

MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS)

(Affiliated to JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD)

Maisammaguda, Dhulapally, (Post Via kompally), Secunderabad-500 100.

MBA II SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017**SUBJECT: FINANCIAL MANAGEMENT**

Time: 3 Hours

Max Marks: 60M

PART-A**Answer the Following Question****1X20M=20M**

1. A textile company is considering two mutually exclusive investment proposals for its expansion programme. Proposal A requires a initial investment of Rs. 50,00,000/- and yearly operating cost of Rs 500,000. Proposal B requires an initial investment of Rs. 50,00,000/- and yearly operating costs of Rs. 10,00,000/-. The life of the equipment used in both the investment proposal will be 8 years with no salvage value; depreciation is on straight line basis for tax purposes. The anticipated increase in revenues is 15,00,000 per year in both the proposals. The tax rate is 40% and cost of capital is 12% which investment proposal should be undertaken by the company.

Part -B**Answer any five questions****5 X 8 M= 40 Marks**

1. What are the basic financial decisions? How do they involve risk-return trade-off?
2. A company has a total investment of Rs. 5,00,000 in assets and Rs.50,000 outstanding ordinary shares at Rs.10 per share (par value). It earns a rate of 15% on its investment, and has a policy of retaining 50% of the earnings. If the appropriate discount rate of the firm is 10%. Determine the price of its share using Gordon's Model. What shall happen to the price of the share if the company has a payout of 80% or 20%?
3. From the following information, extracted from the books of a manufacturing company, compute the operating cycle

Average debtors (outstanding)	Rs. 480,000/-
Raw material Consumption	Rs.440,000/-
Total Production cost	Rs.10,00,000/-
Total cost of Sales	Rs.10,50,000/-
Sales of the year	Rs. 16,00,000/-

Values of average stock maintained

Raw Material	Rs. 320,000/-
Work-in-process	Rs.350,000/-
Finished Goods	Rs.260,000/-

4. What is Capital Structure? Explain NOI Theory of Capital Structure.
5. Distinguish between Acquisition and Takeover. Explain the various types of Mergers.
6. Discuss the Daheja Committee recommendations on Working Capital.
7. Explain the factors that determine the dividend policy of the firm.

MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS)

(Affiliated to JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD)

Maisammaguda, Dhulapally, (Post Via kompally), Secunderabad-500 100.

MBA II SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017**SUBJECT: HUMAN RESOURCE MANAGEMENT**

Time: 3 Hours

Max Marks: 60M

PART-A**Answer the Following Question****1X20=20M****Treating the Employees as Human Beings and Cost on HR as Strategic Investment?**

Mr. Bhat, Human Resource Manager of IVS group of Companies approached the CEO on 30th March, 2007 and apprised him of the absence of Mr. Perumal Pillai, Assistant Accountant in the Corporate Finance Department, for the past one month and requested him to approve the show – cause notice to be served to Mr. Perumal as per the Labour Laws in force. The CEO told Mr. Bhat: “When Mr. Perumal has been absent for the last one month, your duty is to Mr. Perumal’s house, find - out the reason and solve the problem of Mr. Perumal, and not just to report the absence to me. Go immediately to Mr. Perumal’s house, find the reason and report it to me before 5.00pm today.” Mr. Bhat immediately left for Mr. Perumal’s house and learnt from Mr. Perumal’s wife that Mr. Perumal has been in distress as he has been trying to mobilize Rs. 1,00,000 for the surgery of his sick wife in a reputed hospital in Chennai. Mr. Bhat met Mr. Perumal around 3pm and both of them then met the CEO. Both of them apprised the CEO the reason for the absence and distress of Mr. Perumal. The CEO immediately contacted the hospital and informed them that the company will pay Rs. 1,00,000 tomorrow i.e., 31st March 2007 and requested the doctor to conduct the surgery for Mr. Perumal’s wife tomorrow itself.

The CEO ordered Mr. Bhat to arrange to issue a cheque for Rs. 1, 00,000 in favour of the hospital and also pay Rs. 10,000 in cash to Mr. Perumal to meet incidental expenses as a grant. Mr. Perumal as well as Mr. Bhat was surprised at the decision of the CEO. Mr. Perumal became emotional and touched the feet of the CEO.

The CEO told Mr. Bhat: “Problems of our employees are the Company’s problems. Treat the employees as human beings and members of the Company’s family.”

This piece of news spread in the entire company within no time and the employees felt highly secured. The productivity level increased by 100% in the next quarter itself and sustained over the years to come.

Questions:

1. Why did Mr. Bhat prefer to follow a legal approach to the problem?
2. Why the CEO provide Rs. 1,00,000 as just a grant to Mr. Perumal?
3. What would be the morale of the employees’ family members after listening to this incident?
4. What is the human capital approach in this case?

PART – B

Answer any Five Questions

5x8m=40 M

1. What is the most important workplace trends affecting HR today? Discuss the relationship between technology and HR strategies.
2. What are the various sources of recruitment? How can an organization evaluate the worth of these sources?
3. Discuss Performance appraisal and the modern methods of performance appraisal.
4. What are the principal objectives of wage and salary administration? What factors should be taken into account while deciding executives compensation?
5. “Grievance is the workers problems with management and indiscipline is the management’s problem with workers “. Discuss.
6. Why is job analysis the foundation of many other HR activities?
7. Define the term collective bargaining. Explain the process of collective bargaining.

MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS)

(Affiliated to JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD)

Maisammaguda, Dhulapally, (Post Via kompally), Secunderabad-500 100.

MBA II SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017**SUBJECT: MARKETING MANAGEMENT**

Time: 3 Hours

Max Marks: 60 M

PART-A**Answer the Following Question****1X20 M=20 M****1. Case Study: Dilly & Best International**

Dilly & Best (D&B) is a large 40-year old company operating in 35 countries in the world. Many of its items, such as Sparkle toothpaste, Up Flow shampoo, and Darlin diapers have high brand recognition throughout the world. In 2003, the company had international sales of \$ 8 billion. This was a growth of 12 per cent over the previous year's sales. About 30 per cent of the company's profits came from U.S. market.

The company is a big spender on advertising in overseas markets and adopts aggressive marketing strategies. The main focus remains on striving to improve its market share in all the markets where it has its presence and believes that its brands should be among the top three in a given product category. Other than the U.S. market, amongst the very important markets, are Europe and Asia. In the last 10 to 12 years, the company has not been successful in making much progress in some specific but attractive markets, such as Japan. The company has faced several marketing problems in Japan regarding its otherwise successful brands elsewhere, such as Darlin diapers. The women prefer diapers from local manufacturers that they consider more comfortable and hygienic. Other items include kitchen and laundry products, where the company has been facing problems.

The research revealed that the company had not made a careful study of the Japanese culture and all the sales people were Americans who also lacked any understanding of Japanese culture and how to deal with women buyers. To rectify these mistakes, a major move was to employ local people in sales job and in managing the sales force. Most of the U.S. born and bred sales people were adjusted in U.S. or Europe. The company also made some changes in packaging

and colours, which the research had revealed to be more appropriate in Japan. These adjustments worked well and the company introduced some other brands with features most sought, by the Japanese consumers.

The one lesson it learned was that it is better to hire local employees who understand the finer aspects of the local culture and went ahead to create a balance of both cultures in its offices all around the world. Now, its diapers brand has a market share of 27 per cent as against 30 per cent of the leading local brand. D&B in the process of launching three new products in Japan and is running test marketing for three. The company's objective is to determine the need for adaptation if any and launch the product that will best suit the local conditions and generate favourable response.

In Europe, D&B is very successful with its Sparkle, Up Flow, and a brand of detergent, Arrow, which is the leader in most markets wherever it has been introduced. The company has built a strong brand image for Arrow and has two variants. Constant innovation, adaptation to local preferences, and aggressive media usage has helped the company to retain a market leadership position with 40 per cent market share. In three countries, including Japan, the diapers and toothpastes of D&B are number two brands and the company is planning to use its well-developed distribution channels to launch four more products in personal hygiene and cosmetic product categories.

As D&B seeks to further expand its presence in foreign markets, it faces various hurdles. Other than different needs and preferences of local customers, some legal and trade barriers are always there to tackle. There are different regulations regarding weight, colour, and food clearance faced by D&B in most of the countries.

Recently, the company was compelled to shelve its major expansion plan in an European country, when the company was not allowed to build a production facility and warehouse unless D&B formed a joint venture with a local company. The company, however, chose not to enter into a joint venture and instead decided to continue with present marketing set-up.

Questions:

1. How can a company determine potential problems and restrictions in a foreign market?
2. Is product adaptation strategy necessary for all types of products? What factors makes it necessary to undertake product adaptation in a foreign market?
3. What factors a company must examine before entering a foreign market?

PART-B

Answer any **five** questions.

5x8M= 40M

1. What are the marketing concepts? Explain the evolution process of management philosophy.
2. What are the major reasons for the growing importance of marketing research in India?
3. Elaborate the stages of buying decision process.
4. What are the stages in New Product Development?
5. What is meant by Marketing segmentation? What will be the suitable base for the marketing of Televisions?
6. What is the role of marketing communication? How does it create customer value?
7. Explain the various factors that must be considered while making channel selection?

MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS)

(Affiliated to JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD)

Maisammaguda, Dhulapally, (Post Via kompally), Secunderabad-500 100.

MBA II SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017**SUBJECT: : PRODUCTION AND OPERATIONS MANAGEMENT**

Time: 3 Hours

Max Marks: 60 M

PART-A**Answer the Following Question****1X20 M=20 M****a. JIT in Action**

A new phenomenon called 'Apparel on Demand' is slowly making its presence felt. It is an extension of JIT linking retailers and manufacturers for a just-in-time responsiveness. Naar Clothing Inc., promoted by a young management graduate has recently ventured into the business of making reasonably priced custom jeans for women. It has partnered with many stores selling women garments. In the stores, women are electronically measured and information like colour, fabric, style, etc., are recorded. The information reaches the naar manufacturing facility at Ahmedabad almost immediately through a state-of-the-art information system. naar guarantees delivery of the custom jeans within 10 days. With the growing acceptance of jeans among the women in India, specially in the urban areas, the market for women's jeans is growing at a fast pace. Naar with its unique business model hopes to garner a significant share of this market. The promoter of naar along with her top executives is confident that their concept of JIT jeans would work.

(i) Do you think naar's strategy would work? Why or why not? What is the importance of retailers in its business strategy?

(ii) Will customers wait for 10 days to have the jeans delivered? What can naar do to compete on customer service if delivery takes this much time?

(iii) Comment on the necessity of a robust supply chain in the context of naar Clothing Inc.

b. What do you understand by Value Analysis and state when to apply value analysis,? Illustrate

PART - B**Answer any Five Questions****5x8m=40 M**

1. Define the term operations management, Identify three current trends in operations management and describe them. How do you think they will change the future of OM?
2. What are the characteristics of good design and brief the major stages in the design of engineering product.

3. What are the typical factors affecting the location decision and state location models and methods and how do multinationals choose the location of their industry? Explain giving some examples from Indian context.
4. Define scheduling, state the job shop scheduling and brief on priority dispatching rules.
5. Material management is "Locating, selecting, and developing qualified source of supply" justify the statement and brief on inventory control decision or methods.
6. Explain the purposes for which materials are issued, state the procedure for issue of materials and state the implementation of purchase inventory model.
7. Answer the following
 - a) Make a short note on VED, FSN and SDE analysis
 - b) State the ergonomic considerations in product design

MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS)

(Affiliated to JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD)

Maisammaguda, Dhulapally, (Post Via kompally), Secunderabad-500 100.

MBA II SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017**SUBJECT: QUANTITATIVE ANALYSIS AND DECISION MAKING**

Time: 3 Hours

Max Marks: 60M

PART-A**Answer the Following Question****1X20=20M**

- a. A company sells two different products A and B. The two products are produced in a common production process and are sold in two different markets. The production process has a total capacity of 45,000 man-hours. It takes 5 hours to produce a unit of A and 3 hours to produce a unit of B. The market has been surveyed and company officials feel that the maximum number of units of A that can be sold is 7,000 and that of B is 10,000. If the profit is Rs.600 per unit for the product A and Rs.400 per unit for the product B, how many units of each product should be sold to maximize profit? Formulate the problem as a linear programming model.
- b. Find the initial basic feasible solution for the following transportation problem by Vogel's Approximation Method

Distributions

Origin		D1	D2	D3	D4	Availability
	S1	24	21	17	12	500
	S2	13	16	19	18	350
	S3	18	22	19	13	300
	Requirements	200	225	275	250	

PART - B

Answer any Five Questions

5x8m=40 M

- Discuss the role and scope of Quantitative techniques for scientific decision-making in a changing business environment and what are the interfaces of OR specialist with other departments?
- Find IBFS to the following transportation problem by using i) NWCM ii) LCM

Warehouse

Factory		W1	W2	W3	W4	Supply
	F1	22	18	23	12	10
	F2	16	16	17	26	12
	F3	29	29	21	43	22
	Demand	8	10	12	14	44

3. Determine the optimal assignment with the following data:

Machinist	1	2	3	4
A	63	66	61	65
B	54	56	52	45
C	45	49	44	41
D	20	26	28	32
E	18	22	29	34
F	37	33	31	29

4. State the scientific decision making process , ingredients of decision problems and brief on some methods which are useful for decision making under risk.
5. A firm has several machines and wants to install its own service facility for the repair of its machines. The average breakdown rate of the machines is 3 per day. The repair time has exponential distribution. The loss incurred due to the lost time of an inoperative machine is Rs.40/- per day. There are two repair facilities available. Facility A has an installation cost of Rs. 20,000/- and the facility B cost Rs. 40,000/-. With facility A, the total labour cost is Rs. 5,000/- per year and with facility B the total labour cost is Rs. 5,000/- per year and with the facility B the total cost is Rs. 8,000 per year. Facility A can repair $4\frac{1}{2}$ machines per day and the facility B can repair 5 machines per day. Both facilities have a life of 4 years. Which facility should be installed?
6. A fast-food chain wants to build four stores. In the past, the chain has used six different construction companies and having been satisfied with each, has invited each to bid on each job. The final bids (in thousands) were shown in the following table :

	Construction Company						
		1	2	3	4	5	6
Stores	A	85	88	87	83	89	86
	B	79	77	77	76	79	78
	C	82	81	82	80	84	82
	D	84	85	86	83	84	85

Since the fast-food chain wants to have each of the new stores ready as quickly as possible, it will award at most one job to a construction company. What assignment results in minimum total cost to the fast-food chain?

7. Answer the following
- State the importance of Hungarians method for solving assignment problem
 - Brief on the Queuing structure and basic components of a Queuing Model