

NG-114

December-2015

B.B.A., Sem.-V

CC-307 : Advanced Financial Management

Time : 3 Hours]

[Max. Marks : 70

1. (a) Pinky Ltd. is proposing to issue a 5 year, 12% debentures. The debentures will be redeemed at ₹ 110 at the end of 5th year. Its face value is 100. If an investor has a minimum required rate of return of 14%, what is the present value of such debentures ? 7
- (b) A company named Chinky Ltd. has current price of share as ₹ 50 and dividend per share is ₹ 4. If the required rate of return is 14%, what is the growth rate in dividend ? 7

OR

- (a) An investor has invested in the perpetual bonds of Pinky Ltd. The face value of the bond is ₹ 1,000 and carries a coupon rate of 12% per annum. If the required rate of return is 14%, what would be the value of the bond ?
- (b) Find out the price at which equity shares will sell, if the required rate of return of investors is 14%, expected dividend per share next year is ₹ 2 and rate of growth in dividend is 5%. What will be the value, if there is no growth rate in dividends ?
2. (a) The ten year debentures of a firm can be sold at a rate of ₹ 90 after the floatation cost of 10. The face value of a debenture is ₹ 100 and the coupon rate of interest is 8%. If 50% tax rate is assumed, calculate the after tax cost of debt. 7

OR

A company issues 12% pref. shares capital without a maturity date. The face value per pref. share is ₹ 100, but the floatation cost is ₹ 5 per share. What is the cost of this issue ?

- (b) Chinky Ltd. has the following capital structure : 7

| | ₹ |
|-------------------------------------|------------------|
| 10% Debentures of ₹ 100 each | 28,00,000 |
| 12% Red. Pref. shares of ₹ 100 each | 7,00,000 |
| Equity shares of ₹ 10 each | <u>35,00,000</u> |
| | 70,00,000 |

Other information is as follows :

- (1) Market price of debentures is ₹ 105.
- (2) Market price of pref. share is ₹ 115.
- (3) Market value of equity share is ₹ 20.

Anticipated external financing opportunities are :

- (1) 8% debentures of ₹ 100, payable at par after 10 years, 4% floatation cost and sale price ₹ 100.
- (2) 12% pref. shares of ₹ 100, redeemable at par after 12 years, 4% floatation cost and sale price ₹ 100.
- (3) Equity shares, 3% floatation costs and sale price ₹ 20.
- (4) The dividend expected on the equity share at the end of the year is ₹ 2 per share, the anticipated growth rate in dividend is 6% and the company has the practice of paying all its earnings in the form of dividends.
- (5) The tax rate is 50%.

From the above information, calculate WACC on the basis of the following :

- (1) Book value weights
- (2) Market value weights

OR

A company has on its books the following amounts and specific costs of each type of capital :

| Type of Capital | Book Value | Market Value | Specific Cost |
|----------------------|------------|--------------|---------------|
| Debentures | 12,00,000 | 11,40,000 | 6% |
| Pref. Share Capital | 2,80,000 | 3,20,000 | 9% |
| Equity Share Capital | 16,00,000 | 30,80,000 | 14% |
| Retained Earnings | 6,00,000 | — | 10% |

From the above information, find out the WACC using book value weights and market value weights.

3. (a) Discuss the MM hypothesis – Dividend Irrelevance. 7

OR

Discuss the determinants of Dividend policy.

- (b) Explain the Walter's Model of Dividend Theory. 7

OR

Define dividend and discuss the various forms of dividend.

4. (a) Write a short note on future and forward contract. 7

OR

Define Derivatives. Discuss its characteristics.

- (b) Discuss the certainty equivalent approach in detail. 7

OR

Define Risk & Uncertainty. Explain the RADR approach.

5. Answer **all** : 14

- (1) Debt financing is a cheaper source of financing because of
 - (a) True value of money
 - (b) Rate of interest
 - (c) Tax deductibility of interest
 - (d) Dividends not payable
- (2) _____ source of funds has an implicit cost of capital.
- (3) Systematic Risk can be eliminated or minimized through diversification. (T/F)
- (4) The RADR for a new product development project will be higher than that of an expansion project. (T/F)
- (5) Stock dividend is also termed as _____.
- (6) _____ bonds has no maturity value.
- (7) Full form of CAPM is _____.
- (8) _____ is the term used for reducing risk by using derivatives.
(Waiving / Revoking / Hedging)
- (9) A _____ is a financial instrument whose pay-off is derived from some other asset.
- (10) The ratio of dividend to earnings is known as _____ ratio.
- (11) Full form of YTM is _____.
- (12) _____ shares has preference over equity shareholders.
- (13) _____ cost is incurred to issue the shares or debentures when new issue is made.
- (14) Who has developed the CAPM ?

Seat No. : _____

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B.B.A., Sem.-V

CC-307 : Advanced Marketing Management

Time : 3 Hours]

[Max. Marks : 70

1. (A) Explain the concept of brand equity with its varied dimensions. 7

OR

Write a detail note on brand positioning.

- (B) What is Brand Architecture ? 7

OR

Explain the inner and outer core of Brand Identity.

2. (A) Explain in detail any two methods of Survey. 7

OR

Write a short note on Focus Group Interview method.

- (B) Compare and contrast qualitative and Quantitative research. 7

OR

Differentiate primary data and secondary data.

3. (A) Explain any two primary scales of measurement in detail. 7

OR

Write a detail note on observational form.

- (B) Explain sampling design process in brief. 7

OR

Write a detailed note on likert scale and semantic differential scale.

4. (A) Describe characteristics of services. 7

OR

Explain service flow in brief.

- (B) Explain the term External Marketing. 7

OR

Write a note on determinants of service quality.

5. Question Nos. 1 to 6, 1 marks each. Question Nos. 7 to 10, 2 marks each :

- (1) Technology can empower both service provider and the customer. (True/False) 1
- (2) The ability to identify a brand is brand awareness. (True/False) 1
- (3) Quantitative research is exploratory research used to uncover consumer attitudes, motivation and behaviour. (True/False) 1
- (4) Ordinal scale is the lowest level of measurement and merely measures the difference in kind. (True/False) 1
- (5) Data originated by the researcher for the first time and for the specific purpose of addressing the research problem is called primary data. (True/False) 1
- (6) According to intangibility of services, services cannot be stored. (True/False) 1
- (7) What are the three new P's of service marketing mix ? 2
- (8) Define Ordinal Scale. 2
- (9) Define Brand Physique. 2
- (10) Define services. 2
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December-2015

B.B.A., Sem.-V

CC-307 : Advanced Human Resource Management - I

- Instructions :** (1) Attempt all questions.
(2) Figures on the right indicate marks.

Time : 3 Hours]

[Max. Marks : 70

1. (A) What do you understand by the investment perspective of HR ? Discuss the factors determining an organization's investment perspective. **7**
- OR**
- Explain the difference between SHRM and HR Strategies.
- (B) Define 'Strategic Human Resource Management'. Explain its' components. **7**
- OR**
- Differentiate between traditional HRM and SHRM.
2. (A) Discuss the partnership between HR and Line Managers that is seen to be developing. **7**
- OR**
- Explain the various roles that an HR Manager has to perform in the 21st Century.
- (B) Discuss 'Changing nature of work' and 'Changing nature of employment relationships' as environmental trends affecting HRM. **7**
- OR**
- Explain the competencies that employees in the HR department need to possess so that the HR function be treated as a strategic partner.
3. (A) Write notes on : **7**
- (i) Performance Appraisal and Performance Management System – A comparison.
- (ii) Need and relevance of performance management.
- OR**
- Write a detailed note on Alternation Ranking Method of Performance Appraisal.
- (B) How is the Paired Comparison Method used to appraise employee performances ? **7**
- OR**
- Discuss the working of the Electronic Performance Monitoring system.

4. (A) What are the factors that need to be considered by the HR manager before determining pay rates ? 7

OR

What is Job Evaluation ? Explain and two methods of conducting the same.

- (B) What is Competency-based pay ? Discuss its' advantages and disadvantages. 7

OR

Discuss some flexible benefit options.

5. Do as directed: 14

- (1) Strategic Human Resource Management goes beyond the functional role of HRM and emphasizes proactive HRM at the _____ level of organization.

(Operational/Strategic)

- (2) Strategic HRM and HR Strategies are one and the same. (T/F)
- (3) In its strategic role, HR provides a competitive advantage to an organization. (T/F)
- (4) Personnel Management has the following characteristics :
- (a) Bureaucratic
 - (b) Centralized
 - (c) Formal and less flexible
 - (d) All of the above
- (5) Which of the following is a challenge posed by technological advancements ?
- (a) Ensuring legal compliance when conducting business abroad
 - (b) Managing morale and commitment or survivors
 - (c) Managing employee alienation
 - (d) Developing work-life balance programmes
- (6) Helping the temporary employees to quickly adapt to the organization to reach their full potential is a challenge posed by the environmental trend of _____.
- (a) Global workforce
 - (b) Ageing population and workforce
 - (c) Women in workforce
 - (d) Contingent workforce/workforce flexibility

- (7) Partnership of HR and Line Managers leads to devolution and
- (a) Centralization
 - (b) Delegation
 - (c) Decentralization
 - (d) None of the above
- (8) One of the biggest challenges faced by HRM today is that of managing a global workforce. (T/F)
- (9) For conducting Performance Appraisal, supervisors need not be familiar with appraisal techniques. (T/F)
- (10) The _____ method of Performance Appraisal ranks employees from best to worst on a particular trait, choosing highest, then lowest, until all are ranked.
- (a) paired comparison
 - (b) web-based
 - (c) alternation ranking
 - (d) Electronic Performance Monitoring
- (11) Performance Appraisals are of no use in career planning. (T/F)
- (12) In India, formal collective bargaining agreements between _____ and employers are at the foundation of any pay plans.
- (a) Government
 - (b) Trade Unions
 - (c) Factory Inspectors
 - (d) All of the above
- (13) Salary survey ensures _____ equity while job evaluation ensures _____ equity. (internal/external) (02 marks)
- _____