

Hall Ticket No:

Course Code: 16MBA107

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

MBA I Year II Semester (R16) Supplementary End Semester Examinations – JUNE 2019
FINANCIAL MANAGEMENT

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) Discuss the relationship of Financial Management to the functions of Economics and Accounting. 8M

OR

Q.1(B) Discuss the three broad areas of financial decision making. 8M

Q.2(A) A project needs an investment of Rs. 1,38,500. The cost of capital is 12 per cent. The net cash inflows are as under: 8M

Year	1	2	3	4	5
CFAT (Rs.)	30,000	40,000	60,000	30,000	20,000

Calculate Internal Rate of Return and suggest whether the project should be accepted or not.

OR

Q.2(B) How is the weighted average cost of capital calculated? What weights should be used in its calculation? 8M

Q.3(A) Compute operating, financial and combined leverages from the following details and based on the result, comment on the financial policy of the company. 8M
PRP Company Ltd., has sales of Rs. 40,00,000, variable cost 70% of sales and the fixed cost is Rs.8,00,000. The firm has raised Rs.20,00,000 lakh funds by issue of debentures at the rate of 10%.

OR

Q.3(B) Explain the nature of the factors which influence the dividend policy of a firm. 8M

Q.4(A) "Working capital is the lifeblood of the organization". Comment and justify 8M

OR

- Q.4(B) Proforma cost sheet of a company provides the following particulars: 8M
 Material = Rs 40, Direct labor = Rs 20 and Overheads = Rs 20. The following information is also available:
- a) It is proposed to maintain a level of activity of Rs. 200000 units
 - b) Selling price Rs. 120
 - c) Raw materials are expected to remain in store for an average period of one month
 - d) Materials will be in process on an average half a month
 - e) Finished goods are required to be in stock an average period of one month
 - f) Credit allowed to debtors is 2 months
 - g) Credit allowed by suppliers is one month.
 - h) Contingency = 10%
 - i) Cash balance of Rs 25000.
- Estimate working Capital Required.
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Q.5(A) Define and distinguish between the concepts of Merger, Takeover and Amalgamation 8M
OR

Q.5(B) "Good corporate governance creates a transparent set of rules and controls in which shareholders, directors and officers have aligned incentives." Comment. 8M

Q.6 **Case Study:** 10M

The relevant financial information for Xavier Limited for the year ended 2016 is given below.

Profit and Loss Account Data (in Millions)		Balance Sheet Data	Beginning of 2016	End of 2016
Sales	80	Inventory	9	12
Cost of Goods Sold	56	Accounts Receivables	12	16
		Accounts Payable	7	10

What is length of the operating cycle? The Cash Cycle? Assume 365 days a year.

END

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PRODUCTION & OPERATIONS MANAGEMENT

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) Define Production Management. Discuss the emerging role of Production Management. 8M

OR

Q.1(B) Discuss the role of standardization and simplification with their advantages and disadvantages. 8M

Q.2(A) Discuss the following concepts. 8M
i. Factors affecting plant layout ii. Aggregate planning.

OR

Q.2(B) Potential locations A, B and C have the cost structures shown for producing a product expected to sell at Rs.100/- per unit. Find the most economical location for an expected volume of 2,000 units/year. Also determine the range of annual volume of production for each of the locations A, B and C would be most successful. 8M

Location	Fixed Cost/Year (Rs.)	Variable Cost/Year (Rs.)
A	20,000	60
B	40,000	45
C	70,000	25

Q.3(A) Define Line of Balance? Explain the LOB technique with an illustration. 8M

OR

Q.3(B) A scheduler has five jobs that can be performed on an of the five machines. The cost of completing for each job-machine combination is given in the table below. Determine the minimum cost assignment of jobs to machines 8M

JOBS	MACHINES				
	A	B	C	D	E
1	5	6	4	8	3
2	6	4	9	8	6
3	4	3	2	5	4
4	7	2	4	5	3
5	3	6	4	5	5

- Q.4(A) Compute the production cost per piece from the following data. 8M
- i) Direct material piece = Rs 2/-
 - ii) Wage Rate Rs. 2000 per month consisting of 25 working days and 8 hours per day.
 - iii) Overheads expressed as a percentage of direct labour cost = 200%.
 - iv) The time for manufacture of 4 pieces of the item was observed during time study. The manufacturer of the item consists of 4 elements a, b, c and d. The data collected during the time study are as under. Time Observed (in min) during various cycles are as below:

Element	Cycle 1	Cycle 2	Cycle 3	Cycle 4	Element Rating on B.S. Scale (0-100)
A	1.2	1.3	1.3	1.4	85
B	0.7	0.6	0.65	0.75	120
C	1.4	1.3	1.3	1.2	90
D	0.5	0.5	0.6	0.4	70

The personal fatigue and delay allowance may be taken as 25%.

OR

- Q.4(B) What is method study? Enumerate the various steps involved in method study. 8M

- Q.5(A) Describe the two techniques of SQC namely 8M
- i) Statistical Process Control
 - ii) Acceptance Sampling

OR

- Q.5(B) Explain the concept of Six sigma and discuss its parameters for awarding six sigma quality control. 8M

- Q.6 **CASE STUDY** 10M

The following table lists the jobs of a network along with their time estimates.

Activity	to	tm	tp
1-4	3	9	27
1-3	3	6	15
1-2	6	12	30
4-5	1	4	07
3-5	3	9	27
3-6	2	5	08
5-6	6	12	30
2-6	4	19	28

- a) Draw the project network.
- b) What is the probability that the job will be completed in 35 days?
- c) What due date has 90% chance of being met?

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MBA I Year II Semester (R16) Supplementary End Semester Examinations – JUNE 2019
BUSINESS RESEARCH METHODS

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)	Compare and contrast induction and deduction. Giving examples of each.	8M
OR		
Q.1(B)	Define Research and discuss the characteristics of business research.	8M
Q.2(A)	Examine the role of technology in research with suitable examples	8M
OR		
Q.2(B)	Judge the major ethical issues relating to the business research	8M
Q.3(A)	What kind of a literature should a researcher review and for what purpose.	8M
OR		
Q.3(B)	Write a note on experimental design and case study methods in a business research.	8M
Q.4(A)	Describe the methods of data collection with examples.	8M
OR		
Q.4(B)	How can one establish the authenticity of information collected by secondary sources?	8M
Q.5(A)	What are the types of report? Explain them in brief?	8M
OR		
Q.5(B)	Describe the considerations and steps involved in planning report writing work?	8M
Q.6	Case Study	10M
	<p>A researcher wants to know why individuals in Community A have a higher rate of a rare form of cancer when compared to those living in Community B. To find out the reasons for the differences in cancer rates in these two communities, the investigator surveyed residents about their lifestyle, noted the types of businesses that were present in the community and searched medical records. The researcher found that the headquarters for the Toxic Chemical Plant is located in Community A, there is a higher rate of cigarette smoking in this community and residents tended to delay or skip going to the doctor for an annual checkup. In Community B, the largest employer was a department store and on average, residents did not smoke as much as residents from Community A. However, like individuals from Community A, Community B residents tended to delay or skip their annual check-up with their doctor.</p> <p>Discussion questions</p> <ol style="list-style-type: none">1. What makes this a descriptive study?2. Why did the researcher collect information about the lifestyle of community residents?	

END