

Seat No. : _____

DF-116
December-2013
5 Years MBA Integrated
(KS) T.Y. MBA
Financial Management – 1

Time : 3 Hours]

[Max. Marks : 100

1. (a) What do you mean by 'Financial Management' ? Explain basic functions of financial management in detail. **10**
- (b) You plan to go abroad for higher studies after working for the next five years and understand that an amount of ₹ 20 lakhs will be needed for this purpose at that time. You have decided to accumulate this amount by investing a fixed amount at the end of each year in a safe scheme offering a rate of interest at 10 percent. What amount should you invest every year to achieve the target amount ? **10**

OR

- (a) Discuss the techniques of preparing Proforma Profit and Loss account and Proforma Balance sheet giving example. **10**
- (b) If you invest ₹ 6,00,000 with a company they offer to pay you ₹ 1,00,000 annually for 10 years. What interest rate would you earn on this investment ? **10**
2. From the following information of N Ltd. for the coming year, you are required to estimate the working capital needed to finance a level of activity of 52,000 units of production after adding 10% margin for contingency. **20**

	Cost per unit (₹)
Raw materials	32
Direct labour	12
Overheads	<u>26</u>
Total cost	70
Profit	<u>10</u>
Selling price	<u>80</u>

Additional information :

- Average raw material in stock : four weeks
- Average material in process : two weeks
- Average finished goods in stock : six weeks
- Credit allowed by suppliers : five weeks
- Credit allowed to customers : eight weeks
- Time lag in payment of wages : one and half weeks

20% sales are on cash basis. Cash balance is expected to be ₹ 50,000.

You may assume that production is carried on evenly throughout the year and wages and overhead expenses accrue similarly.

OR

- (a) R Ltd. requires ₹ 25 lakhs in cash for meeting its transaction needs over next six months, its planning horizon for liquidity decision. The company currently has the amount in the form of marketable securities. The cash payments will be made evenly over the six month period. The company earns 10% annual yield on its marketable securities. The conversion of securities into cash entails a fixed cost of ₹ 1200 per transaction. What is the optimal conversion size as per the Baumol model ? **10**
- (b) Explain various sources of financing of working capital requirement in detail. **10**
3. (a) The Star Ltd. currently provides 45 days of credit to its customers. Its present level of sales is ₹ 60 lakhs. The ratio of variable costs to sales is 0.80
- The firm is considering extending its credit period to 60 days. The sales are expected to increase by 6 lakhs. The bad debt proportion on additional sales would be 5%. The company's cost of capital is 15% and the tax rate is 40%.
- Advise the company about the extension of credit period. **10**
- (b) Following information is given to you : **10**
- Per month consumption : 75 units
 - List price per unit : ₹ 4
 - Trade discount : 25% from the list price
 - Per order cost : ₹ 10
 - Carrying cost : Re. 0.20 per unit
 - The usage is assumed to be uniform throughout the year.

Required :

- (1) Determine the EOQ
- (2) No. of orders to be put in a year based upon EOQ
- (3) Total cost at EOQ
- (4) If discount of 5% is offered above trade discount if order size is atleast 450 units, then advice the concern whether it is to be accepted or not ?

4. F Ltd. has total capitalization of ₹ 100 lakhs consisting entirely of equity shares of ₹ 50 each. It wishes to raise another ₹ 50 lakhs for expansion through one of its two possible financing plans;

(a) All equity shares of ₹ 50 each (b) All debentures carrying 9% interest.

Present level of EBIT is ₹ 14 lakhs and tax rate is 50%.

Calculate EBIT level at which EPS would remain same irrespective of financing plan. Also advise the company about the financing plan. **20**

OR

What do you mean by leverages ? How they are to be calculated ? What is the managerial application of leverages ?

5. What do you understand by capital structure of a firm ? Give the names of various theory of capital structure. Explain 'Arbitrage Process' under Modigliani-Miller approach. **20**

OR

From the following information, you are required to determine the weighted average cost of capital of the company using book value weights. The present capital structure is :

Equity shares (₹ 10 each)	₹ 1 crore
Preference shares (₹ 100 each)	₹ 20 lakhs
Debentures (₹100 each)	₹ 80 lakhs

Additional information :

- (1) Debentures are redeemable at par, 10 years maturity, 11% coupon rate, 4% flotation cost, sale price ₹ 100
- (2) Preference shares are redeemable at par, 10 year maturity, 12% dividend rate, 5% flotation costs, sale price ₹100.
- (3) Equity shares : sale price ₹ 22, flotation cost ₹ 2 per share.

Dividend expected at the end of the year on the equity share is ₹ 2 per share. The growth rate in dividend is 7%. The corporate tax rate is 35%.

Seat No. : _____

DF-116

December-2013

5 Years MBA Integrated

(KS) T.Y. MBA

Marketing Management Theory and Practical – 1

Time : 3 Hours]

[Max. Marks : 100

1. (a) Explain the concept of Marketing Management and discuss four marketing management philosophies ? 10
- (b) Discuss the differences between sales and market orientations with suitable example for reference. 10

OR

Explain the importance of strategic marketing and draft a basic outline for marketing plan including all important aspects of appropriate Marketing Plan. Explain with the concept of BCG matrix and competitive advantage.

2. (a) Explain factors influencing consumer buying decision and discuss significance of consumer involvement. 10
- (b) Analyse the components of consumer decision making process and post purchase evaluation process. 10

OR

Explain relationship marketing concept with suitable example. Throw light on its importance and applicability in present marketing scenario.

3. Define following terms : 20
 - (a) Product
 - (b) Product Item
 - (c) Product line
 - (d) Product Mix

OR

Define following terms :

- (a) Service Marketing
- (b) Global issues in service marketing
- (c) 7Ps of services
- (d) Service Gap model

4. Discuss the role and importance of tactics for fine tuning the base price and product line pricing. **20**

OR

Explain different marketing channels with intermediaries and their functions. How is managing channel relationship important ?

5. (a) Explain merits and demerits of advertising as an element of 'Promotional Mix'. **10**
(b) Describe various media decisions in advertising. **10**

OR

- (a) Explain the AIDA concept in detail
(b) Explain Public Relations and Publicity with suitable examples.
-

Seat No. : _____

DF-116

December-2013

5 Years MBA Integrated

(KS) T.Y. MBA

Human Resource Management

Time : 3 Hours]

[Max. Marks : 100

Each question will carry **equal** marks.

1. What is HRM ? Discuss all the functions of HRM in detail.

OR

What are the business environment factors ? Explain all the factors in detail.

2. Define recruitment, discuss sources and governing factors of recruitment.

OR

Briefly explain the concept of selection. What are the different techniques of selection followed by a personnel manager while employing the personnel in an organisation ?

3. What are the training needs ? Explain different methods of training the employees.

OR

What are the benefits and problems of career planning and development ? Explain the various career development actions.

4. What are the components and theories of remuneration ? Discuss factors influencing employee remuneration.

OR

Define benefits and services. Why benefits and services are preferred by employees and management ? What are the steps in administering indirect remuneration ?

5. Explain the factors which do affect ethics of HRM.

OR

Discuss in detail the various challenges of HRM.
