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Course Code: 16MBA117

MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE
(UGC-AUTONOMOUS)
MBA II Year II Semester (R16) Regular & Supplementary End Semester Examinations – MAY 2019
INTERNATIONAL BUSINESS

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 theory of comparative cost advantage with an example. 8 M

OR

Q.1(B) Explain the different factors of International Business Environment. 8 M

Q.2(A) State the objectives and facilities providing international monetary fund to its members. 8 M

OR

Q.2(B) Examine the Foreign exchange Market Mechanism in detail. 8 M

Q.3(A) "World trade organization is the third pillar of the global business". Explain 8 M

OR

Q.3(B) Comment on the success and failure of Euro as an Economic Trade block. 8 M

Q.4(A) Explain the characteristics and different stages of International product life cycle with suitable illustrations. 8 M

OR

Q.4(B) Explain the role of Managing the expatriates in IHRM. 8 M

Q.5(A) Write short note on: 8 M

- i. Special Economic Zone
- ii. Foreign Exchange Market

OR

Q.5(B) Elaborate the role of Economic processing zones in the context of international business. 8 M

Q.6 **Case Study** 10 M

General Motors

Seven months after taking over as President of General Motors Asia Pacific Frederick Henderson came for a visit to India and announced that his dream was to turn the world's biggest car manufacturer into the biggest car marketer in India.

GM. India is a very small player in India right now. It has a plant to produce 25,000 cars, but last fiscal sold only 8,473 cars. It seems to be stuck in the slow lane in India. In what will be a first in the Indian automotive industry, GM. Plans to use its 21-year-old global alliance with Suzuki, and a more recent one with Fiat to move into gear. What helps is that GM. owns 20% stake in both the companies. Combined in India, their purchasing will soar over Rs.6,100 Cr a year, the dealership and service network will jump to 360, and make it an alliance with the widest range of passenger cars.

Apparently, the idea is to create an Indian version of the Global Alliance that the three already have. They can now develop new products, sale each other's cars in various market source components together and even enter into joint ventures. In India the alliance will form on the companies sharing each other's products, buying components together in order to cut both components and sourcing costs, working on the engines and transmissions together, and entering into cross branding agreements.

The Indian Automobile Industry is in for a big change. Under the new scheme of things, three players out of 12 players would, for all practical purposes, play the game as one.

Fiat can help Maruti with its quest for Diesel engines, for cars. GM. and Fiat auto plan to invest \$ 100 million at Fiat's Ranjanga on facility in order to produce new models and power trains.

There is little reason to doubt the partnership rolling in India. The Asia-Pacific region is after all, the fastest growing car market. Ravi Khanna, country President and M.D. Delphi Automotive Systems (INDIA), "Globally, the auto industry is now more agile as a result of consolidation. In India, circumstances may be peculiar or unique. But the pattern can be seen quite clearly.

Questions

1. Analyze the case from the Globalization point of view.
2. What opportunities do you see for Indian companies in this alliance?
3. How do you think other MNC's in this market will/should react to this development?

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MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE

(UGC-AUTONOMOUS)

MBA II Year II Semester (R16) Regular & Supplementary End Semester Examinations – MAY 2019

ENTREPRENEURSHIP DEVELOPMENT & PROJECT 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) Explain about dynamic entrepreneurs? Define and elaborate the prominent functions of Entrepreneurs? 8 M

OR

Q.1(B) State the importance of socio and cultural environment role in the development of entrepreneurship development. 8 M

Q.2(A) Discuss the Entrepreneurship Development Programme? Provide the various sources of EDP, explain various phases of EDPs. 8 M

OR

Q.2(B) Discuss about the need and objectives of EDPs, in enlighten of entrepreneurship development in India. 8 M

Q.3(A) Explain the role of women entrepreneurs in economic development. 8 M

OR

Q.3(B) What are the problems faced by women entrepreneurs? 8 M

Q.4(A) Explain the role of financial institutions, development banks and support agencies in the promotion of entrepreneurship in India 8 M

OR

Q.4(B) Describe briefly about feasibility report or areas of project appraisal and its criteria. 8 M

Q.5(A) Discuss the role of Entrepreneurship Development Institute of India (EDII) for Entrepreneurship Development in today globalization. 8 M

OR

Q.5(B) Discuss the role of Small Industries Services Institute (SISI) for Entrepreneurship Development in India. 8 M

Q.6 **Case Study** 10 M

Mrs. Preethi is a small scale entrepreneur manufacturing chocolates in the name 'Yummilicious'. She had started this venture in the year 2018. She attended various start-up meetings where several Angel Investors and Venture Capitalists shared their success story and mentored the new budding entrepreneurs. In one of these sessions she heard a mentor say that every entrepreneur should constantly and consistently aim to improve the products and services already existing in the market. Taking this cue, Mrs. Preethi decided to introduce Wafers, Lollipop and Hard Candy under the same brand name.

1. Explain the benefits as to why Mrs. Preethi is doing so?

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MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE

(UGC-AUTONOMOUS)

MBA II Year II Semester (R16) Regular & Supplementary End Semester Examinations – MAY 2019

FINANCIAL DERIVATIVES

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) Elucidate different types of Derivatives. 8 M

OR

Q.1(B) What is the difference between Long forward position & a Short forward position? 8 M

Q.2(A) Explain forward contracts and its limitations? 8 M

OR

Q.2(B) Assume that the risk-free interest rate is 9% per annum with continuous compounding and that the dividend yield on a stock index varies throughout the year. In February, May, August, and November, dividends are paid at a rate of 5% per annum. In other months, dividends are paid at a rate of 2% per annum. Suppose that the value of the index on July 31 is 1,300. What is the futures price for a contract deliverable on December 31 of the same year? 8 M

Q.3(A) Differentiate between call and put option? Illustrate a) stock options b) Index options c) Currency options d) Interest rate options 8 M

OR

Q.3(B) Explain the need, Scope and properties of stock option prices 8 M

Q.4(A) Distinguish between Options and Futures with suitable examples. 8 M

OR

Q.4(B) A stock index is currently 1,500. Its volatility is 18%. The risk-free rate is 4% per annum (continuously compounded) for all maturities and the dividend yield on the index is 2.5%. Calculate values for u , d , and p when a six-month time step is used. What is the value of a 12-month American put option with a strike price of 1,480 given by a two-step binomial tree? 8 M

Q.5(A) Explain the Concept, Nature of Swaps and Major Types of Financial Swaps? 8 M

OR

Q.5(B) What is a currency swap and how it is different from an interest rate swap? 8 M

Q.6 **Case Study** 10 M

Consider a long forward contract to purchase a non-dividend-paying stock in three months. Assume the current stock price is \$40 and the three-month risk free interest rate is 5% per annum. What are the strategies considered by an arbitrageur in two extreme situations?

- i. If the forward price is relatively high at \$43
- ii. If the forward price is relatively low at \$39

END

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MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE

(UGC-AUTONOMOUS)

MBAII Year II Semester (R16) Regular End Semester Examinations –May 2019

B2B MARKETING

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)	What is B2B marketing? How it is different from business to consumer marketing.	8M
OR		
Q.1(B)	What is B2B marketing? Classify the customers, organization and markets in B2B.	8M
Q.2(A)	Explain the steps involved in organizational buying process with the help of a neat diagram.	8M
OR		
Q.2(B)	What is customer relationship management? Suggest CRM strategies for original equipment manufacturer of small scale floor machine.	8M
Q.3(A)	Andhra Pradesh state government through a public private partnership venturing into beach resorts along the coastal line. How do you segment, target and position these resorts to organizational customer.	8M
OR		
Q.3(B)	Describe the salient features of segmentation in B2B market. Take MRF tyres as example.	8M
Q.4(A)	Lalit group is a five star hotel having its branches at popular location in India. As a marketing manager suggest the best marketing mix plan for lalit group.	8M
OR		
Q.4(B)	Explain steps involved in Channel Design. Illustrate with example of Intel Company.	8M
Q.5(A)	Elucidate on the role of advertising for business markets.	8M
OR		
Q.5(B)	Elucidate on service promotion & distribution for business markets. Illustrate with example of FIR consultancy.	8M
Q.6	Case Study	10M

Prentice was a moderate size, regional producer of consumer hand tools, such as planes, hammers, screwdrivers, saws, chisels, hand drills and bits. Competition came from a number of large national competitors such as Rockwell; Sears, Roebuck; and Black and Decker; and many small specialty producers. Low Cost imports were a growing influence in the American market and represented about 10 percent of total sales.

Prentice estimate its regional market share at 5 percent, with the top four competitors accounting for about 60 percent of the total. The largest competitor was substantially bigger than any of the others.

Prentice's strategy has always been to price 10-15 percent below the level of the top four. The company spent almost nothing on advertising, relying instead upon price to generate sales in major retail outlets. Point of Sale material was above average in quality and quantity. Prentice has also had an active private label program, which accounted for a growing 30 percent of total sales. It was not unusual in some outlets to find one of the majors, Prentice made house label.

Prentice's realized tight 3 percent profit on sales. This margin had been approximately the same over the past four years. Market share in the industry and in the region had not fluctuated much although there seem to be increasing price pressure from foreign competitors.

On January 15, 1979, one of the major competitors (the number three brand) announced a new national price programme consisting of "permanent" price cuts of 10 – 25 percent at retail, a multimillion – dollar promotion programme, and a redesigned product line. The firm's objective seemed to be to buy market share. This company had recently followed a similar strategy in the united kingdom and had picked up about ten share points. Whether the gain was profitable or not was not totally clear, although it seemed evident that prices had been lowered permanently.

Question:

1. Critically analyze the case and suggest strategies for growth.

*****END*****

Hall Ticket No:

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MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE
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MBA II Year II Semester (R16) Regular & Supplementary End Semester Examinations – MAY 2019

ADVERTISING AND SALES PROMOTION

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) What is advertising agency? Discuss the various types of ad agencies. 8 M

OR

Q.1(B) Explain the structure & role of a full fledge service ad agency. 8 M

Q.2(A) What is advertising effectiveness? State & explain the pre-testing methods of evaluating advertising effectiveness. 8 M

OR

Q.2(B) What is advertising copy? Elucidate on the elements of copy & essentials of good ad copy. 8 M

Q.3(A) Write a short note on 8 M
i) Page views
ii) Click stream analysis
iii) Tracking website visits
iv) Hits

OR

Q.3(B) Define Media planning? Explain the concepts of Reach, Frequency, Continuity and Selectivity. 8 M

Q.4(A) Explain the role of integrated marketing communication in Image building. State some principles of IMC. 8 M

OR

Q.4(B) Elucidate the challenges & importance of advertising a product / service at global market. 8 M

Q.5(A) Write a short note on 8 M
i) Sweep stakes
ii) Price packs
iii) Price deals
iv) Premiums

OR

Q.5(B) Define Brand equity? Elaborate on building, measuring & managing brand equity. 8 M

Q.6 CASE STUDY 10 M

The equation among soft drink competitors was almost balanced. Coke competed against pepsi, Tab against Diet Pepsi, Sprite against Mountain Dew, and so on. But when Coca-Cola introduced Diet coke in 1982, its aspirations were high. It aimed at not being content with just outselling Diet Pepsi; the company wanted Diet Coke to be the number two soft drink of any kind. The company executives, by 1989, predicted that their dream would soon come true.

In its ads, Coca-Cola did not invite people to drink Diet coke for the benefit of losing weight or keep a slim-trim figure. Coca-Cola told people to drink it "Just for the taste of it". The emphasis on taste by Coca-Cola was particularly effective because Diet Coke was a new entry in the market for decades and has undergone a number of reformulations.

The taste plank also provided the groundwork for Diet Cokes assault on Pepsi. As Diet Coke was being promoted and sold on taste and not on its lack of calories, it made sense for it to compete against every other drink that consumers bought primarily for taste.

Diet Coke quickly overtook Diet Pepsi and was favored over Pepsi by women consumers who traditionally bought the majority of Diet drinks. The major thrust of the Diet Coke and campaign has been to convince consumers that they don't have to be weight conscious to drink Diet Coke. Already men buy more than a third of all diet drinks, and that percentage has been growing rapidly. Coca-Cola has recruited macho heroes and it has been advertising Diet Coke in sports magazines especially aimed at men such as sports illustrated Sport and Inside Sport.

Coca- Colas attack on Pepsi has often been direct and aggressive. It rail ads claiming that one quarter of the 2 million families that had stopped drinking pepsi had switched to Diet Coke. Pepsi responded with ads claiming that 90 percent of those consumers eventually switched back to Pepsi and Coke ended up revising its ads. Pepsi also used its commercials to make fun of how Coke came up with its numbers.

Diet Pepsi issued its own taste challenge in 1989, using Mike Tyson to claim that Diet Pepsis taste was better than Diet Cokes. Coca-Cola counterattacked by citing research that proved Pepsi wrong and Pepsi eventually stopped running the ads. To make up for damage done to its image, Coke used some imaginative promotion such as giving a coupon for Diet Coke to everyone buying Pepsi at certain supermarkets Again, Coke seems to have gained by defining the battle as Diet Coke against Pepsi, rather than Diet Coke against Diet Pepsi.

Coca-Cola promoted Diet Coke heavily, so much so that during some quarters it spent more on Diet Coke advertising than on its flagship Coke Classic. It has used innovative techniques such as "roadblocks" running the same commercial at the same time on different channels. It has also shown Diet Coke spots on cable TV such as MTV, ESPN and TBS.

Questions:

- a) What role has advertising played in introducing Diet Coke?
- b) Why did coke offer coupons to consumers who bought Pepsi at certain supermarkets?
- c) What functions did Diet Cokes advertising campaign aim at performing? Based on Lavidge and Steiner model, analyse how consumer responded to Diet Cokes ads.