

**MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE**

(UGC-AUTONOMOUS)

MBA II Year II Semester (R16) Regular End Semester Examinations – May 2018

**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) Explain the contribution of communication technology in to global context. 8M
- OR**
- Q.1(B) Explain the international trade theory of absolute cost advantage in international business with a suitable example. 8M
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- Q.2(A) Discuss the advantages and disadvantages of the various methods of payment in international trade with suitable examples. 8M
- OR**
- Q.2(B) Distinguish between balance of trade and balance of payment in the national context. 8M
- 
- Q.3(A) Discuss the significance of trade blocks for better international trade. 8M
- OR**
- Q.3(B) Discuss the benefits of International Strategic Alliance among countries? 8M
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- Q.4(A) Explain various strategies related to Human Resource Management in multinational companies. 8M
- OR**
- Q.4(B) Briefly explain various organizational structures used to run international business for better performance. 8M
- 
- Q.5(A) Is globalization desirable for the Indian economy? Substantiate how globalization will benefit the Indian Economy. 8M
- OR**
- Q.5(B) Discuss the significant role of special economic zones in promoting and sustaining international trade. 8M

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Q.6 **CASE STUDY** 10M

Four senior executives of the world's largest firms with extensive holdings outside the home country speak.

**Company A:** "We are a multinational firm. We distribute our products in about 100 countries. We manufacture in over 17 countries and do research and development in three countries. We look at all new investment projects both domestic and overseas- using exactly the same criteria".

The executive from Company A continues, "of course most of the key posts in our subsidiaries are held by home-country nationals. Whenever replacements for these men are sought, it is the practice, if not the policy, to look next to you at the head office and pick someone (Usually a home country national) you know and trust".

**Company B:** "We are a multinational Firm- only 1 percent of the personnel in our affiliate companies are non-national. Most of these are US executives in temporary assignments. In all major markets, the affiliates managing director is of the local nationality".

He continues, "of course there are very few non-Americans in the key posts at headquarters. The few we have are so Americanized that we usually do not notice their nationality. Unfortunately, you cannot find good foreigners who are willing to live in the United States, Where our headquarters is located –American executives are more mobile. In addition, American have the drive and initiative we like. In fact, the European nationals would prefer to report to an American rather than to some other European".

**Company C:** "We are a multinational Firm- Our product division executives have worldwide profit responsibility. As our organizational chart shows, the United States is just one region on a par with Europe, Latin America, Africa, etc., in each division".

The executive from Company C goes on to explain "the World Wide product division concept is rather difficult to implement. The senior executives in charge of these divisions have little overseas experience. They have been promoted from domestic posts and tend to view foreign consumer needs as really basically the same as ours. Also, product division executives tend to focus on the domestic market because the domestic market is larger and generates more revenue than the fragmented foreign markets. The rewards are for global performance, but strategy is to focus on domestic. Most of our senior executives simply do not understand what happens overseas and really do not trust foreign executives, even those in key positions".

**Company D (non-American):** "We are a multinational Firm. We have at least 18 nationalities represented at our headquarters. Most senior executives speak at least two languages. About 30 percent of our staff at headquarters are foreigners. He continues by explaining that "Since the voting shareholders must by law come from the home country, the home country's interest must be given careful consideration. But we are proud of our nationality; we should not be ashamed of it. Infact many times we have been reluctant to use home-country ideas overseas, to our detriment, especially in U.S. subsidiary-our country produces good executives, who tend to stay with us for a long time. It is harder to keep executives from the United States.

**Questions:**

- (a) Which company is truly multinational?
- (b) What are the attributes of a truly multinational company?
- (c) Why quibble about how multinational a company is?

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Hall Ticket No:

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Course Code: 16MBA118

**MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE**

(UGC-AUTONOMOUS)

**MBA II Year II Semester (R16) Regular End Semester Examinations – May 2018**

**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) "Entrepreneurship is a process of giving birth to an enterprise". Discuss. 8M
- OR
- Q.1(B) Define the term entrepreneur. What are the attributes of an entrepreneur? 8M
- 
- Q.2(A) Discuss the significance and objectives of Entrepreneurship Development Programmes 8M
- OR
- Q.2(B) "Developing countries like India need imitative entrepreneurs rather than innovative entrepreneurs". Do you agree? Justify your answer with examples. 8M
- 
- Q.3(A) What are the reasons of very few women becoming entrepreneurs in a developing country like India? Whether Indian women entrepreneurs have now made an impact and shown that they too can contribute in economic development of the country? Discuss with examples. 8M
- OR
- Q.3(B) Explain the various Problems faced by the Women Entrepreneurs in today's Business Scenario. 8M
- 
- Q.4(A) Define Project Management. What are its Characteristics and objectives? 8M
- OR
- Q.4(B) Explain the concept business environment and discuss how to scan the environment and identify business opportunities, illustrate your answer with reference to 'travel and tourism or event management venture' of your choice 8M
- 
- Q.5(A) Discuss the role and importance of the following institutions in promoting, training and developing entrepreneurs in India: 8M  
a) EDII    b) NIESBUD    c) DIC
- OR
- Q.5(B) Write an essay on the role played by DIC and SISI for the development of Entrepreneurship? 8M
- 
- Q.6 **Case Study** 10M

Great ideas for destination development don't always require huge investment. Some of the most innovative approaches grow out of adversity and the need to count the pennies. Loddon Shire Council, about an hour from Bendigo in Victoria's

north-west, is not a mainstream tourism area, but the stories, the characters and the enterprise in some of the towns is the stuff that many city people love to hear. The small towns of Wedderburn, Inglewood Tarnagulla and Bridgewater have a gold heritage, while Pyramid Hill and Boort have grown-up on the prosperity that irrigation brought to rural Australia. There's also a significant indigenous heritage.

Former tourism operator, Robyn Vella, began Loddon Valley Tours several years ago as a way to attract greater visitation to her family's Eucalyptus distillery in Wedderburn. She soon found that her groups were as much interested in the lifestyle of the local area as they were in gold and heritage. For urban-based people it was often their first real contact with small rural communities and they were fascinated to learn how the locals lived, worked and coped with trauma such as prolonged drought.

The simple tourism based tours grew into overnight visits, which included extended drives through the farming district. Guests arrange their own charter bus and stay at the town's only motel.

With almost no marketing budget to spread the word, Robyn uses her best assets to promote the tours – her personality and unbounded enthusiasm. She regularly visits Melbourne's Probus clubs to provide their members with a free talk on 'surviving life in a country town'.

Her positive attitude and ability to connect with people generates an increasing number of bookings for the two and three night group tour packages.

Loddon Valley Tours became important to the Shire's image and was a new economic injector, so much so that the council agreed to take over the concept and bring Robyn onto their staff to manage the program. The tours are revenue-positive for the Council and they enable the area to present itself to the outside world as a dynamic community that has managed to survive the economic rationalism of the 90s and the drought of this decade.

The tour programs have flexible components to suit the budget, time frame and interests of each group. Step-on guides accompany the bus each day to highlight the particular towns and features. These can range from the vast expanse of Aboriginal canoe trees in Boort's Big Lake to the largest olive groves in the Southern Hemisphere along the Charlton Road. Each guide is a likeable and knowledgeable local person who takes great pride in showcasing their area to the city visitors.

#### Questions:

1. From the above case study, describe whether innovation or proper funding is of greater importance in the tourism industry.
2. Explain the effect of being aware of your target demography in tourism.
3. Other than promotion what other skills are required for long term success in the tourism industry.

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## MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE

(UGC-AUTONOMOUS)

**MBA II Year II Semester (R16) Regular End Semester Examinations – May 2018**

### 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) i. Explain different types of derivatives. 4M  
ii. Write a brief note about the uses of 'financial derivatives'. 4M

OR

- Q.1(B) "Derivatives are considered as risk management tools used by the investors" – 8M  
comment upon the statement.

- 
- Q.2(A) Write a brief note with suitable data – (i) Cost-of-carry approach in perfect 8M  
markets, and (ii) Cost-of-carry approach in imperfect markets.

OR

- Q.2(B) On 10<sup>th</sup> March, 2018, the following yields and prices existed: 8M  
Spot Exchange Rate (Re/\$) = 47.3500  
Futures Exchange Rate ( $F_{t,T}$ (Re/\$)) = 47.7800  
Six month Indian interest rate = 5% p.a.  
Six month US interest rate = 6% p.a.  
Show if there is any arbitrage opportunity and also show the profit profile of  
arbitrage position.

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- Q.3(A) i. Explain the factors influencing the option pricing. 4M  
ii. Define the term volatility. Discuss the methods of measuring volatility. Explain 4M  
with examples in context to option pricing.

OR

- Q.3(B) Compare and contrast between currency futures and currency options. Which is 8M  
better for small investors and why?

- 
- Q.4(A) When is it appropriate for a trader to purchase a butterfly spread? Discuss with 8M  
suitable illustrations.

OR

- Q.4(B) Using Binomial Option pricing model, find out the value of a call option price from 8M  
the following data.  
Share price – Rs.225  
Exercise price – Rs.250  
U=1.15  
D=0.85  
r = 0.12 or 12%  
T= 3 months
-

- Q.5(A) i. What do you mean by interest rate swaps? Explain the features of interest rate swaps. 4M  
 ii. Explain plain vanilla swap with suitable example. 4M

OR

- Q.5(B) Company X and Y both wish to borrow Rs.10 crore for 5 years. Company X wants to arrange a floating rate loan. The rate of interest is 6-month LIBOR. Company Y wants to arrange a fixed rate loan. They have been offered the following terms: 8M

	<u>Fixed rate</u>	<u>Floating rate</u>
Company X	10.0%	6-month LIBOR+0.3%
Company Y	11.2%	6-month LIBOR+1.0%

Show the transaction without and with intermediary. Find out the total gain to the companies.

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- Q.6 Consider a European call option on stock when there are ex-dividend dates in 2-month and 4-months. The dividend on each dividend date is expected to be 0.50. Current price of share is Rs.40, the exercise price is Rs.40, the stock volatility is 30% p.a., the risk-free rate of interest is 9% p.a. and time to maturity is 6 months. Calculate the option price using Black-Scholes Model. 10M

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**MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE**  
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**MBA II Year II Semester (R16) Regular End Semester Examinations – May 2018**  
**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)	Explain how business markets are classified with examples.	8M
<b>OR</b>		
Q.1(B)	Distinguish between B2B and B2C Marketing.	8M
Q.2(A)	How Business Markets can manage buyer seller relationships? Discuss.	8M
<b>OR</b>		
Q.2(B)	What is CRM explain how business firms can gain customer relationship advantages?	8M
Q.3(A)	Explain segmentation procedure for business markets?	8M
<b>OR</b>		
Q.3(B)	How can business firms conduct organization demand analysis?	8M
Q.4(A)	What is Marketing mix and explain the marketing mix for business to business markets?	8M
<b>OR</b>		
Q.4(B)	Explain how pricing is done in business – to - business marketing.	8M
Q.5(A)	What are the various channels of Distribution for business markets?	8M
<b>OR</b>		
Q.5(B)	Explain how trade shows and personal selling can be done for business markets?	8M
Q.6	<b>CASE STUDY</b>	10M

**Qube: A New Era of Digital Cinema**

The origin of Real Image, which introduced several new technologies to the Indian film industry, can be traced to the late 1980s. In 1986, JS Films, which later became a division of Real Image, introduced the 'Time Code6,' which radically improved the sound quality of the films. In 1988, JS Films introduced digital audio in India. In 1992, Real Image was founded in Madras (later renamed Chennai) in South India.

**The Advantages**

Till the mid-2000s, Indian film producers used only celluloid film for making movies. It was from the master copy that theatrical prints were created. However, these prints were expensive (Rs 70,000 or more). Therefore, producers limited the number of prints depending upon the 'salability' of their films. This resulted in new films initially being released only in big cities.

Theaters in smaller towns had to wait, sometimes for as long as eight weeks, before they received - often worn-out - prints from the theaters in big cities. Rather than wait that long, a significant number of movie goers in smaller towns watched pirated videos of the latest releases.

### **Challenges**

Initially, the most challenging issue for Real Image was to make people in the business accept the idea of digital cinema. In the mid-2000s, digital cinema was a comparatively new concept and it was difficult to expect people to change the way they did business almost overnight. According to Senthil, "The initial period was the most challenging, as there was skepticism about the role of computers in the industry."

### **The Road Ahead**

In February 2008, Qube Cinema got an opportunity to work with the National Film Board of Canada (NFB) to equip digital cinema venues in five Canadian cities.

"Qube's robust digital cinema platform will help us to make NFB and independently produced Canadian films accessible to the public in an exciting new way. We were drawn to Qube Cinema because of the simplicity and flexibility of their platform as well as their ability to move easily from E to D cinema," said Julie Dutrisac, head of R&D, NFB

### **Questions**

- 1) Analyze the challenges associated with marketing digital cinema technology in India
- 2) Assess the market prospects for digital cinema

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Hall Ticket No:

Course Code: 16MBA435

**MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE, MADANAPALLE  
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**MBA II Year II Semester (R16) Regular End Semester Examinations – May 2018  
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? Explain the different types of advertising agencies? 8M

OR

Q.1(B) What is advertising? Explain the Nature and Scope of advertising? 8M

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Q.2(A) Explain the methods of pretesting in advertisements. 8M

OR

Q.2(B) Explain in detail the growing need of online advertising in India? 8M

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Q.3(A) Elaborate on media planning and selection in advertising. 8M

OR

Q.3(B) Describe the importance of DAGMAR approach in designing the advertisement? 8M

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Q.4(A) Briefly describe the importance of Integrated Marketing Communication in creative advertisement? 8M

OR

Q.4(B) What do you understand by Image Building? Explain In detail with suitable examples? 8M

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Q.5(A) Describe the different techniques of sales promotion at consumer level, trade level force level? 8M

OR

Q.5(B) Explain the role of sales promotion and advertising in building Brand Equity. 8M

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Q.6 **Case Study** 10M

The refrigerator market has almost revived after the introduction of no-frost models and the entry of a number of brands in recent times. Godrej, LG and BPL are some of the brands which have come out with campaigns to get into the "consideration set" of the consumer mindset. Whirlpool had launched a campaign for its range of frost-free fridges with an appeal different from those of the competitive brands. The advertisement projected Whirlpool as a very dependable

brand in social situations avoiding embarrassment in front of hosts. It emphasizes the capability of the refrigerator to produce ice quickly when it is most needed.

**You are required:**

- (i) To study the various appeals of refrigerators in the market and comment on the appeal of Whirlpool in particular**
- (ii) Identify the specific conceptual appeal involved and comment on the positive and negative aspects of the appeal.**