

MALLA REDDY ENGINEERING COLLEGE (AUTONOMOUS)

(Affiliated to JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD)

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

MBA IV SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017

SUBJECT: DERIVATIVES (Fin.)

Time: 3 Hours

Max Marks: 75M

PART-A

Answer the Following Question

1X25M=25M

1. a) Regulation ensures fairness to Investor protection” Explain the role of SEBI in protecting investors.
b) From the information given below, find out the fair value of a European option by using Black-Scholes model. The current stock price of a stock is Rs.120, risk free interest is 8 (c.c), volatility of the stock is 30%p.a. what is the price of Rs.110 put option expiring in 6 months?

Part-B

Answer any five questions.

5X10=50 M

1. What are Derivatives? Explain various types of Derivatives.
2. Derivatives are effective risk management tools. Discuss the advantages of Derivatives.
3. Explain Futures trading mechanics. Discuss how price is determined in Futures market.
4. What is a currency Swap? Explain different types of currency Swaps.
5. Explain various option trading strategies.
6. How is pricing of Commodity futures different from pricing of financial Futures? Describe mechanics involved.
7. Explain the functions and trading mechanism of Commodity stock exchanges.

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MBA IV SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017**SUBJECT: ENTREPRENEURSHIP**Time: **3 Hours**Max Marks: **75M****PART – A****Answer the following question****1x25 marks = 25**

Messer's Super Blades (Private) Ltd., have been manufacturing two kinds of safety razor blades: (i) Shrap – Thin and (ii) Fine medium. The management is presently faced with the problem of either replanning and revitalizing their marketing activities to sell their entire production or to sell the entire plant to other interested parties.

Super Blades (P) Limited was started in 1982 with a production capacity of million blades per month working on a single shift. The total investment was about Rs. 60 lakhs.

Before the factory was started, no market survey had been undertaken but the views of some people experienced in the trade had been gathered and also the lean on imports leading to hopes of increased demand within the country had been taken into account.

Although production depended on imported steel stipes, the factory was able to obtain adequate supplies of it and production had never been held up for want of raw materials. But as against the capacity of 3 million, their average sale was not more than 80,000 blades per month. It was only in 1984 that they could touch a high sales level of 2,50,000 blades.

Questions:

- (i) Discuss the aspects of the above case. (ii) Bring out its various managerial dimensions.
(iii) Discuss the solutions for each of its problem.

PART – B**Answer any FIVE questions of the following****5x10 marks = 50**

1. Discuss the nature, scope and importance of entrepreneurship.
2. Explain relationship between stress and entrepreneur.
3. Discuss the entrepreneurial, imagination and creativity with and example.
4. What are the legal challenges of entrepreneurship
5. Explain the strategic perspectives in entrepreneurship.
6. What are the critical factors for new ventures?
7. Explain the advantages and disadvantages of franchising.

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MBA IV SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017

SUBJECT: INTERNATIONAL FINANCIAL MANAGEMENT (Fin.)

Time: 3 Hours

Max Marks: 75M

PART-A

Answer the Following Question

1X25M=25M

1. a) "Floating exchange rate regime is a better option than the fixed exchange rate regime".
Discuss.
- b) What is meant by quotation? How to quote a Foreign Exchange?

PART-B

Answer any 5 Questions

5X10 M=50 M

1. Discuss the complexities of International financial management compared to domestic financial management.
2. How does adjusted present value technique (APV) differ from the techniques of discounted cash flow analysis?
3. What are the factors that may influence the International financial decision?
4. What are different approaches to the BOP adjustments?
5. What are the problems in forecasting exchange rates?
6. What are major theories of FDI?
7. How do you compute the cash flow in International capital budgeting?

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Maisammaguda, Dhulapally, (Post Via kompally), Secunderabad-500 100.**MBA IV SEM SUPPLEMENTARY EXAMINATIONS, FEBRUARY - 2017****SUBJECT: STRATEGIC INVESTMENT AND FINANCING DECISION (Mkt.)**

Time: 3 Hours

Max Marks: 75M

PART-A**Answer the Following Question****1X25=25M**

1. there are two projects A and B Each involves an investment of Rs50,000 the expected cash inflow and the certainly co-efficient are as under

year	Project- A		Project -B	
	Cash in flow	Certainly co-efficient	Cash inflow	Certainly co-efficient
1	35000	0.8	25000	0.9
2	30000	0.7	35000	0.8
3	20000	0.9	20000	0.7

Risk free, cutoff rate is 10% suggest which of the two projects should e prepared

PART-B**Answer any five questions.****5x10M= 50M**

1. There are 5 projects A, B, C, D and E are available to a company for consideration. The investment required for each project and the cash flow it yields given below. project B and C are mutually exclusive. Taking the cost of capital@10% which combination of projects should be taken up for total capital outlay not exceeding Rs 10, 00,000 on the basis of NPV and benefit-cost ratio.

Projects	Investment	Cash flow P.A	No of Years	Pv@10%
A	50,000	18000	10	6.145
B	100,000	50000	4	3.170
C	120,000	30000	8	5.335
D	150,000	40000	16	7.824
E	200,000	30000	25	9.077

2. Discuss the relationship between divided policy and value of the firm.
3. Following are the price and other details of three stocks for the year 2011 calculate the total return as well as the return relative or the three stocks.

Stock	Beginning price	Dividend paid	Ending price
A	30	3.40	34
B	72	4.70	69
C	140	4.80	146

4. Explain the role of information and data bank in the selection of projects.
5. Difference between lease and operating lease.
6. What type of investment strategies would you adopt under conditions of uncertainty?
7. Explain the concept of horizontal, vertical and conglomerate mergers with example