

**MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE**  
(UGC-AUTONOMOUS)

**MBA I Year II Semester (R14) Supplementary End Semester Examinations – Dec 2017**  
**FINANCIAL MANEGEMENT**

Time: 3Hrs

Max Marks: 60

Attempt all the questions. All parts of the question must be answered in one place only.  
In Q.no 1 to 5 answer either Part A or Part B only. Q.no 6 which is a case study is compulsory.

Q.1(A) What is meant by 'profit maximization' and 'wealth maximization'? How is wealth maximization superior to profit maximization? 10M

OR

Q.1(B) Define the terms 'risk free rate' and 'risk-adjusted rate'. Explain the trade-off relationship between risk and return. 10M

Q.2(A) Discuss the discounted cash flow techniques of capital budgeting. Explain their relative merits and demerits. 10M

OR

Q.2(B) Assuming the firm pays tax at a 50 per cent rate, compute the after-tax cost of capital in the following cases: 10M

- (i) A ten year, 8 per cent, Rs.1,000 par bond sold at Rs.950 less 4 per cent underwriting commission.
- (ii) A preference share sold at Rs.100 with a 9 per cent dividend and a redemption price of Rs.110 if the company redeems it in 5 years.
- (iii) An ordinary share selling at a current market price of Rs.120, and paying a current dividend of Rs.9 per share, which is expected to grow at a rate of 8 per cent.

Q.3(A) The Levered Company and the Unlevered Company are identical in every respect except that the Levered Company has 6 per cent Rs.2,00,000 debt. As per the NI approach, the valuation of two firms is as follows: 10M

Particulars	Unlevered Company (Rs.)	Levered Company (Rs.)
Net Operating Income ( $\bar{X}$ )	60,000	60,000
Total cost of debt ( $k_d$ )	0	12,000
Net Earnings (NI)	60,000	48,000
Equity Capitalization Rate ( $k_e$ )	0.10	0.111
Market Value of Shares ( $E$ )	6,00,000	4,32,000
Market Value of Debt ( $D$ )	0	2,00,000
Total Value of the Firm ( $V$ )	6,00,000	6,32,000

Mr. M holds Rs.2,000 worth of the Levered Company's shares. Is it possible for Mr. M to reduce his outlay to earn same return through the use of arbitrage?

OR

Q.3(B) Explain the assumptions of Gordon's Model. State the derivation of Gordon's basic valuation formula. 10M

Q.4(A) From the following information, extracted from the books of a manufacturing 10M

company, compute the *operating cycle in days* : Period covered is 365 days; Average period of credit allowed by suppliers is 16 days; other data are as follows:

<i>Particulars</i>	<i>(Rs. '000)</i>
Average debtors (Outstanding)	480
Raw material consumption	4,400
Total production cost	10,000
Total cost of sales	10,500
Sales for the year	16,000
Value of average stock maintained:	
Raw material	320
Work-in-process	350
Finished goods	260

OR

Q.4(B) What do you mean by credit policy? Explain the fundamental goals of a firm's credit policy. 10M

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Q.5(A) "Merger is a special type of capital budgeting decision" – Discuss. 10M

OR

Q.5(B) What is corporate governance? Explain the principles of good corporate governance. 10M

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Q.6 A company is expecting to have Rs.25,000 cash in hand on 1<sup>st</sup> April 2013 and it requires you to prepare an estimate cash position in respect of three months from April, 2013 to June, 2013, from the information given below: 10M

Month	Sales	Purchase	Wages	Expenses
February	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	1,00,000	60,000	10,000	8,000
June	1,20,000	55,000	12,000	9,000

Additional Information:

- Period of credit allowed – 2 months.
- 25% of sale is for cash and the period of credit allowed to customer for credit 1 month.
- Delay in payment of wages and expenses 1 month.
- Income Tax Rs.25,000 is to be paid in June, 2013.

\*\*\*END\*\*\*

## MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE

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**MBA I Year II Semester (R14) Supplementary End Semester Examinations – Dec 2017**

### Production & Operations Management

Time: 3Hrs

Max Marks: 60

Attempt all the questions. All parts of the question must be answered in one place only.  
In Q.no 1 to 5 answer either Part A or Part B only. Q.no 6 which is a case study is compulsory.

Q.1(A) Define POM? Explain its scope, objectives and its present scenario. 10M

OR

Q.1(B) Explain the importance of Break Even Analysis. From the following data calculate BEP Units and in Rupees, and P/V ratio of the firm. 10M

A firm has a fixed cost of ₹ 50000;  
Selling Price per unit is ₹ 10 and  
Variable cost per unit is ₹ 5

Q.2(A) i. Define the term Aggregate Planning and state its objectives. 5M

ii. A steel plant has a design capacity of 5000 tons of steel per day, effective capacity of 40000 tons of steel per day and an actual output of 36000 tons of steel per day. Compute the efficiency of the plant and its utilization. 5M

OR

Q.2(B) Define the term Plant layout. Differentiate Product Vs. Process Layout. 10M

Q.3(A) What is LINE OF Balance? Explain the LOB Techniques with an illustration. 10M

OR

Q.3(B) Determine the optimum project duration and cost for the following data. 10M

Activity		1-2	1-3	2-4	3-4	C	4-5
Normal	Time	3	3	3	4	3	4
	Cost (in ₹)	100	150	50	100	100	80
Crash	Time	2	2	1	3	2	2
	Cost (in ₹)	200	200	150	200	150	120

Indirect Cost is = ₹ 100 / Day

Q.4(A) There are five jobs each of which must go through the two machines A and B in the order AB. Processing times are given below 10M

JOB	1	2	3	4	5
Machine A	5	1	9	3	10
Machine B	2	6	7	8	4

Determine a sequence for five jobs that will minimize the total time elapsed.

OR

Q.4(B) Describe the method of processing 'n' jobs through one and two machines 10M

Q.5(A) Define SQC. Explain its role related to measure the quality standards in any organisation. 10M

OR

Q.5(B) What is the significance of control charts with reference to quality control? Explain 10M

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Q.6

**Case Study**

10M

**JIT in Action**

A new phenomenon called 'Apparel on Demand' is slowly making its presence felt. It is an extension of JIT linking retailers and manufacturers for a just-in-time responsiveness. NaaR Clothing Inc., promoted by a young management graduate has recently ventured into the business of making reasonably priced custom jeans for women. It has partnered with many stores selling women garments. In the stores, women are electronically measured and information like colour, fabric, style, etc., is recorded. The information reaches the NaaR manufacturing facility at Ahmedabad almost immediately through a state-of-the-art information system. NaaR guarantees delivery of the custom jeans within 10 days. With the growing acceptance of jeans among the women in India, especially in the urban areas, the market for women's jeans is growing at a fast pace. NaaR with its unique business model hopes to garner a significant share of this market. The promoter of NaaR along with her top executives is confident that their concept of JIT jeans would work.

- (a) Do you think NaaR's strategy would work? Why or why not? What is the importance of retailers in its business strategy?
- (b) Will customers wait for 10 days to have the jeans delivered? What can NaaR do to compete on customer service if delivery takes this much time?
- (c) Comment on the necessity of a robust supply chain in the context of NaaR Clothing Inc

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**MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE**  
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**MBA I Year II Semester (R14) Supplementary End Semester Examinations – Dec 2017**  
**MARKETING MANAGEMENT**

Time: 3Hrs

Max Marks: 60

Attempt all the questions. All parts of the question must be answered in one place only.  
In Q.no 1 to 5 answer either Part A or Part B only. Q.no 6 which is a case study is compulsory.

- |        |   |     |
|--------|---|-----|
| Q.1(A) | Define Marketing. Distinguish between customer value and customer satisfaction<br>.Explain Core Marketing Concepts.                       | 10M |
| OR     |   |     |
| Q.1(B) | Explain the buying characteristics that influence consumer behaviour. Also explain<br>the stages in the consumer buying decision process. | 10M |
| <hr/>  |   |     |
| Q.2(A) | Explain the reasons for the Product Sales decline and suggest the strategies to<br>improve the sales.                                     | 10M |
| OR     |   |     |
| Q.2(B) | Explain the different approaches which are applicable for the effective pricing<br>decisions.   | 10M |
| <hr/>  |   |     |
| Q.3(A) | Explain the concept of Integrated Marketing Communications.   | 10M |
| OR     |   |     |
| Q.3(B) | Define Promotion Mix. Explain the importance of promotion mix for durable and<br>non durable products.                                    | 10M |
| <hr/>  |   |     |
| Q.4(A) | What type of distribution is appropriate for the following?<br>(a) Industrial product.                      (b) Consumer goods.           | 10M |
| OR     |   |     |
| Q.4(B) | What are the functions of channels? Explain different levels of Channels of<br>distribution.  | 10M |
| <hr/>  |   |     |
| Q.5(A) | “Packaging is a silent salesman”. Explain   | 10M |
| OR     |   |     |
| Q.5(B) | Define Consumer Behaviour and explain different Consumer Behaviour Models<br>with examples.   | 10M |
| <hr/>  |   |     |
| Q.6    | <b><u>CASE STUDY</u></b>  | 10M |

Bahubali, an epic Indian historical film released in July 2015, set cash registers ringing and registered record collections at the box-office. To reach out to a larger audience, Bahubali (translates into ‘The One with Strong Arms’) was shot simultaneously in the south Indian languages of Telugu and Tamil and dubbed into

other Indian and foreign languages like Hindi, Malayalam, and French. Apart from being successful in its home markets (major south Indian states), it did good business in India's north Indian markets where Hindi was primarily spoken. The movie was based on a fictitious story set in ancient India. The plot of the movie revolved around two cousins from a royal family who fought against each other to gain control over the ancient kingdom of Mahishmati in south India **Issues:**

**Questions**

- a. How can innovative marketing help in making a movie successful.
- b. The importance of quality in making a successful product
- c. How can effective promotion expand the market for a product
- d. Role of digital media in marketing communications

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**MBA I Year II Semester (R14) Supplementary End Semester Examinations – Dec 2017**  
**STATISTICAL METHODS FOR MANAGERS WITH SPSS**

Time: 3Hrs

Max Marks: 50

Attempt all the questions. All parts of the question must be answered in one place only.  
In Q.no 1 to 5 answer either Part A or Part B only. Q.no 6 which is a case study is compulsory.

- |                   |   |     |
|-------------------|---|-----|
| Q.1(A)            | Describe the procedure to draw bar diagrams using SPSS?   | 8M  |
| <b>OR</b>         |   |     |
| Q.1(B)            | How you can draw Bar charts using SPSS?   | 8M  |
| <hr/>             |   |     |
| Q.2(A)            | Describe the procedure to find out Co-efficient of Correlation using SPSS.                                  | 8M  |
| <b>OR</b>         |   |     |
| Q.2(B)            | In SPSS, what is the procedure to compute Multiple linear regression coefficients?                          | 8M  |
| <hr/>             |   |     |
| Q.3(A)            | Write a brief note on the procedure to compute Z test.  | 8M  |
| <b>OR</b>         |   |     |
| Q.3(B)            | Why is Z test used? Differentiate the application of t and Z tests.   | 8M  |
| <hr/>             |   |     |
| Q.4(A)            | Write a brief note on the procedure to compute chi-square test for independence of attributes using SPSS.   | 8M  |
| <b>OR</b>         |   |     |
| Q.4(B)            | Explain the procedure to find out t-Test for Single Mean using SPSS.  | 8M  |
| <hr/>             |   |     |
| Q.5(A)            | Use the dataset "ANOVA5" to find if the type of Advertising display impacts product sales or not?           | 8M  |
| <b>OR</b>         |   |     |
| Q.5(B)            | Write a brief note on the procedure to compute F-test for equality of two population variances.             | 8M  |
| <hr/>             |   |     |
| <b>CASE STUDY</b> |   |     |
| Q.6               | Use the dataset "ANOVA1" to find if the performance of sales persons are different in terms of their sales. | 10M |

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