



PG – 321

III Semester M.B.A. Examination, March/April 2021  
(CBCS Scheme) (2014 – 15 and Onwards)  
MANAGEMENT

Paper – 3.1 : Strategic Management and Corporate Governance

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **five** marks. (5×5=25)

1. What is Vision and Mission statement ? Explain with relevant examples.
2. Briefly explain PESTLE analysis.
3. Write a note on Porter's five force model with reference to mobile phone industry.
4. Explain BCG matrix.
5. Explain the importance of horizontal integration in developing competitive advantage.
6. Who is a stakeholder ? Explain different stakeholders of an organization.
7. What is Blue Ocean Strategy ?

SECTION – B

Answer **any three** of the following questions. **Each** question carries **ten** marks. (3×10=30)

8. What is meant by competitive advantage ? Explain the generic building blocks of competitive advantage with relevant examples.
9. Explain the Strategic Management Model in detail.
10. What are the different types of strategies ? How should an organization adapt to its long-term strategies in a volatile business environment ?
11. What are the important perspectives of balanced score card ? Why it is needed ? Explain with suitable example.

P.T.O.



12. Case study. This is a **compulsory** question.

(15x1=15)

Tesla has had incredible growth in revenue over the last 10 years, growing from about \$15 million in annual revenue in 2008 to over \$28.17 billion as of September 2020. This 107% compounded growth rate isn't uncommon for small start-ups, but fast growth gets much tougher to maintain as the company gets bigger. So far, Tesla has been able to sustain very high growth rates of 74% over the last 3 years, only slightly slower than 100%. This mission includes automobiles, trucks, storage and solar.

Learning from previous factory builds, Tesla thinks it can reduce the cost of building future giga factories from about \$4 billion a year to about \$2 billion a year. This means they can split their cash flow to finance about one giga factory a year and spend the other \$2 billion to enhance existing factories and design new vehicles and manufacturing systems.

One of Tesla's competitive advantages is the relative ease at which it can sell its vehicles into different markets. Most cars need to be substantially reworked to meet local safety and emissions standards. Tesla vehicles have no emissions and are designed to be far safer than any regional standard, so they just need to update their charge port since that varies by market.

Tesla sold 367,500 cars in 2019, a new record for the company. While that's on the low end of the estimate of 360,000 to 400,000 vehicles delivered that the company offered up at the beginning of 2019, the Silicon Valley automaker still sold more cars in 2019 than it did in the previous two years combined, all thanks to the popularity of the Model 3 sedan.

The company spent months fighting back the narrative that demand for its cars was falling, and, as a result, Tesla's stock price steadily dropped throughout the first half of the year to below \$180 per share – its lowest point in three years. But the company rebounded in a big way, finishing the year with its stock price at an all-time high, entering 2020 trading at well over \$400 per share. Tesla's likely to continue facing questions about profitability even with the new sales record. The company has only turned in a handful of profitable quarters in its decade as a publicly traded company. The most recent was the third quarter of 2019, though that was due in large part to sales of regulatory credits, which the company can recognize as revenue whenever it likes. Musk has said a number of times over the last few years that he hopes to make Tesla a consistently profitable company.

- 1) What business strategies should Tesla adopt to sustain competitive advantage globally ?
- 2) Tesla is planning to enter Indian market, what strategy should the company follow as there is no competition in Indian market for its product offering (luxury car segment) and sentiment of the luxury car market is declining ?
- 3) What policy of Govt. of India issues will hinder players like Tesla ? Explain.



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(CBCS Scheme) (2014-15 and Onwards)  
**MANAGEMENT**

**Paper – 3.2 : Projects and Operations Management**

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** questions. **Each** question carries **five** marks : (5×5=25)

1. What are the unique features of a project ? What are the critical success factors of a well-managed project ?
2. Explain the 5 S of housekeeping in production management.
3. Explain how and why risk management is adopted in organisations.
4. What are the different functions and mandates of materials management ?
5. Explain the significance and importance of project integration management.
6. A toy shop produces 30,000 teddy bears per month with a selling price of Rs. 24 per piece. It spends Rs. 12,000 per day for a 26 day production month on raw material. They pay 25 workers a wage of Rs. 5,500 per month. Calculate the multi factor productivity and briefly comment on it.

SECTION – B

Answer **any three** questions. **Each** question carries **ten** marks : (3×10=30)

7. Discuss the quality gurus and their contributions along with the quality tools they devised.
8. Inventory management is a cost saving exercise in a manufacturing organization. Substantiate this statement with your answer.
9. Time, cost and quality are the triad on which the success of a project depends upon. Explain this context.

P.T.O.



10. What are the essential factors to be considered during the selection process of the location of a manufacturing facility ? As the Head of the team for the selection of a service centre facility, you have received the following details. The scores are given in the table below: (Scale is 10 points = Best) :

Factor	Weight	Location		
		A	B	C
Easy Access	0.10	86	76	94
Parking Facilities	0.20	74	84	86
Display Area	0.15	82	86	76
Window shoppers	0.10	96	78	78
Transportation costs	0.15	88	68	82
Operating costs	0.20	92	82	84
Ambience	0.10	90	90	92

- 1) Using the factor ratings given above, determine which location alternative should be chosen on the basis of maximum composite score.
- 2) If the manager weighs the factors equally, how would the locations is ranked ?

### SECTION – C

11. Case Study. This is a **compulsory** question : (1×15=15)

You have been appointed as a production management consultant in ABC Company. Upon analyzing the current situation, you find that ABC Company is facing the following three problems :

- a) The Company fills orders from one to one hundred items ranging in size from 3" × 4" × 6" to 3' × 3' × 3'. All orders are put into packing cartons and shipped by commercial carriers. The packaging operation is performed by two workers on flat waist-high work branches. Two workers are required because of the size of some of the cartons. To secure the packages, rope, strapping, filament tape or gummed tape is used. The wrapping operation is completely manual. After a package has been packed, wrapped and sealed, it is hand-carried to classified shipping bins about 400 feet from the wrapping tables.

Suggest how can the packaging operation be improved ? Suggest methods or equipment for improving the handling of packages.



- b) The Company operates a centrally located storeroom in their manufacturing complex. Every afternoon each craft foreman (Tin Shop, Electric Shop, Iron Workers, etc.) writes a requisition for common use items that will be required for the next day's work. These common use items include nuts, bolts, screws, washers, flashlight batteries and gloves. All speciality items are ordered separately. During the night shift, storeroom personnel fill the orders of items requested by the craft foreman. Each morning, one or two workers from each department go to the storeroom with a four-wheel platform truck to pick up the filled order.

Although studies have never been performed to determine the amount of time craftsmen spend waiting for supplies, it is the thoughts of the management that idle craft manpower is a problem resulting from this procedure. How can time spent traveling to and from the described storeroom be reduced, thus, eliminating or decreasing crafts' personnel travel time ?

- c) You are welcome to give any other suggestions for adding new methods and techniques for overall improvement of the company.
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III Semester M.B.A. Examination, March/April 2021  
(CBCS Scheme)  
(2014 – 15 and Onwards)  
MANAGEMENT  
Paper – 3.3.1/3.7.3 : Indian Financial System

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **5** marks. **(5×5=25)**

1. Explain the objectives and functions of ICICI.
2. Discuss the constituents of financial system.
3. "Perfect capital market is a concept rather than a reality". Comment.
4. Explain the RBI recent move on moratorium during covid-19 lock-down.
5. Discuss any three each of fund based and fee based financial services.
6. Explain the steps involved in securities listing in stock market.
7. Explain NBFC's and its principal business.

SECTION – B

Answer **any 3** of the following questions. **Each** question carries **10** marks. **(3×10=30)**

8. Elucidate the relationship between the primary market and secondary market. Also explain the functions of the secondary market in the orderly growth of capital formation.
9. Discuss the characteristics and broad categories of Financial Institutions.
10. Mention merchant banking. Discuss the nature and functions of merchant banking.
11. Explain the services of credit rating that helps the financial services firms to reduce different types of risk.

P.T.O.



## SECTION – C

**Case study.****(1×15=15)**

12. XYZ Ltd. is in the business of manufacturing steel utensils. The firm is planning to diversify and add a new product line. The firm either can buy the required machinery or get it on lease.

The machine can be purchased for ₹ 15,00,000. It is expected to have a useful life of 5 years with salvage value of ₹ 1,00,000 after the expiry of 5 years. The purchase can be financed by 20% loan repayable in 5 equal instalments (inclusive of interest) becoming due at end of each year. Alternatively, the machine can be taken on year end lease rentals of ₹ 4,50,000 for 5 years. Advise the company, which option it should choose. For your exercise, you may assume the following :

- i) The machine will constitute a separate block for depreciation purposes. The company follow written down value method of depreciation, the rate of depreciation is 25%.
- ii) Tax rate is 35% and cost of capital is 18%.
- iii) Lease rents are to be paid at the end of the year.
- iv) Maintenance expenses estimated at ₹ 30,000 per year are to be borne by the lessee.

Year	1	2	3	4	5
<b>Net cash outflow</b>	2,65,255	3,12,173	3,53,709	3,92,478	4,30,863
<b>PVIF @ 13%</b>	0.885	0.783	0.693	0.613	0.543



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III Semester M.B.A. Examination, March/April 2021  
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MANAGEMENT

Paper – 3.4.1 : Retailing Management and Services

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer any five of the following questions :

(5×5=25)

1. What are the components of a retail mix ? Explain giving suitable examples.
2. Consider an example of your choice; explain the concept of multi-channel retailing.
3. Examine the retail consumer decision making process.
4. What are the important changes the retailers have made in the wake of Covid-19 pandemic ?
5. With a suitable example, explain the services marketing triangle.
6. Do neighbourhood mom and pop stores practice customer relationship management ? Justify your answer with examples.
7. What kind of strategies will a service organisation plan to close the service gaps ?

SECTION – B

Answer any three of the following questions :

(3×10=30)

8. Using an example, explain the theory of wheel of retailing.
9. Why is the retail location an important factor for the success of the retail store ? Give examples.
10. What are private labels ? What are the reasons for the growth of private labels in retailing ? Give an example of private labels in different categories.
11. Consider a corporate hospital as an example and explain how the hospital can use 7P's of services marketing ?

P.T.O.



## SECTION – C

Case study – **Compulsory** question :

(1×15=15)

12. Claiming that it had the idea in the works even before the COVID-19 pandemic, Sam's Sporting Goods recently noted its intention to open new stores under a different brand to appeal to and equip outdoor enthusiasts. The Public Lands store concept promises to stock high-end camping, hiking, biking and fishing gear, giving people the tools they need to get outdoors and enjoy nature while also limiting their exposure to enclosed spaces, where the corona virus is more prone to spreading.

Other retailers are already well positioned in this segment, such as REI and Patagonia, but Sam's believes that its widespread appeal and reach give it some unique advantages. In its regular stores, outdoor gear only accounts for about 20 percent of the inventory. By highlighting these technical tools in its own stores, Sam's hopes to drive customers seeking such forms of entertainment to its new chain.

Activities that Sam's helps equip people for, such as indoor or team sports, have been driven into hibernation. Notably, sales in bicycling categories jumped 63 percent in June 2020 alone, along with a 31 percent increase in camping-related items and a 56 percent jump for paddleboards and related accessories.

Sam's also anticipates that demand will remain strong. The trends reflect more than just virus safety precautions, in that today's consumers also seek more connection with nature and stress relief, two expansive goals that Sam's believes it can help them meet with Public Lands.

For REI, these trends already have proven beneficial. Its sales of outdoor winter's sports gear (e.g., skis, snowshoes) are exponentially higher for 2020 than they were for 2019. It also predicts that consumers will continue to visit its stores for their outdoor gear, without needing to try a new store to get their high-end gear.

**Questions :**

- a) Is the new Public Lands concept likely to succeed even after the effects of the COVID-19 pandemic have waned ?
  - b) What does Sam's need to do to differentiate its offerings from those of existing outdoor retailers, such as REI ?
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MANAGEMENT

Paper – 3.5.1 : Learning and Development

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following. **Each** question carries **five** marks. (5×5=25)

1. Bring out the difference between Training and Learning.
2. Discuss reinforcement for Behaviour Modification.
3. Briefly explain the steps in career planning and development.
4. Explain the leader centered techniques of management development.
5. Explain the measures of ROI on training.
6. What is external training validity ?
7. How do you build a learning organization ?

SECTION – B

Answer **any three** questions. **Each** question carries **10** marks. (3×10=30)

8. What is the process of evaluation of training ? Explain the process of evaluation of training.
9. Describe John Keller's ARCS model during the design of the training programme.
10. Briefly enumerate any five methods available for measuring the outcome of training.
11. Explain the process of assessment of training needs of an organization and also state the difference between on-the-job training and off-the-job training.

P.T.O.



SECTION – C  
(Case study)

12. This is a **compulsory** question.

(1×15=15)

Rakesh Varma has been employed for six months in the account section of a large manufacturing company in New Delhi. You have been his supervisor for past four months. Recently you have been asked by the management to find out the contributions of each employee in the account section and monitor carefully whether they are meeting the standards set by you.

A few days back you have completed your formal investigation and with the exception on Rakesh, all seem to be meeting the targets set by you. Along with numerous errors, Rakesh work is characterized by low performance-often he does 30% less than the other clerks in the department.

As you look into Rakesh performance review sheet again, you begin to wonder whether some sort of remedial training is needed for people like him.

**Discussion Questions.**

- 1) As a supervisor, can you find out poor performance of one employee is due to lack of training ? Justify your answer.
  - 2) How do you go about introducing a remedial training programme ? Explain.
  - 3) How does this investigation contribute to organisation learning ?
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III Semester MBA Examination, March/April 2021  
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MANAGEMENT  
Paper – 3.3.2 : Corporate Tax Planning and Management

Time : 3 Hours

Max. Marks : 70

## SECTION – A

Answer **any five** questions. **Each** question carries **five** marks. (5×5=25)

1. Goods manufactured or produced in India which were earlier exported and thereafter imported into India will be treated at par with other goods imported into India. Is the proposition correct or any concession is provided on such import ? Discuss briefly.
2. Royal Ltd. has a block of assets carrying 15% rate of depreciation, whose written down value on 01-04-2019 was Rs 40 lakhs. It purchased another asset (second-hand plant and machinery) of the same block on 01-11-2019 for Rs. 14.40 lakhs and put to use on the same day. Royal Ltd. was amalgamated with Dhaval Ltd. with effect from 01-01-2020. You are required to compute the depreciation allowable to Royal Ltd. and Dhaval Ltd. for the P.Y. ended 31-03-2020 assuming that the assets were transferred to Dhaval Ltd. at 60 lakhs. Also assume that plant and machinery were purchased by way of account payee cheque.
3. XYZ Ltd. purchased a machine on 1-7-2019 for 10,00,000 on which IGST was paid @18%. He availed the input tax credit and utilized the capital goods. On 2-12-2020 he sold the machinery as second hand goods for Rs. 7,50,000. State what steps he is required to take to comply with statutory provisions.
4. ABC Limited is a company in which 60% of the shares are held by PQR limited declares a dividend amounting to Rs. 35 lacs to its shareholders for the financial year 2018-19 in its Annual General Meeting held on 10<sup>th</sup> July 2019. Dividend distribution tax was paid by PQR Limited on 21<sup>st</sup> July 2019. PQR Limited declared an interim dividend amounting to Rs. 50 lacs on 15<sup>th</sup> October 2019. Compute the amount of tax on dividend payable by PQR Limited.
5. Discuss various types of customs duties levied on imports .



6. Discuss about the late fee levied for delay in filing :
- Final Return
  - Annual Return.
7. Explain briefly the deductions available to a company under sections 80IA-80JJAA.

### SECTION – B

Answer **any three** questions. **Each** question carries **ten** marks.

(3×10=30)

8. a) M/s United Electronics, a registered dealer, is supplying all types of electrical appliances in the State of Karnataka. Their aggregate turnover in the financial year 2018-19 by way of supply of appliances was Rs. 120 lakhs. The firm also expects to provide repair and maintenance services of such appliances from the financial year 2019-20.

With reference to the latest amendments made in the CGST Act, 2017, examine :

- Whether the firm can opt for the composition scheme for the financial year 2019-20, as the turnover may include supply of both goods and services.
  - If yes, up to what amount the supply of service can be provided.
- b) Mr. Alok, a registered supplier of taxable goods, filed GSTR 3B for the month of January, 2019 on 15<sup>th</sup> April, 2019. The prescribed due date to file the said GSTR 3B was 20<sup>th</sup> February, 2019. The amount of net GST payable on the supplies made by him for the said month worked out to be Rs. 36,500 which was paid on the same date of filing the return. Briefly explain the related provisions and compute the amount of interest payable under the CGST Act, 2017 by Mr. Alok.
9. XYZ Ltd. needs a component in an assembly operation. It is contemplating the proposal to either make or buy the aforesaid component.
- If the company decides to make the product itself then it would need to buy a machine for Rs. 8 lakhs which would be used for 5 years. Manufacturing costs in each of the five years would be Rs. 12 lakhs, Rs. 14 lakhs, Rs. 16 lakhs, Rs 20 lakhs and Rs 25 lakhs respectively. The relevant rate of depreciation is 15 percent. The machine will be sold for Rs. 1 lakh at the end of the fifth year.



- b) If the company decides to buy the component from the supplier the component would cost Rs. 18 lakhs, Rs. 20 lakhs, Rs. 22 lakhs, Rs. 28 lakhs and Rs. 34 lakhs respectively in each of the five years. The relevant discount rate is 14%. The company's turnover in the P.Y. was Rs. 410 crore and taxable income is Rs. 25 lakhs. Advise the company regarding buy or make the component.
10. Preetham a dealer furnished the following details for the month of January 2021.
- a) Inputs purchased within the state from registered dealer @5% GST Rs. 3,00,000.
  - b) Inputs purchased from a dealer who opted for composition scheme (the rate of GST applicable to the product is 18%)Rs. 6,00,000
  - c) Inputs purchased from a dealer in Chennai @12% GST Rs 30,00,000
  - d) Inputs purchase within the state and these goods are exempt from GST Rs. 10,00,000.
  - e) Capital goods purchased from other state during the month @28% GST Rs 2,00,000.
  - f) Finished goods sold within state @18% GST Rs. 6,00,000.
  - g) Goods sold to a dealer in Kolkata @5% GST 20,00,000.
  - h) Goods sold to a unit of SEZ in Tumkur rate of GST applicable is 5% Rs. 6,00,000
  - i) Goods sold to unregistered dealer in Karnataka @ 28% GST Rs. 10,00,000.
  - j) Goods sold to a dealer in Bangalore (these goods exempt from GST and these goods are purchase from Chennai) Rs. 46,00,000.
  - k) Goods sold to a dealer who opted for composition scheme @ 5% GST Rs. 12,00,000.
- Calculate the total tax liability under the GST Law.
11. a) ABC Company imports a machine from USA for 2000 US\$. Exchange rate notified by CBIC is Rs. 71 per US\$. Calculate total value of imported goods and customs duty payable if (i) BCD – 10%, (ii) CVD – 12%, (iii) SWS – 10%, (iv) IGST – 28%.
- b) A machine imported from US for US\$ 25,000. Exchange rate notified by CBIC is Rs. 71 and exchange rate notified by RBI is Rs. 73 per US\$. Calculate FOB value, cost of insurance, cost of freight and assessable value.



SECTION – C  
(Case Study)

12. This is a **compulsory** question. (1×15=15)  
Following particulars are furnished by Bharath Works Ltd. a domestic company.

**Trading and Profit and Loss A/c.**

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Purchases	4,25,000	Sales	34,36,000
Entertainment expenses	35,000	Amount withdrawn from general reserves	3,00,000
Travelling Expenses	70,000	Long term Capital Gains	2,20,000
Depreciation	5,50,000	Profit on sale of goods exempt u/s 10B	2,50,000
Income tax	3,80,000		
Wealth tax	15,000		
Customs duty outstanding	30,000		
Pro. for unascertained liability	60,000		
Proposed dividend	80,000		
Tax consultation fee	20,000		
Provision for loss of subsidiary company	45,000		
Salaries	2,00,000		
Other expenses	1,50,000		
Net profit	21,46,000		
	<b>42,06,000</b>		<b>42,06,000</b>

**Additional information :**

- Value of Plant and Machinery as on 1<sup>st</sup> April was Rs. 80,00,000 and Building Rs. 12,00,000. Depreciation allowable is 15% on Plant and Machinery and 10% on Buildings.
- Expenses related to the business for the year 2016-17 paid during the year Rs. 55,000 not accounted for.
- Purchases include an item of Rs. 50,000 paid in cash.
- Of customs duty due Rs. 20,000 paid before due date for filing returns.
- Unabsorbed business loss is Rs. 5,00,000 for income tax purpose and Rs. 3,50,000 for accounting purpose.
- Unabsorbed depreciation is Rs. 5,50,000 for income tax purpose and Rs. 2,50,000 for accounting purpose.

**Compute :**

- Book profit u/s 115JB.
- Total income of the company.
- Tax liability of the company.



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MANAGEMENT

Paper – 3.4.2 : Consumer Behaviour

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** from the following questions. **Each** question carries **five** marks.  
(5×5=25)

1. Define Consumer Behaviour and discuss the characteristic features of consumer behaviour.
2. Explain family influences in purchase decision.
3. Elaborate on the rights of consumers.
4. Discuss the limitation of Howard Seth Model of consumer behaviour.
5. "Consumer behaviour as a field of study examines internal influences on consumption decisions". Discuss.
6. Explain the steps involved in consumer decision making process.
7. Briefly explain the Cognitive Dissonance Theory with respect to Consumer Behaviour.

SECTION – B

Answer **any three** from the following questions. **Each** question carries **ten** marks.  
(3×10=30)

8. Explain the steps involved in organisational buying process.
9. Explain reference groups and their influence in purchase decision making process.
10. Explain Engel-Kollat Blackwell model with suitable example.
11. Explain the post purchase process and its impact on marketers.

P.T.O.



SECTION – C  
(Case Study)

12. This is a **compulsory** question.

(1×15=15)

A car making company is deciding to make flying cars in India. Flying cars are being experimented by Apple, Tesla etc. An Indian car maker has decided to take head on the competition by spending on R & D and Technology Transfer. Though the car industry has not matured as the Western countries like USA, Europe. Indian car brands have to demonstrate the safety and concept of Flying cars in India. An important note in that all over the world Flying cars concept is new. Indian car makers plan to sell first 1000 cars in India within next decade. Based on the above, answer the following questions.

You are required to :

- a) Explain the motivation of consumer in buying this car and your way to promoting it.
  - b) Segment, targeting and position the flying car in Indian market.
  - c) Explain way of propagating the idea of flying cars to consumers.
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III Semester MBA Examination, March/April 2021  
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MANAGEMENT

Paper – 3.5.2 : Industrial and Employee Relations

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **5** marks. (5×5=25)

1. Discuss the various factors of industrial relations along with their role in IR.
2. Illustrate the causes of an industrial dispute.
3. Examine the objectives of Trade Union's Act, 1926.
4. Enumerate the obligation of the employees under the Payment of Gratuity Act, 1972.
5. Describe the various benefits provided by the E.S.I. Act, 1948.
6. Explain the impact of night shift working on family and social life.
7. State the latest rules regarding industrial relations in IT and ITES industries.

SECTION – B

Answer **any three** questions. **Each** question carries **10** marks. (3×10=30)

8. Examine the problems and challenges of trade unions in India.
9. Describe the grievance handing procedure and discuss why grievances should be settled quickly and at the level at which they occur.
10. Explain the prevention and settlement procedure of industrial disputes in India.
11. Examine the provisions of the Factories Act, 1948 with regard to women, young persons and children.

P.T.O.



SECTION – C  
(Case study)

12. This is a compulsory question.

(1×15=15)

Foot console was India's largest manufacturer and marketer of footwear products. For years, foot console reasonably priced, sturdy footwear had made it one of India's best known brands. The company provided employment to over 17,000 people in its manufacturing and sales operations throughout India. Despite of all its successes, Foot console had one problem, that was its labor. The workers resorted to strikes at the slightest provocation throwing production schedules out of gear. They became perennial problems for the management.

On one occasion, the company's factory at Mumbai remained closed for four and a half months because the union was against the policy of outsourcing. Foot Console had started outsourcing the complete manufacture of the power range of shoes to China. The company had been outsourcing only the assembly and sewing line jobs earlier. The workers felt, the decision had resulted in lower income for them and they also feared that they could lose their jobs in future, if this trend continued.

For the first time in its history, the company remained dysfunctional for more than four months. The workers threatened the management that they would make their strike intensive and garner support from all other unions. The main demand of the trade union was that either their salaries would have to be increased or the outsourcing of the work to China had to be stopped. Management entered into a long term agreement with the workers and trade unions at Bangalore and Faridabad so that they would not be disrupting the work in future. This agreement regarding wages was valid for a year.

Despite the above agreement, a lockout was declared at Foot Console factory in Bangalore, with the new leadership of the union had refused to abide by the wage agreement. Following the failure of its negotiations with the union, the management decided to go in for a lock-out. The footwear manufactured in the factory could be shifted to the company's other factories. The negotiation process started again and the company got an undertaking from the factory employees that they would resume work and to phasing out of welfare schemes to cut down costs. There was dissatisfaction among the workers.

**Questions.**

- a) Maintaining good industrial relations have always been a problem for Foot comfort. Why ? How do you think Foot comfort can maintain sound industrial relations ?
- b) Do you think it right to phase out welfare schemes to cut costs ? Give reasons for your answer.
- c) What are the legal remedies that both the parties can seek to resolve the situations ?



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**MANAGEMENT**

**Paper – 3.3.3. : Corporate Valuation and Restructuring**

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **five** marks. (5×5=25)

1. Distinguish between Spin off, Split off and Split up.
2. Explain Balanced Scorecard as a tool of Intellectual Capital Valuation.
3. What is Tobin's Q ? Discuss its application in determining the value of a company.
4. Philips M has an EPS in 2019 Rs. 5.45 and paid out dividend per share Rs. 2.35. The capital spending per share in 2019 was Rs. 1.8 while depreciation per share Rs. 1.55. The working capital was increased by Rs. 0.6 per share 2019. Philips M has a debt ratio of 29.77% of capital and was expected to finance its capital spending and working capital requirements at the same ratio. The beta of the stock was 1.1 and T-bill rate was 7%. Excess return from the market is 5.5%. The FCEE was expected to grow at 5% a year forever. What is the value of equity share of Philips M ?
5. The Vishal Corp. has been experiencing an above normal dividend growth rate of 20% per year for the past 5 years. The above normal growth rate is expected to continue for another 5 years before it leaves off at a nominal rate of 8%. The last dividend paid by the company is Rs. 2 per share. Determine the current value of the stock if its required rate of return is 15%.
6. From the following details, compute EVA :

Net Sales	Rs. 3,00,000
Cost of goods sold	60% of sales
Fixed costs	Rs. 35,000 (including depreciation of Rs. 20,000)

Tax rate applicable to the firm 30%

Pre -tax cost of debt is 12% and cost of equity is estimated at 15%. The target capital structure of the firm has a debt of 30% to total capital and the balance will be equity funds employed. Total capital employed by the firm is Rs. 1,50,000.



7. Techno Co.Ltd., is studying the possible acquisition of Info Co.Ltd., by way of merger. The following data are available in respect of the companies.

	Techno Co. Ltd.	Info Co. Ltd.
Earnings after tax (Rs.)	2,00,000	60,000
Number of equity shares	40,000	10,000
Market value per share (Rs.)	15	12

- a) If the merger goes through by exchange of equity and the exchange ratio is based on the current market price, what is the new earning per share for Techno Co. Ltd ?
- b) Info Co. Ltd. wants to be sure that the earnings available to its shareholders will not be diminished by the merger. What should be the exchange ratio in that case ?

## SECTION – B

Answer **any three** of the following questions. **Each** question carries **ten** marks.

(3×10=30)

8. a) Briefly explain the steps in Relative Valuation.
- b) The key financial parameters of VRK firm are as follows :

EBDIT	Rs. 42 Lakhs
Book value of assets	Rs. 210 Lakhs
Sales	Rs. 280 Lakhs

Based on the evaluation of several companies L Ltd., M Ltd., and N Ltd. have been found to be comparable to VRK firm. Their key financial data are as follows :

	(Rs. in Lakhs)		
	Company L	Company M	Company N
EBDIT	26	32	42
Book Value of Assets	160	170	210
Sales	170	210	330
Market Value	320	510	740

Find the value of VRK using Comparable Company Approach.



9. You have been provided the following projections for Intech Ltd.

Details	Rs. In million				
	Years				
	1	2	3	4	5
Free cash flow to the firm	200	250	300	340	380
Interest bearing debt	500	400	300	200	100
Interest expenses	60	48	36	24	12

Calculate the enterprise value of Intech Ltd. using the following information under Adjusted Present Value method.

- Beyond year 5, the free cash flow to the firm will grow at a constant rate of 10% per annum.
  - Firm's unlevered cost of equity is 14%.
  - After year 5, firm will maintain a debt-equity ratio of 4 :7.
  - The borrowing rate for the firm will be 12%.
  - The tax rate is 30%.
  - The risk-free rate is 8% and market risk premium is 6%.
10. Explain different techniques of Corporate Restructuring with example.
11. Write short notes on :
- a) Motives behind Merger.
  - b) Value drivers of EVA.

**SECTION – C**  
**(Case study)**

12. This is a **compulsory** question. (1×15=15)

Nava Bharath Corporation is expected to grow at a higher rate for five years ; thereafter the growth rate will fall and stabilize at a lower level. The following information is available :

**Base Year (Year 0) Information**

Revenues	=	Rs. 4000 million
EBIT (1/8 of revenues)	=	Rs. 500 million
Capital expenditure	=	Rs. 300 million
Depreciation	=	Rs. 200 million
Working capital as a percentage of revenues	=	30
Corporate tax rate (for all time)	=	30%
Paid up Equity Capital (Rs. 10 par)	=	Rs. 300 million
Market value of Debt	=	Rs. 1250 million

**Input for the High Growth Period**

Length of the high growth phase	=	5 years
Growth rate in revenues, depreciation, EBIT and Capital expenditure	=	10%
Working capital as a percentages of revenues	=	30
Cost of debt	=	15% (pre-tax)
Debt-equity ratio	=	1:1
Risk-free rate	=	13%
Market risk premium	=	6%
Equity Beta	=	1.333

**Input for the Stable Growth Period**

Expected growth rate in revenues and EBIT	=	6%
Capital expenditures are offset by depreciation		
Working capital as a percentage of revenues	=	30
Cost of debt	=	15% (pre-tax)
Debt-equity ratio	=	2:3
Risk-free rate	=	12%
Market risk premium	=	7%
Equity Beta	=	1

Calculate the value of the firm from the above information.

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PG – 335

III Semester MBA Examination, March/April 2021  
(CBCS Scheme) (2014-15 and Onwards)  
MANAGEMENT

Paper – 3.4.3 : Rural and Agricultural Marketing

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following. **Each** question carries **five** marks. (5×5=25)

1. "Rural marketing is all about distribution management".- Critically evaluate the statement.
2. Elucidate the 4 A's model of marketing mix and discuss its relevance for rural marketing.
3. What is product positioning ? Explain various approaches of positioning the product.
4. What is Participatory Rural Appraisals ? Explain its various tools.
5. What are the scope and challenges in agricultural marketing in India ?.
6. What is Co-operative marketing ? Explain its functions.
7. Describe the role of opinion leaders in influencing rural buyers.

SECTION – B

Answer **any three** questions. **Each** question carries **ten** marks. (3×10=30)

8. What is the concept of brand loyalty ? Cite some examples relevant to rural India.
9. Explain the challenges of pre and post harvest of farm products to farmers and how contract farming helps the farmer.
10. Briefly describe the rural marketing research process.
11. Bring out the role of conventional and non conventional media in Rural Marketing.

P.T.O.



SECTION – C  
(Case study)

12. This is a **compulsory** question.

(1×15=15)

Brands face a huge competition in rural India that of fake brands. As most of the fake brands are made by small operators who are difficult to locate, companies find it difficult to fight them. It is upto managers to discover these brands and compete against them.

Some of the brands that can be found in villages are 'Daily Milk, Lifebody' soap and Fair and Lonely'. They look and sound familiar to big brands, imitate the packaging and are much cheaper than the original brands.

There are two types of fake goods :

- **Counterfeit products** : These are products bearing similar names and copying the product right upto packaging and color schemes. Sometimes they even carry the name and address of the genuine manufacturer ! The look and feel is quite similar to the real brands and it would take a discerning eye to see the difference. Discarded liquor and cold drink bottles are filled locally to sell counterfeit products.
- **Pass-off products** : These products have similar sounding names or similar spellings with just one or two letters changed. One can easily mistake Coigate for 'Colgate', for instance. Such copycat brands are sold openly in Villages. The share of fake products in the FMCG market is huge. The Economic Times (2016) reports that FICCI Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) estimates that the Government lost nearly Rs. 6,000 crore to the grey market of FMCG personal goods. The report also mentioned that 31.6 per cent of FMCG personal goods space is several shades of grey and similarly for 21.7 percent of the packaged foods industry. Such brands pose serious threats to health and safety, apart from bleeding big brands. On the whole, the brands not only suffer in terms of revenue but they also have to compromise on the brand image which, in no case, is tolerable. Therefore, various brands have come up with unique strategies to overcome their shortcomings in the rural markets and curb the growth of fake brands in rural areas.

**Questions :**

- 1) What are the reasons for the emergence of fake brands in rural markets ?
  - 2) How can companies counter the threat of fake products in rural areas ?
  - 3) What strategies you suggest being a marketing manager of a leading FMCG company to overcome this problem ?
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PG – 336

III Semester MBA Examination, March/April 2021  
(CBCS Scheme)  
(2014-15 and Onwards)  
**MANAGEMENT**  
**Paper – 3.5.3 : Performance Management Systems**

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **five** marks.

(5×5=25)

1. What are the advantages of competency based performance management ?
2. How to build high performance team ? Explain.
3. What are the pros and cons of performance appraisal ?
4. How to avoid pain during appraisal ? Explain.
5. Why is pay for performance good ?
6. Bring out the guidelines on appraising expatriate's performance.
7. Explain the role of counseling for better performance.

SECTION – B

Answer **any three** of the following questions. **Each** question carries **ten** marks.

(3×10=30)

8. Describe the different dimensions of performance management.
9. Bring out and explain the key drivers of performance management.
10. How does pay-for-performance compensation work ? Explain.
11. Discuss the steps in performance appraisal process.

P.T.O.