

Seat No. : _____

MQ-105

March-2019

B.B.A., Sem.-VI

CC-314 : Advanced Financial Management

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Parth Industries Ltd. is considering replacing a hand-operated weaving machine with a new fully automated machine. Given the following information, advise the management whether the machine should be replaced or not. Assume that the company has only this machine in 20% block of assets and the block will cease to exist after the useful life of the automated machine. Ignore tax on capital gains/losses.

14

| Existing situation : | Proposed situation : |
|--|--|
| One full-time operator's salary, ₹ 36,000. | Fully-automated operation, No operator is necessary. |
| Variable overtime, ₹ 3,000. | Cost of machine, ₹ 1,80,000. |
| Other cost, ₹ 3,000. | Transportation charges, ₹ 3,000. |
| Cost of defects, ₹ 3,000. | Installation costs, ₹ 15,000. |
| Original price of hand-operated machine, ₹ 60,000. | Expected economic life, 5 years. |
| Expected life, 10 years. | Depreciation method, written down value. |
| Age, 5 years. | Annual maintenance, ₹ 3,000. |
| Depreciation method, written down value. | Cost of defects, ₹ 3,000. |
| Current value of old machine, ₹ 36,000 (If sold) | Salvage after 5 years, ₹ 60,000. |
| Marginal tax rate, 35% | |
| Required rate of return, 10% | |

OR

- (1) Explain Net Present Value Method of Capital Budgeting and also give Advantages and Limitations of it.

7

- (2) Divya Ltd. wants to purchase one of the two alternative machines, each costing ₹ 10,00,000. Estimated life of each machine is 5 years. There is no scrap value. Expected rate of return is 10%. Expected profit after taxes (PAT) are as follows:

| Year | Machine X | Machine Y |
|------|-----------|-----------|
| 1 | 120000 | 80000 |
| 2 | 140000 | 160000 |
| 3 | 80000 | 280000 |
| 4 | 520000 | 600000 |
| 5 | 420000 | 160000 |

Advise the company regarding the selection of the machine as per Net Present Value method. Present value of ₹ 1 for first five years at 10% discount rate is as under :

0.909,0.826,0.751,0.683,0.621

7

- (B) Attempt any **Four** out of **Six** :

4

- (1) For a replacement decision, incremental cash flows need to be calculated. (True/False)
- (2) Depreciation is a non-cash expense. (True/False)
- (3) Mutually Exclusive Projects cannot be accepted together at a time. (True/False)
- (4) If NPV is positive then accept the proposal. (True/False)
- (5) What is the formula for calculate NPV ?
- (6) Define Capital Budgeting.

2. (A) Satyamev Co. Ltd. is planning to manufacture a product developed by its R & D department. The new product will be sold at ₹ 500 per unit. The cost of production is estimated as follows :

14

| | (% of Selling Price) |
|---------------|----------------------|
| Raw Material | 60 |
| Direct Labour | 20 |
| Overheads | 10 |

Initially, 120000 units will be sold in a year. The credit sales are 70% of the total sales. Credit to be allowed to customer will be two months. Other relevant details are given below :

| | |
|---|---|
| Raw Material Stock Requirement | 1 Month |
| Processing Time | Half month (Raw material 100%, Direct Labour and Overheads 50%) |
| Finished Goods Stock | 2 Months |
| Credit allowed by suppliers of Raw Material | Half month |
| Time gap in payment of wages and overheads | Half month |

Cash and bank balance is 10% of Net Working Capital inclusive of cash. Prepare a statement showing the amount of working required by the company. You may make assumptions that may be necessary.

OR

- (1) Proforma cost sheet of a company provide the following particulars : 7

| Elements of cost | Amount per Unit |
|------------------|-----------------|
| Materials | 50% |
| Direct labour | 15% |
| Overheads | 15% |

The following further particulars are available:

- It is proposed to maintain a level of activity of 6,00,000 units.
 - Selling price is ₹ 20 per unit.
 - Raw materials are expected to be in stores for an average of 2 months.
 - Materials will be in process, an average of one month.
 - Finished goods are required to be in stock for an average of 2 months.
 - Credit allowed to debtors is three months,
 - Credit allowed by supplier is two months.
- (2) Explain the concept of EVA. Calculate Economic Value Added (EVA) with the help of following information of Loft Limited : 7

| | | |
|--------------------|---|---|
| Financial Leverage | : | 1.4 times |
| Capital Structure | : | Equity capital, ₹ 170 lakh Reserves and surplus, ₹ 130 lakh 10% Debentures, ₹ 400 lakh. |
| Cost of equity | : | 17.5% |
| Income tax rate | : | 30% |

- (B) Attempt any **Four** out of **Six** : 4

- Total Current Assets – Total Current Liability = _____
- The larger the volume of credit sales, the greater will be the requirement of working capital. (True/False)
- Expenses paid in advance are added to current liabilities while estimating the working capital requirement. (True/False).
- The longer the period a manufacturing cycle takes, the larger is the amount of working capital required. (True/False)
- Business capital is broadly divided into two groups : _____ capital and _____ capital.
- What is seasonal working capital ?

3. (A) What is Capital Structure ? Explain the factors affecting capital structure. 14

OR

- Discuss the NT approach in detail. 7
- Explain the NOI approach of Capital Structure. 7

- (B) Attempt any **Three** out of **Five** : **3**
- (1) When existing management wants to retain control in their hands, they will issue less of equity shares and raise more funds through preference shares and debentures. (True/False)
 - (2) Traditional approach is the _____ approach. (Positive / Negative / Intermediate)
 - (3) The making up of capitalization through various sources of finance is known as _____.
 - (4) According to Net Operating Income Approach, if financial leverage is increased by raising the ratio of debt to equity, there will be a decrease in weighted average cost of capital. (True/False)
 - (5) Debentures should be issued during boom period, while ordinary shares should be issued in times of depression. (True/False)

4. (A) Give the meaning of Corporate Restructuring and Financial Restructuring. Discuss “Strategic Alliance” and “Mergers” as a technique of corporate restructuring. **14**

OR

- (1) Explain the concept of Reverse merger and Franchising. **7**
 - (2) Explain the concept of Management Buy-In (MBI) and Take Over. **7**
- (B) Attempt any **Three** out of **Five** : **3**
- (1) Merger between two entities that do not compete with each other but exist in the same supply chain is called _____. (Horizontal merger/Vertical merger)
 - (2) Reverse merger is also known as “back door listing”. (True/False)
 - (3) A _____ is a company that owns other companies outstanding stock. (Holding/Subsidiary)
 - (4) _____ refer to transfer of control of a firm from one group of shareholders to another group of shareholders. (Merger/Joint Venture/Take Over)
 - (5) _____ involves joining of forces or resources for a specified or for infinite period for achieving the common objectives of two or more firms. (Divestitures/Strategic Alliance/Franchising)

Seat No. : _____

MQ-105

March-2019

B.B.A., Sem.-VI

CC-314 : Advanced Marketing Management

Time : 2:30 Hours]

[Max. Marks : 70

1. (a) (i) Contrast Business Market and Consumer Market. 7
(ii) Discuss the various factors affecting Business Buying Behaviour. 7

OR

- (i) List the Characteristics of customers in the business Market.
(ii) Elucidate the steps of Business Buying Process.
- (b) State whether the following statements are True or False : (Any **Four**) 4
- (1) Head of the family is a business buyer.
 - (2) Because business purchases are usually more complex than consumer purchases, business buyers tend to make quicker purchasing decisions.
 - (3) Distribution structure of business market is Indirect.
 - (4) Demand for business product is inelastic.
 - (5) Search for the qualified supplier is a step of consumer buying process.
 - (6) Organisational factors affect the buying decision process of business buyer.

2. (a) (i) Write down the various objectives of Advertising. 7
(ii) Define Advertising. How it benefits the organization ? 7

OR

- (i) Shed light on the various Advertising Media related Decisions.
(ii) Clarify how communication effects and sales effects of advertising are measured.
- (b) State whether the following statements are True or False : (Any **Four**) 4
- (1) For developing an effective advertising, message and media decisions should be taken as separate water tight compartments.
 - (2) Under Recognition Test, consumers are asked to view or listen to a portfolio of advertisements and then they are asked to recall all the ads and their contents.
 - (3) Hoardings, wall-paintings, trade fairs, and station posters fall under Print Advertising Media.
 - (4) Advertising generates awareness in the market for the brand.
 - (5) Marketing Public Relations is a cost free mode of promotion.
 - (6) Advertising frequency is the number of repetitions needed to put across the brands message to consumers.

3. (a) (i) Discuss the reasons for rural market boom. 7
(ii) Describe the elements of rural marketing mix. 7

OR

- (i) Narrate the problems and challenges that rural marketers have to face.
(ii) Define Rural Marketing and discuss the characteristics of rural marketing.
- (b) State whether the following statements are True or False : (Any **Three**) 3
- (1) Warehousing is another major problem in rural areas, as there is hardly any organized agency to look after the storage issue.
(2) Rural Marketing cannot contribute to rural infrastructure and prosperity.
(3) Rural consumers cannot be appealed by visual or pictorial advertisements published in local and regional languages.
(4) Rural markets are not difficult to predict and they do not possess special characteristics.
(5) In rural area most of the products are sold through Malls.

4. (a) (i) Define CRM and list down its benefits. 7
(ii) Describe the relationship building as a process. 7

OR

- (i) Point out the CRM implementation road map in detail.
(ii) Explain the customer centric marketing process under CRM.
- (b) State whether the following statements are True or False : (Any **Three**) 3
- (1) Financial Bonding with customers can be through integrated information systems and shared processes.
(2) A customer becomes a client when he/she gets attracted by the offering of the marketer.
(3) Structural bonding can be done with customers with the help of Direct Advertising.
(4) Customer Centricity emphasizes placing the customer at the core of operations and then designing all the processes and activities around the customer.
(5) The various stages of ladder of loyalty starts with the Advocate.

MQ-105

March-2019

B.B.A., Sem.-VI

CC-314 : Advanced Human Resource Management

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) (1) Explain types of discipline with example. 7
(2) Discuss different types of penalties and punishment for disciplinary action. 7

OR

- (1) What are essentials of a good disciplinary system ?
(2) What is discipline ? Explain the procedure of disciplinary actions.
- (B) MCQ / Objectives : (Attempt any 4 out of 6) 4
- (1) Mention two causes of indiscipline.
(2) Mention two objectives of employee discipline.
(3) Self imposed discipline is known as _____ discipline, while enforced discipline is known as _____ discipline. (Positive, Negative, Neutral)
(4) Disciplinary action should be _____. (progressive, punitive, punctual)
(5) Many organisations provide their employees with written principles of behaviour in the form of employee _____. (book, manuals, report)
(6) _____ is the ultimate disciplinary action taken against problem employee. (Warning, Suspension, Dismissal)

2. (A) (1) Explain the process of training and development. 7
(2) Discuss special forms of training and development. 7

OR

- (1) What is Talent management ? Explain the benefits of Talent management.
(2) Discuss the significance of training as a strategic organisational activity.
- (B) MCQ / objectives : (Attempt any 4 out of 6) 4
- (1) Mention 4 criteria for training evaluation.
(2) Mention 2 on the job employee training and development methods.
(3) _____ is a step-by-step self-learning method in which the trainee can learn at his/her own pace.
(Class room instruction, Programmed instruction, Seminar)
(4) _____ type of business strategy is useful when there is unstable environment. (Defender, Prospector, Simulation)

- (5) Successful talent management requires a talent management strategy that aligns with the business strategy _____. (True/False)
- (6) _____ management of diversity refers to managing the interface between people of two countries.
(Cross national, Internationals, Trans-national)
3. (A) (1) Explain the different roles of mentors. 7
(2) Discuss the various negative experience that may arise out of mentoring relationships. 7
- OR**
- (1) Explain career development interventions for each career stage.
(2) Discuss functions of mentoring in detail.
- (B) MCQ / objectives : (Attempt 3 out of 5) 3
- (1) Mention two key elements of successful mentoring relationship.
(2) _____ mentoring relationships are those in which mentors and proteges belong to opposite genders.
(Cross-gender, Special mentoring, E-mentoring)
(3) Mention two benefits for the Protege.
(4) _____ mentoring relationships develop spontaneously.
(Formal, Informal, Special)
(5) _____ is a continuous process that involves setting personal career goals and revising the goals based on work and experience.
(Career management, Career development, Career planning)
4. (A) (1) Explain difference between IHRM and domestic HRM. 7
(2) Explain various types of international organizations. 7
- OR**
- (1) What is innovation management ? Explain its process in detail.
(2) Discuss about performance management in international assignment.
- (B) MCQ / objectives : (Attempt any 3 out of 5) 3
- (1) Define Expatriate.
(2) In international staffing, the HR Manager has a greater involvement in employee's personal life as compared to domestic HR _____.
(True/False)
(3) Cultural adjustment of the expatriate and of the accompanying family members, affects performance of the expatriate _____. (True/False)
(4) _____ has operating units in foreign countries which often operate as autonomous units. (MNCs, International Corporation, National)
(5) _____ is the process of bringing an expatriate home after his/her international assignment is over. (Expatriation, Repatriation)