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

MBA II Year II Semester (R20) Supplementary End Semester Examinations, March - 2023

**REWARD 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.No	Question	Marks	CO	BL
Q.1(A)	Assess the effectiveness of various forms of pay or compensation in compensation management.	10M	1	2
OR				
Q.1(B)	Discuss the factors influencing employee compensation trends	10M	1	2
Q.2(A)	Appraise the compensation to following special groups (i) executives and (ii) Board of directors	10M	2	2
OR				
Q.2(B)	Analyze the various employee benefits in India.	10M	2	2
Q.3(A)	Examine the skill based pay structure through various steps	10M	3	4
OR				
Q.3(B)	Explain the relationship between performance management and compensation strategy through different situations.	10M	3	2
Q.4(A)	Examine the significance of employee benefits in India through various types of employee benefits.	10M	4	4
OR				
Q.4(B)	Evaluate the role of pay commission in suggesting fair compensation to employees in India.	10M	4	2
Q.5(A)	Appraise the alternative to balance sheet approach to expatriate pay system	10M	5	2
OR				
Q.5(B)	Evaluate the reasons for selection of expatriates in business organizations	10M	5	2
Q.6	<b>CASE STUDY</b>	10M	4	5

Larry Ellison (Larry), CEO of the US based Oracle Corporation was ranked first in a Forbes1 survey of highest paid CEOs in 2001 with an annual compensation of \$706 million2. He was followed by Michael Dell (Michael), Jozef Straus, Howard Solomon and Richard Fairbank as the top five "Best Paid CEOs" in 2001. Larry's high compensation came as a surprise for several market observers since it constituted almost 31.7% of Oracle's net income of \$2,224.1 million in the financial year 2001-02. Larry earned \$500 million more or almost 3.5 times the compensation of the second best paid CEO in the world, Michael. Analysts felt that with

the fall in Oracle's net income from \$2,561 million in 2000-01 to \$2224.1 million in 2001-02, the high compensation paid to Larry was not at all justified. The high compensation to CEOs had been a debatable issue over the years among corporates as well as the investors all over the world. Market analysts and stakeholders had criticized companies for paying exorbitant compensations to CEOs and argued that this would widen the gap between the top level and other levels of management.

Questions:

a. Do you agree with the company paying high compensation to Larry, CEO of the company? Justify your answer with valid points.

b. Analyze the reasons behind huge increase in compensation of CEOs of various business organizations in recent times?

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

Hall Ticket No: 

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Course Code: 20MBAP407

**MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE**  
(UGC-AUTONOMOUS)  
MBA II Year II Semester (R20) Supplementary End Semester Examinations, March - 2023  
**STRATEGIC FINANCIAL 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.No	Question	Marks	CO	BL
Q.1(A)	Explain the nature and Scope of Strategic Financial Management.	10M	1	2
<b>OR</b>				
Q.1(B)	Define Corporate Planning. Elucidate upon the process of Financial Planning.	10M	1	1
Q.2(A)	Explain the Market Value added method in detail along with suitable examples.	10M	2	2
<b>OR</b>				
Q.2(B)	Examine in detail about Economic Value-added method along with suitable examples.	10M	2	4
Q.3(A)	Explain the Decision Tree Approach for Investment Decisions with an example.	10M	3	2
<b>OR</b>				
Q.3(B)	Elaborate about the Sensitivity Analysis technique for investment decision making.	10M	3	3
Q.4(A)	Explain in detail about Horizontal and Conglomerate Mergers in detail along with suitable examples.	10M	4	2
<b>OR</b>				
Q.4(B)	Evaluate the Pros and Cons of mergers and acquisition?	10M	4	5
Q.5(A)	Elucidate upon the Takeover regulations of SEBI.	10M	5	4
<b>OR</b>				
Q.5(B)	Enlist the Corporate distress restructuring strategies.	10M	5	2
Q.6	<b>Case Study</b>	10M	4	5

X Ltd. made an attempt to acquire Y Ltd. Following information is available for both the companies

**X Ltd. Y Ltd.**

Price per share 30 20

P/E Ratio 5 4

No of shares (Lakhs) (F.V.10) 3 2

Reserves and Surplus 30 20

Promoters holding 1.2 0.75

Board of directors of both the companies have decided that a workable swap ratio is to be based on weights of 30%, 30% and 40% respectively for Earnings, Book Value and Market Price of share of each company.

You are required to Calculate:

Q 1. Swap Ratio

Q 2. After merger, promoters holding

Q 3. Post-merger EPS

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