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

MBA II Year I Semester (R14) Supplementary End Semester Examinations –May 2017
INTERNATIONAL BUSINESS

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 Globalization? What are the components of Globalization? 10M

OR

Q.1(B) Explain the Stages of Product Life Cycle Theory? 10M

Q.2(A) Discuss the causes of disequilibrium in Balance of Payments and what are the various measures to correct Balance of Payments? 10M

OR

Q.2(B) Explain the role of IBRD in international business? 10M

Q.3(A) Discuss the tariff and non-tariff barriers in international trade? 10M

OR

Q.3(B) What are the objectives and principles of GATT? Explain the evaluation of GATT? 10M

Q.4(A) Explain global selection and staffing in IHRM? 10M

OR

Q.4(B) Explain contract manufacturing and joint ventures in market entry strategies? 10M

Q.5(A) What are the highlights of Indian EXIM policy? 10M

OR

Q.5(B) Write a note on EPZs and SEZs? 10M

Q.6 **Case Study** 10M

The Global Financial Crisis of Turkey

During 2008, many countries were hit by the global financial crisis that resulted in a sharp slowdown in the global economy including severe recession and sharp financial distress across international capital markets. Turkey was one of the hardest hit countries by the global crisis. Real GDP decreased sharply for four quarters, reaching a year-on-year contraction of 14.7 percent during the first quarter of 2009, resulting in a -4.8 percent annual growth rate for that year. At the same time, anticipating the fallout from the crisis, the central bank of the Republic Turkey (CBRT) decreased policy rates by an astounding 1025 basis points in the period from November 2008 to November 2009. Turkey had suffered an intense

financial crisis in 2001 as well. Although the 2001 crisis was harsh, but it was followed by two important reforms; First, the pegs and heavily managed exchange rate regimes of the past were replaced by a flexible exchange rate regime. Second, the policy framework of the CBRT gradually transitioned into a full-fledged inflation targeting-regime. After the 2001 crisis, Turkey embarked on a new IMF supported arrangements.

After the 2001 crisis, the Turkish banking system was completely overhauled. Excessive leverage, maturity and currency mismatches that aggravated the severity of the 2001 crisis declined significantly. The financial, insurance and real estate sectors along with the sound public administration improved the risk management practices across the banking system. This is important because a sound financial system increases the effectiveness of the monetary transmission mechanism.

Over the next six years, from the first quarter of 2002 to mid-2008, the Turkish economy grew by over 5 percent and inflation declined. The global economic and financial conditions were favorable, so it was clear that the reforms contributed positively towards achieving growth. With the intensification of the global financial crisis during the fall of 2008, synchronized downturns along with acute financial stress affected international capital markets and economies across the world significantly. As expected, the Turkish economy also severely affected by this abrupt collapse of the world economy. In fact, the contraction in world demand severely hit Turkish exports. At the same time, the shock of global financial markets resulted in a collapse of asset prices, an increase in spreads, and sizable capital outflows. In addition, the increased uncertainty associated with the unprecedented nature of this global financial crisis reinforced the foreign demand and financial distress and acted as another channel suppressing consumption, investment and credit extension.

Questions:

1. What was the impact of the flexible exchange rate regime after the crisis 2001?
2. In contrast to the fixed exchange rate regime of the past, what was the role of exchange rate flexibility in helping the Turkish economy recover from the crisis?
3. If an inflation targeting framework underpinned by a flexible exchange rate regime had not been adopted, how much deeper would the recent recession have been?

END

MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE

(UGC-AUTONOMOUS)

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

(Regulations: R14)

BUSINESS ANALYTICS

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 I or II only. Q.no 6 which is a case study is compulsory.

- Q.1(A) i. How is the role of Business Analytics changing in today's business world which is characterized by Information explosion and information overload? 5M
ii. Explain the business analytics process adopted by organisations. 5M

OR

- Q.1(B) What is a Hypothesis? Explain the steps involved in Hypothesis testing? 10M

-
- Q.2(A) Compute a histogram in R for some hypothetical data and interpret the graph. 10M

OR

- Q.2(B) What are the advantages of using R statistical software? 10M

-
- Q.3(A) Find out if the hotel rent and car rent are correlated with one another or not? If so are they significant? (Use the data given) 10M

OR

- Q.3(B) Describe various predictive analysis techniques available for a business analyst. 10M

-
- Q.4(A) Identify the factors for Teachers effectiveness using factor analysis. (Use the data given) 10M

OR

- Q.4(B) Write about the K Nearest Neighbor Classification technique and its advantages. 10M

-
- Q.5(A) Discuss theoretically about decision trees. 10M

OR

- Q.5(B) What is uncertainty? Explain how decisions are taken under uncertainty? 10M

Q.6 **CASE STUDY**

In a manufacturing process the assembly line speed (feet per minute) was thought to affect the number of defective parts found during the inspection process. To test this theory, managers devised a situation in which the same batch of parts was inspected visually at a variety of line speeds. They collected the following data:

10M

Line Speed (ft/min)	20	20	40	30	60	40
Number of Defective Parts Found	21	19	15	16	14	17

- a. Develop a scatter chart with line speed as the independent variable. What does the scatter chart indicate about the relationship between line speed and the number of defective parts found?
- b. Use the data to develop an estimated regression equation that could be used to predict the number of defective parts found, given the line speed. What is the estimated regression model?
- c. Test whether each of the regression parameters b_0 and b_1 is equal to zero at a 0.01 level of significance. What are the correct interpretations of the estimated regression parameters? Are these interpretations reasonable?
- d. How much of the variation in the number of defective parts found for the sample data does the model you estimated in part b explain?

END

MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE

(UGC-AUTONOMOUS)

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

(Regulations: R14)

OPERATIONS RESEARCH

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 I or II only. Q.no 6 which is a case study is compulsory.

Q.1(A)	A diet for a sick person must contain at least 4000 units of vitamins, 50 units of minerals and 1400 calories. Two foods A&B are available at a cost of Rs4.00 and Rs.3.00 Per unit, respectively If one of A contains 200 units of Vitamins, one unit of Minerals and 40 calories and 1 unit of food B contains 100 units of Vitamins, 2Units of Minerals and 40 Calories. Find by graphic Method what combination of foods is used to have least cost.	10M																																	
OR																																			
Q.1(B)	Use the penalty Methods to solve the following LP problem Max $Z = -2x_1 - x_2$ Subjects to the constraints: $3x_1 + x_2 = 3$ $4x_1 + 3x_2 \geq 6$ $x_1 + 2x_2 \leq 4$ Non-negative integers: $x_1, x_2 \geq 0$	10M																																	
Q.2(A)	Define Transportation problem. Explain Vogel's Approximation Method.	10M																																	
OR																																			
Q.2(B)	Solve the following assignment problem <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"><thead><tr><th colspan="2"></th><th colspan="4" style="text-align: center;">Job</th></tr><tr><th colspan="2"></th><th style="text-align: center;">I</th><th style="text-align: center;">II</th><th style="text-align: center;">III</th><th style="text-align: center;">IV</th></tr></thead><tbody><tr><th rowspan="4" style="text-align: right; padding-right: 10px;">Operators</th><th style="text-align: right; padding-right: 5px;">A</th><td style="text-align: center;">10</td><td style="text-align: center;">12</td><td style="text-align: center;">9</td><td style="text-align: center;">11</td></tr><tr><th style="text-align: right; padding-right: 5px;">B</th><td style="text-align: center;">5</td><td style="text-align: center;">10</td><td style="text-align: center;">7</td><td style="text-align: center;">8</td></tr><tr><th style="text-align: right; padding-right: 5px;">C</th><td style="text-align: center;">12</td><td style="text-align: center;">14</td><td style="text-align: center;">13</td><td style="text-align: center;">11</td></tr><tr><th style="text-align: right; padding-right: 5px;">D</th><td style="text-align: center;">8</td><td style="text-align: center;">15</td><td style="text-align: center;">11</td><td style="text-align: center;">9</td></tr></tbody></table>			Job						I	II	III	IV	Operators	A	10	12	9	11	B	5	10	7	8	C	12	14	13	11	D	8	15	11	9	10M
		Job																																	
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	C	12	14	13	11																														
	D	8	15	11	9																														

Q.3(A)	<p>Following table shows the machine time (in hours) for 5 Jobs to be processed on two different Machines</p> <p>Job : 1 2 3 4 5</p> <p>Machine A: 3 7 4 5 7</p> <p>Machine B: 6 2 7 3 4</p> <p>Passing is not allowed. Find the optimal Sequence in which jobs should be processed</p>	10M
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OR

Q.3(B)	<p>Solve the following game by using dominance property</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td>A</td> <td>B</td> <td>C</td> <td>D</td> </tr> <tr> <td>1</td> <td>3</td> <td>2</td> <td>4</td> <td>0</td> </tr> <tr> <td>2</td> <td>3</td> <td>4</td> <td>2</td> <td>4</td> </tr> <tr> <td>3</td> <td>4</td> <td>2</td> <td>4</td> <td>0</td> </tr> <tr> <td>4</td> <td>0</td> <td>4</td> <td>0</td> <td>8</td> </tr> </table>		A	B	C	D	1	3	2	4	0	2	3	4	2	4	3	4	2	4	0	4	0	4	0	8	10M
	A	B	C	D																							
1	3	2	4	0																							
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Q.4(A)	<p>A truck owner finds from his past records that the maintenance costs per year of a truck whose purchase price is Rs.8,000, are as given in the following table;</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Year</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>8</td> </tr> <tr> <td>Maintenance cost (Rs.)</td> <td>1000</td> <td>1300</td> <td>1700</td> <td>2200</td> <td>2900</td> <td>3800</td> <td>4800</td> <td>6000</td> </tr> <tr> <td>Resale Value (Rs.)</td> <td>4000</td> <td>2000</td> <td>1200</td> <td>600</td> <td>500</td> <td>400</td> <td>400</td> <td>400</td> </tr> </table> <p>Determine at which time it is profitable to replace the truck.</p>	Year	1	2	3	4	5	6	7	8	Maintenance cost (Rs.)	1000	1300	1700	2200	2900	3800	4800	6000	Resale Value (Rs.)	4000	2000	1200	600	500	400	400	400	10M
Year	1	2	3	4	5	6	7	8																					
Maintenance cost (Rs.)	1000	1300	1700	2200	2900	3800	4800	6000																					
Resale Value (Rs.)	4000	2000	1200	600	500	400	400	400																					

OR

Q.4(B)	<p>A Bakery keeps stock of popular brand of bread. Previous experience indicates the daily demand as given below.</p> <p>Daily demand: 0 10 20 30 40 50</p> <p>Probability: 0.01 0.20 0.15 0.50 0.12 0.02</p> <p>Consider the following sequence of random numbers:</p> <p>48, 78, 19, 51, 56, 77, 15, 14, 68, 8</p> <p>Using the above sequence, simulate the demand for the next 10 days.</p> <ol style="list-style-type: none"> Find out the stock situation if the owner of the bakery decides to make 30 breads every day. Estimate the daily average demand for the bread on the basis of simulated data. 	10M
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Q.5(A)	<p>The following table gives the activities for the construction of project and duration:</p> <table border="1" data-bbox="231 235 1260 324"> <tr> <td>Activity</td> <td>1-2</td> <td>1-3</td> <td>2-4</td> <td>3-4</td> <td>3-5</td> <td>4-5</td> <td>4-6</td> <td>5-6</td> </tr> <tr> <td>Duration(days)</td> <td>6</td> <td>5</td> <td>10</td> <td>3</td> <td>4</td> <td>6</td> <td>2</td> <td>9</td> </tr> </table> <p>Draw the network for the project. Find the critical path and project duration.</p>	Activity	1-2	1-3	2-4	3-4	3-5	4-5	4-6	5-6	Duration(days)	6	5	10	3	4	6	2	9	10M																											
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Duration(days)	6	5	10	3	4	6	2	9																																							
OR																																															
Q.5(B)	What is queue? Give an example. Explain the basic elements of queues.	10M																																													
Q.6	<p style="text-align: center;">CASE STUDY</p> <p>A salesman has to visit five cities A, B, C, D and E, the distances (in hundred miles) between the five cities are as follows:</p> <table border="1" data-bbox="231 683 1260 1041"> <thead> <tr> <th colspan="2"></th> <th colspan="5" style="text-align: center;">To</th> </tr> <tr> <th colspan="2"></th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> </tr> </thead> <tbody> <tr> <th rowspan="5" style="vertical-align: middle;">From</th> <th>A</th> <td>-</td> <td>7</td> <td>6</td> <td>8</td> <td>4</td> </tr> <tr> <th>B</th> <td>7</td> <td>-</td> <td>8</td> <td>5</td> <td>6</td> </tr> <tr> <th>C</th> <td>6</td> <td>8</td> <td>-</td> <td>9</td> <td>7</td> </tr> <tr> <th>D</th> <td>8</td> <td>5</td> <td>9</td> <td>-</td> <td>8</td> </tr> <tr> <th>E</th> <td>4</td> <td>6</td> <td>7</td> <td>8</td> <td>-</td> </tr> </tbody> </table> <p>If the salesman starts from city A and has to come back to A, which route should he select so that the total distance travelled is minimum?</p>			To							A	B	C	D	E	From	A	-	7	6	8	4	B	7	-	8	5	6	C	6	8	-	9	7	D	8	5	9	-	8	E	4	6	7	8	-	10M
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MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE
(UGC-AUTONOMOUS)

MBA II Year I Semester (R14) Supplementary End Semester Examinations – May / June 2017
HUMAN RESOURCE PLANNING

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 Human Resource Planning? Discuss its Process and dimensions	10M
OR		
Q.1(B)	Discuss various approaches and tools to human resource planning.	10M
<hr/>		
Q.2(A)	Discuss the Quantitative Tools of forecasting HR Demand	10M
OR		
Q.2(B)	Write short notes on i. Factors affecting forecasting HR Demand ii. Managerial judgment.	10M
<hr/>		
Q.3(A)	Discuss the concept of HRIS. Describe an IT supported HRIS and its advantages with suitable examples.	10M
OR		
Q.3(B)	How does global meltdown impacts HRP? Discuss with example from an industry which has been affected by recession.	10M
<hr/>		
Q.4(A)	Write short notes on i. Compulsory Notification of Vacancy Act 1959. ii. HR Outsourcing	10M
OR		
Q.4(B)	What is a weighted application blank? What are its usages and advantages?	10M
<hr/>		
Q.5(A)	What do you mean by HR Accounting? Discuss its objectives.	10M
OR		
Q.5(B)	Discuss the various methods of valuation of human resource.	10M
<hr/>		
Q.6	Case Study	10M

Pearl Engineering Company was a large heavy-engineering unit. It attached great importance to the recruitment and training of its senior supervisors. Apart from selecting them from within the organization, the company recruited, every alternate year, about ten young engineering graduates and offered them training for a period of two years, before they were appointed as senior supervisors. Such appointments were made to about 40 per cent of the vacancies of senior supervisors that occurred in the organization. This was considered necessary by management as a planned programme of imparting vitality to the organization.

Besides, many of the old-timers, who had risen from the ranks, did not possess the necessary academic background with the result that they could not keep pace with the technological changes. Management also believed that in the rapidly changing conditions of industry, a bank of technically competent supervisors played a pivotal role, besides serving as a pool from which to select future departmental managers.

Engineering Graduates were selected from amongst those who applied in response to an all-India advertisement. For the selection of one engineer, on an average, eight applicants were called for interview. A selection committee consisting of the General Manager, the Production Manager, the Personnel Manager and the Training Officer interviewed and selected the candidates. The selection interview was preceded by a written test and only those who secured 40 per cent marks qualified for interview.

The engineers thus selected had to undergo a two year intensive theoretical and practical training. A well-staffed and equipped Training Institute was directly responsible for the training of the graduate engineers, besides training trade apprentices and operatives required by the company. Lectures on theoretical subjects were given at the Training Institute and practical training was imparted in all the works departments under the guidance of qualified and experienced instructors. A few lectures by senior officers of the company were also arranged to acquaint them with the company policies on different matters. During the last quarter of their two-year training programme they were deputed to work fulltime to familiarize themselves with the conditions in departments where they were to be absorbed eventually.

On successful completion of training, the graduate engineers were offered appointments, depending on their performance and aptitude as revealed during training. On placement in the work departments, however, most of them faced some difficulty or the other.

According to management, some of the heads of departments, who were themselves not qualified engineers, did not have sufficient confidence in these younger men. They preferred the subordinates who came up from the ranks to hold positions of responsibility. A few discredited them saying that it would take years before these youngsters could pick up the job. Besides, some of the employees, whose promotional opportunities were adversely affected by the placement of graduate engineers, tried their best to run down the latter as a class, sometimes working on the group feelings of the workers. Some of the supervisors who were not graduate engineers also spoke derisively of them as "the blue-eyed boys" of the organization. Management knew that many of the graduate engineers were not utilized according to their capacity or training, nor was any attempt made to test or develop their potentialities. They also knew that many of the graduate engineers were, therefore, dissatisfied with their work life. Some of them who did not get equal promotional opportunities as their colleagues placed in other departments, were looking for better jobs elsewhere.

On the other hand, according to management, the young graduate engineers were themselves partly responsible for the hostile attitude of others in the organization. Some of them failed to appreciate that a newcomer invited hostility in the

beginning and it took time before he was accepted as a member of the work-group. They did not realize that they would be fully productive only after gaining about five to seven years experience in the organization. A few thought that they belonged to a superior cadre and threw their weight around. They did not bother to understand and appreciate the problems of the rank-and-file of employees who worked under them.

In spite of these drawback, the General Manager of the company felt that these men were a set of disciplined supervisors. They had a sense of pride in their profession, and with the extensive training they had received, they would be able to take up any responsible position in the organization in course of time.

The General Manager could not allow the situation to continue especially when it was a difficult and costly process to recruit and train young engineering graduates of the requisite type and calibre. He knew that the prosperity of the company, to a large extent, depended on these young men. In addition, a large number of lucrative employment opportunities were available to these young engineers elsewhere and there was a systematic raid on them, He, therefore, called a meeting of all heads of departments to review the situation.

Questions:

- i. Identify the issues related to manpower planning as evident in the case.
- ii. Discuss the strategies to tackle the percentage of internal promotion at the organizational level.
- iii. What type of additional training programmes should be imparted for direct entrants ?
- iv. Suppose you are the head of the personnel division. What would be your suggestions in the meeting, which has been called by the General Manager ?

*****END*****

Hall Ticket No:

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Course Code: 14MBA427

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

MBA II Year I Semester (R14) Supplementary End Semester Examinations –May / June 2017
RETAIL MANAGEMENT STRATEGY

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 Retailing. Explain in detail the Retailing Environment today in INDIA. 10M

OR

Q.1(B) Online Retailing is boon or bane. Elucidate. 10M

Q.2(A) Explain the Consumer decision making process in the modern era. 10M

OR

Q.2(B) Income is not influencing factor on consumer buying decision today do you agree or not. Comment. 10M

Q.3(A) Explain in detail how situation analysis is conducted with its four common elements? 10M

OR

Q.3(B) What is positioning? Explain positioning strategy of any one retail firm. 10M

Q.4(A) "Advertising is wasteful". Do you agree? Explain. 10M

OR

Q.4(B) Write short notes on : 10M
a. Publicity with example
b. Thumb rule method

Q.5(A) What is Store management? Explain the role of store managers. 10M

OR

Q.5(B) Write short notes on: 10M
a. Merchandise presentation techniques.
b. The Exterior

Q.6 **CASE STUDY**

Deepan and Co. manufactures a new variety of cleaning solution. They will be competing with two other companies which are presently running their promotional campaigns. One was offering a summer holiday at Simla and the other had attached small sponge to each of the cans. 10M

Mr Deepan, the Director of this Company called the marketing manager for

a discussion to know whether promotional campaigns of others are effective. These days, a lot of products seem to be promoted in one way or the other.

In view of the fact that Deepan and Co. is also likely to launch its new product shortly, Mr. Deepan wanted to know whether his marketing department has considered using a promotion to help get the thing off the ground.

Questions.

1. **Do you feel a promotional campaign is required?**
2. **What type of promotional campaign you will recommend?**
3. **Analyze the merits and demerits of the available choices and recommended.**

*****END*****

Hall Ticket No:

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Course Code: 14MBA403

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

MBA II Year I Semester (R14) Supplementary End Semester Examinations –May / June 2017

FINANCIAL INSTITUTIONS MARKETS AND SERVICES

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)	Discuss the role of the financial system in the economic development?	10M
OR		
Q.1(B)	Trace out the development of the financial system in India?	10M
<hr/>		
Q.2(A)	Explain RBI monetary control techniques?	10M
OR		
Q.2(B)	Briefly explain call money, commercial bill and treasury bill markets in India?	10M
<hr/>		
Q.3(A)	Explain in detail the SEBI guidelines for primary market?	10M
OR		
Q.3(B)	Explain the role of SEBI on secondary market?	10M
<hr/>		
Q.4(A)	Write a note on BSE and NSE?	10M
OR		
Q.4(B)	Briefly explain the method of trading and settlement procedure in a stock exchange?	10M
<hr/>		
Q.5(A)	Discuss the advantages and disadvantages of leasing?	10M
OR		
Q.5(B)	Briefly explain the credit rating agencies in India?	10M
<hr/>		
Q.6	<u>Case Study</u>	10M

Leading Trading Platform in India Delivers Enhanced Application Performance with Cisco

The Karvy Group is one of the leading trading platforms operating in India today. Founded in 1983, it grew out of Hyderabad to become a member of the National Stock Exchange of India and the Bombay Stock Exchange. It consistently ranks amongst the top 5 stock brokers in India.

The organization provides a vast platform for trading. It ensures safe trading by taking into account several risk factors and planning accordingly. This is supported by in-depth research, extensive feedback, sound advisory facilities and a highly skilled research team. Karvy's customers are given result-oriented information on market trends, market analysis and market predictions. These results are disseminated through a daily series of reports, allowing customers to be aware of market trends at any point in the day.

The company currently manages over 600,000 accounts. It has 25,000 investors visiting their global offices daily and executes more than 150,000 trades on the National and Bombay Stock Exchange. Hence, Karvy's daily operations are extremely demanding. Apart from having to create the abovementioned reports, the organization's data centers must ensure that trading requests are promptly processed and delivered.

Karvy's primary reason for upgrading the way its data centers handled application traffic lay in its web-based Online Trading Application (Karvy Online), a customer facing application used primarily by brokers. "Karvy Online is a customer facing application, which means that it is open for transactions round the clock," Sreenivasa Reddy Inukollu, General Manager, Technology, Karvy, explained. Application unavailability could potentially lead to customer dissatisfaction and possible loss of customers and revenue.

Furthermore, the company was not just interested in maintaining application availability, but it also wanted to improve the response time of OTA. "Karvy Online is accessed by brokers throughout the course of an entire day. This makes it one of our most utilized applications. With our wide base of customers, it is important that we provide the best response times to each and every one of them," Sreenivasa Reddy said. By lowering the response times of its applications, Karvy can increase the value of its services to its customers, gaining an edge over the market competition.

Karvy's previous network infrastructure was not able to optimize these two processes. As Karvy Online was a secure application, Karvy's servers had to perform SSL offloads, which was a resource draining process. In terms of load balancing, the organization was using traditional methods of load balancing based on DNS protocols. Unfortunately, these methods made the network configuration and management complex and time consuming, and was not providing the results they needed. "We wanted to provide transparent load balancing and failover from the end user perspective, something which our old network could not do,"

Question:

- 1. Identify the challenges are faced by Karvy's and provide the solutions for overcome the challenges?**

*****END*****

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

MBA II Year I Semester (R14) Supplementary End Semester Examinations –May / June 2017
(Regulations: R14)

INTERNATIONAL 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 A or B only. Q.no 6 which is a case study is compulsory.

- Q.1(A) What do you mean by capital account of Balance of Payments? State its importance. 10M
- OR
- Q.1(B) Discuss about the purchase power parity and interest rate parity. 10M
-
- Q.2(A) Differentiate between spot market and forward market. Explain the characteristics of forward market. 10M
- OR
- Q.2(B) Describe the meaning and use of currency futures and currency options. 10M
-
- Q.3(A) What is foreign exchange exposure? Explain various types of foreign exchange exposure. 10M
- OR
- Q.3(B) Spot rate Rs. 66.35/\$1
6 month forward rate Rs. 66.75/\$1
Annualized interest rate on 6 month rupee = 12%
Annualized interest rate on 6 month dollar = 7%
Work out the arbitrage possibilities. 10M
-
- Q.4(A) Examine the functions and working of World Bank. Discuss the usefulness of IBRD in facilitating and promoting long term investment. 10M
- OR
- Q.4(B) Discuss about the working capital management in domestic and international enterprises. 10M
-
- Q.5(A) Explain Foreign capital budgeting decisions. State its limitations. 10M
- OR
- Q.5(B) Estimate the cost of equity capital required to be earned on a foreign investment project. 10M
- i. Systematic risk of foreign project is 1.2
 - ii. Risk-free rate of nature (R_f) is 12% and
 - iii. Required rate of return on the market portfolio (R_m) consisting of all risky assets is 20%.

Q.6

Case Study

Mahendra International (India) imported spares of an engine from a US manufacturer for \$5,000 per annum at a price of \$ 2.5 per piece. The average exchange rate during 2001-02 was Rs. 47.70/\$. The Indian company imported the spares also from a British manufacturer. In fact, it had diversified its import in view of reducing the risk associated with the supply. The import from the USA was competitive in view of the fact the same spares imported from the UK was slightly costlier. The American spares cost Rs. 119.25 per piece, while the British spares cost Rs. 120.00 per piece.

In 2002-03, US dollar appreciated to Rs. 48.40 with the result that the cost of American spares turned higher than the British spares. In the sequel of the appreciation of US dollar, the Indian importer cut its demand from 2,000 pieces to 500 pieces. The loss to the US exporter was colossal. But at the same time, the Indian importer suffered a lot. It had to pay a higher price for the US spares in terms of rupees. And also, it had to divert its import from the USA to the UK insofar as the pound sterling did not appreciate during this period. All this happened in the wake of the exchange rate changes.

10M

Questions

1. Mention the loss borne by the US exporter in the sequel of appreciation of do
2. Measure how much loss the Indian importer had to bear after dollar appreciation.
3. What strategy the Indian importer needs to follow to hedge the exchange rate

END

MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE

(UGC-AUTONOMOUS)

MBA II Year I Semester (R14) Supplementary End Semester Examinations – May / June 2017

(Regulations: R14)

TAX PLANNING AND 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 A or B only. Q.no 6 which is a case study is compulsory.

Q.1(A) Define income. List the incomes exempt from tax applicable to corporate tax assesses. 10M

OR

Q.1(B) The incidence of income tax depends upon the residential status of an assessee. Discuss in detail. 10M

Q.2(A) What is meant by capital gain? Distinguish between short term capital gain and long term capital gain. 10M

OR

Q.2(B) Mr.X purchased a building for Rs.3,00,000 on August 31, 1988. On 1st October, 1992, he spent Rs. 80,000 to add 3 more rooms. During the previous year relevant to the current assessment year, building is sold out for Rs. 30,00,000. Compute the income from capital gain. 10M
(CII for 1988-89 is 161; for 1992-93 is 223; for 2015-16 is 1081).

Q.3(A) What are the specific provisions as concerned to depreciation and set off of losses and carry forward of losses? 10M

OR

Q.3(B) What are the conditions to be satisfied for the allowability of expenditure under section 37 of the Income-tax Act, 1961? 10M

Q.4(A) Discuss the Corporate Tax Planning strategies in respect of amalgamation of companies. 10M

OR

Q.4(B) What are the tax implications of capital structure policies? 10M

Q.5(A) What are the recognized methods of tax planning applicable to corporate assesses. 10M

OR

Q.5(B) Discuss the Corporate Tax Planning strategies in respect of Employees' Remuneration. 10M

Q.6

Case Study

Mr. X furnishes the following particulars for the assessment year 2016-17
Profit & Loss Account for the year ending March 31, 2016

Item	Amount	Item	Amount
Salary to staff	22,000	Gross Profit	2,50,000
Entertainment Expenses	13,000		

10M

General Expenses	11,000		
Bad Debts	4,500		
Reserve for Bad Debts	10,000		
Advertisement Expenses	7,000		
Interest on Mr. X's capital A/c	3,000		
Expenditure on acquisition of patent rights	28,000		
Telephone Expenses	12,000		
Depreciation	10,000		
Provision for Income-tax	4,000		
Net Profit	1,25,500		
	2,50,000		2,50,000

Other Information

1. Salary to staff includes salary paid to a relative which is unreasonable to the extent of Rs.3,100
2. Provision for income-tax is excessive to the extent of Rs.3,000
3. Depreciation on tangible assets according to tax provisions comes to Rs. 9,500
4. Advertising expenses include cost of 20 gifts of Rs.100 each presented to esteemed customers on the occasion of Diwali
5. Patents were acquired on 04.11.2015

Find out the taxable income of Mr. X under the head of business and profession for the assessment year 2016-17.

END