

M.B.A.-2 (Sem.-3) Examination
Corporate Taxation & Financial Planning
(CT & FP)
May 2019

Time : 2-30 Hours]

[Max. Marks : 70

- Instructions: (1) This paper contains five questions.
 (2) Questions 1 and 5 are compulsory.
 (3) Question 2, 3, 4 have internal options.
 (4) Figures in the right side in the parenthesis indicate marks

Q-1

- (a) Explain the tax treatment for the below mentioned retirement benefits under the head Income from Salary with respect to AY-2019-20 (07)
1. Gratuity
 2. Pension
 3. Provident Fund
- (b) Mr. Jain is a specific employee in a non-government company in Ahmedabad. Compute his taxable salary for Ay: 2019-20 from the following information. (07)

Sr. No.	Particulars	Amount (Rs)
1	Basic Salary	360000
2	HRA	60000
3	Hostel Allowance(3 children)	26400
4	Medical Allowance	10000
5	Uniform Allowance (to extent saved)	12000
6	Servant Allowance	16000
7	He has paid Rs.56000 per annum as house rent.	

- Q-2 Which is more tax effective to an employee in each of the alternative situations given below? Give the reasons in brief (07)

- (a)
- To accumulate leave or encash it
 - To take children education allowance or reimbursement of children school fees
 - To take Rs. 32600 per month as consolidated pay or Rs. 30000 per month as basic pay plus Rs1600 per month as transport allowance plus Rs. 1000 per month as uniform allowance

- Q-2 Calculate the taxable professional income of Mr. Iyengar (Doctor) for the AY: 2019-20 (07)

Receipts	Amount (Rs)	Payments	Amount (Rs)
Consultation Charges	1280000	Income tax	244000
Operation Charges	2940000	Hospital Expenses	3300000
Gross Hospital Income	110000	Personal Expenses	30000
Net surplus in supply of Drugs	16000	Car Maintenance(1/3 rd) Allowed	120000
Gifts(in cash) from patients	24000	Purchase of Instruments	120000
		Paid to PPF	108000

	LIC Premium	84000
	Allowable depreciation charges	18000
	Travelling Expenses (Personal purpose 20000)	90000
	Interest on loan for paying hospital expenses	5600

OR

- Q-2 Explain the tax implications relating to Depreciation, Additional Depreciation (a) and Unabsorbed Depreciation under Income tax Act, 1961 (07)
- Q-2 X furnishes the following particulars for his income earned during previous year (b) 2014-15 (07)

Sr. No.	Particulars	Amount (Rs)
1	Interest on German Development Bonds(2/5 th received in India)	120000
2	Income from agriculture in Bangladesh, received there but later on Rs. 100000 is remitted to India. (agricultural activity is controlled from Bangladesh)	362000
3	Income from property in Canada received outside India (Rs. 152000 is used in Canada for meeting the educational expenses of X's Daughter in USA and Rs. 20000 later on remitted to India.	172000
4	Income earned from business in Kampala (Uganda) which is controlled from Delhi (Rs. 30000 received in India)	130000

Find out Gross total income of X, if he is (1) ROR, (2) RBNOR & (3) NR for AY: 2019-20

- Q-3 Explain with relevant examples tax implications of Section 54 and Section 54F (a) with respect to Capital Gain for Ay-2019-20 (07)
- Q-3 Can the brought forward loss in the following cases be set off: (b) (07)
- Brought forward loss of the business of HUF where the business of the HUF has been taken over by one of the members of HUF.
 - Brought Forward loss of firm succeeded by another firm
 - Brought forward loss of amalgamating company where such company has amalgamated with another company
 - Brought forward loss of proprietary business taken over by a firm consisting of sole proprietor as partner also
 - Partnership firm taken over by one or more partners

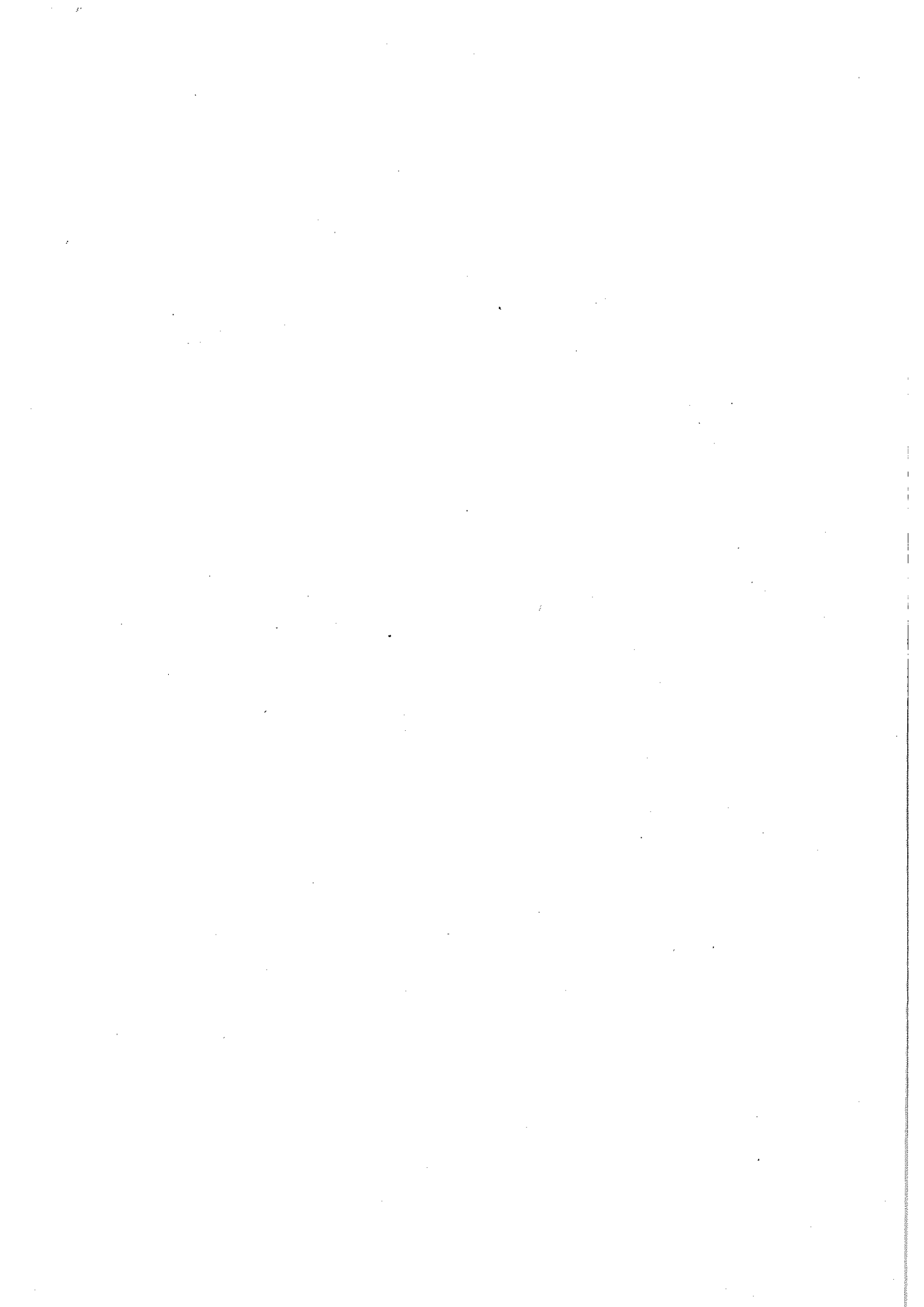
OR

- Q-3 From the following information submitted to you, compute the taxable income (a) in the following situation (07)

Particulars	Situation 1	Situation 2
Long term capital gain / loss	(+) 340000	(-) 600000
Short term capital gain / loss	(-) 100000	(+) 220000
Business Income/ Loss	(-) 160000	(-) 180000

- Q-3 Explain the deductions under section 80C with hypothetical example with (b) respect to individual assessee under Income Tax Act (07)

- Q-4 Explain the concept of Tax Planning, Tax Avoidance, Tax Evasion and Tax (07)
(a) Management with suitable examples under Income tax Act, 1961
- Q-4 Discuss the tax implications of setting up a separate unit in a free trade zone as (07)
(b) well as establishing 100% export oriented unit under Income tax Act, 1961
- OR**
- Q-4 Discuss the tax implications of Capital Structure Decision under Income tax Act, (07)
(a) 1961
- Q-4 Discuss the tax implications of Double tax avoidance agreement with help of (07)
(b) hypothetical example as explained under Income tax Act.
- Q-5 Ankit Ltd. has a block of assets carrying 15% rate of depreciation. The written (07)
(a) down value of such block, on 01.04.2018 was Rs. 60 Lakhs. It purchased another asset (second-hand plant and machinery) of the same block on 01.11.2018 for Rs. 16 Lakhs, and put to use on the same day. Ankit Ltd. was amalgamated with Rohit Ltd. with effect from 01.01.2019. You are required to compute the depreciation allowable to Ankit-Ltd. and Rohit Ltd. for the previous year ended on 31.03.2019, assuming that the assets were transferred to Rohit Ltd at Rs. 80 Lakhs
- Q-5 Discuss in detail the tax implications of Lease versus buy decision with an (07)
(b) hypothetical example under Income tax Act, 1961



M.B.A.-2 (Sem.-3) Examination
Marketing : Consumer Behaviour
(CB)

Time : 2-30 Hours]

May 2019

[Max. Marks : 70

Q1. How the segmentation, targeting and positioning interrelated? A company is introducing a new E-book reader. Suggest segmentation, targeting and positioning strategies for this new product. 14

Q2. Consumers are exposed to numerous marketing communications. How does information overload affect the consumer's ability to comprehend and ad and store it in his or her memory? 14

Or

Discuss the consumer decision making process while focusing on the importance of each stage to the marketer of any product or service. 14

Q3. What do you understand by consumer learning? Discuss the elements of consumer learning and their effects on consumer behaviour with examples. 14

Or

Discuss the persuasive appeals that marketers can choose when they design advertising messages. How these appeals can influence consumer behaviour? 14

Q4. Write a brief note on (any four): 14

- a) Diffusion of Innovation
- b) Consumer Materialism
- c) Ambush Marketing
- d) Brand Loyalty
- e) Customer Retention
- f) Exploitive Marketing

Q5. Thinking of your daily routines, identify one routine that you consider as ritual. Describe it and explain why it is a ritual. Assume that you allow a marketing researcher come to your house and observe your entire ritual. Explain how the marketer of a product that you use during your routine can employ this observation to design an ad aimed at getting you switch brands. 14

(Note – A ritual is defined as a series of actions or type of behaviour regularly and invariably followed by someone).

M.B.A.-2 (Sem.-3) Examination

HRM : Recruitment & Selection (R & S)

Time : 2-30 Hours]

May 2019

[Max. Marks : 70

Instructions

1. The questions paper contains five questions. Question 1 and 5 are compulsory.
2. All the questions carry marks as mentioned against them. Be precise and to the point in the answers. Give examples wherever possible.

Q 1	Write short notes on a) Employee referrals b) Realistic job previews c) Passive Job seekers d) Executive search firms	14
Q 2 (a)	Describe the types, advantages and disadvantages of internal recruitment with examples.	7
Q 2 (b)	Explain the Policy Guidelines of a recruitment policy	7
OR		
Q 2 (a)	Describe the Sources of External Hiring. Explain the Advantages and disadvantages of External hiring	7
Q 2 (b)	Define types of interviews. Explain the steps involved in the interview process	7
Q 3 (a)	Discuss the steps in Job analysis and its various techniques.	7
Q 3 (b)	Discuss workforce planning process. Also describe the various factors that affect workforce planning.	7
OR		
Q 3 (a)	When should organizations go for recruiting temporary employees? Discuss the strategies to deal with such employees.	7
Q 3 (b)	How is surplus manpower created? Discuss the strategies to deal with such employees.	7
Q 4 (a)	Write a note on 'Nontraditional sources of recruitment'	7
Q 4 (b)	Discuss with an example 'Developing Applicant Attraction Strategies'	7
OR		
Q 4 (a)	Write a note on 'Creating a Sourcing Plan'	7
Q 4 (b)	Discuss 'Creating and Validating an Assessment System' for recruitment	7
Q 5	Discuss the various techniques adopted by various organizations in India and Globally for recruitment.	14

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Candidate's Seat No : _____

M.B.A.-2 (Sem.-3) Examination

Marketing : Sales and Distribution Management (SDM)

May 2019

Time : 2-00 Hours]

[Max. Marks : 100

NOTE: 1. All questions carry equal marks.

2. Q-2,3,4 have internal options

3. Q-1 and 5 are compulsory.

Q-1 Answer in brief:

1. Explain the levels of sales management.
2. What is motivation? Why it is important for sales managers to understand?
3. Write about Delphi method.
4. What is retailing? What are the trends in retail in India?

Q-2 What are the five discrepancies that the channel members take care of and how do they do it?

OR

What are the objectives of compensation plan? Explain the framework of designing an effective compensation plan.

Q-3 Write about objective and task method for deciding sales budget.

OR

What is staffing? What are the different methods used to determine optimum size of the sales force?

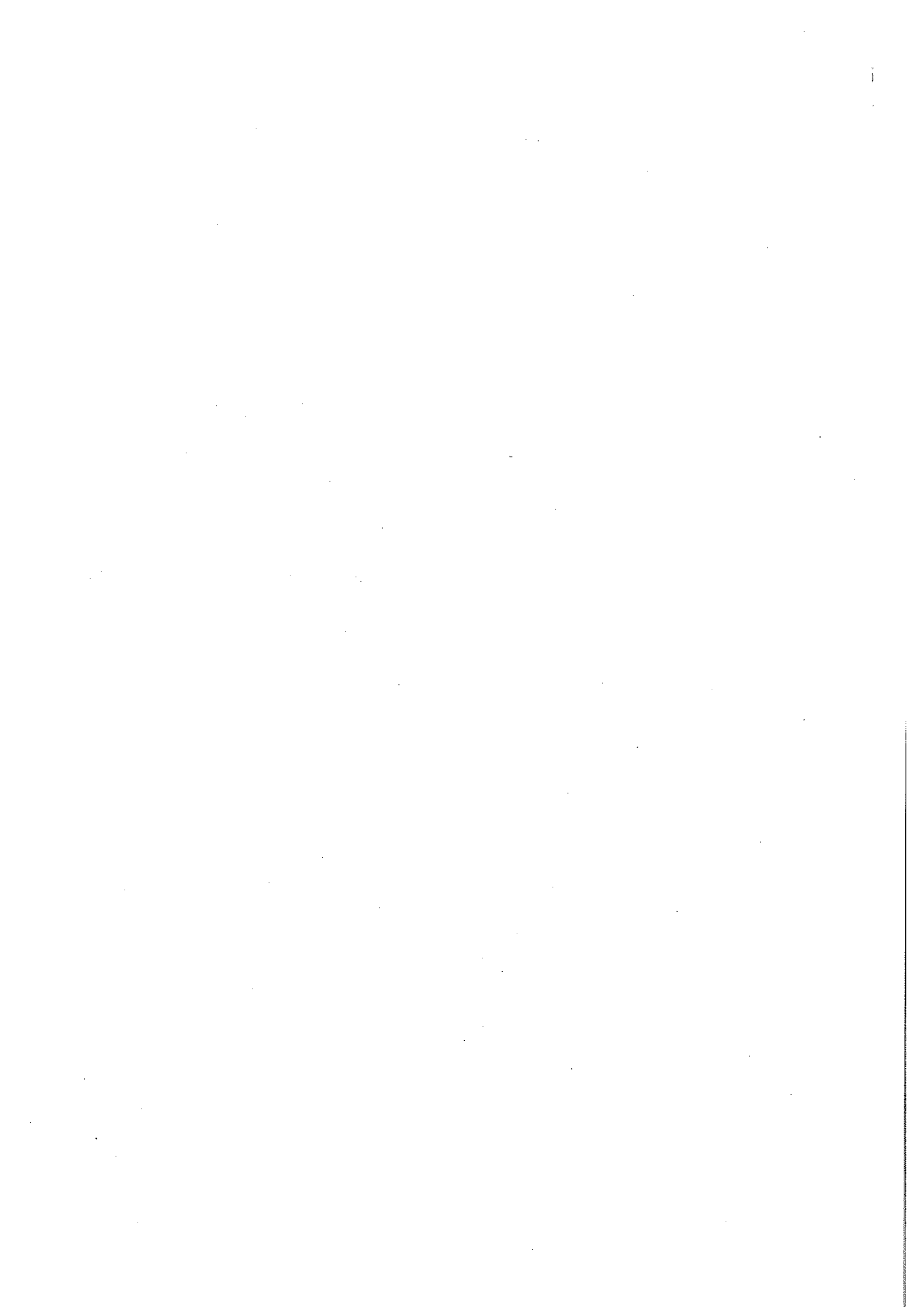
Q-4 What are the objectives for setting sales quotas? Write about the methods of setting quotas.

OR

Describe leadership styles and skills of the leadership. If you are appointed as a training head for consumer products strategic business unit of a large company with 75 sales people, how would you decide their specific training needs?

Q-5 Answer in short:

1. Explain the phases of sales training process.
 2. What is multilevel marketing?
 3. What is the difference between logistics and physical distribution?
 4. Write about exponential smoothing method and regression analysis.
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M.B.A.-2 (Sem.-3) Examination
 Finance : International Finance (IF)
 May 2019

Time : 2-30 Hours]

[Max. Marks : 70

- Instructions :** 1) This is a closed book examination.
 2) Make any assumptions, if required.
 3) Please start your answer to next question on a new page.

Q1. Answer the following questions: 14)
 a) Expanded Opportunity set for Multinational Companies.
 b) Reasons of Preference for International banking services

Q2a) How has current flexible exchange rate system been able to stabilise transactions at international level ? 07)

Q2b) Discuss different functions of forex market and talk about role of different participants in this market. 07)

OR

Q2a). Compare European options with American options. Explain concepts of intrinsic value and speculative value of options. 07)

Q2b) Discuss factors that affect equity returns at international level. 07)

Q3a) Explain absolute and relative form of purchasing power parity. Why does purchasing power parity not occur ? 07)

Q3b) Bank is willing to buy dollars for 0.9 euros per dollar. It is willing to sell dollars for 0.91 euros per dollar. Australian dollar can be sold to bank for \$ 0.72 and same can be bought from bank at \$ 0.74. Bank is willing to buy Australian dollars (A\$) for 0.68 euros per A\$. Bank is willing to sell Australian dollars for 0.70 euros per A\$.

If \$ 1,00,000 is available, estimate profit or loss from triangular arbitrage, if US dollar is converted into Australian dollar, Australian dollar is converted into euros and euros are converted back into US dollars. 07)

OR

Q3a) What is economic exposure ? What are strategies by which it can be managed ? 07)

Q3b) Why are interest rate swaps created ? How do they benefit two parties involved ? Explain with an example. 07)

Q4a) Discuss how letter of credit is a major support for international payments across various transactions. 07)

Q4b) Billimoria Co. has net payables of 150000 Mexican Pesos in 180 days. Mexican interest rate is 16% per annum. Spot rate of Mexican Peso is \$ 0.20. How would USA firm use money market hedge to manage payables ? Show all steps. 07)

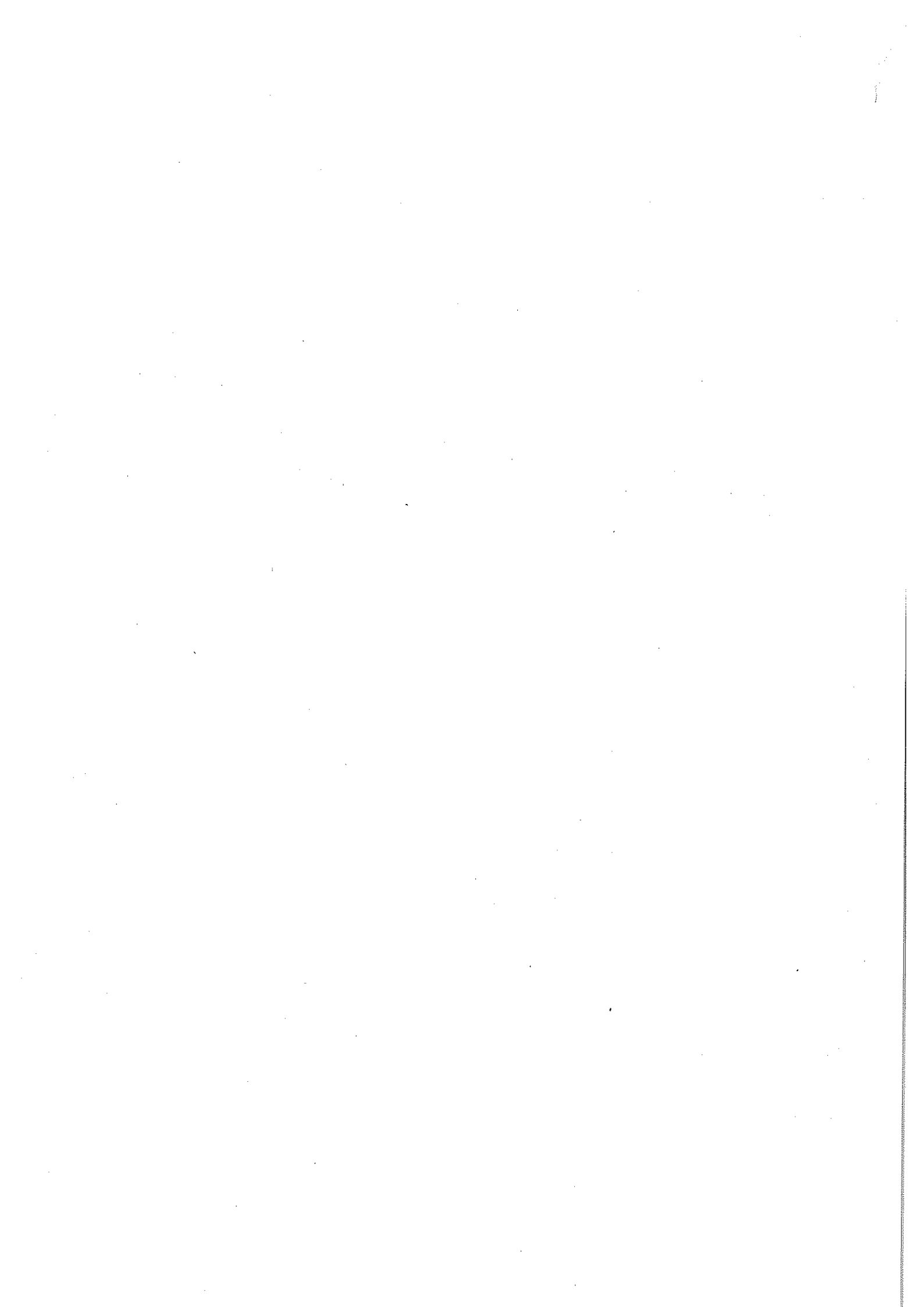
OR

Q4a) Explain any three methods of post-shipment finance and their usefulness in managing finances at international level. 07)

Q4b) Discuss ways by which optimal portfolio selection can take place at international level. 07)

Q5. Suppose that the current spot exchange rate is €0.80/\$ and the three-month forward exchange rate is €0.7813/\$. The three-month interest rate is 7 percent per annum in the United States and 5.40 percent per annum in France. Determine whether interest rate parity is holding or not ?

Assume that you can borrow up to \$1,000,000. Show how to realize a certain profit via covered interest arbitrage, assuming that you want to realize profit in terms of U.S. dollars. Also determine the size of your arbitrage profit. Is it possible to earn profit by investing in France, using this strategy ? Why ? 14)



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Candidate's Seat No : _____

M.B.A.-2 (Sem.-3) Examination

Derivatives and Risk Management (DRM)

May 2019

Time : 2-30 Hours]

[Max. Marks : 70

Q 1. Write a detailed note on development of derivatives segment in India. (14)

Q 2.

(a) What are currency derivatives and its applications? (07)

(b) Write a note on Index Futures in India. (07)

OR

Q 2. What are options and its types? Explain in detail. (14)

Q 3. Explain in detail Black & Scholes Model. (14)

OR

Q 3. What are Forex Swaps, explain with example. (14)

Q 4.

(a) Write a note on Box Strategy of options. (07)

(b) What is present scenario of commodity derivatives in India? (07)

OR

Q 4.

(a) What is interest rate derivative? (07)

(b) Explain cash-future arbitrage strategy. (07)

Q 5.

(a) Write a note on NSE. (07)

(b) Explain cost of carry and what are the factors affecting it. (07)

M.B.A.-2 (Sem.-3) Examination
Corporate Strategic Management (CSM)

Time : 2-30 Hours]

May 2019

[Max. Marks : 70

- Q.1 a) Define strategy. What are the various levels where strategies are formulated in an organization? 07
- b) Technology as one of the macro environmental forces poses many opportunities and threats in many industries. Explain with example of any one industry in India. 07
- Q.2. Explain Core and Distinctive competencies and discuss how they lead to Competitive Advantage. 14
- OR
- Discuss the different levels of interest and influence of different types of stakeholders on strategy making in an organization. 14
- Q.3. Explain Porter's Generic Competitive Strategy "Cost Leadership". What are the challenges in following this Competitive Strategy. 14
- OR
- Why do companies opt for Strategic Alliance? What are the Pros and Cons of Strategic Alliance? 14
- Q.4. Explain the use of a) BCX Matrix and b) GE Nine Cell Matrix in Business Portfolio Management. 14
- OR
- Discuss transformation of an organization with the help of Mc.Kinsey 7s model 14
- Q.5. Read the following and answer the questions.

When Sahil Vachani joined the Max Group in 2016, his objective was to create a powerful real estate brand and steer Max Ventures and Industries' (MaxVIL) other businesses towards growth. His diverse expertise across various sectors including consumer durables and real estate has stood him in good stead so far.

Since assuming his role at MaxVIL, he has successfully completed two key transactions which will have an enduring impact on the company's growth over the next few years. The first is the sale of a 22.5 per cent stake in MaxVIL to a subsidiary of New York Life Insurance Company in January 2017, and the second is the induction of Toppan Printing Co. Japan as a joint venture partner with a 49 per cent stake in MaxVIL's legacy manufacturing business — Max Speciality Films (MSF).

"It has been my personal ambition and responsibility to lead MaxVIL into the 'wider world of business' or into sectors where the Max Group does not currently have a presence but are strategically aligned with the group's larger interests," says Vachani, who is CEO and managing director of MaxVIL.

(P.T.O)

"Over a very short span of time since the company's inception in 2016, we have taken some significant growth bets, clearly identifying two new distinct business avenues — real estate and providing intellectual and financial capital to high-potential early-stage businesses — and have since made tangible progress in both these verticals as per concrete business plans."

Vachani was recently appointed as a director on the boards of Max Financial Services and its subsidiary Max Life Insurance. He joined the boards of these companies as a representative of the owner sponsor group led by Analjit Singh.

In addition, Vachani is currently overseeing two new business verticals under MaxVIL — Max Estates and Max I.

Under Vachani's stewardship, MaxEstates, in its three years of its existence, has almost completed a life-cycle of projects. It has turned around a distressed project—their flagship upcoming project Max Towers — by obtaining the necessary regulatory approvals and successfully completing project finance, design and execution, and is currently in the process of marketing its properties that are up for sale.

1. Discuss the restructuring of businesses in the company.
2. Discuss the diversification strategy of the company.
3. Discuss the role of Mr.Vachani as a Strategic Leader

05
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04

M.B.A.-2 (Sem.-3) Examination
Management Control System (MCS)

Time : 2-30 Hours]

May 2019

[Max. Marks : 70

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- Q.1 Attempt all Ten Questions. 30
1. Define Management Control System.
 2. What is Performance Budget?
 3. What do you mean by Investment Centre?
 4. How does information essential in Controlling Process?
 5. What do you mean by strategic planning?
 6. What is Transfer Pricing?
 7. What is Economic Value Added?
 8. Why is Variance Analysis important?
 9. What are the benefits of Performance Measurement in an organization?
 10. What is Translation Exposure?
- Q.2 What is Responsibility Accounting? Discuss the application of this concept in creating and designing various responsibility centers. 10
- OR
- Q.2 What are characteristics of Non-Profit Organizations? Describe the difference between management control system of Non-Profit Organizations and Profit Organizations. 10
- Q.3 Division A of Pankaj Enterprise manufactures Product X, which is sold to Divisions B as a component of Product of Y. Product Y is sold to Division C, which uses it as a component in Product Z. Product Z is sold to customers outside the company. The intra-company pricing rule is that the product are transferred among divisions at the standard variable costs assigned to the product plus a 10 percent return on the average inventories and fixed assets assignable to the product. You are required to calculate the transfer price for Products X and Y and calculate the unit standard cost for Products Y and Z. 10
- | Standard cost per unit | Product X | Product Y | Product Z |
|---------------------------|-----------|-----------|-----------|
| Material Purchase Outside | 2 | 3 | 1 |
| Direct Labour | 1 | 1 | 2 |
| Variable Overhead | 1 | 1 | 2 |
| Fixed Overhead per unit | 3 | 4 | 1 |
| Standard Volume | 10,000 | 10,000 | 10,000 |
| Inventories (Average) | 70,000 | 15,000 | 30,000 |
| Fixed Assets (Net) | 30,000 | 45,000 | 16,000 |
- OR
- Q.3 Discuss the Management Control System in Multinational Organizations. 10
- Q.4 What is Variance? What are the limitations of Variance Analysis? 10
- OR
- Q.4 What are the informal factors influencing goal congruence in an organization. 10
- Q.5 What is Budgetary Control? Discuss the role of Zero Base Budgeting in Budgetary Control. 10

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 (4) Figures in the right side in the parenthesis indicate marks

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- Q-1 Do As Directed**
- (a) Mr Samar is a victim of cyber fraud. Hence he was advised to file an application to the cyber regulatory appellate tribunal. Describe the procedure for filing the application to cyber regulatory appellate tribunal as per the learnings of Information Technology Act, 2000 (07)
- (b) Anand wrote a play entitled 'Hum Hindustani' in 1953. The play was enacted in next few years, in Delhi and Calcutta. It got good reviews in newspapers like Indian Express, Hindustan Times, The Times of India and other papers. The play was based on the theme of provincialism and its baneful and divisive effects on the society. A film maker, Mohan Sehgal, got interested in making a film based on the play. He heard the play from Anand, in his office. Anand did not receive any further communication from Mohan Sehgal. Thereafter, Mohan Sehgal announced the production of a film titled, 'New Delhi'. The film was released in Delhi in September, 1956. From the comments in the press, Anand felt that the film was entirely based on his play. He felt that Sehgal had dishonestly imitated the play in the film and violated the copyright. He, therefore, moved to the court. Can Mr Anand succeed as per the learnings of Copyright Law? (07)
- Q-2 Explain the Name Clause, Registered Office Clause and Object Clause under Companies Act, 2013. Also State the provisions with respect to the alteration of Name Clause, Registered Office Clause and Object Clause. (07)**
- (a)
- Q-2 Define Bills of Exchange and Promissory Note? Differentiate between Promissory Note and Bills of Exchange. (07)**
- (b)
- OR**
- Q-2 What do you mean by Article of Association? Explain the procedure for alteration of the Articles of Association under Companies Act, 2013. (07)**
- (a)
- Q-2 What is dishonour of cheque? State the instances when the cheques gets dishonoured. Also state the liabilities and consequences which arises when the cheque gets dishonoured under Negotiable Instruments Act, 1881 (07)**
- (b)

P. T. G.

Q-3 Explain the maxim Let the Buyer Beware with its exceptions under Sale of Goods Act, 1930 (07)
(a)

Q-3 S booked a motor vehicle through one of the dealers. He was informed subsequently that the procedure for purchasing the motor vehicle had changed and was called upon to make the further payment to continue the booking before delivery. On being aggrieved, S filed a complaint with State Commission under Consumer Protection Act. Would S succeed? (07)
(b)

OR

Q-3 Explain with relevant examples (1) Condition as to Sale by Description, (2) Condition as to Sale by Sample and (3) Condition as to Merchantability under Sale of Goods Act, 1930 (07)
(a)

Q-3 Bhim entered into a contract with a share broker for the sale of shares. The share broker, after having sold the shares, issued him a cheque but the cheque was dishonoured. Despite repeated reminders, the share broker did not pay him the money. He took up the matter with the Consumer Forum for redressal. Can he do so as per the learnings of Consumer Protection Act? (07)
(b)

Q-4 Explain the undermentioned suits filed as remedy by aggrieved person with appropriate examples under Indian Contract Act. (07)
(a)

- (1) Suit for Specific Performance
- (2) Suit for Injunction
- (3) Suit for Quantum Meruit

Q-4 What is Bailment? State the rights and duties of bailor and bailee in case of Contract of Bailment. (07)
(b)

OR

Q-4 Explain with relevant examples as to when the contract becomes voidable under Indian Contract Act. (07)
(a)

Q-4 What is Contract of Agency? Explain the circumstances under which the contract of agency comes to an end. (07)
(b)

Q-5 Write Short Notes On: (Any 2) (14)

1. Remedies Available in respect of Infringement of Trademarks
2. Procedure for obtaining Patent
3. Cyber offences and penalties described under Information Technology Act, 2000
4. Electronic Governance under Information Technology Act, 2000
