

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

MBA I Year I Semester Regular End Semester Examinations Feb/ Mar- 2015

MANAGERIAL ECONOMICS

Time: 3Hrs

Max Marks: 60

- Note:** 1. Attempt all the questions.
2. Q.no 6 is a case study which is compulsory.
3. In Q.no 1 to 5 answer either I or II only.

Q.1(I) "Managerial Economics is an integration of micro economic principles with business practice for the purpose of decision making and forward planning by managers" Discuss? 10m

OR

Q.1(II) Explain the theory of profit maximization and determining profit maximizing output and price 10m

Q.2(I) Define Elasticity of Demand? Discuss various types of Elasticity of Demand 10m

OR

Q.2(II) a) Discuss the need for demand forecasting 5m
b) Given a demand function $Q = 10 - 2P$, Calculate price elasticity of demand if price changes from Rs.3 to Rs 2. Also derive Total and Marginal Revenue schedules. 5m

Q.3(I) Explain least cost combination of inputs with the help of iso- quants and iso-cost lines. 10m

OR

Q.3(II) Write short notes on a) Opportunity cost 2m
b) Discounting principle 2m
c) Marginalism 3m
d) Incremental Concept 3m

Q.4(I) What are the features of Perfect Competition? Explain Price Output determination under perfect competition 10m

OR

Q.4(II) What are the assumptions of Break Even analysis? How do you determine the Break Even Point? 10m

Q.5(I) Explain various approaches for measurement of National income 10m

OR

Q.5(II) Define Consumer Price Index ?Discuss the significance of Consumer Price index 10m

Q.6 Cost and Sales data of a manufacturer selling two products X and Y are given below 10m

Product	Selling Price per unit	Variable cost per unit	Percent of Rupee Sales volume
X	Rs.5	Rs.3	40%
Y	Rs 8	Rs.6	60%

Capacity of the Manufacturer: Rs12,00,000 Sales

Annual Fixed Cost : Rs.1,86,000

- a. Find the breakeven point
b. Calculate profit or loss at 70% capacity

*** End***

Course Code: 14MBA11T01

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MANAGEMENT AND ORGANIZATIONAL BEHAVIOR

Time: 3Hrs

Max Marks: 60

- Note:** 1. Attempt all the questions.
2. Q.no 6 is a case study which is compulsory.
3. In Q.no 1 to 5 answer either I or II only.

Q.1(I) Ethics and social responsibility are important for business? Explain this statement? 10m

OR

Q.1(II) Explain the concept & evolution of management thoughts? 10m

Q.2(I) Write about decision making process & Techniques? 10m

OR

Q.2(II) Write a brief notes on the following 3m
(a) Responsibility 3m
(b) Decentralization 4m
(c) Line & Staff Relationship

Q.3(I) Explain any two motivational theories? 10m

OR

Q.3(II) Brief out nature and scope of individual behavior? 10m

Q.4(I) Explain the stages involved in formation of groups? 10m

OR

Q.4(II) Describe the Managerial Grid leadership theory developed by Blake and Mouton? 10m

Q.5(I) Define Stress Management? Explain the potential sources of stress? 10m

OR

Q.5(II) Explain the key differences you had noticed between organization culture & Climate? 10m

Case Study

Dinesh, a young executive in softech Ltd., has become irritable, unpopular with colleagues and subordinates and a problem for the boss. His performance has started to slacken and mistakes plague his every action and recommendation. What is surprising is just three months back Dinesh was quite opposite of all these. He also has a brilliant track record. With a gold medal from a prestigious B-School, Dinesh entered his vocational area of finance and proved an instant success. He has revamped the cost and budgetary control systems, set up a management accounting procedure and created a reliable and efficient management information system. Dinesh received awards and is slated to climb up the organizational hierarchy further.

Yet, such a man has gone to pieces all of a sudden. Several things transpired against Dinesh. His only son has turned out to be a spastic child, he has been overlooked for a promotion, with a less flamboyant outsider being preferred for the No:1 slot by the Management, which has suddenly exhibited its preference to a traditional accountant and he has fallen foul of a powerful line executive.

To compound the problem further, what had been a mild flirtation with an office colleague has assumed the proportion of a major sex scandal. With his emotional relationships in a mess and worried about son's health and his own future in softech, Dinesh's morale has gone bust. His self confidence has been rudely shaken.

- | | |
|---|----|
| a. How would the knowledge of OB help describe these sudden happenings in the life of Dinesh? | 4m |
| b. What should Dinesh do now? | 3m |
| c. Describe the work performance of Dinesh? | 3m |

***** End*****

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BUSINESS ENVIRONMENT

Time: 3Hrs

Max Marks: 60

- Note:** 1. Attempt all the questions.
2. Q.no 6 is a case study which is compulsory.
3. In Q.no 1 to 5 answer either I or II only.

Q.1(I) Define Industrial policy. Write the characteristics of a policy. Explain the differences between business Objective and business Policy. 10m

OR

Q.1(II) What are the main aims of industrial policy 1991? Explain industrial licensing policy. 10m

Q.2(I) Define balance of payments. What are the major components of BoP? 10m

OR

Q.2(II) Discuss the impact of globalization on Indian enterprises. 10m

Q.3(I) Fiscal policy of a country determines the fate of the industries – comment. 10m

OR

Q.3(II) Appraise the recent fiscal policy. 10m

Q.4(I) What are the objectives of monetary policy? Explain briefly the different instruments of monetary policy. 10m

OR

Q.4(II) What is credit policy? Explain general credit controls of RBI. 10m

Q.5(I) What do you mean by SEBI? Explain the powers and functions of SEBI. 10m

OR

Q.5(II) Write features and defects of the Indian Money Market. 10m

Case Study

Government and business – friend or foe?

As we have seen, governments intervene in the day-to-day working of the economy in a variety of ways in the hope of improving the environment in which industrial and commercial activity takes place. How far they are successful in achieving this goal is open to question. Businesses, for example, frequently complain of over interference by governments and of the burdens imposed upon them by government legislation and regulation. Ministers, in contrast, tend to stress how they have helped to create an environment conducive to entrepreneurial activity through the different policy initiatives and through a supportive legal and fiscal regime. Who is right?

Q.6

10m

While there is no simple answer to this question, it is instructive to examine the different surveys which are regularly undertaken of business attitudes and conditions in different countries. One such survey by the European Commission – and reported by Andrew Osborn in the Guardian on 20 November 2001 – claimed that whereas countries such as Finland, Luxembourg, Portugal and the Netherlands tended to be regarded as business-friendly, the United Kingdom was perceived as the most difficult and complicated country to do business with in the whole of Europe. Foreign firms evidently claimed that the UK was harder to trade with than other countries owing to

its bureaucratic procedures and its tendency to rigidly enforce business regulations. EU officials singled out Britain's complex tax formalities, employment regulations and product conformity rules as particular problems for foreign companies – criticisms which echo those of the CBI and other representative bodies who have been complaining of the cost of over-regulation to UK firms over a considerable number of years. The news, however, is not all bad. The Competitive Alternatives study (2002) by KPMG of costs in various cities in the G7 countries, Austria and the Netherlands indicated that Britain is the second cheapest place in which to do business in the nine industrial countries. The survey, which looked at a range of business costs – especially labour costs and taxation – placed the UK second behind Canada worldwide and in first place within Europe. The country's strong showing largely reflected its competitive labour costs, with manufacturing costs estimated to be 12.5 per cent lower than in Germany and 20 per cent lower than many other countries in continental Europe. Since firms frequently use this survey to identify the best places to locate their business, the data on relative costs are likely to provide the UK with a competitive advantage in the battle for foreign inward investment.

Case Question

How would you account for the difference in perspective between firms who often complain of government over-interference in business matters and ministers who claim that they have the interests of business at heart when taking decisions?

***** End*****

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FINANCIAL ACCOUNTING FOR MANAGERS

Time: 3Hrs

Max Marks: 60

- Note:** 1. Attempt all the questions.
2. Q.no 6 is a case study which is compulsory.
3. In Q.no 1 to 5 answer either I or II only.

Q.1(I) Define 'Financial Accounting' and explain in detail the Concepts and Conventions of accounting. **10m**

OR

Q.1(II) From the following Trial Balance and additional information, you are required to prepare Trading and Profit and loss account and balance sheet. **10m**

TRIAL BALANCE as on 31st March, 2013

Particulars	Debit (Rs.)	Credit (Rs.)
Drawings	10000	
Stock on 1.4.2012	46000	
Purchases and Purchase Returns	150200	600
Cash in Hand	3400	
Bank Balance	22660	
Freehold Premises	38600	
Trade Expenses	840	
Printing, Stationery and Advertising	1640	
Professional Charges	280	
Commission Received		3300
Investments as on 1 st April @ 10%	4000	
Interest on above		200
Sundry Debtors and Creditors	36000	29000
Wages	25000	
Salaries	14000	
Capital		114000
Income Tax	1600	
Discount allowed and received	6300	4600
Sales Returns and Sales	550	208950
Bills Receivable/Bills Payable	3200	10000
Office Furniture	3050	
Rent, Rates and Insurance	4000	
Bad Debts Provision		670
Total	371320	371320

The following adjustments are required:

- Provide for wages Rs.5000
- Write off 5% depreciation on freehold premises and 10% on office furniture

BUSINESS LAW AND REGULATION

Time: 3Hrs

Max Marks: 60

- Note:** 1. Attempt all the questions.
2. Q.no 6 is a case study which is compulsory.
3. In Q.no 1 to 5 answer either I or II only.

Q.1(I) "All Contracts are agreements, but all agreements are not contracts", critically examine this statement. **10m**

OR

Q.1(II) Explain the remedies available for breach of contract. **10m**

Q.2(I) Define a contract of indemnity. Explain the legal rules for a valid contract of indemnity. **10m**

OR

Q.2(II) What is a contract of sale of goods? Discuss the essential characteristics of a contract of sale of goods. **10m**

Q.3(I) What are the circumstances under which dissolution of a Partnership may take place? **10m**

OR

Q.3(II) What are the usual steps that are to be taken in the formation of a company? **10m**

Q.4(I) What is a negotiable instrument? Explain the provisions of the Negotiable Instrument Act 1881. **10m**

OR

Q.4(II) Distinguish between a 'Cheque' and a 'Bill of Exchange'. **10m**

Q.5(I) Discuss the provisions relating to residential status of an individual and HUF with examples. **10m**

OR

Q.5(II) What do you understand by the term Information Technology? Explain the rationale behind the Information Technology Act, 2000. **10m**

Q.6 **Case Study** **10m**

Syam is employed as a cashier on a salary of Rs. 20,000 a month by a bank for a period of three years. Sridhar is standing as surety for Syam's good conduct. Nine months afterwards, when the financial position of the bank deteriorates, Syam agrees to accept a lower salary of Rs. 15,000 a month. Two months later, it is discovered that Syam has been misappropriating cash all through. What is the liability of Sridhar?

***** End*****

QUANTITATIVE TECHNIQUES

Time: 3Hrs

Max Marks: 60

- Note:** 1. Attempt all the questions.
2. Q.no 6 is a case study which is compulsory.
3. In Q.no 1 to 5 answer either I or II only.

Q.1(I) Solve the following system of equations using cramer's rule. **10m**

$$\begin{aligned} x + 2y + 3z &= 6 \\ 2x + 4y + z &= 17 \\ 3x + 2y + 9z &= 2 \end{aligned}$$

OR

Q.1(II) Find the inverse of the following matrix **10m**

$$A = \begin{bmatrix} 1 & 2 & 3 \\ 2 & 4 & 1 \\ 3 & 2 & 9 \end{bmatrix}$$

Q.2(I) (a) Explain Various measures of central tendency? **4m**
(b) Calculate the median for the following data **6m**

Class Interval	Less than 34.5	34.5 – 37.5	37.5 – 40.5	40.5 – 43.5	Above 43.5
Frequency	14	62	99	18	7

OR

Q.2(II) Calculate Quartile Deviation and Coefficient of Quartile Deviation from the following data. **10m**

Age(in years)	20	30	40	50	60	70	80
Number of persons	3	61	132	153	140	51	3

Q.3(I) The data given below is the whole sale prices of rice and wheat for six years. Determine Correlation coefficient between the whole sale prices of rice and wheat **10m**

Year	1	2	3	4	5	6
Whole sale price of Rice	180	120	240	160	300	360
Whole sale price of Wheat	100	140	180	220	260	300

OR

Q.3(II) A manufacturer of optical lense has the following data on the cost per unit (in rupees) of certain custom-made lenses and the number of units made in each order. **10m**

Number of units(X)	1	3	5	7	10	12
Cost per unit(Y)	58	52	46	40	37	22

- (i) Use the regression equation to predict the unit cost for 8 lenses.
(ii) Find the correlation Coefficient.

- Q.4(I)** (a) Define (i) Null hypothesis (ii) Alternative hypothesis (iii) one-tailed and two-tailed tests (iv) Type-I and type-II errors. 5m

(b) An I.Q test was administered to 7 persons before and after they were trained and the results are given below. Test whether there is any change in I.Q after the training program. 5m

Candidates	1	2	3	4	5	6	7
I.Q before training	110	120	123	132	129	125	131
I.Q after training	120	118	120	125	134	136	121

OR

- Q.4(II)** (a) Write a note on hypothesis testing. 4m

(b) The following information relating to purchase of bulbs from manufacturers A and B 6m

Manufacturer	Number of bulbs	Mean life time	S.D life time
A	90	2950 hours	80 hours
B	100	2970 hours	70 hours

Is there a significant difference in the mean life of two makes of bulbs? Use 5% I.o.s.

- Q.5(I)** (a) Define Multiplication theorem on probability. 3m

(b) A candidate is selected for an interview for 3 posts. For the first post there are 3 candidates, for the second post there are 4 candidates and for the third post there are 2 candidates. What is the probability that the candidate is selected for at least one post? 7m

OR

- Q.5(II)** (a) Assuming a Poisson distribution, calculate expected frequencies for the following data. 6m

Number of defects	0	1	2	3	4
Number of sets	368	72	52	7	1

(b) The life time of a certain type of battery is normally distributed with mean life of 400 hours and the standard deviation of 50 hours. Find the probability that the life time of battery will be above 525 hours. 4m

- Q.6** **Case Study (Compulsory)** 10m

An automobile company gives you the following information about age groups and the liking for particular model of a car which is planned to be introduced.

Age	Number of persons who liked the model of car	Number of persons who disliked the model of car
Below 30 years	140	60
30-40 years	80	50
40-50 years	40	30
Above 50 years	20	80

On the basis of the given data, test the hypothesis whether the model appeal is independent or dependent of the age groups using Chi-square test.

*** End***