

AF-107

April-2019

T.Y. M.B.A. Integrated, Sem.-VI (Financial Management-II)

Time : 2:30 Hours]

[Max. Marks : 70

1. (a) Discuss the merits and demerits of equity shares. Also explain pre-emptive right of equity share holders. 7

OR

Explain briefly preferential issues of securities.

- (b) ABC Ltd. is considering replacement of its outstanding bonds of ₹ 10 crores by issuing new bonds of ₹ 10 crores for taking advantage of interest rate decline. The company pays 35% tax. The details about the bonds are given below :

Existing bonds :

Par value ₹ 1000, Coupon rate 15%, Issued at par before 5 years with 25 years maturity, Flotation cost ₹ 825000, Callable at ₹ 1140.

New bonds :

Par value ₹ 1000, Coupon rate 13%, To be issued at par with maturity period 20 years, Flotation cost ₹ 13, 25,000.

The company does not expect any overlapping interest. Cost of debt after tax is 7%. Give your opinion about replacement proposal. 7

2. (a) DEF Ltd. requires a machine for its production work and is considering buying or leasing options. The machine costs ₹ 20 lakhs and is subject to depreciation as per SLM over 5 years with zero salvage value. In contrast, the lease rent is ₹ 4.40 lakhs per year to be paid in advance each year for 5 years. The company can raise debt at 14% payable in 5 equated yearly installments, each installment due at the beginning of the year. The company pays 50% tax. Should it lease or buy the machine ? 7
- (b) Describe the main features of Venture Capital. Also explain briefly the main features of the SEBI VCF regulations. 7

OR

What is preference share? Compare and contrast it with debentures.

3. After conducting a survey that cost ₹ 2 lakhs, X Ltd., decided to undertake a project for placing a new product in the market. The company's cost of capital is 12%. It was estimated that the project would cost ₹ 40 lakhs in plant and machinery in addition to working capital of ₹ 10 lakhs. The scrap value of plant and machinery at the end of 5 years was estimated at ₹ 5 lakhs. After providing for depreciation on straight line basis, profits before tax were estimated as follows:

Year	1	2	3	4	5
PBT(₹)	5,00,000	13,33,333	21,66,667	8,33,333	6,66,667

Considering tax rate of 40%, ascertain the net present value of the project.

14

- 4 The probability distributions of two projects' NPVs are given below :

Project - A		Project - Y	
NPV (₹)	Probability	NPV (₹)	Probability
5,000	0.2	0	0.1
7,500	0.7	7,500	0.7
10,000	0.1	15,000	0.2

Calculate the expected value, standard deviation and the coefficient of variation for each project. Which of these mutually exclusive projects do you prefer ? Why ?

14

OR

Explain Sensitivity analysis and Decision tree approach of evaluating risk in Capital budgeting decision.

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

14

- (1) The following data is available for Newton Limited :

Earnings per share = ₹ 7.00

Rate of return = 20 percent

Cost of capital = 14 percent

- (i) If Walter's valuation formula holds, what will be the price per share when the dividend payout ratio is 30 percent, 40 percent ?
- (ii) If Gordon's basic valuation formula holds, what will be the price per share when the dividend payout is 30 percent, 40 percent ?
- (2) Prove the dividend irrelevance theorem given by Modigliani and Miller.
- (3) Discuss various dimensions of dividend policy.

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April-2019

T.Y. M.B.A. Integrated, Sem.-VI

(Marketing Management-II)

Time : 2:30 Hours]

[Max. Marks : 70

1. Explain in detail the various modes an organisation may use to enter the global markets. 14

OR

Write a short note on any **two** : (7 marks each)

- (a) Licensing & Franchising.
- (b) Demographic factors in Environmental analysis.
- (c) Importance of Global Marketing to India.

2. Suppose you are the Marketing Manager of a FMGC company called Imperial Limited. Your company is planning to launch talcum powder and has selected three possible fragrance choices-sandalwood, jasmine and lavender. You have been asked to conduct Market research to find out customer preferences for each of three fragrances. 14

OR

Explain the demographic and geographic segmentation for the following :

- (a) Mc Donald's
- (b) Levi's Corporation
- (c) Walmart stores
- (d) Goa Tourism

3. What are the major types of Retail Operations ? Explain each of them in detail by using suitable example. 14

OR

What are the key processes in Supply Chain Management and who performs them ? How does each process lead to increased satisfaction on the part of the customer ?

4. Why is Customer Relationship Management described as a closed loop system ? What are the key components of the CRM process ? 14

OR

If you are a new salesperson for a well-known medical software company and one of your clients is a large group of physicians. You have to arrange an initial meeting with the office manager. Discuss the steps you will follow (with reference to personal selling process).

5. List the benefits of each social media platforms available to the marketers. Also give one illustration each to depict how these platforms are being effectively used by companies for marketing activities. 14

OR

Discuss the successful marketing strategies and challenges for Bottom of the Pyramid (BOP) with the help of suitable examples.

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April-2019

T.Y. M.B.A. Integrated, Sem.-VI (Human Resource Management-II)

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Define organisational change. And describe the conditions that brought paradigm shift from resisting change to inviting the change. 7
(B) Explain the hierarchy of need theory of motivation in detail. Also state the critics of the theory. 7

 2. Attempt any **two** questions : 14
 - (1) Define Human Resource Development. Why there is need for human resource development in today's changing environment ?
 - (2) Discuss the concept of Management Information System and Human Resource Information System.
 - (3) Discuss the methods of Human Resource Accounting in detail.

 3. Attempt any **two** questions : 14
 - (1) Write a detailed note on retention management of employee in today's environment.
 - (2) Explain the types and effects of external mobility.
 - (3) Elaborate the statutory provisions for safety in India.

 4. Define performance appraisal and discuss trait method of performance appraisal in detail. 14
- OR**
- (A) Define Career planning. And explain the limitations of career planning. 7
 - (B) Discuss the pros and cons of performance appraisal. 7
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5. Write short note on any **two** : 14
 - (1) Employer branding
 - (2) Aspects of E-HRM
 - (3) Dual career Group