MB-116

May-2022

MBA, Sem.-VI

Financial Management – II

Time : 2 Hours]   **[Max. Marks : 50**

Instructions :   (1)   **All** questions in Section – I carry equal marks.

                   (2)   Attempt any **THREE** questions in Section – I.

                   (3)   Question – **6** in Section – II is compulsory.

Section – I

Attempt any **THREE** Questions out of **5** Questions :

1.   (a)   A company is considering a rights offering to raise funds to finance new projects, which require ₹ 5 crores. The company currently has 20 Lakhs shares outstanding and the current market price of its shares is ₹ 100. The subscription price has been fixed at ₹ 50 per share.   **8**

            (1)   How many shares should be sold to raise the funds required for financing the new projects ?

            (2)   How many rights are required to buy one new share ?

            (3)   What is the value of one right ?

   (b)   What are main attributes of debentures ? What are their merits and demerits ?   **6**

2.   NI Limited has decided to go for an equipment costing ₹ 60 million. NI is considering two alternatives : (i) leasing the equipment, and (ii) borrowing and purchasing the equipment. BT capital is willing to lease the equipment to NI for an annual lease rental of ₹ 16 million for 5 years to be paid at the end of each year.

The company uses straight line method of depreciation. The net salvage value of the equipment after five years is expected to be ₹ 15 million. NI has an effective tax rate of 30 percent and its post- tax cost of debt is 7 percent.

Advise the company about suitable alternative.   **14**

3. (a) Give the meaning of Capital Budgeting. Explain different types of Investment Decision. **6**

   (b) Explain limitation of payback period and net present value method of evaluating capital expenditure decision. **8**

4. A project involving an outlay of ₹ 1 crore has the following cash inflows associated with it over its useful life of 3 years. **14**

[₹ in lakhs]

Year-1		Year -2		Year -3	
Cash flow	Probability	Cash flow	Probability	Cash flow	Probability
40	0.4	50	0.4	30	0.3
50	0.5	60	0.4	40	0.5
60	0.1	70	0.2	50	0.2

Assume that the cash flows are independent and the risk free discount rate is 10%. Calculate the expected NPV and its standard deviation.

5. (a) The following information is available in respect of a firm : **8**

   Capitalization Rate (Ke) – 10%

   Earnings per Share (E) – ₹ 10

   Return on investments (r) (i) 15% (ii) 8%

   If Dividend payout ratio is (i) 25% (ii) 50%, what is the market price of shares ? What should be the optimum payout ratio ? (As per Walter Model)

   (b) What are different factors determining the dividend policy of a firm ? Explain. **6**

Section – II

6. Choose the correct options for each of the following : (Any **EIGHT**) **8**

   (1) Which of the following is not a part of Discounted Cash Flow (DCF) criteria ?

       (A) Accounting rate of return   (B) Net present value

       (C) Profitability index   (D) Internal rate of return

   (2) Select the correct statement –

       (A) Free cash flows, should be discounted to find out an investment's NPV

       (B) Cash flows should always be estimated on before-tax basis

       (C) Depreciation requires cash outflow

       (D) Increase in net working capital is a cash inflow

(3) The procedure of dealing with risk in capital budgeting by reducing the forecasts of cash flows to some conservative levels, is called,

(A) Payback   (B) Certainty Equivalent

(C) Risk-adjusted Discount rate   (D) Objective probability

(4) Dividend per share as a percentage of earnings per share is,

(A) Dividend yield   (B) Payout ratio

(C) Retention ratio   (D) Capital gains

(5) Gordon's model is based on-

(A) Firm with high amount of debt

(B) Existence of corporate taxes

(C) Cost of capital less than growth rate

(D) None of the above

(6) Select the correct statement -

(A) Mature companies generally have high payout ratios.

(B) In a widely held company, the interests of the various shareholders group are in conflict.

(C) Wealthy investors generally prefer a dividend policy of retaining earnings and distributing bonus shares.

(D) All of the above

(7) Shares becoming available on account of non-exercise of rights are -

(A) Taken back by the company

(B) Allotted to shareholders who have applied for additional shares

(C) Sold in the open market

(D) None of the above

(8) Select the correct formula for conversion ratio -

(A) Conversion ratio = par value of convertible debenture × conversion price

(B) Conversion ratio = par value of convertible debentures + conversion price

(C) Conversion ratio = par value of convertible debentures – conversion price

(D) Conversion ratio = par value of convertible debentures / conversion price

(9) Select the incorrect statement –

   (A) In hire-purchase agreement the legal ownership of the asset passes immediately to the buyer.

   (B) Hirer is entitled to claim depreciation tax shield.

   (C) For the hirer, the hire purchase agreement is like a cancellable lease.

   (D) None of the above.

(10) Select the incorrect statement -

   (A) High technology is a precondition for venture financing.

   (B) Venture capital is an important source for financing of small-scale enterprises.

   (C) Venture financing is a long term, illiquid investment.

   (D) None of the above.

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MB-116

May-2022

MBA, Sem.-VI

Marketing Management

(Theory and Practice – II)

Time : 2 Hours]   **[Max. Marks : 50**

Instructions :   (1)   **All** questions in Section – I carry equal marks.

            (2)   Attempt any **THREE** questions in Section – I.

            (3)   Question – **6** in Section – II is compulsory.

Section – I

Note : Attempt any **three** questions out of **five** questions

1.   (a)   Kaffeine, a coffee chain in UK finds a huge business opportunity in India due to the rising cafe hangout culture in cities and towns. You have been roped as a consultant to do scanning of the external environment. What would be your suggestion ?   **9**

    (b)   Standardisation vs. Adaptation. Discuss the pros and cons of any one strategy in the context of global marketing. Suitably illustrate your answer.   **5**

2.   (a)   Based on customer feedback for wanting higher quality products and better shopping environment to reflect global standards, the retail chain brought in various changes and launched a set of stores positioned as premium and luxury and the other set having a young modern aesthetic. Commenting on the change, Rajiv Suri, Managing Director, Shopper Stop, said, "change is essential, our consumers are changing, their preferences are evolving. They are getting younger. And so we have to change along with them." Based on the given information :

       (1)   What should be the positioning strategy of Shopper Stop now and why ?

       (2)   What demographic and psychographic criteria should Shopper Stop now use for segmenting its target customers ?

    (b)   Describe in detail the various techniques available to a researcher to gather primary data.

3.   (a)   Describe the key processes of supply chain management and how does each of these processes impact the final customer ?

    (b)   Discuss non store retailing formats. Use illustrations of companies using these formats. According to you, what is the future of each of these formats in India ?

4. (a) Describe the steps in the personal selling process.

    (b) The key to successful customer relationship management is to identify the best customers who yield high profits or potential profits. Describe how a company could identify such customers. Use examples of at least three companies who are using data mining and explain why they are doing it.

5. (a) Srikumar Misra set up a small dairy business Milk Mantra three years ago in the eastern state of Orissa to help small farmers. He buys milk from a network of 3,000 farmers, some of whom have just one cow. The company collects the milk and turns it into cheese and other dairy products. It then packages the produce for sale in urban markets through retail stores and home delivery services under the brand of Milky Moo. Milk Mantra offers poor dairy farmers an assured market, better prices and helps them to boost productivity. Samridhi- a prosperity initiative has created an Impact Investment Fund targeted at India's low income states to provide capital for enterprises that benefit poor people and has chosen SIDBI to channel investments to small enterprises, in its first private sector development programme in India.

    Based on the above information answer the following :

    (1) Discuss the importance of investing in BOP market and what socioeconomic benefits it will provide ? According to you, which areas require investment in poor states of India ?

    (2) Discuss the challenges of marketing that Mr. Srikumar Misra will face and how can they be overcome ?

    (b) What are the benefits of marketing through social media as compared to traditional media ? As the Marketing Manager of Cadbury India, you have to prepare a social media campaign for the newly launched Cadbury Oreo chocolate. What do you think would be the objectives of this campaign and what type of campaign would you design ?

Section – II

6. Attempt any **8** MCQs out of **10**. Each MCQ carries **1** mark.   **8**

   (1) The Indian government has taken the lead and announced that it wanted every car on the country's road to electric by 2030. All automobile companies are therefore geared up to fulfil the government's commitment to fight environmental pollution. This behaviour of company will fall under

      (A) Technological Environment   (B) Regulatory Environment

      (C) Natural Environment   (D) Economic Environment

   (2) Fiat as a company deciding to use extensive nation-wide network of TATA motors to sell their vehicle in India is a classic example of

      (A) Direct exports   (B) Indirect exports

      (C) Piggyback exports   (D) None of the above

   (3) _____ is a gift of falling birth-rates and it causes a temporary bulge in the number of working age people.

      (A) Demographic Makeup   (B) Demographic Dividend

      (C) Group of Twenty   (D) Demographic Division

   (4) Which of the following is not a secondary data source ?

      (A) Magazines and Journals   (B) Websites

      (C) Interviews   (D) Company Directories

   (5) Logistics is a part of _____.

      (A) Customer Relationship Management

      (B) Supply Chain Management

      (C) Transportation

      (D) Order fulfilment

   (6) 'Non-Probability sample' includes _____.

      (A) Quota sample   (B) Stratified random sample

      (C) Cluster sampling   (D) Simple random sample

   (7) Social networking sites such as Facebook, Snapchat, Instagram, LinkedIn allow individuals to connect around shared interests, environment and personal relationships. This has created a whole new stream of marketing called as

      (A) Network Marketing   (B) Influencer Marketing

      (C) Relationship Marketing   (D) Permission Marketing

(8) Which of the following is not a challenge for marketing to BOP ?

   (A) Unlimited purchasing power

   (B) Lack of financial services

   (C) Underdeveloped market structure

   (D) Lack of knowledge in customers

(9) McDonalds is an example of

   (A) Licensing   (B) Franchising

   (C) Chain store Licensing   (D) Chain store Franchising

(10) Which of the following is not one of the methods to gather a lead ?

   (A) Cold calling   (B) Referral

   (C) Networking   (D) Qualifying

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MB-116

May-2022

MBA, Sem.-VI

Human Resource Management – II

Time : 2 Hours] [**Max. Marks : 50**

Section – I

Attempt any **Three** questions out of **five** :

1. (a) How are the changes introduced in an Organization by the Management ? Discuss briefly different approaches used by the organization. **7**

   (b) Define leadership. Explain any two behavioural theories of leadership. **7**

2. (a) Explain the concept of Human Resource Development. Also discuss the process of HRD. **7**

   (b) Differentiate between Human Resource Accounting and HR Audit ? And discuss how human resource accounting is beneficial for the companies in India. **7**

3. (a) Write a brief note on reasons for demotions and absenteeism amongst the employees in the organization. **7**

   (b) Elaborate the statutory provision for safety in India under the Factories Act 1948. **7**

4. (a) What are the different elements of career development programmes ? Discuss. **7**

   (b) Elaborate upon any three trait methods of performance appraisal. **7**

5. (a) "Organisation has to design organisational strategies for managing talent." Discuss the statement. **7**

   (b) What do you mean by Human Resource Matrix ? How can we implement HR Matrix Management in an organization ? Explain. **7**

Section – II

6. Attempt any **Eight** MCQs out of **Ten** :   **8**

   (i) In Alderfer's ERG theory, the _____ needs talk of the importance of physiological needs and safety needs.

      (A) Growth   (B) Relatedness

      (C) Existence   (D) None

   (ii) _____ is the systematic evaluation of individuals with respect to their performance on the job and their potential for development.

      (A) Career planning   (B) Performance appraisal

      (C) Organizational development (D) Quality circles

   (iii) _____ is a career stage in which one begins to search for work. The problem of this stage includes making mistakes, learning from those mistakes and assuming increased responsibilities.

      (A) Decline stage   (B) Exploration stage

      (C) Mid-career stage   (D) Establishment stage

   (iv) _____; in this, some raters follow safe policy in rating by rating all the employees around the middle point of the rating scale and they avoid rating the people at the extremes of the scale.

      (A) Error of central tendency   (B) Recency effect

      (C) Halo effect   (D) None

   (v) Which of the following statement is incorrect related to Human resource information system ?

      (A) An HRIS is a record keeping system that keeps track of changes to anything related to employees.

      (B) HRIS permits the tracking of data required to advance the HR and business strategy.

      (C) HRIS software handles all the company's recruiting needs.

      (D) HRIS provide HRM services to employees working in organization and employees can also use a system for personal development.

   (vi) Radiologist, Scientist and Nuclear power engineer are exposed to the risk of undetected radiation which is considered as _____.

      (A) Biological hazards   (B) Environmental hazards

      (C) Chemical hazards   (D) None

(vii) _____ check to see if there is an improvement in employee knowledge as a result of training.

    (A) Grievance record

    (B) Employee turnover record

    (C) Health record

    (D) Test scores before and after training record

(viii) _____ model automatically collect data regarding employee attendance and work record for purposes of evaluating work performance, calculation of various deduction and tax reports.

    (A) E-selection   (B) E-Training

    (C) E- Benefits   (D) E-Payroll

(ix) _____ is the broadening of the responsibilities of the company's jobs and encouraging employees not to limit themselves to what's on their job descriptions.

    (A) Job analysis   (B) Job design

    (C) De-jobbing   (D) None

(x) _____ proposes four perspectives including financial, customer, internal process and learning and growth perspectives.

    (A) HR Balance scorecard   (B) Employer branding

    (C) Human resource matrix   (D) Knowledge management

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