

**AB-169**

April-2019

**5<sup>th</sup> Year MBA Integrated, Sem.-X****(Working Capital Management)  
(Finance)****Time : 2:30 Hours]****[Max. Marks : 70**

1. (A) What is the significance of working capital for a manufacturing firm ? What will be the consequences of shortage and excess of working capital ? **6**

**OR**

Distinguish between the permanent and temporary working capital.

- (B) Orange Ltd. Provides the following particulars relating to its working : **8**

- (i) Cost/profit per unit :

|                      |           |
|----------------------|-----------|
| Raw material         | 84        |
| Direct labour cost   | 36        |
| Overheads (variable) | <u>36</u> |
| Total cost           | 156       |
| Profit               | <u>44</u> |
| Selling price        | 200       |

- (ii) Average amount of back up Stock :

|                  |         |
|------------------|---------|
| Raw Material     | 1 month |
| Work-in-progress | ½ month |
| Finished Goods   | 1 month |

- (iii) Credit allowed by Suppliers 1 month  
 (iv) Credit allowed to Customers 2 months  
 (v) Average time lag in the payment of :

|                   |                |
|-------------------|----------------|
| Wages             | ½ month        |
| Overhead expenses | 1 and ½ months |

- (vi) Required cash in the hand at bank ₹ 3,00,000  
 (vii) Output sold for cash 25%

For an expected annual sale of 100,000 units, work out the working capital requirement assuming that the production is carried on evenly throughout the year and wages and overheads accrue similarly.

2. Shah & Co. is a manufacturer of snacks. The sales vary seasonally, and are highest in the month of May. The management of the company wishes to prepare a cash budget from the period January through June. To prepare the cash budget, the following additional information is given :

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**Shah & Co.'s Balance sheet, as on 1<sup>st</sup> January, 2019**

| <b>Liabilities &amp; Capital</b> | <b>Amount</b>       | <b>Assets</b>       | <b>Amount</b>       |
|----------------------------------|---------------------|---------------------|---------------------|
| Current liabilities              | 60,00,000           | Cash                | 16,88,00,000        |
| Other liabilities                | 2,16,00,000         | Debtors             | 8,40,00,000         |
| Share capital                    | 63,45,60,000        | Inventory           | 24,61,60,000        |
|                                  |                     | Fixed assets        | 16,32,00,000        |
| <b>Total funds</b>               | <b>66,21,60,000</b> | <b>Total assets</b> | <b>66,21,60,000</b> |

**Estimated Sales**

|          | <b>Amount</b> |       | <b>Amount</b> |
|----------|---------------|-------|---------------|
| December | 12,00,00,000  | April | 45,60,00,000  |
| January  | 16,80,00,000  | May   | 57,60,00,000  |
| February | 31,20,00,000  | June  | 21,60,00,000  |
| March    | 26,40,00,000  | July  | 21,60,00,000  |

- Credit sales are 70% and cash sales 30% of the total sales.
- Sales are collected after one month.
- Gross profit margin on sales is expected to be 25%.
- Payments for the purchases are made one month in advance.
- A minimum inventory of ₹ 12,00,00,000 at cost is always maintained. The company purchases sufficient inventory each month to take care of sales of the subsequent month.
- Other monthly expenses are :

|              | <b>Amount</b> |
|--------------|---------------|
| Salary       | 192,00,000    |
| Rent         | 48,00,000     |
| Depreciation | 14,40,000     |
| Other        | 1% of sales   |

- A 16% interest on borrowed funds is payable in the next month of every quarter, on the outstanding balance. Borrowing is possible each month in the multiples of ₹ 20,00,000.

3. Waterside Ltd. Manufactures readymade garments and sells them on credit basis through a network of dealers. Its present sale is ₹ 60 lakhs per annum with 20 days credit period. The company is contemplating an increase in the credit period with a view to increasing sales. Present variable costs are 70% of sales and the total fixed cost ₹ 8 lakh per annum. The company expects pre-tax return on investment @ 25% and other information is as follows :

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| Proposed credit policy | Average collection period (days) | Expected Annual sales (₹ Lakhs) |
|------------------------|----------------------------------|---------------------------------|
| I                      | 30                               | 65                              |
| II                     | 40                               | 70                              |
| III                    | 50                               | 74                              |
| IV                     | 60                               | 75                              |

Required: Which credit policy should the company adopt ? Assume 360 days in a year. All calculations should be part of the answer.

4. Answer any **two** from the following :

(A) The experience of the firm being out of stock is summarized below.

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| Stock out (No. of units) | No. of times (%) |
|--------------------------|------------------|
| 650                      | 1                |
| 550                      | 2                |
| 400                      | 4                |
| 250                      | 6                |
| 200                      | 10               |
| 100                      | 17               |
| 0                        | 60               |

- (1) Stock out costs of estimated to be ₹ 50 per unit.  
 (2) Carrying cost of inventory per unit is ₹ 25.

Determine the optimal level of inventory.

(B) Explain the techniques of inventory management, that may be used in a manufacturing concern.

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(C) Write a note on :

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- (1) ABC Analysis of inventory control.  
 (2) Just in Time Inventory.

5. 'Bank credit has been subject to various rules regulations and controls.' – Explain this statement with the help of various study groups to make the bank credit as an effective instrument. 14

**OR**

Discuss different short term sources of finance available to meet working capital requirements of the firm. Explain with example of any service firm of your choice.

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Seat No. : \_\_\_\_\_

**AB-169**

April-2019

**5<sup>th</sup> Year MBA Integrated, Sem.-X  
(International Marketing Management)  
(Marketing)**

**Time : 2:30 Hours]**

**[Max. Marks : 70**

1. (a) “Operating in international markets is much more complex than marketing domestically.” Evaluate the statement with suitable examples. **8**
- (b) How can cultural environment affect the international marketing environment ? **6**
  
2. (a) To what degree does the marketing mix need to be adapted to succeed in international market ? Explain the Ps with examples. What are the recent business opportunities and the trends prevailing in international market ? **8**
- (b) Classify the economic environment into categories with respect to the home country, the host country and economy at a global level. **6**

**OR**

How can a firm deal with issues of dumping, transfer pricing and grey markets ?  
Discuss.

3. (a) Global marketing information systems need to integrate different types of information across different geographies. Explain any **two**. **8**
  - (i) Country Attractiveness
  - (ii) Growth Share Matrix
  - (iii) Cost estimation method
- (b) Classify trade barriers into different categories and briefly explain each classification. **6**

**OR**

“Standardization vs Adaptation” – Discuss the various issues related to the stance taken by an MNC.

4. (a) “Conducting research in emerging markets is becoming challenging.” Explain the challenges and issues faced by researchers. **8**

**OR**

How do the ethical considerations in international marketing research effect the participating parties ?

- (b) Explain any **two** from the following : **6**
- (i) Concept of global marketing with the help of EPRG framework.
  - (ii) What are different types of trading blocks ?
  - (iii) The ‘emic’ and the ‘etic’ cross-cultural research.

5. (a) Give details of the three primary types documents required to perform each transport movement. **8**

**OR**

Give the highlights of the foreign trade policy of the current government.

- (b) Give the purpose of : (Attempt any **two**) **6**
- (i) Export Promotion Council
  - (ii) Commodities Board
  - (iii) The Indian Institute of Foreign Trade (IIFT)
  - (iv) Export Credit Guarantee Corporation
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April-2019

**5<sup>th</sup> Year MBA Integrated, Sem.-X  
(Strategic Human Resource Management)  
(HR)**

**Time : 2:30 Hours]**

**[Max. Marks : 70**

1. Write meaning of the Concept of Strategic Human Resource Management. Describe the important components of Organizational Culture. How is Organizational Culture maintained ? **14**
  
2. Discuss the aspects of Demographic, Societal and Workforce Trend in the context of Human Resource Environment. **14**

**OR**

State the purposes of Benchmarking HR Practices. Write and explain the process of Benchmarking as used for HRM Evaluation.

3. "TQM practices cannot be combined with strategic initiatives, such as Corporate Restructuring, that are Conventional Management theories." Discuss. **14**

**OR**

Explain the transition from Reactive HRP to Proactive HRP. Discuss the Significance of HRP in changing work Environment.

4. Answer any **two** : **14**
  - (1) Give meaning of the term Employee Separation and explain different types of Employee separation.
  - (2) What is Employee Relation Management ? Describe the stages of Employee Relation Plan.
  - (3) State the objectives of Downsizing. Also, write and explain the reasons for Downsizing.

5. Explain any **two** :

**14**

- (1) Core concepts in ethics.
  - (2) Environmental Trends Impacting Work-Life Issues in organizations.
  - (3) Individual and Organizational Career Management Strategies.
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