

Budget constraints for the two years are Rs. 200 lakh and Rs. 160 lakh respectively. Moreover

- (i) Project A, C and E are mutually exclusive.
- (ii) Project F can be delayed by one year. Such a delay will reduce NPV by 5% without affecting cash outlay.
- (iii) Project D cannot be selected unless both projects A and B are selected.
- (iv) Surplus funds of first year, if any, can be invested to earn interest @ 15% p.a.

You are required to formulate the above capital budgeting problem as Integer Programming Problem (IPP) for optimal mix of projects.

(4)

(e) GSP Ltd. is considering a proposal for the installation of a new plant at a cost of Rs 40000, so as to expand capacity of production and also to reduce manufacturing costs. The new equipment is expected to raise the level of profits for two years. However due to

2

uncertainty cash flows cannot be accurately estimated. After conducting rigorous analysis the finance manager has arrived at the following probabilities-

Year 1		Year 2	
CF	P	CF	P
20000	0.4	10000	0.2
35000	0.4	45000	0.2
25000	0.2	30000	0.3
		35000	0.3

The appropriate discount rate is 10%.

- Calculate the expected NPV by using Monte Carlo Simulation if you are given the following two sets of random numbers.

Random Numbers

Year	Set 1	Set 2
1	39	61
2	62	96

(7)

Q 3 (a) What is the difference between capital structure and financial structure? Explain in detail the Signaling theory of Capital structure. (7)

(b) Prax Ltd. plans to use equity and debt in the following proportions- Equity 70%, Debt 30%. Based on the recommendations of investment analysts, the company estimates the cost of its sources of finance for various levels of usage as follows.

Source of finance	Range of new financing(Rs. Lakhs)	Cost(%)
Equity	0-49	18
	More than 49	20
Debt	0-24	12
	More than 24	14

Calculate

- Weighted marginal cost of capital.
- What is the difference between Weighted average cost of capital and weighted marginal cost of capital? (7)

OR

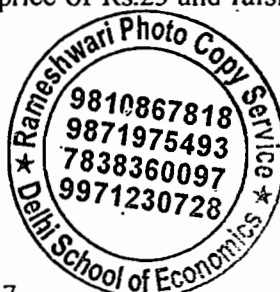
(c) What do you mean by optimal capital structure? Is there any optimal capital structure as per the following theories of capital structure? Explain, in brief, the theories as well.

- Modigliani Miller Hypothesis
- Traditional theory (7)

(d) GTK Ltd. has 12 lakhs equity shares outstanding. It is considering expansion of its plant and equipments for which it requires Rs. 350 Lakhs. This amount can be raised using any of the following two financial plans

Plan A - issue of Rs. 175 lakh 8% debentures and 7 lakh equity shares at Rs. 25 per share

Plan B - issue of 10 lakhs equity shares at a price of Rs.25 and raising Rs 100 lakhs by 8% debentures.



3

The face value of the shares is Rs. 10.

The company's expected EBIT with associated probabilities after expansion is as follows-

EBIT (Rs. Lakhs)	Probability
160	0.4
170	0.3
190	0.2
200	0.1

Corporate tax rate is 35%.

- (i) Calculate company's expected EBIT and expected EPS under each plan.
- (ii) What is indifference level EBIT?
- (iii) Which plan is better in terms of maximization of EPS at the expected level of EBIT?
- (iv) What is the probability that plan A is better than Plan B?

(7)

Q. 4 Attempt any Two out of the following-

(7+7)

- (a) Why should companies pay dividend? Explain in brief citing relevant theories in this regard. What is pure residual policy of dividend? Does this policy imply that dividends are relevant for the value of a company?
- (b) In the year 2015, NPL Ltd. paid total dividends of Rs. 640,000 out of its net earnings of Rs.2560000. The company has 200000 equity shares of Rs. 10 face value each currently selling at market price of Rs. 250 each. The finance manager of the company has given you the following forecast for the Earnings After Tax (EAT) of next four years along with the investment requirements.

Year	Expected EAT (Rs.)	Investment requirements(Rs)
2016	2500000	1500000
2017	2000000	1500000
2018	1500000	2000000
2019	1000000	300000

- (i) Calculate the dividend rate, dividend payout ratio, dividend per share and dividend yield for the year 2015.
- (ii) Calculate the dividend per share and total external financing requirement in each of the year 2016,2017,2018 and 2019 independently if the company follows a constant rupee dividend policy.
- (iii) Calculate the dividend per share and total external financing requirement in each of the year 2016,2017,2018 and 2019 independently if the company follows a constant dividend payout ratio.
- (iv) Calculate the dividend per share and total external financing requirement in each of the year 2016,2017,2018 and 2019 independently if the company follows a constant dividend of Rs 3 plus extra dividends of 20% of super normal profits in years of abnormally high profits. The normal profit of the company is Rs. 1500000.

4

- (v) Which policy out of the above three is better if the company wants to maintain a stable pattern of dividends?

(c) Antariksh Ltd. currently provides 40 days of credit to its customers. Its present level of sales is Rs.150 lakhs and average collection period is 45 days. The firm's cost of capital is 14 percent. The selling price per unit is Rs 20 and variable cost per unit is Rs 14. At present the bad debt loss is 1% of existing sales. The company is considering extending its credit period to 60 days. Such an extension is likely to push sales up by Rs 15 lakhs and increase average collection period to 70 days. The collection costs will also increase by Rs 25000. The bad debt loss will increase to 1.5% of total sales (existing plus additional). Tax rate for the company is 35%. Should the company extend its credit period? Why? Show all relevant calculations and specify your assumptions, if any.

Q. 5 (a) (i) What do you mean by "Divestiture"? What are its various forms? Clearly explain the difference between equity carve out and spin off.

(ii) What are the reasons for Mergers & Acquisitions? Explain in detail.

(3.5+3.5)

(b) What is Baumol's Model of Cash management? What are its assumptions? Why is Miller-Orr model considered superior to it? From the following information calculate the optimal cash lot size, total cash holding cost and total cash conversion cost as per Baumol's model

Total cash requirement during the quarter = Rs 500000

Interest rate = 20% p.a.

Transaction cost of converting marketable securities in cash = Rs 2000 per conversion.

(7)

OR

(c) (i) What is DCF method for valuation of a business? Explain in brief.

(ii) What are the various ways of acquisition (or takeover)? Is hostile takeover permitted in India? Explain any three anti takeover strategies.

(3.5+3.5)

(d) A Ltd. plans to acquire T Ltd. through exchange of shares. Relevant financial information is given below-

	A Ltd.	T Ltd.
Total current earnings (Rs.'Lakhs)	70	36
No. of Equity shares (in Lakhs)	3.5	2
P/E ratio	8	5

- What is the exchange ratio based on market price? Also calculate the number of shares to be issued by A Ltd to the shareholders of T Ltd.
- What is the maximum exchange ratio acceptable to the shareholders of A Ltd if the PE ratio of the combined entity is 9 and there is no synergy gain?
- What is the minimum exchange ratio acceptable to the shareholders of T Ltd if the PE ratio of the combined entity is 9 and there is a synergy gain of 5% in earnings?
- What should be the exchange ratio if A Ltd. wants to maintain its EPS at Rs 25 post merger? Assume there is no synergy gain.

(7)



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(c) Explain the following with the help of suitable examples :

(i) Miller-Orr model of cash management

(ii) Demerger

(iii) Tender offer

(iv) Motives for M&A

[This question paper contains 10 printed pages.]

2889

Your Roll No. 2016

M.COM. : SEMESTER - II (NC) 2016 F

Paper No. - 4202

Financial Management & Policy

Time : 3 Hours

Maximum Marks : 100

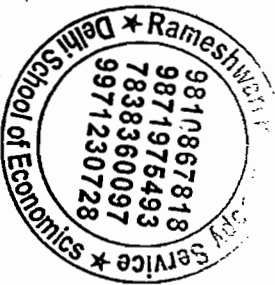
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Attempt all questions.

All questions carry equal marks.

1. Attempt any Five out of the following : (4×5=20)

- (a) What is the justification for the goal of maximizing shareholders' wealth ? What do the critics of the goal of maximizing shareholders' wealth say ?
- (b) Discuss the risk return trade off in financial decisions.
- (c) How is Modified internal rate of return (MIRR) different from Internal Rate of Return (IRR) ? Explain using example.



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2

- (d) What is Cash cycle? Can it be negative? How is it different from Operating Cycle?
- (e) What is Financial leverage? How can degree of financial leverage be measured? When is financial leverage favourable to the company?
- (f) What do you mean by corporate restructuring? What are its various forms?

2. (a) A company is considering two mutually exclusive projects L and M. The company uses Certainty equivalent method for the evaluation of its capital projects. Project L and M have initial costs of Rs 30000 and Rs 40000 respectively. The estimated cash inflows and certainty coefficients of both the projects are given below:

Year	Project L		Project M	
	Cash inflows	Certainty Coefficient	Cash inflows	Certainty Coefficient
1	25000	1	35000	0.95
2	15000	0.95	20000	0.8
3	10000	0.85	15000	0.6
4	5000	0.7	10000	0.5

The risk free rate is 5% while the cost of capital is 14%.

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3

- (i) Calculate Discounted payback period and NPV of each project.
- (ii) Which project should be accepted? Why?
- (iii) If the projects are not mutually exclusive, rank them using profitability index method.
- (b) Explain the following with suitable examples
- (i) Risk adjusted discount rate method
- (ii) Sensitivity analysis
- (iii) Impact of inflation on capital budgeting
- (iv) Fisher's rate of intersection

OR

- (c) "NPV and IRR methods can never give contradictory results". Do you agree? Explain. (5)
- (d) TTZ Ltd is evaluating a new project requiring investment of Rs. 45 lakhs. The expected useful life of the project is 15 years. Since the initial cost is very high, the management of the company wants to take extra care in its evaluation. The expected sales revenue from the project is Rs. 3000000 p.a. The variable cost ratio is 60% of sales. Fixed costs

P.T.O.

of the project excluding depreciation is Rs. 1,00,000 p.a. and depreciation is charged on straight line basis. There is no salvage value at the end of the project's life. Tax rate is 40% and cost of capital is 12%.

Calculate the discounted cash flow break even sales (in Rs.) which justifies investment in the project. (5)

(e) A firm has an investment proposal requiring an outlay of Rs. 30,000. The investment proposal is expected to have 2 years' economic life with no salvage value. The probabilities assigned to CFAT for year 1 and 2 are as follows:

CF	Year 1		Year 2	
	P	CF	P	CF
Rs. 27000	0.4	Rs. 13000	0.3	Rs. 13000
		Rs. 15000	0.3	Rs. 15000
		Rs. 20,000	0.4	Rs. 20,000
Rs. 35000	0.6	Rs. 15000	0.4	Rs. 15000
		Rs. 30000	0.5	Rs. 30000
		Rs. 35000	0.1	Rs. 35000

The firm uses a 12% discount rate for this type of project. Should the project be accepted? (10)

3. Attempt any TWO out of the following: (10+10)

(a) Explain the following:

- (i) Trade off Theory
 - (ii) Merton Millers argument on capital structure (with corporate and personal taxes)
- (b) The following information is available for two companies P Ltd and Q Ltd.

Particulars	P Ltd (Rs)	Q Ltd. (Rs)
Total value of the company	50000	60000
Market value of Debt	-	30000
Market value of equity	50000	30000
Net operating income	5000	5000
Interest Cost of debt	0	1800
Cost of equity	10%	10.70%

Assume that there are no taxes.

Calculate -

- (i) Average cost of capital of both the companies as per Traditional approach.

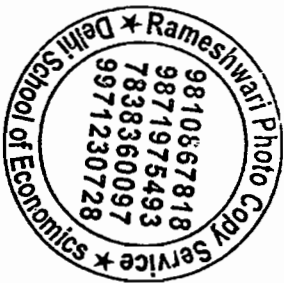
- (ii) Equilibrium value of both the companies as per MM hypothesis if it is given that equilibrium average cost of capital is 9.09%.
- (iii) Cost of equity and market value of equity of both the companies as per MM Hypothesis.

(c) A company needs Rs. 500000 for construction of a new plant. The following three financial plans are available.

- Plan A - issue 50000 equity shares @ 10 per share
- Plan B - issue 25000 equity shares @ Rs. 10 per share and raise Rs 250000 through 8% debentures.
- Plan C - issue 30000 equity shares @ Rs. 10 per share and 20000 preference shares of Rs. 10 each bearing a fixed dividend rate of 8%.

If the company's expected EBITs is 70000 and corporate tax rate is 40%, calculate

- (i) Expected EPS under each plan
- (ii) Indifference level EBIT between plan A&B and between Plan A&C. Interpret the results.
- (iii) Which plan would you recommend and why?



4. Attempt any Two out of the following: (10+10)

- (a) (i) Explain Bird in Hand argument regarding dividend relevance. How is it related with information asymmetry prevailing in the market?

(ii) Gaurav Ltd has 20000 equity shares outstanding currently selling at a price of Rs. 20 each. The company has net profit of Rs. 200000 and wants to invest Rs. 500000 during the period. The company is also planning to declare a dividend of Rs. 5 per share at the end of the year. The cost of equity capital is 10%. What will be the price of the share of the company as per MM hypothesis on dividend if the dividend is not declared? What will be the price of the company's share if dividend of Rs. 5 per share is declared? How many new shares must be issued?

(b) What do you mean by Dividend policy? What the various types of dividend policies a company may adopt? Explain the pros and cons of each of the dividend policy.

(c) The present cash discount terms of Rock Ltd are 3/15 net 40. Its present sales are Rs. 200 lakh and average collection period is 30 days. Variable cost per unit is Rs. 6, Average cost per unit is Rs 8 and selling price per unit is Rs. 10. The cost of capital is 13% and corporate tax rate is 30%. The proportion of sales on which customers currently take cash discount is 0.60. The company is planning to change its discount terms to 4/15 net 40. Such a change is expected to increase sales by 10 lakh, decrease average collection period to 25 days and increase the proportion of discount sales to 0.75. What is the effect of change in discount terms on earnings of the company? Should the company change its discount terms? Show all necessary calculations.

5: Attempt any Two out of the following: (10+10)

- (a) What is the importance of working capital for a manufacturing firm? Explain permanent and temporary working capitals. How can they be financed? Explain risk- return trade off involved in working capital financing?
- (b) H Ltd. is considering the acquisition of K Ltd with exchange of its shares. The following information is available for the two companies.

Particulars	H Ltd (Rs)	K Ltd (Rs)
Equity share capital (Rs. 10 each)	400000	200000
10% preference share capital	300000	-
6% debentures	-	100000
Total fixed assets	800000	500000
Current assets	200000	100000
Current liabilities	100000	50000
Profit after tax and preference dividend	200000	250000
P/E ratio	5	3

You are required to calculate the following :-

- (i) What is the number of equity shares required to be issued by H Ltd. for acquisition of K Ltd. if the exchange ratio is based on market price?
- (ii) What is the number of equity shares required to be issued by H Ltd. for acquisition of K Ltd. if the exchange ratio is based on book value per share?
- (iii) What is the exchange ratio based on EPS?
- (iv) What is the maximum exchange ratio acceptable to H Ltd. if P/E ratio of the merged entity is 4 and there is a synergy gain of 5% in earnings?

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S NO. 4401M16C

Time: 3 hours

Max Marks: 70

Instructions: Attempt all questions. All questions carry equal marks. Answer briefly and to the point

1. a) "In order to determine whether an action, conduct, behaviour or judgment is correct or not, we have to try it based on ethical principles, these principles are provided by ethical theories." In the light of the above statement discuss the various ethical theories that postulate some standards of behaviour. (14)

Or

- b) "A business is considered to be ethical only if it tries to reach trade-off between its economic objectives and social obligations". Comment (7)

- c) Write short notes on (7)

(i) Chairman of a company

(ii) Secretarial audit

2. a) Discuss the major corporate governance failures that led to the collapse of Enron (14)

or

- b) Critically comment on the role of independent directors in the failure of Satyam Computers Service Ltd. Discuss the legal provisions introduced to enhance performance of independent directors. (14)

3. a) 'Shareholders are at the mercy of Board' – Do you agree with this statement. Justify your answer (14)

or

- b) Discuss the duties of directors of a company (7)

- c) What is insider trading? Is it legal in India? (7)

4. a) "The only objective of companies is to create wealth for its shareholder". Critically evaluate this statement. (7)

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b) Explain the various kinds of whistleblowers.

(7)

or

What is sustainable reporting? Discuss its need and describe the framework for sustainable reporting. (14)

5 (a) Given below is the composition of the board of company XYZ listed on the National Stock Exchange. Based on the information provided discuss any 5 provisions of Companies Act 2013 and state whether company XYZ has complied with them or not.

(14)

Name of Director	Type of Director	Role
Mr. A	Executive	Chairman and Managing Director
Mr. B	Executive	Chief Financial Officer and Chairman of Nomination committee
Mr. C	Executive	Chief Operating Officer and member of Audit Committee
Mr. D	Independent	Chairman of Audit Committee
Mr. E	Independent	Member of Audit Committee
Ms. F	Independent	Member of Nomination Committee
Mr. G	Non- Executive	Member of Nomination Committee
Mr. H	Non-Executive	Promoter

Or

b) Mr. Vijay Mallya of Kingfisher has been declared a “willful defaulter” . While Indian Banks struggle to recover 9000 crores, he is away from the “heat” enjoying the “pleasant” weather of England. Is this a case of corporate Governance failure? Justify your Answer. (7)

c) Discuss the provisions of whistle blower under Clause 49 of the listing agreement (7)

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4

(d) Risk Committee

(e) Independent Directors

[This question paper contains 4 printed pages.]

2893

Your Roll No.

M.COM. : SEMESTER – IV (NC)

2016
F

Paper No. – 4401

Corporate Governance and Social
Responsibility of Business

Time : 3 Hours

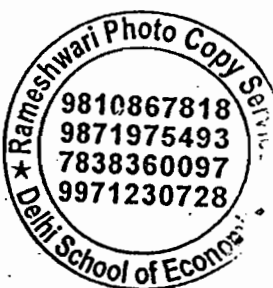
Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

Answer briefly and to the point.



1. (a) "The structure of ethical corporate governance doesn't seek any sense of direction unless all the shareholders in the market wake up to their responsibilities and powers". Discuss the above statement in the light of shareholders role in establishing ethical corporate governance. (10)
- (b) Discuss the different ethical theories. (10)

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OR

(c) "Business ethics play a vital role in business success." Do you agree? Give arguments in support of your answer. (10)

(d) Write short notes on:

(i) Key Managerial Personnel

(ii) Management Vs Governance (10)

2. (a) Discuss the major corporate governance failures that led to the collapse of Satyam Computers Service Ltd. (20)

OR

(b) Critically comment on the role of auditors in the failure of Enron. Suggest some measures to increase effectiveness of auditors. (20)

3. (a) What is the benefit of class action suits? What major provisions has the new Companies Act, 2013 introduced in this regard? (10)

(b) What is a nomination committee? Discuss its composition and functions. (10)

OR

Briefly describe the salient provisions of Sarbanes – Oxley Act 2000 of USA. (20)

4. (a) Discuss the evolution of whistleblower laws in India. Also critically examine Whistleblower Protection Act, 2014. (20)

OR

(b) What is CSR? What are the provisions of Companies Act 2013 in regard to CSR? (20)

5. Write Short notes on any four:

(a) Good whistleblower policy

(b) Internal whistleblower v/s External whistleblower

(c) Sustainable reporting

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This question paper contains 6 printed pages

Write Your Roll No. ~~1101113~~

2015

M.COM : SEMESTER-II

Paper No: - 4201

Subject: Quantitative Techniques for Business Decisions

S.No...4201151

Time:3 Hours

Max Marks:70

Instructions: Attempt all parts of the question together.

Q1. State with reason whether following statements are true or false (Attempt any ten).

- (i) A physical model is an example of analogue model.
- (ii) An iso-cost line cannot be parallel to any constraint line.
- (iii) Standard form of LPP has all its constraints of less than or equal to type.
- (iv) Duality does not have any role in post optimality analysis.
- (v) A transportation problem is degenerated when total supplies equal total demand.
- (vi) Markov analysis is useful in calculating transition probabilities at some future time.
- (vii) The graphic approach to the solution of games can be applied when one of the players has two strategies available.
- (viii) If unit price increases the optimum order quantity will increase.
- (ix) The only way customers are serviced in queuing situation is first-cum-first service basis.
- (x) The cost of providing service in queuing system decreases with decreased service rate.
- (xi) The output of a simulation model is independent of the size of simulation run. (10)

Q2.(a) A Company produces bicycle frames using two fiberglass materials that improve the strength-to-weight ratio of the frames. The cost of the standard grade material is ₹750 per yard and the cost of professional grade material is ₹900 per yard. The standard and professional grade material contains different amounts of fiberglass, carbon fiber and Kevlar as given below:

	Standard Grade	Professional Grade
Fiber Glass	84%	58%
Carbon fiber	10%	30%
Kevlar	6%	12%

The company signed a contract with bicycle manufacturer to produce a new frame with a carbon fiber content of at least 20% and a Kevlar content of not more than 10%. To meet the required weight specification, a total of 30 yards of material must be used for each frame.

- (i). Formulate a LPP to determine the size of each grade of fiberglass material that the company should use in each frame to minimize the total cost. Use graphical method.
- (ii). If the company is offered professional grade at ₹800 per yard, will the optimal solution change. What effect will the further lowering of price have on optimal solution? (10)

- (b) Solve the game for two competing firms where one firm's gain is another firm's loss. Firm A's payoff matrix in terms of percentage of market share is:

	<u>Firm B</u>			
	No Ad	Medium Ad	Heavy Ad	Coupon offer
<u>Firm A</u> No Advertising	1	2	3	-1
<u>Firm A</u> Medium Advertising	2	2	1	5
<u>Firm A</u> Heavy Advertising	3	1	0	-2
<u>Firm A</u> Coupon offer	4	3	2	6

Suggest optimum strategies for the two firms and the net outcome thereof. (5)

OR

- (c) A firm manufactures office furniture and following information is provided in regard to consumption of and availability of resources and the profit contribution:

Resources	Usage (per unit)			
	Tables	Chairs	Book cases	Daily Availability
Timber (cubic ft)	8	4	3	640
Assembly (man hours)	4	6	2	540
Finishing (man hours)	1	1	1	100
Profit per unit	30	20	12	
Min. production requirement	0	50	0	

- (i) Formulate LPP and solve with the help of simplex method to find out optimal product mix and total maximum profit contribution
- (ii) Identify shadow prices
- (iii) Examine the sensitivity of the optimal solution to:
- The changes in profit contribution of each of the product
 - Variation in the availability of resources
- (iv) Suggest the other information that can be obtained from the optimal solution. (15)

- Q3(a) A company is preparing the PERT network to lay the foundation of new cricket stadium. Following is the information with regard to set of activities, their predecessor relationships and three time estimates:

Activity	Predecessor	Time estimates (in weeks)		
		Optimistic	Pessimistic	Most likely
A	-	2	4	3
B	-	8	8	8
C	A	7	11	9
D	B	6	6	6
E	C	9	11	10
F	C	10	18	14
G	C,D	11	11	11
H	F,G	6	14	10
I	E	4	6	5
J	I	3	5	4
K	H	1	1	1

- (i) Draw PERT network.
- (ii) Compute slack for each activity and determine critical path
- (iii) The contract specifies a ₹ 50,000 per week penalty for each week the completion of project extends beyond 37 weeks. What is the probability that this company will have to pay a maximum penalty of ₹ 1, 50,000?

(10)

(b) Explain the following terms:

- (i) Saddle point
- (ii) Steady state probability
- (iii) ABC analysis
- (iv) Independent floats
- (v) Absorbing chains

(5)

OR

(c) The following table gives the activities in a construction project and other relevant information:

Activity	Immediate predecessor	Time (days)		Direct Cost (₹)	
		Normal	Crash	Normal	Crash
A	-	4	3	60	90
B	-	6	4	150	250
C	-	2	1	38	60
D	A	5	3	150	250
E	C	2	2	100	100
F	A	7	5	115	175
G	D,B,E	4	2	100	240

Indirect cost varies as follows:

Days:	15	14	13	12	11	10	9	8	7	6
Cost (₹):	600	500	400	250	175	100	75	50	35	25

- (i) Draw a network diagram for the project.
- (ii) Determine the project duration which will result in minimum total project cost.

(10)

(d) A road transport company has one reservation clerk on duty at a time. He handles information of bus schedules and makes reservations. Customers arrive at a rate of 8 per hour and the clerk can service 12 customers on an average per hour. After stating your assumptions, answer the following:

- (i) What is the average number of customers waiting in for service of the clerk?
- (ii) What is the average time customer has to wait before getting service?
- (iii) The management is contemplating to install a computer system to handle the information and reservations. This is expected to reduce the service time from 5 to 3 minutes. The additional cost of having the new system works out ₹500 per day. If the cost of goodwill of having to wait is estimated to be 120 paisa per minute spent waiting before being served, should the company install the computer system? Assume 8 hours working day. (5)

Q4.(a) A distributor of an oil company operated over the past two years with EOQ policy based on annual holding cost rate 22%. Under the EOQ policy, a particular product has been ordered with $Q=80$. A recent evaluation of holding cost shows that because of an increase in the interest rate associated with bank loans, the annual holding cost rate should be 27%. What is the new economic order quantity? (5)

(b) Given below is the optimum solution to a LPP.

Cj	Basic variable	Value	x	y	S1	S2
25	y	24/7	0	1	3/7	-1/7
25	x	15/7	1	0	-5/14	2/7
Cj-Zj			0	0	-25/14	-25/7

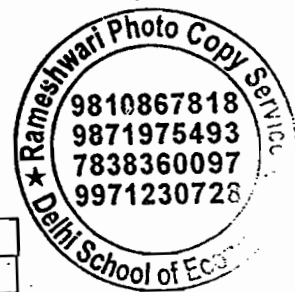
Find an all integer solution to the problem.

(10)

OR

(c) A company has demand for its footwear to the annual value of 10,000 units. The cost of placing an order is ₹100 while the carrying cost is ₹15 per unit. The company wants to adopt stockout policy but also does not want to lose customer goodwill. The unit shortage cost is estimated at ₹ 10. (i) State the assumption of basic EOQ model. (ii) Determine the order quantity and total cost if shortages are not permitted. (iii) In case shortages are permitted, determine order quantity, maximum level of inventory, optimum number of shortage units and total inventory cost involved with the policy. (5)

(d) A market research team has conducted a survey of consumer habits with respect to three brands of body lotion in an area. The estimate is that at present market share for three brands is 20%, 50% and 30%. Following is the brand switching matrix:



Brands Just bought	Brands next bought		
		A	B	C
A	0.6	0.3	0.1
B	0.4	0.5	0.1
C	0.2	0.1	0.7

What will be the expected distribution of customers two time periods later and also at equilibrium? (5)

- (e) A company has factories in four cities and supplies to its five warehouses in different cities. Monthly factory capacities are: 35, 25, 40 and 32. Monthly warehouse requirements are 15, 12, 22, 30, and 20 units. Unit shipping cost is given below:

Factory	Warehouse				
	A	B	C	D	E
1	8	9	12	7	18
2	6	8	13	9	21
3	20	7	10	11	8
4	12	7	14	15	22

Using Vogel's method find the initial feasible solution to the problem. (5)

Q5 Attempt any three of the following.

- (a) A firm with an annual demand of approx. 5,000 units has an ordering cost of ₹60 per order and holding cost of ₹15 per unit per year. The demand exhibits some variability such that the lead time demand follows normal distribution with $\mu = 120$ units and $\sigma = 20$ units. (a) What is the recommended order quantity? (b) What is the re-order point and the safety stock if the firm desires a 2% probability of stockout in a given order cycle? (c) If the order point is set at 150 units, what is the probability of a stockout in any given order cycle? How many times would you expect stockout during the year if this re-order point was used? (5)
- (b) A department head has four tasks to be performed and three subordinates differing in terms of their efficiency. Estimate of the time (man hours) each subordinate would take to perform is given below:

Task	Men		
	1	2	3
I	9	26	15
II	13	27	6
III	35	20	15
IV	18	30	20

How should the tasks to be allocated to minimize the total man hours? (5)

- (c) Inter arrival and service durations studied over past few years for a single channel queuing system revealed the following pattern:

Inter-arrival time Minutes	Service time			Random numbers (start at NW corner and proceed along the row)				
	Prob.	Minutes	Prob.	1908	3227	5974	8196	2748
2	.15	1	.10	4507	2665	5278	7792	4649
4	.20	3	.25	8512	8363	3410	4206	4397
6	.32	5	.36	0753	1748	2375		
8	.17	7	.12					
10	.08	9	.10					
12	.08	11	.07					

Using random numbers given above, simulate the queue behaviour for a period of 60 minutes, and (i) find out the probability of server being idle, (ii) the mean time spent by the customer waiting for service. (5)

- (d) Explain the role of quantitative models in decision making. Distinguish between deterministic and stochastic models. (5)

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12

[This question paper contains 12 printed pages.]

(c) On an average 96 patients per 24 hour day require the service of an emergency clinic. Also, on an average, a patient requires 10 minutes of active attention. Assume that the facility can handle only one emergency at a time, it costs the clinic ₹ 100 per patient treated to obtain an average servicing time of 10 minutes, and that each minute of decrease in this average time would cost ₹ 10 per patient treated. How much would have to be budgeted by the clinic to decrease the average size of the queue to $1\frac{1}{2}$ a patient.

(d) Explain.

(i) The effect of change in resource level on optimality of linear programming problem

(ii) Transshipment problem

(e) A firm with an annual demand of approximately 5,000 units has an ordering cost of ₹ 50 per order and a holding cost of ₹ 18 per unit per year. If the lead time demand follows normal distribution with $\mu = 200$ units and $\sigma = 50$ units (i) find the economic order quantity (ii) what is the re-order point if the firm desires 2% probability of stock out in a given order cycle ?

(20)

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Your Roll No.

M.COM. : SEMESTER - II (NC)

Paper No. - 4201

Quantitative Techniques for Business Decisions

Time : 3 Hours

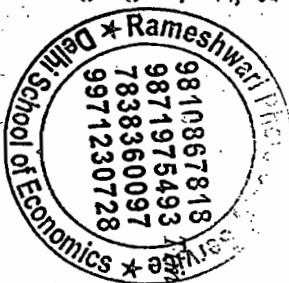
Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all parts of the question together.

1. (a) Formulate the given problem as LPP.

A financial advisor identified two companies that are likely candidates for a takeover in near future. Radix Cable is a leading manufacturer of flexible cable system used in the construction industry and Flex Switch is a new firm specializing in digital switching systems. Radix cable is currently trading for ₹ 400 per share, and Flex Switch is currently trading at ₹ 250 per share. If the takeover occurs, the financial advisor estimates that the price of Radix Cable will go to ₹ 550 per share and Flex Switch go to ₹ 430 per share. At this point in time the financial advisor has identified Flex Switch as



the higher risk alternative. The client is willing to invest maximum of ₹ 50,00,000 in the two companies. The client wants to invest at least ₹ 15,00,000 in Radix Cable and at least ₹ 10,00,000 in Flex Switch. Because of higher risk associated with Flex Switch it is recommended that at the most ₹ 25,00,000 should be invested in Flex Switch. Formulate as LPP and use graphic method to find optimal solution that maximizes total return on investment. What will be the change in decision in case the advice is to invest at least two times more in Radix Cable than in the Flex Switch.

(12)

(b) What is operation research? Explain the methodology of operation research in decision making process.

(8)

OR

(c) Use simplex method to find optimum solution to the following problem:

$$\text{Max : } Z = x - y + 3z$$

Sub to :

$$x + y + z \leq 10$$

$$2x - z \leq 2$$

$$2x - 2y + 3z \leq 6$$

Non Neg.: $x, y, z \geq 0$

(i) Is the solution degenerated? Give reasons.
 (ii) What are the shadow prices of resources used?

(iii) Over what range in each of the RHS values are these shadow prices valid?

(iv) What is the range over which the objective function coefficient can vary for each of the three decision variables?

(v) If some capacities are to be increased, which of these would you suggest first and why?

(20)

2. (a) A bank plans to open a single server drive in a banking facility at a particular center. It is estimated that 28 customers will arrive each hour on an average. If on an average, it requires 2 minutes to process a customer's transaction, determine:

(i) The probability that the system will be idle.

(ii) On an average how long a customer would have to wait before reaching the server?

(iii) The bank is ready to open a new counter if waiting time is more than 30 minutes. What has to be the minimum arrival rate for opening the new counter?

P.T.O.

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(iv) The length of the drive way required to accommodate all the arrivals on the average, if 20 feet of drive way is required for each car that is waiting for service. (8)

(b) A company has a contract to supply 5,000 units of an item per year to the retail store. An estimated ordering cost is ₹ 150 every time the order is made and the insurance cost is ₹ 30. The carrying cost is 25% of the unit price. The following are the quantity discounts that the company offers to ensure bulk purchases by the retailer:

Order size	Price per unit (₹)
Less than 1,000	500
1,000-2,999	450
3,000-4,999	400
5,000 or more	350

What should be the order size as a part of best inventory policy? Give justification for your recommendation. (12)

OR

In planning a project to introduce a new product in the market, a company lists various activities, their normal time and costs, and their crash times and costs. These are:

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Activity	Immediate predecessor	Normal		Crash	
		Time (weeks)	Cost (₹)	Time (weeks)	Cost (₹)
A	-	5	10,000	4	12,000
B	-	2	6,000	2	6,000
C	A	4	8,000	3	10,000
D	A	4	10,000	3	15,000
E	A	3	11,000	1	16,000
F	C	1	7,000	1	7,000
G	D	4	8,000	2	12,000
H	C,B,E	5	9,000	3	12,000
I	H	2	8,500	2	8,500
J	F,G,I	3	7,500	1	15,000

If the indirect cost is ₹ 5,000 per week and penalty of ₹ 500 per week in excess of 15 weeks find:

40/23

- Normal duration and associated cost of the project.
- Minimum duration and associated cost of the project.
- Minimum cost at which the project can be completed. (15)

P.T.O.

(d) What is safety stock? Why should management keep safety stock? What are the cost considerations in keeping safety stock and their effect on determination of EOQ? (5)

3. (a) A company has its warehouses in three cities which supply retail items to four retail stores in and around these cities. Distance (in km) from each of the warehouses to the three retail stores along with monthly demand and available supplies is give below:

Warehouse	Retail Stores				Monthly supplies
	P	Q	R	S	
A	200	100	50	100	10,000
B	200	400	500	300	12,000
C	300	300	60	600	8,000
Monthly demand	9,000	9,000	10,000	4,000	

Transportation cost is ₹25 per tonne per km. Suggest optimum transportation schedule and indicate the total minimum transportation cost. How will the initial solution change if the route B to R is not available due to problem in road? (12)

(b) State the difference between:

- (i) Feasible solution and basic feasible solution.
- (ii) Fixed order quantity system and periodic review system.
- (iii) State probabilities and transition probabilities.
- (iv) Deterministic and probabilistic queuing models. (8)

OR

(c) A manufacturer company has certain piece of equipment that is inspected at the end of each day and classified as just overhauled, good, fair and inoperative. If the piece is inoperative it is overhauled and the procedure takes one day. Assume that the working condition of the equipment follows a Markov process with following transition matrix:

From State	To state			
	1	2	3	4
1	0	.25	.75	0
2	0	.75	.25	0
3	0	0	.5	.5
4	1	0	0	0

P.T.O.



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8

On the average it costs ₹1125 to overhaul a machine (including lost time) and ₹750 in production is lost if a machine is found inoperative. Using steady state probabilities, compute the expected per day cost of maintenance. (8)

(d) Solve the following mixed integer programming problem using cut plane method.

$$\text{Max } Z = 4x + 6y + 2z$$

$$\text{Sub to: } 4x - 4y \leq 5$$

$$-x + 6y \leq 5$$

$$-x + y + z \leq 5$$

$x, y, z \geq 0$ and x and z are integers.

The optimum solution is given as :

Cj	Basic variable	Value	X	y	z	S1	S2	S3
4	x	5/2	1	0	0	3/10	1/5	0
6	y	5/4	0	1	0	1/20	1/5	0
2	z	25/4	0	0	1	1/4	0	1
		Z=30	0	0	0	2	2	2

(12)

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4. (a) A company has four sales representatives who are to be assigned to four different sales territories. The monthly sales increase estimated for each sales representative for different sales territories (in lakh rupee) are shown in the following table:

Sales representative	Sales Territories			
	I	II	III	IV
A	200	150	170	220
B	160	120	150	140
C	190	195	190	200
D	180	175	160	190

(i) Suggest optimum assignment and the total maximum sales increase per month.

(ii) If B cannot be assigned territory III, will the optimum assignment be different? If so, find the schedule and effect on total sales. (8)

(b) Following are the inter-arrival duration and service duration in a single service channel system. Using random number table given below simulate the behaviour for a period of 60 minutes and estimate the probability of the service being idle and mean time spent by a customer waiting for a service.

P.T.O.

Inter-Arrival time		Service time		Random no. (start at NW corner and proceed along the row)
Minutes	Probability	Minutes	Probability	
2	.15	1	.10	
4	.23	3	.22	9371 1463 7214 1053 2164
6	.35	5	.35	8142 8707 9054 3866 1053
8	.17	7	.23	2924 1725 1185 6885 9980
10	.10	9	.10	5119 4086 3083 5217 7105

(12)

OR

- (c) What is Monte Carlo simulation? Explain the areas of application of Monte Carlo simulation. State the limitations of simulation technique. (7)
- (d) What do you understand by queuing discipline and service process? State the applications of queuing theory in business context. (5)

(e) Solve the game whose payoff matrix is given below:

$$\begin{matrix}
 & \begin{matrix} B1 & B2 & B3 & B4 \end{matrix} \\
 \begin{matrix} A1 \\ A2 \\ A3 \end{matrix} & \begin{pmatrix} 4 & -2 & 3 & -1 \\ -1 & 2 & 0 & 1 \\ -2 & 1 & -2 & 0 \end{pmatrix}
 \end{matrix}$$

(8)

5. Attempt any three of the following:

(a) Write the dual of the following LPP

$$\text{Max } Z = 6x + 7y - 8z$$

Sub to:

$$2x - 3y + 6z \geq 80$$

$$-5x + 6y - .8z = 75$$

$$2x + 5y + 3z \leq 60$$

$x, y \geq 0$ and z is unrestricted in sign.

- (b) A manufacturer has to supply his customer with 24,000 units of his product every year. This demand is fixed and known. Since the unit is used by the customer in an assembly operation and the customer has no storage space for units, the manufacturer must supply a day's requirement each day. If there is failure in supply, the shortage cost is ₹2 per unit per month. The inventory carrying cost is ₹1 per unit per month and the set up cost per run is ₹3,500. Determine the optimal run size (Q), the optimal level of inventory (R) at the beginning of any period, the optimal scheduling period, and the minimum relevant yearly cost (TC).

This paper contains three printed pages.

M. Com.: SEMESTER II
Paper No. 4205
Subject: International Business

S. No. 4205151

Time: 3 hours

Max. marks: 70

Attempt all questions. All questions carry equal marks.

1. 'Cross-border activity of non-equity modes (NEMs) of international business has become significant worldwide and particularly important in developing countries'. In the light of this statement, explain the various non-equity modes of doing international business and their benefits and costs. (14)

OR

'In an increasingly integrated global economy, the product life cycle theory seems to be less predictive than it was earlier'. Comment on this statement, elaborating on the product life cycle theory. (14)

2. While contemplating doing business abroad, what are the different economic measures that managers use to assess a country's level of performance and potential? Explain with examples. (14)

OR

What is meant by disequilibrium in Balance of payments (BoP)? Explain the different approaches to correction of disequilibrium in BoP. (14)

3. (a) What is dumping? What are the reasons for dumping? How do importing countries deal with dumping to protect domestic producers from unfair foreign competition? (7)

(b) 'TRIPs has legalized an unethical IPR system which encourages piracy of indigenous knowledge'. Comment on this statement giving suitable example from the Indian context. (7)

OR

(c) What is regional economic integration? Explain with examples. What are the benefits and costs associated with regional economic integration? (7)

(d) Distinguish between a fixed and a flexible exchange rate system. What led to the collapse of the fixed exchange rate system established under the Bretton Woods system? (7)



4. Distinguish between *any two* of the following:
- (i) Basic factors and advanced factors in Porter's theory of national competitive advantage
 - (ii) Resource-seeking and efficiency-seeking FDI
 - (iii) Ethnocentric and polycentric orientation to expansion

(7X2 = 14)

5. Read the case study given below and answer the questions that follow.

Chocolate, made from cocoa bean is one of the most traded agricultural products in the world. The top 10 chocolate-consuming nations are all developed countries in Europe or the United States (US). In the US, two-thirds of the chocolate industry is dominated by two firms: M&M Mars and Hershey. About 70% of the world cocoa is produced in West Africa. So Hershey bars, Snickers, M&Ms, KitKat, hot chocolate—essentially all these delicacies regularly enjoyed by millions of consumers—will include cocoa from West Africa, especially the Ivory Coast, which produces about 43% of the world's total cocoa production.

Results of a survey on child labour in West Africa, released in 2002, found that 284,000 children are working in hazardous conditions on West African cocoa farms, with the majority working in Ivory Coast. Nearly two-thirds of the child labourers were under the age of 14. These child laborers seemed to be trapped in a vicious cycle: They were forced into work due kidnapping or economic circumstances faced by themselves and/or families, they earned subsistence wages, and because most had not been to school and had minimal skills, their prospects for seeking other employment options were limited.

In the late 1990s, exploitation of child labor in the cocoa industry began to receive publicity, primarily by nongovernmental organizations. Efforts to raise awareness of the situation faced great challenges, and even today a majority of consumers seem unaware of the circumstances behind the production of their favorite chocolate treats. Yet the atrocious nature of the child labor situation in the cocoa industry compelled the media, public interest groups, and others to continue their efforts. Hard-hitting news stories began to appear on television and in radio and in magazines and newspapers across North America and Europe. Pressure grew for intervention, such as international trade sanctions. The Harkin-Engel bill, passed by the U.S. house of Representatives, proposed a federal system of certification and labeling requirements that would state whether a cocoa-based product had been made in a "slave-free" manner.

Fearing the implications of boycotts, trade sanctions, or certification and labeling requirements in key markets such as the United States and Europe, representatives from the chocolate industry attempted to develop a strategy for dealing with the problem. After the Chocolate Manufacture Association hired senators George Mitchell and Bob Dole to lobby against the Harkin-Engel bill and prevent its passage in the U.S. Senate, the industry agreed to self-regulate and attempted to change the child labor practices. A protocol for the industry was developed that established a timetable for eliminating child labor and forced labor in the production of cocoa. A self-imposed deadline was set for establishing a viable monitoring and certification system: July 1, 2005.

Industry representatives have complained that progress toward eliminating child labor in cocoa production has been hindered by traditional culture in the agriculturally based producing nations, compounded by civil war and other complications. Yet the important cocoa-producing nations of Nigeria and Ghana, with the assistance of the International Labour Organisation and

the International Programme on the Elimination of Child Labour (IPEC), have subsequently established national programmes to eliminate child labour in their countries. So far, the Ivory Coast has made only limited efforts to initiate such programs. In 2005, the International Labour Rights Fund filed a lawsuit in a federal court in Los Angeles against several international manufacturers of chocolate. The suit claimed that the manufacturers had ignored repeated warnings about the exploitative use of child labour on cocoa farms in Ivory Coast.

In the absence of prompt and effective action by the chocolate and cocoa industry, a number of companies have begun producing fair-trade-certified chocolates. Through observing a strict set of guidelines associated with fair-trade certification, these companies guarantee that a consumer of one of their chocolates is "not an unwitting participant in this very inhumane situation". Fair trade practices essentially involve international subsidies to farmers in developing countries, ensuring that farmers who are certified as engaging in fair trade practices will receive a price for their produce which will at least cover their cost of production. By providing a price floor, fair-trade practices protect Third World farmers from the ruinous fluctuations in commodity prices that result from free trade practices. At the same time, fair trade certification requires that farmers engage in appropriate social, labour and environmental practices, such as paying livable wages and not using child or slave labour.

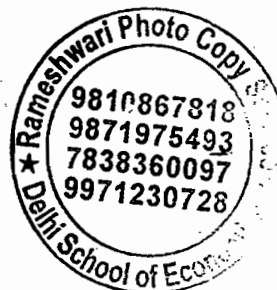
Although still a nascent movement, sales of fair-trade certified products are growing. Already, about two dozen companies make fair-trade chocolate in the US, including Clif Bar, Cloud Nine, Newman's Own Organics and Sweet Earth Organic Chocolates.

(Source: Donald A. Ball et al. "International Business")

Questions

1. Should labour practices in another country be a relevant consideration in international trade? Why or why not?
2. With regard to trade in products such as cocoa, what options are available to governments, businesses and consumers for dealing with practices such as child labour or slave labour in other countries? What are the implications of each of these options for business and trade?
3. How would international trade theorists view the fair-trade movement?

(4+6+4=14)



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OR

[This question paper contains 4 printed pages.]

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Your Roll No. 44412

2015

(c) "The impact of an open capital account on the economy is determined by the nature of the exchange rate mechanism". Explain. (10)

(d) Write short notes on the following:

(i) NAFTA

(ii) UNCTAD

Time : 3 Hours

Maximum Marks : 100

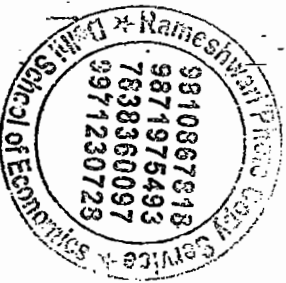
M.Com. : SEMESTER IV
PAPER No. 6401

International Business

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.



1. (a) Distinguish between the theory of absolute advantage and the theory of comparative advantage. How useful are these theories in explaining international trade? (20)

OR

(b) "Porter's theory of National Competitive Advantage is a hybrid theory which blends the traditional country-based theories that emphasize factor endowments with the firm-based theories that focus on the action of individual firms. Discuss the statement". (20)

(600)

P.T.O.

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2

2. (a) "A firm's success in an international market depends on its successful adaptation of the political and legal environment." Critically examine the statement. (10)

(b) "IMF and World Bank serve the interests of industrialized nations rather than those of the developing countries." Discuss. (10)

OR

(c) "International business is more complex, and works in greater diversity and operational complexity than domestic business". Elucidate. (10)

(d) Describe the recent trends in FDI flows with underlying reasons for the same. Is it necessary to have a comprehensive multilateral framework to facilitate growth of FDI? Give your arguments. (10)

3. (a) Define balance of payments. What is meant by balance of payments disequilibrium? Give a brief account of the important causes of the BOP disequilibrium and measures to correct the disequilibrium. (20)

OR

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3

(b) Evaluate the trade related mode of entry in international business. Give examples. (10)

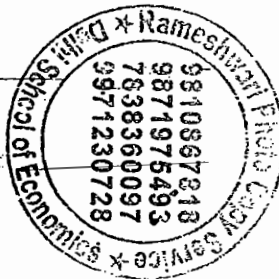
(c) Differentiate between international licensing and international franchising? Give suitable examples. (10)

4. (a) Why do countries opt for Regional Economic Integration? Examine the levels of economic integration. Evaluate the European Union and its success story as the epitome of Regional Economic Integration. (20)

OR

(b) Distinguish between tariff and non-tariff barriers to trade between nations. (10)

(c) Examine the functions and role of the World Bank. (10)



5. (a) What are the various types of international strategic alliances? How do companies gain from these alliances? (10)

(b) What is the basic rationale of trade intervention by the Government? Using various examples, explain the effect of different kinds of intervention. (10)

P.T.O.

Roll No. 2015.....

M.Com: Semester II
Paper No.:4203
Subject: Marketing Management

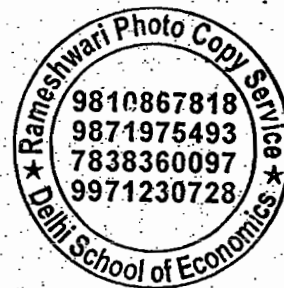
S.No. 4203151

Time Allowed: 3 Hrs.

Max. Marks: 70

Instructions: Attempt all questions. All questions carry equal marks

1. Choose best suitable option for the following multiple choice questions. (Do Any 14) (1*14)
 - i. All those factors particular to a time and place that do not follow from knowledge of the stable attributes of the consumer and the stimulus and that have an effect on current behavior are known as _____.
 - a. situational influences
 - b. motivators
 - c. consumption triggers
 - d. motivational influencers
 - ii. The price setting method most closely corresponding to the concept of product positioning is _____ pricing.
 - a. markup
 - b. psychological
 - c. target-return
 - d. perceived-value
 - iii. Under conditions of crowding, consumers tend to _____.
 - a. buy less and be less satisfied
 - b. make faster decisions
 - c. use less information
 - d. all of the above
 - iv. A common mistake in pricing is _____.
 - a. setting prices according to demand
 - b. revising prices too often
 - c. considering price and price competition as a key problem in marketing
 - d. setting prices independently of the rest of the marketing mix
 - v. Very high levels of purchase involvement tend to produce _____.
 - a. extended decision making
 - b. nominal decision making
 - c. affective decision making
 - d. limited decision making
 - vi. What has research revealed regarding consumers' variety-seeking behavior?
 - a. Once a consumer tries another brand, there is a high probably that he or she will not return to the previous brand.
 - b. Consumers usually switch to options within the same brand.
 - c. Consumers are more likely to become bored with non-sensory attributes such as brand name



- d. Consumers are more likely to become bored on sensory attributes such as taste.
- vii. Finance, research and development, purchasing, and manufacturing are all activities that are a part of which element of the microenvironment?
- the company's internal environment
 - the suppliers.
 - the marketing channel firms
 - the publics
- viii. _____ set(s) the floor for the price that the company can charge for its product.
- Supply
 - Demand
 - Costs
 - Nonprofit factors
- ix. Whenever possible, smart marketing managers will take a _____ rather than _____ approach to the marketing environment.
- reactive/proactive
 - proactive/reactive
 - conciliatory/proactive
 - commanding/submissive
- x. A _____ is a person's pattern of living as expressed in his or her activities, interests, and opinions.
- role
 - status
 - position
 - lifestyle
- xi. The number of items within the product line is identified as being the:
- product line width.
 - product line strength.
 - product line length.
 - product line consistency.
- xii. In a _____, the buyer wants to change something about product specifications, prices, terms, or suppliers.
- habitual rebuy
 - straight rebuy
 - modified rebuy
 - new task buy
- xiii. The decision-making unit of a buying organization is called its _____: all the individuals and units that participate in the business decision-making process.
- buying center
 - purchasing center
 - bidding center
 - demand-supply center
- xiv. "Swachh Bharat Abhiyan", is an example of which of the following forms of marketing?

- a. cause-related marketing
- b. idea marketing
- c. corporate image advertising
- d. place marketing

- xv. Understanding consumer buying behavior is not easy. The answers are often locked deep within the consumer's head. The central question for marketers is:
- a. how much money is the consumer willing to spend?
 - b. how much does the consumer need the product being offered for sale?
 - c. how much does a discount or a coupon affect the purchase rate?
 - d. how do consumers respond to various marketing efforts the company might use?

xvi. _____ is the practice of charging different prices depending on individual customers and situations.

- a. Fixed-pricing
- b. Standard-pricing
- c. Barter-pricing
- d. Dynamic pricing

2. (a) What do you understand by Marketing Channel? Discuss different types of channel conflict faced by the company. Explain how a company deals with it. (14)

OR

- (b) Differentiate between wholesaling and retailing? How do retailers adopt marketing strategy in retailing to attract and hold the customers? (14)

3. (a) What is distribution logistics? Briefly discuss various activities associated with distribution logistics. (7)
- (b) Services are intangible, perishable, inseparable and heterogeneous. In marketing of an amusement park, how a company can offset these factors? (7)

OR

- (c) XYZ Limited operates in several industries and countries. The company is trying to introduce a new product in the market, which is the - "Healthy Multigrain Biscuits". It is entering this market for the first time, being a niche category. As a marketing manager suggest a marketing plan for XYZ limited considering the growing segment of health and diet conscious customers. (7)

- (d) "Marketing manager is the market creator and responsible to convey an effective communication to the customer" In this context explain the steps in developing effective communication. (7)

4. (a) Explain how changing role of women has been reflected in marketing strategies? Give suitable examples. (8)

- (b) Which roles would you, your mother and father play in the buying process of the following items?

- (i) Dinner at Pizza Hut
- (ii) Kellogg's Breakfast Cereal
- (iii) New Car

(6)

OR

(c) "McDonald's and Burger King, two of the world's biggest burger giants, are heading for competition in India from an unlikely rival - American doughnut chain Dunkin' Donuts. Dunkin' Donuts is triggering a burger price war, offering them at Rs 49 each after selling them at upwards of Rs. 129. India already serves cheapest burgers. While Burger King's entry-level burgers are priced at Rs 35, McDonald's sells burgers in India starting at Rs 27. The market has attracted chains such as Fatburger, Johnny Rockets and Carl's Jr, which are either setting up outlets in India or expanding their presence. Industry observers say the price cut throws open competition in the sub-Rs 50 category, aimed at shoring up volumes in the eating-out category, where growth has slowed to single digits over the past six quarters." (Source: ET Retail.)

Read the above paragraph and explain how this pricing strategy of Dunkin' Donuts would affect McDonald's, Burger King and other competitors? Discuss other external factors affecting price of a marketer. (3+5=8)

(d) What do you mean by the term "New Product". Why it is beneficial to develop a new product simultaneously? (6)

5. Read the following the case and answer the questions at the end:

Zee Telefilms Ltd.

During the era, when televisions were introduced in 1959, it was only Doordarshan (DD), which was used as a medium of spreading social causes. It produced programs focusing on national integration, agricultural development, education, health, family, welfare etc. The Indian consumers had no choice but to agree to term and conditions with regard to types of programs being telecasted and the fare being charged. However, things changed during 1980s with the advent of Asian Games that DD introduced its new channel DD Metro, thus providing exclusive entertainment to urban viewers. By that time there was no market segment and the whole India was looked upon as a "big Indian family". Everybody watched the same programs like Chitrahaar, News, Ramayana etc.

However, the major revolution to the cable industry came when Star TV launched its four channels in 1991, but they could not get mass coverage because all channels were in English and majority of Indian consumers were Hindi speaking.

The Major revolution in the television industry came when Zee Telefilms Ltd. Came up with Zee TV - India's first Hindi Satellite channel in October 1992. At first it introduced Hindi Channel on an experimental basis with telecast for only 3 hours. This was the era of "Banegi Apni Baat", "Tara", "Zee Horror Show" and "Amaanat". This drove the whole country crazy.

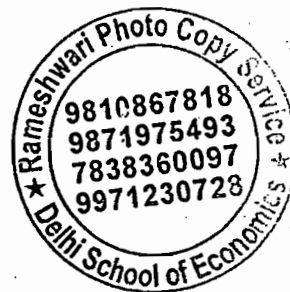
Later on with the increase in the willingness of Indian consumers to pay more and their demand for more variety in the programs broadcasted, gave motivation to many new domestic and international channels to enter into the Indian television industry. Zee also segmented the market and launched many channels according to the needs and demand of consumers. It introduced regional channels like Zee Bangla, Zee Punjabi, etc. Then it introduced Zee Cinema for movie lovers, Zee Music for music lovers, Zee News for those who wanted to get themselves updated for the happenings in the country. It also introduced CNBC in English and CNBC Awaaz in Hindi for different linguistic people.

Over the years Zee has been able to build a strong connection with its viewers through its diverse portfolio of programs, at least one for each segment. In 2010 Zee launched a 24 hours food channel Zee Khana Khazana and Ten Cricket for cricket lovers. In 2012, it launched Ten Golf, a 24 hours channel for Golf lovers.

Zee also launched its DTH services for its quality seeking consumers, which the traditional cable TV cannot provide. In February 2012, Zee has also launched Ditto TV for its tech

The television industry now seems to have no end with channels like Colors, Star TV, SAB TV, Sony TV, etc. in the market, all competing for the top position by offering variety of programs. (Source- Lamb, Hair, Sharma, & McDaniel, MKTG- A South Asian Perspective)

- (a) Describe the segmentation, targeting and positioning strategy of Zee Telefilms Ltd. (7)
- (b) Is it necessary to segment the market? Is Zee doing right in its strategy of segmenting, targeting and positioning? (7)



Vir Vikram Engineering Corporation developed a prototype. They offered it to a friend of them who owns a large automotive service station. He found the performance very satisfactory. He asked the young engineers to make more sets which he offered to his clients. Vir Vikram Engineering Corporation found that they are making around 25 to 30 products per month, and were supplying only to one outlet. At this juncture corporation has decided to go in a big way. They found that their quality was superior and prices almost 25% lower than the competitors. They were confident about the production but how would they do the distribution on all India basis.

Questions:

- (1) What recommendations would you offer to Vir Vikram Engineering Corporation? (10)
- (2) How would you design channels of distribution for Vir Vikram Engineering Corporation? (10)

[This question paper contains 4 printed pages.]

7732

Your Roll No.

2015

M.Com : Semester II (NC)

Paper No. 4203

Marketing Management

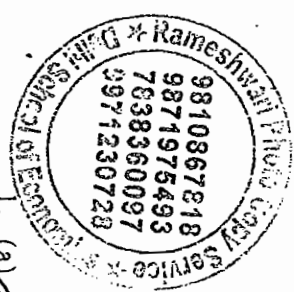
Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.



- (a) Why Price is considered important in marketing mix of a company? Explain the major pricing strategies used by marketers? (20)

OR

- (b) Explain all stages in new product development process. (20)

- 2. (a) Name and describe the three types of consumer decision making, and discuss the factors that influence the decision making consumers will use. (10)

(700)

P.T.O.

(b) "Marketing is too important to be left only to the Marketing Department." Comment. (10)

OR

(c) "Personal Selling is best suited to a company marketing consumer product with poor brand loyalty and selling in regional market." Discuss. (10)

(d) What do you understand by the term marketing channels? Management of marketing channels is a big challenge. Do you agree with the statement? Discuss. (10)

3. (a) Name and describe the four major sets of variables that might be used in segmenting consumer markets. Which segmenting variables do you think Pizza Hut is using? (20)

OR

(b) What is Promotion-mix? If you happen to be promotion manager of P Ltd. To launch a new health drink in Indian metro cities, what factors will you keep in mind while setting the promotion mix? (20)

4. Write short notes on any two of the following:

(a) Packaging

(b) Customer Relationship Management

(c) Holistic Marketing (2×10)

5. Read the case given below and answer the questions given at the end of the case.

Vir Vikram Engineering Corporation

Vir Singhania and Vikram Singla run their own business firm by the name of Vir Vikram Engineering Corporation. They had developed different electronic gadgets for home use. They had decided to manufacture car radios to begin with for the commercial production. Later, they had plans to take up CD & USB players. Both Vir Singhania and Vikram Singla came from middle class families. As such, raising finances will always be a problem with them.

The market for car radios and CD & USB players is dominated by Small Scale manufactures. Majority of them are from Delhi-Punjab area. Those who were big names in Stereo Systems also mostly ignore the market for car players.

S.No. of Q.P. 4202151

Roll No. 2015

M.Com: Sem II
Paper No. : 4202
Subject : Financial Management & Policy

Time: 3 Hours

Maximum Marks: 70

Attempt all questions. All Questions carry equal marks. The question paper has five printed pages.

Q. 1 State with reasons whether the following statements are True or False. Attempt any Seven out of the following.

- (i) The objective of Shareholders Wealth Maximization (SWM) is contradictory to Corporate Social Responsibility (CSR).
- (ii) Time value of money can never be zero.
- (iii) Agency costs are higher in a large corporate house than in a small company.
- (iv) Discounted Payback Period is superior to simple Payback Period.
- (v) PTL Ltd. is an all equity company having current beta as 1.20. The company is planning to change its capital structure by including 20% debt capital and hence having debt equity ratio of 0.25. The pre tax cost of debt is 8% and tax rate is 40%. The risk free rate is 5% and market return is expected to be 18%. Using Hamada equation and CAPM its cost of equity at the revised level of capital structure would be 17.54%.
- (vi) Cash cycle can never be negative.
- (vii) The effect of bonus issue and stock split is same on market price and EPS.
- (viii) A company with high business risk should have high financial leverage.
- (ix) As per Walter's Model, a growing company should pay less dividends.
- (x) If as per Miller - Orr Model the Return Point is Rs. 50000 and minimum cash balance requirement is Rs. 10000 then the company should buy marketable securities worth Rs. 50000 if its cash balance becomes Rs. 150000.

(2X7=14)

Q. 2. Explain the following-

- (i) Trade off Theory of capital structure
- (ii) EBIT-EPS analysis and its utility
- (iii) Signaling theory of capital structure
- (iv) Factors affecting capital structure choice

(3.5 X 4= 14)

OR

(a) Koirala Ltd. has 5,00,000, Rs. 10 face value equity shares currently selling @ Rs. 25 per share in the market. The management of the Company has better

1

information about its future prospects and believes that the intrinsic value per share is Rs. 30. Now the management wants to invest in a new project which requires Rs. 30,00,000 of external financing and has an expected NPV of Rs. 5,00,000. Investors are unaware of the project, so its expected NPV of Rs. 5,00,000 is not reflected in the equity market value of Rs. 125,00,000. What will be the effect on market price per share

- (i) If the company issues equity shares worth Rs. 30,00,000 and asymmetric information is resolved before the equity issue?
- (ii) If the company issues equity shares worth Rs. 30,00,000 and asymmetric information is resolved immediately after the equity issue?
- (iii) If the company issues 15% Debt worth Rs. 30,00,000?

What will be your advice to the management of the company regarding financing of the project?

- (b) "Capital structure is irrelevant even in the presence of corporate and personal taxes". Do you agree? Explain in the context of Merton Miller argument on capital structure.
- (c) From the following information calculate Present Value of Interest Tax Shield (PVITS) available to the company:
 - Debt Capital = Rs. 20,00,000
 - Corporate Tax Rate = 40%
 - Personal Tax rate on Dividend = 10%
 - Personal Tax rate on Interest income = 30%

(7+5+2)

Q. 3 Attempt any Two out of the following-

- (a) Why should companies pay dividend? Give the example of some high dividend yield companies in India. Do you think that dividend contains important information regarding a company's performance and prospects? Illustrate with the help of relevant theory.
- (b) Hippo Ltd. expects that its net income and capital expenditure over the next four years would be as given below:

Year	Net Income (Rs.)	Capital Expenditure (Rs.)
1	75000	40000
2	30000	45000
3	60000	55000
4	95000	45000
5	80000	70000

The company has 20,000 shares outstanding on which it recently paid a dividend of Rs. 1.50 per share.

2

- (i) What will be dividend per share for each of the next five years if the company follows a pure residual policy?
- (ii) What will be dividend per share for each of the next five years if the company follows the policy of a constant dividend payout ratio of 30%?
- (iii) What will be the dividend per share for each of the next five years if the company follows the policy of paying constant dividend of Rs. 1.50 per share plus extra dividend of 60% of super normal earnings? Normal earnings of the company are Rs. 60,000 p.a.
- (iv) In which case out of (i), (ii) and (iii) above, the dividend stream would be more smooth and why?

(c) The present cash discount terms of Martin Ltd are 2/10 net 30. Its present sales are Rs. 150 lakhs, average collection period is 26 days, variable cost to sales ratio is 0.75, cost of capital is 12% and corporate tax rate is 40%. The proportion of sales on which customers currently take cash discount is 0.60. The company spends Rs. 150000 on its collection efforts. The company is considering to change its discount terms to 3/10 net 30. Such a change is expected to increase sales by Rs. 15 lakh, reduce average collection period to 20 days and increase the proportion of discount sales to 0.75. Further due to higher discount the collection costs of the company would reduce by Rs. 50000. Should the company change its discount terms? Show all necessary calculations.

(7+7)

Q. 4 Attempt any Two out of the following-

- (a) Explain the following in brief
 - (i) Divestiture
 - (ii) Reasons of Mergers & Acquisitions

(b) Rathi Ltd. sells goods at a gross profit margin of 20% counting depreciation as part of cost of production. Its annual data is given below

	Rs. in Lakhs
Sales (Two months credit is given to customers)	150
Material cost (Suppliers give 1 month credit)	48
Wages (are paid 2 months in arrears)	36
Administrative expenses	15
Selling expenses	15
Manufacturing expenses outstanding at the end of the year (cash expenses are—paid two months in arrears) Rs. 2 lakh.	

The company keeps four months stock of raw material and three months stock of finished goods. It wants to maintain a cash balance of Rs. 2 lakh. Estimate the requirement of working capital on a cash cost basis. Ignore work in progress.

(c) (i) SS Ltd. plans to acquire TT Ltd. The relevant financial data of the two companies prior to merger are given below-

Particulars	SS Ltd	TT Ltd
Market price per share (Rs.)	35	15
No. of shares	5,00,000	2,50,000
Market value of the firm (Rs.)	175,00,000	37,50,000

The merger is expected to bring gains which have a present value of Rs. 10,00,000. SS Ltd. offers 1,25,000 shares in exchange for 2,50,000 shares to the shareholders of TT Ltd. Calculate - the value of merged entity, true cost of merger, NPV to SS Ltd and NPV to TT Ltd.

(ii) AA Ltd. is planning to acquire BB Ltd and needs your help in the determination of exchange ratio. The following information is available.

Particulars	AA Ltd.	BB Ltd.
Total Earnings	Rs. 50 Lakhs	Rs. 20 Lakhs
No. of Equity Shares	20 Lakhs	10 Lakhs
Market Price per Share	Rs. 30	Rs. 20

Calculate the maximum exchange ratio acceptable to the shareholders of AA Ltd. if the P/E Ratio of the merged entity is 12 and there is no synergy gain.

Assuming that there is no synergy gain, at what level of P/E ratio, will the maximum exchange ratio acceptable to AA Ltd. be same as the minimum exchange ratio acceptable to BB Ltd.

(7+7)

Q. 5 (a) Explain the following with examples

- (i) Certainty Equivalent Method
- (ii) Fisher's rate of intersection
- (iii) Credit Analysis and Evaluation

(b) A firm is considering to buy one of the following two mutually exclusive machines.

Machine A: Machine A requires an initial investment outlay of Rs. 195,000 and will generate cash inflow after tax (CFAT) of Rs. 50,000 per year for first five years and Rs. 30000 per year for next three years. The total life of the machine is 8 years.

Machine B: Machine B requires an initial investment of Rs. 140,000 and will generate CFAT of Rs. 30000 per year for 10 years.

Which machine should be bought by the firm and why? Assume that the cost of capital is 12%. Specify your assumptions, if any.

(9+5)

OR

Read the following case and answer the questions that are given below-

Reddington Ltd. is into the business of fruit juice products. It already produces and sells mango, orange, guava, pomegranate and mixed fruit juices. It intends to increase its range of products by introducing vegetable juices such as bitter gourd, Carrot and Tomato juices. The company engaged a well known marketing consultant to conduct a market survey to find the scope for vegetable juices. The market survey indicated tremendous scope for vegetable juices as customers have become more health conscious. The survey indicated that the company could sell 25,00,000 packs of various vegetable juices. The cost of the survey Rs. 10,00,000 has not yet been paid by the company.

The survey also reported that for one pack of vegetable juice (200 ml) the customers are not prepared to pay more than Rs. 50. The management accounting department of the company has estimated that the variable cost per packet would be Rs. 20 which includes material cost Rs. 10, labour cost Rs. 5 and variable overhead cost Rs. 5. At a capacity of 25,00,000 packs, the fixed overhead cost per packet is estimated to be Rs. 5. These fixed overhead costs are allocations of the already incurred corporate general and administrative expenses. Because of the new project the fixed corporate marketing and some administrative expenses are likely to increase by Rs. 20,00,000 per year. The finance manager of the company feels that the profitability of the company would also be affected by inflation. He expects 4% annual consumer price inflation and estimates that labour cost and variable overhead cost per unit would increase by 4% p.a. The raw material costs would increase by 5% p.a. You can assume that the above price and costs are applicable for the first year and inflation applies from second year onwards.

The finance manager is also confident that it would be able to increase the selling price at the expected consumer price inflation.

However the accountant does not agree with the finance manager and feels that inflation can be ignored.

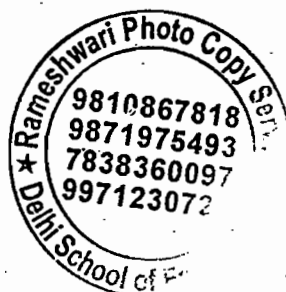
The working capital investment for the project is expected to be 20% of sales and it precedes sales by one year.

The processing equipment for vegetable juices would cost Rs. 20 crore. It is expected to have an economic life of five years. There is no salvage value of the processing equipment. The company uses straight line method of depreciation for tax purpose and the relevant tax rate is 30%.

The company has no debt. The project will be financed from internally generated funds. The shareholders expect a nominal rate of 12% from the new project of the company.

- (i) In your opinion who is correct the finance manager or accountant and why?
- (ii) If inflation is considered, should the project be accepted? Specify your assumptions (if any) and show all calculations.

(14)



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(20)

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this question paper contains 16+4 printed pages]

Annual Fixed Costs

(Rs.)	10,000	10,000	10,000
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Your Roll No. 257883

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M.Com./II (NC) E-1

(Including Depreciation)

Allocated fixed overhead

Expenses	5,000	5,000	5,000
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Write your Roll No. on the top immediately on receipt of this question paper.

Attempt all questions. All questions carry equal marks.

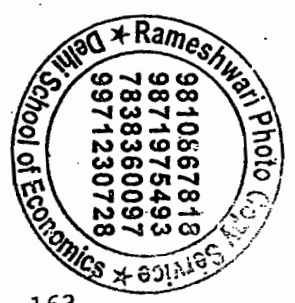
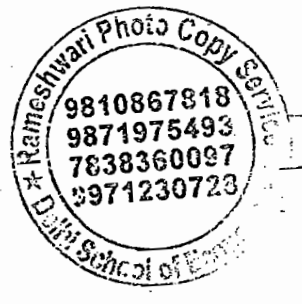
Attempt any Five out of the following :

- (g) "Time value of money does not exist in the absence of inflation." Do you agree ? Why ? What are the important reasons for time value of money ? (2)

- (h) Enumerate important financial decisions. How do they involve risk return trade off ? (2)

- (i) "NPV (Net Present Value) and MIRR (Modified Internal Rate of Return) always give same result regarding the acceptability or otherwise of a project." Do you agree ? Why ? (2)

Depreciation is charged on straight line basis and there is no salvage value of the assets after useful economic life of the project. Tax rate is 40%. 10+10+20



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20

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P.T.O.

(A) If Techno Park Ltd. is considering the following

investment proposals for the forthcoming year :

Project	Year 1	Year 2	NPV (Rs. in lakhs)
	Outlay	Outlay	
A	13	16	18
B	10	15	28
C	45	10	18
D	20	30	25
E	15	0	20
F	25	20	10
	100	60	

Budget constraints for the two years are Rs. 100 lakh

and Rs. 60 lakh respectively. Moreover,

(i) Projects A, B and F are mutually exclusive.

(ii) Project E can be delayed by one year. Such a delay will reduce NPV to Rs. 15 lakh without affecting cash outlay.

(iii) Project D cannot be selected unless both projects C and F are selected.

(iv) Surplus funds of first year, if any, can be invested to earn interest @ 12% p.a.

Formulate the above capital budgeting problem as

Integer Programming Problem (IPP) for optimal mix of projects.

(e) What is the difference between operating cycle and cash cycle ? From the following information calculate

cash cycle : (9)

Average inventory = Rs. 5,00,000

Cost of Goods Sold = Rs. 36,00,000

Average Accounts Receivables = Rs. 6,00,000

Credit Sales = Rs. 60,00,000

Average Creditors = Rs. 2,00,000

Credit Purchases = Rs. 18,00,000.

(f) PPK Ltd. has Rs. 10,00,000 debt capital in its capital

structure. Calculate Present Value of Interest Tax Shield as per Merton Miller Model, if :

(i) Corporate Tax Rate is 30% and there are no personal taxes.



(ii) Corporate Tax Rate is 30%. Personal tax rate on interest income is 20% and dividends are exempt from personal taxes.

(iii) Corporate Tax Rate is 30%. Personal tax rate on interest income is 20% and on dividends 10%.

(iv) Corporate Tax Rate is 30%. Personal tax rate on interest income is 30% and dividends are exempt from tax.

2 (a) Differentiate between the following :

(i) Financial leverage and operating leverage

(ii) Modigliani Miller (MM) Hypothesis and Trade off Theory on capital structure.

(b) Panda Limited is considering three financing plans. The

key information is as follows :

Total funds to be raised = Rs. 8,00,000.

Financing plans

Plans	A	B	C
Equity Capital (%)	100	40	60
10% Debt (%)	--	60	--
10% Preference cap. (%)	--	--	40

Tax rate 40%.

Equity shares of the face value of Rs. 10 each will be

issued at a premium of Rs. 10 per share. Expected

EBIT is Rs. 1,50,000.

Determine :

(i) Indifference level of EBIT between Plan A and B.

Plan A and C as well as between Plan B and C.

(ii) EPS for each plan at the expected EBIT of Rs. 1,50,000.

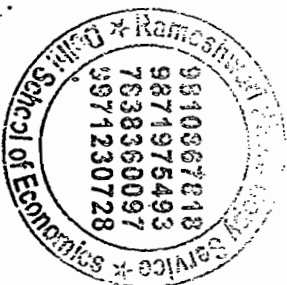
(iii) Which plan should be adopted by the company and why ? $10+10=20$

Or

(c) Kailash Ltd. has provided the following information :

Net Operating Income (NOI)	Rs. 55,00,000
Interest on debentures	Rs. 30,00,000
Cost of Equity	0.25
Cost of Debt	0.15

P.T.O.



(8)

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Calculate :

(i) Weighted average cost of capital

(ii) What is the cost of equity if the company uses

Rs. 60,00,000 debt carrying 15% interest rate to

buy back its equity and hence increases its debt

equity ratio. Assume that NOI approach applies

and there are no taxes.

(d) Explain in brief Pecking Order Theory of Capital

structure.

(e) Rights Management Ltd. is considering investment in

a new plant in one of the specified backward areas.

The plant will cost Rs. 10 crore. The management

(9)

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thinks that debt is a cheaper source of finance and

is confident of raising entire Rs. 10 crore at an interest

rate of 10%. However there is some apprehension

about the firm's ability to pay interest during a

recessionary period. The management feels that during

a recessionary year the net cash flows of the company,

not taking into account the interest burden of the new

debt, would have an expected value of Rs. 1.50 crore

with a standard deviation of Rs. 60 lakhs.

(i) What is the probability of cash inadequacy

during a recessionary year if the entire Rs. 10

crore is raised as debt finance ?

(ii) If the management is prepared to accept only 15% chance of cash inadequacy, what proportion of Rs. 10 crore can be raised as debt finance ?

$5+5+10=20$

3. Attempt any two out of the following :

(i) Explain Modigliani Miller (MM) Hypothesis on the irrelevance of dividends. Do you agree with MM Hypothesis ? Why ?

(ii) Explain Lintner's model regarding corporate dividend behaviour in practice. You are given that Kinsl Ltd. is expecting an EPS of Rs. 6 for the year 2015-16. Its dividend per share last year was

Rs. 2.80. The target payout ratio and adjustment

rate for the company are 0.60 and 0.70 respectively. What would be company's dividend per share as per Lintner's Model ?

(b) Explain the following :

(i) Pure residual policy of dividend
 (ii) Dividend payout policy
 (iii) Dividend Signaling Theory.

(c) Nai Gazette Ltd. is following a very liberal credit policy. It extends credit to all its customers and is facing the problem of huge bad debts. At present the sales are Rs. 1,00,00,000 and bad debt is 10% of sales

Mr. Mehra, the newly inducted finance

(8)

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Calculate :

(i) Weighted average cost of capital.

(ii) What is the cost of equity if the company uses:

Rs. 60,00,000 debt carrying 15% interest rate to

buy back its equity and hence increases its debt

equity ratio. Assume that NOI approach applies

and there are no taxes.

(d) Explain in brief Pecking Order Theory of Capital structure.

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(9)

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$$5+5+10=20$$

3. Attempt any two out of the following :

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i.e. 10,00,000. Mr. Mehra, the newly inducted finance

P.T.O.

(12)

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manager is not satisfied with the credit policy of the company and suggests that the company classifies its customers into four risk categories, 1, 2, 3 and 4. Then he suggests that the company should extend unlimited credit to category 1 and 2 customers, limited credit to category 3 and no credit to category 4 customers. Due to this change in credit policy the company is going to lose some sales but will save on bad debt expenses. Such a change in the policy would decrease sales by Rs. 20,00,000 and the bad debt percentage would decline to 6% of sales. The variable cost ratio is 80%, average collection period is 45 days and cost of capital is 12%. The tax rate is 40%.

(13)

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What will be the effect of the proposed change in credit policy on net income ? Show all relevant calculations. Should the company change its credit terms and make them more stringent as suggested by the new finance manager ? Why ? 10+10=20

4. Attempt any two out of the following :

(ii) What are the three approaches for current assets financing ? Explain in detail. Do you recommend that a firm should finance its current assets entirely with long term financing ? Give reasons in support of your answer.

(iii)

(ii) What is the EPS of PP Ltd. after acquisition?

(iii) What is the expected market price per share of PP Ltd. after the acquisition, assuming its P/E ratio remains unchanged?

(iv) Determine the market value of merged firm.

(v) What would have been exchange ratio based on EPS? How many shares would have been issued by PP Ltd. in that case?

(vi) What is the maximum exchange ratio acceptable to PP Ltd. if P/E ratio of the merged entity is 12?

(b) PP Ltd. wants to acquire QQ Ltd. by exchanging 0.5 of its shares for each share of QQ Ltd. The relevant financial data are as follows :

Particulars	PP Ltd.	QQ Ltd.
EAT (Rs.)	36,00,000	7,20,000
Equity shares	12,00,000	3,60,000
EPS (Rs.)	3	2
P/E ratio	11	8

You are required to calculate the following :

(i) What is the number of equity shares required to be issued by PP Ltd. for acquisition of QQ Ltd.?



(16)

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(17)

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(c) Explain the following :

- (i) Methods of calculating exchange ratio in M & A
- (ii) Spin off
- (iii) Leverage Buyout
- (iv) Hostile Takeover.

10-10-20

5. Read the following case and answer the questions given below :

Prabhu Pharma Ltd. is evaluating a project for manufacturing a herbal cosmetic product. Its marketing department has long been suggesting for the launch of such a product due to the growing demand for herbal products. The project requires an investment outlay of Rs. 40,000 and has a life of three

years. The financial analyst of the company has been given the task of assessing the profitability of the project. After careful analysis the financial analyst came to the conclusion that uncertainty is very high and at best the following estimation is made regarding cash inflows after tax for three years :

	Year 1	Year 2	Year 3
CF Prob.	5	3	0.5
C.F. Prob.	15,000	10,000	2,000
CF Prob.	2	6	0.4
C.F. Prob.	40,000	5,000	0.1
CF Prob.	3	1	0.1
C.F. Prob.	75,000	2,000	0.1

The appropriate discount rate is 10%. Calculate :

- (i) NPV and risk i.e. σ (NPV) of the project.
- (ii) The probability that NPV will be less than 0.
- (iii) The probability that NPV will be between Rs. 10,000 and Rs. 15,000.
- (iv) The probability that the NPV will be more than Rs. 30,000.

(v) Should the project be accepted ? Why ? 20

Or

(i) Explain with examples various methods of evaluating

capital projects under risk and uncertainty.

From the following data calculate NPV of the project under different scenarios and comment on the results :

Particulars	Normal	Pessimistic	Optimistic
Investment (Rs.)	2,00,000	2,50,000	1,80,000
Discount rate	12%	14%	10%
Life of the project (Years)	10	10	10
Annual Sales (Units)	10,000	8,000	11,000
Selling Price (Rs. per Unit)	25	23	28
Variable cost (Rs. per Unit)	15	18	12

Roll No. _____

This paper has 2 printed sheets.

M.Com. Semester II Examination
(May 2019)

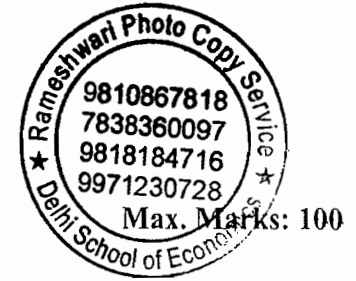
Paper no.- 4204

Subject- Legal Aspects of Business

S.No. 4204M19

Duration: 3 Hours

General Instructions:



Instructions: Attempt all questions. All questions carry equal marks.

Q1. (A) Discuss the aim and objective of RTI Act, 2005. Outline the powers vested in the Central Information Commission or State Information Commission as regards receiving and inquiring into the complaint from any person under the RTI Act, 2005. (14 Marks)

(B) A citizen applied to the hospital for particulars of the medical records of the criminal under RTI Act, 2005. The citizen set out in the application that it was in public interest to know why a convict was allowed to stay in the air conditioned luxury of the hospital and thus, escape the punishment imposed on him. The information was denied by the hospital as exempted. Decide with reasons and relevant case law and also discuss Section 8 related to exemptions as per the RTI Act, 2005. (7 Marks)

Or

(C) 'Amul' was registered in Class 29, as a dairy product. Class 29 read 'Meat, fish, poultry and game, meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, eggs, milk and other dairy products, edible oils and fats, preserves, pickles.' If a manufacturer, started selling mineral water with the trade name 'Amul', would it be case of trademark infringement. Distinguish between Trademark infringement and passing off by citing examples. (7 Marks)

(D) Mr M wrote a play. A film maker 'Mr N', got attracted in making a film based on the play. He heard the play from him, in his office. Mr M did not receive any further communication from Mr N. Thereafter, Mr. N made a film. Mr M came to know of it, he saw the picture and felt that the film was fully created on his play. He sensed that Mr N had fraudulently copied the play in the movie and violated his copyright. Decide with reasons and relevant case law and also discuss the provisions related to copyright as per the Copyright Act. (7 Marks)

Q2.(A) The family consists of father(Naresh) and son (Mahesh), father owned a house. he was ill and in order to meet the medical expenses, the son sold the house belonging to his father to Ramesh for Rs. 10 lakhs with a clear understanding that he will be able to deliver the possession of property only after the father's death. Father died after 6 months. Mahesh declined, Ramesh goes to court and files a suit against Mahesh. Decide who will succeed and whether Section 6(a) will be applicable. Discuss (7 marks)



(B) Ansh transfers property to Bhavesh, Chinmay, Devansh and Ena all alive, on the date of transfer successively, and then to the eldest son of E on his attaining the age of 21 years. Decide.

(7 Marks)

Or

(C) Explain 'once a mortgage always a mortgage.' Can the property be redeemed by the mortgagor in the following situations?

(14 Marks)

- i. X mortgages his land for 80 years. One of the terms of the registered mortgage-deed is that if the mortgagor fails to redeem the mortgage within 6 months of the money becoming due, the deed shall be treated as a sale deed.
- ii. The mortgagor wants to redeem the property after 40 years of the execution of the mortgage-deed.
- iii. The mortgagor wants to redeem after 3 years of the expiry of 80 years.

Q3. (A) Precautionary duties must not only be triggered by the suspicion of concrete danger but also by the justified concern or risk potential. Discuss the precautionary principle with the help of decided cases.

(14 Marks)

Or

(B) In the light of Polluter's Pay Principle, Discuss the statutory provisions, Principle of law and various directions given by the Supreme Court to provide relief to the people of Bichhri village.

(14 Marks)

Q4. (A) Two domestic airlines in India entered into a written agreement that in the festival season, i.e. during December 20 to January 10, they will charge a minimum fare of Rupees 15000 for any flight within India. The party in breach was to pay the loss of profit to the other airline. Is the agreement in violation of the Competition Act, 2002? Elaborate.

(14 Marks)

Or

(B) Discuss the aim and objective of Competition Act, 2002. Also detail the composition, duties and powers of Competition Commission of India.

(14 Marks)

Q5. Write Short notes on any two:

- a) Lease and License as per Transfer of Property Act, 1882
- b) The Indian Trust Act, 1882
- c) Redressal machinery for Consumer Protection Act, 1986
- d) National Green Tribunal

2024

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[This question paper contains 4 printed pages.]

Or

(b) Outline the powers vested in the Central Information Commission or State Information Commission, as the case may be, while inquiring into any matter under the RTI Act, 2005.

(20)

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Your Roll No:

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M.Com. : Semester - II

Paper No. 4204

LEGAL ASPECTS OF BUSINESS

Time : 3 Hours

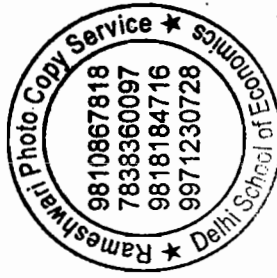
Maximum Marks : 100

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Attempt all questions.

All questions carry equal marks.



1. (a) Enumerate the general environmental regulations in force in India and discuss their subject-matters. (20)

Or

(b) Elaborate the provisions relating mortgage especially section 58 regarding kinds of Mortgage. Also briefly write a short note on charge, lease,

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2

gift and actionable claim as per the Transfer of Property Act, 1882. (20)

2. (a) Write a note on the aim and objective of the Societies Registration Act, 1860. Also detail out the step by step procedure for registration and dissolution of societies under Societies Act, 1860. (20)

Or

(b) Elaborate the creation of a trust under the Indian Trust Act, 1882. Discuss the following:

- (i) Duties and liabilities of trustees
(ii) Rights and powers of trustees
(iii) Rights and liabilities of the beneficiary (20)
3. (a) Write a note on the concept and development of Intellectual property rights in India. Differentiate between a trademark, a patent and a copyright. (20)

2024

3

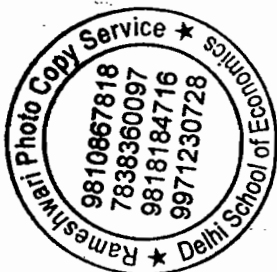
Or
(b) What is not patentable in India? Describe the procedure for grant of patents in India. Cite relevant case laws. (20)

4. (a) Describe the salient features of the Consumer Protection Act, 1986. Enumerate also the objectives of the Act. Also define 'Consumer' and cite relevant case laws. (20)

Or

(b) Write a note on the establishment, composition, appointment and terms of the Chairperson and other members of Competition Commission of India. (20)

5. (a) Detail the types of information which can be denied to any citizen by a public authority not with standing anything contained in the RTI Act, 2005 as per Section 8. Give examples of relevant case laws. (20)



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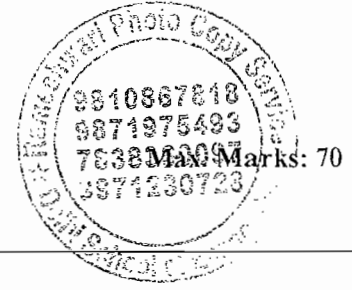
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M.Com Semester II Examination (Regular)
(May/June 2018)
Paper No.- 4204
Subject-Legal Aspects of Business

S. No. 4204M18

Duration: 3 Hours

General Instructions: Attempt all questions. All questions carry equal marks.



Q1.(A). "Once a mortgage will always be a mortgage". Discuss the statement and scope of right of redemption as given in sec. 60 of the transfer of the property Act.1882. Also cite the relevant case laws. (14)

Or

(B). (i) 'A' transfers a house to 'B' to be enjoyed by 'B' during his lifetime and then the property is to vest in the first born child of 'B' when such child of 'B' attains the age of 21 years. The deed also provides that if 'B' does not have a child or such child dies before attainment of the age of 21 years, the Property would go to B's younger brother 'C'. 'B' got married and his child died at the age of 20 years. 'C' now wants the possession of the house. Will he succeed? Discuss in the light of legal provisions. (7)

(ii) A litigation should be pending in a court of competent jurisdiction. Explain with the help of leading case laws. (7)

Q2.(A). Precautionary duties must not only be triggered by the suspicion of concrete danger but also by the justified concern or risk potential. Discuss the precautionary principle with the help of decided cases. (14)

Or

(B). In the light of Polluter's Pay Principle, Discuss the statutory provisions, principle of law and various directions given by the Supreme Court to provide relief to the people of Bichhri village. (14)

Q3.(A) Discuss the establishment, composition and duties of Competition Commission of India. (7)

(B). Discuss the procedure for enquiry under Section 19 of Competition Act. (7)

Or

(C). Explain the composition and jurisdiction of consumer disputes redressal agencies under Consumer Protection Act. 1986 (7)

(D). Raj, after finishing his studies, decides to become a management consultant. He chose the format of a company for running his business. He formed a company, Raj Consultants Private Limited. He is a Director of the company and also the sole employee. The company bought a laptop. As Raj was the sole employee, he was exclusively using the laptop. The laptop turned out to be defective and not of merchantable quality. Can Raj seek remedy against the seller of the computer from a consumer forum? Also in the light of above case, discuss the definition of Consumer as per the Consumer Protection Act. 1986. (7)

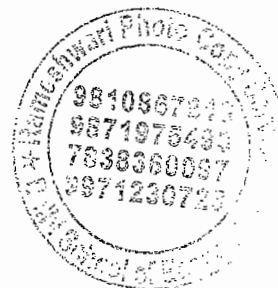
Q4. (A). Decide with reasons and relevant case laws (Any four). (3.5*4=14)

- i) A minor was taken to hospital by parents with high fever. due to negligence on part of nurse and hospital the child suffered irreparable damage due to cardiac arrest. Should the child and parents be treated as consumer as per the Consumer Protection Act, 1986.
- ii) A citizen applied to the hospital for details of the medical records of the convict under RTI Act, 2005. The citizen set out in the application that it was in public interest to know why a convict was allowed to stay in the air conditioned comfort of the hospital and thus. escape the punishment imposed on him. Is the information exempted under Sec 8.
- iii) Mr M wrote a play. A film maker 'Mr N', got interested in making a film based on the play. He heard the play from him, in his office. Mr M did not receive any further communication from Mr N. Thereafter, Mr. N announced the production of a film. Mr M saw the picture and felt that the film was entirely based on his play. He felt that Mr N had dishonestly imitated the play in the film and violated his copyright.
- iv) Mr X wrote a play. A film maker 'Mr Y', got interested in making a film based on the play. He heard the play from him, in his office. Mr X did not receive any further communication from Mr Y. Thereafter, Mr. Y announced the production of a film. Mr X saw the picture and felt that the film was entirely based on his play. He felt that Mr Y had dishonestly imitated the play in the film and violated his copyright.
- v) A student applied under the Right to Information Act, for a copy of his evaluated answer script. The University had a mechanism where a student could apply for re-evaluation, but no mechanism for giving a copy of the evaluated answer-sheet. The University denied the information under RTI Act,2005

Q5. (A). Describe the aim and objectives of intellectual property laws for the time being in force. Also elaborate the statement 'the rights conferred under copyright are distinct in certain aspects from other intellectual property rights. (14)

Or

(B). Seven college friends united after a long time and decided to create an alumni association to instill the feeling of brotherhood among themselves and also to help the college in conducting seminars, conferences and placements. Draft the Memorandum of Association and explain the procedures of registration and dissolution as per the Societies Registration Act, 1860. (14)



Roll No. _____

This paper has 4 printed sheets.

M.Com Semester- II Examination (Regular)

(May 2017)

Paper no.- 4204

Subject- Legal Aspects of Business

S.No. 4204M17

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks.

Q1. a) A banking company came up with a new method for its customers to do banking. The bank discontinued ATM cards. Instead, the customer had to register his/her mobile phone number. At an ATM, the customer had to enter his mobile number. At this, a four-digit number was sent by sms to the mobile phone. On entering the four digit number in the ATM machine, the screen would open up the menu for the customer to transact. On entering the details for withdrawing cash, the customer would receive another four digit password by sms. Only on entering that password, the machine will dispense cash. The bank, thus, saved the cost of issuing cards and provided a secured transaction to the customer. The company had spent considerable resources in developing this business model. The company would not like its competitors to benefit from its creations. It apprehended that in no time, its competitors would adopt the same method. Under which law can the company seek protection for its business model? Elaborate the provisions of the Act citing case laws. (7)

b) Describe the aim and objectives of intellectual property laws for the time being in force. What are not patentable in India? Describe the procedure for grant of patents in India. (7)

Or

c) A sports accessories manufacturing company discovered that the foot on which a cricket fast bowler lands, moves significantly within the shoe. This knocks the big toe, straining the toe, ankle and the foot. The company developed a pair of shoes where the front portion of the shoe, near the big toe, had a hole. The idea was that on impact, the toe would have the space to move out and not get knocked. Does designing a pair of shoes give rise to intellectual property? If yes, under which law can the company seek protection from others coming up with similar shoes? Elaborate the provisions of the Act. (7)

d) The registered trademark of a brand of biscuits is "Cams". 'Cams' has been in the market for 30 years. A new entrant introduced biscuit packets under the trade name 'Suraj'. The package of the new entrant followed the same colour scheme, green and white. A customer could readily mistake a packet of Suraj to be that of Cams. What remedy is available to the makers of Cams against the makers of Suraj? (3)

e) Write an explanatory note on generic medicines and patent protection citing relevant case laws. (4)

Q2. a) Describe the obligations of public authorities as regards maintaining records and publishing information as per the RTI Act 2005. (3)

b) Describe the decision related powers of the Chief Information Commission and State Information Commission. (3)

c) . Decide with reasons and relevant case laws (4*2=8)

- i. College was initially given a grant to the extent of 95%, for building its infrastructure, by the Government. Subsequently, the grant-in-aid was reduced to 45%. The college contended that it was not a public authority within the Right to Information Act. Thus, it need not furnish the requested information.
- ii. The Supreme Court imposed a punishment of one month imprisonment of an MLA of the Legislative Assembly of a State. The MLA, on his surrender to the police, was shifted to Hospital, on account of ill health. The person underwent medical treatment at the hospital for 21 days. A citizen applied to the hospital for details of the medical records of the convict. The citizen set out in the application that it was in public interest to know why a convict was allowed to stay in the air conditioned comfort of the hospital and thus, escape the punishment imposed on him. The information was denied on the grounds that it was exempted under Section 8.

Or

d) Elaborate the Central Information Commission under the RTI Act, 2005 with reference to its constitution, term of office, conditions of service and removal. Also discuss the powers and functions of Central Information Commissions, appeals and penalties. (6)

e) Decide with reasons and relevant case laws (4*2=8)

- i. A student applied under the Right to Information Act, for a copy of his evaluated answer script. The university had a mechanism where a student could apply for re-evaluation, but non for giving a copy of the evaluated answer-sheet. The University denied the information. The University argued that as the answer script was created by the student himself, it was not 'information'. Should the same be given under RTI Act, 2005.
- ii. An applicant sought information from the Public Service Commission, in relation to the appointment of a new curator on the retirement of the earlier one. The applicant asked why the post was filled through direct recruitment and not promotion. The second associated question was why a particular person was not considered for promotion to the post. The Public Information Officer's reply to the question was: 'I don't know.' A fine was imposed on PIO for the same.

Q3. a) As alumni of ABC University, you meet your batch mates and plan to unite and form an Alumni Association. You also plan to get the same registered under Societies Registration, 1860. Discuss the objective of the Societies Registration Act, 1860. Also discuss the procedure for registration and dissolution of societies under Societies Act, 1860 keeping in view Alumni Association of ABC University. (10)

b) 'A' transfers his house to 'B' (who was unmarried at the time of transfer) for life and after him the property is to vest in the name of children of 'B' in the following manner, B's daughters would take half of the total property for their life and after them the property would go to their children absolutely. The sons would take the other half of the property absolutely. Discuss the status of these transfers. (4)

Or

(c) Property of any kind can be transferred but there are certain exceptions to this rule one such exception is that "Spes Successionis" cannot be transferred. Elaborate. (5)

(d) 'A' transfer property of which he is the owner, to 'B' in trust of 'A' and his intended wife successfully for their life, and after the death of survivor for their eldest son of the intended marriage for life and after his death for A's second son. Discuss the validity of transfer in favor of eldest son of 'A' and second son of 'A'. (5)

(e) 'A' transfers his house to 'B' for life and then to 'C' (unborn child of 'B') for life and then to D (the unborn grandson of 'B') for life. And lastly to 'X' absolutely. B and X are living at the date of transfer. Discuss the status of the transfers. (4)

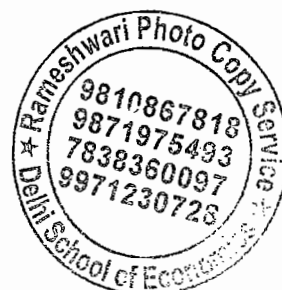
Q4. a) Discuss the role and objectives of Competition Commissions of India. (7)

b) Discuss the role and objective of District, State and Central Protection councils under the Consumer Protection Act, 1986. Also cite the relevant case laws. (7)

Or

c) 'A' makes a gift of land to 'B'. 'C' sues 'A' for the possession of the land. While this suit is pending, 'B' transfers the land to 'D'. 'A' dies and 'C' obtains decree for possession against 'B' as a legal representative of 'A'. Is D's Title to the land affected by this rule of *lis pendens* so as to be the subject to 'C's decree. Discuss the validity of transfer. (7)

d) 'A' mortgage his house to 'B' with the possession for five years, the rents and profits to be set off against interest. It was provided that if the mortgage was not redeemed within a period of 20 years from the due date, the mortgagee should treat the land as sold to him absolutely. The mortgagor further provided that 'A' redeems the mortgage within one year from the due date, 'B' would have the option to stay in the house as 'A' tenant for a period of 15 years. Discuss the validity of conditions. (7)



Q5. a) M/s XYZ Ltd. was situated in a thickly populated area and was causing air and water pollution. The Central Government issued directions to close down the industry and disconnect water and electricity connections under the Environment (Protection) Act 1986, only after giving repeated notices to the industry to ensure proper and effective functioning of industrial unit. Decide the validity of directions passed by the Central Government by discussing important provisions of the act. (14)

Or

b) Discuss the procedure relating to picking up of samples under Water (Prevention and Control of Pollution) Act, 1974. Also discuss the Andhra Pradesh Pollution Board case for water pollution. (14)

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This question paper contains 4 printed pages]

(ii) Suits by and against societies under Societies

Act, 1860

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Your Roll No. 2017

(iii) Anti-competitive agreements under Competition

Act, 2002

M.Com. : Semester-II (NC)

G

Paper No. 4204

LEGAL ASPECTS OF BUSINESS

(iv) Appeals and penalties under the RTI Act, 2005

Time : 3 Hours

Maximum Marks : 100

(v) Biodiversity and carbon credit under the Environmental
Laws.

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Attempt All questions.

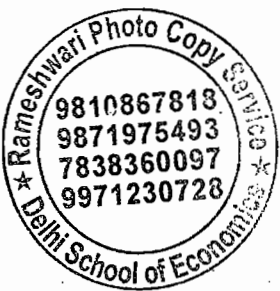
All questions carry equal marks.

1. (a) Discuss the aim and objective behind Transfer of

Property Act, 1882. Also elaborate the provisions relating
to sale, mortgage, charge, lease, gift and actionable claim
as per the Transfer of Property Act, 1882. 20

Or

(b) Outline the reasons which necessitated the enactment of
Environment Protection Act, 1986. Also discuss the powers
of the central government to protect and improve the
environment. 20



2. (a) Discuss the aim and objective of the Societies Registration Act, 1860 and the Indian Trust Act, 1882. Explain the procedure for registration and dissolution of societies under Societies Act, 1860. Also discuss the disabilities of trustees under the Indian Trust Act, 1882. 20

Or $\frac{3+2}{3}$

(b) Define trust. Discuss the provisions regarding creation of Trust. Also discuss the rights and liabilities of trustees under the Indian Trust Act, 1882. 20

(a) Discuss the concept and development of intellectual property law in India. Also enumerate the seven types of Intellectual property rights recognised by the TRIPS. 20

Or

(b) Describe the duty of the Chief Information Commission/ State Information Commission as regards receiving and inquiry into the complaint from any person. Also enumerate the types of information which can be denied to any citizen by a public authority notwithstanding anything contained in the RTI Act. 20

4. (a) Define consumer as per Consumer Protection Act, 1986. Also discuss the composition, powers and functions of the District Forum, State Commission and National Commission. 20

Or

(b) Describe the aim and objective of Competition Act, 2002. Express the penalty which can be imposed upon a person by the Competition Commission for :

- (i) Contravention of the orders of the Commission.
- (ii) Failure to comply with the directions of Commission and Director General and



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(iii) Making false statements, or omission to furnish material information. 4x5=20

5. Write short notes on any four : (i) Rule against perpetuities under Transfer of Property Act, 1882

Roll No.....2016.....

M.Com Semester II(2016)
Paper no.:4204
Subject: Legal Aspects of Business

S.No.....

Time: 3 hours

Max Marks: 70

Instructions: Attempt all questions. All questions carry equal marks.

Q1. A) Discuss the aim and objective of RTI Act, 2005. Outline the powers vested in the Central Information Commission or State Information Commission as regards receiving and inquiring into the complaint from any person under the RTI Act, 2005.

(14 Marks)

Or

B) Discuss the provisions relating to mortgage, charge, gift and actionable claim as per the Transfer of Property Act, 1882. Also cite the relevant case laws.

(14 Marks)

Q2. A) Elaborate on the laws and provisions of the intellectual property in India with special reference to "India ranked second last in Intellectual Property Index in the list prepared by Global Intellectual Property Centre".

(14 Marks)

Or

B) Discuss the aim and objective of the Societies Registration Act, 1860 and the Indian Trust Act, 1882. Explain the procedure for registration and dissolution of societies under Societies Act, 1860. Also discuss the disabilities of trustees under the Indian Trust Act, 1882.

(14 Marks)

Q3. A) Discuss the constitution and jurisdiction of National Green Tribunal to deal with the cases relating to environment.

B) Vinod, a shop keeper sold Packaged Juices, claiming that those were pure. Later a laboratory test showed that those were adulterated. What precautions should you have taken before buying and what remedies are available to you as per the Consumer Protection Act, 1986.

(7*2=14 Marks)

Or

C) Write a note on administrative control exercisable by the National Commission over all the State Commissions under Section 24 of the Consumer Protection Act, 1986.

D) Express the penalty which can be imposed upon a person by the Competition commission for

- Contravention of the orders of the Commission.
- Failure to comply with the directions of Commission and Director General and
- Making false statements, or omission to furnish material information.

(7*2=14 Marks)

Q4. Decide with reasons and relevant case laws (Any four).

- a) AAA College was initially given a grant to the extent of 95%, for building its infrastructure, by the Government. Subsequently, the grant-in-aid was reduced to 45%. The college assumed that it was not a public authority within the Right to Information Act, 2005. Thus, it refused to furnish the requested information.
- b) Rejection of a patent for a Drug which was not 'inventive' or had a superior 'efficacy'.
- c) 'A' makes a gift of house to B and hands him the gifted deed. After 2 days, A die. The gift deed was not registered by B within a week of A's death. The heirs of A claim the property from B on the ground that gift is invalid as the deed got registered after A's death.
- d) 200 units in Sanjay Nagar area were producing castor oil and its derivatives. During its manufacturing process, they were discharging hazardous waste into river Yamuna. ABC, an NGO filed a PIL before High Court alleging that the discharge of hazardous waste of untreated materials resulting into non availability of potable waters to the people of the affected area. Thus, Polluters Pay Principle should be applied against the offending industries. Decide with the help of case laws.
- e) A citizen applied to the hospital for details of the medical records of the convict under RTI Act, 2005. The citizen set out in the application that it was in public interest to know why a convict was allowed to stay in the air conditioned comfort of the hospital and thus, escape the punishment imposed on him. Is the information exempted under Sec 8 of the RTI Act, 2005.

(3.5*4=14 marks)

Q5. Write short notes on any four:

- a) Biodiversity and Carbon credit under the Environment Protection Act, 1986.
- b) Enforcement and Penalty under RTI Act, 2005.
- c) Duties and liabilities of trustees under the Indian Trust Act, 1982.
- d) Compulsory Licensing under the Patent Act, 1970.
- e) Rule against Perpetuity under the Transfer of Property Act, 1882.

(3.5*4=14 marks)

(iii) Mr. X, the co-owner of a property sold his share through a registered sale deed and gave possession of the property to the Mr. Y, the buyer. Mr. Z, the other co-owner protested on the sale and the buyer being given possession.

(iv) No person shall "hunt" any wild animal as per Forest (conservation) Act, 1980.

(5×4=20)

5/ Write short notes on any ~~four~~ ^{Two} of the following :

- (a) Severability under Right to Information Act, 2005
 (b) Procedure for registration of societies under Societies Registration Act, 1860
 (c) Intellectual property appellate board
 (d) Abuse of dominant position
 (e) Sustainable development

(10×2=20)

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Your Roll No.

M.COM. : SEMESTER – II (NC)

2016 F

Paper No. – 4204

Legal Aspects of Business

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

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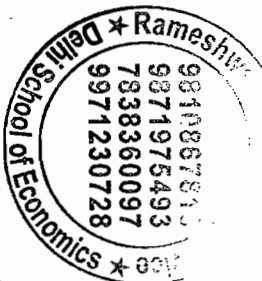
1/ (a) Distinguish between Movable and Immovable property as per the Transfer of Property Act, 1882. Also explain the exceptions to the general rule that property of any kind may be transferred ? (20)

OR

(b) Discuss the creation of a trust under the Indian Trust Act, 1882. Elaborate the following :

- (i) Duties and liabilities of trustees.
 (ii) Rights and powers of trustees.

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- (iii) Rights and liabilities of the beneficiary. (20)
2. (a) Write a note on the concept and development of Intellectual property rights in India. Distinguish between a trademark, a patent and a copyright. (20)

OR

- (b) 'Environment Protection Act 1986 is an umbrella legislation passed to provide a framework for central government towards coordination of activities of various Central and State agencies under previous laws.' Comment. (20)

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3. (a) What are the rights of consumer under the Consumer Protection Act, 1986. Discuss the composition, powers, and functions of the District Forum, State Commission, and National Commission under the Consumer Protection Act, 1986. (20)

OR

- (b) Describe the aim and objective of Competition Act, 2002. Explain the powers of Competition Commission of India under the Competition Act, 2002. Also distinguish between 'Relevant geographic market' and 'Relevant product market'. (20)

4. (a) Elaborate the Central Information Commission under The RTI Act, 2005 with reference to its constitution, term of office, conditions of service and removal. Also discuss the powers and functions of Central Information Commissions, appeals and penalties. (20)

OR

- (b) Decide with reasons and relevant case laws.
- (i) Mr. A wrote a play. A film maker 'Mr. B' got interested in making a film based on the play. He heard the play from him, in his office. Mr. A did not receive any further communication from Mr. B. Thereafter, Mr. B announced the production of a film. Mr. A saw the picture and felt that the film was entirely based on his play. He felt that Mr. B had dishonestly imitated the play in the film and violated his copyright.

- (ii) ABC College was initially given a grant to the extent of 95%, for building its infrastructure, by the Government. Subsequently, the grant-in-aid was reduced to 45%. The college contended that it was not a public authority within the Right to Information Act. Thus, it need not furnish the requested information.

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Roll No.....2015.....

M.Com Semester II
Paper no.:4204
Subject: Legal Aspects of Business

S.No. 4204151.....

Time: 3 hours

Max Marks: 70

Instructions: Attempt all questions. All questions carry equal marks.

Q1. Choose the most appropriate answer from the given options in respect of the following:

- i. Which of the following services shall not be covered under Consumer Protection?
 - a. Professional services rendered by a chartered Accountant engaged by a client.
 - b. Diagnostic test administered by a doctor at AIIMS.
 - c. Legal advice rendered by a practicing Supreme Court advocate.
 - d. Medical procedures done by doctors at Escorts Heart Institute.
- ii. Who among the following can file a complaint under the Consumer Protection Act?
 - a. A Consumer
 - b. The Central or the State Government
 - c. One or more consumers if there are many consumers having the common interest
 - d. Any of the above.
- iii. Under the Competition Act, a person, for making a false statement, or omission to furnish material information, shall be punishable with a fine which shall not be
 - a. Less than ₹ 1 Lakh
 - b. Less than ₹ 50 Lakhs
 - c. Less than ₹ 50 Lakhs which may extend to rupees one Crore
 - d. Less than ₹ 1 Crore rupees
- iv. Who, among the following, is empowered to supersede the commission?
 - a. MRTP Commission
 - b. Central Government
 - c. President of India
 - d. Supreme Court
- v. A person who desires to obtain any information under the Right to Information Act, shall make a request to
 - a. The Central Public Information Officer of the concerned authority
 - b. State Public Information Officer of the concerned public authority
 - c. The Central Assistant Public Information Officer of the concerned public authority
 - d. The Central Assistant Public Information Officer or State Assistant Public Information Officer, as the case may be
 - e. Any of the above, as the case may be
- vi. Record includes
 - a. Any document, manuscript, and file
 - b. Any microfilm, microfiche, and facsimile copy of a document
 - c. Any reproduction of images or images embodied in such microfilm besides any other material produced by a computer or any other device

- d. Any or all of the above
- vii. Which of the following provides a mandatory rule of fresh water for use of the passengers?
- The Water(Prevention and Control of pollution) Act, 1974
 - Indian Ports Act, 1908
 - The Indian Stream Vessel Act, 1917
 - The Indian Fisheries Act, 1897
- viii. The Act which deals with radioactive waste is
- EPA
 - The Biological Diversity Act
 - The Atomic Energy Act
 - The Air (Prevention and Control of Pollution) Act
- ix. Which of the Act deals with protection of computer software in India?
- Patents
 - Copyright
 - Trademark
 - Industrial design
- x. When can an opposition to the grant of a patent be filed in India?
- Anytime after the publication of the article but before the grant of patent
 - Anytime after the grant of the patent
 - Within one year after publication of the grant of the patent
 - Both a and c
- xi. The Transfer of Property Act Provides for transfer of interest in:
- Both, immovable and immovable property, whether tangible or intangible.
 - Both, immovable and immovable property, excluding intangible property.
 - Immovable Property.
 - Movable property.
- xii. Section 20 of the Rights to Information Act, 2005 imposes penalty on a public information officer for failing to provide information-
- ₹ 250 per day
 - ₹ 250 per day to the extent of maximum ₹ 50000
 - ₹ 300 per day to the extent of maximum ₹ 25000
 - ₹ 250 per day to the extent of maximum ₹ 25000
- xiii. Immovable property includes
- Standing Timber;
 - Growing crops;
 - Heredity offices;
 - Right of way.
- xiv. Where possession of the property is to be given to the mortgagee, the mortgage is called-
- Usufructuary mortgage
 - Simple mortgage
 - Anomalous mortgage
 - None of the above.

(14*1=14 Marks)

Q2. A. Describe the aim and objectives of intellectual property laws for the time being in force. Also elaborate the statement 'the rights conferred under copyright are distinct in certain aspects from other intellectual property rights.

(14 Marks)

Or

2

B. Describe the salient features and objectives of the Consumer Protection Act, 1986. Discuss briefly the composition, powers, and functions of the District Forum, State Commission, and National Commission.

(14 Marks)

Q3. (A) Describe the duty of the Chief Information Commission/State Information Commission as regards receiving and inquiry into the complaint from any person. Also enumerate the types of information which can be denied to any citizen by a public authority notwithstanding anything contained in the RTI Act.

(14 Marks)

Or

(B) Discuss the aim and objective behind Transfer of Property Act, 1882. Also explain the exceptions to the general rule that property of any kind may be transferred?

(14 Marks)

Q4. Decide with reasons and relevant case laws (Any four).

- a) A co-owner of a landed property sold his share through a registered sale deed and gave possession of the land to the buyer. The other co-owner protested on the sale and the buyer being given possession.
- b) No person shall "hunt" any wild animal as per Forest (conservation) Act.
- c) College was initially given a grant to the extent of 95%, for building its infrastructure, by the Government. Subsequently, the grant-in-aid was reduced to 45%. The college contended that it was not a public authority within the Right to Information Act. Thus, it need not furnish the requested information.
- d) An eye centre was a registered charitable mission hospital. Towards its mandate, it conducted free camps where poor patients were given free medical and surgical care. The centre had been recognized by the Government of India, from which it had received a grant. The organization bought medical equipment which turned out to be defective. State whether case can be registered under the Consumer protection Act, 1986.
- e) Mr X wrote a play. A film maker 'Mr Y', got interested in making a film based on the play. He heard the play from him, in his office. Mr X did not receive any further communication from Mr Y. Thereafter, Mr. Y announced the production of a film. Mr X saw the picture and felt that the film was entirely based on his play. He felt that Mr Y had dishonestly imitated the play in the film and violated his copyright.

(3.5*4=14 marks)

Q5. Write short notes on any four:

- a) Abuse of dominant position
- b) National Green Tribunal
- c) Disabilities Of Trustees
- d) Doctrine of Lis Pendens
- e) Procedure for registration and dissolution of societies.

(3.5*4=14 marks)

5. Write short notes on any two:

- (a) Anti Competitive Agreement
- (b) Environment Protection Act, 1986
- (c) Movable and Immovable Property

(10x2=20)

7733

Your Roll No.

2015

M.Com./Semester II (NC)

E

Paper no. 4204

Legal Aspects of Business

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.



1. State and explain whether each of the following statements is True or False.

- (a) A person who buys goods for commercial purpose is not a consumer.
- (b) Under the Competition Act, a person, for making a false statement, or omission to furnish material information, shall be punishable with a fine which shall not be not less than INR 50 lakhs which may extend to INR one crore.
- (c) Only citizens of India can seek information under the RTI Act.

(700)

P.T.O.

(d) The PIO can reject a request for disclosure of information involving an infringement of copyright subsisting in a person other than the State.

(e) The Indian Steam Vessel Act, 1917 provides a mandatory rule of the fresh water for the use of the passengers.

(f) The biological Diversity Act deals with the radioactive waste.

(g) The term period of Patent is unlimited.

(h) Any time after the grant of the patent an opposition to the grant of a patent can be filed.

(i) Instead of written information, the applicant can request for personal examination of documents under the RTI Act.

(j) The Competition Act, 2002 does not prohibit dominance, but the abuse of dominant position. (10×2=20)

(a) Define consumer as per Consumer Protection Act, 1986. Also discuss the composition, powers, and Functions of the District Forum, State Commission, and National Commission. (20)

OR

(b) Discuss the provisions relating to sale, mortgage, charge, lease, gift and actionable claim as per the Transfer of Property Act, 1882. (20)

3. (a) Discuss the objective of the Societies Registration Act, 1860. Also discuss the procedure for registration and dissolution of societies under Societies Act, 1860. (20)

OR

(b) Discuss the general concept of Trust as per the Indian Trust Act, 1882. Also discuss the following:

(a) Duties and rights of trustees and

(b) Disabilities of trustees (20)

4. (a) Give an overview of intellectual property Laws in India. Also discuss what is not patentable and the procedure for grant of patents in India. (20)

OR

(b) Enumerate the types of information which can be denied to any citizen by a public authority notwithstanding anything contained in the RTI Act, 2005. (20)

Roll No. _____

This paper has 3 printed sheets.

M.Com. Semester II/IV Examination

(May 2019)

Paper no.- MJ 403

Subject-International Financial System

S.No. **403M19.**

Duration: 3 Hours

Max. Marks: 70

General Instructions: Read the questions carefully. Answers should be precise and specific. All questions carry equal marks.



Q 1. Comment briefly on any four of the following:

- Gresham's law and its significance.
 - Need for central bank swap lines.
 - Likely implications of Brexit on the future of the Eurozone.
 - Meaning and relevance of real effective exchange rate.
 - Recent trends relating to cross listing and their possible reasons.
 - Country specific costs associated with the Renminbi attempting to become an international currency.
- (3.5 * 4 marks)

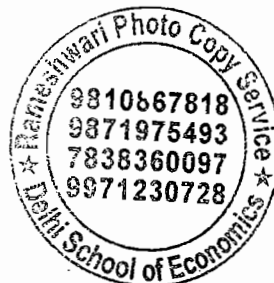
Q 2. A) What is the meaning of net foreign wealth of a nation? A country sees a sudden decline in its net foreign wealth. List two reasons leading to this. What will be the likely impact of this on the current account of the BoP? (7 marks)

B) What are the characteristics of an ideal international monetary system? In your opinion, how does the current international monetary system measure up against this ideal? (7 marks)

OR

C) A country's status changes from a net foreign debtor to a net foreign creditor. List three factors which could have brought about this change. Also, what could be the implications of this change for the country? (7 marks)

D) Why did the efforts to support the dollar based gold exchange standard turn out to be ineffective? What was the rationale behind each of the three points of the Smithsonian agreement? (7 marks)



Q 3. A) A financial institution is expecting the exchange rate of country A to depreciate and that of country B to appreciate. How will this financial institution act in order to profit from its expectations? Explain. If the financial institution's expectations turn out to be false in case of country B, show how the institution will be impacted. In what way can this institution protect itself in future? (7 marks)

B) What are petrodollars? How have they impacted international financial markets? In your opinion, is there a likelihood of increase or decrease in this trend? Explain. (7 marks)

OR

C) What are the challenges associated with pegging a currency? Give real life examples to support your answer. Why do some countries still continue to peg their currencies? (7 marks)

D) Differentiate between sponsored and unsponsored ADRs. What is the role of the custodian bank for the ADR? An Indian firm which has already issued ADRs, cancels its plans to raise more money through this route. List two possible reasons for this firm's choice. (7 marks)

Q 4. A) What happened to Switzerland's currency and forex reserves during the global financial crisis? Why did this happen? What lessons can be learnt from the Swiss experience? (7 marks)

B) Does the IMF create moral hazard? Explain. What are the arguments of the critics of IMF and its defenders? What is your opinion of the above? (7 marks)

OR

C) Will you engage in covered interest arbitrage if IRP holds? Explain. What could be the reasons for deviations from IRP? Do you think that these reasons are equally important? Explain. (7 marks)

D) What is the connection between the financial trilemma and the international monetary trilemma? What are the implications of the above? (7 marks)

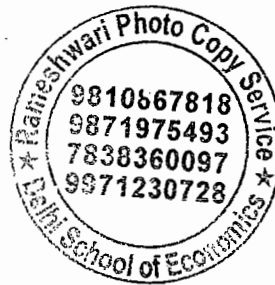
Q 5) A) Which types of organizations are used by offshore banks to conduct their foreign business? What are the advantages and disadvantages of each of the above? Foreign banks in India follow which type of organizational format? (7 marks)

B) What is the problem of original sin? Explain how it may lead to a transfer of wealth between nations? What was the role of original sin in the Latin American crisis of the 1980s? (7 marks)

OR

C) What is a shadow bank? What is the relationship between banks and shadow banks? What are the repercussions of the above? Does the IL&FS imbroglio fit into the above description? Explain. (7 marks)

D) Which factors led to the build up of the Euro zone crisis? What is the role of the 'Credibility Theory' in this regard? Critically analyze the handling of the crisis. (7 marks)



2031

4

(c) Interest rate parity and covered interest arbitrage.

(d) The problem of 'original sin'. (10×2=20)

[This question paper contains 4 printed pages.]

2031

2019
Your Roll No. 2019

M.Com. : Semester – IV I

Paper MJ-403

INTERNATIONAL FINANCIAL SYSTEM

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Read the questions carefully.

Answers should be precise and specific.

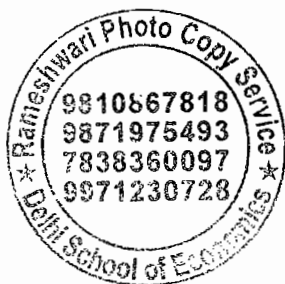
All questions carry equal marks.

1. ~~(a)~~ What is the J curve effect? Why does it occur? If in a country, the J curve is visible, what inferences can you draw about it? Under which circumstances is the J curve likely to disappear for the same country? (20)

OR

(400)

P.T.O.



(b) What is the relative importance of the constituents of international reserves of a country? What is the role of SDRs? What was the purpose behind their introduction? Has this purpose been achieved? Explain. _____ (20)

2. (a) How did the experience of the inter-war period shape and impact the subsequent international monetary system? Are there any lessons to be learnt from that period which would be relevant even today? (20)

OR

परीक्षा के लिये 1-2 र.

(b) What is a currency board? Under which circumstances is a country likely to adopt the currency board system? What are the challenges associated with it? Compare a currency board with dollarization. (20)

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3. (a) Distinguish between the absolute and relative versions of the Purchasing Power Parity theory. In your opinion, which version has more relevance? Explain. (20)

OR

(b) What is the utility of exchange rate forecasting? Distinguish between the fundamental approach and technical approach to exchange rate forecasting. (20)

4. (a) Which factors have led to the growth of the international money markets? Describe the circumstances under which an Indian firm is likely to tap the international money market. (20)

OR

What is the meaning and relevance of the monetary trilemma? Compare the stance of India, China and the USA in this regard. (20)



5. Comment briefly on any two of the following :

- (a) Regulatory arbitrage in international banking.
- (b) Differences and similarities between the Latin American crisis of the 1980s and the Asian crisis of 1997-1998.

Roll No.

This paper has 3 printed sheets.

M.Com Semester IV Examination (Regular)

(May/June 2018)

Paper No.- MJ403

Subject- International Financial System

S. No. MJ403M18

Duration: 3 Hours

Max. Marks: 70

General Instructions: Please read the questions carefully. Answers should be specific and precise.

Q 1. Comment briefly on any four of the following:

- A) Reasons for the lack of success of SDRs. Are SDRs likely to become more important in the near future?
- B) Meaning and significance of macro prudential perspective in financial regulation.
- C) Reasons and implications of growing internationalization of stock exchanges.
- D) Limitations of the pegged exchange rate system and China's experience with pegging.
- E) Likely implications of trade war between USA and China on the global financial system
- F) Increasing importance of monetary trilemma.

(4.5*4=14)

Q2 A) What are the likely sources of statistical discrepancy in BoP? What could be the implications of a large and growing statistical discrepancy in the BoP of a country? (7 marks)

B) What was the rationale behind the Smithsonian agreement? Explain the logic behind each of the three major changes suggested therein. Did the agreement serve its purpose? Why or why not? Explain. (7 marks)

OR

C) What are the constituents of 'other investments' in the capital account of a BoP? Comment on the sensitivity of other investments to changes in relative interest rate and anticipated changes in exchange rate. Is this more or less sensitive than other categories in the BoP? Why or why not? Explain. (7 marks)

D) What is the relevance of the 'rules of the game' under the international gold standard? Show how the automatic correction of international imbalance of payments is likely to be affected if one country does not follow the relevant rule of the game in its true spirit? (7 marks)



Q3. A) What is meant by financial trilemma? What is its relevance in today's world of globalized finance? What is India's position with respect to this trilemma? (7 marks)

B) There are two Indian companies A and B. Company A issues parallel bonds while B issues Eurobonds. Comment on the factor which could be influencing both the companies differing ways of raising money from abroad? Also, briefly explain the reasons for the popularity of the Eurobond market.

OR

C) Why do firms engage in cross listing? What are the costs associated with cross listing?

(7 marks)

D) What is meant by Central Bank swap lines? Which reasons have led to this innovation in international finance? What are the implications of six large industrial country central banks setting up permanent mutual swap lines? (7 marks)

Q4. A) What are the disadvantages of direct intervention by the government as compared to indirect intervention? Give two situations in which indirect intervention may be less effective than direct intervention? (7 marks)

B) What is the meaning of "doom loop"? Explain its relevance in the Euro zone crisis. How was this problem tackled eventually?

OR

C) What are the reasons for accumulation of high levels of international reserves by developing countries? What are the implications of this? What has been the role of IMF in this regard?

(7 marks)

D) Do professional foreign exchange forecasters outperform the market? What does academic research bring out in this regard? What is your opinion of the above? (7 marks)

Q5. A) Distinguish between relative and absolute versions of the PPP theory. What is the significance of the Big Mac Currencies? What limitations does it suffer from? (7 marks)

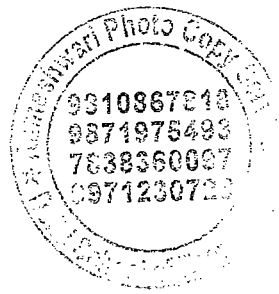
B) What are the costs associated with becoming an international reserve currency? Which costs are likely to be particularly important for the Chinese Renminbi? (7 marks)

OR

C) What are the similarities and differences in the Latin American crisis of the 1980s and the Asian Crisis of 1997-1998? (7 marks)

D) What is meant by nominal effective exchange rate and real effective exchange rate? What do changes in the real effective exchange rate imply for the domestic country's competitiveness in international trade? (7 marks)





Roll No. _____

This paper has 3 printed sheets.

M.Com Semester- IV Examination (Regular)

(May 2017)

Paper no.- MJ 403

2017

Subject- International Financial System

S.No.403M17

Duration: 3 Hours

Max. Marks: 70

General Instructions: Read the questions carefully and write specific and precise answers.

Q 1. Comment briefly on any four of the following: —

- Recent developments relating to Dodd- Frank Act and their likely implications.
- The concept of a 'living will' for a financial institution and its utility.
- When a country pegs its currency to another currency, how is its monetary policy impacted? Why does it still choose to continue with the peg?
- Meaning of 'countercyclical capital buffer' and its relevance.
- Meaning of 'regulatory arbitrage' and its relevance for the international financial system.
- Causes of concern associated with the growth of sovereign wealth funds.

(3.5*4=14marks)

Q2. a) The currencies of two countries A and B depreciate almost equally. The J curve effect is visible in country A but not in country B. What could be the possible reasons behind this? Explain.

b) What is the connection between Triffin's paradox and the creation of SDRs? Explain. What are the reasons behind the failure of SDRs in becoming the reserve currency of the world?

(7*2=14 marks)

OR

c) "Various assets and their relative share in the reserves of central banks around the globe have changed substantially." Explain. What could be the causes of this change? What implications does this have for the working of the international financial system?

d) How did the experience of the inter war period shape and impact the subsequent international monetary system? What lessons can be learnt from that period which would be relevant even today?

(7*2=14 marks)

Q3. a) Two countries witness a sharp speculative attack on their currencies of the same intensity. The first country is able to defend its currency while the second currency sees a sharp loss in value. What could be the possible reasons behind the difference in the experience of the two countries? Explain.

b) What is the 'Big Mac PPP'? What is its utility? To which version of the Purchasing power parity theory does the 'Big Mac Currency' correspond? Explain.

(7*2=14 marks)



OR

c) A country's central bank engaged in sterilized intervention two years ago but chooses non sterilized intervention as a policy measure this year. What inferences can you draw about the country based on the above information?

d) Explain the concept of interest rate parity. It is said that when IRP does not hold, covered interest arbitrage opportunities arise. Explain. Also show how these arbitrage opportunities will disappear.

(7*2=14 marks)

Q4. a) Which factors have contributed to the growth of international money markets? An Indian corporation chooses to borrow money from the international money market. What could be the possible reasons behind this choice? Also comment on the possible consequences of this choice.

b) Explain the term monetary trilemma. Also compare India and China in terms of their position relating to this construct.

(7*2=14 marks)

OR

c) What is meant by 'recycling of petro dollars'? What are its implications for the international financial system? How have recent events impacted this process. Also, is there any likelihood of a change in the near future? Explain.

d) What is meant by central bank swap lines? Why did they become necessary? What is your opinion of this development?

(7*2=14 marks)

Q5. a) What is an optimum currency area? Is Europe an optimum currency area? What is meant by a 'doom loop'? What was its role in the Euro zone crisis?

b) What were the causes of hyperinflation in Germany in the early 20th century? What are the implications of this experience on present day Germany and the Euro zone? Also, critically examine Germany's role in the Euro zone crisis.

(7*2=14 marks)

OR



2898

4

3

(c) Methods of forecasting exchange rates ✓

(d) Covered interest arbitrage (10x2=20)

(400)

[This question paper contains 4 printed pages.]

2017

2898

Your Roll No. 25284

2017

M.COM. : SEMESTER - IV (NC)

Paper No. - MJ-403

INTERNATIONAL FINANCIAL SYSTEM

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

Write precise answers.

1. Comment briefly on the following :

(a) Triffin's paradox ✓

(b) Bid-ask spread and factors affecting it ✓

(c) Cross exchange rates and their relevance ✓

(d) Shadow banks ✓

OR

P.T.O.

(e) Contagion and its relevance

(f) International Fisher Effect

(g) Sterilized intervention

(h) Eurodollar market (5x4=20)

2. (a) Explain the causes of the failure of the Bretton Woods system. Compare the present international monetary system with the Bretton Woods era. In your opinion, is the present system sustainable? ✓

OR

(b) Comment on the persistent current account deficits and surpluses among nations in the past decade. What are its causes and repercussions? (20)

3. (a) Critically evaluate various factors affecting exchange rates with special emphasis on the role of expectations. Give real life examples to support your answer. ✓

OR

(b) Comment on the growth of the international bond market, with special emphasis on the Eurobond market. (20)

4. (a) What are the problems associated with regulating international banks? Explain the role of the Basel Committee in this regard. Why are the provisions of Basel 3 considered an improvement over Basel 1 and 2? (20)

OR

(b) Comment on the causes and consequences of the 2008-09 financial crisis of USA. Discuss the impact of this crisis on developing countries with special reference to India. ✓ (20)

5. Comment briefly on any two of the following:

(a) Debate over British exit from the European Union

(b) Special Drawing Rights and their relevance ✓

This Q. papers has 3 printed sheets.

M.COM. SEMESTER 4

PAPER: MJ 403 (2016)

S.NO. 403M16C

INTERNATIONAL FINANCIAL SYSTEM

Time: 3 hours

Max. marks: 70

S.No. of Q.P.

Roll No.

ATTEMPT ALL QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS. WRITE PRECISE ANSWERS.

Q1. Comment briefly on any seven of the following:

- Role of financial transactions in statistical discrepancy of Balance of Payments.
- The 'snake' arrangement as a predecessor of the European Monetary System.
- Parallel bonds and the likely situations under which a corporation might issue them.
- Reasons for the near collapse of the global hedge fund LTCM.
- Implications of shadow banks for the financial system.
- Conditions under which a country is likely to adopt dollarization.
- Role of Mossack Fonseca in 'Panama Papers'.
- Recent reforms in IMF and their likely impact.
- Sovereign wealth funds. _____ (7*2 marks)

Q2. a) Comment on the balance of payments (current account and capital account) trends in USA, China and Germany in the past two decades. What are the possible implications of the above on each of these countries?

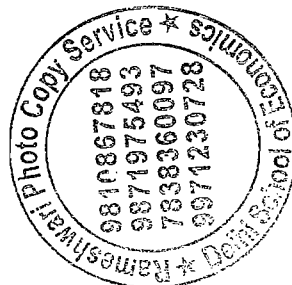
b) What were the major changes suggested in the Smithsonian agreement? What was the rationale behind them? Did they succeed? Explain. (2*7 marks)

OR

c) Explain the balance of payments identity. What does it indicate? Does it imply causality? Explain.

d) What was the purpose behind the launching of SDRs? Was this purpose achieved? Explain. Also comment on the recent changes in the SDR basket including its causes and possible consequences. (2*7 marks)

(1)



₹ 15/-

Q3. a) Distinguish between futures rate and the future spot rate. Explain the use of currency put options as a hedge. Also comment on the factors which led to the creation of the international money market.

b) Why is it that the usual safeguards used to regulate domestic banks like deposit insurance etc. often fail when there is large scale offshore banking? In your opinion, what needs to be done to effectively regulate international banking? (2*7 marks)

OR

c) What are the reasons for the popularity of Eurobonds? Also critically evaluate the role of syndicated loans.

d) What are the reasons for the tremendous growth of offshore banking and offshore currency trading? Give a real life example for each of the reasons cited by you. In your opinion, which of the above is the most important factor? Justify your answer. (2*7 marks)

Q4. a) What is meant by 'original sin'? "A depreciation of domestic currency of a developing country causes a transfer of wealth to foreigners". Explain. Is the above effect the same in the case of a developed country? Why or why not? Explain.

b) A country's economic problems can sometimes be compounded by freely floating exchange rates'. Explain. (2*7 marks)

OR

c) Explain the 'implied capital inflow tax' imposed by Chile in the 1980s. What was the rationale behind it? Did it succeed?

d) If an international bank expects depreciation in the currency of a country, how would it speculate? Explain with an example. If interest rates in that country were to rise unexpectedly, how is the bank likely to be affected? (2*7 marks)

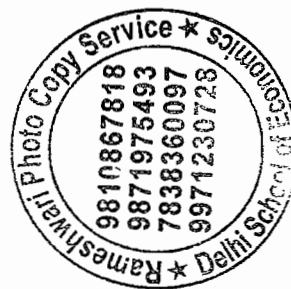
Q5. a) What are the advantages and disadvantages of the currency board system? Give a real life example of such an arrangement. Also compare currency boards with dollarization.

b) What are the problems associated with the use of 'direct intervention' in the foreign exchange market? Under which circumstances would a country prefer sterilized intervention? What are the costs associated with it? (2*7 marks)

OR

c) Distinguish between the absolute and relative versions of purchasing power parity theory. In your opinion, is the interest rate parity theory an improvement over purchasing power parity theory? Explain.

d) Explain the link between USA's financial crisis and the Euro zone crisis. Which factors were responsible for the spread of the Euro zone crisis? Also, compare between the Greek and Spanish experience. (2*7 marks)



(3)



(c) Methods of forecasting exchange rates

(d) Covered interest arbitrage (10×2=20)

[This question paper contains 4 printed pages.]

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Your Roll No.

2016

M.COM. : SEMESTER - IV (NC)

F

Paper No. - MJ-403

INTERNATIONAL FINANCIAL SYSTEM

Time : 3 Hours

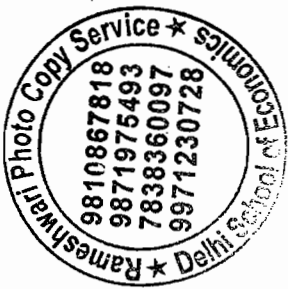
Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

Write precise answers.



1. Comment briefly on the following :

(a) Triffin's paradox

(b) Bid-ask spread and factors affecting it

(c) Cross exchange rates and their relevance

(d) Shadow banks

OR

2898

2

(e) Contagion and its relevance

(f) International Fisher Effect

(g) Sterilized intervention

(h) Eurodollar market

(5×4=20)

2. (a) Explain the causes of the failure of the Bretton Woods system. Compare the present international monetary system with the Bretton Woods era. In your opinion, is the present system sustainable?

OR

(b) Comment on the persistent current account deficits and surpluses among nations in the past decade. What are its causes and repercussions?

(20)

3. (a) Critically evaluate various factors affecting exchange rates with special emphasis on the role of expectations. Give real life examples to support your answer.

2898

3

OR

(b) Comment on the growth of the international bond market, with special emphasis on the Eurobond market. (20)

4. (a) What are the problems associated with regulating international banks? Explain the role of the Basel Committee in this regard. Why are the provisions of Basel 3 considered an improvement over Basel 1 and 2? (20)

OR

(b) Comment on the causes and consequences of the 2008-09 financial crisis of USA. Discuss the impact of this crisis on developing countries with special reference to India. (20)

5. Comment briefly on any two of the following:

(a) Debate over British exit from the European Union

(b) Special Drawing Rights and their relevance

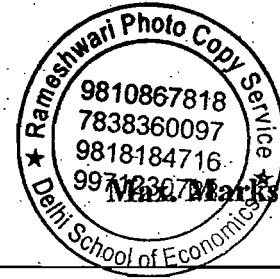
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M.Com. Semester III Examination

(December 2019)

Paper no. - 4301

Title - Global Strategic Management



Max. Marks: 70 Marks

S.No. 4301D19

Duration: 3 Hours

General Instructions: All questions are compulsory.

Q1. (a) "Strategy without process is little more than a wish list." Elaborate on the above statement and explain the Strategic Management Process

(14)

OR

(b) Traditionally, companies have judged their health by how much money they make. Financial measures are definitely important, but they only give you part of the picture. In addition to financial perspectives, a strategist needs to look upon various other factors too. Suggest some more factors that can be attributed to the organization's overall success with the help of balanced scorecard approach.

(7)

(c) Some strategic decisions are made in a flash by one person who has brilliant insight and is quickly able to convince others to adopt his or her idea. Other strategic decisions seem to develop out of a series of small incremental choices that over time push an organization more in one direction than another. Explain various approaches that can help Strategic decision making.

(7)

Q2. (a) While scanning the external environment it is always important to analyze competitive forces in the industry environment to identify opportunities and threats. Explain with the help of an appropriate model of Michal Porter. Also, describe the same model in the context of the Content-production and Video-streaming industry.

(14)

OR

(b) In a world where a competitive advantage often evaporates in less than a year, companies can't afford to spend months at a time crafting a single long-term strategy. To stay ahead, they need to constantly start new strategic initiatives, building and exploiting many transient competitive advantages at once. However, sometimes deeply embedded assumptions can lead companies into traps. Elaborate.

(14)

Q3. (a) K Mart spent a lot of money trying to imitate both Wal-Mart's low-cost strategy and Target's quality differentiation strategy, only to end up in bankruptcy with no clear competitive advantage. Throw light on the above statement with the help of Michael Porter's Generic Model. Also, explain why is it important to have at least one prominent generic strategy to avoid "stuck in the middle" situation.

(8)

(b) Identify Porter's generic strategy that has been used here:



- i. Pacar Inc. charges 10% more for its Kenworth and Peterbilt 10-wheel diesel trucks than does market-leader Chrysler's Freightliner because of its focus on product quality and superior dealer experience.
- ii. Maruti- Suzuki enjoying the highest market share in India by offering a wide range of cars.
- iii. Amazon focuses on attracting a large number of customers. It keeps prices low by using its vast buying power to buy products cheaply.
- iv. Apple sells its laptops to a broad market. Their unique design and engineering allow them to stand out in the marketplace.
- v. Checkers is a US-based fast-food company that operates on a drive-in the only basis. It saves money versus its competitors because it doesn't offer customers anywhere to sit, and its buildings are cheaper to construct. Checkers targets the cheaper end of the market.
- vi. Rolls Royce cars are synonymous with prestige, quality, and engineering excellence. They are premium priced and focussed on a tiny subset of the global car market.

(1*6)

OR

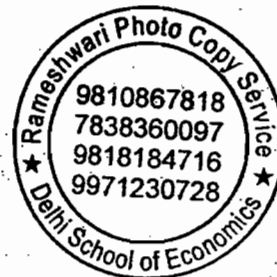
(c) If a company's current product lines have real growth potential, the concentration of resources on those product lines makes sense as a strategy for growth be it Vertical or Horizontal. Elaborate.

(14)

Q4. Write Short notes (*any four*)

(3.5*4)

1. McKinsey's 7s framework
2. GE Matrix
3. Strategic Intent
4. "Cross the chasm"
5. Strategic outsourcing
6. Role of ethics in SM



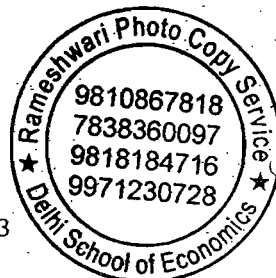
Q5. Founded in 1837, Cincinnati-based Procter & Gamble has long been one of the world's most international companies. Today P&G is a global colossus in the consumer products business with annual sales in excess of \$50 billion, some 54% of which is generated outside the United States. P&G sells more than 300 brands—including Ivory soap, Tide, Pampers, Iams pet food, Crisco, and Folgers—to consumers in 160 countries. Historically, the strategy at P&G was well established. The company developed new products in Cincinnati and then relied on semiautonomous foreign subsidiaries to manufacture, market, and distribute those products in different nations. In many cases, foreign subsidiaries had their own production facilities and tailored the packaging, brand name, and marketing message to local tastes and preferences. For years this strategy delivered a steady stream of new products and reliable

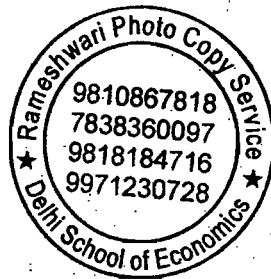
growth in sales and profits. By the 1990s, however, profit growth at P&G was slowing. The essence of the problem was simple; P&G's costs were too high because of extensive duplication of manufacturing, marketing, and administrative facilities in different national subsidiaries. The duplication of assets made sense in the world of the 1960s when national markets were segmented from each other by barriers to cross-border trade. Products produced in Great Britain, for example, could not be sold economically in Germany due to high tariff duties levied on imports into Germany. By the 1980s, however, barriers to cross-border trade were falling rapidly worldwide, and fragmented national markets were merging into larger regional or global markets. Also, the retailers through which P&G distributed its products were growing larger and more global, such as Walmart, Tesco from the United Kingdom, and Carrefour from France. These emerging global retailers were demanding price discounts from P&G.

In the 1990s, P&G embarked on a major reorganization in an attempt to control its cost structure and recognize the new reality of emerging global markets. The company shut down 30 manufacturing plants around the globe, laid off 13,000 employees, and concentrated production in fewer plants that could better realize economies of scale and serve regional markets. It was not enough. Profit growth remained sluggish, so in 1999, P&G launched a second reorganization. The goal was to transform P&G into a truly global company. The company tore up its old organization, which was based on countries and regions, and replaced it with one based on seven self-contained global business units, ranging from baby-care to food products. Each business unit was given complete responsibility for generating profits from its products, and for manufacturing, marketing, and product development. Each business unit was told to rationalize production, concentrating it in fewer larger facilities; to try to build global brands wherever possible, thereby eliminating marketing difference between countries; and to accelerate the development and launch of new products. P&G announced that as a result of this initiative, it would close another 10 factories and lay off 15,000 employees, mostly in Europe where there was still extensive duplication of assets. The annual cost savings were estimated to be about \$800 million. P&G planned to use the savings to cut prices, and increase marketing spending in an effort to gain market share, and thus further lower costs through the attainment of economies of scale. This time the strategy seemed to be working. Between 2003 and 2007, P&G reported strong growth in both sales and profits. Significantly, P&G's global competitors, such as Unilever, Kimberly-Clark, and Colgate-Palmolive, were struggling from 2003 to 2007.

Questions

- (a) Which Global Strategy is being followed by P & G in the above case. (4)
- (b) What are the advantages of following this strategy? (5)
- (c) Is it possible for P & G to follow this strategy in the long run? Why or why not? Also suggest a suitable strategy for future. (5)





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[This question paper contains 8 printed pages.]

100%

(ii) What are the factors that can influence the intensity of this situation/stage? (8)

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(iii) What are the various other options available for the firms facing this situation/ Stage in the Industry? (8)

Sr. No. of Question Paper : 9176

Unique Paper Code : 4301

Name of the Paper : Global Strategic Management

Name of the Course : M.Com.

Semester : III

Duration : 3 hours Maximum Marks : 100

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Answer All questions.
3. All questions carry equal marks.



1. (a) "Without learning, the wise become foolish, by learning the foolish become wise". Explain the relevance and characteristics of a learning organization with suitable examples. (10)

(b) "Despite formulating similar strategies, competitors often fail to achieve similar results and this

(700)

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variance results from improper implementation of those strategies." What are the various factors that affect the implementation of a strategy?

(10)

OR

(c) Market penetration, Market development, and Product development and Diversification are the intensive strategies for corporate growth. Explain the Ansoff matrix and interpret the type of intensive strategy being employed in the following cases.

(i) Cadbury India is pushing for chocolates to be used as dessert after meals instead of regular desserts.

(ii) Subway introduced multigrain breads in its outlets in order to retain its existing customers, many of whom were becoming more health-conscious.

(iii) Uber introduced its "uber eats" to compete with existing food delivering apps such as swiggy and zomato.

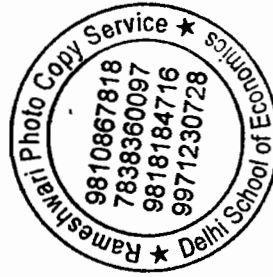
(iv) Swiggy decides to enter in suburban cities in India. (20)

2. (a) Despite globalization, many of the most successful companies in certain industries are still clustered in a small number of countries. It suggests that the nation-state within which a company is based may have an important bearing on the competitive position of that company in the global marketplace. Elaborate with the help of an appropriate model given by Michael Porter. (20)

OR

(b) A company may have firm-specific and valuable resources, but unless it has the capability to use those resources effectively, it may not be able to create a distinctive competence. Explain. (10)

(c) "Superiority of goods and services can only provide a competitive advantage". Explain with the help of Building Blocks of Competitive Advantage. (10)



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4

3. (a) A corporation may choose stability over growth by continuing its current activities without any significant change in direction. Although sometimes viewed as a lack of strategy, the stability family of corporate strategies can be appropriate for a successful corporation operating in a reasonably predictable environment. Elaborate with appropriate examples.

(20)

OR

- (b) Is it possible for a company or business unit to follow a cost leadership strategy and a differentiation strategy simultaneously? Why or why not?
- (c) "Firms involved in strategic alliances had 11% higher revenue and 20% higher growth rate than did companies not involved in alliances" Explain what various collusive strategies are available to the firms and what are the advantages of Strategic Alliances.

(10)

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5

4. Short notes (any four)

(5×4)

- (i) BCG Matrix
(ii) Strategic Groups
(iii) Extended SWOT
(iv) Strategic fit and Leverage

- (v) Role of the Board of Directors in Strategic management

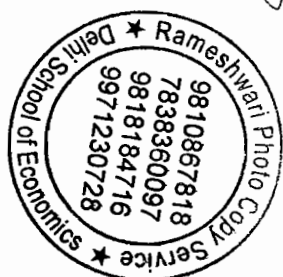
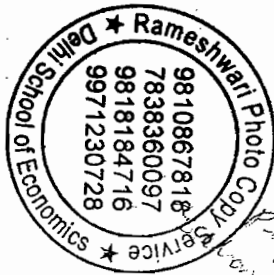
- (vi) Blue ocean and Red ocean strategy

5. (a) Companies that compete in the global marketplace typically face two types of competitive pressures: *pressures for cost reductions and pressures to be locally responsive*. Explain with suitable examples.

(20)

OR

- (b) At its peak in the early 1950s, the vacuum tube business was a major industry in which companies such as Westinghouse, GE, RCA, and Western



Electric had a large stake. Then along came the transistor, making most vacuum tubes obsolete, and one by one all the big companies exited the industry. One company, however, Richardson Electronics, not only stayed in the business but also demonstrated that high returns are possible in a declining industry. Primarily a distributor (although it does have some manufacturing capabilities), Richardson bought the remains of a dozen companies in the United States and Europe as they exited the vacuum tube industry. It now has a warehouse that stocks more than 10,000 different types of vacuum tubes. The company is the world's only supplier of many of them, which helps explain why its gross margin is in the 35% to 40% range. Richardson survives and prospers because vacuum tubes are vital parts of some older electronic equipment that would be costly to replace with solid-state equipment. In addition, vacuum tubes still outperform semiconductors in some limited applications, including radar and welding machines. The United States government and GM are big customers of Richardson. Speed is the essence of Richardson's business. The

company's Illinois warehouse offers overnight delivery to some 40,000 customers, and it processes 650 orders a day at an average price of \$550. Customers such as GM do not really care whether a vacuum tube costs \$250 or \$350; what they care about is the \$40,000 to \$50,000 downtime loss that they face when a key piece of welding equipment is not working. By responding quickly to the demands of such customers and being the only major supplier of many types of vacuum tubes, Richardson has placed itself in a position that many companies in growing industries would envy: a monopoly position. However, a new company, Westrex Corp., was formed to take advantage of the growing popularity of vacuum tubes in high-end stereo systems, and today it is competing head-to-head with Richardson in some market segments. Clearly, good profits can be made even in a declining industry.

Questions :

- (i) Identify the stage of the given industry and which strategy has been chosen by RE to deal with the situation. (4)



This question paper contains ^{four} ~~three~~ printed pages

Roll No. _____

M.Com. Semester III (2018)

Paper 4301: Global Strategic Management

S. No. 4301D18

Duration: 3 Hours

Max Marks: 70

Instructions: Answer all the questions. All questions carry equal marks.

Q1 (a) Define Porter's 5 Forces model with respect to Indian Civil Aviation sector. (7)

1(b) why do pioneering companies often unable to create a business strategy that allows them to be successful over time and remain the market leaders. Explain? (7)

OR

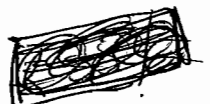
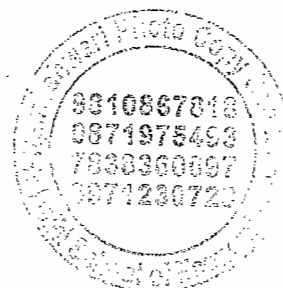
Q1 (c) ABC Company is enjoying 25% market share in Automobile Industry. XYZ is another player in the industry and enjoys 40% market. You are given a task of making a blueprint clearly identifying strategic options available for ABC Co. through which it can compete with XYZ Co. (7)

Q1(d) Strategy is a powerful concept designed to help firm's gain competitive advantage over rivals". Explain with the help of suitable corporate examples. (7)

Q2 (a) From the pure coffee point of view and as a chain only Starbucks is there". According to resource based view approach which framework can explain the above statement and how is it able to sustain its competitive advantage over years. (7)

Q2 (b) The Balanced Scorecard is a management system. It's a way of looking at your organization that focuses on your big-picture strategic goals. It also helps you choose the right things to measure so that you can reach those goals. Explain the concept. (7)

OR



Q2 (c) In managing their growth through the life cycle, what strategies should be made by (i) corporations in an emerging industry and (ii) corporations in a declining industry?

Elucidate with the help of real life examples (14)

Q3 (a) Outline the role of board of directors in strategic Management? (7)

Q3 (b) Can an organization have a sustainable competitive advantage when its industry becomes hypercompetitive? Elaborate with the help of example. (7)

OR

Q3 (c) Write short notes on the following:

(i) Blue Ocean Strategy

(ii) Six Sigma (5*2=10)

Q 3 (d) Is stability really a strategy or just another term for no strategy? Give an example to explain.

Q4(a) Explain the Ansoff matrix and interpret the type of intensive strategy being employed in the following cases.

(i) Cadbury India is pushing for chocolates to be used as small gifts instead of more traditional sweets used during Diwali festival.

(ii) McDonald's introduced salads in their outlets in order to retain its existing customers, many of whom were becoming more health conscious.

(iii) Dove introduced baby care products to compete with Johnsons and Johnsons and Himalaya, its major competitors.

(iv) Starbucks decides to enter in suburban cities in India. (6+8)

OR

Q4(b)

(i) Explain Uppasala Model of Internationalisation for increasing involvement of enterprises in international markets with the help of an example. (7)

(ii) CAGE framework by Pankaj Ghemawat offers businesses a way to evaluate countries in terms of the “distance” between them. Explain the framework and its benefits to businesses.(7)

Q5. Read the following case and answer the questions that follow:

The rapid pace at which the world is changing is forcing strategic managers at all kinds of companies to speed up their decision making; otherwise they get left behind by agile competitors who respond faster to changing customer fads and fashions. Nowhere is this truer than in the global toy industry, in which the doll business, worth more than \$10 billion a year in sales, vicious combat is raging. The largest global toy company, Mattel, has earned tens of billions of dollars from the world’s best-selling doll, Barbie, since it introduced her almost 50 years ago. Mothers who played with the original dolls bought them for their daughters and granddaughters and Barbie became an American icon. However, Barbie’s advantage as bestselling global doll led Mattel’s managers to make major strategic errors in the 2000s. Barbie and all Barbie accessories accounted for almost 50% of Mattel’s toy sales in the 1990s, so protecting its star product was crucial. The Barbie doll was created in the 1960s when most women were homemakers; her voluptuous shape was a response to a dated view of what the “ideal” woman should look like.

Barbie’s continuing success, however, led Bob Eckert, Mattel’s CEO, and his top managers to underestimate how much the world had altered. Changing cultural views about the role of girls, women, sex, marriage, and women working in the last decades shifted the tastes of doll buyers. But Mattel’s managers continued to bet on Barbie’s eternal appeal and collectively bought into an “If it’s not broken, don’t fix it” approach. In fact, given that Barbie was the best-selling doll, they thought it might be very dangerous to make major changes to her appearance; customers might not like the product development changes and stop buying her. Mattel’s top managers decided not to rock the boat; they left the brand and business model unchanged and focused their efforts on developing new digital kinds of toys. As a result, Mattel was unprepared when a challenge came along in the form of a new kind of doll, the Bratz doll, introduced by MGA Entertainment. Many competitors to Barbie had emerged over the years, and the doll business is highly profitable, but no other doll had matched Barbie’s appeal to young girls (or their mothers). The marketers and designers behind the Bratz line of dolls had spent a lot of time to discover what the new generation of girls, especially those aged 7–11, wanted from a doll, however. It turned out that the Bratz dolls they designed met the desires of these girls. Bratz dolls have larger heads, oversized eyes, wear lots of makeup, short dresses, and are

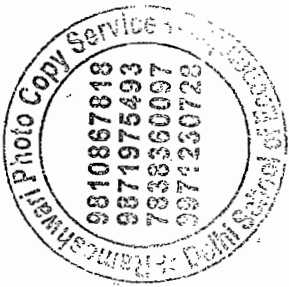
multicultural to give each doll “personality and attitude.” The dolls were designed to appeal to a new generation of girls brought up in a fast-changing fashion, music, and television market age. The Bratz dolls met the untapped needs of “tween” girls, and the new line took off. MGA quickly licensed the rights to make and sell the doll to toy companies overseas, and Bratz quickly became a serious competitor to Barbie.

Mattel was in trouble. Its strategic managers had to change its business model and strategies and bring Barbie up to date; Mattel’s designers must have been wishing they had been adventurous and made more radical changes earlier when they did not need to change. However, they decided to change Barbie’s “extreme” vital statistics; they killed off her old time boyfriend Ken and replaced him with Blaine, an Aussie surfer. They also recognized they had waited much too long to introduce new lines of dolls to meet the changed needs of tweens and older girls in the 2000s. They rushed out the “My Scene” line of dolls in 2002, which were obvious imitations of Bratz dolls. This new line has not matched the popularity of Bratz dolls. Mattel also introduced a new line called Flava in 2003 to appeal to even younger girls, but this line flopped completely. At the same time, the decisions that they made to change Barbie and her figure, looks, clothing, and boyfriends came too late, and sales of Barbie dolls continued to fall. By 2006, sales of the Barbie collection had dropped by 30%. This was serious because Mattel’s profits and stock price hinged on Barbie’s success and they both plunged. Analysts argue that Mattel had not paid enough attention to its customers’ changing needs or moved quickly to introduce the new and improved products necessary to keep a company on top of its market. Mattel brought Ken back in 2006, but in recognition of its mounting problems in November 2006, Mattel’s lawyers filed suit against MGA Entertainment. They argued that the Bratz dolls’ copyright rightfully belonged to them. Mattel complained that the head designer of Bratz was a Mattel employee when he made the initial drawings for the dolls and that they had applied for copyright protection on a number of early Bratz drawings. In addition, they claim that MGA hired key Mattel employees away from the firm, and these employees “stole” sensitive sales information and transferred it to MGA. In 2008, a judge ruled in Mattel’s favor and ordered MGA to stop using the Bratz name; the case was still under appeal in 2009.

Questions

1. What business model and strategies made Mattel the industry leader? (4)
2. What strategies have its rival, MGA, pursued that have threatened its competitive position? (5)

(b) Differentiators and focusers exiting the industry look for sell out opportunities to cost leaders helping them to improve their scale economies at Low investments. Elaborate and give examples.



[This question paper contains 8 printed pages]

Your Roll No. :

Sl. No. of Q. Paper : 2006 (2018) I

Unique Paper Code : 4301

Name of the Course : M.Com

Name of the Paper : Global Strategic Management

Semester : III

Time : 3 Hours Maximum Marks : 100

Instructions for Candidates : 13

- (a) Write your Roll No. on the top immediately on receipt of this question paper.
 - (b) Answer **All** questions.
 - (c) **All** questions carry equal marks.
1. (a) "Company strategies can't be implemented or executed well without a number of support systems to carry out business operations." Do you agree ? Explain with suitable examples. 10

(b) Identify the Porter's generic strategy that has been used here: 2x5=10

(i) Claire's formerly known as Claire's Accessories, an American retailer of accessories and jewelry primarily aims to sell inexpensive jewelry, accessories, and ear piercing to girls and young women.

(ii) Southwest Airlines has been modernizing its fleet and uses a younger and more fuel-efficient fleet of airplanes, which helps it save on maintenance cost. Southwest has the largest Boeing (BA) fleet in the world, and this large concentration is able to reduce its training and maintenance costs.

(iii) Tyrrell's crisps produces better quality potato chips by cooking its potatoes by hand using the finest home grown potatoes.

- (iv) The audio and television equipment manufacture Bang and Olufsen built an international reputation for performance, design, excellence and quality and has developed a loyal customer base. Its sleek tastefully discreet designs and high standards of production have earned it an elite image.
- (v) Toyota's Lexus competing with BMW and Mercedes Benz etc.

OR

(a) Vijay Mallya always behaves like Richard Branson of Virgin Group, both have the identical attitude when it comes to lifestyle, Richard Branson knows how to be successful in airlines industry, the Vijay Mallya lacks, and there are so many reasons for the downfall of Kingfisher airlines, some are internal factors, and some are external factors, what were the major strategic drawbacks of Kingfisher airlines? What was the vital reason for its dropdown? Consider the strategic issues and justify it.

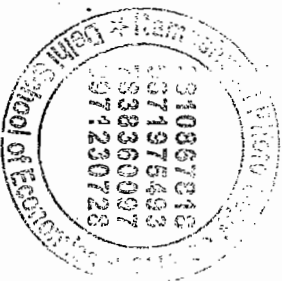
(b) CAGE framework by Pankaj Ghemawat helps us to understand patterns of trade, capital, information and people flows. With the help of an example describe the framework and discuss practical implication of the framework. 10

2. (a) Research indicates that the firms that grow horizontally by broadening their product lines have high survival rates. In the light of the above statement explain the concept and give relevant examples. 10

(b) An organization's vision and mission offer a broad, overall sense of the organization's direction. To work toward achieving these overall aspirations, organizations also need to create goals that should provide clear and tangible guidance to employees as they perform their work on a daily basis. Elaborate. 10

OR

(a) In BCG Matrix, the simple rule for Cash cow products is to 'Milk these products as much as possible without killing the cow' Elaborate. Also briefly describe all the quadrants of the matrix with the help of relevant examples.



(b) International strategy or localization strategy may not be viable in the long term, so, to survive, companies need to shift towards a different types of global strategy. For example, Procter & Gamble has moved from a localization strategy to more of a transnational strategy in recent years." In the light of above statement, describe the types of competitive pressures that exist in global marketplace which force companies to evolve their strategies.

3. (a) Dunkin' Donuts has focused on becoming a cost leader in the U.S. coffee and snack shop industry which is defined as "offering the same or better quality product or service at a price that is less than what any of the competition is able to do." According to resource based view approach which framework can explain the above statement and how is it able to sustain its competitive advantage over years. 10

(b) Superior Innovation is a vital building block of competitive advantage. Justify with the help of two suitable examples. 10

OR

(a) In 2013, two legendary brands, Tata Sons and Singapore Airlines, decided to fulfill a long-cherished shared dream to bring forth a distinguished flying experience to air travelers in India. Hence Vistara, a premium airline firm was established. Name the strategy and discuss its pros and cons.

(b) Value innovation is the cornerstone of blue ocean strategy. Discuss the practical implications of the same and give one relevant example.

4. Elaborate on the following concepts and give relevant examples: 10×2=20

- (a) Strategic fit and Leverage
- (b) Divestment strategy

OR

Elaborate on the following concepts and give relevant examples: 10×2=20

- (a) Total Quality management
- (b) Matrix structure of an Organization

5. (a) All successful companies are constantly benchmarking competition. They have to know what they have to match up with day-in and day-out if their company is going to be successful. Do you agree with the statement? If yes, elucidate the process of Benchmarking and give relevant examples for the same. 10

(b) "A strategic board has a view of looking ahead, an insight to look deeper and competency to look beyond". In the light of above statement list down the roles and responsibilities of the board of directors. 10

OR

(a) Successful leaders understand that if their organization is to grow in the long term, they can't stick with a "business as usual" mindset even when things are going well. They need to find new ways to increase profits and reach new customers. This is where strategists can use an approach like the Ansoff Matrix to think about the potential risks of each option which helps them devise the most suitable plan for their situation. Explain all the four quadrants in an Ansoff Matrix. Give relevant examples. 10

Roll No. _____

This question paper contains 3 printed pages

M.Com. Semester III Examination
(December 2017)
Paper No. 4301
Subject: Global Strategic Management

S. No. H4301M17

Duration: 3 Hours

Max Marks: 70

Instructions: Answer all the questions. All questions carry equal marks.

1(a) How can value-chain analysis help a company to identify its strengths and weaknesses? Explain with the help of a relevant corporate example. (10)

1(b) "An organization's ability to learn, and translate that learning into action rapidly, is the greatest competitive advantage" Discuss (Give suitable examples). (4)

OR

1(c) "Strategies that are formulated are not implemented in the intended way. Implementation require dropping some part of the strategy and adding some other elements." In the light of the above, explain the different types of strategies as suggested by Mintzberg & Waters (1985). (10)

1(d) Identify the various environmental factors influencing the following situations and explain their impact on respective industry:

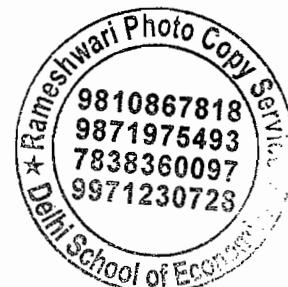
- i. The biggest bottling arm of the world's largest beverage maker Coco-Cola in India has posted its lowest sales and profit growth in three years, indicating that much as in the rest of the world consumers in the country are moving away from sugar-laden fizzy drinks
- ii. US based theme restaurant chain Planet Hollywood and pizza chain Little Caesars, are planning to enter India, investing an estimated \$1 billion and opening as many as 5,000 outlets over the next five years. (4)

2(a) Under Cost leadership Strategy, the firm outperforms its competitors by getting its costs of production or distribution lower than those of the other firms in its market. In the light of the above, discuss the pros and cons of Cost Leadership Strategies. (7)

2(b) Describe the various strategies followed by Market Followers with the help of examples. (7)

OR

2(c) Is it possible for a company to have a sustainable competitive advantage when its industry becomes hypercompetitive? Explain with the help of examples. What are the various strategies a company can adopt in Hyper-competitive industry? (10)



₹ 30/=

2(d) A Ltd. is the largest consumer electronics retailer in the United States. The company competes aggressively on price with such rivals as Costco Wholesale, Sam's Club, Walmart, and Target, but it is also known by consumers for its first rate consumer service and knowledgeable staff. Its consumers also appreciate that demonstration models of PC monitors, digital media players and other electronics are fully powered and ready for in-store use. A Ltd. Geek Squad tech support and installation services are additional customer service features that are valued by many customers. How would you characterize its competitive Strategy? Explain. (4)

3(a) "Diversification and Globalization are keys to future." In view of the statement, explain various types of Diversification strategies (with examples). (7)

3(b) "The only thing of real importance for a leader is to create and manage culture". In the light of the above statement, describe the CAGE framework and its importance. (7)

OR

3(c) Explain the kind of corporate level strategies which might be used in the following cases:

- i. An old company had been facing financial issues for many years and is willing to give up its independence in exchange for security.
- ii. Textile firm Arvind Ltd. forays into e-commerce space with custom clothing brand 'Creyate'. (3.5*2=7)

3(d) "International strategy or localization strategy may not be viable in the long term, so, to survive, companies need to shift towards a different type of global strategy. For example, Procter & Gamble has moved from a localization strategy to more of a transnational strategy in recent years." In the light of above statement, describe the type of competitive pressures that exists in global marketplace which force companies to evolve their strategies. (7)

4(a) Because of low labor costs, your company has established a manufacturing subsidiary in Southern China. At the local minimum wage, employees work 10-hour days (sometimes 12-hour days due to mandatory overtime), six days a week. The factory does not adhere to the same standards for environmental protection and employee safety as those mandated in your home nation. You are concerned with the substandard working conditions and environmental protection and ask the expatriate manager heading operations if something should be done to improve conditions. He argues that he is complying with all local regulations and laws. Moreover, he notes that the company established this subsidiary to have a low-cost manufacturing base. Improving working conditions and environmental standards beyond those mandated by local laws would not be consistent with this goal. Is his position ethical? What are the potential negative consequences of continuing operations in this manner? What benefits might there be to improve conditions beyond local standards? (7)

4(b) "Company strategies can't be implemented or executed well without instituting best practices and continuous improvement to carry out business operations." Do you agree? Explain with suitable examples. (7)

OR

4(c) You work for a US-based textile company struggling with overseas competitors that have access to low-cost labor. While you pay your factory workers \$14 an hour plus benefits, you know that a similar textile mill in Vietnam is paying its employees about \$0.50 an hour, and the mill does not have to comply with the same safety and environmental regulations that your company does. Although your mill is marginally profitable, the Vietnamese factory clearly has a cost advantage. Your CEO wants to move production to Central America or Southeast Asia where labor and compliance costs are lower, resulting in mill closure and employee layoffs. Your mill is the only large employer in a small community. Many of the employees have worked there their entire working lives. What is the right action to take for stakeholders? What other strategies could be pursued to achieve low cost? (7)

4(d) "Strategy Formulation is an entrepreneurial activity based on strategic decision making while Strategic Implementation is mainly an administrative task based on strategic and operational decisions." Comment. (7)

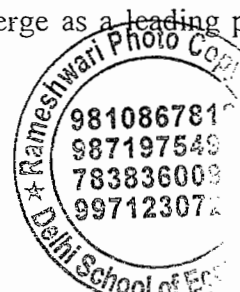
5. Case Study

FMCG major ITC has ventured into the packaged fresh fruits and vegetables segment with the launch of a new brand called Farmland. The company will unveil four variants of potatoes as its first product under the brand, which will soon be launched in Delhi, followed by other key metros. In the long term, the company plans to expand the range of fresh fruits and vegetables under the brand and may also look at launching apples by the next quarter. Farmland potatoes will be available in about 1,000 stores in the next two-three months in Delhi. They will be sold not just through modern stores and e-commerce but we will also tap a large number of neighborhood stores. Company management is of the view that the fresh fruits and vegetables were a fundamental part of a consumer's food basket and also key to providing enhanced incomes to farmers who are an integral part of ITC's farm-to-fork value chain. Farmland will provide safe and nutritious fruits and vegetables for consumers, while opening up a new value-added segment for farmers for enhanced income.

The four introductory Farmland potato variants include naturally low-sugar potatoes, potatoes with natural anti-oxidant, baby potatoes and potatoes for French fries. The company said these will be priced at 10-15 per cent premium over local prices, adding that Farmland products would not see fluctuations in prices, as seen in the market. The total market for table potatoes in India in consumer spend terms is valued at 70,000 crore, with consumption in metros and mini-metros alone close to 5,000 crore, which is what ITC's Farmland Potatoes range will address in the first phase.

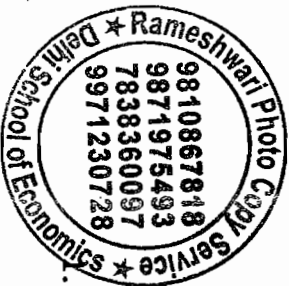
The company said it would leverage the strengths that it had acquired over the years in the potato category, with access to 250 varieties and strong supply linkages.

- a) What type of corporate level strategy the company is trying to follow and why? What are the benefits of adopting such a strategy? (5)
- b) What will be the impact of this strategy on their competitors and what all alternatives are available to them to deal with it? (4)
- c) Explore future strategies that ITC can adopt to emerge as a leading player in the fresh fruits and vegetables market. (5)



In 2014, India was OnePlus's fourth-largest market, outside of China, the US, and Europe. More than 60% of the company's sales in 2014 were outside China including 32% in Europe (Austria, Belgium, Denmark, Finland, France, Germany, Italy) In February 2016, India surpassed the US to become the second largest smartphone market after China in terms of active unique smartphone users with the total base crossing 220 million users. According to a study by leading technology company Cisco Systems Inc India was expected to have a smartphone user base of over 650 million by 2019.

- (i) Evaluate OnePlus's globalization strategy and its entry and expansion strategy in India. 5
- (ii) Understand the factors that contributed to the success of OnePlus in India. 5
- (iii) Identify the issue and challenges faced by OnePlus in its key growth market India and explore strategies that the company might adopt to sustain itself in this market. 5
- (iv) Explore future strategies that OnePlus can adopt to emerge as a leading player in the Indian smartphone market. 5



[This question paper contains 8 printed pages]

Your Roll No. :

Sl. No. of Q. Paper : 9256 H

Unique Paper Code : 4301

Name of the Course : M.Com. (SOL)

Name of the Paper : Global Strategic Management

Semester : III

Time : 3 Hours Maximum Marks : 100

Instructions for Candidates :

- (a) Write your Roll No. on the top immediately on receipt of this question paper. 10
- (b) Answer all questions.
- (c) All questions carry equal marks.
- (a) Why was it profitable for GM and Ford to integrate backward into component-parts manufacturing in the past and why are both companies now buying more of their parts from outside suppliers ? 10
- (b) Explicate various environment factors impacting the strategic management process of an organization. 10

OR

Comment on the following with suitable examples : 5×4=20

- (i) "A brilliant strategy can put a firm on the competitive map, but only solid execution can keep it there."
- (ii) "Even though a distinctive competency is considered to be corporations' key strength, a key strength may not always be a distinctive competency."
- (iii) "It is possible for a company to be the lowest cost producer in its industry and simultaneously have an output that is valued by customers."
- (v) "Turnaround is all about converting a negative situation into a positive situation."

2. (a) Explain the BCG Matrix. Identify the following products of Google Company in which quadrant of BCG matrix do they fall into : 10

- (i) Google Search Engine
- (ii) Google Ads
- (iii) Google Wallet
- (iv) Google Nexus Phone

(b) "Structure follows strategy and strategy follows structure." Comment upon the statement. 10

2

OR

(a) Explain the different kinds of Porter's generic competitive strategies. State the type of competitive strategy which might be used in the following cases :

- (i) Small burger place in crowded college and
- (ii) 'Disney channel' a TV channel has identified a profitable audience niche in the electronic media. It has further exploited that niche through the addition of new channels like 'Disney junior'. 10

(b) In managing their growth through the life cycle, what strategies should be made by (i) corporations in a strong competitive market position and (ii) corporations in a weak competitive position ? Elucidate with the help of real life examples. 5×2=10

3. (a) "Without Business policy and Strategy, an organization is like a ship without rudder, going around in circle. It's like a tramp, it has no place to go". Comment with relevant examples. 10

(b) "A mature industry is commonly dominated by a small number of large companies whose objective is to collectively reduce the strength of industry competition to preserve

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both company and industry profitability.” Explain the alternative strategies such companies can adopt to achieve the above said objective. 10

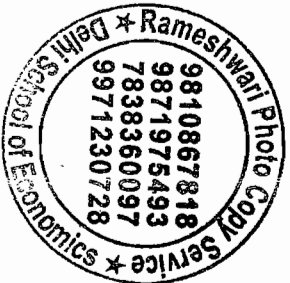
OR

Identify and explain the international entry modes to be adopted in the following cases : 5×4=20

- (i) Dell offers Microsoft Office on its laptops.
- (ii) Gold Worth Rs. 70,000 Crore Shipped To India From Switzerland.
- (iii) Amazon Ties Up with IT Billionaire Murthy of Infosys to Launch E-Commerce in India.
- (iv) Subway is expanding to four new countries.
- (v) Amazon may set up data centre in India. 5×2=10

4. (a) “Good strategy execution requires a team effort. All managers have strategy executing responsibility in their areas of authority and all employees are active participants in the strategy execution process.” In the light of above, discuss in brief, various measures which management should take to execute strategy effectively. 10

4



(b) Identify and explain, the type of corporate level strategy followed in the following cases:

- (i) Heidelberg Cement announced that its US subsidiary has entered into an agreement with a US subsidiary of Cemex to buy Cemex's northwest materials business consisting of aggregate, asphalt and ready mix concrete operations in Washington. 5

- (ii) Reliance Jio allowed its users to have unlimited access to LTE data, voice and messaging services free of cost. 5

OR

Write short notes on the following : 5×4=20

- (i) McKinsey 7S Framework
- (ii) CSR and strategy
- (iii) SWOT analysis of any automobile company
- (iv) Vision and Mission

5. Read the following case and answer the questions that follow.

One Plus, a Shenzhen, China-based technology start-up whose sleek smartphones with their killer price tags and by-invite exclusivity made a splash in 35 countries globally in late 2013, had trained its sights on India, the world's

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fastest-growing smartphone market. In India, OnePlus positioned itself to appeal to users of high-end phones and undercut rival products on price, despite closely matching them on specifications. The Company, which was launched in India in December 2014, had sold close to one million smartphones in the country by the end of 2015. Going forward, it planned an aggressive expansion in India, considered to be one of its biggest markets.

One Plus was co-founded in late 2013 by former OPPO executives Lau and Carl Pei (Pei). With its "Never Settle" motto, OnePlus aimed at providing the best possible technology to users globally by creating elegantly designed smartphones with premium build quality and high performance hardware. The business model of OnePlus was built around razor-thin margins that focused on selling phones on low margins, monetizing instead on software and services and applications. OnePlus minimized overhead costs by manufacturing fewer units and limiting its inventory. India, with its population of 1.2 billion as of 2014, was the world's fastest-growing smartphone market. A growing middle class with an increased disposable income and a surge in the population using the internet had turned India into a lucrative market for Chinese players who offered cheaper alternatives to high-end iPhones or Samsung devices. Initially, OnePlus did not intend to enter the Indian market. However, it noticed that thousands of OnePlus

devices were being shipped from China and the US to India. Moreover, when the company organized a fan gathering in India in August 2014, it was surprised to find that around 70% of the attendees already owned OnePlus device, Sensing the demand for its product in the country, the company launched its first flagship device, the OnePlus One, in India in December 2014. Priced at Rs. 21,999 (US\$328), OnePlus One boasted of an industry leading design, superior build quality and top of the line specifications at a disruptive price.

One Plus initially faced some operational challenges in India. On December 16, 2014, the Delhi High Court ordered OnePlus to stop the shipping and sales of OnePlus One smartphones in India, acting on a complaint from Micromax Infromatics Ltd (Micromax), which claimed that OnePlus had infringed on its exclusive right to use the Cyanogen OS software and trademark in the Country. To tackle supply chain issues, cut production costs, and cater to the fast growing demand for its products in India, OnePlus decided to manufacture its devices locally in India. OnePlus's marketing tactic was to sell its phones to customers exclusively through invites that were handed out through various promotions and contests on social media networks, while OnePlus owners could also share invites with their family and friends.

Roll No. _____

This paper has 3 printed sheets.

M.Com Semester- III Examination (Regular)
(November/December 2016)
Paper no.- 4301
Subject-Global Strategic Management

S. No. 4301D16

Duration: 3 Hours

Max. Marks: 70

General Instructions:

Instructions: Answer all the questions. All questions carry equal marks.

1. Kenneth Andrews suggested strategic framework in order to explain activities that are required to be part of strategic thinking for any organization. Explain this framework with illustrations of the present times. (14)

OR

Michael Porter was of the view that operational effectiveness is necessary but not sufficient for organizational sustainability. In the light of this explain the concept of strategic intent and strategic fit. (14)

2. (a) 'International strategy or localization strategy may not be viable in the long term, so, to survive, companies need to shift towards a different type of global strategy. For example, Procter & Gamble has moved from a localization strategy to more of a transnational strategy in recent years.' In the light of above statement, describe the type of competitive pressures that exist in global marketplace which force companies to evolve their strategies. (7)

(b) Why do pioneering companies often unable to create a business model that allows them to be successful over time and remain the market leaders? (4)

(c) 'An organization's ability to learn, and translate that learning into action rapidly, is the greatest competitive advantage.' Discuss with suitable examples. (3)

OR

(d) Assume you operate in hotel industry in India. On the basis of CAGE framework, rank the following countries in which you should expand out of Brazil, Australia, Nigeria, and China. Explain with suitable reasons. (7)

(e) In managing their growth through the life cycle, what strategies should be made by:
i. corporations in an emerging industry; and
ii. corporations in a declining industry.

Elucidate with the help of real life examples.

(3.5*2=7)



3. (a) 'Harley Davidson, GM, Walt Disney, and Digital Equipment Corporation (DEC), among many others, which all at one time were held up as examples of managerial excellence, have gone through periods where their financial performance was poor and they clearly lacked any competitive advantage.' In the light of the above statement, explain why does a company lose its competitive advantage and fail? How can a company avoid failure and build a sustainable competitive advantage? (14)

OR

(b) 'CSR is no longer an accessory, but more a part of business.' In view of the above, explain the role of CSR in strategic management. (7)

(c) Discuss Porter's five forces model with reference to E-Commerce industry. What does the model tell you about the level of competition in this industry? (7)

4. 'Successful strategy formulation does not guarantee successful strategy implementation'. Comment on this statement and illustrate how important is resource allocation for better strategy implementation. (14)

OR

'Strategic evaluation is the process of determining the effectiveness of a given strategy in achieving the organizational objectives and taking corrective action whenever required'. In the light of this statement discuss the process of strategy evaluation and state the cautions to be taken while following the process. (14)

Read the following case and answer the questions that follow:

Maruti Suzuki (MS) has been losing share in the entry A car space, it has been expanding the share in the B segment, priced between Rs 5 lakh and Rs 12 lakh, led by new Baleno, Ciaz and Brezza. Encouraged by the strong response to the locally developed Vitara Brezza, MS is planning to develop a new-generation Alto to strengthen its hold in the entry car space. Having been challenged by the Renault Kwid, Alto's share in the entry-car segment has dropped to almost 40 per cent from 48 per cent, while the Kwid has managed to garner almost 20 per cent of the segment sales of 40,000-45,000 units a month.

The average monthly sales of the Alto has come down to 19,000-20,000 from 21,500 in the last fiscal year. On the other hand, Renault has seen the average monthly volumes of the Kwid almost doubling to 10,000 units. Another model in the segment, Hyundai's Eon, has seen a steeper fall in sales to about 3,000 units a month from an average 6,000 units last fiscal year. This is not the first time Maruti has faced competition in a specific segment.

MS has started work on the project, called Y1K. The new car is likely to be launched by the festive season of 2019 and it will be the most expressive Alto one has seen till date



and may even sport a crossover design. Since the car is going to be developed out of India, it will be tailored for the local market more than ever before. It is viewed that though the company has made strong headway in the premium end of the market with Baleno, VitaraBrezza and Ciaz, it does not want to lose sight of its bread-and-butter segment. As the largest carmaker, MS needs to have a solid option for the prospective buyer and Y1K is an initiative in that direction.

Alto will be developed on a fresh platform to meet new regulations. The hardware and technology will come from Suzuki, whereas assembly, designing, engineering and validation will be done by the Indian team with local inputs. The CEO of Suzuki Toshihiro Suzuki says that the company has big hopes of expanding its India market share further through intensifying product development and network development in India.

With every new competition, MS has raised the bar of competitiveness. It is also reported that there is some technical glitch in design engineering of Kwid and Renault has already called back more than 50,000 units from the customers.

- a. What kind of strategies MS is following in order to respond to competition? (4)
- b. 'Market development is more important than product development'. In the light of this statement analyse the above case and explain as to whether project Y1K shall be able to create new market. (6) →
- c. Whether calling back decision of Renault Kwid shall be an opportunity for MS to go for early launch of the new version of Alto? Comment and suggest alternative strategy. (4)



West Photo Co

School of Earth

(iii) Home appliances like washing machines and refrigerators

(iv) Movies (2.5×4=10)

(b) 'Businesses cannot be successful when the society around them fails.' In view of the above, explain the role of corporate governance and CSR in strategic management. (10)

OR

(c) ~~'A well drafted strategy can also miserably fail if it is not implemented efficiently.'~~ Comment and state the importance of leaders in strategy implementation. (20)

5. Write short notes on any two from the following :

~~(i) SWOT Analysis~~

(ii) Blue Ocean and Red Ocean strategy

(iii) Why Strategic Alliances fail

~~(iv) Strategic Control~~ (10×2=20)

(600)

[This question paper contains 4 printed pages.]

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Your Roll No.

2016

M.Com. (NC)/Sem. III

G

Paper No. 4301 : Global Strategic Management

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. (a) 'Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value.' In this context explain the importance of strategy in the changing business environment. (20)

OR

(b) Explain the concept of Distinctive Competence and distinguish it from Core Competence. (12)

(c) When is it advisable for a firm to choose market development over product development? Explain. (8)

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2. (a) What do you understand by Value chain analysis ? Explain and illustrate how an understanding of the value chain can help managers in a global organization meet the competing demands of operating on a global scale whilst facing the differing requirements of local markets. (10)
- (b) Is it possible for a company to have a sustainable competitive advantage when its industry becomes hypercompetitive ? Explain with the help of examples. What are the various strategies a company can adopt in Hyper-competitive industry ? (10)

OR

(c) Comment on the following :

- ~~(i)~~ 'Without a vision, an organization structure fails.'
- ~~(ii)~~ 'Once a firm successfully establishes itself at the point of its centre of gravity to obtain its Competitive Advantage, then it should move forward or backward along its value chain.'
- ~~(iii)~~ 'A sustainable strategic position requires Trade-Offs.'
- (iv) 'Emergent strategy can be more successful than intended strategies.' (5×4=20)

3. What is integration in relation to Strategic Management ? State the guidelines to be followed for Forward and Backward Integration. (20)

OR

- (b) State the need for GE matrix and distinguish it from BCG matrix. (12)
- (c) A company is enjoying market leadership in women cosmetics with 25% market share. It has capital surplus and is planning to expand its business. You are given the task of making a blueprint clearly identifying strategic options available for this firm. Suggest most appropriate option so that it does not disturb its current status. (8)

4. (a) Assume that you are in-charge of developing the strategy for a multinational company selling the products in some 30 different countries around the world. One of the issues you face is whether to employ a multicountry strategy, a transnational or a global strategy. Explain which strategy would make sense in case of the following products and why ?

- (i) Mobile phones
(ii) Footwear

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M. Com. Semester III
Paper 4301: Global Strategic Management

S. No. 4301151

Duration: 3 Hours

Max Marks: 70

Instructions: Answer all the questions. All questions carry equal marks.

1(a) Multiple Choice Questions

- (i) When an industry is growing and there are also significant opportunities of economies of scale:
- A) The firm should pursue horizontal integration
 - B) The firm should pursue forward integration
 - C) The firm should pursue foreign markets
 - D) The firm should pursue horizontal diversification
- (ii) The strategy of _____ generally means that the leading companies in an industry all have a product in each market segment, or niche, and compete head to head for customers.
- A) Leadership
 - B) Product proliferation
 - C) Product development
 - D) Non-price competition
- (iii) Firm X has decided to use an outside advertising agency for making advertisements which is located in premises of Firm X. This is an example of:
- A) Nearshoring
 - B) Offshoring
 - C) Inshoring
 - D) Outsourcing
- (iv) Which of the following statements is not true when describing a successful strategy?
- A) It provides some property that is unique or distinctive
 - B) It provides the means for renewing competitive advantage
 - C) It addresses changes in the external environment
 - D) It guarantees long term survival
- (v) In the context of strategic management, resources can be defined as:
- A) The knowledge and skills within the organisation
 - B) Something that an organization owns or controls that cannot be copied
 - C) Something that an organization owns, controls or has access to on a semi- permanent basis
 - D) The physical assets of the organization
- (vi) When a firm seeks the benefits of global integration and local adaptation, it is best described as which type of strategy?
- A) Transnational
 - B) Multi-national
 - C) Global
 - D) Global-local
- (vii) A company that produces commodity aluminium should pursue the following generic competitive strategy-
- A) Cost leadership
 - B) Differentiation
 - C) Growth
 - D) None of the above
- (viii) 'Logical incrementalism' can be described as:
- A) Careful design and planning
 - B) Emergent
 - C) Cautious resource allocation
 - D) Top management rational analysis
- (ix) Production operations capabilities to improve product and reduce costs and ability to share or reduce capacity is associated with which of the stage of industry life cycle?
- A) Growth
 - B) Decline
 - C) Introduction
 - D) Maturity
- (x) Select statement that best applies to emergent strategies. Emergent strategy _____
- A) implies deliberate evaluation and selection between different strategic options
 - B) implies an ability to react to events
 - C) implies no deviation from plans
 - D) implies constant evaluation of the 'bigger picture'



- (xi) The process of adding new products that could appeal to its current customer groups even though those new products may be technologically unrelated to the existing product lines is known as:
- A) Concentric Diversification C) Horizontal Diversification
 B) Conglomerate Diversification D) Vertical Diversification
- (xii) Which of the following statements is false? Formal strategic planning _____
- A) implies determined actions for achieving objectives
 B) is a time consuming process
 C) should develop clear and rigid plans for the organization to implement
 D) is most applicable in stable environments
- (xiii) According to Porter Five Forces model, the threat of substitutes will be higher under which of the following situation(s):
- A) The substitute is of better quality C) When switching costs are high
 B) The substitute is more expensive D) Both A & C
- (xiv) Which of the following would you not expect to see in vision statement?
- A) Descriptions of desirable future situations
 B) Motivational terminology
 C) Focus on the values to which the organization is committed
 D) What the organization seeks to do to reach desirable future states (0.5*14=7)

1(b) "It is no longer a company's ownership of capabilities which matters, but, what matters is its ability to make the most of available critical capabilities whether they reside inside or outside the company." In view of above, explain the steps involved in outsourcing process. (7)

OR

1(c) Identify the strategic decision making mode adopted in the following situations and support your answer with reasons.

- a. Wal-Mart recently has announced that it was significantly increasing its investment in e-commerce. It tacitly acknowledged that it had fallen far behind Amazon in the race for online customers.
- b. Nestle India announced a voluntary recall of the Maggi noodles on 5th June 2015, the same day national food regulator, Food Safety and Standards Authority of India (FSSAI) banned its sale alleging excessive levels of lead in it and mislabeling on the pack.
- c. Natural Ice Cream, which has over 12 outlets in India, is known for making artisan ice creams -- with fresh fruits, dry fruits, chocolates, milk and sugar- which do not contain any preservatives, stabilizers or artificial colors. It has partnered with Delhi-based mobile-only food and grocery retailer iOrderFresh to deliver ice cream products to the doorstep of customers in Delhi NCR. The tie-up with iOrderFresh will help Natural Ice Cream tap new customers and also serve its existing customers better. (7)

2(a) Best Buy is the largest consumer electronics retailer in the United States. The company competes aggressively on price with such rivals as Costco Wholesale, Sam's Club, Walmart, and Target, but it is also known by consumers for its first rate consumer service and knowledgeable staff. Best Buy consumers also appreciate that demonstration models of PC monitors, digital media players and other electronics are fully powered and ready for in-store use. Best Buy Geek Squad tech support and installation services are additional customer service features that are valued by many customers. How would you characterize Best Buy's competitive Strategy? Should it be classified as a low-cost provider, differentiation or hybrid strategy? Explain. (7)

2(b) "Company strategies can't be implemented or executed well without a number of support systems to carry out business operations." Do you agree? Explain with suitable examples. (7)

OR

2(c) "Structure follows strategy" or "strategy follows structure". Which one of these is true. Validate your point. (7)

2(d). How do strategic leaders effectively manage their firm's resource portfolio to exploit its core competencies and leverage the human capital and social capital to achieve a competitive advantage? (7)

3(a) State the type of offensive tactic highlighted in the following situations:

- (i) HUL introduces Knorr instant noodles to compete with Nestle Maggi.
- (ii) Reliance trends attacked on Shoppers stop, lifestyle, big bazaar in terms of fashion, features, user preferences and anything that might interest the consumer.
- (iii) Amazon attacked on FlipKart by purchasing URL www.bigbillionday.com- when users typed the URL www.bigbillionday.com on their browsers, they landed on the homepage of Amazon instead of Flipkart. (3)

3(b) Is it possible for a company to have a sustainable competitive advantage when its industry becomes hypercompetitive? Explain with the help of example. (4)

3(c) Explain the kind of corporate level strategies which might be used in the following cases:

- (i) An old established company in the airline industry had been facing financial issues for many years and hasn't paid its employees' salaries since August 2011.
- (ii) A pioneer computer firm after achieving incredible growth has decided to take a breathing spell. (3.5*2=7)

OR

3(d) Why was it profitable for GM and Ford to integrate backward into component-parts manufacturing in the past, and why are both companies now buying more of their parts from outside suppliers? What are the other ways through which a company can overcome limitations associated with vertical integration? (10)

3(e) Given below are few trends emerging in different sectors of macro environment in India. Describe their strategic implications for the stated businesses:

- (i) Rising interest rates- For banks and financial companies.
- (ii) Growing internet connections in India- For financial services and insurance companies.
- (iii) Increasing environmental concerns- For plastic industry.
- (iv) Scrapping CVD (Countervailing Duties) exemptions- For manufacturing sector in India. (4)

4(a) Assume that you are in- charge of developing the strategy for a multinational company selling the products in some 30 different countries around the world. One of the issues you face is whether to employ a multicountry strategy, a transnational or a global strategy. Explain which strategy would make sense in case of the following products and why?

- (i) Mobile phones
- (ii) Footwears
- (iii) Home appliances like washing machines and refrigerators
- (iv) Movies (3.5*4=14)

OR

4(b) "Businesses cannot be successful when the society around them fails." In view of the above, explain the role of CSR in strategic management. (7)

4(c) Write short notes on the following:

- (i) Blue Ocean Strategy
- (ii) Enhanced SWOT Analysis By Pearce and Robinson (2002) (3.5*2=7)

5. Read the following case and answer the questions that follow:

Recently, Starbucks', the ubiquitous coffee retailer, closed a decade of astounding financial performance. Sales had increased from \$697 million to \$7.8 billion and net profits from \$36 million to \$540 million. In 2012, Starbucks' was earning a return on invested capital of 25.5%, which was impressive by any measure, and the company was forecasted to continue growing earnings and maintain high profits through the end of the decade. How did this come about?

Thirty years ago Starbucks was a single store in Seattle's Pike Place Market selling premium roasted coffee. Today it is a global roaster and retailer of coffee with more than 12,000 retail stores, some 3,000 of which are to be found in 40 countries outside the United States. Starbucks Corporation set out on its current course in the 1980s when the company's director of marketing, Howard Schultz, came back from a trip to Italy enchanted with the Italian coffeehouse experience. Schultz, who later became CEO, persuaded the company's owners to experiment with the coffeehouse format—and the Starbucks experience was born.

Schultz's basic insight was that people lacked a "third place" between home and work where they could have their own personal time out, meet with friends, relax, and have a sense of gathering. The business model that evolved out of this was to sell the company's own premium roasted coffee, along with freshly brewed espresso-style coffee beverages, a variety of pastries, coffee accessories, teas, and other products, in a coffeehouse setting. The company devoted, and continues to devote, considerable attention to the design of its stores, so as to create a relaxed, informal and comfortable atmosphere. Underlying this approach was a belief that Starbucks was selling far more than coffee – it was selling an experience. The premium price that Starbucks charged for its coffee reflected this fact.

From the outset, Schultz also focused on providing superior customer service in stores. Reasoning that motivated employees provide the best customer service, Starbucks executives developed employee hiring and training programs that were the best in the restaurant industry. Today, all Starbucks employees are required to attend training classes that teach them not only how to make a good cup of coffee, but also the service oriented values of the company. Beyond this, Starbucks provided progressive compensation policies that gave even part-time employees stock option grants and medical benefits – a very innovative approach in an industry where most employees are part time, earn minimum wage and have no benefits.

Unlike many restaurant chains, which expanded very rapidly through franchising arrangement once they have established a basic formula that appears to work, Schultz believed that Starbucks needed to own its stores. Although it has experimented with franchising arrangements in some countries, and some situations in the United States such as at airports, the company still prefers to own its own stores whenever possible.

This formula met with spectacular success in the United States, where Starbucks went from obscurity to one of the best known brands in the country in a decade. As it grew, Starbucks found that it was generating an enormous volume of repeat business. Today the average customer comes into a Starbucks' store around 20 times a month. The customers themselves are a fairly well healed group – their average income is about \$80,000.

As the company grew, it started to develop a very sophisticated location strategy. Detailed demographic analysis was used to identify the best locations for Starbucks' stores. The company expanded rapidly to capture as many premium locations as possible before imitators. Astounding many observers, Starbucks would even sometimes locate stores on opposite corners of the same busy street – so that it could capture traffic going different directions down the street.

By 1995 with almost 700 stores across the United States, Starbucks began exploring foreign opportunities. First stop was Japan, where Starbucks proved that the basic value proposition could be applied to a different cultural setting (there are now 600 stores in Japan). Next, Starbucks embarked upon a rapid development strategy in Asia and Europe. By 2001, the magazine *Brandchannel* named Starbucks' one the ten most impactful global brands, a position it has held ever since. But this is only the beginning. In late 2006, with 12,000 stores in operation, the company announced that its long term goal was to have 40,000 stores worldwide. Looking forward, it expects 50% of all new store openings to be outside of the United.

- a) What business level strategies at Starbucks' help the company to achieve superior financial performance? (4)
- b) Identify the resources, capabilities and distinctive competencies of Starbucks? How do Starbucks' resources, capabilities and distinctive competencies translate into superior financial performance? (6)
- c) How secure is Starbucks' competitive advantage? What are the barriers to imitation here? (4)

with staples such as *The Real World* having equivalents in different countries, an increasing share of programming is local in conception. In Italy, *MTV Kirchen* combines cooking with a music countdown. The Indian channel produces 21 homegrown shows hosted by local veejays who speak "Hinglish", a city-bred breed of Hindi and English. Hit shows include *MTV Cricket in Control*, appropriate for a land where cricket is national obsession; *MTV Housefull*, which hones in on Hindi film star ; and *MTV Bakra*, which was modelled after *Candid Camera*. This localization push reaped big benefits for MTV, allowing the network to capture viewers back from local imitators. In India, for example, ratings increased by more than 700 % between 1996. when the localization push began. and 2000. In turn, localization helps MTV to capture more of those all-important advertising revenues. even from other multinational such as Coca-Cola. whose own advertising budgets are often locally determined.

(a) What strategy did MTV pursue when it initially started to expand internationally? What assumptions were managers at MTV making about foreign markets at that time? (10)

(b) Which strategy does MTV pursue in current scenario? What are the benefits and costs of this strategy? (10)

(700)

[This question paper contains 8 printed pages.]

2876

Your Roll No. 2915

M.Com. (NC)/ Sem. III F

Paper No. 4301 : Global Strategic Management

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

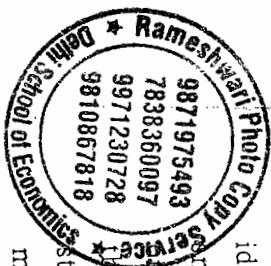
1. (a) "Some decisions are made in a flash by one person (entrepreneur or CEO) who has brilliant insight and is quickly able to convince others to adopt his idea. Other decisions develop out or a series of small choices that over time pushes an organization move in one direction." In view of this statement, describe the various modes or strategic decision-making process and identify the modes adopted by the following organizations:

(i) Delhi University

(ii) Flipkart

(iii) Hewlett-Packard

P.T.O.



(iv) Facebook (10)

(b) Discuss Porter's five forces model with reference to any industry. What does the model tell you about the level of competition in this industry? (10)

OR

(c) What are the elements of the strategic management process? How are they interrelated? (10)

(d) How can each one of the business level strategies be used to position the firm relative to the five forces of competition in a way that helps the firm earn above-average returns? (10)

(iv) Larsen & Toubro will reorganise its operation into 9 business verticals as the conglomerate seeks to simplify its structure to better manage growth.

(v) Compaq acquired DEC and itself was acquired by HP, (5×4=20)

OR

(b) Comment on the following *lean centric*

(i) "Even though a distinctive competency is considered to be corporations' key strength, a key strength may not always be a distinctive competency."

(ii) "Emergent strategy can be more successful than intended strategies"

(iii) "It is possible for a company to be the lowest cost producer in its industry and simultaneously have an output that is valued by customers."

(iv) "Without a vision, an organization structure fails," (4×5=20)

3. (a) Stihl is the worlds leading manufacturer and marketer of chain saws with annual sales P.T.O.

(iii) In order to protect the quality of burgers In India, McDonalds source the potatoes used in the burgers from Punjab.

Madhya

(i) McDonald's starting a new coffee chain McCafe.

(ii) Bank or America Corp cut 16,000 jobs as it speeds up a company-wide cost-cutting initiative amid declining revenues.

2. (a) Identify and explain the kind of corporate level strategies which might be used in the following cases:

exceeding \$2 billion. With innovations, the company holds over 1,000 patents related to chain saws and outdoor power tools. The company's products are sold at price points well above competing brands and are sold only by its network of 8,000 independent dealers. How would you characterize Stihl's competitive strategy? Also, has the company chosen to concentrate on a narrow market or does it appear to pursue a broad market approach? Explain your answer by giving advantages and disadvantages of such a strategy. (10)

(b) In managing their growth through the life cycle. What strategies should be made by.

(i) corporations in a strong competitive market position and

(ii) corporations in a weak competitive position? Elucidate with the help of real life examples. (5×2=10)

OR

(c) "A brilliant strategy can put a firm on the competitive map, but only solid execution can keep it there." In the light of the statement, explain the difference between strategy formulation and strategy implementation? (10)

(d) An old established company in the tea industry having nation-wide marketing outlets and creditable export performance recently decided to follow a combination strategy of internal growth with diversification by adding a new product line consisting of processed food items. State and explain the possible reason that prompted the company to adopt the strategy. (5)

(e) What is the effect of strategic leadership on determining the firm's strategic direction? (5)

4. Write short notes on the following (any two):

~~(a)~~ Balanced Scorecard

~~(b)~~ BCG Matrix

(c) Business Model

(d) Vision and Mission (10×2=20)

5. Read the following case and answer the questions that follow:

MTV Networks

MTV networks has become a symbol of globalization. Established in 1981, the United States based TV

P.T.O.

network has been expanding outside of its North American base since 1987 when it opened MTV Europe. Now owned by media conglomerate Viacom, MTV Networks which includes Nickelodeon and VH1, the music station for the aging baby-boomers, generates more than \$2 billion in revenues outside the United States. Since 1987, MTV has become the most ubiquitous cable programmer in the world. By the late 2000s, the network reached some 450 million households, some 300 million of which were in 140 countries outside the United States. Despite its international success, MTV's global expansion got off to a weak start. In 1987, when most of MTV's fare still consisted of music videos, it piped a single feed across Europe almost entirely composed of American programming with English speaking hosts. Naively, the networks American managers thought Europeans would flock to the American programming. But while viewers in Europe shared a common interest in a handful of global superstars, who at the time included Madonna and Michael Jackson, their tastes turn out to be surprisingly local. What was popular in Germany might not be popular in Great Britain. Many staples of the American music scene left Europeans cold. MTV Networks suffered as a result. Soon local copy cat stations were springing up in Europe that focused on the music scene in individual countries. They took viewer and advertisers away from MTV.

In 1995 MTV changed its strategy and broke Europe in regional feeds. There are approximately 25, including feeds for the United Kingdom and Ireland; another for Germany, Austria, and Switzerland; one for Italy; one for France; one for Spain; one for Holland; and one for Russia. The network adopted same localization strategy elsewhere in the world. For example in Asia it has 10 feeds: and English-Hindi channel for India; separate Mandrine feeds for China and Taiwan; a Korean feed for South Korea; a Bahasa-language feed for Indonesia and so on. Digital and satellite technology have made the localization of programming cheaper and easier. MTV network can now beam a half dozen feeds off one satellite transponder.

Although MTV Networks exercises creative control over these different feed, and all the channels have the same familiar frenetic look and feel of MTV in the United States, a significant share of the programming and content is now local. When MTV opens a local station, it begins with expatriate from elsewhere in the world to do a "gene transfer" at company culture and operating principles. Once these are established, however the network switches to local employee and the expatriates move on. The idea is to produce programming that matches with the tastes of consumers. Although many of the programming ideas still originate in the United States, P.T.O.

This contains four printed pages

M.COM Semester III
Paper No. 6301
Strategic Management

S.No.:6301141

Duration: 3 Hours

Max Marks: 70

Instructions: Answer all the questions. All questions carry equal marks.

1a. "Formal strategic planning systems are irrelevant for firms competing in high technology industries; where the pace of change is so rapid that plans are routinely made obsolete by uncertain events". Comment with examples. (7)

1b. Explicate the various environmental factors impacting the strategic management process of an organization. (7)

OR

1c. Identify and explain the international entry modes to be adopted in the following cases:

- i. Dell offers Microsoft Office on its laptops.
- ii. Lava to soon shift manufacturing base from China to India.
- iii. Gold Worth Rs 70,000 Crore Shipped To India From Switzerland.
- iv. Amazon Ties Up With IT Billionaire Murthy Of Infosys To Launch E-commerce In India.
- v. Starbucks opens its first store in India in Hyderabad, where the coffee it uses comes from Tata.
- vi. Apple transports 55000 iPhone 6 units for launch in India to avoid shortage.
- vii. Amazon may set up data centre in India. (7)

1d. "Tata group has outlined its strategy of nurturing group companies by leveraging the parenting advantage of the group centre, harnessing synergies to maximize the performance of companies and optimizing its portfolio for sustained future performance. To carry forward this mission in the near term, the group has adopted a vision, to be achieved by 2025." Elaborate the concepts and hierarchy of strategic intent in context of Tata group. (7)

2a. State the type of offensive tactics highlighted in the following situations:

- i. Procter & Gamble began a program of extensive market research to promote its spray cleaning product called Cinch. Wilson Harrell, owner of Formula 409 (small cleaning spray company), knew that Procter & Gamble would perform test market research. He began a program where he reduced advertising expenditures in Denver and stopped promoting his Formula 409. P&G immediately begin a national sales campaign. However, before the company could begin, Harrell introduced a promotion of his own. He took the Formula 409 sixteen-ounce bottle and attached it to a half-gallon size bottle. He then sold both at a significant discount. This quantity of spray cleaner would last the average consumer six to

nine months. As a result, the market for Procter & Gamble's Cinch was significantly reduced.

- ii. Pepsi introduced slice real fruit to compete with Sprite, Fanta, etc.
- iii. Google's attack on Yahoo in areas like search engine, news, chat, mail, etc.
- iv. Amazon attacked on FlipKart by purchasing URL www.bigbillionday.com- when users typed the URL www.bigbillionday.com on their browsers, they landed on the homepage of Amazon instead of Flipkart.
- v. Samsung Galaxy Note 4 attack on Apple iPhone 6 Plus in terms of pricing, features, user preferences and anything that might interest the consumer.
- vi. Toshiba used superior technology to upgrade picture quality standards to launch a new range of televisions which used flat square tube technology.
- vii. IBM became the market leader in the 1950's, and many other companies attempted to emulate IBM, but IBM continued to hold a majority market share. In the 1960's Digital Equipment Corporation launched the PDP-8 minicomputer, winning the position of small computers. (7)

2.b Other things being equal, why do some organizations perform better than other organizations when competing in the same industry? (7)

OR

2c. "Bad corporate governance leads to bad strategy formulations and implementation." In view of above, discuss the responsibilities and role of Board of Directors and top management in strategic management process. (7)

2d. Comment on the following:

- i. "Even though a distinctive competency is considered to be corporation's key strength, a key strength may not always be a distinctive competency."
- ii. "A sustainable strategic position requires Trade-Offs" (3.5*2 = 7)

3a. Stihl is the world's leading manufacturer and marketer of chain saws with annual sales exceeding \$2 billion. With innovations, the company holds over 1,000 patents related to chain saws and outdoor power tools. The company's products are sold at price points well above competing brands and are sold only by its network of 8,000 independent dealers. How would you characterize Stihl's competitive strategy? Also, has the company chosen to concentrate on a narrow market or does it appear to pursue a broad market approach? Explain your answer by giving advantages and disadvantages of such a strategy. (7)

3b. Explain the BCG Matrix. Identify the following products of Google Company in which quadrant of BCG matrix do they fall into:

- i. Google Search Engine
- ii. Google Ads
- iii. Google Wallet
- iv. Google Nexus Phone (3+4=7)

OR

3c. Explain the levels and types of diversification for the following companies:

- i. Nestle
- ii. General Electric

- iii. Haldiram
- iv. Bajaj Auto
- v. Hindustan Unilever
- vi. Sony Corporation
- vii. Facebook after acquiring WhatsApp

(7)

3d. "Good strategy execution requires a team effort. All managers have strategy executing responsibility in their areas of authority and all employees are active participants in the strategy execution process." In the light of above, discuss in brief, various measures which management should take to execute strategy effectively. (7)

4. Write short notes on the following (*any two*)

- a. Blue Ocean Strategy
- b. Six Sigma
- c. CSR and strategy

(7*2 = 14)

5. Read the following case and answer the questions that follow:

Amway, Tupperware issue notices to e-commerce sites to halt sale of their products

139 Direct selling firms are facing the heat from online retailers. Amway, Tupperware and Oriflame have issued notices to e-commerce sites including Snapdeal, Flipkart and eBay, asking them to stop selling their products.

The merchandise of these three direct sellers is not only offered at discounts as high as 40% but also bypass and strike at the very heart of the direct-sales distributor model that these firms follow globally.

"Oriflame products are not allowed to be sold by unauthorized persons, entities and means and we have issued notices to these e-commerce platforms that are selling our products. The sale of our products on these online platforms not only diverts sales from our distributors but also undermines the essence of direct selling as a proposition," Vivek Katoch, director - corporate affairs at Oriflame, maker of cosmetics and personal grooming products commented.

Katoch said from a consumer point of view, some products need recommendations and usage details, which is not possible with online sales.

Tupperware, which sells plastic storage containers, too, has written to e-commerce sites. "We have written to many of the e-commerce sites informing them about the disruption they are causing to our distributors and sales force and requested them to stop selling our products on their websites," Tupperware CMO Chandan Dang said.

Dang added that the easy availability of discounted products on e-commerce sites has been disruptive for the firm's distributors and sales force and is hitting their earnings. The emergence of e-commerce sites, which are online marketplaces where vendors can sell a range of products, has disrupted

traditional models of retailing. Earlier, some manufacturers had warned shoppers against buying their products from e-commerce sites, which they said were not authorized sellers.

Snapdeal, which has a network of more than 50,000 merchants and brands, said all vendors on its site are registered only after their applications are reviewed. "Snapdeal.com is an online marketplace where businesses can list and sell their products across diverse categories. All sellers are screened and registered businesses.

The decision on the pricing solely rests with the sellers," a spokesperson for Snapdeal said. The direct selling industry, with estimated sales of Rs 7,000 crore and growing at 12-14%, is one of the fastest-growing non-store retail formats in the country.

Amway business owners are the 'only' authorized sellers of Amway products. The firms have also written to the government through the Indian Direct Sellers Association (IDSA) to issue clear guidelines on this matter to protect the industry.

- a. Explain the five forces model for the current e-commerce industry in India. (5)
- b. What all alternative strategies are available to Amway, Tupperware and Oriflame to deal with the current state of competition from e-commerce giants? (5)
- c. What is the business model being adopted by Amway and Tupperware? Explain. In your opinion, will they be able to achieve sustainable competitive advantage with their current business model? Suggest. (4)

SOL

Roll No.. 2014

This paper has three printed pages

M.COM 2014
Semester III
Paper No. 6301
Strategic Management

E

S.No.....

Duration: 3 Hours

Max Marks: 100

Instructions: Answer all the questions. All questions carry equal marks.

1a. What do you understand by Value chain analysis? Explain and illustrate how an understanding of the value chain can help managers in a global organization meet the competing demands of operating on a global scale whilst facing the differing requirements of local markets. (10)

1b. Do all companies succeed and grow overtime and achieve corporate mortality? Explain with relevant examples. (10)

OR

1c. Discuss in brief the various measures which management should take to execute strategy effectively. (10)

1d. Explain the Ansoff Product-Market strategies with relevant examples. (10)

2a. Explain the different kinds of *business level strategies*. State the type of business level strategy which might be used in the following cases:

- i. Small pizza place in crowded college, and
- ii. Detergent manufacturing seeking to bring out new product in an established market
- iii. New mobile phone company (20)

OR

2b. Discuss Porter's five forces model with reference to any industry. What does the model tell you about the level of competition in this industry? (20)

3a. "Structure follows strategy and strategy follows structure." Comment upon the statement. (10)

3b. "Deliberate and emergent strategies may be conceived as two ends of a continuum along which real-world strategies lie." Give justifications in support of your answer. (10)

OR

3c. A textile manufacturing company is seriously considering a proposal for diversifying its operations and entering the garment business lured by the rapid growth in demand and export potentials. You are required to advise the company with justification and alternative strategic possibilities. (10)

3d. "Without Business policy and Strategy, an organization is like a ship without rudder, going around in circles. It's like a tramp, it has no place to go". Comment with relevant examples. (10)

4. Write short not on the following (*any two*)

- a. BCG Matrix
- b. McKinsey 7S Framework
- c. SWOT analysis of any food chain

(10*2 = 20)

5. Read the following case and answer the questions that follow:

Google, the fast growing Internet search engine company, was established with a clear mission in mind: to organize the world's information and make it universally acceptable and useful. This mission has driven Google to create a search engine that on the basis of key words entered by the user will scan the web for text, images, videos, news articles, books, and academic journals, among other things. Google has built a highly profitable advertising business on the back of its search engine, which is by far the most widely used in the world. Under the pay-per-click business model, advertisers pay Google every time a user of its search engine clicks on one of the paid links typically listed on the right hand side of Google's results page.

Google has long operated with the mantra "don't be evil"! When this phrase was originally formulated, the central message was that Google should never compromise the integrity of its search results. For example, Google decided not to let commercial considerations bias its ranking. This is why paid links are not included in its main search results, but listed on the right hand side of the results page. The mantra "don't be evil", however, has become more than that at Google; it has become a central organizing principle of the company and an ethical touchstone by which managers judge all of its strategic decisions.

Google's mission and mantra raised hopes among human rights activities that the search engine would be an unstoppable tool for circumventing government censorship, democratizing information, and allowing people in heavily censored societies to gain access to information that their governments were trying to suppress, including the largest country on earth, China.

Google began a Chinese language service in 2000, although the service was operated from the United States. In 2002, the site was blocked by the Chinese authorities. Would be users of Google's search engine were directed to a Chinese rival. The blocking took Google's managers totally by surprise. Reportedly, co-founder Sergey Brin immediately ordered half a dozen books on China and quickly read them in an effort to understand this vast country. Two weeks later, for reasons that have never been made clear, Google's service was restored. Google said that it did not change anything about its service, but Chinese users soon found that they could not access politically sensitive sites that appeared in Google's search results, suggesting that the government was censoring more aggressively. (The Chinese government has essentially erected a giant firewall between the internet in China and the rest of the world, allowing its censors to block sites outside of China that are deemed subversive).

By late 2004, it was clear to Google that China was a strategically important market. To exploit the opportunities that China offered, however, the company realized that it would have to establish operations in China, including its own computer servers and a Chinese home page. Serving Chinese users from the United States was too slow, and the service was badly degraded by the censorship imposed. This created a dilemma for the company given the "don't be evil" mantra. Once it established Chinese

operations, it would be subject to Chinese regulations, including those censoring information. For perhaps 18 months, senior managers inside the company debated the pros and cons of entering China directly, as opposed to serving the market from its U.S. site. Ultimately, they decided that the opportunity was too large to ignore. With over 100 million users, and that number growing fast, China promised to become the largest Internet market in the world and a major source of advertising revenue for Google. Moreover, Google was at a competitive disadvantage relative to its U.S. rivals, Yahoo and Microsoft's MSN, which had already established operations in China, and relative to China's homegrown company, Baidu, which leads the market for Internet search in China (in 2006 Baidu had around 40% of the market for search in China, compared to Google's 30% share).

In mid 2005, Google established a direct sales presence in China. In January 2006, Google rolled out its Chinese home page, which is hosted on servers based in China and maintained by Chinese employees in Beijing and Shanghai. Upon launch, Google stated that its objective was to give Chinese users "the greatest amount of information possible". It was immediately apparent that this was not the same as "access to all information". In accordance with Chinese regulations, Google had decided to engage in self-censorship, excluding results on such politically sensitive topics as democratic reform, Taiwanese independence, the banned Falun Gong movement, and references to the notorious Tiananmen Square massacre of democratic protestors that occurred in 1989. Human rights activists quickly protested, arguing that Google had abandoned its principles in order to make greater profits. For its part, Google's managers claimed that it was better to give Chinese users access to a limited amount of information, than to none at all, or to serve the market from US and allow the government to continue proactively censoring its search results, which would result in a badly degraded service. Sergey Brin justified the Chinese decision by saying that "it will be better for Chinese web users, because ultimately they will get more information, though not quite all of it". Moreover, Google argued that it was the only search engine in China that let users know if search results had been censored (which is done by the inclusion of a bullet at the bottom of the page indicating censorship).

- 143
- a. How does Google's mission drive strategy at the company? (5)
 - b. Is Google's stance toward Internet search in China consistent with its mission? (5)
 - c. Do you think that Google should have entered China and engaged in self-censorship, given the company's long-standing mantra "Don't be evil"? Is it better to engage in self-censorship than have the government censor for you? (5)
 - d. If all foreign search engine companies declined to invest directly in China due to concerns over censorship, what do you think the results would be? Who would benefit most from this action? Who would lose the most? (5)

This paper contains three printed pages

Roll No. 2013

M.COM 2013
Semester III
Paper 6301: Strategic Management

S. No. 6301131

Duration: 3 Hours

Max Marks: 70

Instructions: Answer all the questions. All questions carry equal marks.

1a. "Without Business policy and Strategy, an organization is like a ship without rudder, going around in circles. It's like a tramp, it has no place to go" In light of the above statement, explain with examples why do some companies succeed and others fail over a period of time in the same industry? (7)

1b. "Without a vision, an organization structure is unsuccessful." Do you agree? Support your answer with relevant examples. (7)

OR

1c. What is corporate governance? Why is the concept of corporate governance gaining prominence across its world in recent years? (7)

1d. "CSR is coming out of the purview of doing social good and is fast becoming a business necessity." Comment with examples. (7)

2. Read the following statements and explain the environmental factors impacting the situation: (4X3.5=14)

- i. Onion prices are starting to read like Sachin Tendulkar's fast-ticking scorecard but there is no joy for the nation in this unwanted century. Onion prices touch Rs. 100 per kg.
- ii. Exactly a month after a bug-ridden early version of BBM for Android leaked, and took a wrecking ball to BlackBerry's #BBM4ALL party, BBM (BlackBerry Messenger) for Android is finally here.
- iii. The world's fastest-growing energy market China and world's biggest oil producer Russia have strengthened their business ties after signing 21 trade agreements, including a new 100 million ton oil supply deal with China's Sinopec.
- iv. This year, vendors and companies specializing in corporate gifts are a worried lot as orders have shrunk by nearly 30 per cent as big buyers cut down on non-essential spending.

OR

2. "IBM, GM, American Express, Digital Equipment Corporation (DEC), and Sears, among many others, which all at one time were held up as examples of managerial excellence, have gone through periods where their financial performance was poor and they clearly lacked any competitive advantage." In the light of the above statement, explain why does a

company lose its competitive advantage? How can a company avoid such failure and build a sustainable competitive advantage? (14)

3a. "Structure follows strategy and strategy follows structure." Comment upon the statement. (7)

3b. If an organization's portfolio of business comprises some dogs, what are the options open to it according to the BCG model? State the circumstances in which an organization might be prepared to tolerate dog businesses. (7)

OR

3c. "A brilliant strategy can put a firm on the competitive map, but only solid execution can keep it there." Comment. (7)

3d. Explain the kind of business level strategies which might be used in the following cases: (3.5*2=7)

- i. small pizza place in crowded college, and
- ii. detergent manufacturing seeking to bring out new product in an established market.

4. Write short notes on the following (*any two*)

- a. McKinsey 7S framework
- b. Intended and emergent strategies
- c. Balanced Score Card

5. Read the following case and answer the questions that follow:

Titan rebrands to reflect broader horizon

Twenty-five years after establishing phenomenal brand recall with a range of watches aided by the legendary Mozart's 25th Symphony, Titan Industries is now donning a new identity. It will set it up for recall as a lifestyle company.

For starters, Titan Industries will be known as Titan Company Limited (Titan) and for the first time have a corporate logo - Titan Star. The four-pointed star, with a distinct embedded 'T', will denote the many businesses and strengths of the company as it enters a slew of new categories such as fragrances and helmets.

"The corporate entity has its own personality and that is different from its watch brand, Titan. We needed to carve out an identity for this entity to reflect our corporate culture and why our customers, employees and franchisees come to us," Bhaskar Bhat, managing director, Titan Company says.

Bhat adds that "The name change was one of the outcomes of a big project. Titan Next, of understanding who we are. We also realised that 'Industries' no longer captures the spirit of the company, so we began to explore a name change". As with Titan's strategic initiatives which are put to rigorous tests, the brand revamp exercise was on for a year, even as Titan considered around 40 probable names.

"We shortlisted about six-seven names and went through a brainstorming session with our employees, customers, franchisees, directors, investors and vendors before finalising the new name and logo." Bhat informs.

S Ravi Kant, CEO of the company's eyewear division says the word 'Industries' in the company's name was limiting its scope in the consumer's mind as it was perceived to be only a manufacturing company - a long way from the lifestyle-oriented image it wants to carry forward

"The word 'Company' is very contemporary and very modern, as opposed to 'Industries' that refers to manufacturing," Kant explains.

Though the company has a sizeable retail presence in the jewellery business with Tanishq and the accessories space with brands such as Fastrack and Titan Eye+, the name 'Titan' only conjures images of watches in the Indian consumer's mind. The new initiative is an effort to direct consumers' to its multi-category identity.

"There has long been a need for a company logo. Besides, we needed to create an identity for the corporate brand because watches are the first thing that comes to one's mind at the mention of Titan," Ravi Kant says.

The logo has been designed by Ray + Keshavan, part of WPP's global brand agency, The Brand Union, which also counts The Trident, Arvind, Shoppers Stop and the Bangalore and Hyderabad International Airports among its clients.

With a new corporate identity and a logo in place, the company is raring to rapidly expand its product portfolio in different product segments.

The company plans to foray into the fragrance market within the next 15 days. Bhat informs. The company is also exploring a new line of branded helmets soon after the fragrance launch. Titan is also in the process of preparing a detailed business plan for the next five years. "We will take a look at existing businesses and how do we grow them in the years to come. We are going to enter a whole lot of products in the lifestyle space. The business plan will help us explore newer product areas in the coming years," Ravi Kant says.

The company is developing the five-year business plan in-house. "It is a huge exercise and we are involving a lot of people like our employees and various stakeholders. The plan will be ready by the end of this fiscal," he adds. "Using the quality and trust that Tata Group stands for, we will bring about a big change in the years to come in all products that we are going to launch in the future." Ravi Kant concludes.

Q.1. What type of strategy is the company trying to follow and why? Justify your answer by giving relevant facts. What are the benefits of adopting such a strategy? (7)

Q.2. In your opinion, how are the competitors going to react, because of Titan adopting such a strategy. What all alternatives are available to the competitors to deal with Titan? (7)

देगी। स्टारबक्स ने टाटा कॉफी के साथ साधन जुटाने और कॉफी को रोस्ट करने का अनुबंध कर लिया है और विशेषज्ञ इस साहचर्य को अन्य बाजारों में भी प्रश्रय देगे। खाद्य पदार्थ टाटा के स्वामित्व वाले ताज होटल समूह से और ताज SATS से प्राप्त करेंगे जो कि समूह को एयरलाइनों की खानपान की शाखा है। विश्लेषकों का कहना है कि "स्टारबक्स समझती है कि स्टारबाक्स के अनुभव को कैसे स्थापित किया जाए। सल्लाह शृंखला के लिए जो कि भारत में एक कठिन भाग है, टाटा कंपनियों पूरी समझदारी से काम करती है।"

प्रश्न:

1. भारत में सामान्य रूप में कॉफी हाउस व्यवसाय के लिए वृद्धि के अवसरों को बढ़ाए और खासतौर से स्टारबक्स के लिए। स्टारबक्स किन चुनौतियों का सामना कर सकता है?
2. स्टारबक्स के प्रवेश के प्रति व्यवसाय में डूबे हुए खिलाड़ी किस प्रकार अनुक्रिया प्रदर्शित करेंगे जो भारतीय उपभोक्ताओं को उसकी प्रीमियम स्थिति होने के बावजूद, सहनीय कीमत दे रही है? क्या कीमतों को लड़ाई होगी?
3. टाटा स्टारबक्स संयुक्त उद्यम किस प्रकार व्यवसाय के लिए सहक्रिया उत्पन्न कर सकता है?

2012

9311

This question paper contains 16 printed pages.

Your Roll No. 2012

M.Com. / Sem. III C

PAPER 6301 : STRATEGIC MANAGEMENT

(Admissions of 2011 and onwards) 2012

Time : 3 hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

NOTE:— Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

टिप्पणी:— इस प्रश्नपत्र का उत्तर अंग्रेजी या हिन्दी किसी एक भाषा में दीजिए लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

Attempt all questions.

सभी प्रश्नों के उत्तर दीजिए।

1. "Corporate Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations." Elaborate the above statement. Do you think that a board with predominantly non-executive independent directors is better placed to uphold the above stated corporate governance philosophy?

“कंपनी शासन को जाँचों और संतुलों की क्रियाविधि का सृजन करना चाहिए जिससे सुनिश्चित हो जाये कि निर्णय लेने की शक्तियाँ अधिशासी प्रबंध के हाथ में रहें और उनका प्रयोग वैसा दौब पर लगाने वालों की आशाओं और सामाजिक अपेक्षाओं को पूरा करने के लिए ध्यान से और जिम्मेदारी के साथ किया जाए।” उपर्युक्त कथन की सविस्तर व्याख्या कीजिए। क्या आप ऐसा सोचते हैं कि प्रमुखतः अनअधिशासी स्वतंत्र निदेशकों का बोर्ड उपर्युक्त कंपनी की शासन-मीमांसा की पुष्टि करने के लिए बेहतर स्थिति में होता है ?

15

Or (अथवा)

A global leader in IT industry has identified three core values which act as the guiding principles for its culture and behaviour:

- (i) Intensity to win
 - (a) Make customers successful
 - (b) Team, innovate, excel
- (ii) Act with Sensitivity
 - (a) Respect for the individual
 - (b) Thoughtful and Responsible
- (iii) Unyielding Integrity
 - (a) Delivering on commitments
 - (b) Honesty and fairness in action

Reflecting on the above example, discuss how companies that enjoy enduring success have core values

and a core purpose that remain fixed, while their business strategies and practices continuously adapt to a changing world.

IT उद्योग में वैश्विक स्तर के लीडर ने तीन मुख्य मानों की पहचान की है जो उसकी संस्कृति और व्यवहार के लिए निर्देशक सिद्धान्तों के रूप में कार्य करते हैं:

(i) जीतने की तीव्रता

- (a) ग्राहकों को सफल बनाना
 - (b) दल, नवप्रवर्तन, सर्वोत्कृष्ट होना
- (ii) संवेदनशीलता के साथ कार्य करना

- (a) व्यक्ति के लिए आदर
- (b) विचारवान और जिम्मेदार

(iii) अनमनीय सत्यनिष्ठा

(a) वचनबद्धता पर सुपुर्दगी

(b) ईमानदारी और क्रिया में औचित्य।

उपर्युक्त उदाहरण पर प्रकाश डालते हुए विवेचन कीजिए कि किस प्रकार कंपनियों के, जो स्थायी सफलता का आनंद उठाती हैं, आभ्यंतरिक मूल्य और आभ्यंतरिक उद्देश्य होते हैं जो स्थिर रहते हैं जबकि उनकी व्यावसायिक रणनीतियाँ और व्यवहार लगातार बदलते हुए विश्व के अनुकूल होते जाते हैं।

15

2. (a) 'Many e-commerce sites are tweaking their business models and are going offline also as they find it tough to make money on the Internet.'

How is a business model related to the strategy of a firm?

अनेक ई-कॉमर्स साइटें अपने व्यावसायिक मॉडलों को प्रदर्शित कर रही हैं और ऑफलाइन भी उपलब्ध हो रही हैं क्योंकि वे इन्टर्नेट पर धन उपाजित करना कठिन महसूस करते हैं।

व्यावसायिक मॉडल किस प्रकार प्रतिष्ठान की रणनीति से संबंधित होता है ?

8

(b) Identify the environmental sectors to which the following developments relate. Assess the impact in terms of opportunities and threats for the relevant industry / business.

(i) McDonald's the world's second biggest restaurants chain having 271 restaurants in India and 33,000 across the globe, have plans to open its first vegetarian outlet next year— one near Golden Temple in Amritsar and the other at Katra near the Vaishno Devi cave shrine in Kashmir.

(ii) As Internet usage shifts to mobile phones, the once thriving cyber cafes are struggling to survive.

(iii) The 40 plus age-group in India has emerged one of the fastest growing consumer segments in the beauty and wellness business. The number of 40+ populations in India is expected to touch 500 million by 2025.

(iv) The average urban citizen in India spends about 87.4% more than his rural counterpart every month.

पर्यावरणी क्षेत्रकों की पहचान कीजिए जिनसे निम्नलिखित विकास संबंधित हैं। सागत उद्योग/व्यवसाय के लिए अवसरों और धमकियाँ की वजह से होने वाले प्रभाव का मूल्यांकन कीजिए।

(i) मैकडोनाल्ड, विरव की दूसरे नम्बर की सबसे बड़ी रेस्टोरेन्ट शृंखला वाली कंपनी है, जिसके भारत में 271 रेस्टोरेन्ट हैं और संपूर्ण विरव में 33000 रेस्टोरेन्ट हैं। उसकी अगले वर्ष अपनी सर्वप्रथम शाकाहारी दुकान खोलने की योजना है— एक अमृतसर में गोल्डन टेम्पल के निकट और दूसरी कश्मीर में वैष्णोदेवी गुफा वाले मंदिर के निकट।

(ii) चूँकि इन्टर्नेट का प्रयोग मोबाइल फोनों में होने लगा है अतः सभी साइबर कैफे जो यह सुविधा दे रहे थे अब जीवित रहने के लिए संघर्ष कर रहे हैं।

(iii) भारत में 40 से ऊपर का आयुवर्ग सौंदर्य और स्वास्थ्य संबंधी व्यवसाय में सबसे तेजी से बढ़ रहे उपभोक्ता खंड के रूप में उभर कर आया है। भारत में 40 से अधिक आयु वाली आबादी संख्या की दृष्टि से 2025 में 5000 लाख हो जाने की आशा है।

(iv) भारत का औसत शहरी नागरिक अपने ग्रामीण प्रतिरूप से हर माह 87.4% अधिक खर्च करता है।

12

Why has response-based view of the firm gained importance in strategic management? Discuss how VRIO

Reasons Or (अथवा)

→ To do

P. T. O.

framework is useful in evaluating a firm's strength, competencies and competitive advantage.

ब्या कारण है कि रणनीतिगत प्रबंध में प्रतिष्ठान के अनुक्रिया आधारित मत को अधिक महत्व दिया जाता है? विवेचन कीजिए कि किस प्रकार VRIO ढाँचा, प्रतिष्ठान की सुदृढ़ताओं, सक्षमताओं और प्रतियोगी लाभ के मूल्यांकन में उपयोगी है। 20

3. (a) Is stability really a strategy or just a term for no strategy? Discuss some of the more popular stability strategies.

ब्या स्थायित्व वास्तव में एक रणनीति है या केवल कोई नीति न होने का नाम है? कुछ अधिक लोकप्रिय स्थायित्व रणनीतियों की विवेचना कीजिए। 12

(b) "India's largest organized retailer Big Bazaar uses essentially the cost leadership strategy." Discuss the skills and resources and organizational requirements needed for the success of Big Bazaar's cost leadership strategy.

"भारत का सबसे बड़ा व्यवस्थित खुदरा व्यापारी 'बिग बाज़ार' अनिवार्यतः लागत अग्रणी रणनीति का प्रयोग करता है।" बिग बाज़ार की लागत अग्रणी रणनीति की सफलता के लिए आवश्यक कौशलों और संसाधनों तथा संगठनात्मक अपेक्षाओं की विवेचना कीजिए। 8

Or (अथवा)

(a) "Various types of synergies may prompt a firm to diversify." Are synergies alone the sufficient cause

for diversification or there is more to it than mere synergies? Discuss.

'विभिन्न प्रकार की सहक्रियाएँ प्रतिष्ठान को विशाखित करने के लिए प्रेरित कर सकती हैं।' क्या विशाखन के लिए ये सहक्रियाएँ ही पर्याप्त कारण बन सकती हैं या सहक्रियाओं के अलावा और भी क्रियाएँ हैं? विवेचन कीजिए। 12

(b) Ginger Hotels, part of the Taj group, having 25 hotels in the country has been positioned as the budget business category hotels—a branded offering in the budget hotels segment. The concept is to provide a comfortable stay for guests at an affordable cost. The no-frills brand chooses to describe its offerings as smart basics only.

Identify and explain the competitive strategy employed by Ginger Hotels. Are there risks in this strategy?

'जिन्जर होटल्स', जो कि ताज समूह का भाग है, के देशभर में 25 होटल हैं। इसकी स्थिति बजट व्यवसाय श्रेणी के होटलों के रूप में हो गई है जो बांड नाम के बजट होटल खंड की जैसी सुविधाएँ देता है। संकल्पना यह है कि सहनीय लागत पर मेहमानों के लिए आरामदेय रहने का स्थान प्रदान कर सके। यह ऑडम्बरहीन बांड, अपने प्रस्तावों का केवल स्फूर्त आधार्तिक सुविधाओं के रूप में वर्णन करना पसंद करता है।

"जिन्जर होटल्स" द्वारा अपनाई गई प्रतियोगात्मक रणनीति को पहचानिये और व्याख्या कीजिए। क्या इस रणनीति में कोई

P. T. O.

जोखिम है ?

8

4. (a) Critically examine the application of B.C.G. growth-share matrix as a technique of portfolio analysis.

पोर्टफोलियो विश्लेषण की एक तकनीक के रूप में आलोचनात्मक रूप में B.C.G. वृद्धि नामक शेयर मैट्रिक्स के अनुप्रयोग की जांच की जाए।

12

(b) Explain McKinsey's 7-S framework. In what ways can the framework be useful in strategy formulation and implementation?

मैककिन्से के 7-S ढाँचे की व्याख्या की जाए। रणनीति सूत्रण और कार्यान्वयन में यह ढाँचा किस प्रकार उपयोगी हो सकता है ?

8

Or (अथवा)

Comment on any three of the following:

- A strategy group is a set of business units or firms that pursue similar strategies with similar resources.
- Divestment strategy is aimed at retrenching to a narrower diversification base.
- Penetration pricing is more likely than skimming to raise a company's or a business unit's operating profit in the long run.
- Blue ocean strategy is about, 'how to create un-

contested market space and make the competitors irrelevant'.

निम्नलिखित में से किन्हीं तीन पर टिप्पणी की जाए:

- रणनीति-समूह, व्यावसायिक यूनिटों अथवा प्रतिष्ठानों का एक समुच्चय होता है जो समान स्रोतों के साथ समान रणनीति का अनुसरण करते हैं।
- वियोजन रणनीति का लक्ष्य, सर्वोपरितर विविधीकरण आधार तक छूटनी करना होता है।
- दीर्घवधि में कंपनी अथवा व्यावसायिक यूनिट के प्रचालन लाभ को बढ़ाने के लिए सतही कीमत निर्धारण से गहन कीमत निर्धारण की अधिक संभावना रहती है।
- ब्लू ओशन रणनीति इसलिए अपनाई जाती है कि अविवाहित बाजार में स्थान कैसे बनाया जाए और प्रतियोगियों को असंगत बना दिया जाए।

7,7,6

55

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

STARBUCKS

Starbucks, the world's largest coffee house chain, has opened its first store in India in a Tata-owned property in south Mumbai on Oct. 19, 2012. Starbucks is a 50:50 joint venture with Tata Global Beverages, called Tata Starbucks Ltd.

India is quickly warming up to the coffee house culture, and the entry of the biggest name in business is

P. T. O.

going to stir up the market. Starbucks's biggest rivals, Café Coffee Day (CCD) and Barista Lavazza, are already making inroads in small cities and towns.

<u>No. of Cafes of Top Chains in India</u>	
<u>As on March 2012</u>	
✓ * <u>Café Coffee Day (CCD)</u>	<u>1270</u> (1350 as on Oct. 2012)
✓ * <u>Barista</u>	<u>160</u>
* <u>Costa Coffee</u>	<u>74</u>
* <u>Coffee Bean and Tea Leaf</u>	<u>17</u>

Starbucks plans 50 outlets by the year-end and to increase the number to 3000 outlets in India in a few years. At the launch of the first Tata Starbucks store, Chairman and Chief Executive of the Starbucks Coffee Company said, "India is a complicated and complex market, but we see it as a big opportunity and are here to build a major business. Clearly it is a large market and we are committed to building a leadership position here with the help of the Tatas."

The market pegged at nearly Rs. 1440 crore is expected to grow at a compound annual rate of 30% till over-penetrated. The CEO of Costa Coffee, India has said, "The café market is small, and needs to grow faster. The entry of chains like Starbucks and Dunkin' Donuts will help generate more demand. Café Coffee Day says, "The Starbucks's entry will help increase awareness about coffee, and enlarge the community of café goers. There is enough room for everyone to grow." In the last decade, four international coffee

brands have entered India, and the market has grown with every entry.

Starbucks, the 18000-outlet company, which operates in 60 countries, has opted for competitive pricing in India, that is nearly half the coffee chain's charges elsewhere in the world. A cup of coffee would cost about Rs. 80 for a small offering and Rs. 165 for a large one. In spite of its premium positioning in the U.S. (a cup of coffee is priced at \$3.5 or Rs. 188), Starbucks has tried to give an 'affordable' price to Indian consumers. If compared with the entry-level price of coffee at rival CCD, then Starbucks is pricey. An espresso at CCD is available at Rs. 45. At Costa Coffee, it comes for Rs. 65.

Analysts are of the opinion that Starbucks has opted to take the middle road with its pricing in India. That is, it is neither too high nor too low. "Effectively what Starbucks has done is that it stratified the market by adding one more layer to it. So CCD is at the bottom, Costa Coffee is in the middle and Starbucks at the top." The Chairman and Chief Executive of Starbucks Coffee Company says that the idea is to reach as many consumers as possible with its pricing in India. While for the other café chains an average college student is the target market, for Starbucks it is the young working professional.

Starbucks is aware of the tough operating environment here, as also the real estate challenge. The chairman of the company says, "The competition is ferocious P.T.O."

here, and we would like to be as accessible as possible with our pricing. We think we have an opportunity to present something different to the customer." While Starbucks is going to follow low-pricing strategy across all its forthcoming outlets, the rivals such as CCD, Barista and Costa Coffee plan to continue with a differentiated pricing strategy.

The Tatas will leverage group businesses for the back-end of the venture. Starbucks has entered into a sourcing and roasting arrangement with Tata Coffee and expects to leverage this association in other markets also. Food will be sourced via the Tata-owned Taj group of hotels and Taj SATS, the Group's airline catering arm. Analysts say, "Starbucks understands how to create the Starbucks experience. For the supply chain, which is the difficult part in India, the Tatas bring in complete understanding."

Questions:

1. Enumerate the ~~growth opportunities for the coffee house business in India in general, and for Starbucks in particular.~~ What challenges could Starbucks face?
2. How would the entrenched players in the business respond to the entry of Starbucks, which despite its premium positioning is offering an 'affordable' price to Indian consumers? Will there be price wars?
3. How would the Tata Starbucks joint venture

generate synergies for the business?

निम्नलिखित केस को ध्यानपूर्वक पढ़िए और अंत में दिए पर प्रश्नों के उत्तर दीजिए:

स्टारबक्स

स्टारबक्स विश्व की सबसे बड़ी कॉफी हाउसों की शृंखला है। इसने 19 अक्टूबर 2012 को दक्षिणी मुंबई में टाटा के स्वामित्व वाली संपत्ति में, भारत में पहला स्टोर खोला है। स्टारबक्स का टाटा ग्लोबल बेवरेजेज के साथ 50:50 का संयुक्त उद्यम है जिसे टाटा स्टारबक्स लिमिटेड कहते हैं।

भारत में कॉफी हाउस की संस्कृति तेजी से बढ़ रही है और व्यवसाय में सबसे बड़े नाम का प्रवेश बाजार में हलचल करने वाला है। स्टारबक्स के सबसे बड़े प्रतिद्वंद्वी "कैफे कॉफी डे" (CCD) और बैरिस्टा लवाजा है जो छोटे शहरों और कस्बों में पहले ही प्रवेश कर चुके हैं।

भारत में शीर्ष शृंखला वाले कैफे की संरचना	मार्च 2012 की
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* कैफे कॉफी डे (CCD)	1270
(1350 as on Oct. 2012)	

* बैरिस्टा	160
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* कौस्टा कॉफी	74
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* कॉफी बीन और टी लीफ़	17
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स्टारबक्स की वर्ष के अंत तक 40 दुकानों लगाने की योजना है और कुछ ही वर्षों में भारत में यह संख्या बढ़ कर 3000 दुकान हो जाएगी। प्रथम टाटा स्टारबक्स स्टोर का लॉन्च करते समय स्टारबक्स कॉफी लिमिटेड कंपनी के चेयरमैन और मुख्य

P. T. O.

अधिशासी ने कहा था कि "भारत एक जटिल और सम्मिश्र बाज़ार है परंतु हम इसे एक बड़े अवसर के रूप में देखते हैं और हम यहाँ बड़े व्यापार का निर्माण करना चाहते हैं। स्पष्ट है कि यह एक बड़ा बाज़ार है और हम यहाँ टाटा की मदद से अग्रणी स्थिति को प्राप्त करने के लिए प्रतिबद्ध हैं।" लगभग 1440 करोड़ ₹ के बाजार की संभावना है और इसकी 30% की संयुक्त वार्षिक बढ़त से बढ़ कर अति गहन स्थिति में पहुँचने की संभावना है। कॉस्टा कॉफी के भारत के CEO ने कहा है कि "कैफ़े बाजार छोटा है और इसके तेज़ी से बढ़ने की आवश्यकता है। स्टारबक्स और इनकिन डोनट्स जैसी शृंखलाओं के प्रवेश से अधिक माँग उत्पन्न होगी। स्टारबक्स के आने से कॉफी के बारे में जानकारी बढ़ाने में मदद मिलेगी और कैफ़े जाने वालों की संख्या में वृद्धि होगी। बढ़ने के लिए सभी के लिए कॉफी स्थान है।" पिछले दशक में चार अंतर्राष्ट्रीय कॉफी ब्रांडों ने भारत में प्रवेश किया है और हर ब्रांड के प्रवेश से बाज़ार बढ़ा है। स्टारबक्स कंपनी की 18000 दुकानें हैं जो कि 60 देशों में चल रही हैं। इसने भारत में प्रतिस्पर्धी कीमत निर्धारित करने का विकल्प चुना है जो कि विश्व में कॉफी शृंखलाओं द्वारा ली जाने वाली कीमतों से लगभग आधी होगी। कॉफी के एक छोटे प्याले की कीमत 80 ₹ होगी और बड़े प्याले के लिए 165 ₹ देने होंगे। अमरीका में इसकी प्रीमियम स्थिति होने के बाजजूद (कॉफी का एक प्याला 3-5 डॉलर यानी 188 ₹ है), स्टारबक्स ने इसे भारतीय उपभोक्ताओं के लिए सहनीय कीमत पर देने का प्रयत्न किया है। प्रतिद्वंद्वी CCD पर कॉफी की प्रवेश स्तर पर कीमत से तुलना करें तो स्टारबक्स अधिक कीमत ले रहा है।

CCD पर एप्रैसो 45 ₹ में उपलब्ध है। कोस्टा कॉफी पर यह 65 ₹ में मिलती है।

विश्लेषकों की यह राय है कि स्टारबक्स ने भारत में इसकी कीमत तय करने में बीच की स्थिति अपनाने का विद्वल्य लिया है जो कि न तो बहुत अधिक है, न ही बहुत कम। प्रभावी रूप में जो स्टारबक्स ने किया है वह यह है कि उसने बाज़ार के स्तरों में एक और स्तर जोड़ कर उसे बाँट दिया है। अतः CCD सबसे निचले स्तर पर है, कोस्टा कॉफी मध्य स्तर पर और स्टारबक्स शीर्ष पर है। स्टारबक्स कॉफी कंपनी के चेयरमैन और मुख्य अधिशासी का यह कहना है कि उनका विचार भारत में अपनी कीमत तय करने का उद्देश्य अधिक से अधिक ग्राहकों तक पहुँचना है। अन्य कैफ़े शृंखलाओं के लिए लक्ष्य बाजार औसत दर्जे के कॉलेज छात्र हैं, स्टारबक्स के लिए काम कर रहे युवा व्यवसायी हैं।

स्टारबक्स को यहाँ के कड़े प्रचालन पर्यावरण की जानकारी है और साथ ही रीयल एस्टेट की चुनौती की भी। कंपनी के चेयरमैन कहते हैं कि यहाँ प्रतिस्पर्धा भयंकर है और हमारी कीमत निर्धारण नीति से जहाँ तक संभव होगा वह उनके पास पहुँचना चाहेगी। हम सोचते हैं कि हमें एक अवसर मिला है कि हम ग्राहकों के लिए कुछ भिन्न रूप में प्रस्तुत कर सकें। जहाँ स्टारबक्स अपनी आगे खुलाने वाली दुकानों में कम कीमत निर्धारण नीति को अपनाएगी, उसके प्रतिद्वंद्वी, जैसे CCD, बैरिस्टा और कोस्टा कॉफी भिन्न कीमत निर्धारण रणनीति को जारी रखेंगी।

टाटा कंपनियाँ इस उद्यम के पीछे समूह-व्यवसायों को प्रश्रय P. T. O.

Q.5 Case Study

(3.5*4=14)

On July 25, 2005, the management of the Honda Motorcycle & Scooter India (Private) Limited, (HMSI), a wholly-owned subsidiary of Honda Motor Company Limited⁶ (HMCL), encountered violent protests from workers that disrupted production at their plant in Gurgaon⁷.

HMSI workers were severely beaten up by the police, and newspapers and TV channels gave wide coverage to the violence of the action. The protest followed six months of simmering labor unrest at the HMSI factory in which the workers also resorted to job slowdown (since December 2004 when the workers' demand for an increase in wages was rejected by the HMSI management).

With their demands being rejected by the management, the workers tried to form a trade union and this resulted in a confrontation with the management. Fifty workers of the production team were suspended and four others dismissed in May 2005. Apparently there was a show of strength between the management and the workers.

While the management alleged that the workers were resorting to 'go-slow'⁹ tactics and were threatening not to return to work until their colleagues had been reinstated, the workers alleged that the management was using pressure tactics such as victimization of active union members and a 'lock-out'¹⁰ to break the back of the union.

When the workers of the plant were demanding reinstatement of the suspended employees and some workers allegedly attacked policemen on the plant premises. This led to police intervention and a violent tussle ensued between the police and the workers in which workers protesting peacefully were also beaten up.

The police were reported to have overreacted and it was alleged that they had been overzealous in protecting the interests of the HMSI management, even without any direct request from the company's management (Refer to Exhibit I for some images of violence during the HMSI protest).

For companies, the incident brought to the fore the need to maintain sound industrial relations to ensure productive and profitable operations.

Questions:

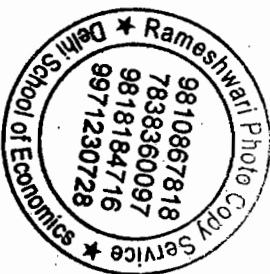
- (a) Understand the factors that lead to labor unrest at a factory that the impact of such incident on employees and the company.
- (b) Study the HR policy understood by the organisations to prevent labor market unrest at the work place.
- (c) Examine the top management 's role in maintaining the peaceful working environment.
- (d) Examine the role of external parties such as, trade unions, external parties etc. in disturbing the peaceful working environment.



(iii) ~~Conciliation~~ vs Mediation in disputes
resolution mechanism

(iv) Unfair Labour Practices

(v) Layoff vs Retermchment



2019

[This question paper contains 4 printed pages]

Your Roll No. :

Sl. No. of Q. Paper : 9183 J

Unique Paper Code : MJ-322 (2019)

Name of the Course : M.Com

Name of the Paper : Management of Industrial Relations

Semester : III

Time : 3 Hours Maximum Marks : 100

Instructions for Candidates :

(a) Write your Roll No. on the top immediately on receipt of this question paper.

(b) All the questions are compulsory.

1. What do your understand by 'Industrial Relations System' in India. Discuss the emerging scenarios of industrial relation in the era of liberalization and globalization Indian economy. 20

OR

Examine the influence of the ILO on labour legislation and trade union movement in India. 20

2. "Indian trade unions in plagued by intra-union rivalry, outside leadership and political patronage and has failed to serve the purposes of its own patronage, and has failed to serve the purpose of its own formation". Elucidate and develop a suggestive framework to improve the functioning of trade unions in India ? 20

OR

- (a) What do you understand by strikes and lockouts ? Also discuss the types of strike. 10

- (b) Discuss the Model Grievance Procedure. 10

3. The Objective of arbitration is not compromise but adjudication " Explain with relevant case laws. 20

2



OR

Write an essay on participation of labour in management with reference to industrial relation in India. 20

4. What is meant by collective bargaining ? Discuss the behavioral theories of collective bargaining. 20

OR

Discuss the comparative structure of industrial relation system of UK, China and Japan with respect to Indian industrial relation system. 20

5. Write short notes on four out of the five given below : 5×4=20

(i) Standing Order Rules, 1946

(ii) General Prohibition on Strikes and lockouts under Industrial dispute act, 1947.

3

P.T.O.

Roll No. _____

This paper has 2 printed sheets.

**M.Com. Semester III Examination
(November-December 2018)**

Paper no.- MJ322

Subject- Management of Industrial Relations

S.No. 322D18

Duration: 3 Hours

Max. Marks: 70

General Instructions: All the questions are compulsory.

Q.no.1 (a) Explain the concept and scope of industrial relations. Also discuss the emerging scenarios of industrial relations in the era of liberalization and globalization of Indian economy. (14)

Or

(b) Industrial relations in India are not conducive to rapid industrial growth "Do you agree? Suggest measures to bring about harmonious industrial relations for sustained growth? (14)

Q.no.2 (a) Explain the importance of Trade Union Act, 1926 in the growth of trade unions in India; State briefly the rights and obligations of trade unions under this act. Also cite the relevant case laws. (14)

Or

(b) What is the difference between strikes and lockouts? Also discuss the various types of strikes practiced in India. (7)

(c) Explain the immunities enjoyed by the trade union office bearers from civil and criminal proceedings under the Trade Union Act, 1926 (7)

Q.no.3 (a) Discuss the steps to be taken to settle industrial disputes speedily and amicably. By this process is it possible to maintain united and contented workforce. Cite the relevant case laws. (14)

Or

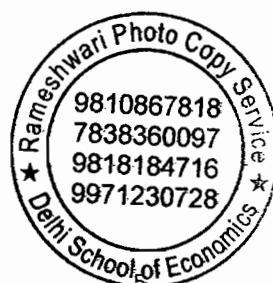
(b) Collective bargaining should move from win-lose strategy to a recent win-win strategy ". Discuss the recent trends and issues in collective bargaining in India. (14)

Q.no.4 (a) "Workers participation in management is neither feasible nor desirable under prevailing industrial relations conditions in India". Critically examine this statement. (14)

Or

(b) Please explain the four out of the followings: (3.5*4=14)

- (i) Grievance Handling Mechanism
- (ii) Industrial Indiscipline
- (iii) Lay off Vs Retrenchment
- (iv) Unfair Labour Practices
- (v) Labour Turnover and Absenteeism
- (vi) Standing Orders Rules, 1946



Q.no. 5 (a) Compare and contrast the organizational structure, performance of Indian trade unions and collective bargaining practices with their counterparts in foreign countries.

(14)

Or

(b) Case Study:

Toyota Kirloskar Motors (TKM) had around 2358 employees as on Jan 2006, out of which around 1500 were members of TKM Employees Union (TKMEU). TKM had a history of unhealthy labour relation between the management and labour right after few years of inception of its Bidai plant. Employees demanded a hike in wages as there was extension of working shifts.

During the strike fifteen employees were suspended and three were sacked from the job.

The management showed the reason for suspension as misconduct at the workplace and attacking the supervisor.

After rigorous clash between management and the Employees the wages were raised by 15%

As the case of three sacked employees remained unresolved the other employees again revolted. It appeared as a flash strike and violent behavior in the premises. The Union members mishandled the other workers who were a not the part of the strike. These issues evoked a strike. It was followed by a lockout citing safety concerns by the management

Interference of CITU:- Central Industrial Trade Union (CITU) was involved with the TKMEU for all the activities, after TKMEU was affiliated to the CITU in 2005. This actually aggravated the rift between the TKMEU and the management's internal decision. The management also challenged some of the employees for taking part in unproductive and wrong works with CITU.

Negotiation Process: - CITU state committee constantly supported the TKMEU representatives. With this support, members of TKMEU put forward some demands which were later modified a little and then fulfilled.

After the clash between the management and TKMEU finally came to an end, during January 2006, CITU stated that it would continue to support TKMEU in the future and also fight with the management regarding the order suspending the workers during the strike. On February 05, 2006 Union members started hunger strike and CITU also supported this. The trade union has fulfilled its duty in the TKM case. It always stayed as a support during various strikes to make the labour union's voice reach the management during the strike. On Jan. 09, 2006 the representative of TKM, TKMEU and CITU were asked to present before DLC (Deputy Labour Commission), On 20th Jan. 2006, TKM's management lifted the lockout.

(i) Discuss the factors that lead to strikes and lockouts in the factory and also the impact of such happenings on the employees and the company.

(ii) Analyze the role of external parties such as trade unions, political parties etc. in disturbing the working environment in a company.

(14)

2013

4

[This question paper contains 4 printed pages.]

(iii) Mafia Unionism

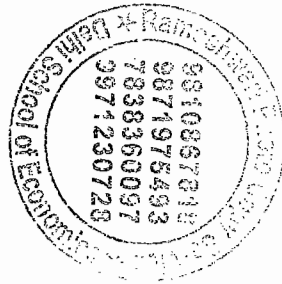
(iv) Domestic Enquiry

Standing Orders Rules 1946

(vi) Strikes and lockouts

Or

Indian industrial relations system has been much affected by the English system", explain. Also, discuss the industrial relations system of European countries and USA. (20)



2013

Your Roll No.

M.Com. / Sem. III (2018) I

Paper No. MJ322 : Management of Industrial Relations

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

All the questions are compulsory.

(a) What is meant by Industrial Relations? Explain the nature and scope of Industrial Relations System. Also, explain the post independence developments in Indian IR system. (20)

Or

(b) Write explanatory note on any two of the following :

(i) Emerging Trends In Union-Management relations

(ii) Model Grievance Procedure

(200)

P.T.O.

2013

2

(c)

(iii) Industrial Democracy

(10×2)

(a) Distinguish between 'individual dispute' and 'industrial dispute' under the Industrial Disputes Act, 1947. Under what circumstances an individual dispute can be an industrial dispute. (10)

(b) Examine the influence of ILO on labour policy, labour legislation and trade union movement in India. (10)

Or

(c) Discuss the dispute settlement machinery available under Industrial Dispute Act, 1947. (20)

3. What do you mean by trade union? What are the essential conditions for trade union registration as provided under the Trade Union Act, 1926. Also discuss the decision of Tirimala Tirupati Devasthanam case. (20)

Or

(d) Discuss the immunity available to trade unions members from criminal and civil proceedings under the Trade Union Act, 1926. Also, support your

2013

3

answer with relevant case law. (10)

(d) What remedy, if any, is provided under the Trade Union Act, 1926 to Trade Unions who are aggrieved by the decision of registrar, declining their union for registration. (10)

(c) "Workers have not been empowered to participate in worker participation management programmes, though it is a popular instrument of industrial democracy." In the light of the statement, analyze the factors responsible for it and offer suggestions to make the worker participation more viable and effective. (20)

Or

(d) With regard to the Principle of "promotion of collective bargaining", do companies have the responsibility to promote collective bargaining or to respect it? How pro-active does a company have to be in promoting the principle? (20)

5. Explain any four out of six of the following : (5×4)

(c)

(i) Industrial discipline

(c)

(ii) Unfair labour Practices

P.T.O.

Roll No. _____

This paper has 2 printed sheets

M.Com. Semester III Examination
November / December 2017
Subject: Management of Industrial Relations
Paper No. MJ 322

S.No. MJ322D17
Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks.

Q.1 What do you understand by industrial relations system? State with reasons the indicators that you would rely upon in assessing the prevailing state of Industrial Relations system in India? (14)

Or

Discuss the role of Indian constitution in evolving labour policy. Identify the impact of ILO on industrial relations. (10)

Q.2 (a) Discuss briefly the basic features of trade union movement in India during post-independence period. (7)

(b) Discuss the criminal immunity enjoyed by the trade union leaders given under section 120 -B of criminal procedure code in India. Discuss with the help of case laws. (7)

Or

(c) Discuss the problems of trade union movement in India. Examine why Indian trade unions are dominated by outside leadership? (14)

Q.3.(a) Critically review the preventive and settlement machinery for disputes set up under Industrial Disputes Act, 1947. What would you recommend for the promotion of harmony between labour and management? (14)

Or

(b) Explain key features of Industrial Grievance and disputes. Suggest a model grievance procedure for settlement of such disputes. (9)

(c) Explain Industrial discipline and its essential for Industrial harmony (5)



Q.4 Collective bargaining is the best approach for cordial industrial relations and maintenance of industrial harmony. Critically evaluate the statement indicating the positions in India.

(14)

Or

Critically compare the industrial relations system of UK, USA , Singapore and India with respect to trade unionism and collective bargaining.

Q.5 Write short notes on *any four* of the following :

(3.5*4=14)

- (a) Unfair labour Practices
- (b) Layoff and Retrenchment
- (c) Rights and Liabilities of Registered Trade Union
- (d) Industrial Conflict
- (e) HR-IR Linking Strategy

Roll No.

M.Com Semester- III Examination (Regular/Sol)
(November/December 2016)

Paper no.- MJ322

Subject-Management of Industrial Relations

This paper has 2 printed sheets

S. No. 322D16

Duration: 3 Hours

General Instructions:

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks

Q.1. Write short note on any two of the following:

- Emerging Trends in Union-Management relations
- Model Grievance Procedure
- Industrial Democracy

Or



7X2=(14)

“Industrial Relations in India is a dynamic and evolving concept.” Explain different approaches to industrial relations as a measure of improvement in Indian industry. (14)

Q.2 “Indian trade union movement is plagued by intra-union rivalry, outside leadership and political patronage, and has failed. to serve the purpose of its own formation.” Elucidate and develop a suggestive framework to improve the functioning of trade unions in India.”

Or

Discuss the emerging scenarios of industrial relations in the era of Liberalization and globalization of Indian economy. (14)

Q.3. There are two approaches of managing industrial disputes in an organization, viz., preventive and curative. Discuss these two approaches with the help of relevant case laws.

Or

“Indian industrial relations system has been much affected by the English system”. Explain. Also discuss the Comparative analysis of European countries and Japan. (14)

Q.4 "Workers have not been empowered to participate in worker participation management programmes, though it is a popular instrument of industrial democracy." In the light of the statement, analyze the factors responsible for it and offer suggestions to make the worker participation more viable and effective.

Or

Examine the influence of ILO on labor policy, labor legislation and trade union movement in India. (14)

Q.5 With regard to the Principle of "promotion of collective bargaining", do companies have the responsibility to promote collective bargaining or to respect it? How pro-active does a company have to be in promoting the principle?

Or

Discuss the following concepts:

- (a) Industrial democracy
- (b) Bipartite and Tripartite Approach to Labor Relations.

(14)

Course : M.Com. Sem-III 2015
Paper No. : MJ322
Subject : Management of Industrial Relations

S.No. MJ322151

Time : 3 Hours

Max. Marks:70

Instructions : Attempt all Questions. All Questions carry equal marks. Q. 5 is compulsory .

Q.1: (a) "Collective bargaining is the best approach for industrial relations and maintenance of industrial harmony." Critically evaluate the statement indicating the position in India . (14)

Or

(b) Good industrial relations are essential for rapid economic development of a country. What is the impact of changed economic scenario in India on industrial relations? (14)

Q.2. (a) What are the causes of industrial disputes? Discuss briefly the dispute prevention and settlement machinery in India. (14)

Or

(b) An effective grievance handling procedure is that is preventive rather than curative . Briefly examine the statement. (9)

(c) Human resource management integrative approach. Explain (5)

Q. 3. (a) Discuss the problems of trade union movement in India. Examine why indian trade unions are dominated by outside leadership? (14)



Or

(b) Write a short note on the followings.

- (i) Industrial Indiscipline (7)
(ii) Mafia Unionism in India (7)

Q.4: (a) "Workers participation is a myth." Do you agree with this statement? What measures do you advocate for improving effectiveness of workers participation in management in India? (14)

Or

(b) Write a short note on the followings.

- (i) Industrial Relations system in UK and Japan. Compare and contrast. (9)
(ii) Unfair Labor Practices (5)

Q. 5: Case Study

The Management at Toyota Kirloskar Motors Pvt. Limited on 08-Jan-2006 declared a lockout of the manufacturing plant at Mysore, Karnataka. Lockout was in retaliation to a strike by the Toyota Kirloskar Motor Employee Union (TKMEU) 3 days ago.

TKMU was the recognized union at the plant. The Management in its notice of lockout stated the strike to be illegal since the union did not follow the provisions of the Industrial dispute act 1947 requiring them to give 14 days notice.

The union was made demand for reinstatement of 3 employees who had been dismissed and 10 employees who had been suspended. The union also demanded and improvement in the working conditions at the plant. The dismissed employees had assaulted a supervisor. This action by the management in a strike call by the union and three days later, a lockout by the management.

The management said that it had no options but to declare an indefinite lockout of the plant. TKMEU on the other hand alleged that the working conditions in the plant were inhuman and dictatorial against which it was the legitimate right of the unions to protest and company wanted to suppress the trade unions .

TKMEU also alleged that the management want trying to curb legitimate union activities by victimizing those who took interest in union activities . The workers, allegedly were made to work long hours without adequate compensation.

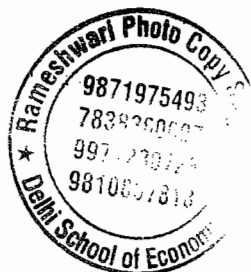
To remove the conflict, when the state labor authorities called both parties for a conciliatory meeting, the management took a stand that atmosphere was not conducive for any discussion. Toyota Motors appealed for two weeks time from the labor authorities but was granted 3 days and was asked again to be present on the 12th January 2006. TKMEU was clamoring for the intervention of the government for the resolution the disputes.

The state movement declared the strike to be illegal on January 21, 2006. The management withdrew the lockout putting a condition that before lifting of lockout, workers would have to give an undertaking for "good conduct" . So that the atmosphere is stiff free and production would go on full stream. Union withdrew the strike and the matter was referred to adjudication. But the union refused to accept the demand of signing undertaking good conduct.

This conflict had implications of retracting FDI in India. Now, TMC has reservations about investing in a second unit in the state. There has been a spate of such industrial unrest in the auto manufacturing in India, the most notable being the violent conflict at the Honda Motors and Scooters India Limited. Such incidents may affect the perception towards India as an attractive FDI destination in the mind of Japanese business, one of the largest investor in India.

Q.1 Do you think that the "lockout" declared by the Toyota Motors Corp. was legal? Why? Do you think the strike by the workmen was illegal? Why or why not?
(7)

Q.2 How would you interpret the above incident from an employee relation perspective? Do you think that the employee relation perspective has limitation in dealing with such situations?
(7)



(3)



1997

Roll No. _____

This paper has 3 printed sheets.

M.Com. Semester II/IV Examination

(May 2019)

Paper no.- MJ424

Subject- Compensation Management and Employee Welfare Laws

S.No. 424M19

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all the questions. All questions carry equal marks.

Q.no.1 (a). While setting a global pay, one must follow a specific strategy whether to set a common structure or customize the pay system according to the different needs of different countries" Throw light on the above statement and discuss all the three strategies i.e. Localizer, Exporter and Globalizer. (7)

(b). You are the HR manager of ABC ltd. You are given a task of designing a compensation structure for the employees who are going to US as expatriates. What are the components that have to be kept in a compensation structure while designing a plan for expatriates? (7)

OR

(c). Three tests for any sources of competitive advantage are Align, Differentiate and Add Value. Discuss whether these tests are difficult to pass. Can compensation really be a source of competitive advantage? (7)

(d). ABC ltd is considering a complete restructuring of pay policy and plans. ABC ltd has a diverse workforce with 30% fresher. You are required to suggest an optimal Pay structure of INR 8 Lacs. (7)

Q.no.2. Examine any four of the following problems, citing relevant case laws and provisions of the appropriate act. (3.5*4)

- a. A bonus of Rs. 1500 is being paid to an employer on the account of Deepawali. The employer treated the same as a part of the wages under the Payment of Wages act 1936.
- b. Mr. X absented himself for 12 weeks without a sanction on the leave applied by him. The employer deducted the amount equivalent to his wages for the period of his absence from the duty. Is the plea maintainable?

- c. 5 employees of an organization absent themselves for 10 minutes daily after the lunch break. The employer deducted their 5 days wages.
- d. An employer on the behalf of the employee paid Rs.5000/- to a cooperative society. He recovered the same amount in his next salary. He deducted the amount from Rs. 6000/- and paid only Rs.1000/-.
- e. An employee working in a scheduled employment sued his employer for the non payment of minimum wages. The establishment is situated in the State of Jharkhand where there the minimum wage has not been fixed for this particular employment.
- f. ABC ltd. has 50 employees in total out of which 20 workers prepare goods at home and supply them to the employer. Are they covered under the minimum wages act 1948?
- g. Rahul was an employee in a bauxite mine. The employer failed to earn any profit to pay minimum wages. While fixing the minimum wages the payment capacity of the employer is the most important factor whereby the employer refused to pay the minimum wages. Comment.
- h. A teacher working in an educational Institution sued his employer for not paying the minimum rate of wages according to the wages fixed for the skilled workers.

Q.3. (a) How far is an employer liable for compensation to a workman injured by an accident arising out of and in the course of his employment? Discuss the legal status of employee and employer citing relevant case laws. (14)

Or

(b) What is the concept of set on and set off under Payment of Bonus Act, 1965? (7)

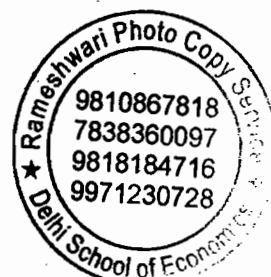
(c) What are the provisions for entitlement of receiving bonus and disqualification under the Payment of Bonus Act,1965? Discuss briefly along with the relevant case laws. (7)

Q.4. (a) What are the benefits available to employee under the Maternity Benefit Act, 1961. Also cite the relevant case laws. (7)

(b) Distinguish between allocable surplus and available surplus under Payment of Bonus Act, 1965. (7)

Or

(c) Discuss the duties of employee and employer under the Maternity Benefit Act, 1961. Also discuss the penalties available for the employer in case of non-compliance. (14)



Q no. 5. Short Notes (Any four)

(3.5*4=14)

- a. Compensation Management Process
- b. Factors affecting Compensation Plan
- c. Intramural and Extramural Welfare activities
- d. Performance Based Pay
- e. Define "Wages" under The Payment of Wages Act 1936.
- f. Approaches/Procedure to Fix and Revise the Minimum wages under The Minimum Wages Act 1948.
- g. "Wages in Kind" u/s 11 of The Minimum Wages Act 1948.
- h. "Fines" u/s 11 of The Payment of Wages Act 1936.



Roll No. 2018

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M.Com. Semester - IV Examination (Regular)

May/June -2018

Paper No. : MJ424

Subject- Compensation Management and Employee Welfare Laws

S.No. MJ424.M 18

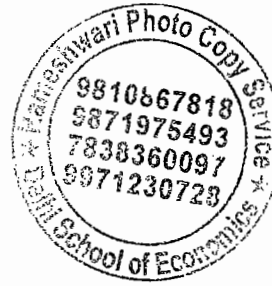
Duration : 3 Hours

Max. Marks : 70

General Instructions: Attempt all the questions. All questions carry equal marks.

Q.1 Write a short note on any four the following :

- (a) Total Dependent
- (b) Set on and Set off of Allocable Plus
- (c) Broad-banding
- (d) Golden Parachute
- (e) Occupational Disease.
- (f) Compensation Policy



(3*5=14)

Q.2 (a) Distinguish between 'minimum bonus' and 'maximum bonus' under the Payment of Bonus Act, 1965. (7)

(b) Discuss the duties of employee and legal obligations of employer under Maternity Benefit Act, 1961. (7)

Or

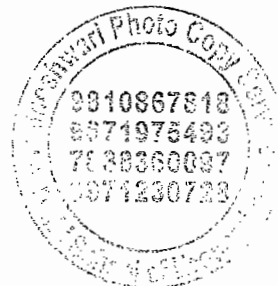
"Accident alone does not entitle a workman to claim compensation. It must arise out of and in the course of employment." Comment and also cite the relevant case laws. (14)

Q.3 (a) State the provision for receiving bonus and criteria of disqualification for receiving bonus under Payment of Bonus Act, 1965. (7)

(b) Discuss the relevant provisions for leave and absence during pregnancy under the Maternity Benefit Act, 1961 (7)

Or

(c) The blood relatives (Father, Mother and Brother) of a deceased who died during the course of his employment claimed compensation under Employee's Compensation Act, 1923. During the pendency of the application, the widow of the deceased who later remarried also filed an application stating that she was alone entitled to receive the compensation. Decide upon the case citing relevant case laws. (7)



(d) Comment on the eligibility of claiming compensation under Employee's Compensation Act, 1923 citing relevant laws. (3.5*2=7)

(i) Widowed Mother

(ii) Illegitimate Child

Q.4 (a) What are the advantages and disadvantages of compensation approaches such as skill based pay and competency based pay? How can you overcome the disadvantages? (7)

(b) Discuss the importance of internal equity in Compensation Management. Also discuss various methods available for Job evaluation. (7)

Or

(c) "The Payment of wages Act 1936 provides that the wages are to be paid in a particular form, at regular intervals and without any unauthorized deduction." Comment. (7)

(d) Define compensation and list out the factors influencing compensation in the modern Organization. (7)

Q.5 (a) Mention the procedure for the fixation and revision of minimum rate of wages under the Minimum Wages Act, 1948. (7)

(b) Discuss the principles that should guide the formulation of an appropriate compensation policy. (7)

Or

(c) It is said "that money is a powerful source of motivation". But it is also said that salary increase can only motivate until the next pay increase is due. Explain. (7)

(d) Who is an Expatriate? What should be the components of an International compensation package? (7)



Roll No. _____

This paper has 3 printed sheets.

Course: M.Com. Sem. - IV

May -2017

Paper No. : MJ 424

Compensation Management and Employee Welfare Laws

2017

S.No. 424M17

Duration : 3 Hours

Max. Marks : 70

General Instructions: Attempt all the questions. All questions carry equal marks.

Q.1. How far is an employer liable for compensation to a workman injured by an accident arising out of and in the course of his employment? Discuss the legal status of employee and employer citing relevant case laws. (14)

Or

(a) Discuss the compensation management process citing the appropriate example or case. (7)

(b) Distinguish between allocable surplus and available surplus under Payment of Bonus Act, 1965. (7)

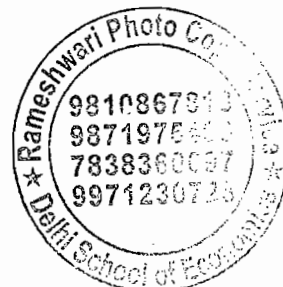
Q.2 (a) What are the relevant provision for fixation of wages and time period under the Payment of Wages Act, 1936 ? (7)

(b) Discuss the deductions prescribed under the Payment of Wages Act, 1936 as unauthorized deduction. (7)

Or

(c) Explain the concepts of job based pay, skill based pay and competency based pay. (7)

(d) What do you mean by compensation structure? What are the components of modern compensation structure (7)



Q.3 (a) What is the concept of set on and set off under Payment of Bonus Act, 1965 ? (7)

(b) What are the provisions for entitlement of receiving bonus and disqualification under the Payment of Bonus Act, 1965? Discuss briefly along with the relevant case laws. (7)

Or

(c) Discuss the objects, scope and applicability of the Minimum Wages Act, 1948. (7)

(d) What is the constitution and role of central advisory board under the Minimum Wages Act, 1948? (7)

Q.4.(a) What are the benefits (monetary and non-monetary) available to employee under the Maternity Benefit Act, 1961. Also cite the relevant case laws. (7)

(b) Discuss the provisions relating to the employer's liability to pay compensation and also various benefits available to employee and its dependents under the Employee Compensation Act, 1923. (7)

Or

(c) The employees of a public sector bank who were coming regularly to the bank late in the premise and were spending some time for the rest. Whether their wages could be deducted on pro rata basis or for the whole day. Discuss and also cite the relevant case laws. (4)

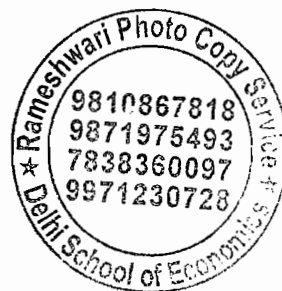
(d) A is an employee of XYZ Limited. He is getting a compensation package which is enough for him to maintain his standard of living, But still he is not satisfied with his job and wants to switch to PQR Ltd., Now manager of XYZ Ltd. does not want him to leave this organization. Suggest some remedies (other than monetary benefits), through which he can retain his best employees and motivate them. (5)

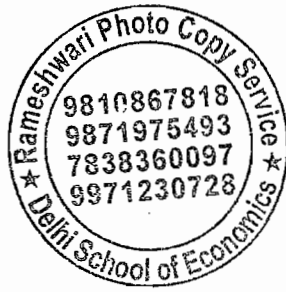
(e) What are the issues involved in fixation of expatriates compensation packages? (5)

Q.5 Explain any four of the following:

(3.5*4=14)

- (i) 'Workmen' under Payment of Bonus Act, 1923
- (ii) 'Dependents' under Employee Compensation act, 1923
- (iii) 'Disablement' under Employee Compensation act, 1923
- (iv) 'Injury' caused by accident under Employee Compensation act, 1923
- (v) 'Employee' under Minimum Wages Act, 1948
- (vi) 'Wages' under Payment of Wages Act, 1936





This question paper contains 3 printed pages]

Your Roll No. 25514-2017

4103

M.Com. Semester-IV (NC)

G

Paper No. MJ-424

(Compensation Management and Employee Welfare Laws)

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. ✓ (a) ✓ Write short notes on the following with reference to the Workmen's Compensation Act, 1923 : 9

✓ (i) ✓ Dependent

✓ (ii) ✓ Partial Disablement

✓ (iii) ✓ Qualified Medical Disablement.

✓ (b) ✓ Discuss the employer's liability to pay compensation to the workmen under the Workmen's Compensation Act, 1923. 11

Or

(c) Discuss the provisions regarding the penalties for various offenses of Payment of Wages Act, 1936. 10

(d) Discuss the definition of 'Wages' and 'Wages in kind' under the Minimum Wages Act, 1948. 10

P.T.O.

2. Explain the following :

- (a) Set-on and Set-off of Allocable surplus under Payment of Bonus Act, 1965. 10
- (b) Provisions for maximum and minimum bonus under the Payment of Bonus Act, 1965. 10

Or

A work reaches the place of employment before the time when the employment begins and meets an accident whether the accident is out of and in the course of employment. Discuss and cite relevant case laws. 20

- (a) What do you mean by International Compensation ? What competitive strategies are important for International Compensation ? 10
- (b) Discuss the provisions relating to authorized deductions and deductions for recovery of damages under Payment of Bonus Act, 1936. 10

Or

What do you mean by compensation management ? Discuss various types of compensation and factors affecting compensation management system. 20

- 4. (a) Discuss the duties of employee and legal obligations of employer under Maternity Benefit Act, 1961. 10
 - (b) Discuss the qualifications and disqualification for bonus under the Payment of Bonus Act, 1965. 10
- Or
- (c) Discuss the relevant provisions for leave and absence during pregnancy under the Maternity Benefit Act, 1961. 10
 - (d) Discuss the principles that should guide the formulation of an appropriate compensation policy. 10

5. Define any five of the following : 5x4=20

- (i) Temporary Disablement
- (ii) Employer
- (iii) Disqualification for not receiving bonus under Payment of Bonus Act, 1965
- (iv) Duties of Employer under Maternity Benefit Act, 1961
- (v) Occupational Disease
- (vi) Compensation Policy.

This question paper has 2 printed sheets

Roll No....2016

Course: M.Com Semester- IV (2016)

Paper No. MJ 424

Subject: Compensation Management and Employee Welfare laws

S.No. 424 M16C

Max Marks: 70

Time: 3 hours

Instructions: Attempt all questions. All questions carry equal marks.

Q1. What do you understand by performance based pay, skill based pay and competency based pay? Explain in detail with suitable examples. (14)

OR

What is international compensation? What are the issues involved in international pay system? Discuss (14)

Q2 (a) What is meant by 'Bonus' under the Payment of Bonus Act, 1965? Describe the scope and objects of the Payment of Bonus Act, 1965. (10)

(b) S, joined ABC & Co. on 1st Jan 2015, but on 28th Jan 2015 he met with an accident due to which he was able to re-join in May 2015. The employers refused to pay him Bonus, are they correct? Discuss. (4)

Or

What do you mean by Allocable Surplus and Available Surplus? Explain the provisions related to Set on and set off of Allocable Surplus as provided in the Payment of Bonus Act, 1965. (14)

Q3. Explain deductions which may be made from wages under Payment of Wages Act, 1936. (14)

Or

(a) "Accident alone does not entitle workmen to claim compensation; it must arise out of and in the course of employment". Comment with the help of relevant case laws. (10)

(b) Explain the following terms under Workmen Compensation Act, 1923.

- (i) Injury
- (ii) Occupational disease. (4)

Q4 (a) Discuss the object and scope of Minimum Wages Act, 1948. (7)

(b) What is the minimum rate of wages under section 3 of Minimum Wages Act, 1948? Does the Act provide for different minimum rates of wages under different situations? (7)

Or

What are the objectives of Maternity Benefit Act, 1961? Explain the Right to payment of maternity benefit under the Maternity Benefit Act, 1961. (14)

Q5. Write short notes on any four of the following:

- (1) Amount of compensation for death under Workmen Compensation Act, 1923.
- (2) Wages under Payment of Wages Act, 1936.
- (3) Minimum Bonus under the Payment of Bonus Act, 1965.
- (4) Nursing breaks under Maternity Benefit Act, 1961.
- (5) Expatriate pay. (14)

Roll No. _____

This paper has 2 printed sheets.

M.Com. Semester IV Examination (Regular)

(May 2019)

Paper no.- MN442

Subject- Industrial Laws

S.No. 442M19

Duration: 3 Hours

Max. Marks: 70

General Instructions: 1. Be precise in answering the questions.

2. Cite relevant case laws wherever needed.

1. (a) Attempt the following citing relevant case laws with respect to Industrial Disputes Act, 1947 (3.5*4)

- i. Explain the definition of Industry with reference to Supreme Court's Triple Test.
- ii. "Strike is a recognized weapon of the workmen to be resorted to by them". Comment. Is sympathetic strike, a strike? Give reasons in support of your answer.
- iii. When is a dispute supposed to be referred to a labour court and a national tribunal? When can a Government refuse to make reference?
- iv. Explain the provisions relating to prohibition of strikes and lock outs in public utility service u/s 22.

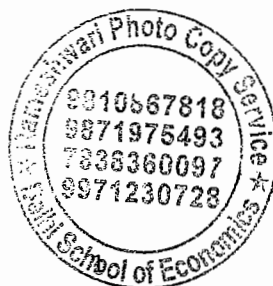
OR

- (b) Discuss the provisions relating to registration of trade unions under Trade Unions Act, 1926 with special reference to mode of registration, membership, cancellation of registration and the acts which do not apply to registered trade unions? (14)

2. Answer the following citing relevant case laws from Employee's Compensation Act, 1923: (3.5*4)

- i. Will the workmen who had died due to lightning which struck him while he was working in the course of employment be entitled to compensation under Employee Compensation Act, 1923? Give reasons in support of your answer.
- ii. Explain the provisions relating to compensation to be given to employees who met with an accident on public streets while preceding to or returning from his place of duty with reference to the case Union of India v Noor Jahan 1979.
- iii. What are the defences available to an employer to avoid his liability of compensation payable to an employee under Employee Compensation Act, 1923?
- iv. Explain the doctrine of notional extension under Employee Compensation Act, 1923 with reference to a case law.
- v. "The burden of proving that the accident arose out in the course of employment if upon the workman" Comment
- vi. A carpenter fell down during the course of his employment and suffered injuries resulting in amputation of his left arm. Explain the kind of disablement compensation (if any) he will be entitled to under Employee Compensation Act, 1923.

3. (a) Explain the provisions relating to authorities under the Factories Act, 1948. (10)



(b) The expression "ultimate control" implies right to take policy decision in respect of the running of the factory. Who is referred to in the above statement? Explain citing suitable examples.

OR

(c) Answer the following citing relevant case laws under Factories Act, 1948:

(2*7)

- i. Can workers working in administrative and clerical department of a telecom factory be considered as workers of that factory. Comment.
- ii. Explain the relationship of master and servant as an ingredient to definition of worker u/s 2(f) of Factories Act, 1948.
- iii. Define Adolescent u/s 2(b), Young person u/s 2(d), Week u/s 2(f) and Day u/s 2(e) of Factories Act, 1948.
- iv. Explain the provision of compensatory holidays u/s 53 of Factories Act, 1948.
- v. Explain the provisions relating to qualifications of an inspector under Factories Act, 1948.
- vi. Explain the power of state government to exempt any factory from the provisions of factories Act, 1948.
- vii. Are Bidi Rollers considered as worker under Factories Act, 1948?

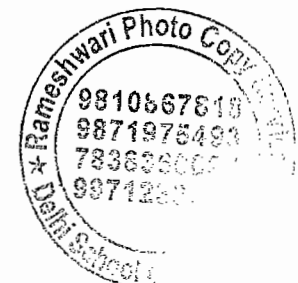
4. Answer **any four** of the following citing relevant case laws wherever necessary.

(3.5*4)

- i. Is the director of a company considered as an employee under EPF&MP act, 1952?
- ii. Explain the withdrawals which could be made from the provident Fund.
- iii. Comment on the inclusions in wages in accordance to EPF&MP Act, 1952 – Ex-Gratia payment, Inam, Retaining Allowance, Extra Leaf Price
- iv. Explain the provisions relating to Payment of Gratuity u/s 4 of Payment of Gratuity Act, 1972.
- v. A partnership firm converted itself into a registered company. How is the continuity of service be counted of employees for payment of gratuity? can employees who are voluntarily resigning be denied gratuity?
- vi. Explain the difference between Sickness benefit u/s 49 and Maternity Benefit u/s 50 of Employee's State Insurance Act, 1948.

5. Write short notes on **any two** of the following:

- i. Ingredients of the definition of factory u/s 2(m) of Factories Act, 1948.
- ii. Pigmy agents, if employee under Employee's Provident Fund and Miscellaneous Provisions Act, 1952.
- iii. Wings of ESIC under Employee State Insurance Act, 1948.



Roll No. _____

This paper has 3 printed sheets.

M.Com Semester- IV Examination (Regular)

(May 2018)

Paper no. - MN442

Subject- Industrial Laws

S.No. - MN442M18

Duration: 3 Hours

Max. Marks: 70

General Instructions: *All questions carry equal marks. Credit will be given for answer supported by case laws. if any.*

Q. 1. (A) Answer the following queries under the **EPF & MP Act, 1952** citing case law, if any.

1 × 7 = 7

- (a) How much administrative charges an employer is required to pay under EPF Act?
- (b) Whether Directors of a company working on part time basis discharging extra duties apart from director, will be covered by the EPF Act?
- (c) Whether Home worker is employee?
- (d) Whether employees of educational institutions are employee?
- (e) Who will be covered by the Pension Scheme?
- (f) What is the criteria for including Cinema theatres under EPF Act?
- (g) Whether retired worker on reemployment is employee?

(B) Discuss the Non-applicability of EPF scheme under section 16 of EPF & MP Act, 1952. 7

Or

(C) Answer the following queries under the **EPF & MP Act, 1952** citing case law, if any.

1 × 7 = 7

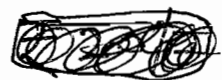
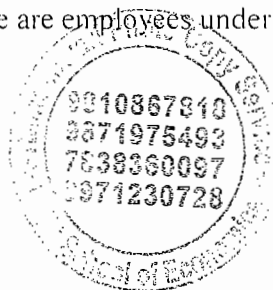
- (a) Whether partners of firm are employee?
- (b) What are the monthly contribution rates of employer to different schemes under EPF & MP act, 1952?
- (c) Whether Newspaper Establishments are covered under EPF Act?
- (d) Does the coverage end when the numbers of employees are reduced below the prescribed limit?
- (e) Whether casual worker is employee under the Act?
- (f) Whether production bonus paid for extra production beyond stipulated minimum is part of wages under EPF Act?
- (g) Mention the minimum & maximum pension amount per month available under EPF & MP act.

(D) Discuss the important features of amendment of Amendment Act, 1960 under EPF and MP Act 1952. Also list the important features of EDLI scheme 1976. 4 + 3 = 7

Q.2. (A) Answer the following queries under the **ESI Act, 1948** citing case law, if any.

1 × 7 = 7

- (a) Does the scheme apply to Seasonal Factory?
- (b) Whether the Establishment providing Consultancy services will be covered?
- (c) What is the difference between contribution period and benefit period?
- (d) Whether home workers rolling beedis at home are employees under the Act?



- (e) Whether Hotels and Restaurants are covered?
- (f) Whether fighting with a co-worker though occurring in the course of employment attract the provisions of arising out of employment?
- (g) When the Central Government may supersede the ESI Corporation and Standing Committee?

(B) Explain the provisions of the Employees State Insurance Act, 1948 relating to constitution and power of ESI Corporation. 7

Or

- (C) Answer the following queries under the **ESI Act, 1948** citing case law, if any. 1 × 7 = 7
- (a) Whether an advertising agency is a shop to attract the applicability of the ESI Act?
 - (b) What is the wage limit under ESI act for employee coverage?
 - (c) Whether Petrol pumps are covered under ESI Act?
 - (d) Whether Casual employees engaged in a hotel through contractor will be covered?
 - (e) Who are not employees under ESI Act?
 - (f) Whether Hospitals & dispensaries are covered under ESI act?
 - (g) Is the use of LPG in the restaurants will be treated as use of power?

(D) Discuss briefly the provisions of Constitutions and operations of ESI Fund under the ESI Act, 1948. 7

Q.3. (A) Answer the following queries under the **Factories Act, 1948** citing case law, if any.

1 × 7 = 7

- (a) What is the necessary condition of appointment of a Safety Officer in a Factory?
- (b) Whether installation of machinery is a manufacturing process?
- (c) Whether the Conversion of high voltage electricity to low voltage is manufacturing process?
- (d) Whether Dry cleaner's establishment is a factory under Factory Act?
- (e) What are the three main objectives of Factories Act?
- (f) Whether motor-lorry drivers who used to take raw materials and finished product from one factory to other factory are workers?
- (g) Which authority enforces the Factories Act?

(B) Discuss the provisions of Factories Act, 1948 relating to Health and Welfare of workers. 7

Or

(C) Answer the following queries under the **Factories Act, 1948** citing case law, if any. 1 × 7 = 7

- (a) State the Administrative agencies under the act.
- (b) Is the salt making in open fields a manufacturing process?
- (c) Whether pumping of petrol/diesel at the pumping station is a manufacturing process?
- (d) Whether storage of milk and curd in a refrigerator in a hotel is manufacturing process?
- (e) Whether Piece rate workers are workers under the Act?
- (f) What is the condition for availing Annual Leave with wages under Factories Act?

(g) What is Certificate of fitness under section 69 of Factories Act. 1948?

(D) Explain the features, objectives and Applicability of the Factories Act 1948. 7

Q.4 (A) Define Industry and Industrial Disputes in reference to the case "*Bangalore Water Supply and Sewage Board v Rajappa (1978)*." 7

(B) On inspection of the premises, the enforcement officer of Provident Fund organization found the strength of employees to be 22 which included 3 directors of the company, who get remuneration from the company. He recommended that the company should be covered by EPF Act. Decide. 3

(C) To whom gratuity is Payable under Payment of Gratuity Act, 1972? 4

Or

(D) Explain the provisions relating to illegal strikes and lock outs under section 24. 5

(E) The employee was assaulted at the bus stop while he was waiting for the bus to his house. Can the injury sustained by employee due to the assault, be said to have its origin in the course of employment as per ESI Act 1948? 3

(F) Explain the Privileges of a Registered Trade Union under **Trade Unions Act, 1926**. 6

Q.5.

(A) A company is running a hotel in Bangalore. For the benefits of guests the hotel maintains a laundry which is used for upkeep of the rooms, comfort of the guests and cleanliness of the linen used in the restaurant. The company has assigned the laundry work to an outside agency on contract basis that was carrying on the said work within the precincts of the hotel. There were 24 employees in the laundry division. Decide whether laundry division would attract the provisions of Factories Act 1948. 3

(B) Explain the provisions of compensation entitlement of employee's accidental injury on public streets in reference to case *Union of India v Noor Jahan 1979*. 5

(C) Write short notes on the following. 3 + 3 = 6

(i) Funds for political purpose under Trade Union Act, 1926.

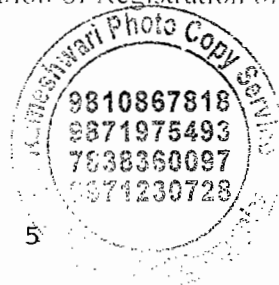
(ii) Commissioner under Workmen's Compensation Act, 1923.

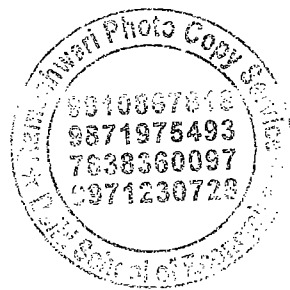
Or

(D) Accommodation/bungalows were provided by the company to its officers and directors. A few 'Malis' were looking after the garden attached to the bungalows. Decide whether the 'malis' looking after the garden attached to bungalows were 'worker' under Industrial Dispute Act, 1947? What was the Supreme Court judgement in relation to this case? 3

(E) When employer is not liable to pay the compensation under Employee's Compensation Act, 1923. 5

(F) Discuss the provisions relating to Cancellation of Registration of Trade Union under Trade Unions Act, 1926 6





Roll No. _____

This paper has 3 printed sheets.

M.Com Semester- IV Examination (Regular)

(May 2017)

Paper no. - MN442

Subject- Industrial Laws

2017

S.No. - 442M17

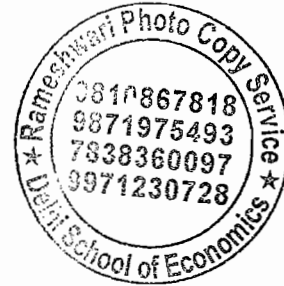
Duration: 3 Hours

Max. Marks: 70

General Instructions: All questions carry equal marks. Credit will be given for answer supported by case laws, if any.

Q. 1. Answer the following queries under the EPF & MP Act, 1952 citing case law, if any. Each carries equal marks. 1 × 14 = 14

- (a) How many years of service is required to be eligible to received member pension?
- (b) Whether a contractors' employee is an employee?
- (c) Whether Home worker is employee?
- (d) What is the wage ceiling under the EPF Act?
- (e) Whether Director of a company is employee?
- (f) Whether partners of firm are employee?
- (g) What are the monthly contribution rates of employer to different schemes under EPF & MP act, 1952?
- (h) What is the maximum amount that can be claim under EDLI scheme?
- (i) Does the coverage end when the numbers of employees are reduced below the prescribed limit?
- (j) Briefly mention the Applicability/Non-Applicability of the Act to Cooperative Societies.
- (k) Whether employees of educational institutions are employee?
- (l) Briefly write the Applicability of the Act.
- (m) Mention the purposes for which Advances/ Withdrawals may be availed from Provident Fund.
- (n) Whether EPF & MP act, 1952 applies to Newspaper Establishment?



Or

(a) Discuss the provisions of the EPF & MP Act, 1952 relating to constitution, composition and functions of the Central Board. 7

(b) Briefly discuss the Applicability, features and benefits of Employee's Deposit Linked Insurance Scheme, 1976. 7

Q.2. Answer the following queries under the ESI Act, 1948 citing case law, if any. Each carries equal marks. 1 × 14 = 14

₹ 20/-

- (a) Does the scheme apply to Seasonal Factory?
- (b) Whether the Establishments providing Consultancy services will be covered under the ESI act 1948.
- (c) What is the difference between contribution period and benefit period?
- (d) Whether Cinemas & Theatres are covered under the ESI act, 1948?
- (e) Whether Hotels and Restaurants are covered under the ESI act, 1948?
- (f) Whether an advertising agency is a shop to attract the applicability of the ESI Act?
- (g) Define Employment injury.
- (h) Is the use of LPG in the restaurants will be treated as use of power?
- (i) When the Central Government may supersede the ESI Corporation and Standing Committee?
- (j) What are the wings of ESIC?
- (k) Can an employee insured under ESI Act claim compensation under Workmen's Compensation Act, 1923?
- (l) Whether Casual employees engaged in a hotel through contractor will be covered under the act?
- (m) Whether home workers rolling beedis at home are employees under the Act?
- (n) Who are not employees under ESI Act?

Or

- (a) Discuss briefly various benefits provided under the ESI Act, 1948. 7
- (b) Explain the provisions, ESI Act, 1948 relating to the constitution and duties of ESI Corporation. 7

Q.3. Answer the following queries under the **Factories Act, 1948** citing case law, if any. Each carries equal marks. 1 × 14 = 14

- (a) What are the weekly hours of work in a factory?
- (b) Whether the Conversion of high voltage electricity to low voltage is manufacturing process?
- (c) Whether the publication and press department of a University is a Factory?
- (d) Is the salt making in open fields a manufacturing process?
- (e) Which authority enforces the Factories Act?
- (f) State the Administrative agencies under the act.
- (g) What is the necessary condition of appointment of a Safety Officer in a Factory?
- (h) Who is an Occupier of a Factory?
- (i) Whether storage of milk and curd in a refrigerator in a hotel is manufacturing process?
- (j) Whether a child is allowed to work in a factory?
- (k) What are the three main objectives of Factories Act?
- (l) Establishment carrying seasonal manufacturing process if Factory?
- (m) Whether Piece rate workers are workers under the Act?
- (n) State two important amendments in the **Factories Act, 1934**.

Or

- (a) Define the concepts of manufacturing process, worker and factory under the Factories Act, 1948. 6
- (b) Discuss the provisions of Factories Act, 1948 relating to Employment of Young Persons. 8

Q.4 (a) Differentiate between Lay-off and Lock out. Discuss the provisions relating to Illegal strikes and lock outs. 8

(b) Discuss the provisions relating to Cancellation of Registration of Trade Union under Trade Unions Act, 1926. 6

Or

(a) ABC textile in the whole sale section and ABC stores in the retail section are really an integrated single unit. The building and electricity connections are common for both the establishments. Cash counter and packing sections are common and there is common security and common path and common supervision for both. The proprietor of ABC store is the mother of ABC textile. Ostensibly they are two units but there is functional integrity between two. Provide the judgment for the purpose of the ESI Act, 1948. Also cite the case 3

(b) Bipul Gogoi was appointed as a driver of a vehicle bearing registration no. As-09/2289 by the third respondent. He reported to his duty at about 9.30 am on 09.10.1996. He was since then not heard by the members of his family or by his employer. The vehicle was not traced. No dead body found. Whether the said Bipul Gogoi is dead or alive is not certain. Provide the judgment under Workmen's compensation Act and decide whether compensation was entitled under the act. Cite the case. 4

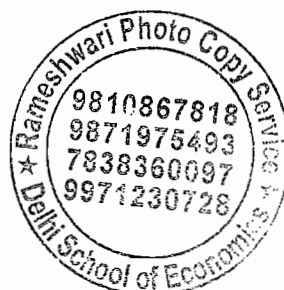
(c) Late Roopnarayan Chaturvedi who was appointed in the school on 20.07.1966 died during service on 21.09.2001. His wife Vidyavati Chaturvedi made an application for payment of Gratuity before the management of the institution. But the same was dismissed on the plea that the deceased was a 'teacher' in the institution who has been excluded by the definition of an employee under the Act. The wife of the deceased contended that he was promoted to the post of principal by the management *vide* order dated 01.03.1989. Provide details of the final judgment mentioning the case. 4

(d) A workmen on duty was bitten by a scorpion and during operation therefore while under treatment as an indoor patient in the hospital, developed tetanus and ultimately died. Decide whether compensation is payable under Workmen's compensation Act, 1923. Cite case name. 3

Q.5. Write short notes on *any four* of the following.

$3\frac{1}{2} \times 4 = 14$

- (i) Payment of gratuity
- (ii) Commissioner under Workmen's Compensation Act, 1923
- (iii) Funds for political purpose under Trade Union Act, 1926.
- (iv) Characteristics of an Industrial disputes.
- (v) 2nd National Commission on Labour report.
- (vi) Privileges of a Registered Trade Union.



Course: M.Com. Sem. - IV
Paper No. : MN 442 (2016)
Industrial Law

S.No. 442M16C
Time: 3 Hours

Max. Marks: 70

Q.1 (a) Explain the objectives of EPF & MP Act, 1952. Also discuss the basic provisions related to applicability of EPF & MP Act, 1952 (7)

(b) Answer the following giving reasons and citing relevant case laws

(i) Can the persons who are employed for a short period of time or on account of some urgent necessity or abnormal contingency be considered as employees for the purpose of determining the employment strength in relation to applicability of EPF & MP Act, 1952? (2)

(ii) A common management is running three schools viz. Nursery, Primary and High school. The number of employees in the schools is 8, 10 and 5 respectively. Discuss the applicability of the EPF & MP Act, 1952 on the basis of strength of the employees. (2)

(iii) Discuss the provisions related to Basic Wages of EPF & MP Act, 1952. (3)

Or

(d) Explain the features of employees pension scheme 1995 provided under the Employee Provident and Miscellaneous provisions act is estimated 1952. (7)

(e) Briefly explain the various benefits provided under the Employees State Insurance Act, 1952. (7)

Q.2 (a) Answer the following giving reasons and citing relevant case laws (3+4)

(i) "Gratuity under the Payment of Gratuity act, 1972 is no longer in the realm of charity". Comment

(ii) Comment on the applicability of Trade Union Act:

1. Rights and Liabilities of registered trade union

2. Immunity from criminal proceedings

(b) Explain the following in context of Payment of Gratuity Act (3.5+3.5)

(i) Continuous Service

(ii) Forfeiture of Gratuity

Or

(c) Explain the provisions of employee state insurance act, 1948 relating to the Employee State Insurance Corporation. (7)

(d) "The Industrial Disputes Act, 1947 is designed to provide a self-contained code to compel the parties to resort to industrial arbitration for the resolution of existing or apprehended disputes." Discuss. (7)

Q.3 (a) Bharat Mills was engaged in a hazardous and inherently dangerous activity. The enterprise had, however, taken all the necessary steps to ensure that no dangerous fume or gas escapes and causes harm to the persons and property of the neighboring areas. Due to a technical fault, the poisonous fumes and gas adversely affected the health of thousands of persons and damaged the property of neighborhood. On being held liable to pay damages for non-natural use of land, the company's directors contended that they had taken all the reasonable steps to prevent any leakage and that there was no negligence whatsoever on their part.

Will the company's directors succeed in their contention and escape the natural consequences of the inherently dangerous activity? Give reasons in support of your answer and refer to the relevant case law, if any. (7)

(b) Raj was a member of the Board of directors of a company. On being made liable for an offense punishable under the Factories Act, 1948, he contended that he was not an 'occupier' of the factory of the company and hence, he was exempt from any liability. Will Raj succeed in his contention? Give reasons referring to the case law on the point. (7)

Or

(c) Describe the various procedures for settlement of industrial disputes. Is it appropriate on the part of government to refer industrial disputes for adjudication? (14)

Q.4 (a) The blood relatives (Father, Mother and Brother) of a deceased who died during the course of his employment claimed compensation under Employee's Compensation Act, 1923. During the pendency of the application, the widow of the deceased who later remarried also filed an application stating that she was alone entitled to receive the compensation. Decide upon the case citing relevant case laws. (5)

(b) Write short notes on the following in context of Employee's Compensation Act, 1923. (9)

- (i) Disablement
- (ii) Amount of Compensation
- (iii) Employer's liability for compensation

Or

(2)

Comment on the eligibility of claiming compensation under Employee's Compensation Act, 1923 citing relevant laws. (14)

- (i) Widowed Mother
- (ii) Minor uterine brother
- (iii) Major brother
- (iv) Illegitimate Child

Q.5 (a) Members of the union went on strike to press their demands. President of the union made speeches and instigated workers for picketing of the mill. He also brought his wife to mill gate with instructions to beat with slippers anyone who interfered with her in the picketing process. Later on he was prosecuted on the charges of instigating, picketing and abetment by his wife u/s 114 of the Indian Penal Code. Decide, If the accused will get the immunity from the criminal Proceedings? (5)

(b) Discuss the provisions for cancellation of registration of trade unions along with help of relevant case laws. (5)

(c) Discuss the provision for recognized and non-recognized union, citing the relevant case laws. (4)

Or

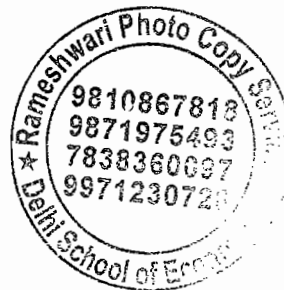
With reference to the relevant legal enactments, write short notes on the following: (14)

(i) Provisions relating to 'hazardous processes' under the Factories Act, 1948.

(ii) Employees' Insurance Court constituted under the Employees' State Insurance Act, 1948.

(iii) General funds under the trade union Act.

(iv) Distinguish between 'individual dispute' and 'industrial dispute' under the Industrial Disputes Act, 1947.



(3)

This question paper contains 4 printed pages

Roll No. 2015

M.Com : Sem IV

Paper No. 7152

Subject : Industrial Law

S.No. 7152151

Time : 3 hrs

Maximum Marks : 70

Instructions: Attempt all questions. All questions carry equal marks

Credit will be given for answers supported by case laws, if any.

Q.1 Fill in the blanks : (1x14)

1) Fifth schedule of the Industrial Dispute Act defines and enumerates _____.

2) Under the EPF Act enhanced wage ceiling effective from 1st Sept, 2014 is _____.

3) Contribution to the political funds of the trade union is _____.

4) Registration of trade unions is not _____ and registration is different from _____.

5) The amended provisions of Industrial Disputes Act w.e.f. 15-09-2010, by virtue of Section 9C, provide that every industrial establishment employing 20 or more workmen shall have one or more _____.

6) The Trade Union Act does not prescribe any time limit for the _____ or _____ of the registration.

7) No protection is available under Trade Union Act for any agreement to commit an _____ as was established under Jay Engineering Works Ltd. Vs Staff.

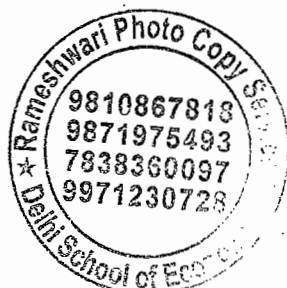
8) Chapters III, IV, V of the Factories Act provide for _____, _____, _____ of workers.

9) Trade Unions cannot be registered under _____, _____, _____.

10) Individual dispute *per se* is not an industrial dispute unless it is espoused by _____ or _____.

1

15



11) EPF Act became applicable to the theatre employing _____ or more workers w.e.f. 01-10-1984.

12) Triple test criteria was laid by seven judges bench of the Supreme Court defining the term _____.

13) Lock-out is a weapon available to the _____.

14) Compensation under Section 25ff of the Industrial Disputes Act constitutes _____.

Or

Attempt the following. Each carries equal marks:

(3.5 x 4)

- a) Discuss the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 relating to its applicability. Will the Act apply to educational institutions, hospitals, partners of firm, cooperative societies, leasing and merchant banking? Cite case laws.
- b) Explain briefly the provisions of the Employees State Insurance Act, 1948 relating to the constitution, composition, and powers of the Standing Committee and Medical Benefit Council.
- c) Discuss briefly various benefits provided under the ESI Act.
- d) The petitioner is a partnership firm consisting of professional architects. Despite objection by the petitioner firm, proceeding were initiated and order for payment of Rs 2,77,974 was issued. The petitioner firm challenged the order by filing writ petition in the High Court. Discuss citing a relevant case law if this firm of architects can be held to be a 'shop' so as to bring the firm within the ambit of the ESI Act.

Q.2 (a) Compare Section 22 and 23 with regard to 'illegal strikes'. (7)

(b) Discuss provisions relating to Employees State Insurance Corporation. (3.5)

(c) On inspection of the premises, the enforcement officer of PF organization found the strength of the employees to be 22 which included 3 directors of the company who get remuneration from the company. He recommended that the respondent company be covered by the EPF Act. The respondent company challenged the coverage. Decide by citing a case law. (3.5)

OR

(d) When does 'individual dispute' become 'industrial dispute'? Explain the technicalities of remedy to individual workman under Section 2A and amendment of Section 2A by the Industrial Disputes Amendment Act, 2010. (7)

(e) Discuss welfare provision for factory workers under the Factories Act. (3.5)

(f) Management alleges that nursery, primary and high school functioning under the school management are separate. Therefore, EPF Act is not applicable. Decide whether the argument of the management is acceptable or not citing case with proper explanation. (3.5)

Q.3 a) In Bangalore Water Supply & Sewerage Board Vs A. Rajappa, the Supreme Court has reviewed the earlier dicta of court on the definition of industry in the spirit of crusaders. It went haywire and far beyond the confines of the case in the name of judicial activism to bring every conceivable activity in the sweep of industry. Critically examine the above statement. Enlist a few cases which were overruled and the cases which were reaffirmed by the above development. (7)

b) State objectives of the Payment of Wages Act. (3.5)

c) The Non-Gazetted members of the Delhi Police Force wanted to form an organization of their own and for that purpose constituted the Karamchari Union in 1966 and applied for its registration under the Trade Union Act, 1926. Decide, if the Non-Gazetted members of the Delhi Police Force can register their trade union under the Trade Union Act? (3.5)

OR

d) The dividing line between victimization and unfair labour practices is very thin. Critically comment citing examples from Schedule V of the Industrial Disputes Act. (7)

e) Can Tirumala Tirupati Devasthanam be regarded as industry within the meaning under Trade Unions Act? Explain. (3.5)

f) Members of the union went on strike to press their demands. President of Union made speeches and instigated workers for picketing of the Mill. He also brought his wife to the mill gate with instructions to beat with slippers anyone who interfered with her in the picketing process. Later on he was prosecuted on the charges of instigating, picketing and abetment of picketing by his wife u/s 114 of the Indian Penal Code. Decide, if the accused will get immunity from criminal proceedings? (3.5)

Q.4 Attempt the following. Each carries equal marks: (3.5 x 4)

a) Differentiate between the provisions of the Employees' Compensation Act, 1923 and the ESI Act, 1948.

b) The applicant Fagua Sai being the father of the deceased Dhaneshwar Sai filed an application before the Lower Court for compensation. It is an admitted fact that Dhaneshwar Sai was working in the fields when lightning struck at 4 p.m.

resulting into his death. Discuss citing a relevant case law if accident arose out of and in the course of employment?

- c) The deceased driver was entrusted the duty of driving the bus on a particular route. The deceased was free to go home after duty hours, yet he stayed back for rest on the terrace of the bus stand. In the morning while getting down from the terrace, the deceased tumble down resulting in his death. Decide if the cause of accident is connected with the nature of employment and the employer is liable to pay compensation.
- d) The workman had been in service from 18.05.1990. On 25.12.1990, he suffered a cerebral stroke while at sea. He was therefore taken ashore and was treated in a hospital. Thereafter, in Jan 1991, he was repatriated to India and was admitted to hospital for further treatment. On 11.02.1991, respondent's son has discharged him from the hospital against the medical advice and returned to their native place. The respondent workman claims an amount of Rs 15 lakhs as compensation from the appellant shipper contending that he was suffered from an accident arising out of and in the course of employment. Decide, if the workman is entitled to compensation?

Q.5 Write short notes on any four : (3.5 x 4)

- a) Rules regarding deductions for fines under Payment of Wages Act.
- b) Concept of 'continuous service' under Payment of Gratuity Act.
- c) Provision regarding 'protection against attachment' under EPF Act.
- d) Maximum and Minimum Bonus under Payment of Bonus Act.
- e) Objects for which political funds may be used under Trade Union Act, 1926.
- f) Employment injury and 'principle of Notional Extension' under ESI Act.
- g) 'Employees Pension Scheme under EPF & MP Act.

M.Com.: Semester IV
Paper No.: 7152
Subject: Industrial Laws

S.No. 7152141

Time allowed: 3 Hours

Max. Marks: 70

Instructions: Attempt all questions. All questions carry equal marks. Credit will be given for the answers supported by relevant provision and case laws, if any.

1 (a) Briefly explain the features of various schemes provided under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. 8

1 (b) Would you treat the following as "employee" under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Cite case laws, if any. 6

- i) Home workers
- ii) Partner of a firm
- iii) Director of a company
- iv) Piece ate worker
- v) Casual worker
- vi) Members of a Cooperative Society working in connection with the society.

Or

Attempt the following. Each carries equal marks:

c) On inspection of the premises, the enforcement officer of PF Organization found the strength of employees to be 22 which included 3 directors of the company who get remuneration from the company. He recommended that the respondent company be covered by the EPF Act. The company challenged the coverage. Decide by citing relevant a case law. 4

d) Will the drivers engaged by the managers/officers of the company whose wages are reimbursed by the company through the managers and who have been provided with uniforms, footwears, monsoon equipments, winter clothing and even overtime when their services were required by their managers beyond their duty hours, be covered under the EPF & MP Act? Decide by citing a relevant case law. 4

e) Facts of the case are that the petitioner's establishment is engaged in the sale of fruits in Subzi Mandi, Azadpur. The inspector of RPFC visited the premises of the petitioner's establishment on 22nd June and 6th July, 1989 for the purpose of inspecting as to whether the petitioner establishment would be covered under the Act and met one Sh. K.N. Jaggi, who transpired to be the husband of one of the partners of petitioner's establishment Smt. Sulakshna Jaggi. Sh. K.N. Jaggi handed over a letter dated 22nd June, 1989 to the inspector on the letterhead of petitioner's establishment, giving details about the said establishment duly signed by him. In the said letter, information was given with regard to the name of the petitioner establishment, the date on which the establishment was started, its activities, details of the partners, the employee strength/attendance register as on 1st June, 1998 and the number of piece rate casual labourers. A copy of the partnership deed of the petitioner establishment, executed on 17th December, 1983 was also handed over by Sh. K.N. Jaggi to the Inspector. On the basis of the aforesaid information received by the Inspector, he recommended coverage of the petitioner establishment with effect from 1st June, 1989 under the Act and accordingly submitted a report to his office. On the basis of the said report, a coverage letter dated 24th July, 1989 was issued to the petitioner establishment, covering it under the Act with effect from 1st June, 1989. As the

petitioner did not report compliance of the provisions of the EPF Act, proceedings under section 7A of the Act were initiated against it and summons dated 11th April, 1990 were issued to the petitioner establishment. In response to the aforesaid summons, the petitioner establishment gave a reply stating inter alia amongst others, that the petitioner establishment never employed 20 or more persons and therefore it did not attract coverage under the EPF Act. The last contention raised on behalf of the petitioner establishment was to the effect that casual workers could not have been included in the strength of employees of the petitioner establishment for taking the same up to 20 in number and making the Act applicable to it. There were working under the contractor 12 piece rate casual workers. Decide, by citing a relevant case law whether the casual workers are employees and petitioner establishment would be covered under the EPF Act? 6

2 (a) Explain briefly the provisions of the Employees State Insurance Act, 1948 relating to the Employees State Insurance Corporation. 7

2 (b) Discuss the provisions relating to the Employees State Insurance Court? State the claims, which can be decided by the ESI Court. 7

Or

Attempt the following. Each carries equal marks:

c) The question that is involved in the appeal is whether "Manipal Sowbhagya Nidhi, Ltd." a public limited company under the provisions of the Companies Act, is a "Shop" coming within the purview of section 1(4) of the Employees' State Insurance Act, 1948, or under any notification issued under section 1(5) of the Act, including the Government notification, dated 9 January, 1987. The E.S.I. Court answered the said question in the negative, giving rise to the appeal by E.S.I. Corporation. Decide by citing a relevant case law and provisions. 5

d) Petitioner is a limited company engaged in manufacturing rain wears, air pillows, rubber canvas foot wear etc., in its small scale industrial unit. It is covered under the provision of the ESI Act. Petitioner offloads various work on piece rate basis to other units for stitching buttons hole fixing, taping, pasting, molding, mixing, etc. The charges paid against such job work include the cost of job work and profit of the units who execute such job orders. Such units are independent and they do the job work of the petitioner as well as others at their own premises. Petitioner has no connection or control whatsoever on the said units. It has got no supervisory control over the day to day execution of the work. The said units submit their bills against such work and payment are made by cheque. Will a company manufacturing rainwear's and air pillows and covered under the ESI Act outsourcing various jobs on piece-rate basis to other units be liable to pay ESI contributions for such job work done for other establishments the job of which is neither supervised nor controlled by the company?. Decide citing a relevant case law. 5

e) The security service has been provided for safeguarding the property which has been purchased elsewhere and the security guards through agency were not therefore working in the premises of the factory. Can the security personnel engaged through Nasey and Ace Security Services be treated as employees of the respondent and fall under the definition of an employee as set out in section 2(9) of the ESI Act and the payments made for security arrangements to the agency be treated as wages? Decide citing a relevant case law. 4

3 (a) What is meant by the terms Allocable Surplus, Available Surplus, Set on and Set off of Allocable Surplus as provided in the Payment of Bonus Act, 1965? Elaborate the provisions of the Payment of Bonus Act, 1965 for determination of bonus. 8

3 (b) Define the terms Employer, Employee and continuous service as per the Payment of Gratuity Act, 1972. 6

Or

Attempt the following. Each carries equal marks:

c) Although there are certain merits in a recognized trade union over the non-recognized trade union, but a management can't give an impression of favoring a section of employees with different benefits on the basis of membership in recognized or non-recognized trade union under the Trade Union Act, 1926. Explain 5

d) In the Raj Bhavan at Guindy (Madras), a number of persons are employed in various capacities such as household staff, peons, chauffeurs, tailors, carpenters, maistries, gardeners, sweepers, etc. There are also gardeners and maistries employed at the Raj Bhavan at Ootacamund. Those persons are employed for doing domestic and other services and for the maintenance of the Governor's household and to attend to the needs of the Governor, the members of his family, staff and State guests. There are two categories of employees: (1) those whose services are more or less of a domestic nature. They number 102. The services of these persons are pensionable and are governed by certain rules framed by the Governor of Madras; and (2) those who formed part of the workcharge establishment consisting of maistries and gardeners. There are 33 such persons employed at Guindy and 35 at Ootacamund. Their duties consist in maintaining the gardens. Their service is not pensionable but they would be entitled to gratuity at certain rates. Both the categories of the staff are appointed by and are under the disciplinary control of the Comptroller. With the object of securing better service conditions and to facilitate collective bargaining with the employer, the employees formed themselves into a union called the Madras Raj Bhavan Workers' Union. On 9 February, 1959, seven of the employees applied to the Registrar of Trade Unions, Madras for registration of their union as a trade union under the Trade Unions Act of 1926. Decide citing a relevant case law if the union of such workers would come within the scope of the Trade Union Act so as to entitle it to registration thereunder? 5

e) Workers went on sit-down strike. They occupied/took over two key buildings of the company resulting in stoppage of work. Management sought the help of police to vacate the buildings. Police removed them forcibly. At this, workers became violent. Later on, the company dismissed such workers. Workers pleaded immunity from criminal action. Decide if the workers were entitled to any immunity? 4

4. Attempt any three of the following. Each carries equal marks. 14

a) Distinguish between the provisions of the Employees' Compensation Act, 1923 and the ESI Act, 1948.

b) An electrician, who had to go frequently to a heating room from cooling plant, contracted pneumonia, which resulted in his death. Decide by citing a case law if the dependants of the deceased workman were entitled to compensation under the Employees' Compensation Act?

c) The deceased working as driver after loading his truck fell ill on his way and asked cleaner to drive his truck. In the early morning hours, some army personnel stopped

3

vehicle and asked the persons sitting inside the vehicle to come down. Due to illness, deceased driver took some time to come down, which infuriated army personnel who fired at him resulting in his death. Decide by citing a case law, if the accident has occurred arising out of and in the course of his employment and the compensation is payable to the dependents?

- d) The workman had been in service from 18.05.1990. On 25.12.1990, he suffered a cerebral stroke while at sea. He was therefore taken ashore and was treated in a hospital. Thereafter, in Jan 1991, he was repatriated to India and was admitted to hospital for further treatment. On 11.02.1991, respondent's son has discharged him from the hospital against the medical advice and returned to their native place. The respondent workman claims an amount of Rs 15 lakhs as compensation from the appellant shipper contending that he was suffering from an accident arising out of and in the course of employment. Decide by citing a relevant case law, if the workman is entitled to compensation?

4 Write short notes on any four of the following. Each carries equal marks: 14

- (a) Welfare provisions under the Factories Act
- (b) What is included and what is not under the Payment of Wages Act?
- (c) Authorised deductions under the Payment of Wages Act, 1936.
- (d) Procedure for fixing minimum wages under the Minimum Wages Act.
- (e) Distinction between the provisions of the Trade Union Act and Industrial Dispute Act.
- (f) Commissioners under the Employee's Compensation Act, 1923.

M.COM. : Semester IV
Paper No. - 7152
Paper-INDUSTRIAL LAWS

S. No. of Q.P. - 7152131

TIME: 3 HRS

MM: 70 Marks

Attempt all questions. All questions carry equal marks. Credit will be given for the answers supported by relevant provision and case laws, if any.

1 (a) Discuss the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 relating to its applicability. Does the Act apply to hospitals, partners of firm, cooperative societies, leasing and merchant banking? Cite relevant case laws. 7

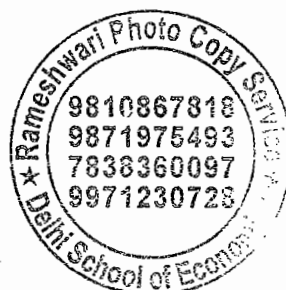
(b) Briefly explain the salient features of Employees Pension Scheme and Employees Deposit-Linked Insurance Scheme under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. 7

Or

Attempt the following. Each carries equal marks: 14

a) Delhi Public School, Meerut Road, Ghaziabad, is a covered establishment under the provision of the EPF & Act, 1952. During the course of the various inspection carried out in the institution, the Area Enforcement Officer noticed that contractors employees including canteen contractor, transport contractor, doctor and cycle stand contractor have not been covered by the Management for the purpose of extending PF benefits. Institution was asked to remedy the said situation by computing quantum of arrears dues to be paid in respect of said category of employees on 22-11-1966. No action was taken and thereafter notice for initiating proceeding under section 7A (3) of the Act was issued on 22-1-1997. Petitioners (DPS) submit that immediately thereafter reply was filed on 1-3-1997 mentioning therein that they are employees of Contractors and there does not exist master and servant relationship in between the Driver and petitioner's institution. Thereafter proceedings under section 7A (3) of the Act has been finalized on 7-4-1997 and said amount has been worked out and has been realized from the establishment by attaching the account of institution under section 8(F) of the Act. Petitioner has approached the Court contending therein that entire proceedings are void and without jurisdiction. Decide by citing a relevant case law.

b) The petitioner is a Public Sector Corporation manufacturing petroleum product, having its factory at Manali employing 1700 permanent workmen and that apart, it engages contractors. The respondents (APFC) directed the petitioner company to produce attendance register in r/o employees employed by the contractor from 1st Jan., 1967 onwards. The petitioner pleaded that it is not possible for the company to produce the said documents as the records are available with the contractors concerned. The petitioner filed a petition requesting the respondent to implead the contractors as parties. Without considering the said petition, the respondent passed order directing to pay the



contributions to the workmen employed by the contractors. Hence, this writ petition before the Court. Decide by citing a case law.

- c) Will the drivers engaged by the managers/officers of the company whose wages are reimbursed by the company through the managers and who have been provided with uniforms, foot-wears, monsoon equipments, winter clothing and even overtime when their services were required by their managers beyond their duty houses, be covered under the EPF & MP Act? Discuss by citing a relevant case law.

2 (a) Explain briefly the provisions of the Employees State Insurance Act, 1948 relating to the constitution, composition, and powers of the Employees State Insurance Corporation. 7

(b) Discuss briefly various benefits provided under the ESI Act. 7

Or

Attempt the following. Each carries equal marks: 14

- a) Petitioner is a limited company engaged in manufacturing rain wears, air pillows, rubber canvas foot wear etc., in its small scale industrial unit. It is covered under the provision of the ESI Act. Petitioner offloads various work on piece rate basis to other units for stitching buttons hole fixing, taping, pasting, molding, mixing etc. The charges paid against such job work include the cost of job work and profit of the units who execute such job orders. Such units are independent and they do the job work of the petitioner as well as others at their own premises. Petitioner has no connection or control whatsoever on the said units. It has got no supervisory control over the day to day execution of the work. The said units submit their bills against such work and payment are made by cheque. Will a company manufacturing rainwear's and air pillows and covered under the ESI Act outsourcing various jobs on piece-rate basis to other units be liable to pay ESI contributions for such job work done for other establishments the job of which is neither supervised nor controlled by the company?.
- b) The respondent company is carrying on the activities of rendering service to its members in the form of giving loans and accepting deposits, and more importantly, the said service being rendered for a price, which price is the interest that is levied on the loans taken by the members. Decide citing a case law if the activities carried on by the respondent company brings it within the fold of an establishment carrying on a systematic commercial or financial activities and whether "Sowbhagya Nidhi, Ltd." a public limited company under the provisions of the Companies Act, 1956, is a "Shop" coming within the purview of section 1(4) of the Employees' State Insurance Act, 1948.
- c) The appellant was awarded the contract of manufacturing of pre-stressed sleepers by the Indian Railways. A unit for manufacture was established in the Gunthakal Railway Yard. On 12-9-1986, the premises were visited by an Inspector who recommended to the appellant to get it registered for coverage under ESI Act, 1948. Thereupon the appellant addressed a letter dated 23-10-1986, with a request to register its unit and to enable it to pay the contribution. When no action was forthcoming, several reminders were issued. Ultimately, through a letter, dated 21-11-1988, the respondents (ESIC) informed the appellant stating that the unit need not be registered, since it is operating within the premises of Railways. Without stopping there, the appellant made a further representation and the matter was referred to the higher authorities. Even there, the same viewpoint was

expressed. The unit of the appellant was once again inspected on 2-11-1990 and the Inspector recommended that the establishment must be brought under coverage, since more than 250 employees were working and the power was being utilized in the manufacturing process. In pursuance thereof, necessary steps were taken for the registration of the unit under the ESI Act and contribution was being paid regularly. In the year 1992, another Inspector examined the registers once again and took the view that the appellant is liable to pay the contribution for the period from 15-12-1985 to 31-10-1990 also. Interest was also levied. Decide, if the decisions rendered by the superior authorities could be set aside by an Inspector and the demand made against the appellant could be sustained in law?

3) Attempt the following. Each carries equal marks:

14

- 181
- a) In the Raj Bhavan at Guindy (Madras), a number of persons are employed in various capacities such as household staff, peons, chauffeurs, tailors, carpenters, maistries, gardeners, sweepers, etc. There are also gardeners and maistries employed at the Raj Bhavan at Ootacamund. Those persons are employed for doing domestic and other services and for the maintenance of the Governor's household and to attend to the needs of the Governor, the members of his family, staff and State guests. There are two categories of employees: (1) those whose services are more or less of a domestic nature. They number 102. The services of these persons are pensionable and are governed by certain rules framed by the Governor of Madras; and (2) those who formed part of the workcharge establishment consisting of maistries and gardeners. There are 33 such persons employed at Guindy and 35 at Ootacamund. Their duties consist in maintaining the gardens. Their service is not pensionable but they would be entitled to gratuity at certain rates. Both the categories of the staff are appointed by and are under the disciplinary control of the Comptroller. With the object of securing better service conditions and to facilitate collective bargaining with the employer, the employees formed themselves into a union called the Madras Raj Bhavan Workers' Union. On 9 February, 1959, seven of the employees applied to the Registrar of Trade Unions, Madras for registration of their union as a trade union under the Trade Unions Act of 1926. Decide citing a relevant case law if the union of such workers would come within the scope of the Trade Union Act so as to entitle it to registration there-under?
- b) The employees of the Water Supply and Power Distribution Department of the Devasthanam are about 200 in number. They formed themselves into a union and applied for the union being registered under the Trade Unions Act, 1926. The Registrar having been satisfied that all the formalities required under the Act have been complied with the registered union issued a Registration Certificate, on the 10th July, 1970. The General Secretary of the union wrote to the Executive Officer of the Devasthanam that the Departments had formed themselves into a union and the union is registered under the Trade Unions Act on 23rd May, 1970. He requested that the union may be recognised at an early date. A reminder was again sent on 11th March, 1971 and 21st June, 1971. The question involved in this case is whether the Tirumala Tirupathi Devasthanam can be considered to be an industry and the persons employed by it are workmen and whether they can register themselves into a trade union? Decide citing a case law and relevant provisions.

- c) Krishna Kishore Yadav, Intervenor and one R.P. Singh were employees of the respondent. They were said to be Union leaders. On or about 17.02.1984, the respondent (management) received a complaint from one G. Natarajan with regard to acts of misconduct committed by the said workmen in the factory premises contending that while he was having discussions with one Shekhar Rao, representative of the contractor known as M/s. Techno Fab, the said workmen came and asked him as to whether there existed any arrangement for grant of first aid or not, where to he replied that such a provision has to be made by the Company and not by the Contractor. Discussion therein ensued. The workmen were informed by Natarajan that the matter should be discussed with the Personnel Manager of the Company. One Shri Dara Singh, another contractor being M/s. S.D. Construction also reached there. The same question was asked to Mr. Dara Singh to which also he replied that the grant of making provision of first aid was the duty of the Management and not that of the Contractor. The workmen started misbehaving with the said persons using indecent and unparliamentary language. They were abused in a harsh tone where to an objection was raised by Shri Dara Singh whereupon he was abused in filthy languages and threatened him with dire consequences. He was also assaulted by iron rod by the intervenor herein. Thereafter Shri Dara Singh also picked up an iron rod. R.P. Singh also picked up another iron rod in his hand. With the intervention of the officers and some workers, they were separated. The said workmen thereafter instigated the workers to stop the work. On the aforementioned allegations, a First Information Report was lodged. A disciplinary proceeding was also initiated. The delinquent workmen were placed under suspension. In the departmental proceedings, they were found guilty. An industrial dispute was raised whereupon the appropriate government referred the dispute for adjudication by a Labour Court, Jamshedpur. Before the Labour Court, a plea was raised by the workmen that they as Secretary and Vice-President of the workers of the company had gone to Shri Natarajan and others for ventilating their grievances, but the management with a view to victimize them and by way of resorting to unfair labour practices and placed them under suspension. Decide citing a case law, if union leaders in this case will have immunity from criminal proceedings?
- d) Workers went on sit-down strike. They occupied/took over two key buildings of the company resulting in stoppage of work. Management sought the help of police to vacate the buildings. Police removed them forcibly. At this, workers became violent. Later on, the company dismissed such workers. Workers pleaded immunity from criminal action. Decide if the workers were entitled to any immunity?
- 4) Attempt the following: Each carries equal marks:
- a) Differentiate between the provisions of the Employees' Compensation Act, 1923 and the ESI Act, 1948. 7
 - b) Explain the meaning of expression 'arising out of and in the course of an employment' as applicable in case of personal injury, as provided in the Employees' Compensation Act, 1923. 7

Or

Attempt the following. Each carries equal marks:

14

- 83
- a) The workman had been in service from 18.05.1990. On 25.12.1990, he suffered a cerebral stroke while at sea. He was therefore taken ashore and was treated in a hospital. Thereafter, in Jan 1991, he was repatriated to India and was admitted to hospital for further treatment. On 11.02.1991, respondent's son has discharged him from the hospital against the medical advice and returned to their native place. The respondent workman claims an amount of Rs 15 lakhs as compensation from the appellant shipper contending that he was suffered from an accident arising out of and in the course of employment. Decide, if the workman is entitled to compensation?
- b) Daughter of appellant claimant, an ayah in the respondent hospital, fell down from the staircase of the hospital resulting in her death. As dependent of the deceased, the mother of the deceased claimed compensation. The claim was rejected by Compensation Commissioner and the reason given is that the deceased was not in employment of hospital since August, 1988 and did not die of injuries caused in the course of employment but because of tuberculosis she was suffering from. Decide citing a case law, if the deceased would be considered as an employee of the hospital and her death would be treated as an accident for claiming compensation under the Employees' Compensation Act?
- c) The deceased driver was entrusted the duty of driving the bus on a particular route. The deceased was free to go home after duty hours, yet he stayed back for rest on the terrace of the bus stand. In the morning while getting down from the terrace, the deceased tumble down resulting in his death. Decide if the cause of accident is connected with the nature of employment and the employer is liable to pay compensation.
- d) The claimants-respondents had filed a petition seeking compensation in respect of the death of a driver, who had committed suicide. It was contended that after finishing his duty on a particular day the deceased had returned home and it is claimed that he was under extreme mental stress because of alleged harassment at work by his superiors. Therefore, it was urged that the death of the workman had a causal connection with his employment, in that; it arose out of his employment. Could it be accepted that the act of suicide was brought about by acute stress, which was the cause for the death. Discuss citing a relevant case law if death arose out of and in the course of employment?
- 4) Write short notes on any four of the following. Each carries equal marks: 14
- a) Welfare provisions under the Factories Act
- b) The provisions of Payment of Bonus Act, 1965 relating to set on and set off of allocable surplus
- c) Describe the Institutions/employers to which the Payment of Bonus Act, 1965 Act does not apply.
- d) When, to whom, and how much gratuity is payable?
- e) What is included and what is not under the Payment of Wages Act?
- f) Procedure for fixing minimum wages under the Minimum Wages Act.

Attempt all questions. All questions carry equal marks. Credit will be given for the answers supported by relevant provision and case laws, if any.

- 1) Attempt the following. Each carries equal marks:
- Discuss briefly provisions of the Employees Provident Funds Scheme under the EPF&MP Act, 1952.
 - Discuss the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 relating to the constitution, functions and powers of the Central Board.

Or

Attempt the following. Each carries equal marks:

- 72
- Petitioner's establishment is engaged in the sale of fruits in Subzi Mandi, Azadpur. The inspector of RPFV visited the premises of petitioner's establishment on 22nd June and 6th July, 1989 for the purpose of inspecting as to whether the petitioner establishment would be covered under the Act and met one Sh. K.N. Jaggi, who transpired to be husband of one of the partners of petitioner's establishment Smt. Sulakshna Jaggi. Sh. K.N. Jaggi handed over a letter dated 22nd June, 1989 to the inspector on the letterhead of petitioner's establishment, giving details about the said establishment duly signed by him. In the said letter, information was given with regard to the name of the petitioner establishment, the date on which the establishment was started, its activities, details of the partners, the employee strength/attendance register as on 1st June, 1998 and the number of piece rate casual labourers. A copy of the partnership deed of the petitioner establishment, executed on 17th December, 1983 was also handed over by Sh. K.N. Jaggi to the Inspector. On the basis of the aforesaid information received by the Inspector, he recommended coverage of the petitioner establishment with effect from 1st June, 1989 under the Act and accordingly submitted a report to his office. On the basis of the said report, a coverage letter dated 24th July, 1989 was issued to the petitioner establishment, covering it under the Act with effect from 1st June, 1989. As the petitioner did not report compliance of the provisions of the EPF Act, proceedings under section 7A of the Act were initiated against it and summons dated 11th April, 1990 were issued to the petitioner establishment. In response to the aforesaid summons, the petitioner establishment gave a reply stating inter alia amongst others, that the petitioner establishment never employed 20 or more persons and therefore it did not attract coverage under the EPF Act. The last contention raised on behalf of the petitioner establishment to the effect that casual workers could not have been included in the strength of employees of the petitioner establishment for taking the same up to 20 in number and making the Act applicable to it. There were working under the contractor 12 piece rate casual workers. Decide, whether the casual workers are employees and petitioner establishment would be covered under the Act by citing a case law?

- b) On inspection of the premises, the enforcement officer of PF Organization found the strength of employees to be 22 which included 3 directors of the company who get remuneration from the company. He recommended that the respondent company be covered by the EPF Act. The respondent company challenged the coverage. Decide by citing a case law.
 - c) The petitioner is a Public Sector Corporation manufacturing petroleum product, having its factory at Manali employing 1700 permanent workmen and that apart, it engages contractors. The respondents (APFC) directed the petitioner company to produce attendance register in r/o employees employed by the contractor from 1st Jan., 1967 onwards. The petitioner pleaded that it is not possible for the company to produce the said documents as the records are available with the contractors concerned. The petitioner filed a petition requesting the respondent to implead the contractors as parties. Without considering the said petition, the respondent passed order directing to pay the contributions to the workmen employed by the contractors. Hence, this writ petition before the Court. Decide by citing a case law.
 - d) An educational institution was running two units e.g. one for primary classes and another for higher classes. One of them was exempted because it was contributing to some other PF scheme. The other could not claim exemption because of lesser number of employees. Discuss citing a case law if the employees of both the units had to be counted together to make the EPF Act applicable?
- 2) Attempt the following. Each carries equal marks:
- a) Explain briefly the provisions of the Employees State Insurance Act, 1948 relating to the Employees State Insurance Corporation.
 - b) Discuss the provisions relating to the Employees State Insurance Court? State the claims, which can be decided by the ESI Court.

Or

Attempt the following. Each carries equal marks:

- a) Petitioner is a limited company engaged in manufacturing rain wears, air pillows, rubber canvas foot wear etc., in its small scale industrial unit. It is covered under the provision of the ESI Act. Petitioner offloads various work on piece rate basis to other units for stitching buttons hole fixing, taping, pasting, molding, mixing etc. The charges paid against such job work include the cost of job work and profit of the units who execute such job orders. Such units are independent and they do the job work of the petitioner as well as others at their own premises. Petitioner has no connection or control whatsoever on the said units. It has got no supervisory control over the day to day execution of the work. The said units submit their bills against such work and payment are made by cheque. Will a company manufacturing rainwear's and air pillows and covered under the ESI Act outsourcing various jobs on piece-rate basis to other units be liable to pay ESI contributions for such job work done for other establishments the job of which is neither supervised nor controlled by the company?.

- 75
- b) The respondent company is carrying on the activities of rendering service to its members in the form of giving loans and accepting deposits, and more importantly, the said service being rendered for a price, which price is the interest that is levied on the loans taken by the members. Decide citing a case law if the activities carried on by the respondent company brings it within the fold of an establishment carrying on a systematic commercial or financial activities and whether "Manipal Sowbhagya Nidhi, Ltd." a public limited company under the provisions of the Companies Act, 1956, is a "Shop" coming within the purview of section 1(4) of the Employees' State Insurance Act, 1948.
- c) The ESI Corporation clubbed Jos Textiles and Jos Cut Piece Centre, two proprietary concerns of two brothers both functioning in the same building at Broadway, Ernakulam, for the purpose of ESI coverage and issued notice, as there were 20 or more employees at a time when the inspection was conducted. Notice was issued clubbing the above establishments. The order was challenged, as noted above, before the E.I. Court. The ESI Corporation also clubbed M/s. Rose Fabrics, Jos Brothers Silk and Sarees and M/s. Jos Associates and issued notice, claiming coverage. All these three establishments were functioning in Jos Annex Building, Ernakulam. M/s. Jos Associates was functioning on the 5th floor of the same building whereas the other two establishments were functioning in the same premises. The inspection conducted in November 1990 revealed that there were 12 employees working in M/s. Rose Fabrics, 13 employees in Jos Brothers Silk and Sarees and 9 employees in M/s. Jos Associates. The above order clubbing the three establishments was challenged by M/s. Rose Fabrics in I.C. 44/91 before the E.I. Court, Alleppey. Decide citing a case law and relevant provisions.
- d) The security service has been provided for safe-guarding the property which has been purchased elsewhere and the security guards through agency were not therefore working in the premises of the factory. Can the security personnel engaged through Nasey and Ace Security Services be treated as employees of the respondent and fall under the definition of an employee as set out in section 2(9) of the ESI Act and the payments made for security arrangements to the agency be treated as wages? Decide citing a case law.
- 3) Attempt the following. Each carries equal marks:
- a) Define the concepts of manufacturing process, worker, and factory under the Factories Act, 1948.
- b) Explain the various welfare provisions for factory workers under the Factories Act, 1948.

Or

Attempt the following. Each carries equal marks:

- a) The Non-Gazetted members of the Delhi Police Force wanted to form an organisation of their own and for that purpose constituted the Karmachari Union in 1966 and applied for its registration under the Trade Union Act,

1926. Initially the registration asked for was declined. Then Act of 1966 was enacted, which came into force on 2nd December, 1966. An application for recognition was again made on 9th December, 1966. Recognition was granted by the Central Government on 12th December, 1966. The Non-Gazetted members of the Delhi Police Force were permitted to become members of the Sangh. On 12th December, 1966, the Central Government made rules under the Act which were amended in December, 1970. The Circular in question was issued under these rules. The Circular attempts to derecognise the Sangh, which occasioned filing of the writ petition. The first appellant is the Non-Gazetted Karmachari Sangh and the appellant Nos. 2 to 7, its members. Decide citing a case law, if the Non-Gazetted members of the Delhi Police Force could register their trade union under the Trade Union Act?

- b) The employees of the Water Supply and Power Distribution Department of the Devasthanam are about 200 in number. They formed themselves into a union and applied for the union being registered under the Trade Unions Act, 1926. The Registrar having been satisfied that all the formalities required under the Act have been complied with the registered union issued a Registration Certificate, on the 10th July, 1970. The General Secretary of the union wrote to the Executive Officer of the Devasthanam that the Departments had formed themselves into a union and the union is registered under the Trade Unions Act on 23rd May, 1970. He requested that the union may be recognised at an early date. A reminder was again sent on 11th March, 1971 and 21st June, 1971. The question involved in this case is whether the Tirumala Tirupathi Devasthanam can be considered to be an industry and the persons employed by it are workmen and whether they can register themselves into a trade union? Decide citing a case law and relevant provisions.
- c) Gherao (physical blockade of a target either by encirclement or forcible occupation) done by the office-bearers/members of a Trade Union if provides them immunity from criminal proceedings? Discuss citing a case law.
- d) Members of the Union went on strike to press their demands. President of Union made speeches and instigated workers for picketing of the Mill. He also brought his wife to the Mill gate with instructions to beat with slippers anyone who interfered with her in the picketing process. Later on he was prosecuted on the charges of instigating, picketing and abatement of picketing by his wife u/s 114 of Indian Penal Code. Decide, if the accused will get immunity from criminal proceedings?
- 4) Attempt the following. Each carries equal marks:
- a) Differentiate between the provisions of the Employees' Compensation Act, 1923 and the ESI Act, 1948.
- b) "Accidents alone does not entitle a workmen to claim compensation under the Employees' Compensation Act, it must arise out of and in the course of employment". Discuss this statement.

Or

Attempt the following. Each carries equal marks:

- Fi
- a) An electrician, who had to go frequently to a heating room from cooling plant, contracted pneumonia, which resulted in his death. Decide citing a case law if the dependants of the deceased workman were entitled compensation under the Employees' Compensation Act?
 - b) The employer went to the house of deceased workmen who was working as a stock maker with the respondent employer at a salary of Rs. 4,000 p.m. The employer took the deceased on his scooter for some urgent work when on the route, the scooter met with a serious accident and the deceased succumbed to his injuries next day in the hospital. Decide, if the injury causing his death was sustained during course of employment and his heirs and dependants could file claim for compensation under the Workmen's Compensation Act and Motor Vehicles Act.
 - c) The deceased working as driver after loading his truck fell ill on his way and asked cleaner to drive his truck. In the early morning hours, some army personnel stopped vehicle and asked the persons sitting inside the vehicle to come down. Due to illness, deceased driver took some time to come down which infuriated army personnel who fired at him resulting in his death. Decide citing a case law, if the accident has occurred arising out of and in the course of his employment and the compensation is payable to the dependents?
 - d) Sri Safdar Hussain, was working on the post of diesel assistant in diesel shed, Northern Railways, Alambagh, Lucknow. On 2.10.1997 at about 12.00 noon, while he was discharging his duties in ticket section of diesel shed Lucknow, one Sri Dharendra Singh son of Sri. Hari Ram Singh working on the post of substitute cleaner had quarreled with him in regard to making the railways pass. When he refused to act as per wishes of the said person, he along with his friend had entered into the ticket section where Sri Safdar Hussain was discharging his duties, beaten him as a result of which he sustained injuries. Later on he was admitted in Gandhi Memorial & Associated Hospital, K.G.M.C., Lucknow, died on the same day. Accordingly, a claim petition under Employee's Compensation Act, 1923 was filed by Sri Afzal Hussaini and Smt. Kulsum Jaan, the father and mother of the deceased Sri Safdar Hussain against the appellants. Decide, citing a case law if the father and mother of the deceased would be entitled to receive compensation?
- 5) Write short notes on any four of the following. Each carries equal marks:
- a) The provisions of the Payment of Bonus Act, 1965 relating to allocable and available surplus.
 - b) Describe the Institutions/employers to which the Payment of Bonus Act, 1965 Act does not apply.
 - c) Provisions of the Payment of Gratuity Act on Payment of Gratuity.
 - d) Forfeiture of Gratuity under Payment of Gratuity Act
 - e) Wages under the Payment of Wages Act.
 - f) Authorized deductions under the Payment of Wages Act.

[This question paper contains 5 printed pages.]

2116

Your Roll No. 2011

M.Com. / Sem. IV

A

Paper – 7152 : Industrial Law

(Admissions of 2009 and after)

Time : 3 Hours

Maximum Marks : 70

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions. All questions carry equal marks.

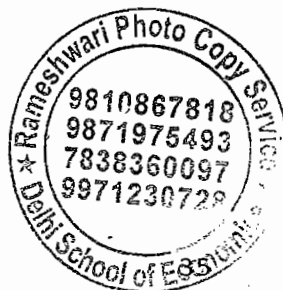
All questions are compulsory and carry equal marks. Credit will be given for answers supported by case laws, if any.

1) Answer the following queries under the EPF & MP Act, 1952 citing case law, if any. Each carries equal marks:

1. How much Administrative Charges an employer is required to pay under the EPF Act?
2. What are the requirements for the applicability of EPF Act?
3. Whether nomination for Family Pension Scheme is deemed valid for Employees Pension Scheme also?
4. What is the rate of Provident Fund contribution by the member?
5. Can member change his/her nomination?
6. How many years of service is required to be eligible to receive member pension?
7. What consequences will follow if an employer fails to deposit employee's contribution with PF authorities?
8. Is it mandatory for an employer to enroll a new employee whose salary exceeds the prescribed limit?
9. Does the EPF coverage end when the numbers of employees are reduced below the prescribed limit?
10. Can financial difficulties be taken a plea for non-payment of PF contribution?
11. Will the EPF & MP Act, 1952 apply to a contractor who is himself working along with contract labour?
12. Whether EPF contributions will be payable on the arrears of wages paid to the employees?
13. Can an employee contribute whole of his salary in the PF?
14. Whether Government has decided to keep open its option to invest Employees Provident Fund in the Stock market?

OR

P.T.O.



₹ 15/-

Attempt any three of the following. Each carries equal marks:

- a) Briefly explain the features of the Employees Pension Scheme, 1995 provided under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- b) The respondent M/s. Moti Warping Factory which was a partnership firm comprising of two partners namely Shri Shankar Lal Garg and his son Shri Suraj Narain Garg, was registered under the Factories Act, the Rajasthan Sales Tax, Central Sales Tax, ESIC Act and was also registered as the Small Scale Industry. According to the case set up by the respondent-petitioner before the learned Single Judge in the writ petition, this factory was erected on a piece of land belonging to Mrs. Uma Garg wife of Shri Suraj Narain Garg, who is the partner of the firm by getting lease deed executed in favour of the firm. The factory started its production on 23-9-1973. Number of its employees always remained less than fifty upto 1978. In view of the provisions contained in the EPF Act of 1952, the provisions of the said Act were not applicable to the petitioners factory for a period of five years from the date such factory was set up i.e. on 23-8-1973. It is so because the factory never employed more than fifty employees for any single day during that period of five years. After 23-8-1973, the petitioners themselves requested the Commissioner for its registration under the provisions of the EPF Act of 1952 with effect from 1-9-1978. Dispute in substance is whether the factory would be covered under the Act of 1952 w.e.f. 1-9-1978 as asserted by the respondent or from 31-8-1976 as is the case of the appellant. Decide giving case laws and provision.
- c) The petitioner's establishment is engaged in the sale of fruits in Subzi Mandi, Azadpur. The inspector of RPFC visited the premises of petitioner's establishment on 22nd June and 6th July, 1989 for the purpose of inspecting as to whether the petitioner establishment would be covered under the Act and met one Sh. K.N. Jaggi, who transpired to be husband of one of the partners of petitioner's establishment Smt. Sulakshna Jaggi. Sh. K.N. Jaggi handed over a letter dated 22nd June, 1989 to the inspector on the letterhead of petitioner's establishment, giving details about the said establishment duly signed by him. On the basis of the information received by the Inspector, he recommended coverage of the petitioner establishment with effect from 1st June, 1989 under the Act and accordingly submitted a report to his office. On the basis of the said report, a coverage letter dated 24th July, 1989 was issued to the petitioner establishment, covering it under the Act with effect from 1st June, 1989. As the petitioner did not report compliance of the provisions of the Act, proceedings under section 7A of the Act were initiated against it and summons dated 11th April, 1990 were issued to the petitioner establishment. Decide, if the claim of the petitioner establishment that the 12 piece rate casual workers working under the contractor ought to have been excluded by the RPFC while considering the case of applicability of the Act to the petitioner establishment is contrary to the intendment of the Act and accepted.
- d) Will a sweeper who works twice or thrice a week, a night watchman who keeps watch on other shops also and a gardener who comes for ten days in a month be treated as 'employees' under the EPF Act, even though they are not directly connected with the establishment?

2) Answer the following queries under the ESI Act, 1948 citing case law, if any. Each carries equal marks:

1. What are the medical benefits and sickness benefits available to the insured person and his family members?
2. What is the difference between contribution period and benefit period?
3. Will an employee continue to be covered under the ESI Act even if he crosses the prescribed wage limit?
4. Who is to prove that 20 persons are not employed in the establishment?
5. Whether the employees employed by other units, doing the job work of the principal employer, are covered under Section 2(9) of the said ESI Act?
6. What constitutes a 'shop' under the ESI Act?
7. Whether the use of fridge for the purpose of storing cold drinks and other eatables amounts to use of power and would come under the definition of manufacturing process?
8. Whether the security personnel engaged through agency is treated as employees?
9. Whether a partner of a firm being establishment under the ESI Act is covered?
10. Whether canteen workers are covered under the Act?
11. Whether tailoring of clothes are covered?
12. Will a club which has a kitchen rendering catering services to its members be covered?
13. Whether free lancer such as an electrician or a plumber or a TV mechanic is covered under the Act?
14. Whether ESI contribution is payable on paid holidays?

Or

Attempt any three of the following. Each carries equal marks:

- a) Differentiate between ESI Act, 1948 and Workmen's Compensation Act, 1923
- b) The appellant is a Corporation (ESIC) incorporated under the Employees' State Insurance Act, 1948, the respondent is a co-operative society incorporated and registered under the Maharashtra Co-operative Societies Act, 1960 having its registered office at Tulsiani Chambers, 212, Nariman Point, Bombay. On 10-1-1989, the appellant issues a letter to the respondents informing that they are covered by the ESI Act and requesting immediate compliance. Can the co-operative societies be treated as establishments as defined under the ESI Act?
- c) The appellant who was a covered employee under the ESI scheme met with an accident in the course of his employment on 15th June, 1990. An accident report was sent by the employer respondent No. 2 in the present appeal to the respondent ESI Corporation. The Corporation however refused to treat the injuries sustained, as injuries suffered during employment on the plea that on the date of the accident the employee was not covered under the ESI scheme. It was also communicated to the employee by a communication dated 4th December, 1990 that he had ceased to be an employee with effect from 1st October 1989 and therefore he would not be entitled to any benefit for the disability but would be eligible for sickness benefits for the period 16th June, 1990 to 30th June, 1990. The employee thereupon filed an application before the Employees Insurance Court,

P.T.O.

Alappuzha claiming the benefit of disability on account of the injuries that he had suffered. In the counter statement filed by the Corporation, it was pointed out that the employee as an insured person had made contributions up to 30th September, 1989 and that he ceased to be an employee with effect from 1st October, 1989 as his salary had exceeded Rs. 1600 per month from 1st October 1989 and as such was not entitled to any benefit towards disability. Decide giving case laws and provisions.

- d) The security service has been provided for safe-guarding the property which has been purchased elsewhere and the security guards through agency were not therefore working in the premises of the factory. Can the security personnel engaged through Nasey and Ace Security Services be treated as employees of the respondent and fall under the definition of an employee as set out in section 2(9) of the ESI Act and the payments made for security arrangements to the agency be treated as wages?

3) Attempt any three the following. Each carries equal marks:

- a) Define citing case law, if any the concepts of manufacturing process, factory, and occupier under the Factories Act, 1948.
- b) Briefly discuss the provisions of the Factories Act, 1948 relating to safety and working hours of workers.
- c) In the canteen in question, the manufacturing process in the form of cooking and preparation of food is being carried on and the food so prepared is served to the employees of SRF, Ltd., on whom a statutory obligation is imposed by S.46 of the Factories Act, to provide and maintain a canteen for the benefit of their employees. Decide, if the canteen run by the contractor in the premises of SRF, Ltd., is a factory under section 2(m) of the Factories Act?
- d) Whether a sugar factory ceases to be a factory when no manufacturing process is carried on during off-season? Cite case law.

4) Attempt any four of the following. Each carries equal marks:

- a) Discuss the provisions of the Employee's Compensation Act, 1923 relating to employer's liability for compensation.
- b) The employees of the Water Supply and Power Distribution Department of the Devasthanam are about 200 in number. They formed themselves into a union and applied for the union being registered under the Trade Unions Act, 1926. The Registrar having been satisfied that all the formalities required under the Act have been complied with the registered union issued a Registration Certificate, on the 10th July, 1970. The General Secretary of the union wrote to the Executive Officer of the Devasthanam that the Departments had formed themselves into a union and the union is registered under the Trade Unions Act on 23rd May, 1970. He requested that the union may be recognised at an early date. A reminder was again sent on 11th March, 1971 and 21st June, 1971. The question involved in this case is whether the Tirumala Tirupathi Devasthanam can be considered to be an industry and the persons employed by it are workmen and whether they can register themselves into a trade union? Decide giving case laws and provisions.
- c) On May 26, 2001 the plaintiff introduced a Voluntary Retirement Scheme for its staff. The said scheme was open till June 25, 2001. Ever since the plaintiff launched its

Voluntary Retirement Scheme, the office bearers, members, supporters, aides, agents, and associates of the respondent Union had been resorting to various illegal and criminal activities with a view to put pressure on the plaintiff to withdraw the aforesaid scheme. In particular, those persons staged gate demonstration, agitation, stoppage of ingress and egress of customers and management staff and even resorted to criminally intimidating and threatening the officers and staff of the plaintiff and illegally interfering with and/or obstructing the normal functioning of the plaintiff in the offices and the branches. The respondent Nos. 1 and 13 and their respective office bearers, members, aides, associates, agents, and supporters had been shouting slogans in or around the various office and/or branch premises of the plaintiff during the working hours, forming unlawful assembly in and around the office of the various branch premises threatening the officers and loyal employees and also hurled abuses at the management thereby interfering with free ingress to and/or egress from the offices and branch premises. By reason of the wrongful acts as aforesaid no business or work could be transacted in any of the aforesaid offices and/or branches since the afternoon of July 18, 2001, The respondent Unions and their office bearers and/or supporters had threatened to gherao and/or wrongfully confine the officers and loyal employees of the plaintiff. Decide, if these union office bearers will have immunity from misconduct?

- 71
- d) The workman had been in service from 18.05.1990. On 25.12.1990, he suffered a cerebral stroke while at sea. He was therefore taken ashore and was treated in a hospital. Thereafter, in Jan 1991, he was repatriated to India and was admitted to hospital for further treatment. On 11.02.1991, respondent's son had discharged him from the hospital against the medical advice and returned to their native place. The respondent workman claims an amount of Rs 15 lakhs as compensation from the appellant shipper contending that he was suffered from an accident arising out of and in the course of employment. Discuss employer's liability for compensation.
- e) The deceased Jashubhai Rana expired in the accident while performing his duty in course of his employment. Employer ONGC given a job to wife of the deceased. Decide, if giving job to wife be considered for deducting the compensation. Can the policy of compassionate appointment be used as a sword to slash the compensation amount?
- 5) Write short notes on any four of the following
- Procedure for fixing and revising minimum wages
 - Provisions relating to calculation of bonus
 - Set on and set off of allocable surplus
 - Teacher if an employee under Payment of Gratuity Act
 - Forfeiture of gratuity
 - General funds under Trade Union Act.

Roll No. _____

This paper has 5 printed sheets.

M.Com. Semester -IV Examination

(May 2019)

Paper no. - MJ404

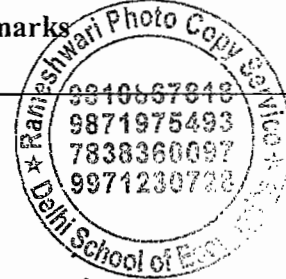
Subject- International Financial Management

S.No. 404M19

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks



Q1. Case Study

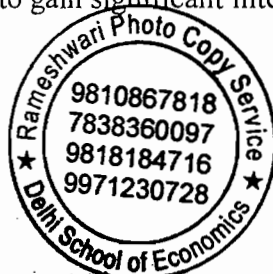
In the 1980s, ARCO Chemical shed its less successful product lines. At one point, revenue shrank from \$3.5 billion annually to \$1.5 billion. But by stripping down to its most competitive lines of business, ARCO could better respond to the global political and economic events constantly buffeting it. Around the world, it now can take advantage of its technological edge within its narrow niche- mostly intermediate chemicals and fuel additives. This strategy paid off. By 1992, more than 40% of ARCO's \$3 billion sales were made in abroad, and it now makes about half of its new investment outside the United States. It also claims half the global markets for the chemicals it sells.

ARCO Chemical went global because it had to. The company's engineering resins are sold to the auto industry: in the past that meant selling exclusively to Detroit's Big Three in the U.S. market. Today ARCO Chemical sells to Nissan, Toyota, Honda, Peugeot, Renault and Volkswagen in Japan, the United States and Europe. It also deals with Ford, and General Motors in the United States and Europe. ARCO must be able to deliver a product anywhere in the world or lose the business.

Global operations also have meant, however, that ARCO Chemical faces increasingly stiff competition in abroad in addition to its traditional U.S. competitors such as Dow Chemical. European companies have expanded operations in America, and Japanese competitors also began to attack ARCO Chemical's business lines. In 1990, Japan's Asahi Glass began a fierce price cutting campaign in both Asia and Europe on products for which ARCO Chemical is strong.

In response, ARCO set up production facilities around the world and entered into joint ventures and strategic alliances. It counter attacked Asahi Glass by trying to steal Asahi's biggest customer in Japan. ARCO's joint venture partner, Sumitomo Chemical supplied competitive intelligence, and its knowledge of the Japanese market was instrumental in launching the counterattack.

In July 1998, ARCO Chemical was acquired by Lyondell Petrochemical. This acquisition was driven by Lyondell's desire to expand into high growth global markets for ARCO's products as well as the opportunity to gain significant integration benefits with Equistar Chemicals, LP, a



joint venture among Lyondell, Millennium Chemicals, and Occidental Petroleum Corporation. According to Lyondell's 1998 Annual Report:

ARCO Chemical was a perfect fit with Lyondell's core businesses. Among the benefits: substantial integration for propylene and other raw materials provided by Equistar and Lyondell; a global infrastructure providing a platform for future growth; and leading positions in high growth markets for chemicals and synthetics. The acquisition provides us with a business that has less cyclical earnings and cash flows.

Consolidation is a positive trend that will continue to enhance the efficiency of the industry by allowing companies to spread overhead, distribution and research and development costs over a larger asset base. It will result in increased globalization and competition, which benefits both customers and investors. Lyondell will continue to be a leader in driving these changes. The acquired business provides significant strategic benefits to Lyondell, including:

- A prominent, global market position in propylene oxide and derivatives, driven by an advantaged technology position.
- Vertical integration with propylene, ethylene, and benzene produced by Equistar as well as integration with methanol produced by Lyondell.
- Reduced cyclicalities of Lyondell's earnings through a broadened product mix in markets that are less cyclical than olefins and polymers.
- A platform for future domestic and international growth with a worldwide infrastructure of manufacturing facilities and service centers.

Questions:

- (i) What was ARCO Chemical's rationale for globalizing?
- (ii) What advantages has ARCO Chemical realized from its global operations?
- (iii) What threats have arisen from ARCO Chemical's globalizing efforts? What are some ways in which ARCO Chemical has responded to these threats?
- (iv) How has globalization affected, and been affected by industry consolidation? (14)

Q2. (a) In what respects does International finance differ from domestic finance? What are the benefits of studying International finance? (14)

Or

- (b) What is cross currency matrix? What are its uses? Given the following exchange rate of the currencies (Broker's quotes), compute the Indirect and Cross rates.

GBP/USD Spot: 2.0311

USD/JPY Spot: 95.4356

USD/CAD Spot: 1.2322

Currency	USD	GBP	JPY	CAD
USD	1	2.0311		
GBP		1	A ⁻¹	B ⁻¹
JPY	95.4356	A	1	C ⁻¹
CAD	1.2322	B	C	1

(14)

Q3.(a) A US MNC is planning to install a manufacturing unit to produce 5,00,000 units of an automobile component plant in India. Setting up of the manufacturing plant will involve an investment outlay of Rs.50 million. The plant is expected to have a useful life of 5 years with Rs.10 million salvage value. The MNC follows Straight line method of depreciation. To support the running of business, working capital of Rs 5 million, will have to be invested; the variable cost of production and sales will be Rs.20 per unit. Additional fixed cost per annum is estimated at Rs.2 million.

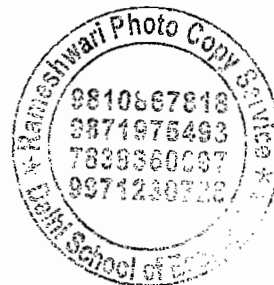
The forecasted selling price is Rs.70 per unit. The MNC is subjected to 40% tax rate in India and its required rate of return is 15% p.a.

It is forecasted that rupee will depreciate in relation to US\$ @3% p.a. after the first year, with an initial exchange rate of Rs.58/\$. The following assumptions have been made that US parent MNC has not been exporting to India and full repatriation every year with no withholding taxes and full tax credit being available in USA.

On the basis of above information, advice the MNC regarding the financial viability of the proposal.

(14)

Or



- (b) A foreign exchange trader gives the following quotes for the Euro vs. dollar spot, one month, three months and six months to a US based treasurer.

Currency pair	Spot	1 month	3 month	6 month
Euro(€) vs Dollar(\$)	\$0.02360/70	7/9	8/6	10/8

Calculate the outright quotes for one, three and six month forward. Also calculate spread for these periods. (7)

- (c) The US tire industry illustrates the trouble faced by multinational firms that have lost their source of differential advantage. Although Europe once was a profitable market for big four US tire makers- Goodyear, Firestone, Goodrich and Uniroyal- each of these firms has, by now, partially or completely eliminated its European manufacturing operations. The reason is the extraordinary price competition resulting from lack of unique products and the production processes and the consequent ease of entry into the markets by new firms. Moreover, these firms then faced well financed challenges in the US market by, among others, the French tiremaker Michelin, the developer of radial tire and its related production on technology. Uniroyal responded by selling off its European tire manufacturing operation and reinvesting its money in businesses that were less competitive there (and hence more profitable) than the tire industry. The reinvestment includes its chemicals, plastics and expanded its operations in polyvinyl chloride resin and specialty chemicals. In 1986 Uniroyal and Goodrich merged their tire units to become Uniroyal Goodrich Tire, selling only in North America. Late in 1989, its future in doubt, Uniroyal Goodrich sold out to Michelin. The previous year, in early 1988, Firestone sold out to the Japanese tire maker Bridgestone. Goodyear is now the only one of the big four tiremakers that is still a U.S. company.

Goodyear, the world's number one tire producer before Michelin's acquisition of Uniroyal Goodrich, has maintained its leadership by investing more than \$1 billion to build the most automated tire-making facilities in the world and is aggressively expanding its chain of wholly owned tire stores to maintain its position as the largest retailer of tires in US. It has also invested heavily in research and development to produce tires that are recognized as being at the cutting edge of world class performance. Based on product innovation and high advertising expenditure, Goodyear dominates the high performance segment of tire market; it has captured nearly 90% of market for high performance tires sold as original equipment on American cars and is well represented on

sporty imports. Geography has given Goodyear and other American tire manufacturers a giant assist in U.S market. Heavy and bulky, tires are expensive to ship overseas.

Questions

- (i) Goodyear has production facilities throughout the world. What competitive advantage might global production provide Goodyear?
- (ii) How will Bridgestone's acquisition of Firestone affect Goodyear? How might Goodyear respond to this move of Bridgestone? (7)

Q4. (a) What do you mean by International Portfolio Investment? Explain the various modes of International Portfolio Investment. (10)

(b) During 2018, the yen went from \$0.0089501 to \$0.0091205. By how much did yen appreciated against - the dollar? (4)

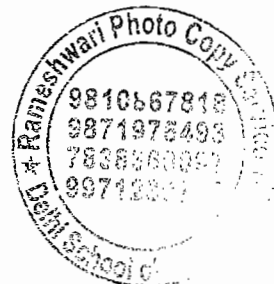
Or

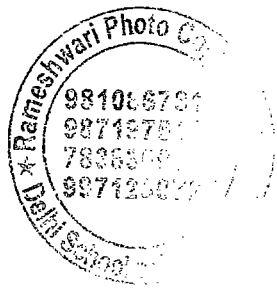
- (c) What do you mean by Translation Exposure? Briefly discuss the four methods which are used for foreign currency translation. (10)
- (d) A company expects cashflow from its new project to the extent of \$5500, \$6200 and \$5800 respectively during the first three years of its operation. However due to changes in exchange rate/ inflation rate, the cash flow is affected and it will change to \$4800, \$6000 and \$5600. Find the magnitude of the possible real operating exposure during the initial year of operation assuming a discount rate of 10%. (4)

Q5. Write short notes on any **two** of the following:

- (i) Multinational Transfer Pricing
- (ii) International Working Capital Management
- (iii) Currency Future vs Currency Option

(7+7)





2019

[This question paper contains 6 printed pages.]

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Your Roll No. 2019.

M.Com. : Semester - IV I

Paper MJ-404

(International Financial Management)

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt All questions.

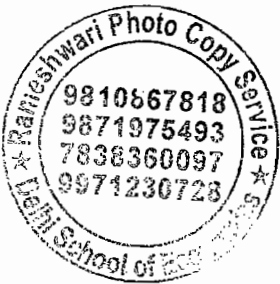
All questions carry equal marks.

1. Case Study

Nike and Sweatshop Labour

Nike, a company headquartered in Beaverton, Oregon, is a major force in the sport footwear and fashion industry, with annual sales exceeding \$12 billion, more than half of which now come from outside the United States. The company was co-founded in 1964 by Phil Knight, a CPA at Price Waterhouse, and Bill Bowerman, college track coach, each investing \$500 to start. The company, initially called Blue Ribbon

P.T.O.



Sports, changed its name to Nike in 1971 and adopted the "Swoosh" logo - recognizable around the world- originally designed by a college student for \$35. Nike became highly successful in designing and marketing mass-appealing products such as the Air Jordan, the best selling athletic shoe of all time.

Nike has no production facilities in the United States. Rather, the company manufactures athletic shoes and garments in such Asian countries as China, Indonesia, and Vietnam using subcontractors, and sells the products in the U.S. and international markets. In each of those Asian countries where Nike has production facilities, the rates of unemployment and under-employment are quite high. The wage rate is very low in those countries by U.S. standards- the hourly wage rate in the manufacturing sector is less than \$1 in each of those countries, compared with about \$20 in the United States.

In addition, workers in those countries often operate in poor and unhealthy environment and their rights are not particularly well protected. Understandably, host countries are eager to attract foreign investments like Nike's to develop their economies and raise the living standards of their citizens. Recently, however,

Nike came under worldwide criticism for its practice of hiring workers for such a low rate of pay- "next to nothing" in the words of critics- and condoning poor working conditions in host countries.

Initially, Nike denied the sweatshop charges and lashed out at critics. But later, the company began monitoring the labour practices at its overseas factories and grading the factories in order to improve labour standards. Nike also agreed to random factory inspections by disinterested parties.

Questions :

- (i) Do you think the criticism of Nike is fair, considering that the host countries are in dire needs of creating jobs?
- (ii) What do you think Nike's executives might have done differently to prevent the sensitive charges of sweat shop labour in overseas factories?
- (iii) Do firms need to consider the so-called corporate social responsibilities in making investment decisions?
- (iv) Suggest some of the methods to overcome the problem of the company. Justify your answer with appropriate examples. (20)

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4

2. (a) What is Political Risk? How is it different from Country Risk? (10)

(b) Discuss the challenges of International Financial Management? (10)

Or

(c) A foreign exchange trader gives the following quotes for the Rs vs. dollar spot, one month, three months and six months to a US based treasurer

Spot rate (Rs/\$)	62.32	62.53
One – month forward	0.05	0.09
Two – month forward	0.07	0.03
Three – month forward	0.08	0.06

Calculate the outright quotes for one, two and three month forward. Also calculate spread and spread percentage (based on selling as well as buying price) at these periods. (12)

(d) Suppose RBI reference rate for \$(INR/USD) is 55.65. If one way exchange margin to be charged by authorized dealer is 0.4%. Find out the bid, ask, spread and cost of transaction. (8)

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5

3. (a) What do you mean by International Capital Budgeting? Explain the factors MNCs should take into consideration in capital budgeting decision. (20)

Or

(b) What are the various participants in the foreign exchange market? Describe the nature of their participation. (10)

(c) Consider the data given below

Spot exchange rate: Rs. 55/\$

3-month forward rate Rs 54.84/\$

3 month interest rate:

Re: 6% p.a.

Dollar: 8% p.a.

Find the arbitrage gain. (10)

4. (a) What is meant by Economic Exposure? How is it different from Transaction Exposure? (10)

(b) An Indian investor invests in Indian and British securities in proportion of 60% and 40%. The relevant details of the securities are given below :



Particulars	Indian Security	British Security
Expected Return (%)	16	10
Risk (in terms of variance) (%)	9	4
Coefficient of correlation between securities	-0.8	

Find out

(i) Portfolio return

(ii) Portfolio risk

(10)

Or

(c) What are the objectives of International working capital management? Is International Working capital management is more complex than the domestic working capital management? Explain.

(20)

5. Write short notes on any two of the following :

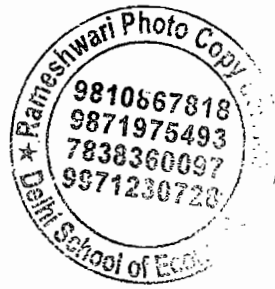
(a) Tax heaven ✓

(b) Green field investment vs. Acquisitions and Mergers. ✓

(c) International CAPM

(10+10)

(300)



Roll No. _____

This paper has 5 printed sheets.

M.Com Semester- IV Examination

(May 2018)

Paper No. - MJ404

Subject- International Financial Management

S.No. MJ404M18

Duration: 3 Hours

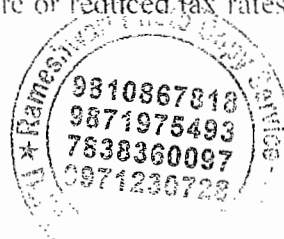
Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks

Q1 Case Study:

In India, FDI reforms started in 1990-91 when the Indian economy opened up. Soon India realized that it needs to liberalize and open up further if it wants to have sustained development and ongoing growth to alleviate poverty, fight unemployment, and other related problems. China didn't have any FDI until 1979. Now, China has emerged as a leader in attracting positive (inward) FDI. India has not been able to attract much FDI as compared to China. Roughly it is estimated that China gets about \$60 billions as FDI each year. In contrast, the FDI in India is not even 10% of this amount. In 1978, the GDP of China was less as compared to that of Indian. In the same year, the Chinese government initiated the reforms period while the Indian Government initiated reforms from 1990-91.

The main factors that help in attracting FDI in India are availability of human resources, huge size of market, political stability, and the rate of growth of market. On the other hand, the factors that help in attracting FDI in china are the strategic policy initiatives taken by the Chinese government, opening up of various SEZs, flexible labour laws, and stepping up economic freedom. China has allowed foreign companies to set up wholly owned subsidiaries since 1986. Recently, India has displaced China in terms of getting remittances from the people of home origin investing back in the home country. Till now China had maintained this position due to which it had been able to attract major FDI. The people who once belonged to China but dispersed to and are living in countries like Hong Kong, South Korea, Taiwan, were lured by the Chinese government to set up their production base in China. The Chinese offered a lot of benefits to them such as tax holidays for three years or more or reduced tax rates, flexible labour



hours which dismantled the system of assured employment and labour movement being allowed between SEZs

Today, China is the world's second largest economy mainly because it has been able to encouraging FDI and investments. China attracts FDI because it has been able to develop, sustain and is further encouraging an environment that is congenial for the growth of FDI. The Chinese government encouraged FDI by developing SEZs. followed a policy of export and import and to substitute import, encouraged indigenization of technology, providing economic freedom. The first SEZs of China was opened in Shenzhen. China also developed Shanghai to attract investments. Shanghai has an extensive network of busses, metros, subways, huge and enormous buildings and infrastructure, three of the world's busiest ports

The major impediments to the growth of FDI in India have been and are unavailability or limited availability of economic infrastructure such as roads, railway, ports, power, water, focus on developing the service sector and somehow neglecting the manufacturing sector, restricting the FDI in few major states such as Tamil Nadu, Delhi, Gujarat, Andhra Pradesh, Bangalore and Maharashtra.

India has learn from its past mistakes and also from the success of the Chinese economy in attracting FDI. India has started making SEZs but it need to promote more and more SEZs. The efforts should be made to move the agricultural labor that is not active during some times of the year to shift to manufacturing which doesn't require any skills. Efforts should be made to encourage the private public participation and the private partners taking the lead. The government interference should be reduced to the minimum possible level.

Questions

Q1 After reading this case, what according to you are the major reasons responsible for the low level of FDI in India

Q2 List the accomplishments of China due to which it had been able to attract huge FDI.

Q3 India now stand at first position in attracting the FDI from its Diaspora. Do you think India would now be able to overtake China in terms of securing FDI investments? Also list any five specific steps that you think will help in obtaining more FDI. (14)

Q2.(a) Suppose RBI reference rate for \$(INR/USD) is 54.75. If one way exchange margin to be charged by authorized dealer is 0.4%. Find out the bid. ask. spread and cost of transaction. (7)

(b) What is Political risk? What are the different forms of political risk?

Or

(c) A foreign exchange trader gives the following quotes for the Rupee vs. dollar spot. one month, three months and six months to a US based treasurer.

Details	Bid Price	Ask Price
	Re/\$	
Spot Rate	61.45	61.60
1 Month Forward Margin	0.06	0.08
3 Months Forward Margin	0.05	0.03
6 Months Forward Margin	0.07	0.05

Calculate the outright quotes for one, three and six month forward. (7)

(d) Discuss the challenges of International Financial Management. (7)

Q3.(a) Briefly discuss the factors affecting Multinational Capital Budgeting Decisions.(7)

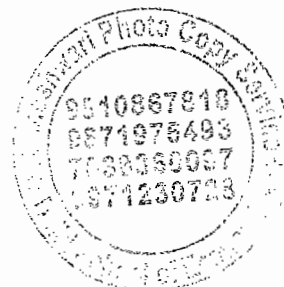
(b) ~~Malta signed a convention on the Avoidance of Double Taxation with Saudi Arabia.~~ with a population of 26.5 million, is the biggest and most dominant member of the Gulf Cooperation Council. The country is mainly an oil based economy and more than 20% of the world's oil reserve is there. Therefore, Saudi Arabia is the largest exporter of petroleum to the world and a dominant member of OPEC. More than 80% of the budget revenue of the country comes from petroleum sector.

There has been significant uprise in the trade between Malta and Saudi Arabia. Malta mainly imports plastic goods and milling industry goods and exports printed books, cereals and various edible products. In the year 2008, the total value of export of Malta to Saudi Arabia was € 15.3 million. Whereas, the total value of import in the same year was € 1.5 million.

Q1.What purpose would the Double Taxation Avoidance Agreement serve between the two counties?

Q2.Would the agreement boost trade between the two countries? (7)

Or



(c) A U.S. importer has to make a payment of €62,500 to a German exporter in 60 days. The importer could purchase an European call option to have the euros delivered to him at a specified exchange rate (the strike price) on the due date. Suppose the option premium is \$0.02 per euro and the exercise price is \$1.44/ €. Calculate the Profit of importer from buying a call option at various prices if the importer has paid \$1.250 for a €1.44 call option, which gives it the right to buy €62,500 at a price of \$1.44 per euro at the end of 60 days. (10)

(d) Write a short note on Currency Futures. (4)

Q4.(a) What is meant by Economic Exposure? How is it different from Transaction Exposure?(7)

(b) Consider the data given below :

Given

Home Country: India

Foreign Country: U.S.

Spot Rate (Rs/\$) = 62

6 mths Forward rate = 63

Interest rate in India = 12% p.a.

Interest rate in U.S. = 10% p.a.

Find the Arbitrage Gain .

(7)

Or

(c) The Sumitomo Corporation was established in December 1919 in Japan. The company named itself 'Nihon Kensetsu Sangyo Kaisha Limited' and entered into trading business in 1945. It was listed on the stock exchange of Tokyo, Nagoya and Osaka. It changed its name again in 1952 to 'Sumitomo Shoji Kaisha Limited'. The company kept expanding, and in 1962, it had established nine segments dealing in iron and steel, nonferrous metals, electrical equipment, machinery, produce and fertilizer, chemicals, textiles, general products and fuel and real estate. It was listed on the Frankfurt Stock exchange in 1973. In 1978, it again changed its name to 'Sumitomo Corporation' and had expanded to twenty-eight segments. Then, it also got listed on the London Metal Exchange (LME), the largest exchange for trading of non-ferrous metals such as copper. Sumitomo was the largest trader in the copper market. Sumitomo used to trade in copper derivatives (commodity derivatives) at LME.

Between 1985 and 1996, Sumitomo incurred a loss of \$1.8 billion in copper trading at the LME. At that time, the derivatives trading department was headed by Yasuo Hamanaka, the only person responsible for copper trading, who indulged in unauthorized trading in copper derivatives worth \$20 billion per year. Hamanaka was a middle level manager and was given powers and responsibilities beyond his abilities. He took loans from various banks without the prior consent of the senior management and used the loan amount to either buy copper (long position) or to pay for the collateral security to be deposited with the LME. Hamanaka took huge trading positions in the copper futures in the LME; LME gave warning signals to him. After getting warned, he indulged in trading indirectly through Merrill Lynch. This deal amounted to \$150 million. After making huge losses in trading, Hamanaka started to show the senior management falsified documents showing profits from the copper derivatives.

Questions:

Q1. Why do you think Sumitomo suffered from derivative losses?

Q2. "The derivative losses were a result of negligence on the part of the senior management". Comment (7)

(d)) An Indian investor invests in Indian and British securities in proportion of 70% and 30%.

The relevant details of the securities are given below:

Particulars	Indian Security	British Security
Expected Return (%)	20	10
Risk (in terms of variance) (%)	9	4
Coefficient of correlation between securities	0.8	

Find out

(i) Portfolio return

(ii) Portfolio risk

(7)



Q5. (a) Write short notes on any **two** of the following:

- (i) Multinational Transfer Pricing
- (ii) International Receivable Management
- (iii) International CAPM
- (iv) Modes of International Portfolio Investment

(7+7)



Roll No. _____

This paper has 4 printed sheets.

M.Com Semester- IV Examination (Regular)

(May 2017)

2017

Paper no. - MJ404

Subject- International Financial Management

S.No. 404M17

Duration: 3 Hours

Max. Marks: 70

General Instructions: Attempt all questions. All questions carry equal marks

1(a) "In globalised era the functions of finance executives of an MNC have become complexed". In your view what are the factors responsible for decision making in international financial management? (7)

(b) A foreign exchange trader gives the following quotes for the Euro vs. dollar spot, one month, three months and six months to a US based treasurer.

Currency pair	Spot	1 month	3 month	6 month
Euro vs Dollar	1.2000/50	30/40	60/85	100/140

Calculate the outright quotes for one, three and six month forward. Also calculate spread for these periods. (7)

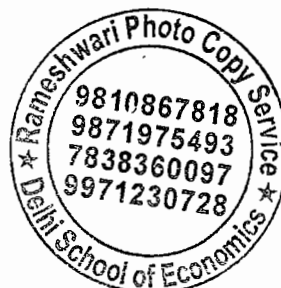
Or

(c) What is cross currency matrix? What are its uses? Given the following exchange rate of the currencies (Broker's quotes), compute the Indirect and Cross rates.

GBP/USD Spot: 2.0311

USD/JPY Spot: 96.1538

USD/CAD Spot: 1.1600



Currency	USD	GBP	JPY	CAD
USD	1	2.0314		
GBP		1	A ⁻¹	B ⁻¹
JPY	96.1538	A	1	C ⁻¹
CAD	1.1600	B	C	1

(14)

Q2(a) A US MNC is planning to install a manufacturing unit to produce 5, 00,000 units of an automobile component plant in India. Setting up of the manufacturing plant will involve an investment outlay of Rs.50 million. The plant is expected to have a useful life of 5 years with Rs.10 million salvage value. The MNC follows Straight line method of depreciation. To support the running of business, working capital of Rs 5 million , will have to be invested ; the variable cost of production and sales will be Rs.20 per unit. Additional fixed cost per annum is estimated at Rs.2 million.

The forecasted selling price is Rs.70 per unit. The MNC is subjected to 40% tax rate in India and its required rate of return is 15% p.a.

It is forecasted that rupee will depreciate in relation to US\$@5% p.a. after the first year, with an initial exchange rate of Rs.60/\$. The following assumptions have been made that US parent MNC has not been exporting to India and full repatriation every year with no withholding taxes and full tax credit being available in USA.

On the basis of above information, advice the MNC regarding the financial viability of the proposal.

(14)

Or

(b) "The role of financial manager in evaluating International capital budgeting decisions is wider than his role in domestic capital budgeting decisions" Do you agree? Give Suitable justification to your answer.

(7)

(c) The Indian subsidiary of an American MNC has raised Rs 100 million to finance its investment requirement by issuing 8-year, 12% debentures in Indian market. While interest is to be paid annually, the debentures are to be redeemed at year-end 8, at 4% premium. Floatation cost are estimated at 2%. Assume that tax laws in India allow full amortization of floatation costs in the first year itself, payment of premium in the year in which it is paid and corporate tax of 35%. Determine the effective cost of debt of the Indian subsidiary.

(7)

Q3(a) Working capital is managed by managing the cash, accounts receivable and inventory". Discuss the statement highlighting the difference between management of

working capital of a domestic firm and of an MNCs.
(10)

(b) Why does cost of capital for MNCs differ from that for domestic firms? (4)

Or

(c) "X Company is having 10-year French government bond for Euro 10, 00,000. The interest rate which is 10% in July is expected to move upto 11% by December. How can the company manage its interest rate risk? Calculate the value of Portfolio under the following conditions:

- (i) No Interest rate changes & no IRF entered
- (ii) Interest rate changes & no IRF entered
- (iii) Interest rate change & IRF entered (7)

(d) Foreign currency leads to transaction and operating exposures. Define the two and explain the difference between them with the help of examples.
(7)

Q4 (a) What do you mean by International Portfolio Investment? Explain the various modes of International Portfolio Investment. (10)

- (b) A company expects cashflow from its new project to the extent of \$5000, \$6500 and \$6000 respectively during the first three years of its operation. However due to changes in exchange rate/ inflation rate, the cash flow is affected and it will change to \$4000, \$5800 and \$5200. Find the magnitude of the possible real operating exposure during the initial year of operation assuming a discount rate of 10%. (4)

Or

(c) What are the different modes of payment in international trade? (10)

(d) Write a short note on Tax Heaven? (4)

Q5 CASE STUDY

The growth of the Indian economy had been tremendous in the last few years, especially because of the unprecedented growth of the IT sector of the country. Large members of global firms have been considering India to be a very lucrative business destination. Deregulation in various sectors has helped India attract large amount of FDI. The United Nations Conference on Trade and Development has predicted India to surpass the U.S by 2012 and become the 2nd best investment destination in the world.

These recent developments have been induced to sign DTAA with G-8 and the G-20 member countries and various tax-heaven countries. The country was ranked the 9th most attractive investment destination in the year 2010 in the world report. In the same year, the Bloomberg Global Poll ranked India to be the 3rd most attractive investment destination, above the U.S.

However, the recent Vodafone Tax Case, which was pending since 2009, is creating negative image of India as a favourable investment destination. Vodafone International Holdings BV is controlled by Vodafone UK and is based in the Netherlands. The company bought the controlling stock of CGP investments Holding Limited (CGP) for \$11.01 billion from Hutchison Telecommunications International Ltd. (HTIL).

HTIL owned shares of the Hutchison Essar Ltd. (HEL), which was in control of the mobile arm of the company in India. 52% of the stake of HEL was bought by Vodafone in 2007. In September in the same year, Bombay High Court ruled that Vodafone was subject to capital gain tax as the underlying asset of the transaction was lying in India. Vodafone appealed in the Supreme Court for considering its judgement that asks Vodafone to pay capital gain tax of Rs. 12000 to the Indian Tax Authorities.

According to the current proceedings of the case, the ruling of the court is most likely to go in favour of Indian Tax Authorities. The ruling would force many global firms to re-think over their investment decisions in India. The low investments prospect of the country is already evident in various global rankings. The country has been ranked lower than its peer group in the doing Business Report of the World Bank. The reason of the downgrade of India as an investment destination is obvious- the procedural complexities in the country in business operations.

International trade and investments are significantly motivated by the tax regulation in a country. Therefore, the main destinations of FDI investments are tax havens, open borders and the DTAA countries. The Vodafone case underscores the ambiguity related to taxability of a non-resident company in case it acquires shares of a resident company, though indirect route. The case is a landmark in the corporate legal history of the country, in which the tax authorities have bought a global giant like Vodafone under its tax ambit.

Keeping in view the facts of above case, answer the following questions:

Q1 What do you understand by "Tax treaties? How does it help in promoting in International trade and investments?

Q2 Briefly state the steps to be taken for promoting 'Ease of doing business' in India.

Q3 Do you think that the action taken by tax authorities in the given case is justified? Give reasons

Q4 Discuss the steps to be taken by government for preventing occurrence of such cases in future.

(14)

- 260
- 018
- GSM
- Negotiation

4

(4) 4102

The correlation coefficient between return of the securities is .06. In case 60% of the fund is invested in Indian security and 40% of the funds is invested in Japanese securities. Compute :

- (i) Expected return of the portfolio and
- (ii) Standard deviation of the portfolio.

Write a short note on Interest rate swap. 5

Write short notes on any two of the following : 10+10

- (a) Receivable management in case of MNCs.
- (b) Tax heaven
- (c) International CAPM.

This question paper contains 4 printed pages]

4102

Your Roll No. : 2017

M.Com. : Semester-IV (NC) G

Paper MJ-404

(International Financial Management)

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

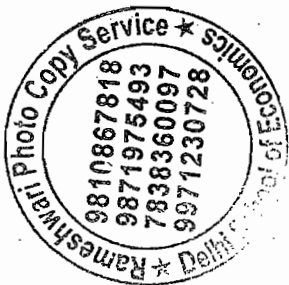
How is international financial management different from domestic financial management ? Why is it important to study international financial management ? 20

Or

(a) A foreign exchange trader gives the following quotes for the Euro /\$. dollar spot, one month, three months and six months to a US based treasurer :

Details	Bid Price Re/\$	Ask Price
Spot Rate	47.6500	47.6595
1 Month Forward Margin	0.0025	0.0020
3 Months Forward Margin	0.0040	0.0032
6 Months Forward Margin	0.0020	0.0026

Calculate the outright quotes for one, three and six month forward. 10



(b) What do you mean by Foreign Exchange market? Discuss the role played by the main participants in this market. 10

2. What do you mean by Multinational Capital Budgeting? How is the Computation of the cash flows of an MNC different from that of a domestic firm? 20

Or
(a) Explain APV method in detail. In what ways APV (Adjusted Present Value) method is different from NPV (Net Present Value) method for assessing feasibility of a project? 15

(b) A project of the subsidiary costs \$20 million. It is financed through different modes of funds. The parent company makes an initial investment for \$12 million. A sum of \$2 million is drawn out of blocked funds and another sum of \$3 million is taken out of retained earnings. The subsidiary borrows \$2 million from the host country market. The remaining \$1 million is in the form of free land and building supplied by the host country government. Find out the amount of initial investment from the viewpoint of the parent unit. 5

3. (a) What are the objectives of International working capital management? Is International capital management more complex than the domestic working capital management? Explain. 12

(b) Consider the data given below :

- Home Country : India
- Foreign Country : U.S.
- Spot Rate (Rs./\$) = 62
- 6 mths Forward rate = 63
- Interest rate in India = 12% p.a.
- Interest rate in U.S. = 10% p.a.

Find the arbitrage gain. 8

Or

(c) Briefly discuss "Transaction Exposure", Translation Exposure and Economic exposure? How is Translation exposure managed? Give the examples. 20

What are the factors contributing to the growing importance of international accounting? Explain the dimensions/interpretations of international accounting. 20

Or

(a) An investor has two securities in his portfolio. One is a Indian security and other is a Japanese security : 15

	Indian Security	Japanese Security
Expected Return	13%	16%
Risk (Standard deviation)	20%	30%

Roll No...2016.....

Course: M.Com Sem. – IV

Paper No.: MJ 404

– Subject: International Financial Management

S. No. 404M16C

Time: 3 hours.

Max Marks: 70

1.(a) Suppose RBI reference rate for \$ (INR/USD) is 55.65. If one way exchange margin to be charged by authorized dealer is 0.4%, find out the bid, ask, spread and cost of transaction.

(b) If the rate of exchange is:

(i) Bank N in New York quotes:

USD/JPY: 110.25/111.10

USD/AUD: 1.6520/1.6530

(ii) Bank S in Sydney quotes:

AUD/JPY: 65.30/66.20

Explain how the arbitrageurs will gain.

(7, 7)

OR

(iii) What is international working capital? Is international working capital management more complex than the domestic working capital management? Explain.

(14)

(iv) What do you understand by the term international taxation? Critically explain the concept of tax havens.

OR

What are the factors contributing to the growing importance of international accounting? Explain the dimensions/interpretations of international accounting.

(14)

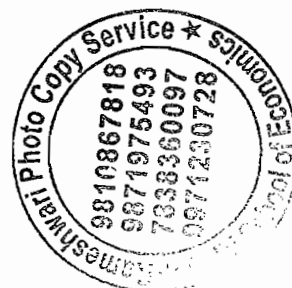
(v) (a) What do you mean by Multinational Capital Budgeting? Explain the factors MNCs should take into consideration in Multinational Capital Budgeting Decision.

(7)

(b) A project of the subsidiary costs \$ 40 million. It is financed through different modes of funds. The Parent company makes an initial investment for \$24 million. A sum of \$4 million is drawn out of blocked funds and another sum of \$6 million is taken out of retained earnings. The Subsidiary borrows \$4 million from the host country market. The remaining \$2 million is in the form of free land and building supplied by the host country government. Find out the amount of initial investment from the view point of the parent unit.

(7)

OR



(c) Why is APV (Adjusted Present Value) technique more suitable for evaluating foreign project than the conventional NPV technique? Explain (7)

(d) What do you mean by political risk? How is it different from country risk? (7)

4. (a) Briefly discuss 'Transaction Exposure', 'Translation exposure', and 'Economic exposure'? How is 'Translation exposure' managed? Give the examples. (14)

OR

(b) What is meant by Currency Swap? You have been approached by Company A and Company B for arrangement of finance. Company A needs long term funds, whereas, Company B needs short term funds. Since, Company A has a low credit rating, long term funds are available at a high cost; whereas, Company B has a good credit rating and has easy access to long term funds at lower cost, but requires short term funds. The borrowing cost available to them is as under:

	<u>Fixed Rate (%)</u>	<u>Floating Rate (%)</u>
Company A	12	LIBOR + .90
Company B	10	LIBOR + .20

As a swap dealer, suggest suitable strategy so that the objectives of both the companies can be fulfilled and their cost of funds is reduced. (7)

(c) Mr. X invests 25% of his investible funds in US bonds with a face value of \$20,000. The bonds have a market price of \$ 20,500 by the year end and fetch \$700 as interest during the year. Dollar appreciates by 3% during this period. Simultaneously, the investor invests remaining 75% funds in German bonds with a face value of 60,000 Euros fetching 6000 Euros as interest and the market price of the bonds increases up to 60,500 Euros during the year. Euro depreciates by 2% during this period. Calculate the Portfolio Return. (7)

5. Write short notes on *any two*:

- 1) International CAPM.
- 2) Interest Rate Swap.
- 3) Forward premium and discount.
- 4) Drafts and Bills of Exchange. (7x2)

2895

4

[This question paper contains 4 printed pages.]

OR

2895

Your Roll No. 2016

(b) What do you understand by Currency Future ?
How is it different from currency option ? Give
Examples. (10)

(c) Explain briefly the various modes of International
Portfolio Investment. (10)

5. Write short notes on any two :

(i) International Diversification

(ii) Political Risk

(iii) The Bid-ask spread and its determination

(iv) Direct and Indirect Quote of exchange rate

(20)

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt all parts of the question together.

1. In what respects does international finance differ from
domestic finance ? What are the benefits of studying
international finance ? ^{Domestic} ^{Int'l} ^{Exchange} ^{Rate} ^{of} ^{Money} (20)

OR

10
What is cross currency matrix ? What are its uses ?
Given the following exchange rate of the currencies
(Broker's quotes), compute the Indirect and Cross
rates.

(400)

P.T.O.

GBP/USD Spot : 2.030

USD/JPY Spot : 98.1538

USD/CAD Spot: 1.1800 / (10,10)

2. Explain the different modes of payment in international trade. (20)

Cash in Adv. + Bank draft
** D/P & D/A*
** Consignment*
** Letter of Credit*
** Usance*

OR

clean title document

What do you mean by transfer pricing? How are transfer prices set? (20)

Arm's length
→ private value
→ Cost plus
→ Transfer price

(a) A multinational company is planning to set up a manufacturing plant in India involving an initial outlay of Rs. 40 million. The plant is expected to have a useful life of 5 years and a salvage value of Rs. 8 million. The MNC follows SLM (Straight Line Method) of depreciation. To support additional level of activity, investment would require additional working capital of Rs. 4 million.

NPV

40,000,000

40,00,00,000

Since the cost of production is lower in India, the variable cost of production and sales would be lower, i.e. Rs. 20 per unit. Additional fixed cost per annum is estimated at Rs. 2 million. Further the forecasted selling price is lower i.e. Rs. 60 per

unit to sell 500,000 units. The MNC is subjected to 40% tax rate and its cost of capital is 15% p.a.

It is forecasted that Rupee will depreciate/devalue in relation to USD @ 3% p.a. after the first year, with an initial exchange rate of Rs. 40/\$. The following assumption have been made that US parent MNC has not been exporting to India and full repatriation every year with no withholding taxes and full tax credit being available in USA. On the basis of above information, advice the MNC regarding the financial viability of the proposal. (20)

OR

(b) What is meant by Greenfield investment? How is it different from Cross border Merger and Acquisitions? (10)

(c) Explain the APV (Adjusted Present Value) technique of International Capital Budgeting with an example. (10)

4. (a) Distinguish between Transaction Exposure and Translation Exposure. How are these exposures managed? Explain. (20)

[This paper contains 2 pages]

Roll No. 2515

M.COM: Semester IV/2015

Paper No. 7112

Subject: International Financial Management

S.No. 7112 151

Time: 3 hours

Max Marks: 70

Attempt all questions. All questions carry equal marks.

Make suitable assumptions wherever necessary.

1. (a) Discuss the role of International Monetary System In international liquidity.
(b) What led to the breakdown of Bretton Woods System?

(7+7)

OR

- (c) In what respect does international finance differ from domestic finance? What are the benefits of studying international finance?
(d) How does interest rate and rate of inflation influence foreign exchange rate? Explain briefly.

(5+2, 7)

2. XYZ Ltd is the wholly owned Indian subsidiary of US based company, ABC Ltd. Non-consolidated balance sheets of both ABC Ltd. and XYZ Ltd. (only foreign operations), in thousands, are as follows:

Assets	ABC Ltd. (parent)	XYZ Ltd. (affiliate)
Cash	\$ 2,200	Rs. 8,000
Accounts receivable	\$ 2,400	Rs. 4,600
Inventory	\$ 2,400	Rs. 7,000
Net plant and equipment	\$ 4,600	Rs. 9,000
Investment	\$ 2,000	
Total	\$ 13,600	Rs. 28,600

Liabilities	ABC Ltd. (parent)	XYZ Ltd. (affiliate)
Accounts payable	\$ 1,000	Rs. 12,000
Common stock	\$ 4,000	Rs. 6,000
Retained earnings	\$ 8,600	Rs. 10,600
Total	\$ 13,600	Rs. 28,600

**Plant & equipment and common stock were acquired when exchange rate was USD/INR 38.20

- (a) Given that the current exchange rate is USD/INR = 43.20. ABC Ltd translates by current rate method.
i) Calculate the accounting exposure for ABC Ltd, by the current rate method and monetary/non-monetary method.
ii) Prepare a consolidated balance sheet for ABC Ltd. and XYZ Ltd.

(6+4)

- (b) What is foreign exchange risk? How it is different from foreign exchange exposure?

(2+2)

OR

Contd. P. 2

(c) Explain Purchasing Power Parity. Highlight the concepts of relative and absolute purchasing power parity.

(d) Why does banking becomes multinational? What problems are these banks facing now?

(3+4, 7)

3. (a) Given the following data:-

Spot Rate: USD/INR 42.0010

6 month forward rate: USD/INR 42.8020

Annualised Interest rate on 6 month rupee: 12%

Annualised Interest rate on 6 month dollar: 8%

Calculate the arbitrage possibilities with example (assuming an amount in multiple of thousand).

(7)

(b) What is an exchange rate matrix? Given the following exchange rates of the currencies, compute the Indirect and Cross rates.

GBP/USD Spot: 2.040

USD/JPY Spot: 98.1638

USD/CAD Spot: 1.1900

(1+6 = 7)

OR

(c) What is political risk? What are the different forms of political risk?

(d) What are the factors that affect currency put option and currency call option premiums?

(2+5, 7)

4. (a) What do you mean by international equities? Explain the procedures of the issue of international equities.

(b) Explain the different modes of payment in international trade.

(2+5, 7)

OR

(c) Explain the concept of transfer pricing? Describe the ways in which transfer pricing can be regulated.

(d) What are the objectives of international working capital management? Is international working capital management more complex than the domestic working capital management? If yes, explain briefly.

(2+5, 2+5)

5. Write short note on any two:-

a) Fischer Effect

b) Notation, Quotation and Rate of foreign exchange

c) Pips and handles

d) ADRs /GDRs as a source of international finance.

(2x7 = 14)

M.Com: Sem-IV

Paper No. 7112

Subject: International Financial Management

S. No. 7112141

Time: 3 hours

Max Marks: 70

Instructions: Attempt all questions. All questions carry equal marks.

1. (a) "Crawling peg is a compromise between fixed exchange rates and floating exchange rates". Discuss. (4)
- (b) What is International Monetary System? Discuss the evolution of International Monetary System. (10)

OR

(c) "Floating Exchange rate system provides more flexibility and automatic adjustment in Balance of Payments." Explain the statement. Do you agree that floating exchange rate regime is a better option than the fixed exchange rate regime? Give suitable examples in support of your answer. (7)

(d) Distinguish between the following with suitable examples:

(i) Sterilized and non-sterilized intervention

(ii) Stabilizing and destabilizing intervention (7)

2. (a) Given the following exchange rate of the currencies (Broker's quotes), compute Indirect and Cross Rates and prepare a Cross Currency Matrix.

USD/GBP Spot: USD 1.6811

INR/USD Spot: INR 60.6465

JPY/USD Spot: JPY 102.4695 (7)

(b) A New York Bank is currently offering following spot quotes:

JPY/USD: JPY101.632/102.531

AUD/USD: AUD 1.11/1.15

At the same time, a bank in Sydney is quoting:

JPY/AUD: JPY91.4325/92.6507

Is there any arbitrage opportunity? If yes, what steps should one take to make an arbitrage profit? (7)

OR

(c) Given:-

Spot Rate: JPY/USD: JPY102.2077

6 month FR: JPY/USD: JPY102.9213

Annualized interest rate on 6 month yen= 15%

Annualized interest rate on 6 month dollar = 8%

Is there any arbitrage incentive for covered interest arbitrage? If yes, explain assuming USD 1,00,000 as starting amount. (10)

(d) How is speculation done in forward market? Explain with a suitable example. (4)

3. An Indian company is making appraisal of its project to be set up with its subsidiary in the USA. The initial project cost amounts to US \$1,50,000 which is expected to add Rs.30 lakh to the Indian company's borrowing capacity over a period of three years. A sum of Rs.45 lakh of the initial investment is met by the Indian parent and the remaining US \$ 75,000 is borrowed at 10 per cent interest rate in the USA. The project has a life of three years. The net operating cash inflow is \$60,000, \$ 75,000 and \$ 95,000 respectively in the first, second and third year. The salvage value is expected to be \$10,000.

The spot exchange rate is INR60/USD. It is assumed that PPP holds with no lag and that real prices remain constant in both absolute and relative terms. Hence the sequence of exchange rate reflects anticipated annual rates of inflation equating 8 percent in Rs. and 5 percent in dollar. Depreciation allowances amount to Rs.20 lakh a year for three years. Tax rate is 50 percent in India and 35 percent in USA. Expected tax saving from intra-firm transfer pricing is Rs.50,000 a year in all the three years. Discount rate for cash flows assuming all equity financing is 20 percent. Discount rate for depreciation/tax saving on interest deductions from contribution to borrowing capacity is 12 percent. Discount rate relating to loan repayment is 20 percent and on tax saving on account of transfer pricing is 25 percent. Find the Adjusted Present Value (APV). (14)

OR

(a) What is political risk? Explain the qualitative and quantitative techniques for evaluating political risk. (8)

(b) A, B and C are three units of a firm. A has to receive USD 20.0 million from B and USD 15.0 million from C. B has to receive USD 25.0 million from C and USD 25.0 million from A. C has to receive USD 35.0 million from A and USD 8.0 million from B. Find out what will be the amount of funds movement in case of:

(i) No netting (ii) Bilateral netting (iii) Multilateral netting. (6)

4. (a) Explain an Interest rate swap with a suitable example. (10)

(b) Distinguish between buyer's credit and supplier's credit. (4)

OR

Translate the following balance sheet of Indian subsidiary into balance sheet of US parent unit as per *current rate method*, *monetary/non-monetary method*, *current/non-current method* and *temporal method*. How do you adjust the imbalances occurring in the liabilities and assets position of the company?)

(Amount, Rs, million)

Liabilities	Amount	Assets	Amount
Current liabilities	500	Cash	200
Share Capital	2,000	Marketable securities	200
Bonds	800	Debtors	400
Retained earnings	500	Inventory	400
		Land & Building	900
		Plant & Machinery	1100
		Furniture & Fixtures	600

Historical Rate (INR/USD) = INR55 _____

Current Rate (INR/USD) = INR60

(14)

5. Write short notes on any *Four* of the following:

- (a) SDR Valuation
- (b) Big Mac Index
- (c) Currency Boards
- (d) Withholding Tax
- (e) Open Account
- (f) Global Bonds

(3.5 × 4)



M.Com: Sem-IV

Paper No. 7112 (2013)

Subject: International Financial Management

S. No. 7112131

Time: 3 hours

Max Marks: 70

Instructions: Attempt all questions. All questions carry equal marks.

1. (a) "Gold Standard provided price stability besides automaticity in exchange rate and BOP adjustment". Discuss. (4)
(b) What is IMF Conditionality? Explain the different funding facilities through which IMF provides balance of payments support to member countries. (10)

OR

- (c) Explain the three stages of Delors' Plan. Do you think Euro has bright prospects? (7)
(d) 'Under Managed Floating exchange rate system, central bank of the country intervenes in the foreign exchange market to stabilize the exchange rate'. Evaluate the statement and explain the role of RBI in this context. (7)

2. (a) Given the following exchange rate of the currencies (Broker's quotes), compute Indirect and Cross Rates and prepare a Cross Currency Matrix.

GBP/USD Spot: USD 1.5487

USD/JPY Spot: JPY 98.2222

USD/CAD Spot: CAD 1.01

152.1177
1.5642
97.2762

(8)

- (b) The spot rate of the Singapore dollar in the United States is USD 0.81 and that of the INR is USD 0.01838. What is the exchange rate of the Singapore dollar in India? If the Singapore dollar is quoted in India at SGD/INR: 45.0139, how can an arbitrageur make a profit in this situation? Show necessary calculations assuming INR 5 million starting amount. (6)

0.9419

106859.23

OR

"Economic exposure is basically the change in economic net worth of a company due to change in exchange rates". Discuss the statement from the importer's as well as exporter's perspective assuming depreciation in the currency of exporting firm. (14)

3. (a) An exporter Mr. X in India provides the credit period of 120 days to his customers. The financing cost in India is 1% per month. The importers currency is to depreciate by 2% during the four month period. The receivables are denominated in importers currency. Compute the cost of receivables for Mr. X. (4)

(b) "Working capital is managed by managing the cash, accounts receivable and inventory". Discuss the statement highlighting the difference between management of working capital of a domestic firm and of an MNC. (10)

OR

(c) Distinguish between micro and macro-political risk. Explain how Political Risk is managed after investment? (8)

(d) What is Reference Rate? How Bid and Ask rates are formed from Reference Rate? Explain with suitable examples. (6)

4. (a) "Parent's interest dominates while making capital budgeting analysis". Explain. (4)
 (b) How do you compute cash flow in international capital budgeting? Explain with reference to complexities involved in international capital budgeting. (10)

OR

✓ Translate the following balance sheet of Indian subsidiary in England into parent's balance sheet as per *monetary-non monetary method* and *current-non current method*. How do you adjust the imbalances occurring in the liabilities and assets position of the company?

Balance sheet of the XYZ Corporation (Incorporated in U.K.)

	846,100 (6000) £736100	(in Pounds)
Assets:		
(A) Current Assets :		
(i) Cash and Marketable securities		2,600
(ii) Inventory at Historical prices		3,600
(iii) Prepaid Expenses		200
(B) (i) Fixed Assets less accumulated depreciation		
(ii) Goodwill		1,000
 Liabilities:		
(A) Current and others:		
(i) Current Liabilities		3,400
(ii) Long Term Debt		3,000
(iii) Deferred Income Tax		500
(B) Equity A/C:		
(i) Capital Stock		1,500
(ii) Retained earnings		2,600
Total liabilities	11,000	

Current Exchange rate (GBP/INR): INR 82

Historical exchange rate (GBP/INR) : INR70

(14)

5. Write short notes on any *Four* of the following:

- (a) Snake in the Tunnel
- (b) Target Zone Arrangement
- (c) Purchasing Power Parity
- (d) Credit tranche
- (e) Currency Swaps
- (f) Mint Parity

(3.5 ×4)



This question paper contains six printed pages

Roll No.....2012.....

M.COM: Semester IV

Paper No. 7112

Subject: International Financial Management

S.No. 7112121

Time: 3 hours

Max Marks: 70

Attempt all questions. All questions carry equal marks.
Make suitable assumptions wherever necessary.

Q. 1 (a) XYZ Ltd is the wholly owned Indian subsidiary of US based company, ABC Ltd. Non-consolidated balance sheets of both ABC Ltd. and XYZ Ltd. (only foreign operations), in thousands, are as follows:

Assets	ABC Ltd. (parent)	XYZ Ltd. (affiliate)
Cash	\$ 4,400	Rs. 16,000
Accounts receivable	\$ 4,800	Rs. 9,200
Inventory	\$ 4,800	Rs. 14,000
Net plant and equipment	\$ 9,200	Rs. 18,000
Investment	\$ 4,000	
Total	\$27,200	Rs. 57,200

Liabilities	ABC Ltd. (parent)	XYZ Ltd. (affiliate)
Accounts payable	\$ 2,000	Rs. 24,000
Common stock	\$ 8,000	Rs. 12,000
Retained earnings	\$ 17,200	Rs. 21,200
Total	\$27,200	Rs. 57,200

**Plant & equipment and common stock were acquired when exchange rate was Rs. 38.20/\$

The current exchange rate is Rs. 43.20/\$. ABC Ltd translates by current rate method.

- Calculate the accounting exposure for ABC Ltd. by the current rate method and monetary/non-monetary method.
- Prepare a consolidated balance sheet for ABC Ltd. and XYZ Ltd.

(6+4)

(b) What is euro money? How is it created? (2+2)

OR

(a) What do you understand by operating exposure? How can you hedge it? (2+5)

(b) Given the following data:-

Spot Rate: USD/INR 42.0010

6 month forward rate: USD/INR 42.5020

Annualized interest rate on 6 month rupee: 14%

Annualized interest rate on 6 month dollar: 10%

Calculate the arbitrage possibilities with example (assuming an amount in multiple of thousand). (7)

Q. 2 (a) Set out is a table of Cross Rates.

	Euro	Dollar	Swiss Franc	Pound Sterling
Frankfurt	-	2.2800	0.4810	4.0205
New York	0.4386	-	0.2100	2.8000
Paris	2.0900	4.8300	-	8.3400
London	4.0105	1.9700	7.4000	-

All quotes except London are direct quotes. Assuming no transaction costs, how might a nimble trader can take advantage of the situation?

(8)

(b) Between 1996 and 2011, the USD/JPY exchange rate moved from 226.63 to 93.96. During this same 15-year period, the consumer price index (CPI) in Japan rose from 91.0 to 119.2 and the U.S. CPI rose from 82.4 to 152.4. If PPP had held over this period, what would be the USD/JPY exchange rate had been in 2011?

(3)

(c) Consider the following spot rate quotes:

Bank N in New York quotes

GBP/USD: 1.6545/1.6552

IEP/USD: 1.3655/1.3665

Compute synthetic GBP/IEP (3)

OR

(a) A foreign exchange dealer quoted the following rates for the pound sterling on Friday, November 30, 2011.

Spot	\$1.4710/\$1.4810
Forward points	
30- day forward	65/44
90- day forward	145/123
180- day forward	290/222

- i) Determine the outright quotations for the pound sterling.
- ii) Was the pound sterling selling at a forward premium or a forward discount on that date? Calculate the forward premium (or discount) on the 90- day forward contract. Use **ask (offer)** rate to answer this question.
- iii) How many U.S. dollars would it cost you to buy £1,000,000 on November 30, 2011?
- iv) If you expect to receive £1,000,000 in 180 days from the quotation date, how many U.S. dollars would you expect to realize by selling them forward?
- v) Assuming that the yield on a six- month CD of major banks in the United States is 9 percent. what should be the yield on a comparable CD in the United Kingdom to insure interest rate parity between the two countries?

(2+2+1+1+2= 8)

(b) Explain the theory of purchasing power parity (PPP). Based on this theory, what is the general forecast of the values of currencies in highly inflated countries?

(3+3)

Q. 3 (a) A Singapore-based company imports a significant proportion of its needs from the United States. It is invoiced in US\$. It forecasts the following imports from its US supplier:

In one month's time	US\$ 12 m
In two months' time	US\$ 19.5 m
In three months' time	US\$ 18 m

A bank quotes US\$/SG\$ spot rate and forward points as follows:

	Bid	Offer
Spot	1.8252	1.8262
One month	50	42
Two months	70	63
Three months	90	82

The company decides to use the forward market to cover its FX exposure.

- i) Calculate the relevant forward rates to cover the exposures.
- ii) How much SG\$ cash will the importer need to pay?
- iii) Supposing that in three months the spot rate US\$/SG\$ has moved to 1.89, what would be your opinion of the above strategy? (2+2+2 =6)

(b) What are the factors that affect currency put option and currency call option premiums? (4)

(c) Is devaluation good for exports and imports? Why is the impact of devaluation usually not immediate? (4)

OR

(a) Differentiate between cylinder option and knock-in/knock-out option contracts with example. (4)

(b) As treasurer of Multimedia Ltd., you are presented with the following data:

Cash balances:

	Parent	Pooled Singapore Subsidiaries
	US\$m	SG\$m
	(250)	540
Cash flow forecasts		
Month	Parent	Subsidiaries
	US\$m	SG\$m
1	(200)	(150)
2	50	(50)
3	(200)	110

You also have the following data:

US\$ LIBOR 1, 2, and 3 month	5.69 / 5.70,	5.81 / 5.93,	5.86 / 5.98
SG\$ SIBOR 1, 2, and 3 month	2.00 / 2.37,	2.19 / 2.31,	2.38 / 2.50

Funds for the Singapore subsidiaries can be deposited at the bid rate.

The US parent borrows at a margin of 25 basis points (bps).

US\$/SG\$ exchange rates are:

	US\$/SG\$
Spot	1.6625/1.6635
Forward points	
1 month	52/47
2 month	93/88
3 month	135/128

As treasurer:

- i) How much amount of SG\$ balances should the parent company borrow to help its negative cash balances?
- ii) What are the costs and benefits of this pooling of cash balances done by the parent company?

(2+8)

Q.4. (a) Compare and contrast Fixed, Floating and Managed Float exchange rate systems.

(8)

(b) Explain Bretton Woods System.

(6)

OR

(a) What is the difference between direct & indirect intervention? How does RBI use the intervention to change the value of Indian Rupee? Explain with suitable examples.

(6)

(b) What do you mean by International Liquidity? Explain the role of IMF in International Liquidity.

(8)

Q. 5. (a) What do you mean by political risk? Explain the quantitative and qualitative techniques for evaluating political risk.

(8)

(b) What are the various factors contributing to the growth of international accounting? Distinguish between gross and net consolidation methods.

(6)

OR

(a) What do you understand by netting and how can it help an MNC in reducing the cost of transaction?

(4)

(b) What do you mean by international capital budgeting? How the computation of the cash flow of an MNC is different from that of a domestic firm?

(10)

2112

4

OR

Highlight the additional issues involved in the following in case of MNCs :-

- (i) Inventory Management
- (ii) Receivables Management (7+7)

[1. question paper contains 4 printed pages.]

2112

Your Roll No. 22111

M.Com. / Sem. IV A

Paper - 7112 : International Financial Management

(Admissions of 2009 and after)

Time : 3 Hours Maximum Marks : 70

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. (i) Explain briefly currency futures market.
- (ii) Discuss how 'marking to market' principle works in a future market.
- (iii) What are the points of difference between future contracts and forward contracts ? (4+5+5)

OR

- (i) Explain currency call options.
- (ii) What are the factors which affect the call option premium ?
- (iii) Suppose a firm buys a call option of Canadian dollars (C\$) at a strike price of \$.70 and an

(400)*****

P. T. O.

137

23

option premium on C\$ equal to \$-01 per unit. One option contract equals C\$50,000. If the firm exercised the option when the spot rate reached \$-74, find its net profits. Also find the net profit of the seller of the option. (5+4+5)

2. (i) Explain the monetary theory of exchange rates.
- (ii) What are the points of difference between the monetary theory and the flow theory of exchange rates. (7+7)

OR

- (i) Explain triangular, locational and covered interest arbitrage.
- (ii) Discuss withholding taxes and capital gains taxes.
- (iii) Under what conditions does withholding taxes not have any effect on covered interest parity condition. (6+4+4)

3. (i) What is transaction exposure?
- (ii) Explain how this can be managed through a money market hedge.
- (iii) Show that under no transaction costs, money market hedge yields the same results as the forward hedge? (5+4+5)

OR

- (i) What is translation exposure?
- (ii) Discuss the ways to reduce translation exposure. (6+8)

4. An Indian MNC has a subsidiary in the United Kingdom. To meet its investment needs, the subsidiary firm wants to raise GBP 10 million by issuing five year bonds in the British market at the coupon rate of 10 percent per annum, payable annually. The floatation cost is expected to be 2 percent. The corporate tax rate in the United Kingdom is 25 percent. The current spot rate is GBP/INR 82. The INR is expected to depreciate at 1 percent each year, for the next five years. If the average cost of capital of the firm is 8 percent, should it raise the proposed debt or not? (14)

OR

How the Capital Structure of MNCs is different from that of a domestic owned firm? What are the various factors that need to be considered while deciding the capital structure of a MNC? (14)

5. Explain the following, highlighting the importance in international trade financing and various parties involved in –
- (i) Letter of Credit
- (ii) Forfeiting (7+7)

Max Duration: 3 Hrs.

Max. Marks 70

Instructions: (i) Attempt all parts of the question together. (ii) Answer to the question should be precise.

Q1. Elucidate the following statements with the help of appropriate examples (Attempt any four) (7,7)

- (i) Study of consumer behaviour is linked to development of marketing strategies.
- (ii) Consumers evaluative criteria depends upon whether the product is utilitarian product or hedonic product.
- (iii) Variety seeking is a form of low involvement consumer behaviour.
- (iv) It is easier to implement strategies that reinforce rather than change attitudes.
- (v) Study of consumer behaviour benefit from using EKB model.

Q2. (a) Describe the impact of economic, political and legal factors on consumer buying decision. Support your answer with examples.

(b) Because it dealt with deep-seated needs and motives derived from childhood conflicts, psychoanalytical theory has been criticized for having little relevance to marketing. Do you agree? For what types of product categories might psychoanalytical theory provide insights into consumer purchasing motives?

OR

(c) Explain the role of reference group and family decision on consumer behaviour. Illustrate your answer with examples.

(d) Describe the major characteristics of trait theories of personality. What is the usefulness for the marketer of knowing various personality traits? (7,7)

Q3. Attempt any two of the following:

(a) You work for a company "Home Creations" that manufactures kitchen and home appliances. A New modular kitchen is being launched by the company. Identify the market segment that you would like to target for the product. Also explain the type of research you would conduct for the successful launch of the product.

(b) What is the distinction between terminal values and instrumental values? What terminal and instrumental values might influence the purchase of a designer suit? A sports car?

(c) 'Consumer attitudes toward the act of using or purchasing a brand are more closely related to behaviour than are consumer attitudes toward the brand itself.' Assume you are a marketer considering repositioning a breakfast food so that it will also appeal to the snack market. What are the implications of the statement for repositioning strategy? (7,7)

Q4. Distinguish the following with the help of an example (Attempt any two):

(a) Innate innovativeness and domain specific innovativeness

(b) Individualism and collectivism cultural values

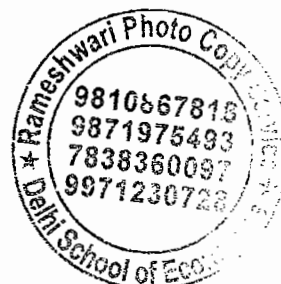
(c) High involvement and low involvement decision making (7,7)

Q5. Explain briefly the following (Attempt any two): (7,7)

(a) Requirements and applications of Classical conditioning to marketing

(b) Implications of concept of stimulus generalization

(c) Consumer ethnocentrism as a personality trait



2029

4

(iv) Cross Cultural Dimensions

(v) Types of Customers

[This question paper contains 4 printed pages.]

2019

2029

Your Roll No. ... 2019

M.Com. Semester – IV I

Paper MJ-413

(Consumer Behaviour)

Time : 3 Hours

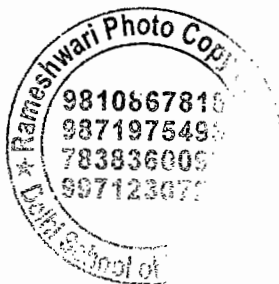
Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt all parts of the question together.

Answers should be precise.

1. (a) What is consumer behavior? Explain the inter-relationship between the study of consumer behaviour and marketing concept. (10)
- (b) Contrast the major characteristics of Fraudian and neo-Fraudian theories and explain with an example how each theory is applied to the understanding of consumer behaviour. (10)



(200)

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OR

(a) "Marketers don't create needs; needs pre-exist marketers." Discuss the statement to explain the role of marketers. (10)

(b) What is perception? Explain factors that determine the stimulus perception. (10)

2. Evaluate any four of the following statements :

- (i) Advertising is linked to materialism.
- (ii) In terms of consumer behaviour cultures of the world are becoming more similar.
- (iii) Family rather than the individuals should be the unit of analysis in consumer behaviour studies.
- (iv) Customer involvement and buying motives.
- (v) Culture is a global personality of the country.
- (vi) Explain various customer roles. (5,5,5,5)

3. Difference the following (Attempt any four) :

- (i) Industrial Buying VS Individual Buying.
 - (ii) Beliefs, values, and customs.
 - (iii) Extended problem solving and limited problem solving behaviour
 - (iv) Enculturation and acculturation.
 - (v) Economic Model and Psychological Model of Consumer Behaviour. (5,5,5,5)
4. Discuss and illustrate Input, process and output model of Consumer behaviour with graphical representation of Buyer's Black Box model. (20)
5. Write short notes on any four of the following : (5×4=20)
- (i) Mystery Shoppers
 - (ii) Consumer Research Process
 - (iii) Qualitative Data Collection Methods

Roll No. 2018

This paper has one printed sheets.

M.Com Semester IV Examination (Regular)

(May/June 2018)

Paper No.- MJ413

Subject- Consumer Behaviour

S. No. MJ413MJ8

Duration: 3 Hours

Max. Marks: 70

General Instructions: (i) Answer all parts of the question together; (ii) Answers should be precise

Q1.(a) What is Consumer Behaviour? Discuss the importance of study of consumer behavior.

(b) In today's dynamic and rapidly evolving marketplace, marketers need to know everything they can about consumers – what they want, what they think, how they work, how they spend their leisure time. Explain in the context of requirements of Indian consumers which are changing over a period of time.

OR

(c) Explain the online purchase decision process. Discuss the challenges encountered by both marketer and consumer.

(d) Explain various views held by marketers to understand consumer decision making. (8,7)

Q2. Answer any *two* of the following:

(a) Explain various family life cycle stages and suggest marketing strategies to cater to each stage.

(b) Define the term extended problem solving and limited problem solving. What are the essential differences between the two?

(c) Contrast the major characteristics of Fraudian and neo-Fraudian theories and explain with an example how each theory is applied to the understanding of consumer behaviour. (8,7)

Q3. Answer any *three* of the following:

(a) Though attitude is enduring and consistent, it can be changed.

(b) Advertising is linked to materialism.

(c) Consumer learning through Instrumental Conditioning is better than Classical Conditioning but worse than Cognitive Learning Theory.

(d) Stimulus perception depends upon consumer's ability to perceive. (5,5,5)

Q4. Answer any *two* of the following:

(a) What is reference group? Explain relevance of reference group concept for:

(i) Brand Communities

(ii) Celebrity Appeal

(b) Explain theory of reasoned action model of attitude formation. What all are the sources of influence on attitude formation?

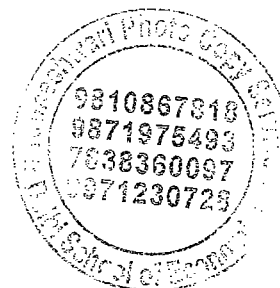
(c) When culture is pervasive, why is it important for a marketer to understand culture of a society? Give instances of some of the Indian cultural values impacting understanding about consumer behaviour. (8,7)

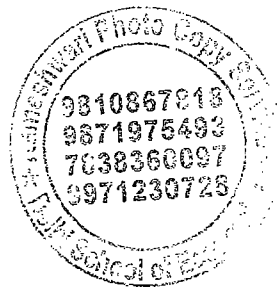
Q5. Write short notes on any *two* of the following:

(i) Domain Specific Innovativeness

(ii) Perception process

(iii) Consumer Research Process (5,5)





9279

4

(iv) Empty Nest One stage

~~(iv) Opinion Leader~~

pg 117

(6,7,7)

[This question paper contains 4 printed pages.]

2018

2018

9279

Your Roll No. 80246

M.Com. Semester-IV

H

Paper MJ-413

(Consumer Behaviour)

7

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

All questions carry equal marks.

Answer any two of the following :

(a) Decision processes are more consumer specific and less product specific. Explain with reference to stages of decision making process. pg 11

(b) Explain how attitudes are learned and are related to behaviour. What are ways in which consumer attitudes are changed? pg 54

(c) Explain the factors influencing stimulus perception. In what ways does a marketer ensure sensory adaptation? pg 46 (10,10)

(200)

P.T.O.

Market Segmentation
Market Strategy and Innovation
Competitive Marketing Mix
Classical & Conjunctive (com)

Celebrity effect group
Executives
Stimulus
Innovations
Reference
Appearance
Trait - Quantitative
Peer Test

2. Differentiate any four of the following :

~~(a) Informational, comparative and normative reference group influences~~ → Pg 112

~~(b) Consumer as a passive man and as an emotional man~~ ✓

~~(c) Innate innovativeness and domain specific innovativeness~~

~~(d) Classical conditioning and instrumental conditioning~~ Pg 65

(e) Absolute threshold and Differential Threshold (5,5,5,5)

3. Answer any two of the following :

(a) ~~Define culture~~ Explain the effect of culture and subculture on consumer behavior. Give suitable examples to support your answer. Pg 126 Pg 127

(b) ~~Explain Trait theory of personality in understanding consumer behaviour.~~ Pg 87 *personality theory*

(c) Explain Theory of Planned Behaviour. *view of* (10,10)

4. Answer any two of the following :

(a) Explain how Cognitive (Information) Processing Theory of consumer learning works for marketers. What is the

role of Cognitive Processing Theory in understanding specific situations, viz.,:

(i) Forgetting

(ii) Split-Brain Theory

(b) Explain the following :

(i) Shifting roles of family members and its implications for the marketer

(ii) Relevance of studying sub-cultures for a marketer Pg 120

(c) What are various marketing myths that impinge upon the understanding and analysis of consumer behaviour. Explain in the light of four common pitfalls in the study of consumer behaviour. *importance* (10,10)

Write short notes on any three of the following :

(i) Post-purchase congruence ✓ *Consumer Research*

(ii) Motivation process ✓

(iii) Mystery Shoppers

Roll No. _____

This paper has 2 printed sheets.

M.Com Semester IV Examination

Paper No. MJ413

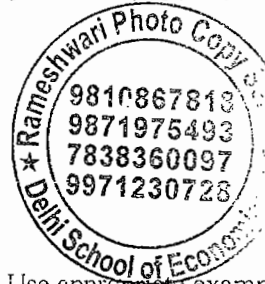
Subject: Consumer Behaviour

2017

S. No. 413M17

Duration: 3 Hours

Max. Marks: 70



Q.1 Give reason for any *three* of the following. Use appropriate examples. (5, 5, 5)

- (a) No two individuals have identical personalities, yet sometime personality is used in consumer research to identify distinct and sizeable segments.
- (b) In certain situations social class is a better predictor of consumer behavior than income.
- (c) Use of subliminal perception in both print and T.V. ads is controversial.
- (d) Innovative behaviour is an important aspect of individual's innovativeness.

Q.2 Attempt any *two* of the following. (7.5, 7.5)

- (a) What is the impact of digital revolution on consumer behavior studies? Explain with suitable examples.
- (b) Write a note on husband-wife role in family decision making more specifically for empty-nest two family life stage and its implications for marketers.
- (c) "High involvement is just another word for expensive". Do you agree with this statement? Explain your answer.

Q.3 Attempt any *two* of the following. (7.5, 7.5)

- (a) When culture is pervasive, why is it important for a marketer to understand culture of a society. Give instances of some of the Indian cultural values impacting understanding about consumer behavior.
- (b) What are the various approaches of model building process. Explain the concept of EKB model.
- (c) Explain tri-component model of attitude formation. What are the sources of influence on attitude formation..

Q.4 Attempt any *two* of the following. (7.5, 7.5)

- (a) Consumers have both innate and acquired needs. Give examples of each kind of need and explain how the same purchase can serve either or both kinds of needs.
- (b) Explain the difference between absolute threshold and differential threshold. How can a marketer use his knowledge of differential threshold when there is increase in competition?



(c) Differentiate the following:

- (i) Comparative and normative reference group influence.
- (ii) Compensatory and non-compensatory decision rules.

Q.5 Describe the trait factor theory of personality and assess the importance of understanding following traits in marketing research: (10)

- (i) Innovativeness
- (ii) Materialism
- (iii) Ethnocentrism

OR

Assume that you are the marketing manager of Pure Home Decore. You know that internal factors such as perception, motivation, learning and personality influence consumer decision making. In your opinion how do each of these internal factors impact the purchase of the product and how might you use these in developing the marketing strategy for your firm. (10)

M.Com (Part II) Semester IV (2016)
Paper MJ413
Consumer Behaviour

S.No. 413M16C

Time allowed: 3 Hours

Max. Marks 70

Instructions: (i) Attempt all parts of the question together. (ii) Be precise in your answers

- Q1. Give comment on the following statements (attempt any five).
- Consumers may act rationally to maximize their benefits and satisfaction, or are just as likely to purchase impulsively- by mood situation and emotions.
 - Attitude is enduring and consistent and cannot be changed.
 - Marketers do not create needs, needs pre-exists marketers.
 - Decision processes are more consumer specific and less product specific.
 - Use of subliminal perception in both print and TV ads is controversial
 - No two individuals have identical personalities, yet sometime personality is used in consumer research to identify distinct and sizable segments . (3*5)
- Q2. Attempt any two of the following.
- Explain the inter-relationship between the study of consumer behaviour and marketing concept. Examine the issues related to changes in consumer behaviour in Indian context.
 - Explain Freudian and neo-Freudian theory of personality development and their role in understanding consumer behaviour.
 - Explain the concept of learning through conditioning and its relation with low-involvement purchase decision. (7.5,7.5)
- Q3. Attempt any two of the following.
- Explain tri-component model of attitude formation and its implications for the marketers.
 - What is consumer socialization? Explain the process of consumer socialization and its implications for the marketers.
 - Describe various classifications of consumer reference groups and their role in understanding consumer behaviour. (7.5,7.5)
- Q4. Attempt any two of the following.
- Explain the factors contributing to the rise in cross-cultural studies. What could be the issues affecting the cross-cultural research?
 - Describe the following terms:
 - Perceptual interpretation
 - Perceived behavioural control



- (c) Write a note on husband-wife role in family decision making and its implications for marketers. (7.5, 7.5)

Q5. Write short notes on any *two* of the following

- (a) Social Class Mobility
(b) Ethnocentrism and consumer purchase intentions
(c) Materialism^{0.5} a personality trait (5, 5)

2015

M.Com (Part II) Semester IV
Paper 7132
Consumer Behaviour

S.No. 7132151

Time allowed: 3 Hours

Max. Marks 70

Instructions: (i) Attempt all parts of the question together. (ii) Be precise in your answers

Q1: State with reason whether following statements are true or false (attempt any five).

- (a) The term consumer refers to the beneficiary.
- (b) Shortening of product life cycle is an important factor requiring study of consumer behaviour.
- (c) Understanding consumer behaviour allows for movement towards one-to-one **Marketing**
- (d) Stages of family life cycle equate with stages of hierarchy of needs.
- (e) Consumption decisions are based on cognitive learning.
- (f) Need recognition is the function of various input variables originating in internal or external environment. (10)

Q2. Attempt any two of the following.

- (a) Describe the theory of classical conditioning. What conditions are necessary for classical conditioning to work in advertising? Support your answer with an example.
- (b) Explain the difference between absolute threshold and differential threshold. How can a marketer use his knowledge of differential threshold when there is increase in competition?
- (c) Describe tri-component model of attitude. Explain factors affecting determination of the route consumers are likely to use to develop their attitudes. (7¹/₂, 7¹/₂)

Q3. Explain any three of the following statements to provide insights for marketers. Use appropriate example.

- (a) Individuals possess innate psychological traits which can be measured through the specifically designed scales to make an assessment of consumer personality.
- (b) In certain situations composite measure of social class is a better predictor of consumer behaviour than income.
- (c) Power structure suggests the way reference group influences consumer choices.
- (d) Innovative behaviour is an important aspect of individual's innovativeness. (5, 5, 5)

Q4.(a) Culture constitutes distinct personality of a society. Explain. How does culture interacts with consumer choice decisions?

- (b) Distinguish between id, ego and super-ego in the Freudian personality scheme. Suggest the basic influence each might exert on a purchase decision.

OR

- (c) How can a study of consumer behaviour benefit from using models? What are the major contributions of EKB model?
- (d) Distinguish between Fishian attitude model and earlier attitude theories. What implications does this have for predicting consumer behaviour? (7¹/₂, 7¹/₂)

Q5. Write short notes on any *three* of the following.

- (a) Perceptual process
- (b) Innate innovativeness
- (c) Role structures in family decision making
- (d) Compensatory and non-compensatory decision rules. (5,5,5)

M.Com (Part II) Semester IV
Paper 7132
Consumer Behaviour

Your Roll No.....
2014

S.No. 7132141

Time allowed: 3 Hours

Max. Marks 70

Instructions: (i) Attempt all parts of the question together. (ii) All questions carry equal marks.

Q1. a. With regard to consumer decision making process, comment on each of the following statement:

- i. Consumer decision making differs in terms of rationality of choice
- ii. Purchase is a learned behaviour.
- iii. Decision processes are consumer specific not product specific.
- iv. Need recognition is a function of various input variables.
- v. Consumer achieves post-purchase congruence by reducing uncertainty through multiple ways. (3,3,3,3,2)

OR

- b. Explain instrumental conditioning as a basis of learning? Suggest some applications of instrumental conditioning as a part of marketing strategy.
- c. Explain the role of rituals as a manifestation of culture. Describe the dimensions of Hofstede's model? (7,7)

Q2. Attempt any two of the following:

- a. Explain theory of reasoned action (TRA) model of attitude formation. What are the sources of influence on attitude formation?
- b. Why family rather than the individuals should be the unit of analysis in consumer behaviour studies? Do husbands or wives have the most influence on buying decisions? Explain.
- c. Explain the factors influencing perception process. What is subliminal perception and how is it strategically important for marketers? (7,7)

Q3. Differentiate the following (attempt any five)

- a. Extinction and forgetting
- b. Views on consumer as a passive man and as emotional man
- c. Compensatory and non-compensatory decision rules
- d. Enculturation and acculturation
- e. Emic and etic approach
- f. Comparative and normative reference group influences (3,3,3,3,2)

Q4. a. What is the relevance of studying consumer behaviour model? Explain hypothetical constructs and their role in understanding consumer behaviour as per Howard and Sheth Model.

- b. Explain the factors contributing to the rise in cross-cultural studies. What could be the issues affecting the cross-cultural research? (7,7)

OR

c. Describe the trait factor theory of personality and assess the importance of understanding following traits in marketing research:

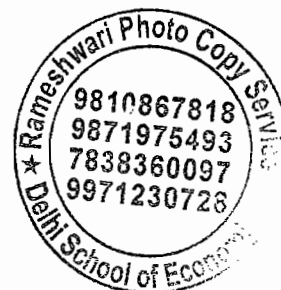
- i. Innovativeness
- ii. Materialism
- iii. Ethnocentrism

(14)

Q5. Explain any three of the following:

- a. Role of family as an agent of consumer socialization
- b. Central and peripheral routes to persuasion
- c. Perceptual organization and principles of integration
- d. Country of origin (COO) effect

(5,5,4)



M.Com (Part II) Semester IV
Consumer Behaviour
Paper 7132 (2013)

2013

S.No. 7132131

Time allowed: 3 Hours

Max. Marks 70

Instructions: (i) Attempt all questions. (ii) Attempt all parts of the question together.

Q1. (a) Explain (any five):

- i. Relationship between consumer behaviour and marketing concept
- ii. Importance of consumer behaviour as a separate field of study
- iii. Extinction and forgetting events
- iv. Dogmatism as a personality trait
- v. Enculturation and acculturation as a modes of learning culture
- vi. Perceptual constructs

(15)

Q2. (a) What is learning? Explain the elements of learning.

(b) Define the term extended problem solving and limited problem solving. What are the essential differences between the two?

OR

(c) Explain theory of reasoned action model of attitude formation. What all are the sources of influence on attitude formation?

(d) Some analyst argues that consumers do not really pursue any kind of decision making process, but make their selection more or less randomly without apparent reasoning. Do you agree? Give reasons.

(15)

Q3. Attempt any two.

- (a) Explain personality as a factor influencing consumer behaviour. How Freudian and neo-Freudian theory explain the influence of personality on consumer behaviour?
- (b) What is consumer socialization? Explain the role of family as a socialization agent.
- (c) Why is it important for companies to understand consumer motivation? How do differences in need priorities influence consumer behaviour?

(15)

Q4. Attempt any two of the following.

- (a) When culture is pervasive, why is it important for a marketer to understand culture of a society? Give instances of some of the Indian cultural values impacting understanding about consumer behaviour.
- (b) Write a note on decision making as a passive man.

(c) Explain the factors influencing stimulus perception. In what ways does a marketer ensure sensory adaptation? (15)

Q5. A company that currently offers a product warranty quite similar to the warranties offered by competitors is considering the merits of increasing the warranty's coverage. A market study was undertaken to examine consumer response to an improved warranty. Young people were shown the product accompanied by either the original warranty or the improved warranty. Students perceived the improved warranty as much better. Moreover, the product's quality was rated higher when it was paired with the improved warranty. Although the company viewed these results as very encouraging, concerns were raised about the appropriateness of using young respondents, most of whom have yet to make a purchase in the product category. Consequently, the study was replicated using older consumers possessing greater purchase experience. As before, the improved warranty was seen as providing much better coverage. Quality judgments, however, were unaffected by the warranty.

- (i) How would you explain the difference between the two studies' findings concerning the warranty influence on perceived product quality?
- (ii) What implications these results carry for marketing strategy?
- (iii) Which stage of decision making is most relevant here? (10)

M.Com (Part II) Semester IV
Consumer Behaviour
Paper 7132

2012

S.No. 7132121

Time allowed:3 Hours

Max. Marks 70

Instructions: (i) Attempt all questions. (ii) Attempt all parts of the question together. (iii) All questions carry equal marks

Q1. (a) What is consumer behaviour? Explain the factors that contribute to the growth of consumer behaviour as a separate field of study.

(b) What is cognitive learning? Explain the role of consumer involvement in understanding various learning situations. (7+7)

OR

(c) Explain various stages of consumer decision making process? What type of decision making do you expect most consumers would follow for buying a cellular phone and paper napkins? Give reasons.

(d) What is perception? Explain factors that determine the stimulus perception. (7+7)

OR

Q2(a) Explain tri-component model of attitude formation. What are the sources of influence on attitude formation?

(b) What are the characteristics of psycho-analytical and socio-psychological personality theories? How each theory is applied to the understanding of consumer behaviour? (7+7)

OR

(c) Explain the role of family in consumption decisions?

(d) What is culture? How does culture affect consumer behaviour? (7+7)

Q3. Give reasons for any two of the following.

(i) Marketers often use nationalistic themes in their promotional programmes

(ii) Marketer's understanding of learning behaviour helps in brand extension

(iii) Decision processes are consumer specific and not the product specific.

(iv) Use of subliminal perception in both print and TV ads is controversial. (7+7)

Q4.(a) Explain the factors contributing to the rise in cross-cultural studies. What are the issues affecting the cross-cultural research?

- (b) What is the significance of studying consumer behaviour models? Explain key features of EKB model of consumer decision making. (7+7)

OR

- (c) Write short notes on the following.

(i) Materialism a personality trait

(ii) Family purchasing decisions

(7+7)

- Q5.(a) Consumers have both innate and acquired needs. Give examples of each kind of need and explain how the same purchase can serve either or both kinds of needs. (7)

OR

- (b) How can the principles of classical conditioning be applied to development of marketing strategies? (7)

- (c) Read the following case and answer the question given at the end.

PepsiCo has silently taken off the 'Snack Smart' logos from the packs of its snack foods like Lay's chips, Kurkure and Cheetos as it gives up rice bran oil to cook its snacks four years after launching the snack smart initiative. Recently, the company has started using cheaper palm oil to cook its snack brands as a cost-saving measure. PepsiCo analysis of consumer feedback on the use of rice bran oil showed that the consumer did not show any added preference to the use of rice bran oil.

The 'snack smart' logos used to claim that the brands, apart from being cooked in healthier oil, had 40% less saturated fat, zero trans fats and no added monosodium glutamate. Beginning the second half of 2007, PepsiCo had been saying across various multimedia campaigns and announcements that it had switched to cooking all its snacks brands in rice bran oil, instead of the earlier palm oil. Pepsi spent crores telling consumers about the meaning of the 'snack smart' logo in the past,

'Snack smart' logo says that rice bran oil, used to cook Lay's, Kurkure and Cheetos, is "naturally high in good fats and 22% lower in saturated fats.

Typically, the cost difference between snacks cooked in rice bran oil and palm oil is about, 8-10 per kg. PepsiCo's decision to silently withdraw the logo and switch to cheaper oil has not gone down well with health activists.

With growing health concerns and mounting criticism over widespread obesity, food and beverage majors have begun adopting nutritional labeling in the country, in line with global trends to reduce portion sizes. reformulate existing products to reduce saturated fat, cholesterol, added sugars and sodium.

- Q – Evaluate this change in the context of just noticeable difference (j.n.d.) (7)

S.O.L.

[This question paper contains 7 printed pages.]

Your Roll No. 2012

99931B

B

M.Com/III

Group : EM-2-Marketing-2

Course 446-CONSUMER BEHAVIOUR

(Admission of 2004 and onward)

Time : 3 Hours

Maximum Marks : 75

(Write your Roll No. on the top immediately on receipt of this question paper.)

Note : Answers may be written *either* in English *or* in Hindi; but the same medium should be used throughout the paper.

21

टिप्पणी : इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिन्दी किसी एक भाषा में दीजिए; लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

Note : The maximum marks printed on the question paper are applicable for the candidates registered with the School of Open Learning. These marks will however, be scaled down proportionately in respect of the students of regular colleges, at the time of posting of awards for compilation of result.

[P. T. O.]

33

Attempt All questions. Concisely answer the questions. All parts of a question together.

सभी प्रश्न कीजिए। उत्तर संक्षेप में दीजिए।
प्रश्न के सभी भाग एक साथ कीजिए।

1. "Today, the digital revolution of the marketplace allows much greater customization of products, services, and promotional messages than older marketing tools." Explain how it enables Indian marketers to build and maintain relationship with customers on a much greater and more efficient scale. 15

“मण्डी की अंकीय क्रांति, आज पुराने विपणन उपकरणों की अपेक्षा उत्पादों, सेवाओं और संवर्धनात्मक संदेशों का ग्राहक-अपेक्षा अनुकूल बालने की कहीं अधिक गुंजाइश प्रदान करती है।” स्पष्ट कीजिए कि यह भारतीय विक्रेताओं को काफी अधिक और अधिक दक्ष पैमाने पर ग्राहकों के साथ सम्बन्ध बनाने और उन्हें कायम करने में समर्थ बनाती है।

Or/अथवा

What changes are taking place in the profiles of Indian consumers ? Is there a convergence towards more localisation of culture or a divergence towards cross-cultural global Indian consumer ? Provide suitable examples to support your answer. 15

भारतीय उपभोक्ता के प्रोफाइल में क्या परिवर्तन घटित हो रहे हैं? क्या संस्कृति के अधिक स्थानीकरण की ओर अभिसरण है अथवा अन्तःसांस्कृतिक वैश्विक भारतीय उपभोक्ता की ओर अपसरण? अपने उत्तर की पुष्टि में उपयुक्त उदाहरण दीजिए।

2. (a) It is said that consumer decision process is broader than consumer buying process. Clarify how is it (not) ? Exemplify your answer. 7

(b) What are different types of consumers, and what different roles are played by them ? Support your answer with suitable Indian examples. 8

(क) कहा जाता है कि उपभोक्ता निर्णय प्रक्रिया उपभोक्ता क्रय प्रक्रिया से अधिक विस्तीर्ण है। स्पष्ट कीजिए यह किस प्रकार है (नहीं है)? अपने उत्तर को उदाहरणों द्वारा स्पष्ट कीजिए।

(ख) उपभोक्ताओं के विभिन्न प्रकार क्या हैं और उनके द्वारा क्या विभिन्न भूमिकाएँ निभाई जाती हैं? उपयुक्त भारतीय उदाहरणों द्वारा अपने उत्तर की पुष्टि कीजिए।

Or/अथवा

It is said that there is diversity in the way consumers and marketers behave. What is the diversity of perspectives in their thinking and action ? What are various pitfalls in the study of consumer behaviour ? Discuss your reasoning. 15

कहा जाता है कि उपभोक्ता और विक्रेता के व्यवहार के तरीके में विविधता होती है। उनकी सोच और क्रिया में परिप्रेक्ष्यों की क्या विविधता है? उपभोक्ता व्यवहार के अध्ययन में विविध खतरे क्या हैं? अपने तर्कों का विवचन कीजिए।

3. "We see motivational action as physiological force, but motivation is a psychological force." Do you agree? Give explanation with reference to the dynamics of motivation.

15

"हम अभिप्रेरणामक कार्यवाही को एक शरीर क्रियात्मक शक्ति के रूप में देखते हैं, किन्तु अभिप्रेरण एक मनोवैज्ञानिक शक्ति है।" क्या आप सहमत हैं? अभिप्रेरण की गतिकी के संदर्भ में स्पष्टीकरण दीजिए।

Or/अथवा

- (a) What is the process of consumer motivation? Illuminate how arousal of motives takes place?

7

- (b) Briefly elucidate the strategic applications of study of consumer motivation for marketing segmentation and positioning.

8

- (क) उपभोक्ता अभिप्रेरण-प्रक्रिया क्या है? उदाहरण देकर समझाइए कि अभिप्रेरण का उत्तेजन किस प्रकार होता है?

- (ख) बाजार खण्डीकरण और स्थितिकरण के लिए उपभोक्ता अभिप्रेरण के अध्ययन के रणनीतिक अनुप्रयोगों पर प्रकाश डालिए।

4. (a) What is consumer personality? Can we use personality in the segmentation of consumers? Give reasons to support your answer.

7

- (b) Describe the importance of the following :

(i) Perceiving below absolute threshold

(ii) Behaviour can precede or follow attitude formation.

8

- (क) उपभोक्ता व्यक्तित्व से क्या तात्पर्य है? क्या उपभोक्ताओं के खण्डीकरण में हम व्यक्तित्व का उपयोग कर सकते हैं? अपने उत्तर की पुष्टि कारण बताते हुए कीजिए।

- (ख) निम्नलिखित के महत्व का वर्णन कीजिए :

(i) निरपेक्ष सीमा के नीचे प्रत्यक्षीकरण

(ii) व्यवहार अभिवृत्ति निर्माण का पूर्ववर्ती हो सकता है या अनुवर्ती।

Or/अथवा

- (c) Is classical conditioning relevant in today's context? Which theory of consumer learning is more relevant? Why?

7

- (d) Write short notes on the following :

8

(i) Perceptual Selection

(ii) "While personality is inner characteristic, life-style is outer manifestation of it."

- (ग) क्या आज के संदर्भ में क्लासिकी अनुबन्धन प्रासंगिक है? उपभोक्ता अधिगम का कौन-सा सिद्धान्त अधिक प्रासंगिक है? क्यों?

- (घ) निम्नलिखित पर संक्षिप्त टिप्पणी लिखिए :

(i) प्रात्यक्षिक वरण

(ii) "व्यक्तित्व यद्यपि एक आन्तरिक अभिलक्षण है, तथापि जीवन-शैली उसकी एक बाह्य अभिव्यक्ति है।"

5. (a) Briefly explain the following : 8

- (i) Models of Consumer Behaviour
- (ii) "Social Class distinctions are socially undesirable."
- (b) "The reference group like family is more relevant than opinion leaders or sports persons in explaining consumer behaviour." Discuss by giving relevant examples. 7

(क) निम्नलिखित को संक्षेप में स्पष्ट कीजिए :

- (i) उपभोक्ता व्यवहार के मॉडल
- (ii) "सामाजिक वर्ग विभेद सामाजिक रूप से अवांछनीय हैं।"
- (ख) "उपभोक्ता व्यवहार को समझाने में परिवार जैसा प्रमाण-समूह, अभिमत नेताओं अथवा खिलाड़ियों की अपेक्षा अधिक सुसंगत है।" सुसंगत उदाहरण देते हुए विवेचन कीजिए।

Or/अथवा

(c) Explain the following : 7

- (i) Tri-component model of consumer attitude.
- (ii) Consumer research issues for understanding consumer behaviour.

(d) Write short notes on the following : 8

- (i) Strategies for attitude change
- (ii) Virtual groups or communities.

(ग) निम्नलिखित को स्पष्ट कीजिए :

- (i) उपभोक्ता व्यवहार का त्रिघटकीय मॉडल
- (ii) उपभोक्ता व्यवहार को समझने के लिए उपभोक्ता अनुसंधान मुद्दे।
- (घ) निम्नलिखित पर संक्षिप्त टिप्पणी लिखिए :
 - (iii) अभिवृत्ति परिवर्तन के लिए युक्तियाँ
 - (iv) आभासी समूह अथवा समुदाय।

[This question paper contains 6 printed pages.]

Your Roll No. 2011.....

2114

A

M.Com./Sem. IV

Paper—7132 : Consumer Behaviour
(Admissions of 2009 and after)

Time : 3 Hours

Maximum Marks : 70

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. (a) What is consumer behaviour? Explain the inter-relationship between the study of consumer behaviour and marketing concept.
- (b) "Marketers don't create needs; needs pre-exist marketers." Discuss the statement to explain the role of marketers.

Or

- (c) Comment :
- (i) Decision processes are more consumer specific and less product specific.
- (ii) Stimulus perception depends upon consumer's ability to perceive.

[P.T.O.]

4/11/25
SH

- (d) Discuss the difference between the absolute threshold and the differential threshold. Which one is more important to marketers ?
Give reasons.
2. (a) Attitudes are more closely related to the behaviour of those who are highly involved with the product purchase, which means marketers do not always need to measure attitudes. Is it a true statement ? Why and why not ?
- (b) What is learning ? How can the principles of classical conditioning applied to the development of marketing strategies ?

Or

- (c) Which form of learning (classical conditioning, instrumental conditioning, observational learning, or cognitive learning) best explains the following consumption behaviour :
- (i) Buying a new car
 - (ii) Buying a pair of shoes
 - (iii) Switching from one cell phone service to another
- (d) Reconcile the two statements :
- (i) No two individuals have identical personalities.
 - (ii) Personalities are sometimes used in consumer research to identify distinct and sizable segments

3. Attempt any two of the following :
- (a) Explain the occurrence of household influences on consumption decisions.
 - (b) Explain the process of consumer decision making. What implications does it hold for the marketing strategy for hair shampoo product ?
 - (c) Why understanding culture and sub-culture is considered as an important insight to the formulation of marketing strategy ? Explain the measures which a marketer can use to understand cultural influences.
4. (a) How do consumers reduce post purchase dissonance ? How can marketers provide positive reinforcement to consumers after the purchase to reduce their dissonance ?
- (b) What is cross culture consumer analysis ? What are the advantages and disadvantages of a globalized marketing strategy ?

Or

- (c) Write short notes on any two of the following :
- (i) Country of origin effect
 - (ii) Tri-component attitude model
 - (iii) Vicarious learning

5. (a) Explain trait theory and its usefulness for developing marketing strategy.

Or

Distinguish between beliefs, values, and customs. Illustrate how at different times or for different occasions our consumption/ use behaviour is influenced by customs.

- (b) Read the following case and answer the question given at the end.

Stimulus generalization is one of the outcomes of consumer learning. It enables marketers to extend the number of product versions and also introduce new forms of products under existing brand names that are strongly recognized and flavoured by consumers. However, such extensions, designed to provide more choice to consumers, sometimes result in confusion and frustration. For example, consumers must choose among toothpastes providing different benefits (e.g. plaque control, special benefits for sensitive teeth, control of gum disease), that are offered in different forms (e.g. paste, gel. In combination with mouthwash) and in many flavours. In addition to toothpastes that claim to provide consumers with bright smiles and perfectly white teeth, there are many teeth whitening products in the forms of strips, gels, designs, and liquids. There are also many versions of manual toothbrushes in different sizes, designs, and degrees

of softness or gentleness. And there are electric toothbrushes and teeth-cleaning "systems." Furthermore, there are now many versions of dental floss varied in flavour, thickness, and proclaimed strength to penetrate tight spaces between teeth.

Almost all the toothpastes and other oral-care products are offered by either Pepsodent or Colgate—two highly successful brands that have been competing with one another for decades. Facing saturated markets and competition, the two brands recognized the strategic value of stimulus generalization. Using the consumers' strong and favourable associations with the term Pepsodent and Colgate, the two brands have been trying to get consumers to use more toothpaste and related products, and households to buy more than a single version of toothpaste. The two marketers do so by offering consumers a seemingly endless array of ways to care for their teeth. However, some experts point out that the result is consumer confusion and frustration. First, consumers must decide which toothpaste is right for them. Then, they must find it in shelves crowded with many versions all the time, they often alternate the toothpaste items carried and, at times consumers may be unable to purchase their preferred versions of toothpaste in the stores where they regularly shop. There is also the anxiety that one is missing out on something by being brand loyal to a particular brand or flavour.

[P.T.O.]

while all the new and 'exciting' toothpastes are coming out.

While it is apparent that stimulus generalization benefits marketers, it can also produce consumer confusion.

Question : Do the potential negative outcomes of using stimulus generalization outweigh the benefits of using this concept to offer consumers more choice and ways to care for their teeth and oral hygiene ? Explain your answer.

Roll No. _____

This paper has 2 printed sheets.

M.Com Semester IV Examination (Regular)

(May 2019)

Paper No.- MN462

Subject- MANAGEMENT OF INTERNATIONAL BUSINESS OPERATIONS

S. No. 462M19

Duration: 3 Hours

Max. Marks: 70

General Instructions: All questions carry equal marks. Each question is compulsory.

Q1. In what kind of industries does a localization strategy make sense? When is a global standardization strategy most appropriate?

OR

Outline why the culture of a country might influence the costs of doing business in that country. Illustrate your answer with special reference to Germany.

Q2. Explain how an efficient logistics function can help an international business compete more effectively in the global marketplace.

OR

'Pricing and promotion strategies can change the business game in the international market'. Elaborate the statement with relevant case studies.

Q3. Working capital Management is one of the critical tasks in International business fulfilling several objectives simultaneously. Illustrate the statement explaining the objectives in detail.

OR

Explain the concept of netting. Show the working of multilateral netting from the following transactions and calculate the minimum no. of transactions.

- 1) US subsidiary pays \$ 50,000 to Canadian Subsidiary and \$20,000 to French subsidiary.
- 2) French subsidiary pays \$ 10,000 to UK Subsidiary and \$60,000 to Canadian subsidiary.
- 3) UK subsidiary pays \$ 50,000 to Canadian Subsidiary and \$30,000 to US subsidiary.
- 4) Canadian subsidiary pays nothing to any subsidiary.

Q4. Explain the concept of IFRS. Discuss about the status of adoption of IFRS in India.

OR

Why have tax havens become a major issue for most of the tax authorities across the world? How do they work? Explain with the help of real life examples.

Q5. The Dutch consumer electronics, lighting, semiconductor, and medical equipment conglomerate Philips Electronics NV has been operating factories in China since 1985, when the country first opened its markets to foreign investors. When Philips initially entered China, it had

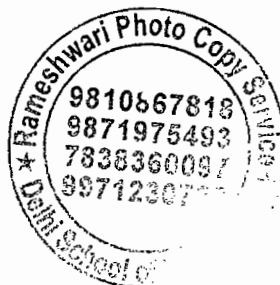
dreams of Chinese consumers snapping up its products by the millions. However, the company soon found out that the reason it liked China- low wage rates- also meant that few Chinese workers could afford to buy its products. So Philips hit on a new strategy: Keep the factories in China, but export most of the goods to developed nations.

The initial attractions of China to Philips included low wage rates, an educated workforce, a robust Chinese economy, a stable exchange rate that is linked to the US Dollar through a managed float, a rapidly expanding industrial base that includes many other western and Chinese companies that Philips uses as suppliers, and easier access to world markets given China's entry into the WTO in 2001. By the early 2000's Philips employed some 30,000 people in China, either directly or indirectly at joint ventures. Philips exported nearly two-thirds of the 47 billion in products that its Chinese factories were producing. At this point, 25% of everything that Philips made worldwide came from China.

As time passed, Philips started to give its Chinese factories a greater role in product development. In the TV business, for example-, basic development used to occur in Holland but was moved to Singapore in early 1990's. In early 2000's Philips transferred TV development work to a new R & D center in Suzhou near Shanghai. Similarly, basic product development work on LCD screens for cell phones was shifted to Shanghai. In 2011, in a testament to just how important China had become to Philips, the company moved the global headquarters of its domestic appliances business from Amsterdam to Shanghai. By this point China was far more than just an export base. Demand in China has accelerated rapidly, and the country was now the second-largest market for Philips.

Some worry that Philips and companies pursuing a similar strategy might be overdoing it. Too much dependence on China could be dangerous if political, economic, or other problems disrupt production and the company's ability to supply global markets. Some observers believe that it might be better if the manufacturing facilities of companies were more geographically diverse as a hedge against problems in China. These fears have taken on added importance recently as labor costs have accelerated in China due to labor shortages. According to estimates, labor costs have been growing by 20% per year since 2000's. On the other hand, there is a silver lining to this cloud: Chinese consumption of many of the products that Philips makes there is now rising rapidly.

- a) What are the benefits to Philips of shifting so much of its global production to China? (5)
- b) What are the risks associated with a heavy concentration of manufacturing assets in China? (5)
- c) What strategies might Philips adopt to maximize the benefits and mitigate the risks associated with moving so much? (4)



Roll No. _____

This paper has 3 printed sheets.

M.Com Semester IV Examination (Regular)

(May 2018)

Paper No.- MN462

2018

Subject- MANAGEMENT OF INTERNATIONAL BUSINESS OPERATIONS

S. No. MN462M18

Duration: 3 Hours

Max. Marks: 70

General Instructions: All questions carry equal marks. Each question is compulsory.

Q1. Expanding globally allows firms to increase their profitability and rate of profit growth in ways not available to purely domestic enterprises. Discuss the statement with a brief mention of expansion strategies. 14 Marks

OR

Do you think that business practices in an Islamic country are likely to differ from business practices in the United States? If so, how?

Q2. A firm must decide whether to make a component part in-house or to contract it out to an independent supplier. Manufacturing the part requires a non-recoverable investment in specialized assets. The most efficient suppliers are located in countries with currencies that many foreign exchange analysts expect to appreciate substantially over the next decade. What are the pros and cons of: 14 Marks

- (a) Manufacturing the component in-house and
- (b) Outsourcing manufacturing to an independent supplier?

Which option do you recommend? Why?

OR

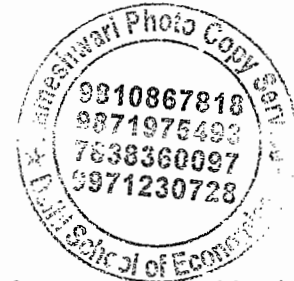
In what ways can organized labor constrain the strategic choices of an international business? How can an international business limit these constraints?

Q3. You are the marketing manager of a food products company that is considering entering the Indian Market. The retail system in India tends to be very fragmented. Also, retailers and wholesalers tend to have long-term ties with Indian food companies; these ties make access to distribution channels difficult. What distribution strategy would you advise the company to pursue? Why? 14 Marks

OR

Which criteria do we follow while defining the eligibility of any market segment? Quote appropriate examples from FMCG sector.

Q4. Working capital Management is one of the critical tasks in international business fulfilling several objectives simultaneously. Illustrate the statement explaining the objectives in detail.



OR

Explain the concept of netting and the benefits to the international organizations. Show the working of multilateral netting from the following transactions and calculate the minimum no. of transactions. 14 Marks

- 1) US subsidiary pays \$ 50,000 to Canadian Subsidiary and \$20,000 to French subsidiary and receives \$30,000 from UK subsidiary.
- 2) French subsidiary pays \$ 10,000 to UK Subsidiary and \$60,000 to Canadian subsidiary and receives \$20,000 from US subsidiary.
- 3) UK subsidiary pays \$ 50,000 to Canadian Subsidiary and \$30,000 to US subsidiary and receives \$10,000 from French subsidiary.
- 4) Canadian subsidiary pays nothing to any subsidiary.

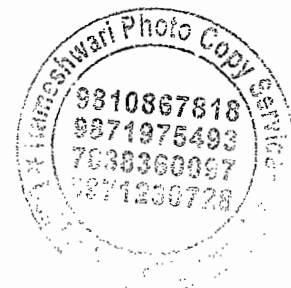
Q5. McDonald's first arrived in Hong Kong in 1975, and Beijing much later in 1992. Hong Kong operates around 200 restaurants and outlets, with over 10,000 staff employed and in Beijing there are over 90 outlets. McDonald's emergence in China, despite the unique, historic culture of the country, has been something of a success story due to the country's rapid development and the changing lifestyles and characteristics of its people.

One of the most significant strengths of McDonald's is its incredibly strong brand identity, which effectively differentiates the company from all other fast food restaurants around the world. This is especially the case in China, because of the contrast between cuisine offered by Chinese restaurants and fast-food outlets, and the food offered by McDonald's. The company is able to deliver interesting new products and services, including the McCafe which offers a sit-in and drive-thru cafeteria service.

A key strength of McDonald's is the fact that it mixes a uniform product menu at every store, with localized food options to suit the tastes of the local consumer. McDonald's has high quality customer service, and this is agreed by even China's elite class. The general consumer agrees that McDonald's offers safe and reliable products, a fast service, an attractive eating environment and helpful, professional and friendly staff. Advertisement is another clear strength, and the company has consistently provided strong promotional and communication tools to gain the audience's interest and reach out to the wider market. Such advertising, found on television, radio, newspapers, magazines and billboards, offered catchy slogans such as "Feel the Beef".

Advertisements are bolstered in China with key endorsements, such as with the Chinese basketball player Yao Ming.

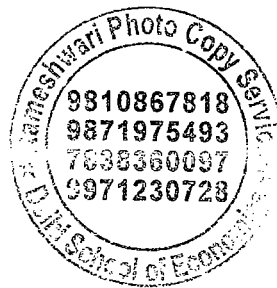
The price of McDonald's is still high when compared to some other local Chinese fast-food restaurants in China. Furthermore, the price of McDonald's is still much more than many people in China can afford; there are many working parents who must save up before they can afford to take their families to McDonalds. The specialty of McDonald's is the burger everywhere else in the world, but this specialty does not translate very well in China.

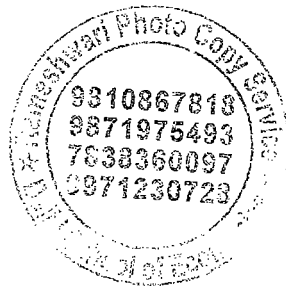


China's immense population is one of the most obvious opportunities: the country's population is over 1.3 billion and all metrics for economic development show an increase. The number of Chinese citizens with expendable incomes is increasing, and incomes are rising with a growth in the Chinese middle class. McDonald's has enjoyed relatively few threats in recent years, and the only significant threat in China has been the other fast-food corporation KFC. However, the largest rival of McDonald's worldwide – Burger King – entered the Chinese market in 2005 with a new restaurant in Shanghai.

McDonald's is an American company that emerged from the American system, and this contrasts with China's status as a communist country. This makes McDonald's occasionally subject to criticisms and protests from certain factions and groups. A number of criticisms have emerged regarding McDonald's employment practices, and this added to the health problems that fast food can cause, may lead to a negative public image of the company in China. 14 Marks

- a) What are your recommendations to McDonalds in China to tackle the competition coming from Burger King and KFC?
- b) How McDonalds can capitalize on the opportunities available with it by using its strengths and overcoming its weaknesses?





2018

[This question paper contains 6 printed pages.]

Your Roll No. 80246
2018

Sr. No. of Question Paper : 9287 H

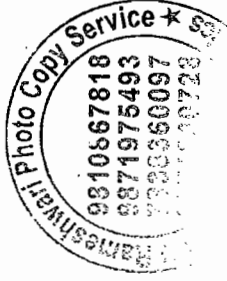
Unique Paper Code : MN-462

Name of the Paper : Management of International
Business Operations

Name of the Course : M.Com.

Semester : IV

Duration : 3 Hours Maximum Marks : 100



Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
 2. Attempt all questions.
 3. All questions carry equal marks.
1. In what kind of industries does a localization strategy make sense? When does a global standardization strategy make most sense?

OR

~~Outline~~ why the culture of a country might influence the costs of doing business in that country. Illustrate your answer with special reference to Islamic countries.

2. Explain ~~how~~ an efficient logistics function can help an international business compete more effectively in the global marketplace.

*Systemic approach
Cost Red.
Set of
Soft.*

"Where to produce"? - the most challenging decision impacting the profitability, growth and survival of the business, Elaborate the statement mentioning various factors affecting this major decision.

OR

3. Imagine you are the marketing manager for a US manufacturer of disposable diapers. Your firm is considering entering the Brazilian market. Your CEO believes the advertising message that has been effective in the US will suffice in Brazil. Outline some possible objections to this. Your CEO also believes that the pricing decisions in Brazil can be delegated to local managers. Why might she be wrong?

OR

~~What~~ are the main advantages and disadvantages of the ethnocentric, polycentric, and geocentric approaches to staffing policy? Explain the suitability of each approach with relevant examples.

4. Explain the concept of IFRS. Discuss about the status of adoption of IFRS in India.

OR

How the tax havens have become the major issue for most of the tax authorities across the world? How do they work? Explain with the help of real life examples.

5. ~~The~~ Dutch consumer electronics, lighting, semiconductor, and medical equipment conglomerate Philips Electronics NV has been operating factories in China since 1985, when the country first opened its markets to foreign investors. When Philips initially entered China, it had dreams of Chinese Consumers snapping up its products by the millions. However, the company soon found out that the reason it liked China- low wage rates- also meant that few Chinese workers could afford to buy its products.



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(a) What are the benefits to Philips of shifting so much of its global production to China?

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~~(b)~~ What are the risks associated with a heavy concentration of manufacturing assets in China?

~~(c)~~ What strategies might Phillips adopt to maximize the benefits and mitigate the risks associated with moving so much product?

M. Com.: SEMESTER IV

Paper No. MN 462

Subject: Management of International Business Operations

S. No. 462M17

Time: 3 hours

Max. Marks: 70

Attempt all questions. All questions carry equal marks.

1. (a) "Firms need global orientation even to survive in the domestic market". Elucidate. (7)

(b) Define Strategy. Differentiate between global standardization and localization strategy that firms can pursue in international business operations. (7)

OR

(c) Discuss how the globalization of the world economy is affecting new product development within the international business firm. (7)

(d) Examine the factors influencing the communication decisions in international markets. (7)

2. (a) 'Management development programs are often used as a strategic tool to build a strong unifying culture and informal management network, both of which support transnational and global standardization strategies.' Discuss. (7)

(b) Explain why production and logistics decisions are of central importance to many multinational businesses? (7)

OR

(c) Differentiate between the ethnocentric, polycentric and geocentric approach to staffing policy in international business operations. (7)

(d) 'When analysing a foreign investment opportunity, the company must consider the political and economic risks that stem from the foreign location'. Examine the statement. (7)

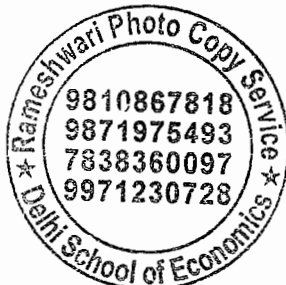
3. (a) Critically evaluate the Lessard-Lorange Model. (7)

(b) Discuss the techniques that firms can use to quantify the various benefits, costs, and risks that are likely to flow from an investment in international business operations. (7)

OR

(c) Discuss the basic approaches to compensation for an expatriate manager. (7)

(d) What is Strategic Positioning? Examine the value creation activities that a firm undertakes in international business operations?



75/7

4. (a) Explain how accounting systems affect control systems within the multinational enterprise. (7)

(b) Discuss the process of developing international accounting standards. Also highlight some major obstacles faced by IASB in harmonization of accounting standards at the international level. (7)

OR

(c) Write short notes on:

(i) International Pricing Strategy

(ii) Kyoto Protocol (7,7)

5. Read the following case thoroughly and answer the questions that follow the case:

In its early days, Apple usually didn't look beyond its own backyard to manufacture its devices. A few years after Apple started to make the Macintosh computer back in 1983, Steve Jobs bragged that it was "a machine that was made in America." As late as the early 2000s, Apple still manufactured many of its computers at the company's iMac plant in Elk Grove, California. Jobs often said that he was as proud of the Apple's manufacturing plants as he was of the devices themselves.

By 2004, however, Apple had largely turned to foreign manufacturing. The shift to offshore manufacturing reached its peak with the iconic iPhone, which Apple first introduced in 2007. All iPhones contain hundreds of parts, an estimated 90 percent of which are manufactured abroad. Advanced semiconductors come from Germany and Taiwan, memory from Korea and Japan, display panels and circuitry from Korea and Taiwan, chip sets from Europe, and rare metals from Africa and Asia. Apple's major subcontractor, the Taiwanese multinational firm, Foxconn, performs final assembly in China. Apple still employs some 43,000 people in the United States, and it has kept important activities at home, including product design, software engineering, and marketing. Furthermore, Apple claims that its business supports another 254,000 jobs in the United States in engineering, manufacturing, and transportation. For example, the glass for the iPhone is manufactured at Corning's U. S. plants in Kentucky and New York. But an additional 700,000 people are involved in the engineering, building, and final assembly of its products outside of the United States, and most of them work at subcontractors like Foxconn.

When explaining its decision to assemble the iPhone in China, Apple cites a number of factors. While it is true that labor costs are much lower in China, Apple executives point out that labor costs only account for a very small proportion of the total value of its products and are not the main driver of location decisions. Far more important, according to Apple, is the ability of its Chinese subcontractors to respond very quickly to requests from Apple to scale production up and down. In a famous illustration of this capability, back in 2007 Steve Jobs demanded that a glass screen replace the plastic screen on his prototype iPhone. Jobs didn't like the look and feel of plastic screens, which at the time were standard in the industry, nor did he like the way they scratched easily. This last-minute change in

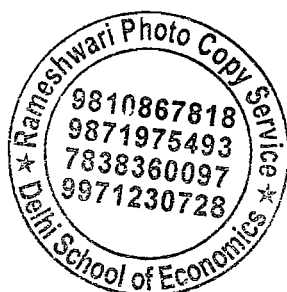
the design of the iPhone put Apple's market introduction date at risk. Apple had selected Corning to manufacture large panes of strengthened glass, but finding a manufacturer that could cut those panes into millions of iPhone screens wasn't easy. Then a bid arrived from a Chinese factory. When the Apple team visited the factory, they found that the plant's owners were already constructing a new wing to cut the glass and installing equipment. "This is in case you give us the contract," the manager said. The plant also had a warehouse full of glass samples for Apple, and a team of engineers available to work with Apple. They had built on-site dormitories, so that the factory could run three shifts seven days a week in order to meet Apple's demanding production schedule. The Chinese company got the bid.

Another critical advantage of China for Apple was that it was much easier to hire engineers there. Apple calculated that about 8,700 industrial engineers were needed to oversee and guide the 200,000 assembly-line workers involved in manufacturing the iPhone. The company had estimated that it would take as long as nine months to find that many engineers in the United States. In China it took 15 days. Also important is the clustering together of factories in China. Many of the factories providing components for the iPhone are located close to Foxconn's assembly plant. As one executive noted, "The entire supply chain is in China. You need a thousand rubber gaskets? That's the factory next door. You need a million screws? That factory is a block away. You need a screw made a little bit different? That will take three hours."

All this being said, there are drawbacks to outsourcing to China. Several of Apple's subcontractors have been targeted for their poor working conditions. Criticisms include low pay of line workers, long hours, mandatory overtime for little or no additional pay, and poor safety records. Some former Apple executives say that there is an unresolved tension within the company; executives want to improve working conditions within the factories of subcontractors such as Foxconn, but that dedication falters when it conflicts with crucial supplier relationships or the fast delivery of new products.

Questions:

1. What are the benefits to Apple of outsourcing the assembly of the iPhone to foreign countries, and particularly China? What are the potential costs and risks to Apple?
2. In addition to Apple, who else benefits from Apple's decision to outsource assembly to China? Who are the potential losers here?
3. What are the potential ethical problems associated with outsourcing assembly jobs to Foxconn in China? How might Apple deal with these?
4. On balance, do you think that the kind of outsourcing undertaken by Apple is a good thing or a bad thing for the American economy? Explain your reasoning?



M. Com.: SEMESTER IV

Paper No. MN 462

Subject: Management of International Business Operations

S. No. 462M16 C

Time: 3 hours

Max. Marks: 70

Attempt all questions. All questions carry equal marks.

1. (a) "A Company that fails to go global is in the danger of losing its domestic business to competitors with lower cost, greater experience, better products and in a nutshell, more value for the customers". Discuss. (7)

(b) Define globalization. Examine the complexities that firms' witnesses in international business operations. (7)

OR

(c) Explain the concept of strategy. How do differences in the strength of pressures for cost reductions versus those for local responsiveness affect a firm's choice of strategy? (14)

2. (a) Examine the role of Information Technology and JIT Inventory for managing a global supply chain in international business operations. (7)

(b) The choice of an optimal production location must consider country factors, technological factors, and product factors. Discuss. (7)

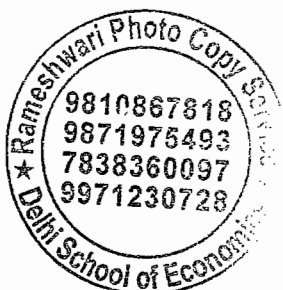
OR

(c) Research suggests that many expatriate employees encounter problems that limit both their effectiveness in a foreign posting and their contribution to the company when they return home. What are the main causes and consequences of these problems, and how might a firm reduce the occurrence of such problems. (14)

3. (a) 'A critical element in the marketing mix is communication strategy, which defines the process the firm will use in communicating the attributes of its product to prospective customers'. Elucidate. (7)

(b) What are the main advantages and disadvantages of the ethnocentric, polycentric, and geocentric approaches to staffing policy? When is each approach appropriate? (7)

OR



(c) It is often argued that the accounting-based control system provide headquarters management with biased information about the performance of a foreign subsidiary. How can these biases be corrected? (7)

(d) A globally standardized advertising campaign, which uses the same marketing message all over the world, has economic advantages, but it fails to account for differences in culture and advertising regulations. Critically examine the statement. (7)

4. (a) Discuss the major obstacles witnessed by the International Accounting Standards Board (IASB) in harmonisation of accounting standards at the international level. (7)

(b) Discuss how operating in different nations impacts investment decisions within the multinational enterprise. (7)

OR

(c) Write a short note on the following:

(i) Strategic Pricing

(ii) The Lessard-Lorange Model (7.7)

5. Read the following case thoroughly and answer the questions that follow the case:

Coco-Cola, the iconic American soda maker, has long been among the most international of enterprises. The company made its first move outside the United States in 1902, when it entered Cuba. By 1929, Coke was marketed in 76 countries. In World War II, Coca-Cola struck a deal to supply the U.S. military with Coca-Cola wherever in the world it went. During this era, the company built 63 bottling plants around the world. Its global push continued after the war, fuelled in part by the belief that the U.S. market would eventually reach maturity and by the perception that huge growth opportunities lay overseas. Today more than 59,000 of the company's 71,000 employees are located in 200 countries outside of the United States, and over 70 percent of Coca-Cola's case volume is in international markets.

Until the 1980s, Coca-Cola's strategy was one of considerable localization. Local operations were granted a high degree of independence to manage their own operations. This all changed in the 1980s and 1990s under the leadership of Roberto Goizueta, a talented Cuban immigrant who became the CEO in 1981. Goizueta placed renewed emphasis on the company's flagship brands, which were extended with the introduction of Diet Coke, Cherry Coke, and the like. His prime belief was that the main difference between the United States and international markets was the lower level of penetration in the latter, where consumption per capita of colas was only 10 to 15 percent of the U.S. figure. Goizueta pushed Coca-Cola to become global company, centralizing a great deal of management and marketing activities at the corporate headquarters in Atlanta, focusing on core brands, and taking equity stakes in foreign bottlers so that the company could exert more strategic control over them. This one-size-fits-all strategy was built around standardization and the realization of economies of scale by, for example, using the same advertising message worldwide.

Goizueta's global strategy was adopted by his successor, Douglas Ivester, but by the late 1990s the drive toward a one-size-fits-all strategy was running out of steam, as smaller, more nimble local competitors marketing local beverages began to halt the Coke growth engine. With Coca-Cola failing to hit its

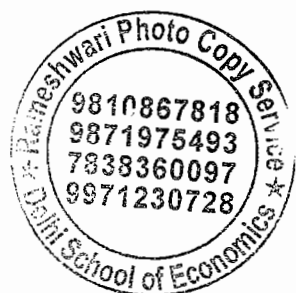
financial targets for the first time in a generation, Ivester resigned in 2000 and was replaced by Douglas Daft. Daft instituted a 180 degree shift in strategy. Daft's belief was that Coca-Cola needed to put more power back in the hands of local country managers. He thought that strategy, product development, and marketing should be tailored to local needs. He laid off 6000 employees, many of them in Atlanta, and granted country managers much greater autonomy. In a striking move for a marketing company, he announced the company would stop making global advertisements, and he placed advertising budgets and control over creative content back in the hands of country managers. Ivester's move was in part influenced by the experience of Coca-Cola in Japan, the company's second most profitable market, where the best-selling Coca-Cola product is not a carbonated beverage, but a canned cold coffee drink, Georgia, that is sold in vending machines. The Japanese experience seemed to signal that products should be customized to local tastes and preferences, and that Coca-Cola would do well to decentralize more decision-making authority to local managers.

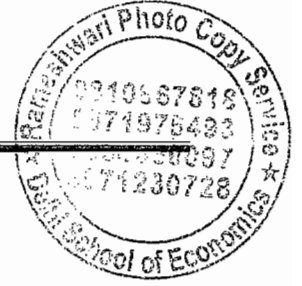
However, the shift toward localization didn't produce the growth that had been expected, and by 2002 the pendulum was swinging back toward more central coordination, with Atlanta exercising oversight over marketing and product development in different nations. But this time it was not the one-size-fits-all ethos of the Goizueta era. Under the leadership of Neville Isdell, who became CEO in March 2004 and retired in July 2008, Coca-Cola reviewed and guided local marketing and product development but adopted the belief that strategy, including pricing, product offerings, and marketing message, should be varied from market to market to match local conditions. Isdell's position represented a midpoint between the strategy of Goizueta and that of Daft. Moreover, Isdell stressed the importance of leveraging good ideas across nations. An example is Georgia coffee. Having seen the success of this beverage in Japan, in October 2007 Coca-Cola entered into a strategic alliance with Illycaffè, one of Italy's premier coffee makers, to build a global franchise for canned or bottled cold coffee beverages. Similarly, in 2003 the Coca-Cola subsidiary in China developed a low-cost noncarbonated orange-based drink that rapidly became one of the best-selling drinks in that nation. Seeing the potential of the drink, Coca-Cola rolled it out in other Asian countries. It has been a huge hit in Thailand, where it was launched in 2005, and seems to be gaining traction in India, where it was launched in 2007.

Questions

1. Why do you think that Roberto Goizueta switched from a strategy that emphasized localization toward one that empathized global standardization? What were the benefits of such a strategy?
2. What were the limitations of Goizueta's strategy that persuaded his successor, Daft, to shift away from it? What was Daft trying to achieve?
3. How would you characterize the strategy pursued by Coca-Cola under Isdell's leadership? How is Isdell's strategy different from the strategies of both Goizueta and Daft?
4. What does the evolution of Coca-Cola strategy tell you about the convergence of consumer tastes and preferences in today's global economy?

(3.5, 3.5.3.5.3.5)





2019

M. Com.: SEMESTER IV
Course MN 432(Minor Group- Tax)
CORPORATE TAX STRUCTURE AND PLANNING

{Time: 3 Hours.}

{Max. Marks: 70}

Attempt all questions. All questions carry equal marks.

1. (a) The profit & loss account of D Ltd. (a domestic company) for the year ending March 31, 2018 is given below:

Profit & Loss Account

Particulars	Amount	Particulars	Amount
Salary and wages	800000	Sales	4800000
Postage & Telegrams	500000	Sales from exports	1200000
Travelling & Conveyance	100000	Amount withdrawn from general reserve	300000
Depreciation (extra on account of revaluation)	200000	Amount withdrawn from revaluation reserve	300000
Depreciation (Normal)	800000	Other receipts	220000
Income tax	600000		
Wealth tax	10000		
Outstanding Custom duty	100000		
Provision for future losses	70000		
Proposed dividend	100000		
Loss of subsidiary company	60000		
Director Remuneration	500000		
Deferred tax liability	120000		
Audit fee	50000		
Net profit	2810000		
Total	6820000	Total	6820000

Other Informations:

- (a) The Outstanding custom duty, due on 31.3.2017 was paid on 01.04.2018.
- (b) Excise Duty of Rs. 120000 which was due on 31.3.2016 was paid during the previous year 2017-18, not debited to P&L account.
- (c) Depreciation admissible as per income tax is Rs. 800000 (u/s 32).
- (d) Brought forward loss of assessment year 2016-17 was Rs. 1100000 for tax purposes and Rs. 1300000 for accounting purposes.
- (e) Unabsorbed depreciation is 350000 for tax purposes and Rs.750000 for accounting purposes.
- (f) Deduction available under section 80IB to the extent of 30% of Net Profit.

Compute the tax liability of the Assessee for the assessment year 2018-19. [Marks 14]



OR

1. (b) Elucidate the essence of tax planning and scope of all tax planning activities. Also differentiate among tax planning, tax avoidance, tax management and tax evasion with the help of suitable examples. [Marks 14]
2. (a) Information about Mr. Karun and Ms. Tenjin has been provided below from their books of accounts for PY 2017-18.

Particulars (for P.Y. 2017-18)	Mr. Karun (age 51 years)	Ms. Tenjin (age 62 years)
Residential Status	Ordinarily Resident	Non Ordinarily resident
Business income from India	5000000	4000000
Business income from China (Business is controlled wholly from India)	4000000	2000000
Professional income from UAE (Profession is set up in UAE)	3000000	4000000
Contribution to PPF	185000	215000
Tax paid in China	1400000	750000
Tax paid in UAE	600000	1500000
Interest income earned in UAE in financial year 2015-16, remitted to India in P.Y 2017-18.	100000	150000
Rental income received and accrued in China	200000	150000

India has no DTAA with China and UAE. Compute the tax liability of Mr. Karun and Ms. Tenjin in India for the A.Y 2018-19. [Marks 14]

OR

2.(b) Explain the provisions of loss of closely held companies under section 79 with the help of examples. Also explain provisions of carry forward and set off of loss in case of eligible start-up under section 79(b). [Marks 14]

3. Write explanatory notes on any two of the following:
 - (a) Residential status of company and tax incidence.
 - (b) Industrial Company and Investment company.
 - (c) Widely held company and Closely held company.

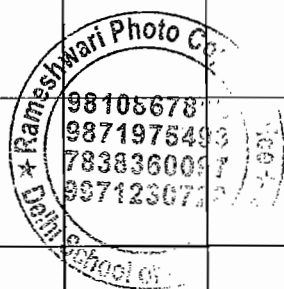
[7*2 = Marks 14]

4.(a) Explain the provisions of minimum alternate tax (MAT) under Section 115 JB of Income Tax Act, 1961 along relevant provisions of Sec. 115 JAA with the help of example. [Marks 14]

OR

4. (b) Complete the table given below as per the existing provisions (AY 2018-19) of assessment of companies, irrespective of the Assessment year, for X Ltd a domestic company. X Ltd. also carrying forward tax credit of Rs. 800000 and Rs.600000 under section 115JAA from Assessment year 2007-08 and 2008-09 respectively. [Marks 14]

Particulars of relevant AY (Assessment Years)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Book Profit	9200000	9050000	9205000	9250000	9350000	9550000	9850000
Taxable Income (Under normal provisions)	4100000	4350000	5000000	NIL	5800000	6050000	7050000
Tax payable as per MAT @18.5%+SC+EC (115JB) Provisions							
Tax payable as per normal provisions @30%+SC+EC							
Is tax credit available during relevant AY (Yes/No)							
Amount of Tax credit as per 115 JAA available during relevant AY							
Cumulative amount of Tax credit which is available to set off.							
Excess of tax payable under normal provisions over MAT during relevant AY.							
Whether brought forward tax credit can be set off during the relevant AY.(Yes/No)							
Maximum amount which can be set off during the relevant AY.							
How much MAT credit can be carried forward.							
Amount of Tax Payable							
Up to which AY Mat credit can be set off.							
MAT Credit which is lapsed.							



5.(a) Excellence Ltd., an Indian company, engaged in the business of manufacture of transformers and switchgears, negotiates for the purchase or taking on hire a machinery from a concern in U.K.

If it acquires the machinery, then company has to borrow Rs.8000000 (Eighty lakh) from a bank which to be paid in five annual installments of Rs.1600000 (Sixteen lakh) each along interest payment @12% per annum, payable at the end of each year.

If Excellence Ltd. takes the machine on hire, it has to pay an annual rent of Rs.1000000 (Ten lakh) per annum payable at the beginning of each year.

Company proposes to use the machine for 08 years.

Which option should company choose and why?

The Following assumptions have been made:

- (a) The company is widely held company and applicable tax rate is 30.9%.
- (b) Rate of Depreciation on machinery is 15% (WDV) no additional depreciation applicable.
- (c) Cost of capital is assumed as 10 percent for present value factors.

PVF Table is given below for next eight years at 10 percent.

Year	1	2	3	4	5	6	7	8
PV Factor	0.909	0.826	0.751	0.681	0.621	0.563	0.513	0.467

[Marks 14]

OR

5.(b) An Indian company considering three different proposals of raising Rs.1200 lakh for a project where earning before tax estimated as 36% of the capital employed. The company can raise this entire amount either by issue of equity share entirely or combination along with borrowing from a bank @ 12% per annum or by issuing 14% debentures and any mix of three sources, which of the following three alternatives should it opt for:

- (i) Entire Rs.1200 lakh to be raised through equity share capital.
- (ii) Rs600 lakh from equity shares and Rs.300 lakh from each other sources available.
- (iii) Rs.400 lakh from each source available.

Assume the company shall distribute the entire amount of profits as dividend and applicable corporate tax rate is 30.9%.

What will your answer be, if return on capital employed before tax is just 16% instead of 36%, other things remains the same? Compare and comment on both the situations.

[Marks 14]

Roll No. 2018.....

M. Com.: SEMESTER IV
Course MN 432(Minor Group- Tax)
CORPORATE TAX STRUCTURE AND PLANNING

S.No. MN432M18

Time: 3 Hours.

Max. Marks: 70

Attempt all questions.

1. Specify with reason(s) and specific features, whether the following acts can be considered as (i) Tax management (ii); or (ii) Tax planning; or (iii) Tax evasion, (iv) Tax avoidance. Attempt any five.
 - (a) Renu is paying salary to her husband by showing him as an employee in her books of accounts, just to reduce tax liability, whereas her husband is not actually working in her business.
 - (b) Deepika left India two days early, just to ensure her status to be as Non-resident during assessment year 2017-18 in India to avoid tax liability on account of resident.
 - (c) Dee Entertainment Ltd. ready with all compliance report throughout the year to avoid any kind of penalty, by the tax authorities for non-compliance.
 - (d) Climatrol Pvt. Ltd. engaged in the business of manufacturing and supplying of water coolers. Manufacturing of water coolers actually takes place at Faridabad (Haryana), but for availing tax benefits Climatrol Pvt. Ltd. shows this manufacturing of water coolers in Jammu (J&K) in their books.
 - (e) Bionics Ltd. Maintains register of tax deduction at source to compliance with tax authorities appropriately.
 - (f) PQR industries Ltd. installed an air conditioner at the residence of a director as per terms of his appointment; but treats it as fitted in quality control section in the factory for the purpose of computing depreciation at higher rate.
 - (g) G Ltd. planned to buy a machinery to manufacture a component for its assembly operations instead of buying it from the market and to avail the tax benefit on account of depreciation on machinery.
 - (h) Y Ltd. acquired new plant and machinery with borrowed funds from a bank to avail tax benefit with respect to interest payments on account of this loan, though it has sufficient cash at bank.

2*5=10 Marks



2. (a) The profit & Loss account of D Ltd. (a domestic company) for the year ending March 31, 2017 is given below:

Profit & Loss Account

Particulars	Amount	Particulars	Amount
Salary and wages	800000	Sales	4800000
Postage & Telegrams	500000	Sales from exports	1200000
Travelling & Conveyance	100000	Amount withdrawn from general reserve	300000
Depreciation (extra on account of revaluation)	200000	Amount withdrawn from revaluation reserve	300000
Depreciation (Normal)	800000	Other receipts	20000
Income tax	600000		
Wealth tax	10000		
Excise duty due	100000		
Provision for future losses	70000		
Proposed dividend	100000		
Loss of subsidiary company	60000		
Director Remuneration	500000		
Deferred tax liability	120000		
Audit fee	50000		
Net profit	2610000		
Total	6620000	Total	6620000

Other Informations:

- (a) The Excise duty due on 31.3.2015 was paid on 12.12.2017.
- (b) Custom Duty of Rs. 120000 which was due on 31.3.2014 was paid during the previous year 2016-17.
- (c) Depreciation as per income tax is Rs. 800000 (u/s 32).
- (d) Brought forward loss of assessment year 2015-16 was Rs. 1000000 for tax purposes and Rs. 1200000 for accounting purposes.
- (e) Unabsorbed depreciation is 300000 for tax purposes and Rs.800000 for accounting purposes.
- (f) Deduction available under section 80IB to the extent of 30% of Net Profit.

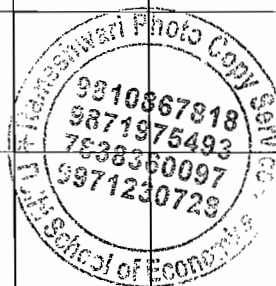
Compute the tax liability of the Assessee for the assessment year 2017-18. **Marks 15**

OR

This paper contains five printed pages

2. (b) Complete the table given below as per the existing provisions (AY 2017-18) of assessment of companies, irrespective of the Assessment year, for X Ltd a domestic company. X Ltd. also carrying forward mat tax credit of Rs. 700000 and 500000 under section 115JAA from Assessment year 2007-08 and 2008-09 respectively. **Marks 15**

Particulars of relevant AY (Assessment Years)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Book Profit	9000000	9100000	9200000	9300000	9400000	9500000	9800000
Taxable Income (Under normal provisions)	4000000	4400000	5000000	NIL	6000000	6600000	7000000
Tax payable as per MAT @18.5%+SC+EC (115JB) Provisions							
Tax payable as per normal provisions @30%+SC+EC							
Is tax credit available during relevant AY (Yes/No)							
Amount of Tax credit as per 115 JAA available during relevant AY							
Cumulative amount of Tax credit which is available to set off.							
Excess of tax payable under normal provisions over MAT during relevant AY.							
Whether brought forward tax credit can be set off during the relevant AY.(Yes/No)							
Maximum amount which can be set off during the relevant AY.							
How much MAT credit can be carried forward?							
Amount of Tax Payable							
Up to which AY Mat credit can be set off.							
MAT Credit which is lapsed							



3. (a) Information about Mr. Jaidev and Ms. Aprajita has been provided below from their books of accounts for PY 2016-17.

Particulars (for P.Y. 2016-17)	Jaidev (age 45 years)	Aprajita (age 80 years)
Residential Status	Ordinarily Resident	Non Ordinarily resident
Business income from India	5000000	4000000
Business income from Japan (Business is partly controlled from outside India)	4000000	2000000
Professional income from US (Profession is set up in India)	3000000	4000000
Contribution to PPF	250000	200000
Tax paid in Japan	1400000	750000
Tax paid in US	600000	1500000
Interest income earned in US in financial year 2013-14, remitted to India in P.Y 2016-17.	100000	150000
Income from other sources in India	Nil	2500000

India has no **DTAA** with Japan and US. Compute the tax liability of Mr. Jaidev and Ms. Aprajita in India for the A.Y 2017-18. Marks 15

OR

(b) Discuss the provisions of section 90 to avoid double taxation of an income under Income tax act 1961 with help of suitable example(s). Marks 09

(c) M. Ltd. a US company, has a subsidiary, N Ltd., in India. M Ltd. sells computer monitors to N Ltd. for resale in India. M Ltd. also sells computer monitors to K Ltd., another computer reseller. M Ltd. sells 50000 computer monitors to N Ltd. at Rs.11000 per unit. The price is fixed for K Ltd. is Rs.10000 per unit. The warranty in case of sale of monitors by N Ltd. is handled by N Ltd. itself. However, for sale of monitors by K Ltd., M Ltd. is responsible for the warranty for 3 months. Both M Ltd. and N Ltd., offer extended warranty at a standard rate of Rs. 1000 per annum. On these facts, determine the Arm's Length Price and the effect on the net profit/Income of the Assessee Company. Marks 06

4. (a) X and Y are two shareholders of Z Ltd., a closely held company. X holds 55 percent share capital and Y holds 45 percent of share capital. On January 30, 2017, X sold his shares to his relative A. Z Ltd. wants to set off brought forward business loss of Rs.100000 and unabsorbed depreciation of Rs.300000 of previous year 2015-16 against the income of Rs.900000 of immediate previous year 2016-17. Compute taxable income of Z Ltd. for previous year 2016-17 with respect to provisions of section 79.
- (i) If Y sold his all shares to B and A being the legal heir of X and transfer of shares from X to A would have taken place due to death of X. Would your answer change? Marks 04

(b) An Indian company considering the proposal of raising Rs.1 Crore for a project where earning before tax shall be 40% of the capital employed. The company can raise this entire amount either by issue of equity share or by borrowing from a bank @ 14% per annum or by issuing debentures @15% or by mix of any two or three sources, which of the following three alternatives should it opt for:

- (i) Rs.60 lakh to be raised through equity share capital and remaining from bank loan.
- (ii) Rs.40 lakh from issue of equity shares and 30 lakh from Bank loan and debentures each.
- (iii)Rs. 20 lakh from issue of equity shares and rest Rs.40 lakh from Bank loan and debentures each.

Assume the company shall distribute the entire amount of profits as dividend and applicable corporate tax rate is 30.9%.

What will your answer if return on capital employed before tax is just 10% despite 40%, other things remains the same? Marks 11

OR

(c) **X Ltd.** a domestic company is planning to use a machinery costing Rs.8000000 and has effective useful life of five years, because the products produce by this machinery will become obsolete after five years and this machinery has no alternative use.

X Ltd. is considering three options to use this machinery for next five years as follows:

Option 1: Company will pay Rs. 4000000 in cash and borrow remaining amount @12% per annum from a bank, this amount of loan payable in five equal annual installments payable at the end of the each year along with interest amount.

Option 2: Company will take this machinery on lease by paying lease rentals of Rs. 2500000 each year, payable at the beginning of the each year.

Option 3: Company uses its own funds to acquire machinery.

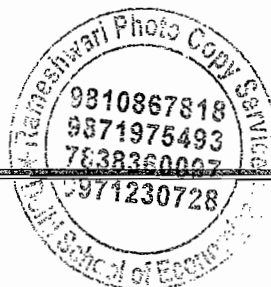
Applicable rate of tax is 30.9%, Rate of depreciation allowed is 15% (WDV).

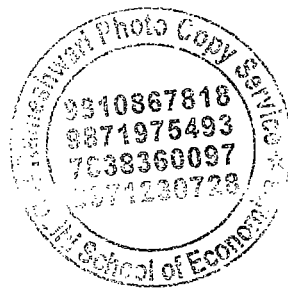
Assuming internal rate of return 10% for present value factor, what would your advice for **X Ltd.?** Marks 15

5. Write explanatory notes on any two of the following:

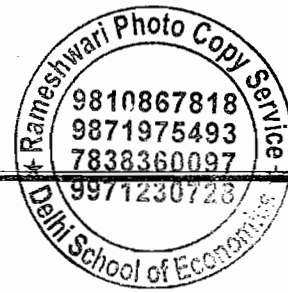
- (a) Residential status of company and tax incidence.
- (b) Industrial Company.
- (c) Conversion of a firm into company.

[7.5*2 = Marks 15]





Write your roll No:



M. Com.: Semester- IV

Paper No. MN-432

Corporate Tax Structure and Planning

2017

Time: 3 Hours

Total Marks: 70

Attempt all questions. All questions carry equal marks.

1. Specify with reason(s) and specific features, whether the following acts can be considered as (i) Tax management ; or (ii) Tax planning; or (iii) Tax evasion. Attempt any seven.
 - (a) Climatrol Pvt. Ltd. engaged in the business of manufacturing and supplying of water coolers. Manufacturing of water coolers actually takes place at Faridabad (Haryana), but for availing tax benefits Climatrol Pvt. Ltd. shows this manufacturing of water coolers in Jammu (J&K) in their books.
 - (b) Bionics Ltd. maintains register of tax deduction at source to compliance with tax authorities appropriately.
 - (c) PQR industries Ltd. installed an air conditioner at the residence of a director as per terms of his appointment; but treats it as fitted in quality control section in the factory for the purpose of computing depreciation at higher rate.
 - (d) G Ltd. planned to buy a machinery to manufacture a component for its assembly operations instead of buying it from the market and to avail the tax benefit on account of depreciation on machinery.
 - (e) Y Ltd. acquired new plant and machinery with borrowed funds from a bank to avail tax benefit with respect to interest payments on account of this loan, though it has sufficient cash at bank.
 - (f) If Suresh is falling in 20% tax bracket and his wife is falling in 10% tax bracket. Usually medical premium is from his wife's account. This year medical premium has been paid from Suresh account, so as to take higher tax benefits.
 - (g) Due to demonetization, a person working in unorganized sector require to deposit Rs 500000 cash in bank. He deposited Rs.250000 in his own account and Rs.250000 in his sister in law's account, who actually does not involve in his business activity.
 - (h) Renu is paying salary to her husband by showing him as an employee in her books of accounts, just to reduce tax liability, whereas her husband is not actually working in her business.
 - (i) Deepika left India two days early, just to ensure her status remained as Non-resident during assessment year 2016-17 in India to avoid double taxation.
 - (j) Dee Entertainment Ltd. was ready with all compliance report throughout the year to avoid any kind of penalty, by the tax authorities for non-compliance.

(2*7 = Marks 14)



Write your roll No:

2. Complete the table given below as per the existing provisions (AY 2016-17) of assessment of companies, irrespective of the Assessment year, for X Ltd a domestic company. X Ltd. is carrying forward tax credit of Rs. 700000 under section 115JAA from Assessment year 2006-07.

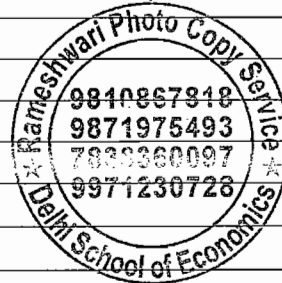
Particulars of relevant AY (Assessment Years)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Book Profit	6200000	9000000	8000000	5400000	9900000	6600000	9900000
Taxable Income (Under normal provisions)	4800000	4000000	4200000	9100000	6000000	9500000	6000000
Tax payable as per MAT @18.5%+SC+EC (115JB) Provisions							
Tax payable as per normal provisions @30%+SC+EC							
Is tax credit available during relevant AY (Yes/No)							
Amount of Tax credit as per 115 JAA available during relevant AY							
Cumulative amount of Tax credit which is available to set off.							
Excess of tax payable under normal provisions over MAT during relevant AY.							
Whether brought forward tax credit can be set off during the relevant AY.(Yes/No)							
Maximum amount which can be set off during the relevant AY.							
How much MAT credit can be carried forward.							
Amount of Tax Payable							
Up to which AY Mat credit can be set off.							
MAT Credit which is lapsed							

Write your roll No:

Or

R Ltd. An Indian company, is engaged in the business of production of paints. Following is the P&L account of R Ltd. for previous year 2015-16 . You are required to find the tax liability of company for the assessment year 2016-17 ignoring the provisions of 115JB.

Particulars	Amount	Particulars	Amount
Salary and wages	800000	Sales	4800000
Postage & Telegrams	500000	Sales from exports	1200000
Travelling & Conveyance	100000	Other Receipts	20000
Depreciation (extra on account of revaluation)	200000	Amount withdrawn from General reserve	300000
Depreciation (Normal)	800000	Amount withdrawn from revaluation reserve	300000
Income tax	600000	Dividend from a foreign co.	100000
Wealth tax	17000	Profit on shares sold through recognized stock exchange after holding for 18 month	220000
Outstanding Expenses	100000	Dividend from a domestic company	50000
Provision for future losses	70000		
Propose dividend	90000		
Other Expenses	50000		
Dividend Distribution Tax	10000		
Security transaction Tax	2000		
Banking cash transaction tax	1000		
Net Profit	3650000		
Total	6990000	Total	6990000



For tax purposes company wants to claim the following:

- Deduction under section 80IB (30% net profit i.e 3650000)
- Excise duty of Rs. 60000 pertaining to year 2012-13 paid during PY 2015-16.
- Depreciation under section 32 is Rs. 700000.
- Other expenses include Rs. 1000 on account of interest on wealth tax paid for the year.
- Other receipts include Rs. 5000 on account of refund from income-tax authorities.
- Company did not debit the P&L account for Rs. 400000 which was spent lump-sum on promoting family planning among its employees.

The company also wants to set off following losses and unabsorbed depreciation	For tax purposes	For Accounting purposes
Brought forward loss of assessment year 2014-15	400000	600000
Unabsorbed depreciation	250000	Nil

Marks 14

Write your roll No:

3. **X Ltd.** a domestic company is planning to acquire a machinery costing Rs.50,00,000 and has effective useful life of seven years because the products produce by this machinery will become obsolete after seven years and this machinery has no alternative use.

X Ltd. considering two options to acquire this machinery for next seven years as follows:

Option 1: Company will pay Rs. 800000 in cash and borrow remaining amount @12% per annum from a bank, this amount of loan payable in seven equal annual installments payable at the end of the each year along with interest amount.

Option 2: Company will take this machinery on lease by paying annual lease rentals of Rs. 20,00,000 for next seven years, payable at the beginning of the each year.

Applicable rate of tax is 30.9%, Rate of depreciation allowed is 15% (WDV).

Assuming internal rate of return 10% for present value factor, what would your advice for **X Ltd.**?

If lease rentals are payable at the end of the each year, would you change your advice?

Or

Explain the provisions of **section 79** with the help of examples. (Marks 14)

4. (a) What do you mean by accumulated profits to be distributed as dividends?
(b) Distinguish between closely held and widely held companies. (7*2= Marks 14)

Or

The following points are noted for the previous year 2015-16 from books of accounts of Deepika and Priyanka.

Particulars (for P.Y. 2015-16)	Deepika (age 45 years)	Priyanka (age 60 years)
Residential Status	Ordinarily Resident	Non Ordinarily resident
Business income from India	5500000	4400000
Business income from Japan (Business is controlled from outside India)	4400000	2200000
Professional income from US (Profession is set up in India)	3300000	4400000
Contribution to PPF	165000	165000
Tax paid in Japan	1540000	825000
Tax paid in US	660000	1650000
Interest income earned in US in financial year 2013-14, remitted to India in P.Y 2014-15.	110000	165000
Income from other sources in India	Nil	2750000
Rental income received and accrued in Japan during financial year 2014-15, remitted to India during P.Y 2015-16.	110000	110000

India has no **DTAA** with Japan and US. Compute the tax liability of Deepika and Priyanka in India for the A.Y 2016-17.

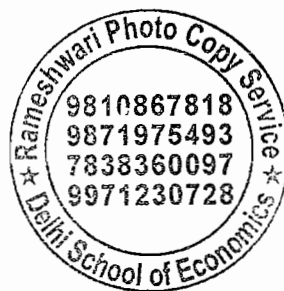
(Marks 14)

Write your roll No:

5. Write explanatory notes on any two of the following:

- (a) Residential status and tax incidence of the company.
- (b) Slump Sale.
- (c) Conversion of a firm into company.

(7*2= Marks 14)



Roll No..2016

M. Com.: SEMESTER IV
PAPER No. MN-432

Paper: Corporate Tax Structure and Planning

Sl.No. 432M16C

Time: 3 Hours.

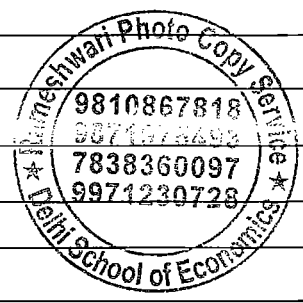
Max. Marks: 70

Attempt all questions.

- The profit & Loss account of X Ltd.(a domestic company), for the year ending March 31, 2015 is given below:

Profit & Loss Account

Particulars	Amount	Particulars	Amount
Salary and wages	800000	Sales	4800000
Postage & Telegrams	500000	Sales from exports	1200000
Travelling & Conveyance	100000	Interest from bank deposits	20000
Depreciation (extra on account of revaluation)	200000	Amount withdrawn from General reserve	300000
Depreciation (Normal)	800000	Amount withdrawn from revaluation reserve	300000
Income tax	600000		
Wealth tax	10000		
Outstanding Excise duty	100000		
Provision for future losses	70000		
Propose dividend	100000		
Loss of Subsidiary company	60000		
Audit fee	50000		
Director Remuneration	500000		
Deferred tax liability	120000		
Net Profit	2610000		
Total	6620000	Total	6620000



Other Informations:

- Custom Duty of Rs. 200000 which was due on 31.3.2013 was paid during the previous year 2014-15.
- Depreciation under section 32 is Rs. 800000.
- Company wants to claim deduction under section 80IB (30% of Net Profit).
- Company wants to set off the following losses/allowances:

Particulars	For tax purposes	For accounting purposes
Brought forward loss of 2010-11	800000	900000
Unabsorbed depreciation	500000	800000

Compute the tax liability of the assessee for the assessment year 2015-16.



OR

Complete the table given below as per the existing provisions (AY 2015-16) of assessment of companies, assuming these provisions remains the same for all Assessment years.

Particulars of relevant AY (Assessment Years)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Book Profit	6000000	9500000	8800000	5500000	9900000	6600000	10000000
Taxable Income (Under normal provisions)	4500000	4800000	4500000	9300000	5000000	9500000	6000000
Tax payable as per MAT @18.5%+SC+EC (115JB) Provisions							
Tax payable as per normal provisions @30%+SC+EC							
Is tax credit available during relevant AY (Yes/No)							
Amount of Tax credit as per 115 JAA available during relevant AY							
Cumulative amount of Tax credit which is being set off.							
Excess of tax payable under normal provisions over MAT during relevant AY.							
Whether brought forward tax credit can be set off during the relevant AY.(Yes/No)							
Maximum amount which can be set off during the relevant AY.							
How much MAT credit can be carried forward.							
Amount of Tax Payable							
Up to which AY Mat credit can be set off.							
MAT Credit which is lapsed							

Marks 14

Page 2

2. (a) How Tax planning is different from Tax evasion and Tax avoidance?
 (b) Explain the provisions of section 79 for carry forward and set off of losses in the cases of certain companies.

OR

- (c) Explain the concept of Accumulated profits to be distributed as dividend.
 (d) Discuss the rules regarding determination of residential status of a company along with its tax incidence.

(7*2=Marks 14)

3. X (age 60 years) and Y (age 80 years) are resident in India. The following points are noted for the previous year 2014-15 from their books of accounts.

Particulars (for P.Y. 2014-15)	X	Y
Income from business in India	5000000	4000000
Income from Business in Japan (Income is received and accrued outside India)	4000000	2000000
Income from profession in US (Profession is set up in US)	3000000	4000000
Contribution to PPF	150000	150000
Tax paid in Japan	1400000	750000
Tax paid in US	600000	1500000
Interest income earned in US in financial year 2013-14, remitted to India in P.Y 2014-15.	100000	150000
Rental income received and accrued in Japan	100000	100000
Income from other sources in India	Nil	2500000

India has no DTAA with Japan and US. Compute the tax liability of X and Y in India for the A.Y 2015-16.

OR

Discuss the tax concessions available to the corporate sector in respect of the setting up a new business in Free Trade Zone (u/s 10 A) & Special Economic Zone (u/s 10 AA) of the Income tax Act.

Marks 14

4. XYZ Ltd. needs a component to run its assembly operation. It is considering the proposal to either make or buy this component to run its assembly operations.

Make: If company decides to make the component, then it would need to buy the second hand machinery at a cost of Rs. 8 lakhs which has useful life of five years only. Manufacturing cost of component in each year as follows

Year	1	2	3	4	5
Manufacturing Cost	12 Lakh	14 Lakh	16 Lakh	20 Lakh	25 Lakh

Buy: if company decided to buy the component from a supplier, this would cost as follows

Year	1	2	3	4	5
Buying Cost	18 Lakh	20 Lakh	22 Lakh	28 Lakh	34 Lakh

The relevant discounting rate is 10% and applicable rate of tax is 30.9%. The applicable rate of depreciation is 15% (WDV). Suggest the company, whether to buy the component or make it?

OR

A domestic company considering the proposal of raising Rs.20 lakh for a project, where expected returns before tax would be 30% of the capital employed. The company can raise this entire amount either by issue of equity shares or by issue of 12% Debentures or by mix of both.

Assume the company shall distribute the entire amount of profits as dividend and applicable tax rate is 30.9%. Which of the following three alternatives should it opt for:

- Entire Rs.20 lakh to be raised through equity share capital.
- 16 lakh from issue of equity shares and remaining Rs. 4 lakh from 12% Debentures.
- 4 lakh from issue of equity shares and rest Rs.16 lakh from 12% Debentures.

Would you change your choice of alternative, if expected returns from project is just 10% of the capital employed, other things remains the same? Give reasons in support of your answer.

Marks 14

5. Write explanatory notes on any two of the following.

- Widely held company and Domestic company.
- Demerger.
- Slump sale.

(7*2=Marks 14)

Roll no. - 2014

MCOM: SEMESTER III
PAPER NO. 7141
SUBJECT: CORPORATE TAX PLANNING

S.No. 7141141

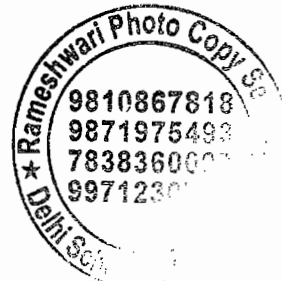
Time : 3 hours

Max Marks: 70 Marks

Instructions: Attempt all questions. All questions carry equal marks

1. Compute the business income, the total income and tax liability of X Ltd. for the assessment year 2014-15 on the basis of the given particulars. The company is a closely held public limited company incorporated in India in a notified backward area to carry on the business of manufacture and sale of typewriters. The company commenced commercial production on October 1, 1986. The company exported goods worth Rs 10 lakhs to Malaysia during the previous year 2013-14. The entire amount is received in convertible foreign exchange and incurred expenses are as under:
- Cost of advertisement outside India, Rs 2 Lakhs in respect of goods exported but payment was made to an advertising agency in India.
 - Expenditure of a branch office outside India Rs 1.5 lakhs.
 - Cost of free samples incurred in India, Rs 50,000 and incurred outside India Rs 40,000.
 - Cost of tenders incurred outside India Rs 10,000.
 - The company contributed a sum of Rs 50,000 to rural development fund, notified by the central government (amount debited to P&L account).
 - The company incurred brokerage and legal charges (debited to P&L account as under):
 - Rs 50,000 on machines purchased and installed before October 1, 2013 on installment payment system.
 - Rs 5,000 on money borrowed for making investment in Government Bonds as security for electricity deposit.

(1)



- g. Capital expenditure was incurred during the year on plant and machinery of the value of Rs 5 Lakh in the research and development unit (newly set up).
- h. Salary to managing director was paid at Rs 16000 per month plus perquisites valued at Rs 1200 per month.
- i. Rs 2,00,000 was incurred on advertisement and publicity excluding advertisement referred above. (This sum of Rs 2,00,000 includes Rs 58,000 on guest house expenditure and Rs 10,000 on advertisement in souvenir published by a political party). The turnover of the company is Rs 160 lakhs.
- j. Donation to an institution recognized under section 80G of the Income Tax Act was Rs 75,000 (debited to P&L account).
- k. The net profit of the company as per P&L account is Rs 25 lakh.
- l. Gross dividend of Rs 25000 was received from a foreign company on April 10, 2013 and credited to P&L account. Amount of dividend distributed by the assessee – company to its shareholders for 2013-14 is Rs 10,000 (date of distribution is 1 April, 2014).
- m. Depreciation is to be charged at 10% on building (WDV: Rs 40,00,000) and at 15% on plant and machinery (WDV: Rs 40,50,000, exclusive of brokerage/ legal charges). Depreciation debited in the accounts is Rs 6 lakhs. (14)

OR

Critically analyze the provisions of minimum alternate tax under sec 115JB and the tax credit availability under sec 115JAA. (14)

- 2. Discuss the provisions of governing the tax liability for dividend us 2(22) and the tax treatment of bonus shares in the hands of shareholders and the company. (14)

OR

A. A Company requires a component. From the following information suggest to the company whether it should make the component or buy it from the market, assuming the present tax rates:

Making the component: *discount rate is 10%*

(2)

- i. A new machine will be purchased for Rs 10,00,000. After five years it will be sold for Rs 2,00,000. If there is any loss on sale of machine, it will be set off against any other short term capital gain.
- ii. Rate of depreciation applicable is 15%.
- iii. Manufacturing cost of component in the I year is Rs 14,00,000, II year is Rs 16,00,000, III year is Rs 18,00,000, IV year is Rs 20,00,000 and V year is Rs 24,00,000.

Buying the Component:

- iv. The cost for buying the component is Rs 20 lakhs, Rs 22 lakhs, Rs 24 lakhs, Rs 26 lakhs, Rs 30 lakhs for five years respectively. (10)

B. Explain the tax implications for a company in case of Demerger and slump sale.

(4)

- 55
3. The directors of the company propose to expand its business for which it requires fresh investment of Rs 50 crore. The directors are opined to raise the fresh investment of Rs 50 crore either by making a further issue of equity shares or borrowing from financial institutions offering the amount @18% per annum. They decide in favor of raising the capital from issue of equity shares only. The companies present paid up equity share capital is Rs 50 crore and it has been declaring dividend at 20% (ignoring dividend) on September 30 of every year for the last five years though, considering the proposed expansion, there is a desire to raise it to 25%.

As a tax consultant, explore the following proposal to raise additional capital and advice accordingly:

- i. Raise entire capital by issue of equity shares.
- ii. Raise Rs 35 crore with equity shares and rest from financial institution.
- iii. Raise entire Rs 50 crore from the financial institution.

(14)

OR

Discuss the tax implication of amalgamation for the amalgamating company, amalgamated company and the shareholders. (14)

4. Attempt any two of the following:

(7*2)

- a. Mr X is a musician deriving income from concerts performed outside India of Rs 7,50,000. Tax amounting to Rs 1,50,000 was deducted at source in the country where the concert was being organized and balance of Rs 6,00,000 is remitted to India. India does not have any agreement with that country for avoidance of double taxation. Assuming that the Indian income of X is Rs 4,00,000, what is the relief due to him under sec 91 for the assessment year 2014-15, assuming that X is resident in India and has deposited Rs 22,000 in the public provident fund.
- b. Mr A is employed with the high Commission of Mauritius and earns Rs 25 lakhs in India. The Indian officials in Mauritius are exempt from taxes levied on the income accrued or arisen in Mauritius. In the previous year, 1 October 2014, Mr A resigned from the High Commission and joined a foreign enterprise which posted him in India again. He earned Rs 15 lakhs while he was posted in India by the foreign enterprise. Discuss the taxability of his income and the provisions under which the income may be exempted.
- c. Discuss the provision of Income Tax Act 1961 for income taxable in the hands of non-resident in India and elaborate the essence of income from business connections u/s 9(i).

5. Write explanatory notes on any two of the following:

(7*2)

- a. Industrial Company and Company in which Public are Substantially Interested
- b. Unilateral relief under the provision of sec 91 and avoidance of double taxation agreements.
- c. Deduction available for hotels and convention centres under section 80ID

M. Com.: Semester III

Paper No.: 7141

Subject: Corporate Tax Planning

S. No. 7141131

Time: 3 Hours

Max Marks 70

Instructions: Attempt all questions. All questions carry equal marks.

Q.1 (a) Mrs. Manorama, an Individual resident retired employee of the Prasar Bharti aged 62 years, is a well known dramatist deriving income of Rs. 2,20,000 from theatrical works played abroad. Tax of Rs. 22,000 was deducted in the country where the plays were performed. India does not have any double tax avoidance agreement u/s 90 of the Income tax Act, with that country. Her income in India amounted to Rs. 10,30,000. In view of tax planning, she has deposited Rs. 90,000 in public Provident fund and paid contribution to approved pension fund of LIC Rs. 32,000. Compute tax liability of Mrs. Manorama for the Assessment year 2013 - 14. [5]

(b) What will be your answer, if in the above case, India has double tax avoidance agreement u/s 90 and tax credit method is followed for the purpose of giving relief u/s 90. [2.5]

(c) Explain the purpose for which the central government as per section 90 of the Income Tax Act, 1961 can enter into an agreement with any foreign country. [4]

(d) An Individual resident in India, having income earned outside India in a country with which no agreement u/s 90 exists asks you to explain whether the credit of the tax paid over the income in that country will be allowed to him in India. [2.5]

OR

Q.1 (e) Mr. Anand, a resident Indian and aged 67 years has derived the following incomes during the previous year 2012- 13:

Particulars	Amount (Rs.)
Income from business in India	2,50,000
Commission after deduction of TDS from a company in Hong Kong (Rs. 60,000 TDS paid in Hong Kong)	2,40,000
Dividend from a company in Hong Kong after deduction of TDS of Rs. 18,000	72,000
Interest on Fixed Deposits and saving accounts with banks in India.	2,00,000

India has no Double taxation Avoidance agreement with the Hong Kong. As a Tax consultant or expert you are requested to compute the income and tax payable by Mr. Anand for the Assessment year 2013 – 14 on the assumption that He has deposited Rs. 90,000 in Public Provident Fund and paid contribution to approved pension fund of LIC Rs. 40,000. [7]

(f) Explain the provisions of Section 79 for carry forward and set off of losses in the cases of certain companies with the help of suitable example. [7]

Q.2 (a) (i) The following information regarding income and shareholding pattern of Radha Ltd., a closely held company has been provided:

Particulars	Previous year ending 31 st March 2012	Previous year ending 31 st March 2013
	Amount (Rs.)	Amount (Rs.)
Income under the Head Profits and gains of Business or Profession	(2,00,000)	10,00,000
Depreciation	3,00,000	
Shareholding Pattern	A 30% B 25% C 20% D 20% E 2% F 2% G 1%	A 30% X 25% Y 20% Z 20% W 2% U 2% M 1%

Mr. Y has inherited shares from C on the death of Mr. C. Mr. X is a relative of Mr. B to whom Mr. B has sold the shares. In the light of section 79 of the income tax Act, 1961, you are requested to provide your expert advice regarding the set off and carry forward of losses. [5]

(ii) Suppose in the above problem, Mr. B had gifted the shares to Mr. X, then what will be your advice? [2]

(b) PNB holds 75% shares of PNB gilts Ltd. and 60% shares of PNB capital services Ltd. and 40% shares of PNB Asset Management Ltd. PNB has received the following dividends:

1. Rs. 20 crores from PNB gilts Ltd. on which CDT has been paid.

2. Rs. 10 crores from PNB Capital Services Ltd. on which CDT has been paid.

3. Rs. 7 crores from PNB Asset Management Ltd. on which CDT has been paid.

PNB declared an interim dividend of Rs. 150 Crore and final dividend of Rs. 100 Crore to its shareholders. As a tax consultant, you are required to calculate the tax on distributed profits which the PNB is to pay. [3]

(c) Discuss the tax consideration in dividend policy and issue of Bonus shares under the Income Tax Act, 1961? [4]

OR

Q.2 (d) Briefly explain the Provisions of avoidance of Double taxation agreements under the Income Tax Act, 1961. [6]

(e) From the following information of Midha Ltd., compute the tax credit available under section 115JA and the tax payable by it for various assessment years. It may be assumed that the rates of tax for future years will be same as for assessment year 2013 - 14. [8]

Assessment year	Book profit computed under section 115JB (Rs.)	Total income as per normal provisions of Income Tax Act (Rs.)
2012 - 13	60,00,000	10,00,000
2013 - 14	48,00,000	16,00,000
2014 - 15	70,00,000	51,00,000
2015 - 16	30,00,000	5,00,000

@ . 19055

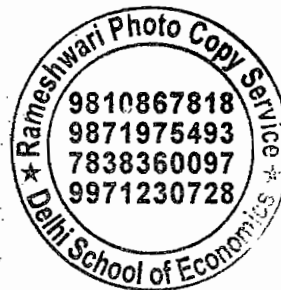
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Q.3 Explain the provisions of minimum alternate tax (MAT) under section 115 JB of Income Tax Act, 1961. Is a foreign company also liable to pay MAT? [14]

OR

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Q.3 Thadani Ltd. prepared the following Profit & Loss Account for the year ended 31st March, 2013

Expenditures	Amount (Rs.)	Income	Amount (Rs.)
Opening Stock	32,00,000	Sales	1,40,00,000
Purchases	70,00,000	Closing Stock	15,00,000
Salaries	12,00,000	Profit on sale of Plot	90,00,000
Rent & Rates	5,00,000	Dividends	3,50,000
Provision for warranties	8,00,000	Sale of agricultural Produce	6,90,000
Provision for diminution in the value of investments	4,00,000	Income of developer of SEZ from development of SEZ	5,00,000
Provision for the losses of subsidiary company	3,75,000	Withdrawal from General Reserve	3,00,000
Collection charges of dividends	50,000	Profits from undertaking located in backward state	30,00,000
Expenses on cultivation	1,10,000	Profits from the business of generation of power	60,00,000
General Expenses	3,60,000	LTCG exempt u/s 10(38)	25,00,000
Donation to mafia Don	1,00,000	Transfer from revaluation reserve	2,00,000
Penalties	60,000		
Secret Commission	35,000		
Provision for doubtful Debts	70,000		
Sales Tax (not paid)	25,000		
Deferred Tax	30,000		
Custom Duty	1,80,000		
Depreciation	5,95,000		
Provision for income tax	3,00,000		
Interest under income tax Act	44,000		
Provision for CDT	56,000		
Provision for Wealth tax	1,20,000		
Proposed Dividend	3,30,000		
Net Profits	2,21,00,000		
Total	3,80,40,000	Total	3,80,40,000

Additional Information:

- Depreciation as per Companies Act of Rs. 5,95,000 includes depreciation of Rs. 2,00,000 on account of revaluation of assets.
- Depreciation as per income tax Act is Rs. 15,00,000
- Plot of land was purchased on 1st January, 1992 for Rs. 70,00,000 and is sold for Rs. 3,60,00,000 on 21st January, 2013. The entire capital gains have been invested in the units referred to in section 54EC. Cost Inflation Index for PY 91-92 [199] & PY 2012-13 [252]
- The plot of land was revalued by the company in the previous year 31st March, 2013 by Rs. 2 Crore and therefore, appeared in the books at Rs. 2,70,00,000. Rs. 2 crores was debited to P & L A/C and credited to revaluation reserve A/C. The company in previous year 31st March, 2013 on sale of plot of land debited to revaluation reserve by Rs. 2 Crore and credited the said sum to General reserve.
- Deduction under section 80IA is 100% for business of power generation.

Tax
 Part
 loss of Subsec
 Dividend
 9.10.12
 etc

- vi. Deduction under section 80IB is 30% for the undertaking in the backward areas.
 vii. Custom duty is not paid till the due date of filing of return of income.

You are required to calculate the tax liability of the company as per the provisions of Income Tax Act, 1961 and tax credit, if it is available. [14]

Q.4 Following is the balance sheet of Gulerial Ltd. as on 31st March, 2012.

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Faid up share Capital	5,00,000	<u>Fixed Assets</u>	
Reserve and Surplus	6,00,000	Software unit	2,00,000
Revaluation Reserve	2,00,000	Telecom unit	1,00,000
<u>Creditors</u>		Cement Unit ✓	4,35,000
Software unit	1,50,000	<u>Investment</u>	
Telecom unit	2,50,000	Telecom Unit	1,50,000
Cement Unit ✓	1,00,000	Cement Unit ✓	80,000
		<u>Debtors</u>	
		Software unit	1,00,000
		Telecom unit	75,000
		Cement Unit ✓	3,00,000
		<u>Stock</u>	
		Software unit	50,000
		Telecom unit	2,10,000
		Cement Unit ✓	1,00,000
Total	18,00,000	Total	18,00,000

Additional Information:

- Fixed assets of Software unit, Telecom unit and Cement Unit have been overvalued by Rs. 75,000; 75,000 and 50,000 respectively.
- Market value of Investment of telecom unit and cement unit is Rs. 3,00,000 and Rs. 1,00,000 respectively.
- On 1.4.2012, the company decides to sell its cement division to another company Zubin Ltd. for Rs. 14,00,000.
- The breakup of fixed assets is as under:

Land Rs. 1, 30,000 (Revalued by Rs. 50,000)
Machinery Rs. 3, 05,000 (Depreciable)

- v. The cement division was set up on 30th June 2005. In the agreement to sell, the company specifies that the land is valued at Rs. 3, 25,000 for the purpose of payment of stamp duty by the purchaser. It is clarified in the agreement that this value has nothing to do with the consideration of Rs. 14, 00,000. The machinery transferred in the slump sale belongs to block of assets of Plant and Machinery on which depreciation rate is 15%. The WDV of block of assets of Plant and Machinery as on 1-4-2012 is Rs. 8, 00,000. The company has acquired a new machinery 'A' on 30th June, 2012 for Rs. 2,00,000 and has sold a Machinery 'B' on 31st December 2012 for Rs. 19,50,000. From records maintained under the companies Act, 1956 the company ascertains that the machinery transferred in the slump sale was acquired at the actual cost of Rs. 5, 00,000 on 31st December, 2006. As a tax consultant, you are required to calculate capital gain and depreciation and tax liability [14]

OR

Q.4(a) You are tax consultant of Multinational Company having its H.O in Canada, operating in India and other developing countries in Asia and Africa. Prepare a report (not exceeding 1000 words) for the president of Company for pointing out the difference between tax avoidance and tax evasion. Your report should be based upon the latest judicial rulings in India. [7]

(b) You have been appointed as a tax consultant with the Famous and Popular Ltd. As the initial assignment, management of the company seeks your advice regarding the development of SEZ. In the tax advice, you are requested to prepare a draft stating the requirements of Section 80IAB and the tax incentives available to the company under this section. [7]

Q.5 (a) what are the conditions of Demerger as per Income Tax Act, 1961? Discuss the tax implications under the Income Tax Act, 1961 in case of demerger, to the resulting company. [8]

(b) (i) Bareja Ltd. wants to raise capital of Rs. 40 lakh for a project where EBIT shall be 30% of capital employed. The company can raise debt fund @12% p.a. suggest which of the following 3 alternatives should it opt for:

(A) Rs. 40 lakh to be raised by equity share capital. (B) Rs. 32 Lakh by equity share capital and Rs. 8 lakh by loan. (C) Rs. 8 lakh by equity capital and 32 lakh by loans. Assume the company shall distribute the entire amount of profits as dividend and tax rate is 30%. [3]

(ii) What will be your answer, if EBIT is 10% of capital employed? [3]

OR

Q. 5 (c) XYZ Ltd. intends to purchase an asset for the expansion of its existing activities. For this purpose, asset is available in the market at cost of Rs. 4, 00,000. There are two alternatives available to the Company. First one is buying the asset by taking a loan of Rs. 4, 00,000 repayable

in five equal installments of Rs. 80,000 each along with interest@14% p.a. assuming that lease rentals, processing fees, interest as well as the principal amounts are payable at the year end. The second one is leasing the asset for which annual lease rental is Rs. 1, 20,000 up to five years. The lessor charges 1% as processing fees in the first year. Assume the tax rate to be 30.9%, rate of depreciation is 15% and internal rate of return to be 10%. Moreover, the present value factor at 10% is as under:

Year	1	2	3	4	5
PV factor	0.909	0.826	0.751	0.683	0.621

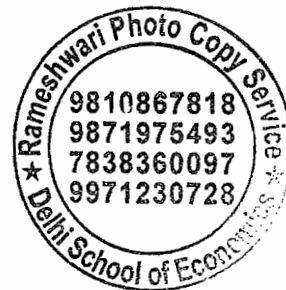
Being a tax consultant, you are requested to suggest which of the above mentioned proposal is acceptable to the assessee. [7]

(d) Mr. Rakesh (69 years) is in the business of manufacturing chemicals in Tamil Nadu since 1995. His elder son recently completed MBA finance from UK and he wants to set up a separated business for him. He will introduce a capital of Rs. 85 Crore and another sum of Rs. 55 Crore can be taken from financial institutions. He has the following options to set up the business

- i. Business for prospecting of mineral oil
- ii. Business in telecommunication.

As a tax consultant, you are required to briefly explain the advantages which accrue to the abovementioned businesses [7]

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This paper contains 3 printed pages

Roll no. 2017

M.Com semester III 2012
Paper no. 7141
Subject: Corporate Tax Planning

S. No. 7141121
Time: 3 hours

Max Marks: 70

Instructions: Attempt all questions. All questions carry equal marks

1. P&L a/c of Pioneer Industries Ltd. Shows net profit of Rs 1,54,09,650 for the financial year 2011-12. The following information has been taken through the analysis of books of accounts:
- I. Dividend amounting Rs 25,00,000 has been declared for the financial year 2010-11, out of this Rs 16,00,000 has been paid and such amount debited to P&L a/c.
 - II. Aforesaid net profits are included of the following undertakings:
 - a) Profit of export unit Rs 48,00,000
 - b) Profit of ready made garment undertaking Rs 16,00,000 (this undertaking is a small scale industry which is established in march 2004 in a backward state.
 - c) Profit of an undertaking engaged in providing telecommunication services, Rs 17,50,000 (this undertaking has started service from 1st April 2004).
 - d) Profit of an unit engaged in export of computer software Rs 18, 40,000 (this unit was established in 2010 in special economic zone).
 - III. For the A.Y. 2012-13, advanced income tax has been paid Rs 38,00,000 during the financial year 2011-12 and an additional provision has been made for Rs 14,00,000. Both items are debited to P&L a/c.
 - IV. Depreciation has been charged to P&L a/c Rs 17,70,000, when allowable depreciation is Rs 19,50,000 under section 32 of Income Tax Act.

Find out the total income and tax liability for the assessment year 2012-13. (14)

OR

Explain the provisions of minimum alternate tax (MAT) under section 115JB of Income Tax Act 1961. Is a foreign company also liable to pay MAT? (14)

2. Mr A a member of Australian Cricket team, received a sum of Rs 500,000 for participation in matches in India. He also received a sum of Rs 100,000 in India for endorsing a product on TV. He contributed with write-up in Indian Sports Magazines and earned Rs 10,000. During the tour of India he won a horse race worth Rs 10,000. Calculate his tax liability as a non resident Indian for the A.Y. 2012-13. (14)

OR

Explain the benefits available, if any, to new units in special economic zone u/s 10AA. What are the consequences of non utilization of the amount credited to the Special Economic Zone Reinvestment Allowance Reserve Account. (14)

3. (a) ABC Ltd is a manufacturing company needs a generator for its activities. The cost is Rs 1,00,000 and the rate of depreciation is 10% p.a. On making enquiries it is learnt that the company has two options. The first one is buying the asset by taking a loan of Rs 1,00,000 repayable in five equal installments of Rs 20,000 each along with interest @ 12% p.a. the second option is leasing the asset for which annual lease rental is Rs 30,000 up to five years. The lessor charges 1% as processing fees in first years. As the tax manager advise the company management on the better option to be selected. Tax rate applicable to the company is 30.9%. (9)
- (b) Discuss the disadvantages of using lease financing over buying with respect of advantages accruing as tax benefits. (5)

OR

- (a) Explain the provision of sec 79 for carry forward and set off of losses in the cases of certain companies. (5)
- (b) Explain arm's length price. How is it computed under section 92 C of the Income Tax Act, 1961? (9)
4. (a) Discuss the Tax considerations in dividend policy and issue of bonus shares under the Income Tax Act, 1961? (5)
- (b) Mr X is interested in starting up a new business in cold storage or related field and heard about the insertion of section 35 AD. He wants to explore the tax exemptions available for such kind of business. As a tax consultant, what kind of business set up will you advice for claiming maximum deduction? (9)

OR

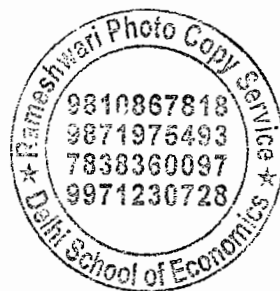
- (a) The director of a domestic company, whose existing capital is Rs. 10 crores all in equity, proposes to expand its business for which an additional investment of Rs. 5 crores would be needed. The entire money can be raised either by issue of equity shares or by issue of 12% debentures. They decide in favour of issue of equity shares. As a finance manager do you approve the proposal, keeping in mind the prospective tax benefits? Assume the rate of tax @ 30% and rate of return is 25%. (7)

(b) Discuss the benefits available under the Income Tax Act in case of amalgamation of companies to amalgamating company. (7)

5. Explain any two of the following: (7×2)

- a) De merger and Slump Sale
- b) Tax planning for business of computer software
- c) Unilateral relief and Bilateral relief

45



M.Com/ Semester III

S.No of Q.P: 7141112

Roll No...2011...

Course 7141: Corporate Tax Planning

Time: 3 hours

Maximum Marks: 70

Attempt all questions .All questions carry equal marks.

Q. No. 1 (a) How tax planning is different from Tax evasion and tax avoidance ? (7)

Q. No. 1 (b) Tax management is essential in the corporate sector but tax planning is optional.
Comment. (7)

(OR)

Q. No. 1. (a) Explain the concept of Deemed Dividend under section 2 (22) of the Income Tax Act. (7)

Q. No. 1 (b) Discuss the rules regarding determination of residential status of a company alongwith its tax incidence (7)

Q. No. 2. Discuss the adjustments to be made in the net profit of the P & L A/c for computing 'Book Profit' under the provisions of MAT (u/s 115 JB), alongwith the provisions of Tax Credit . (14)

(OR)

Q. No. 2 The Profit and Loss A/c of X Ltd., a domestic company, for the year ending 31st March 2011 is given below:

P & L A/c

Expenses related to goods		Sale of goods manufactured by	
Manufactured	10,00,000	Company	20,00,000
Exp. Related to other goods	8,20,000	Sale of other goods	10,50,000
Proposed Dividend	7,00,000	Long-term capital gain	5,00,000
Provision for uncerntained liability	80,000	Amt. withdrawn from General	
General Reserve	1,00,000	Reserve	90,000
Income tax paid	55,000		
Wealth tax pain	45,000		
Net Profit	8,40,000		
	<u>36,40,000</u>		<u>36,40,000</u>

Other relevant information are as follows:

- (i) An outstanding liability related to sales tax for 2006-07 paid during 2010-11 Rs. 50,000 which was not charged to above P & L A/c.
- (ii) Brought forward loss as per books of account is Rs. 80,000 while brought forward depreciation as per books of account is Rs. 70,000.
- (iii) Brought forward unabsorbed depreciation is Rs. 4,00,000.
- (iv) Brought forward loss under the head capital gain is Rs. 4,00,000.
- (v) Compute the tax liability of X Ltd. for the Ass year 2011-12.

(14)

Q. No. 3 A Ltd. is contemplating an expansion programme. It has to make a choice between debt issue and equity issue for its expansion programme. Its current position is as under:

	Rs. in crore
10% Debt	80
Equity share capital (Rs. 10 per share)	200
Reserves and surplus	120
Total capitalisation	400
Sales	1,200
Less : Total costs	1,076
EBIT	124
Less : Interest	8
EBT	116
Less : Tax @ 32.445%	37.64
EAT	78.36

The expansion programme is estimated to cost Rs. 200 Crore. If this is financed through debt, the new rate of debt will be 10 per cent and the price earning ratio will be 6 times. If the expansion programme is financed through equity, new shares can be sold getting Rs. 25 per share; and the price earnings ratio will be 7 times. The expansion will generate additional sales of Rs. 600 crore with a return of 10 per cent on sales before interest and taxes.

If the company is to follow a policy of maximising the market value of its shares, which form of financing should it choose ? (14)

(OR)

Q. No. 3 Discuss the tax concessions available to the corporate sector in respect of the setting up a new business in Free Trade Zone (u/s 10 A) & Special Economic Zone (u/s 10 AA) of the Act. (14)

Q. No. 4. Discuss 3 cases in the light of judicial pronouncements where huge expenditure by a company on 'repairs on rented premises', 'replacement of total plant & Machinery' and 'contributions to Govt. authorities for providing roads or other facilities' can be treated as revenue expenditure under the Act. (14)

(OR)

Q. No. 4. Find out the tax liability for the assessment year 2011-12 in the following case- X is resident and ordinarily resident in India. His income is Rs. 8,96,000 from a business in India and Rs. 1,92,000 from a business in a foreign country with whom India has an ADT agreement. According to the ADT agreement, income is taxable in the country in which it is earned and not in the other country. However, in the other country such income can be included for computation of tax rate. According to the tax laws of the foreign country, business income of Rs. 1,92,000 is taxable @ 23 percent. During the previous year, X has deposited Rs. 42,000 in his public provident fund account (out of which Rs. 10,000 is deposited out of foreign income). He has also received an interest of Rs. 32,000 on Government securities. (14)

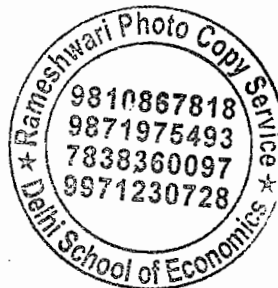
Q. No. 5 (a) With a view to avail tax concessions what conditions should be satisfied in the case of "Demerger" of companies under the Act. (7)

Q. No. 5 (b) Discuss the rules of conversion of a firm into company with a view to availing of exemption from capital gains tax. When such exemption can be withdrawn (7)

(OR)

Q. No. 5. (a) What is the meaning of amalgamation. Discuss the rules when Assets transferred in the scheme of amalgamation' shall not be treated as transfer. (7)

Q. No. 5 (b) What is the meaning of 'Undertaking'. Discuss the rules of calculating written down value of assets in the hands of transferor in the case of slump sale [u/s 43 (6)] (7)



This question paper contains 4+2 printed pages]

Your Roll No.

2102

A

M.Com./Sem. III

Paper—7141 : CORPORATE TAX PLANNING

(Admission of 2009 and onwards)

Time : 3 Hours

Maximum Marks : 70

(Write your Roll No. on the top immediately on receipt of this question paper.)

Note :— Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

Attempt All questions.

All questions carry equal marks.

1. The Profit & Loss A/c of X Ltd. for the year ending March 31, 2010 is given below :

	Rs.		Rs.
Expenditure for earning agricultural income	40,000	Gross Profit	71,83,000
Income tax, dividend tax and interest pertaining to these taxes	2,13,000	Agriculture income	9,00,000
Penalty and fine under the IT Act	42,000	Dividend for Indian companies	4,00,000
Excise Duty	19,20,000	Dividend for foreign companies	3,00,000
Wealth tax, fringe benefit tax and service tax	2,90,000	Long term capital gain on transfer of Gold	72,000
Depreciation	7,80,000	Long term capital gain on transfer of equity shares (securities transaction tax is applicable)	2,70,000
Depreciation (pertaining to revaluation of assets)	70,000	Short term capital gain on transfer of equity shares (securities transaction tax is applicable)	92,000
Statutory reserve (created on the direction of Supreme Court)	5,00,000	Withdrawal from revaluation reserve account	72,000
Provision for bad and doubtful debts	50,000	Withdrawal from general reserve	42,000
Provision for deferred tax	72,000	Withdrawal from capital reserve (which was not created by debiting P&L A/c)	10,000
Salary	11,20,000	Interest on units of mutual funds	8,000
Other expenses	14,20,000		
Net profit	28,32,000		
	93,49,000		93,49,000

P.T.O.

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Other Information :

- (a) Depreciation under Section 32 is Rs. 5,50,000. Besides, the company is eligible for an additional depreciation of Rs. 15,000.
- (b) Statutory reserve was created under the direction of Supreme Court given under its judgement dated July 1, 2009.
- (c) Provision for bad and doubtful debts pertains to a debtor who is not traceable. In the accounting year 2010-11, it is written off.
- (d) Salary includes payment of Rs. 4,00,000 to an employee without deducting tax at source. The company does not have an employee who is non-resident.
- (e) Out of the excise duty debited to P&L A/c, Rs. 50,000 is disputed and not paid so far.
- (f) During the previous year 2009-10, a company paid an outstanding sales tax of Rs. 59,000 for the Accounting Year 1999-2000.
- (g) Other expenses include Rs. 4,00,000 being capital expenditure for acquiring a licence.
- (h) X Ltd is a public limited company, and its shares are not quoted in any stock exchange in India. However, shares of X Ltd is quoted at Hong Kong Stock Exchange.
- (i) The company is eligible for deduction u/s 80 I B at the rate of 30%.

- (j) For income tax purposes, the company wants to claim brought forward business loss of 24,00,000 (previous year 2008-09) unadjusted depreciation of Rs. 43,000 (previous year 2000-01), long term capital loss of Rs. 8,000 (previous year 2007-08).
- (k) For accounting purposes, the company wants to claim deduction of accumulated loss of Rs. 44,00,000 out of which Rs. 10,000 is on account of depreciation.
- (l) On March 31, 2008, there were four shareholders in the company— A (60%), B (10%), C (8%) and D (22%). On April 1, 2008, A transfer his entire shareholding to his friend E for a consideration of Rs. 40 crore. On March 10, 2009, E transfers his entire shares to RSI. There is no other change in the shareholding pattern.

Find out the taxable income and tax liability thereon for the Assessment Year 2010-11. 14

Or

Explain the provisions of minimum alternate tax (MAT) under Section 115 JB of Income Tax Act, 1961. Is a foreign company also liable to pay MAT ? 14

2. Mr. A wants to start a new business. Amongst the following options, which business would you suggest him as a corporate tax advisor.

- (a) Business in Tonnage Activity
- (b) Business in Telecommunication.

7×2=14

P.T.O.

Or

Mr. B wants to start a new business. Amongst the following options, which business would you suggest him as a corporate tax advisor :

(a) Adventure and leisure sports

(b) Hotel Industry.

7×2=14

3. (a) The director of a domestic company, whose existing capital is Rs. 10 crores all in equity, proposes to expand its business for which an additional investment of Rs. 5 crores would be needed. The entire money can be raised either by issue of equity shares or by issue of 12% debentures. They decide in favour of issue of equity shares. Do you approve the proposal, keeping in mind the prospective tax benefits ? Assume the current rate of tax and 25% rate of return. 4

- (b) X (28 years) is a resident and ordinarily resident in India. His income is Rs. 8,96,000 from a business in India and Rs. 1,92,000 from a business in a foreign country with whom India has an ADT agreement. According to the ADT agreement, income is taxable in the country in which it is earned and not in the other country. However, in the other country such income can be included for computation of tax rate. According to the tax laws of the foreign country, business income of Rs. 1,92,000 is taxable @ 23%. During the previous year, X has deposited Rs. 42,000 in his Public Provident Fund Account (out of which Rs. 10,000 is deposited out of foreign income). He has also received an interest of Rs. 32,000 on Government Securities. Find out the tax liability for the Assessment Year 2010-11. 10

Or

Explain the provision of International transaction under Section 92 of the Income Tax Act, 1961. What are the conditions for the applicability of arm's length price in the International transaction and how to compute it under Sec. 92C of the Act ?

14

4. X Ltd, an Indian company, engaged in the business of manufacturing of transformers and switchgears, negotiates for the purchase or taking on hire a machine from a concern in U.K. If it acquires the machine, then the total cost will be Rs. 60,00,000 payable in 5 annual (interest free) instalments of Rs. 12,00,000 each, the payments to be made on July 1 each year beginning with the year 2010. If it takes the machine on hire, it has to pay an annual rent of Rs. 8,00,000 also payable on July 1 each year starting from the same year 2010. The company proposes to use the machine for 10 years from 2010.

The following assumptions have been made :

- (a) The company is a widely held company and tax rate is 33.2175
- (b) Rate of depreciation on machine is 15%
- (c) Cost of capital is assumed to be 10%.

Suggest which option is better and why ?

14

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(6)

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(a) Differentiate between 'Tax Planning', 'Tax Management' and 'Tax Evasion'.

(b) Briefly explain the provisions of avoidance of double taxation agreements under the Income Tax Act, 1961. 7×2=14

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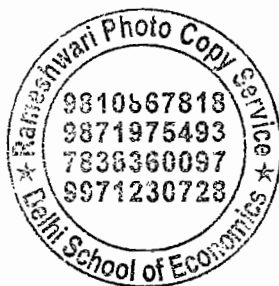
5. Discuss the benefits available under the Income Tax Act in case of amalgamation of companies in any *two* of the following :

(a) The amalgamating company

(b) The amalgamated company

(c) The shareholders of amalgamating company. 7×2=14

1.



Roll No. _____

This paper has 3 printed sheets.

**M.Com. Semester IV Examination
(May 2019)**

Paper no.- MJ414

Subject- Supply Chain Management and Logistics

S.No. 414M19

Duration: 3 Hours

Max. Marks: 70

General Instructions: 1. Write your Roll No. on the top immediately on receipt of this question paper
2. Attempt all questions. All questions carry equal marks.

Q.1: a. What is Supply chain management? Explain in detail the strategic, operational and tactical planning. 14

OR

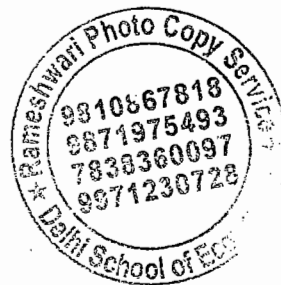
b. Explain the ABC approach of supply chain performance measurement. Discuss its main characteristics and application. 14

Q.2.: a. What do you mean by relationship management? Identify the bottlenecks in implementing customer relationship management 14

OR

b. Fit a linear regression equation for the following series. Estimate the sales for 2019 and 2021. 8

Year	Sales
2009	22734
2010	24731
2011	31489
2012	44685
2013	55319
2014	91021
2015	146234
2016	107887
2017	127483
2018	97275



c. Discuss the various factors which are taken into consideration for the selection of the number and location of the warehouse. 6



(Handwritten scribble)

Q.3: a. What are the objectives of inventory management? Explain how inventory can be managed successfully 8

b. What is multi-modal transport of goods? Discuss its advantages in detail 6

OR

c. Discuss the role of Information Technology in the Supply Chain? What is the impact of EDI and PDM in supply chain? 8

d. Explain the causes of bullwhip effect in detail. 6

Q.4: Write Short note on any **two** of the following: 7X2=14

- a) Demand Forecasting
- b) Liner & Tramp Chartering
- c) Just in Time purchasing

Q.5: Read the following case study carefully and answer the question given below:

The world's leading aerospace company, Boeing is the largest manufacturer of commercial jet airliners and military air craft combined. Headquartered in Chicago, Boeing operates in 70 countries with culturally diverse workforce. Boeing has an arch rival in the form of its European counterpart Airbus. Airbus is the largest civil airliner in service. Airbus also has expanded into military transport aircraft sector. Every strategic move of these two giants is followed closely and counter-measures are swiftly planned to capture the market share of each other. When Airbus started its ambitious super jumbo A380 project, Boeing quickly followed suit with its dream liner 787.

Airbus, by virtue of its multi-country lineage in EADS, has its manufacturing process scattered across many European nations including the UK, France and Germany. Its final assembly plant is located at France, where huge parts are brought through several transportation modes for assembling into an aircraft. This approach to manufacturing has been criticized by experts, who cited this as one of the reason for the A380 project delays and cost over runs. Ironically, Boeing tried to adapt a similar approach to manufacturing the 787. It experimented with radial outsourcing with major parts of the plane outsourced to companies in Canada, Australia, Korea, Japan and Europe. Comparatively, Boeing is into higher percentage of outsourcing for its engineering and design work. It is debatable as to whether this is the primarily the reason for the numerous delays and hefty cost overruns the 787 project has witnessed over the past several years. On several occasions, Boeing admitted design flaws, leading to delays. Boeing's customers are increasingly cautious of their delayed delivery schedules of 787. Some reports say that the first delivery of its new 787 aircraft would slip a well into the mid of 2011 or even

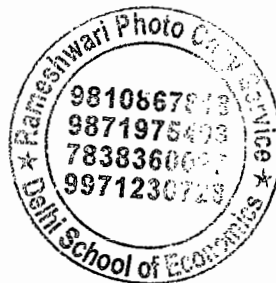
beyond. Interestingly it is the first time Boeing faced this kind of problems on after the eventual first flight in December 2009. The report also indicates that the company officials opine that they over reached on the new manufacturing method used with 787, but they remain committed to the outsourcing model.

However, further delays have been indicated and the increasing competition in cashing on the situation in a big way, with Airbus receiving orders from several Airlines who cancelled the 787 orders in favour of its A380.

Questions

a) The CEO of Boeing has decided to take an unbiased opinion of an external consultant to critically analyse the whole production model adapted in 787. If you are requested by Boeing as external consultant to submit a preliminary report, critically examine the outsourcing model of 787. 7

b) Suggest remedial measures in the Boeing's supply chain so as to avoid failure like 787 in future. 7





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5. Write short note on any two of the following :

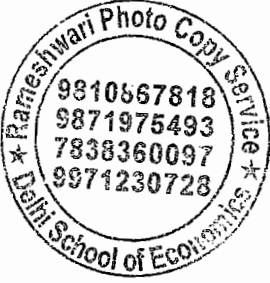
(a) EOQ

(b) Bullwhip Effect

(c) RFID

(d) CPFR

(10×2=20)



[This question paper contains 4 printed pages.]

Your Roll No. 2019

Sr. No. of Question Paper : 2032 I

Unique Paper Code : MJ-414

Name of the Paper : Supply Chain Management and Logistics

Name of the Course : M.Com.

Semester : IV

Duration : 3 Hours Maximum Marks : 100

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt all questions.
3. All questions carry equal marks.

1. (a) What do you mean by supply chain management? Discuss the objectives of logistics in detail?

(20)

OR

(300)

P.T.O.

(b) Discuss how logistics system planning components form the information system backbone for manufacturers and merchandisers. (20)

2. (a) What do you mean by customer relationship management? Examine its significance in the present competitive world. (20)

OR

(b) What is meant by performance measurement? Explain the dimensions of performance measurement in the supply chain management. (8)

(c) Discuss the various factors which are taken into consideration for the selection of the mode of transport. How does the transport selection decision affect the logistic system? (12)

3. (a) What do you mean by packaging? Discuss its significance in logistic management. (8)

(b) Why is the location of warehouse important in the supply chain management? Discuss some methods for determining the location of the warehouse. (12)

OR

(c) What is the role of inventory in a supply chain? Explain how uncertainty in the supplier chain managed. (8)

(d) What do you mean by Chartering? Discuss the types of chartering in detail. (12)

4. (a) Define Enterprise Resource Planning (ERP). Give its tangible and intangible benefits. Why does a company pursue a new ERP solution? (20)

OR

(b) What do you mean by third party logistic outsourcing? What are the various factors that are considered by organisations before entering into third party logistic outsourcing? (20)

M.Com Semester IV Examination (Regular)

(May/June 2018)

Paper No.- MJ414

Subject- Supply Chain Management and Logistics

S. No. MJ414M18

Duration: 3 Hours

Max. Marks:70

General Instructions: Attempt all questions. All questions carry equal marks.

Q.1: Describe the concept of Total Cost Analysis to Logistics. Illustrate the various trade offs that occur in between various elements of logistics costs. 14

OR

c. Explain the concept of economies of scale in supply chain. How do you determine the optimum level of inventory in supply chain management? 6

d. A company makes bicycles. It produces 450 bicycles a month. It buys the tires for bicycles from a supplier at a cost of \$20 per tire. The company's inventory carrying cost is estimated to be 15% of cost and the ordering is \$50 per order.

- | | | |
|------|---|---|
| i. | Calculate the EOQ. What is the number of orders per year. | 3 |
| ii. | Compute the average inventory and average annual ordering cost. | 3 |
| iii. | Compute the total cost | 2 |

Q.2: a. "Many innovations on technology-based approaches are well-suited to the enhancement of the effectiveness of Supply Chain Management"-Justify the statement by giving few applications of information technology in SCM. 7

b. What is demand forecasting? Explain quantitative and qualitative methods of forecasting 7

OR

c. Why is the location of warehouse important for the Supply Chain Management? Discuss the various factors which are taken into consideration in the selection of the location of the warehouse. 7

d. Define CPFR. What are the eight tasks associated with CPFR Model? 7

Q.3: a. Describe four main types of relationships that might exist between suppliers and buyers. Explain the circumstances that favour each type of relationship. 7

b. Raw teakwood is to be exported from Malaysia to India in bulk. Which mode of transport would you recommend? What are the advantages and disadvantages of such a mode? 7

OR

c. Define Enterprise Resource Planning (ERP). Give its tangible and intangible benefits. Why does a company pursue a new ERP solution? 7

d. Do you Agree or Disagree with the sentiment that 3PLs(Third Party Logistics) Companies add unnecessary cost and few service improvements to supply chain? Why? 7

Q.4: Write Short notes on any **two** of the following

7X2 = 14

- a) Benchmarking Supply Chain
- b) RFID
- c) Purchasing Cycle

5. Read the case study given below and answer the questions given at the end.

Farm Equipment Manufacture Limited (FEML) established in 1965, is one of the world's leading producers of agricultural equipment and one of the leaders in construction & forestry equipment, diesel engines & other power-train components. FEML's latest efforts on supplier relationships have their origins in the plant redefining its business strategies during 1990s, as a result of this redefinition, the factory was focused on sheet steel stampings, welding, assembly and paint as core manufacturing processes. With this strategy, purchased part costs began to represent an increasing percentage of the FEML's manufactured costs. This laid the first cornerstone in FEML's re-examination of supplier relations. The second cornerstone fell in place when, because of capacity constraints, FEML's sheet metal stamping department was unable to fill the factory's total stamping requirements. This led to development of external stamping sources. Now the third cornerstone was laid: Discussions began to arise as to whether the internal stamping department should be treated same as external stamping suppliers, with the implication that the internal department should compete for business and receive the same level of support as any outside source of supply. Typically FEML's suppliers are small and medium sized manufacturers. Increasingly such companies have been under industry wide competitive pressure to reduce overhead and trim costs. Many of them have reduced their employees to the minimum necessary to run daily operations. Planning and Implementing new manufacturing strategies is beyond the capabilities of many of these companies because of lack of expertise on their staff. This realization led to the fourth and final cornerstone. A vigorous debate began in the management of internal and external suppliers at FEML, namely: Why don't strategic outside sources (suppliers) receive the same level of support provided to FEML internal sources (departments).

In 2005, Mr. Sonawala, General Manager of Company, initiated a pilot Supplier Development Programme. The aim was to resolve a debate. An agreement was forged with the pilot suppliers that would entitle FEML to share in any savings obtained from the resulting improvements. Over the next 18 months, the same FEML corporate process engineers who normally worked on supply chain management improvement projects were sent out to work with the suppliers who participated in the pilot project. The result of the pilot project was unambiguous. They showed that the price reductions that resulted from FEML enabled it to more than recoup the investment it made in 16 suppliers.

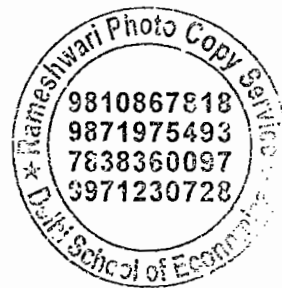
Based on the results, in 2015, FEML formed a dedicated supplier development group focusing on providing resources to assist strategic suppliers in implementing SCM improvements. Services are provided at no cost. If there are no cost savings to the supplier as a result of a project, no price reductions from the supplier are expected. If costs are reduced, the resultant savings are used equitably to both increase the supplier's profit margin and reduce price to FEML. If capital investment is required by the supplier to realize the savings,

the supplier is first allowed to recoup that investment from the savings prior of sharing them with FEMI.

Recent improvement efforts have targeted lead-time reduction in the supplier's factories. In addition to providing personnel to work at the suppliers facilities, FEMI has provided training and education for the supplier's staff. As a result of these efforts, FEMI has seen reduction of more than 90% in the lead-time at some suppliers and resulting price reductions to FEMI (after providing for the supplier's share as above) have been as much as 15%. The programme has clearly yielded mutual benefits to FEMI and its supplier base and is creating a competitive advantage in the market place.

Questions:

1. What should the basis for sharing benefits between FEMI and its suppliers? 3
2. "Managing lead-time is more important than reducing the inventory in a Supply Chain." Defend this statement in the context of FEMI. 3
3. Explain in brief the performance indicators at FEMI and at the supplier's end. What performance indicators should be evolved so as to capture the impact of "Bull whip" impact? 5
4. List atleast four factors on which the suppliers of FEMI needs to be evaluated. 3



9282

4

5 Write short note on any two of the following :

~~(a) EOQ~~

~~(b) Bull whip Effect~~

~~(c) ABC Analysis~~

(d) WMS

(10×2=20)

[This question paper contains 4 printed pages.]

Your Roll No. 80215

Sr. No. of Question Paper : 9282

H

Unique Paper Code : MJ-414

Name of the Paper : Supply Chain Management and Logistics

Name of the Course : M.Com.

Semester : IV

Duration : 3 Hours

Maximum Marks : 100

Instructions for Candidates

11

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt all questions.
3. All questions carry equal marks.

1. ~~(a)~~ The goals of SCM might be to increase profitability, flexibility and customer satisfaction. Do you Agree? Why or Why not? ✓

(20)

OR

(300)

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(b) How is the building of strategic partnerships and trust valuable within a supply chain? Explain the factors that help in achieving supply chain coordination in practice. (20)

(a) Define Forecasting. Estimate the sales of the year 2015 using regression method.

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sales (units)	22734	24731	31489	44685	55319	91021	146234	107887	127483	97275

(b) What do you mean by Chartering? Explain the difference between the Bareboat Charter, Time Charter and Voyage Charter? (10)

OR

(c) Discuss the pros and cons of 3PL (Third Party Logistics) outsourcing. Provide a discussion on the role transportation plays in 3PL operations. Substantiate your answer with referenced examples. (12)

(d) Discuss the various factors which are taken into consideration for the selection of the mode of the transport. Describe the intermodal relationships in multimodal transport. (8)

(a) What is ~~RPD~~? How can it improve logistic processes? (8)

(b) Define Customer Relationship Management (CRM). Explain the steps in designing and implementing a successful CRM programme. (12)

OR

(c) Define JIT. How does the relationship between a company and its suppliers change when the companies convert from a traditional relationship to a JIT relationship? (8)

(d) What do you mean by CPFR? Discuss the advantages the challenges of CPFR in detail. (12)

(a) Define Harmonious Supply Chain Relationships. How can supply chain relationships be transformed into harmonious relationships? (20)

OR

(b) Explain the role of IT in SCM. Also explain the importance of EDI, ERP and Bar Coding in supply chain management. (20)

M.Com Semester- IV Examination (Regular)

(May 2017)

Paper no.- MJ414

2017

Subject- Supply Chain Management & Logistics

S.No. 414M17

Duration: 3 Hours

Max. Marks: 70

General Instructions: Write your Roll No. on the top immediately on receipt of this question paper) Attempt all questions. All questions carry equal marks.

Q.1. a. Describe the concept of Total Cost Analysis to Logistics. Illustrate the various trade-offs that occur in between various elements of logistics costs. 8

b. Explain how to measure and control the logistics performance. 6

OR

c. What is demand forecasting? Explain quantitative and qualitative methods of forecasting? 8

d. Below are the given the figures of earnings (in lakhs). Assuming that the same rate of change continues, predict the earnings of 2017 using the method of least squares. 6

Year	Earnings(Lakhs)
2008	38
2009	40
2010	65
2011	72
2012	69
2013	60
2014	87
2015	95



Q.2.a. What do you mean by Economic Order Quantity? Explain the role of EOQ in the achievement of logistical objectives? 8

b. What is bullwhip effect and how does it relate to lack of co-ordination in the supply chain? 6

OR

c. What do you understand by ERP (Enterprise Resource Planning). How is it having an edge over MRP? 8

d. Describe the concept of Just-in-Time system and its relationship to Supply Chain Management. 6

Q.3. a. Explain the role of 3PLs (Third party Logistic) Outsourcing in the success of Supply Chain Management. 7

b. Explain the role of transportation in the success of logistic system? Discuss the relative strengths and weaknesses of linear and tramp shipping service. 7

OR

c. While formulating warehousing strategy for the achievement of superior customer service, what are various issues that logistic managers are required to incorporate? 7

d. Explain CRM's (Customer Relationship Management) role in Supply Chain Management? Explain tools and components of CRM in detail? 7

Q.4: Write Short notes on any **two** of the following

7X2 = 14

- a) Containerization
- b) Protective Packaging
- c) EDI
- d) CPFR

5. Read the case study given below and answer the questions given at the end.

Kozmo, the Online convenience store to shut down New York-based Kozmo, announced that it would stop delivery service in all nine cities it operates. New York-based Kozmo, which dispatched legions of orange-clad deliverymen to cart goods to customers' doors, is the latest dot.com dream to evaporate in the market downturn. Amazon com, venture capital firm Flatiron Partners and coffee giant Starbucks were among the investors in Kozmo. Kozmo said in December that investors promised a total of \$30 million in private funding. But last month the company learned that an investor had backed out of a \$6 million commitment. Kozmo executives had been working on a merger deal with Los Angeles-based PDQuick, another online grocer, sources said. The deal collapsed when funding that was promised to PDQuick did not materialize. Sources said Kozmo still has money but decided to close now and liquidate to ensure that employees could receive a severance package.

Just last month, Kozmo Chief Executive Gerry Burdo was upbeat about Kozmo's future, saying he was looking to steer Kozmo away from its Internet-only business model and toward a "clicks and bricks" approach. But some analysts say Kozmo's business model only made sense in the context of a densely packed city such as New York. Vern Keenan, a financial analyst with Keenan Vision, said the service had a chance to work in only a few other cities around the world, such as London, Stockholm or Paris. "This seemed like a dumb idea from

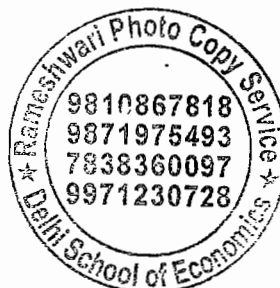
the beginning," Keenan said. "This grew out of a New York City frame of mind and it simply didn't translate."

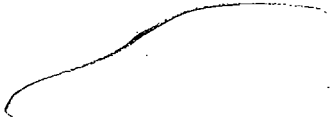
Kozmo offered free delivery and charged competitive prices when it launched in New York. Though customers loved the service, the costs of delivery were high. After co-founder and former Chief Executive Joseph park stepped down, Burdo slashed Kozmo's overhead, instituted a delivery fee and oversaw several rounds of layoffs. The company also closed operations in San Diego and Houston. Burdo said last month that profitability was not far away. The company had reached a milestone last December when it reported profits at one of its operations for the first time. Kozmo later saw two more operations reach profitability as a result of brisk holiday business.

Online delivery companies have been among the most ravaged by the Internet shakeout. Kozmo's rival in New York, Urbanfetch, shuttered its consumer operations last fall. Online grocers such as Webvan and Peapod have also struggled, and smaller operations such as Streamline.com and ShopLink.com have dosed down. Peapod was days away from closing last year when Dutch grocer Royal Ahold agreed to take a majority stake. From the very beginning, supply chain management was to be a core competency of Kozmo. The promising dot.com would deliver your order everything from the latest video to electronics equipment in less than an hour. The technology was superior, the employees were enthusiastic, the customers were satisfied. But eventually, Kozmo ran out of time and money.

Questions:

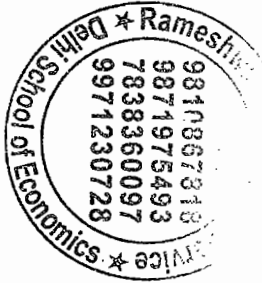
- (a) What, in your opinion, are the major reasons for the failure of Kozmo? 4
- (b) Do you think that Kozmo promised what its supply chain could not bear? What could have prevented its shut-down? 5
- (c) Should Kozmo switch to RFID (Radio Frequency Identification)? Why or Why not? 5





5. Write short note on any **two** of the following :
10×2=20

- (a) Supply Chain Metrics
- (b) Third Party Logistic Outsourcing
- (c) JIT
- (d) Bull Whip Effect



[This question paper contains 4 printed pages]

Your Roll No. : ~~2017~~ 2017

Sl. No. of Q. Paper : 4104 G

Unique Paper Code : MJ-414

Name of the Course : M.Com.

Name of the Paper : Supply Chain
Management and
Logistics

Semester : IV (NC)

Time : 3 Hours Maximum Marks : 100

Instructions for Candidates :

- (a) Write your Roll No. on the top immediately on receipt of this question paper.
 - (b) Attempt **all** questions.
 - (c) **All** questions carry equal marks.
- I. (a) Discuss the operational objectives of logistics. How can they contribute to the achievement of a logistical mission ? 20

OR

- (b) What is relationship marketing in Supply Chain Management ? Explain SRM's (Supplier's Relationship Management) role in Supply Chain Management ? 20
2. (a) Discuss how technology platform shifts have made supply chain IT system more effective ? 10
- (b) Discuss the merits and limitations of the method of least squares for forecasting. 10

18

OR

- (a) How does protective packaging facilitate in the fulfillment of logistical objectives ? 10
- (b) Discuss the advantages and disadvantages of public and private warehouses.
3. (a) Discuss the role of inventory management in retail logistics. 10
- (b) Describe the various techniques used for controlling inventory with their merits and demerits. 10

2

OR

- (a) What do you understand by the term "multimodal transportation" ? Give examples and explain. 10
- (b) Discuss about various transportation modes in detail. 10
4. (a) Explain in detail about Supply Chain Integration and Measurement of Logistics Performance. 12
- (b) Should all major retailing & manufacturing companies switch to RFID (Radio Frequency Identification). Why or why not ? 8
- OR**
- (a) Discuss the concept, span and process of integrated Supply Chain Management (SCM) in the competitive environment. 12
- (b) How does ERP facilitate the improvement of logistical decision making ? 8

3

P.T.O.

This question paper contains three printed pages.

Roll No. 2016

Course: M.Com Sem-IV

Paper No. : MJ414 (2016)

Subject: Supply Chain Management and Logistics

S. No.: 414M16C

Time: 3 Hours

Maximum Marks: 70

(Write your Roll No. on the top immediately on receipt of this question paper)

Attempt all questions. All questions carry equal marks.

Q.1: a. What do you mean by logistics? What are the functions of Logistic Management? 10

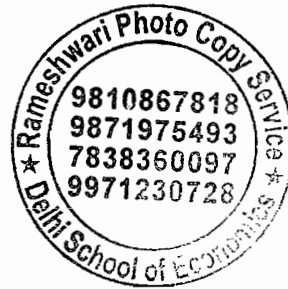
b. Write a note on the supply chain performance measurement. 4

OR

c. Discuss the merits and demerits of the moving average method of forecasting. 4

d. Estimate the trend values using the data given below by taking a four-yearly moving average 10

Year	Value
1991	24.1
1992	25.1
1993	27.3
1994	28.3
1995	28.1
1996	29.1
1997	30.1
1998	45.3
1999	39.3
2000	41.3
2001	42.2
2002	46.4



Q.2.: a. Should all major retailing & manufacturing companies switch to RFID (Radio Frequency Identification)? Why or why not? 7

b. What do you mean by Inventory? Explain the role of EOQ in the achievement of logistical objectives? 7

OR

c. Discuss the various factors which are taken into consideration in the selection of a protective packaging policy out of the various alternatives. 6

d. Write short note on:

- | | |
|----------------|---|
| (i) Bar Coding | 4 |
| (ii) EDI | 4 |

Q.3: a. Explain the importance of Relationship Marketing in the success of Supply Chain Management. 6

b. What do you mean by Chartering? Explain the difference between the Bareboat Charter, Time Charter and Voyage Charter? 8

OR

c. Discuss the relative strengths and weaknesses of public and private warehouses. 6

d. Explain SRM's (Supplier Relationship Management) role in Supply Chain Management? Explain tools and components of SRM in detail? 8

7

Q.4: Write Short notes on any **two** of the following 7X2 = 14

- a) Containerization
- b) JIT Purchasing
- c) Bull Whip Effect

5. Read the case study given below and answer the questions given at the end.

ABC Ltd. is the country's largest manufacturer of spun yarn with well-established market. ABC Ltd. has good reputation for quality and service. Their marketing department identified that the potential for global market is expanding rapidly and hence the company undertook exercise for expansion of the capacity for export market. The company formed team of Marketing and Materials department to study the global logistics possibilities. After extensive study, the team came up with a report on global logistics and submitted that global logistics is essentially same as domestic due to following similarities:

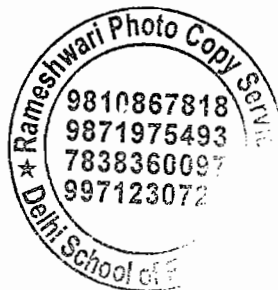
- The conceptual logistics framework of linking supply sources, plants, warehouses and customers is the same.
- Both systems involve managing the movement and storage of products.
- Information is critical to effective provision of customer service, management of inventory, vendor product and cost control.
- The functional processes of inventory management, warehousing, order processing, carrier selection, procurement, and vendor payment are required for both.
- Economic and safety regulations exist for transportation.

The company had very economical and reliable transportation system in existence. For exports as well they decided to evaluate capabilities of their existing transporter and entrusted them with the job of transport till port. The response for company's export was very good and

the company could get as many as 15 customers within first two months and reached to a level of USD 250,000 per month by the end of first half of the year. Based on this response the export volumes were expected to grow to a level of USD 400,000 per month by the end of the year. When the review was made at the end of the year, company found that export volumes had in fact come down to the level of USD 120,000 which was much lower than it had reached in the first half of the year. The managing committee had an emergency meeting to discuss this and the export manager was entrusted with the task of identifying the reasons for this decline. Mr. Ganesh decided to visit the customers for getting the first hand information. When he discussed the matter with the customers, the feedback on the quality and price were good but the customers were very upset on the logistic services due to delayed shipments, frequent changes in shipping schedules, improper documentation, improper identifications, package sizes, losses due to transit damages etc. After coming back, the export manager checked the dispatch schedules and found that production and ex-works schedules were all proper. Then he studied the logistics systems and found that the logistics cost was very high and all the logistics people were de motivated due to overwork and were complaining of total lack of co-ordination and the system had become totally disorganised.

Questions:

1. Explain the problems experienced by ABC Ltd. What is the main cause of these problems? 3
2. What logistics model should the company go for to ensure proper operations of the company? 2
3. Do you feel that some of the logistic functions should be replaced by outsourcing the services of 3PL (third party logistics)? If yes, explain how customer service will be improved by 3PL? 4
4. Discuss the 3PL implementation challenges and issues faced by company 5



2900

4

(b) Product Development Process & Supply Chain Management

(c) MRP & ERP

(d) ~~CPFR~~

(10×2=20)

Ramesh Kumar



[This question paper contains 4 printed pages.]

2900

Your Roll No. ... 2016

M.COM. : SEMESTER - IV (NC) F-I

Paper No. - MJ-414

Supply Chain Management and Logistics

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

All questions carry equal marks.

1. (a) What do you mean by logistics ? Discuss the objectives and growing importance of logistics in India ? (20)

OR

- (b) What is Relationship Marketing in Supply Chain Management ? Explain CRM's (Customer's Relationship Management) Role in Supply Chain Management ? (20)

(300)

P. T. O.

2900

2

2. (a) What is EDI? How can it improve logistic processes? (10)
- (b) What is demand forecasting? Explain quantitative and qualitative methods of forecasting. (10)

OR

- (c) What is meant by protective packaging? Write a note on various forms of protective packaging. (8)
- (d) Discuss the various factors which are taken into consideration for the selection of the number and location of the warehouse. How does the warehouse location decision affect the logistic system? (12)

3. (a) What do you mean by inventory? Discuss various elements of inventory costs. (8)
- (b) Discuss the concept of Just-in-Time System and its relationship to Supply Chain Management. (12)

OR

2900

3

- (c) What do you mean by EOQ? Explain the EOQ model in relationship to Logistic System. (8)
- (d) Discuss the nature and relative characteristics of various modes of transport. What issues should a logistic manager consider in trying to select a mode of transport? (12)

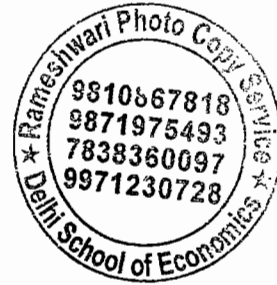
4. (a) Discuss the emerging role of third party outsourcing in the achievement of supply chain management objectives. (20)

OR

- (a) Discuss the functions and contributions of supply chain Management (SCM) in the competitive environment. (12)
- (b) Write a note on bullwhip effect on the supply chain. (8)

5. Write short note on any two of the following:

(a) Supply Chain Metrics → *Key*



2019

M.com (Semester-IV)
Paper No. MN452

Accounting Theory and Financial Reporting

S. NO - 452M19

Max. Duration:- 3 Hrs.

Max. Marks: 70

2019

Instructions: (i) Attempt all questions All questions carry equal marks.

Q1.

- a) Discuss the factors influencing accounting environment in country. (7)
b) "Accounting theory has great utility in improving accounting practices and resolving complex accounting issues" discuss this statement. (7)
- OR
- c) Explain deductive and inductive approaches in theory formulation. (7)
d) Discuss decision -usefulness theory. (7)

Q2." Income cannot be properly determined unless capital is maintained" Explain and discuss the different concepts of capital maintenance. Which one is better during periods of inflation? (14)

OR

How are setting accounting standards useful to accountants and auditors? Evaluate the standards setting programme of accounting standard Board in India. (14)

Q.3 Discuss the objectives of financial reporting Evaluate the relevance of general purpose report and specific purpose report.

OR

Discuss the factors responsible for global convergence of accounting standards. Evaluate the attempts made by IASB in this regard. (14)

Q.4 Explain the different adjustments required under CPPA and CCA to prepare profit and loss account and balance sheet.

OR

What is segment reporting? What are its benefits? Explain the different in providing segmental information in company annual reports. (14)

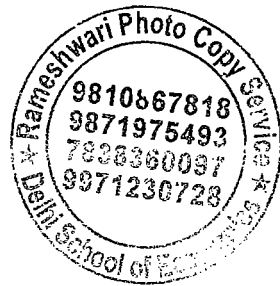
Q.5 (a) Discuss the relevance of interim reporting for the investors and other external user what are the provision of Ind AS34 with regard to disclosure of interim financial information. (14)

OR

(b) Discuss the significance of human resource accounting. (7)

(c) What is corporate social reporting? Explain the benefits of social reporting information. (7)





Roll No.....

This paper has 2 printed sheets

M.Com. Semester IV Examination

(Regular)

2018

Paper No. MN 452

Subject: Accounting Theory and Financial Reporting

S. No. MN 452 M18

Duration: 3 hours

Max.Marks:70

General Instructions: Attempt all questions. All questions carry equal marks

Q.1 (a) Discuss the factors influencing the accounting environment in a country. (7)

(b) Define General Accepted Accounting Principles (GAAP), also explain the factors to be considered in the selection of accounting principles by a business firm. (7)

Or

(c) Discuss the salient features of decision usefulness theory in financial accounting. (7)

(d) Accounting theory has a great utility for improving accounting practices and resolving complex accounting issues. Explain the statement. (7)

Q.2 "Income cannot be properly determined unless capital is maintained". Explain and discuss the different concepts of capital maintenance which one is better during periods of inflation. (14)

Or

Give your opinion as to whether standards should be set by government or a private sector accounting body or autonomous agency. What difficulties are being faced by standard setters in establishing accounting standards? (14)

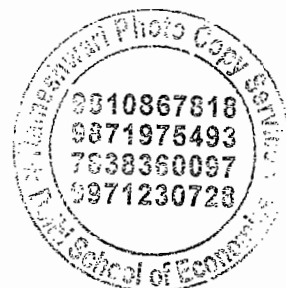
Q.3 What is the concept of global convergence of accounting standards? Explain the attempts made by IASB in this regard. (14)

Or

Discuss the basic objectives of financial reporting. What are the benefits of financial reporting? (14)

1

3



Q.4 Discuss the working of Current Purchasing Power Accounting. What are its merits and demerits? (14)

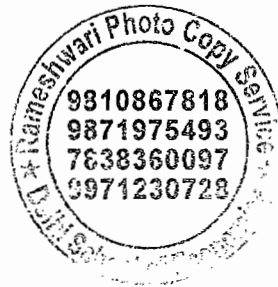
Or

Discuss the methodology of Current Cost Accounting and various adjustments to arrive at current cost income statement and balance sheet. (14)

Q.5 Discuss the different bases used for segmenting a diversified company. What are the provisions of Ind AS 17 on Segment Reporting? (14)

Or

What is the rationale of Interim Reporting? Explain the provisions of Ind AS 34 on Interim Financial Reporting. (14)



Roll No.:

This Paper has 02 Printed Pages

M.COM Semester (IV) Examination (Regular)

(May -2017)

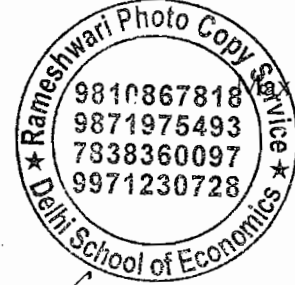
Paper No.: MN452

2017

Accounting Theory and Financial Reporting

S.NO.:452M17

Duration : 3 hours



Marks: 70

Introductions:

Attempt all questions. All questions carry equal marks.

- 1.(a) Discuss the factors influencing accounting environment in a country. 7
(b) What is GAAP? Explain the factors to be considered by a business firm in the selection of accounting policies. 7
Or
(c) What is measurement in accounting? Discuss the difficulties in accounting measurements. 7
(d) Explain Deductive and Inductive approach in theory formulation. 7
2. Explain 'Decision Usefulness theory'. What is the importance of decision models and decision-makers in this theory? 14
Or
Explain the advantages of Accounting standards. What are the rules regarding compliance of Accounting standards in India? 14
3. "Income cannot be properly determined unless capital is maintained". Explain the statement and discuss the different concepts of capital maintenance. Which one is better during periods of inflation? 14
Or
Discuss the objectives of financial reporting. What is the relevance of general purpose financial reporting? 14
4. Explain methodology of Current Purchasing Power Accounting and Current Cost Accounting methods of inflation accounting. 14
Or
Explain the factors responsible for global convergence of accounting standards. What are the difficulties in global convergence? 14
- 5.(a) What is segment reporting? Explain the benefits of segmental disclosures in published annual reports? 7

(b) Discuss the provisions of AS25 on interim financial reports. 7

Or

(c) What is human resource accounting? Explain the utility of human resource accounting for investors and business firms? 7

(d) Explain the concept of social reporting. How are business enterprises and investors benefited by social responsibility disclosures? 7

Receipts
Assets
Liabilities
Development
- Q

This question paper contains 3 printed pages]

Your Roll No. 2017

4100

M.Com. : Semester-IV (NC) G

Paper No. MN-452

(Accounting Theory and Financial Reporting)

Time : 3 Hours

Maximum Marks : 100

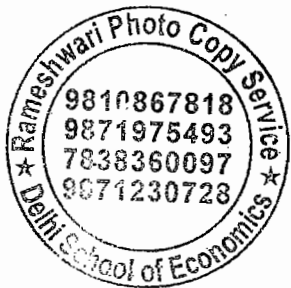
(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

1. (a) Discuss the provisions of ASI-Disclosure of Accounting Policies. 10
- (b) Compare Positive and Normative Methodology of accounting theory. 10
- (c) Discuss the Similarities and Dissimilarities between accounting income and economic income. 10
- (d) Explain the different recipients of net income. 10
2. Explain 'accounting structure' and 'interpretational theory' of accounting theory. What are their drawbacks ? 20

P.T.O.



Or

- 3. What is conceptual framework? Discuss the conceptual framework developed by FASB (USA). 20

- (c) Discuss briefly the different methods of accounting for human resources. 10

Or

Discuss the arguments for global convergence of accounting standards. Explain the progress made by IASB in this regard. 20

- (d) What are the benefits of interim reporting? What are the difficulties in preparing such reports? 10

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- 4. Distinguish between CPPA and CCA method of accounting for changing prices. Which one is better and why? 20

Or

What are the different bases of segmentation for segment reporting? Discuss the segmental disclosures as required as per AS 17 'segment Reporting'. 20

- 5. (a) Discuss the qualitative characteristics of accounting information. 10
- (b) Explain the advantages and disadvantages of standard setting by government and private sector body. 10

This Q. paper has 2 printed sheets.

Roll No. (2016)

M.Com. Sem – IV

Paper No : MN 452

Subject : Accounting Theory and Financial Reporting

S. No. 452M16C

Max Marks : 70

Time : 3 hours

Instructions : Attempt all questions. All questions carry equal marks.

1. Discuss decision usefulness theory in the formulation of accounting theory. Explain the relevance of Individual User Behaviour and Aggregate Market Behaviour in this theory.

Or

Explain the factors to be considered for selection of accounting principles. What provisions are contained in AS 1: Disclosure of Accounting Policies?

14

2. Define accounting income and economic income. Explain the differences and similarities between these two income concepts.

Or

Discuss the benefits of Accounting Standards. Examine the rationale of standard setting by government private sector body, government backed agency.

14

3. What should be the objectives of financial reporting? Discuss general purpose report and specific purpose report and their relevance in financial reporting.

Or

Evaluate the achievements of International Accounting Standards Board (IASB) in promoting global convergence. What difficulties are being faced by IASB in this regard?

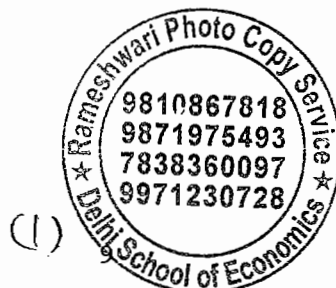
14

4. What is the main objective of Current Cost Accounting (CCA)? Discuss the various adjustments that are required to prepare current cost profit and loss account and balance sheet.

Or

Discuss the different bases of segmentation for a diversified company. Which basis of segmentation is more appropriate for providing segmental disclosures?

14



5. (a) What is the need for interim reporting? Discuss the provisions of AS 25 and the SEBI'S guidelines on interim reporting.

Or

(b) Explain the advantages and limitations of Human Resource Accounting (HRA). 7

(c) What is social reporting? What is its scope? 7

This question paper consists of 3 pages

Roll No...2014.....

M.Com. : Semester III
Paper No. : 6302
Subject: Accounting Theory and Practice

S. No. 6302141

Time: 3 hours

Max. Marks: 70

Instruction: Attempt all questions. All questions carry equal marks.

Q1 (a) Solve the following using the relevant Accounting Standard. [2*5=10]

(i) A Ltd. sells "sauna belt on money-back if not fully satisfied" basis. Under the scheme, the customer has an option to return the item within 30 days. The company follows a policy of not recognizing sales whose return period has not expired on the balance sheet date. Comment.

(ii) PQR Ltd. purchased a machine for Rs. 1,50,000 a few years ago. It was revalued two years ago by adding Rs. 75,000 to the carrying cost and the revaluation reserve. The present carrying amount of the asset is Rs. 95,000. It has been sold for Rs. 1,05,000 now. Find out the amount of profit on sale to be recognized in the Profit & Loss A/c and General Reserve, if any.

(iii) S Ltd. is engaged in the business of construction of roads and bridges. For the year ended 31st March, the Company has earned Rs.25 lakhs as Interest on Short – Term Deposit with their Banks. These deposits are made out of advances received from the customers towards project work yet to be done. While calculating Progress Payments at the year – end, the interest of Rs.25 lakhs earned was considered as part of the funds received for the project. Is the treatment given by S Ltd. with regard to the interest earned on Short – Term Deposit correct?

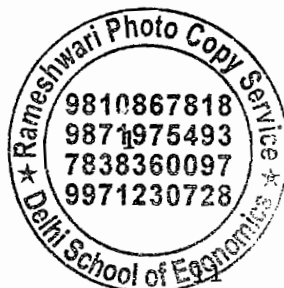
(iv) R Ltd. has 1000 shares of S Ltd. as on 31.3.04. On 14.4.04, S Ltd. declare a dividend of Rs. 3 per share for the year 2003-04. R Ltd. wants to recognize this dividend income of Rs.3000 in the financial statement, for the year 2003-04, as the dividend had been declared before the preparation of balance sheet. Advise.

(v) Academy Ltd. purchased a computer for Rs. 1,50,000 to be paid in two installments of Rs.1,00,000 and Rs. 50,000 payable on 1-12-03 and 31-1-04 respectively. The acquisition of asset at Rs. 1,50,000 was duly recorded and the supplier was shown as a creditor for Rs.50,000 in the balance sheet as on 31-12-03. The account of the creditor however was settled by paying Rs. 40,000 only on 31-1-04. The rebate of Rs. 10,000 has been considered as income of the year 2004. Comment.

OR

(b) Describe the recommendations as given in AS-1 regarding disclosure of accounting policies.

[10]



Q2. (a) "Depreciation is a process of allocation, not of valuation." Critically examine the statement. [7.5]

(b) Give your opinion as to whether standards should be set by government or a private sector accounting body or autonomous agency. [7.5]

OR

(c) 'Income cannot be properly determined unless capital is maintained.' Explain and discuss the different concepts of capital maintenance. Which one is better during the period of inflation?

[7.5]

(d) When, during the operating cycle, should revenue be recorded as earned? Explain with the help of revenue recognition criteria as given in AS-9. [7.5]

Q3. (a) Discuss decision usefulness theory in formulation of accounting theory. Explain the relevance of 'individual user behaviour' and 'aggregate market behaviour' in decision-usefulness theory. [15]

OR

(b) "A single universally accepted accounting theory does not exist at this time. Instead a multiplicity of theories has been proposed." Elucidate. [7.5]

(c) Discuss the recommendations of AS-17 segment reporting on "Identifying Reportable Segments". [7.5]

Q4. (a) What is the main objective of current cost accounting? Discuss briefly the rationale of various adjustments that are required for determining current cost profit for an accounting period. State whether Current cost method has been used by any Indian company for financial reporting? [15]

OR

(b) Discuss the difficulties faced by IASB in the process of bringing convergence and harmonization in accounting and reporting. Also, compare Indian GAAP (existing Indian Accounting Standards), IFRS, and IFRS converged Indian Accounting Standards (Ind AS). [15]

Q5 (a). "In India there has been unsatisfactory response by Indian companies towards accounting for inflation in their financial statements" Do you agree. Give reasons. [6]

(b) "Accounting system operates within economic, social and political framework and have to be in tune with it". Explain clearly with the help of suitable illustrations how accounting has passed through different phases due to changing economic and social environment. (9)

OR

(c) Following is the Balance Sheet of Suhani Limited as on 31st March, 2012 and 2013.

	31.03.2013	31.03.2012
Liabilities		
Share Capital	4,00,000	3,00,000
General Reserve	1,00,000	80,000
Profit and Loss A/c	50,000	30,000
Debentures	1,00,000	1,50,000
Provision for Taxation	40,000	50,000
Proposed Dividend	40,000	30,000
Trade Creditors	70,000	90,000
	8,00,000	7,30,000
Assets		
Goodwill	90,000	1,00,000
Plant and Machinery	4,29,250	2,98,000
Investment	60,000	1,00,000
Sundry Debtors	1,10,000	1,60,000
Stock	80,000	50,000
Pepaid Expenses	5,750	4,000
Cash and Bank Balance	20,000	10,000
Discount on Debentures	5,000	8,000
	8,00,000	7,30,000

Additional Information:

- Depreciation on Plant has been charged @ 15%
- A Machine costing Rs. 1, 00,000(W.D.V.Rs. 30,000) has been discarded. An old Machine Costing Rs. 50000(W.D.V. Rs. 20,000) has been Sold for Rs.35000.
- A profit has been earned by sale of investments 10,000
- Debentures have been redeemed at 5% Premium.
- Rs. 45,000 income tax has been paid and adjusted against provision for taxation.

Prepare Statement of Changes in Financial Position on cash basis.

[15]

Handwritten calculations and notes:

- 147
- 1605000
- 63550
- 54750
- 402500
- 3
- 173450
- 266450
- (4750)
- 10

(12.)

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This question paper contains 8+4 printed pages]

Your Roll No.

2014

Or

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(b) What is a Cash Flow Statement ? Discuss the

significance of Cash Flow Statement. Also, discuss the

guidelines contained in AS-3 (Revised) on Cash Flow

Statement.

20

SOL

M.Com./III Sem.

E

Paper No. 6302

ACCOUNTING THEORY AND PRACTICE

Time : 3 Hours

Maximum Marks : 100

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt All questions.

All questions carry equal marks.

15



1. (A) "The system of financial accounting and reporting is not static but responds to the environment in which it operates." Discuss this statement. 10

(B) Select the correct answer for the following multiple choice questions : 10x1=10

(i) In the transaction approach to income determination, income is measured by subtracting the expenses resulting from specific transactions

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during the period from revenues of the period also resulting from the transactions. Under a strict transaction approach to income determination, which of the following would not be considered a transaction ?

- (a) Sale of goods on account at 20 percent mark up
- (b) Exchange of inventory at a regular selling price for equipment
- (c) Adjustment of inventory at lower of cost or market inventory valuation
- (d) Payment of salaries

(ii) Comprehensive income excludes changes in equity resulting from which of the following ?

- (a) Loss from discontinued operations
- (b) Prior period error corrections
- (c) Dividends paid to stockholders
- (d) Unrealized loss on securities classified as available for sale

(iii) When a segment of business has been discontinued during the year, this segment's operating losses of the current period up to the measurement date should be included in the :

- (a) Income statement as part of the income (loss) from operations of the discontinued segment

(4)

7727

(5)

7727

(b) Income statement as part of the income
 (loss) on disposal of the discontinued
 segment

(c) Income statement as part of the income
 (loss) from continuing operations

(d) Retained earnings statement as a direct
 decrease in retained earnings

(iv) What is the underlying concept that supports the
 immediate recognition of a loss ?

(a) Matching

(b) Consistency

(c) Judgement

(d) Conservatism

(v) Significant accounting policies may not be :

(a) Selected on the basis of judgement

(b) Selected from existing acceptable
 alternatives

(c) Unusual or innovative in application

(d) Omitted from financial statements disclosures
 on the basis of judgement

(vi) Neutrality is an ingredient of :

Reliability

Relevance

(a) Yes

Yes

(b) No

No

(c) Yes

Yes

(d) No

No

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(vi) During a period of inflation in which a liability account balance remains constant, which of the following occurs ?

(a) A purchasing power gain, if the item is a non-monetary liability

(b) A purchasing power gain, if the item is a monetary liability

(c) A purchasing power loss, if the item is a non-monetary liability

(d) A purchasing power loss, if the item is a non-monetary liability

(vii) In financial reporting for segments of a business enterprises, segment data may be aggregated :

(a) Before performing the 10% tests if a majority of the aggregation criteria are met

(b) If the segments do not meet the 10% tests but meet all of the aggregation criteria

(c) Before performing the 10% tests if all of the aggregation criteria are met

(d) If any one of the aggregation criteria are met

(ix) A company has included in its consolidated financial statements this year a subsidiary acquired several years ago that was appropriately excluded from consolidation last year. This results in :

(a) An accounting change that should be reported prospectively

(8)

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(b) An accounting change that should be reported by restating the financial statements of all prior periods presented

(c) A correction of an error

(d) Neither an accounting change nor a correction of an error

(iv) A principal objection to the straight-line method of depreciation is that it :

(a) Provides for the declining productivity of an aging asset

(b) Ignores variations in the rate of asset use

(c) Tends to result in a constant rate of return on a diminishing investment base

(d) Gives smaller periodic write offs than decreasing charge methods

(9)

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2. (a) Distinguish between deductive and inductive reasoning. 10

(b) Explain the positive and normative theory. Which theory is appropriate for formulating an accounting theory ? 10

(c)

(c) Discuss the different concepts of capital maintenance for income measurement. Which capital maintenance concept is useful to a business firm in the days of unstable prices ? 10

(d) "Historical costs as a basis for assets valuation has been criticized in accounting discipline." Why is it so ? What arguments can give you in favor of historical cost as a basis of asset valuation ? 10

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3. What are the objectives and benefits of financial reporting ? Explain briefly qualitative characteristics of accounting information. 20

Or

(a) Discuss the utility of segment reporting in company financial reporting. Explain the salient features of AS-17 segment reporting. 10

(b) What is revenue ? Explain the various revenue recognition criteria. 10

4. What do you understand by the term "accounting standards" ? What are its benefits ? Discuss the pros and cons of private sector and Governmental agency approaches to standard setting. 20

Or

(a) Distinguish between USA's FAS 33 and UK's SSAP 16 on accounting for changing prices. 10

(b) "Depreciation is an allocation of cost or other value over the service life of an asset in a systematic and rational manner." Explain. Also, discuss the factors which should be the basis for selecting a method of providing depreciation. 10

5. (a) Give arguments in favor of global convergence of accounting standards. Discuss the problems faced by IASB in this regard. 20

M.Com. Semester III

Paper No. 6302

Subject: Accounting Theory and Practice

S. No. 6302131

Time: 3 hrs

Max.Marks: 70

Instructions: Attempt all questions. Question no. 1 carries ten marks and remaining questions carry fifteen marks each.

1. (a) "Developing a conceptual framework for financial accounting and reporting within which financial reporting standards should be set are too important for any accounting body to set aside." Comment and explain the essential contents of a suitable conceptual framework. (6)

(b) Select the correct answer for the following multiple choice questions.

(i) Which of the following disclosures should prospective financial statements include?

Summary of significant accounting policies	Summary of significant assumptions
(a) Yes	Yes
(b) Yes	No
(c) No	Yes
(d) No	No

(ii) If land were purchased at a cost of Rs. 20 lakhs in January 2006 when the general price-level index was 150, the selling price that would result in no gain or loss would be-

- (a) Rs. 30 lakhs
(b) Rs. 24 lakhs
(c) Rs. 20 lakhs
(d) Rs. 25 lakhs

(iii) Significant accounting policies may not be

- (a) Selected on the basis of judgement
(b) Selected from existing acceptable alternatives
(c) Unusual or innovative in application
(d) Omitted from financial statements disclosure on the basis of judgement.

(iv) Recording an asset at its exchange price is an example of the accounting solution to the:

- (a) Recognition problem
- (b) Valuation Problem
- (c) Classification Problem
- (d) Communication Problem

(4)

2. (a) Explain the factors influencing accounting environment in a country.
(b) Discuss deductive and inductive approach in theory formulation.

Or

- (c) Discuss different concepts of capital maintenance income. Which one is better and why?
(d) Explain revenue recognition criteria as per AS-9.

3. Discuss different asset valuation models. Which model is most appropriate in present accounting environment? Why?

Or

“Depreciation is a process of allocation, not of valuation.” Explain this statement. Also, discuss the factors influencing the selection of depreciation policy.

4. (a) Give your opinion as to whether standards should be set by government or a private sector accounting body or autonomous agency.
(b) Discuss the difficulties faced by IASB in the global convergence of accounting standards.

Or

- (c) Discuss the utility of general purpose report and specific purpose report for external users. Explain why specific purpose reports are not yet prepared by companies.
(d) Explain the different adjustments required under CCA method of accounting for changing prices.

5. Discuss the items of information required to be disclosed in segment reports prepared by diversified business enterprises. Explain the difficulties in preparing segment reports.

Or

From the following particulars, prepare cash flow statement for the year ended 31st March 2012 as per As-3 (revised).

(A) Income statement for the year ended 31st March, 2012

	(Rs.)
Turnover	12,80,000
Less: Cost of goods sold	<u>8,00,000</u>
	4,80,000

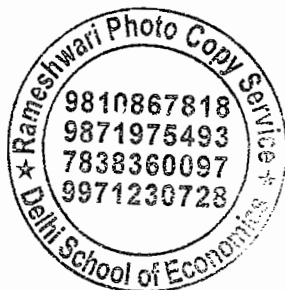
Add: Other receipts:		
Insurance claim for loss of stock due to fire		<u>20,000</u>
		5,00,000
Less: Operating expenses	3,16,000	
Interest on debentures	6,000	
Depreciation	84,000	
Discount on debentures written off	400	<u>4,06,400</u>
Profit before tax		93,600
Less: Provision for tax		<u>36,800</u>
Profit after tax		56,800

(B) The assets and liabilities as on 31.3.2011 and 31.3.2012 were as under:

	31.3.2011	31.3.2012
Stock	72,000	88,000
Debtors	16,000	15,200
Bills receivable	12,000	22,000
Cash and bank balance	44,800	99,200
Creditors	31,200	38,000
Bills payable	8,000	6,000
Outstanding Operating expenses	12,400	17,600

Additional information:

- (i) Fully paid equity shares of the face value of Rs. 80,000 were allotted at a premium of 20%.
- (ii) Fixed assets were acquired for Rs. 60,000 and the payment was made in 6% convertible debentures at par.
- (iii) Income tax paid during the year amounted to Rs. 38,000.
- (iv) Company paid a dividend and corporate dividend tax thereon for the year ended 31st March 2011 amounting to Rs. 44,000.
- (v) 9% debentures for Rs. 1,20,000 were redeemed at a premium of 2%.



(iii) निवेशों की बिजली से 10,000 रु० का लाभ अर्जित किया गया है।

(iv) ऋणपत्रों का 5% प्रीमियम पर प्रतिदान कर दिया गया है।

(v) 45,000 रु० आयकर दिया गया है और यह राशि कराधान के लिये की गई व्यवस्था के तहत समायोजित कर ली गई है।

20

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M.Com. / Sem. III

C

This question paper contains 12 printed pages.

Your Roll No. 2012

Paper 6302—ACCOUNTING THEORY AND

PRACTICE 2012

(Admissions of 2011 and onwards)

Time : 3 hours

Maximum Marks : 100

(Write your Roll No. on the top immediately
on receipt of this question paper.)

NOTE:— Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

टिप्पणी:— इस प्रश्नपत्र का उत्तर अंग्रेजी या हिन्दी किसी एक भाषा में दीजिए लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

25



Attempt all questions.

All questions carry equal marks.

सभी प्रश्नों के उत्तर दीजिए।

सभी प्रश्नों के अंक समान हैं।

1. (a) "Measurement in accounting has traditionally meant the assignment of numerical values to objects or events related to an enterprise and obtained in such a way that they are suitable for aggregation or disaggregation as required for

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- (b) लेनदेन पद्धति का प्रयोग करके
 (c) स्वामी की ईक्विटी के मूल्य में परिवर्तन के रूप में
 (d) स्वामी की ईक्विटी की क्रय शक्ति में परिवर्तन के रूप में।

(ii) The process of reporting an item in the financial statements of equity is:

- (a) Allocation
 (b) Matching
 (c) Realization
 (d) Recognition.

ईक्विटी के वित्तीय विवरणों में आइटम की रिपोर्ट करने की प्रक्रिया यह है:

- (a) विनिधान
 (b) मेल बिठाना
 (c) वसूलीकरण
 (d) मान्यता प्रदान करना।

(iii) A principle objection to the straight line method of depreciation is that it:

- (a) Provides for the declining productivity of an ageing asset.
 (b) Ignores variations in the rate of asset use.
 (c) Results in a constant rate of return on a diminishing investment base.

P. T. O.

specific situations." In the light of above statement, explain the role of measurement in accounting. Also, explain constraints of accounting measurements.

"लेखाकरण में मापन का परंपरागत अर्थ वस्तुओं अथवा उद्यम से संबंधित घटनाओं का संख्यात्मक मूल्य निर्धारण करना है जो ऐसे तरीके से प्राप्त किया गया है कि वे विशिष्ट स्थितियों के लिये आवश्यक रूप में समूहन अथवा विसमूहन के लिये उपयुक्त हैं।"

उपर्युक्त कथन के प्रकार में लेखाकरण में मापन की भूमिका की व्याख्या कीजिये। साथ ही लेखाकरण मापों की बाध्यताओं की व्याख्या कीजिये।

11

(b) Select the correct answer for the following multiple choice questions:

निम्नलिखित बहुविकल्पी प्रश्नों के लिये सही उत्तर का चयन कीजिये:

(i) Conventionally accountants measure income:

- (a) By applying a value added concept
 (b) By using a transaction approach
 (c) As a change in the value of owners' equity
 (d) As a change in the purchasing power of owners' equity.

परंपरागत रूप में लेखापाल आय की माप करते हैं:—

- (a) मूल्य योजित संकल्पना के अनुप्रयोग द्वारा

(d) Gives smaller periodic write-offs than decreasing charge methods.

मूल्यहास की सीधी रेखा विधि पर प्रमुख आपत्ति यह है कि:

- (a) यह जीर्ण परिसंपत्ति की घटती हुई उत्पादकता के लिये व्यवस्था करती है।
- (b) परिसंपत्ति के प्रयोग की दर में विभिन्नताओं की अनपेक्षा करती है।
- (c) फलस्वरूप हासमान निवेश आधार पर स्थायी वापसी दर बन जाती है।
- (d) यह हासमान आवेश विधियों की बजाय छोटे आवधिक बही खातों के बारे में बताती है।

(iv) Which of the following is **not** disclosed in cash flow statement?

- (a) Amount of cash in hand at year end.
- (b) Cash outflows from investing activities during the period.
- (c) Cash inflows from financing activities during the period.
- (d) Cash provided by operations during the period.

नकदी प्रवाह कथनों में निम्नलिखित में से किसे प्रकट नहीं किया जाता है ?

(a) वर्ष के अंत में हाथ में रोकड़ राशि को।

(b) इस अवधि के दौरान निवेश गतिविधियों से नकदी बहिर्प्रवाह को।

(c) इस अवधि के दौरान वित्तीय गतिविधियों से नकदी अंतर्प्रवाह को।

(d) इस अवधि के दौरान प्रचालनों द्वारा उपलब्ध की गई नकदी को।

(v) The restatement of historical rupee financial statements to reflect general price level changes results in presenting assets at:

- (a) Lower of cost or market value
- (b) Current appraisal value

(c) Cost adjusted for purchasing power changes

(d) Current replacement cost.

रुपये के ऐतिहासिक वित्तीय कथनों का पुनर्विवरण, ताकि निम्नलिखित स्थितियों में परिसंपत्तियों को प्रस्तुत करने में सामान्य कीमत स्तर के परिवर्तनों के परिणामों को परावर्तित किया जा सके:

- (a) लागत अथवा बाजार मूल्य का निचला स्तर
- (b) चालू मूल्यांकन मान
- (c) क्रय-शक्ति परिवर्तनों के लिये लागत को समायोजित किया गया है
- (d) चालू प्रतिस्थापन लागत।

(vi) The method used to determine what information to report for business segments is referred to as:

(a) Segment approach

(b) Operating approach

(c) Enterprise approach

(d) Management approach.

व्यावसायिक खंडों के लिये रिपोर्ट में क्या सूचना दी जाये उसकी विधि को, यह कहा जाता है:

(a) खंड-उपागम

(b) प्रचालन-उपागम

(c) उद्यम-उपागम

(d) प्रबन्ध-उपागम।

1.5×6=9

2. (a) Discuss the provisions and suggestions given in AS 1 Disclosure of Accounting Policies.

ASI में लेखाकरण नीतियों के प्रकटन में दी गई व्यवस्थाओं और सुझावों की विवेचना कीजिये। 10

(b) Define accounting theory. What is the importance of accounting theory in financial accounting and reporting?

लेखाकरण सिद्धान्त की परिभाषा दीजिये। वित्तीय लेखाकरण और रिपोर्ट प्रस्तुत करने में लेखाकरण सिद्धान्त का क्या महत्व है? 10

Or (अथवा)

“In the formulation of accounting theory, a hypothesis has been widely accepted that relates the user of accounting information, the relevance of accounting

information to decision-making, the decision-maker's conception of accounting and their available information to the effect of accounting information on decisions.” Discuss the accounting theory(s) that accomplishes the hypothesis contained in the above statement.

“लेखाकरण सिद्धान्त के सूत्रण में एक परिकल्पना को व्यापक रूप से स्वीकार किया जाता है जो लेखाकरण सूचनाओं के प्रयोगकर्ता से; लेखाकरण सूचनाओं का निर्णय लेने से, निर्णय लेने वाले की लेखाकरण संकल्पना से और निर्णयों पर लेखाकरण सूचनाओं के प्रभाव के बारे में उपलब्ध सूचनाओं से संबंधित है।”

लेखाकरण सिद्धान्त (सिद्धान्तों) की विवेचना कीजिये जो उपर्युक्त कथन में दी गई परिकल्पना को स्पष्ट करता है। 20

3. (a) Explain economic income. What are its advantages and disadvantages?

आर्थिक आय की व्याख्या कीजिये। इसके लाभों और हानियों को बताइये। 10

(b) Explain different recipients of net income.

निवल आय के विभिन्न प्राप्तकर्ताओं की व्याख्या कीजिये। 10
Or (अथवा)

Discuss CPPA and CCA methods of accounting for changing prices. Which one is better and why? 20

बदलती हुई क्रीमती के लिये लेखाकरण की CPPA और CCA विधियों की विवेचना कीजिये। इनमें से कौनसी विधि बेहतर है और क्यों ?

4. (a) How are accounting standards set in India? What are the rules on compliance with accounting standards in India?

भारत में लेखाकरण मानक कैसे सेट किये जाते हैं? भारत में लेखाकरण मानकों के अनुपालन से संबंधित नियम कौनसे हैं? 10

(b) Discuss the benefits of company financial reporting.

कंपनी की वित्तीय स्थिति की रिपोर्ट देने के लाभों की विवेचना कीजिये। 10

Or (अथवा)

Explain different basis of segmentation for segment reporting. What are the provisions of AS17 on reportable segments?

खण्ड संबंधी रिपोर्ट भेजने के लिये खंडीकरण के विभिन्न आधारों की व्याख्या कीजिये। रिपोर्ट करने योग्य खंडों पर AS17 की व्यवस्थाएँ क्या हैं? 10

(b) Explain SEBI's Guidelines and ASS25 on interim financial reporting.

अंतरिम वित्तीय रिपोर्ट देने पर SEBI के निर्देश तथा ASS25 की व्याख्या कीजिये। 10

5. Give arguments in favor of global convergence of accounting standards. Discuss the attempts made by IASB in this regard.

लेखाकरण मानकों के वैश्विक अभिसरण के पक्ष में तर्क दीजिये। इस संबंध में IASB द्वारा किये गये प्रयत्नों की विवेचना कीजिये।

Or (अथवा)

Following are the balance sheets of a company as on 31st March, 2009 and 2010 along with additional information. Prepare Cash Flow Statement for the year ended 31st March, 2010 as per AS3 (Revised).

March 31, 2010 March 31, 2009

Liabilities:			
Share Capital	4,00,000	3,00,000	
General Reserve	1,00,000	80,000	
Profit and Loss a/c	50,000	30,000	
• Debentures	1,00,000	1,50,000	
• Provision for Taxation	40,000	50,000	
Proposed Dividend	40,000	30,000	
Trade Creditors	70,000	90,000	
	<u>8,00,000</u>	<u>7,30,000</u>	
Assets:			
Goodwill	90,000	1,00,000	
• Plant and Machinery	4,29,250	2,98,000	
• Investments	60,000	1,00,000	
Debtors	1,10,000	1,60,000	
Stock	80,000	50,000	
Prepaid Expenses	5,750	4,000	

Cash and Bank Balance	20,000	10,000
Discount on Debentures	5,000	8,000
	<u>8,00,000</u>	<u>7,30,000</u>

Additional Information:

- (i) Depreciation on plant and machinery has been charged @ 15%.
- (ii) A machine costing Rs. 10,000 (W.D.V.: Rs. 3000) has been discarded. An old machine costing Rs. 50,000 (W.D.V.: Rs. 20000) has been sold for Rs. 35,000.
- (iii) A profit of Rs. 10,000 has been earned by the sale of investments.
- (iv) Debentures have been redeemed at 5% premium.
- (v) Rs. 45,000 income tax has been paid and adjusted against provision for taxation.

31 मार्च, 2009 और 2010 को कम्पनी के तुलन-पत्र निम्नलिखित हैं और इनके साथ अतिरिक्त सूचनाएँ दी गई हैं।
AS3 (पुनरीक्षित) के अनुसार 31 मार्च, 2010 को समाप्त हुये वर्ष के लिये नकदी प्रवाह विवरण तैयार कीजिये:

	31 मार्च, 2010	31 मार्च, 2009
देयताएँ:		
शेयर पूँजी	4,00,000	3,00,000
सामान्य रिज़र्व	1,00,000	80,000

लाभ और हानि खाता	50,000	30,000
ऋणपत्र	1,00,000	1,50,000
कराधान के लिये	40,000	50,000
व्यवस्था	40,000	30,000
प्रस्तावित लाभांश	70,000	90,000
व्यापार की लेनदारियाँ	<u>8,00,000</u>	<u>7,30,000</u>

परिसंपत्तियाँ:

सुनाम	90,000	1,00,000
संयंत्र तथा मशीनरी	4,29,250	2,98,000
निवेश	60,000	1,00,000
देनदारियाँ	1,10,000	1,60,000
स्टॉक	80,000	50,000
पूर्वदत्त खर्च	5,750	4,000
रोकड़ तथा बैंक में शेष	20,000	10,000
ऋणपत्रों पर बट्टा	5,000	8,000
	<u>8,00,000</u>	<u>7,30,000</u>

अतिरिक्त सूचना:

- (i) संयंत्र तथा मशीनरी पर 15% की दर से मूल्यहास लगाया गया है।
- (ii) 10,000 रु० की लागत की एक मशीन (W.D.V.: 3000 रु०) को रद्द कर दिया गया है। एक पुरानी मशीन को, जिसकी लागत 50,000 रु० थी (W.D.V.: 20000 रु०), 35,000 रु० में बेच दिया गया है।

M.Com/ Semester III

S.No of Q.P: 6302111

Roll No. 2011

Course 6302- Accounting Theory and Practice

Time: 3 hours

Maximum Marks: 70

*Attempt all questions
All questions carry equal marks*

Q:1. (a) "In accounting income, in most cases, matching of costs and revenues is a practical impossibility. The process is one similar to judging a beauty-contest where the judges cast their votes according to their personal preferences to decide the winner, because no established concepts exist to ascertain beauty, just as there are none to determine proper matching". Evaluate the above statement and examine the drawbacks of accounting income as compared to its benefits. 8

(b) Select the correct answer for the following multiple choice questions:

i) When a full set of general purpose financial statements are presented, comprehensive income and its components should:

- (a) Appear as a part of discontinued operations, extra-ordinary items and cumulative effect of a change in accounting principle.
- (b) Be reported net of related income tax effect, in total and individually.
- (c) Appear in a supplemental schedule in the notes to the financial statements.
- (d) Be displayed in the financial statement that has the same prominence as the other financial statements.

ii) On December 31, 2010 a Company decided to end operations and dispose off its assets within three months. At December 31, 2010, the net realizable value of the equipment was below the historical cost. What is the appropriate measurement basis for the equipment included in the Company's December 31, 2010 Balance Sheet?

- (a) Historical Cost
- (b) Current Reproduction Cost
- (c) Net Realizable Value
- (d) Current Replacement Cost

iii) A general description of the depreciation methods applicable to major classes of depreciable assets:

- (a) Is not a current practice in financial reporting.
- (b) Is not essential to a fair presentation of financial position.

(c) Is needed in financial reporting when Company policy differs from Income-Tax policy.

(d) Should be included in Corporate Financial Statements or note thereto.

iv) Neutrality is an ingredient of

	Reliability	Relevance
(a)	Yes	Yes
(b)	Yes	No
(c)	No	Yes
(d)	No	No

v) Prospective Financial Information is defined as:

(a) Any financial information about the past, present or future.

(b) Any financial information about the present or future.

(c) Any financial information about the future related to day to day operations.

(d) Any financial information about the future.

vi) In accordance with FASB No. 33, the purchasing power gain or loss, results from which of the following?

	Monetary Assets & Liabilities	Non-monetary Assets & Liabilities
(a)	Yes	Yes
(b)	Yes	No
(c)	No	Yes
(d)	No	No

6

Q:2. (a) "The system of financial accounting and reporting is not static but responds to the environment in which it operates". Explain.

7

(b) How does accounting theory influence accounting practices and issues? 7

OR

Explain methods of reasoning for the development of accounting theory. Is it possible to develop a sound theory of accounting based on any particular method of reasoning? Why or why not? 14

Q:3. (a) Define revenue. Discuss revenue recognition criteria. 7

(b) "Historical costs as a basis for assets valuation-has been criticized in accounting discipline". Why is it so? What arguments can you give in favor of historical cost as a basis of asset valuation? 7

OR

What is the main objective of the Current Cost Accounting for reporting the effects of price changes? Discuss the rationale of various adjustments required in determining current cost profit for an accounting period. 14

2

Q:4. (a) Explain the benefits of financial reporting.

7

(b) What is a conceptual framework? What are the different components of conceptual framework developed by FASB of USA?

7

OR

(a) Discuss the different basis of segmentation for the purpose of segment reporting.

7

(b) Discuss the provisions of AS 25 on interim financial reporting.

7

Q:5. (a) What are the objectives of IASB? Discuss the efforts made by IASB towards global convergence.

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OR

Presented below is the comparative Balance Sheets of a Company as on March 31st.

Assets	2007 (Rs.)	2006 (Rs.)
Cash	40,000	57,000
Accounts Receivable	77,000	64,000
Inventory	1,32,000	1,40,000
Prepaid expenses	12,140	16,540
Land	1,25,000	1,50,000
Equipment	2,00,000	1,75,000
Accumulated depreciation-equipment	(60,000)	(42,000)
Building	2,50,000	2,50,000
Accumulated depreciation-building	(75,000)	(50,000)
Total	7,01,140	7,60,540
Liabilities		
Accounts Payable	33,000	45,000
Bonds Payable	2,35,000	2,65,000
Equity Share Capital (Rs. 10 per share)	2,80,000	2,50,000
Retained Earnings	1,53,140	2,00,540
Total	7,01,140	7,60,540

Additional Information:

1. Operating expenses includes depreciation expense of Rs. 70,000 and amortization of prepaid expense of Rs. 4,400.
2. Land was sold for cash at book value.
3. Cash dividends of Rs. 74,290 were paid.
4. Net income for 2007 was Rs. 26,890.
5. Equipment was purchased for Rs. 65,000 cash. In addition equipment costing Rs. 40,000 with a book value of Rs. 13,000 was sold for Rs. 15,000 cash.
6. Bonds were redeemed at face value by issuing 3,000 equity shares of Rs. 10 at par.

Prepare Cash Flow Statement for 2007 using indirect method as per AS-3 (revised).

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