

Seat No. : _____

AD-132

April-2016

**5th Year MBA Integrated
Working Capital Management**

Time : 3 Hours]

[Max. Marks : 100

1. (A) From the following data, compute the duration of the operating cycle for each of the two years and comment on its increase and decrease : **10**

Particulars	2014 – 2015	2015 – 2016
Sales	160,000	200,000
Debtors	32,000	50,000
Creditors	16,000	18,000
Cost of goods sold	140,000	180,000
Purchases	96000	135,000
Stock :		
Raw material	20,000	27,000
Work-in-progress	14,000	18,000
Finished goods	21,000	24,000

Assume 360 days per year.

OR

- (A) Answer any **two** from the following : **10**

- (1) What are the two basic factors determining the working capital requirement of a manufacturing firm ?
- (2) Is the aggressive approach to working capital finance a good proposition ? What may be the consequences ?
- (3) What are the elements of Working Capital Management ?

- (B) Aarti Ltd., sells goods at a gross profit of 20%. It includes depreciation as part of cost of production. The following figures for the 12 months ending 31st December, 2015 are given to enable you to ascertain the requirement of working capital of the company on cash cost basis.

10

Sales at 2 months credit	27,00,000
Material consumed (suppliers credit is for 2 months)	675,000
Total Wages (paid at the beginning of next month)	540,000
Manufacturing expenses outstanding at the end of the year (These expenses are paid one month in arrears)	60,000
Total administrative expenses (paid as above)	180,000
Sales promotion expenses paid quarterly and in advance	90,000

Assume that :

A safety margin of 15% will be maintained.

Cash is to be held to the extent of 50% of current liabilities.

There will be no work in progress.

Tax is to be ignored.

Stock of raw materials and finished goods are kept at one month's requirements.

2. (A) Prepare a cash budget of XYZ Ltd., on the basis of the following information for the six months commencing from April 2012.

10

- (1) Cost and prices remain unchanged and firm maintain a minimum cash balance of 4,00,000 for which bank overdraft may be availed if required.
- (2) Cash sales are 25% of the total sales and balance 75% will be credit sales. 60% of credit sales are collected in the months following the sales, balance 30% and 10% in the two following months thereafter. No bad debts are anticipated.
- (3) Sales forecast are as follows :

Jan.	12,00,000	June	8,00,000
Feb.	13,33,333	July	12,00,000
March	16,00,000	August	10,00,000
April	6,00,000	Sept.	8,00,000
May	8,00,000	Oct.	12,00,000

- (4) Gross profit margin 20%.
- (5) Anticipated purchases and wages for the year are as follows :

	Purchase	Wages ₹
April	6,40,000	12,00,000
May	6,40,000	1,60,000
June	9,60,000	2,00,000
July	8,00,000	2,00,000
August	6,40,000	1,60,000
Sept.	9,60,000	1,40,000

- (6) Quarterly interest payable ₹ 30,000. Rent payable ₹ 8,000 per month.
- (7) Capital expenditure expected in Sept. is 1,20,000.

(B) Discuss the strategies available to a firm for managing surplus cash. 10

3. Answer any **two** from the following : 20

(A) NM Ltd. is examining the question of relaxing its credit policy. It sells at present 60,000 units.

Selling price ₹ 20 per unit.

Variable cost ₹ 12 per unit

Fixed cost ₹ 4 per unit

All the sales are on credit, the average collection period being 30 days. The firm desires to relax the credit standard for which the sales are expected to increase by 15% and the average of receivables increased by 15 days. Assuming 15% return on investment, should the firm relax its credit policy ?

(B) Explain in detail various dimensions of a firm's credit policy ?

(C) Kapoor and Sons needs to borrow ₹ 15,000 for a year in order to finance a capital project. It approaches a bank who would charge interest of 15% p.a. If a bank decides not to make the loan, it would invest ₹ 15,000 at a guaranteed return of 9%. From past experience, the bank estimates that 4% of this type of client default on the repayment of loans. Show decision tree and Advise the bank with reasons.

4. (A) Mention the main requirements you would consider while laying down an efficient system of material control in your organization. 10

OR

From the following particulars with respect to a particular item of materials of a manufacturing company, calculate the best quantity to order :

Ordering quantity	Price per ton
Less than 250	6.00
250 but less than 800	5.90
800 but less than 2000	5.80
2000 but less than 4000	5.70
4000 and above	5.60

The annual demand for the material is 4,000 tons. Stock holding costs are 20% of material cost per annum. The delivery cost per order is ₹ 6.00.

- (B) From the following information compute : 10

- (a) Minimum stock level
- (b) Maximum stock level
- (c) Average stock level
- (d) Re-order stock level

Normal usage	1000 units
Re-order quantity	8000 units
Re-ordering period	2-4 months
Minimum usage	2000 units per month
Maximum usage	3000 units per month

5. Answer any **four** from the following : 20

- (1) Explain the guidelines to issue commercial papers in India.
- (2) What are the recommendations of Dehejia Committee on Bank Finance ?
- (3) Explain in brief different types of bank credit for working capital requirement.
- (4) Discuss the merits and limitations of Trade credit.
- (5) Give a brief account of Nayak Committee with respect to financing of small scale industries.

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**5th Year MBA Integrated
International Marketing Management**

Time : 3 Hours]

[Max. Marks : 100

1. (a) Why is host country (including the United States) not always receptive to foreign firm's investment in local production facilities ? **10**

OR

Distinguish among :

- (i) Ethnocentricity
- (ii) Polycentricity
- (iii) Geocentricity
- (iv) Regiocentricity

- (b) Explain how the legal environment can have an impact on an MNC's marketing mix. **10**

2. Attempt any **two** : **20**

- (a) Explain in detail High tech & High touch positioning.
- (b) Explain the significance of market selection in International marketing. Discuss the major approaches used to identify and select foreign markets.
- (c) Who are we targeting ? This is perhaps the most important aspect to understand in International marketing because your strategy will vary between country, demographics and whether your campaign is business or consumer based.
- (d) "Segmentation Challenges in Business-To-Business Markets" – Explain in detail in the context of International marketing.

3. (a) Explain in detail the modes of Entry in International Markets. **10**

OR

Briefly describe the process of International Marketing Research.

- (b) Critically evaluate the emic versus etic dilemma in International Markets. **10**

OR

Explain in detail the Marketing Barriers in International Trade.

4. (a) Differentiate between : (any **one**) **5**
- (i) Product adaptation V/s Product customization
 - (ii) Intangible product components V/s Tangible product components
 - (iii) Waterfall Strategy V/s Spinkler Strategy
 - (iv) Kings V/s Commoners
- (b) Write a note on types of Countertrade. **5**
- (c) Discuss either direct or indirect channels of distribution in the International Market. **5**
- (d) What are the factors that influence International Marketing Communications decisions ? Briefly discuss. **5**
5. (a) Explain the institutional framework set up by government of India to promote exports. **8**

OR

Discuss the major provisions of the recent foreign trade policy.

- (b) As an export of cotton shirts, explain the documentation procedure of your organization will have to follow. **12**

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April-2016

5th Year M.B.A. Integrated

Strategic Human Resource Management

Time : 3 Hours]

[Max. Marks : 100

Note : Be neat and legible and answer **all** the **five** questions.

1. Discuss the determinants of Organization Culture inclusive of Theory X (the traditional view) and Theory Y (the integration of goals). **20**

OR

Explain the evolution of SHRM and write the objectives of SHRM. Differentiate between SHRM and Traditional HRM.

2. Explain any **two** : **20**
- (1) Environmental trends and Human Resource challenges in the recent time.
 - (2) Contemporary Approaches to HR evaluation and Rationale for HR evaluation.
 - (3) HR Scorecard approach to evaluation.

3. Write notes on any **two** of the following : **20**
- (1) Emerging Management Paradigms : TQM and the economic Model of the firm.
 - (2) Significance of Human Resource Planning in the changing environment.
 - (3) Process of Human Resource Planning in an Organization.

4. Answer any **two** : **20**
- (1) Discuss at length the Blue-Moon to Full-Moon process of Moon lightning by employees.
 - (2) Explain the concept of employee relation. Discuss diversity as the main issue of 'The Modern Workforce'.
 - (3) What is Employee separation ? Explain different types of separation.

5. (a) Case Study : “You call this selection interview.” 10

Suresh Kumar was production Manager for Singer Industries Limited; a Noida based electrical appliances company near Delhi. Suresh had to approve the hiring of new supervisors in the plant. The HR Manager performed the initial screening.

On Friday afternoon, Suresh got a call from Anil Dhavan, Singer’s HR Director. ‘Suresh’ Anil said. “I have just talked to a young engineering graduate from a regional engineering college who may be just who you’re looking for to fill that supervisor job you asked me about. He has some good work experience in a multinational firm located in Pune, but at a lower salary level. He wants to come over to Noida where his parents live.” Suresh replied. “Well, Anilji, I would take care of the boy” Anil continued. “He is here right now in my office, I am sending him to you, if you are free.” Suresh hesitated a moment before replying, “Great Sir, I am certainly busy today, but I can’t afford to displease you either, Sir, Please send him immediately !”

A moment later, Ranga Rao, the new applicant arrived at Suresh’s office and introduced himself. “Come on in Rao” said Suresh. “I’ll be right with you after I make a few urgent phone calls.” Fifteen minute later, Suresh finished the calls and began interviewing Rao. Suresh was quite impressed. The merit certificates, the best suggestion award from previous multinational firm and Rao’s quick responses revealed the candidate’s potential. Meanwhile Suresh’ door opened and a supervisor yelled. “We have a small problem on line number 5 and need your help.”

“Sure”, Suresh replied, “Excuse me a minute, Rao,” fifteen minutes later, Suresh returned and the dialogue continued for another few minutes before a series of phone calls again interrupted him.

The same pattern of interruption continued for the next forty minutes. Rao looked at the watch embarrassedly and said, “I am sorry, Suresh, I have to go now. I have to catch the train to Pune at 9 P.M.”

“Sure thing, Rao.” Suresh said as the phone rang again, “Call me after a week”.

Questions :

- (i) Explain why Suresh and not Anil should make the selection decision. What specific policies might company follow to avoid interviews like this one ?
- (ii) Keeping the case in the background explain, is it a good policy to pick up candidates through ‘employee referral method’ ? Why ? Or why not ?

(b) Write short note on any **two** : 10

- (i) Shifts in equations from machine age to networked age.
- (ii) Different perspectives of Mentoring.
- (iii) Career Planning, Development and Management.