

(DBUS 01)

M.B.A. DEGREE EXAMINATION, DECEMBER 2007.

First Year

Paper I — MANAGEMENT PROCESS AND BEHAVIOUR

Time : Three hours

Maximum : 75 marks

PART A — (3 × 5 = 15 marks)

1. Answer any THREE questions :

- (a) Managing change.
- (b) Controlling.
- (c) Group dynamics.
- (d) Department coordination.
- (e) MOB.
- (f) Management Ethos.

PART B — (3 × 15 = 45 marks)

Answer any THREE questions.

- 2. What are the tasks of a professional manager? Explain.
- 3. How can the managers of an organisation overcome barriers of communication?
- 4. “Leaders are not born” comment on the statement and briefly illustrate situational theories of leadership.
- 5. To what extent can managers be rational in their decision-making? What are the limits on their rationality?
- 6. What are the principles of a good organisation structure?

7. “Organising involves the reconciliation of span of control and levels of management”. Discuss.

PART C — (15 marks)

(Compulsory)

8. Modern Engineering, a Public Limited Company, with its registered office at Bombay and plants at Bombay, Nasik and Bangalore, was established in 1946. The Company manufactures engineering products, with wide range of applications and the customers are public utilities, private clients, project authorities etc. Due to recession, the company was stagnant for couple of years, but, of late, it is showing signs of progress.

The workers were divided between two different unions - one of them with a positive outlook towards the management and the second with a conservative and somewhat hostile approach, which resulted in inter-union rivalry, violence, work stoppage and to some extent, risk to their lives. The workers also resorted to go-slow, stoppage of work on minor issues etc., rather frequently. It was observed that the employee turnover was high.

Due to recessionary trend, Management decided to reduce the work force and control the operations. The Union and the officers were kept informed. When the final date of lay off and retrenchment was announced, the workers resorted to strike, violence, etc. The management had to protect themselves by calling in the security staff. This affected the company's performance and the news spread like wild fire in the market. The immediate impact of this was cancellation of the major orders by the clients, which further worsened the situation.

The General Manager (Works) and the Personnel Manager submitted their resignations due to frustration and not falling in line with Management thinking. They felt that the Management was taking a conservative approach and was not bothered about the consequences.

The Marketing staff was demoralised and many of the junior and senior officers had resigned.

The Management was not able to come out of this vicious circle and was really at a loss to understand the behaviour of the staff.

The Management would now like you to study the above situation and give your recommendations to overcome the present crisis.

(DBUS 02)

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First Year

Paper II — BUSINESS ENVIRONMENT

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

1. Write any THREE of the following :

- (a) Legal Environment.
- (b) Private Sector in India.
- (c) Planning Goals and strategies.
- (d) EXIM policy.
- (e) Financial sector reforms.
- (f) Economic reforms and social justice.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

- 2. Explain the critical elements of political environment of a business.
- 3. What are the important features recent industrial policy?
- 4. Elucidate the merits and demerits of foreign collaborations.
- 5. What is globalisation? Discuss the necessities for globalisation.
- 6. Discuss the role of small Industries in the industrial development of India.
- 7. Write an essay on economic reforms in India.

SECTION C — (15 marks)

This question is Compulsory.

8. List out the areas where further liberalisation of Industrial policy of India. If so what are their complications and implications?

(DBUS 03)

M.B.A. DEGREE EXAMINATION, DECEMBER 2007.

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Paper III — MANAGERIAL ECONOMICS

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. (a) Capital Budgeting.
- (b) Economic theory of firm.
- (c) Analysis of market structure.
- (d) Pricing strategies.
- (e) Cost concept.
- (f) Uncertainty.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

2. Critically discuss the various opinion polling of demand forecasting.
3. “Product differentiation is a form of non-price competition”. Comment.
4. Critically evaluate the different criteria suggested for choosing investment projects.
5. Define theory of firm. Explain Boumal's sales revenue – maximisation model.
6. Explain Cobb-Douglas production function and its managerial use.
7. Define price elasticity of demand. Explain the factors influencing price elasticity and its usefulness in business decision making.

SECTION C — (15 marks)

(Compulsory)

8. Case study

From the past experience the Cricket Control Board knows that if the average cost of the ticket is Rs. 50 per match, 50,000 spectators turn up and for an increase of Rs. 5 per ticket in the average cost, they lose 5000 spectators. ON an average each spectator spends Rs. 4 in buying souvenir which is also income of the cricket Control Board. The board has to issue 3000 complementary passes and has to spend Rs. 17,500 in making arrangement. What should be the average cost of the ticket so as to maximise profit of the Board?
What should be the expected number of spectators?

(DBUS 04)

M.B.A. DEGREE EXAMINATION, DECEMBER 2007.

First Year

Paper IV — ACCOUNTING FOR MANAGERS

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

1. Answer any THREE of the following questions :
- (a) Objectives of financial accounting.
 - (b) Financial accounting Vs Cost accounting.
 - (c) Trial balance.
 - (d) What is debenture? What are its types?
 - (e) What are the methods of accounting for inflation?
 - (f) What is contribution?

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

2. What is the importance of accounting information? And state how it is useful in managerial decision-making.

3. In the preparation of funds flow statement explain how funds from business is computed.
4. What is Accounting disclosure? Why is it required? State the legal requirements relating to this.
5. The following balances are extracted from the books of Siva Ltd. on 31st March 2007. You are required to make the necessary closing entries and to prepare the Trading and Profit and loss account and a balance sheet as on that date.

| | Rs. | | Rs. |
|---------------------|--------|------------------|--------|
| Opening stock | 1,500 | Commission (Cr.) | 600 |
| B/R | 6,750 | Returns outward | 750 |
| Purchases | 58,500 | Trade expenses | 300 |
| Wages | 4,200 | Office fixtures | 1,500 |
| Insurance | 1,650 | Cash in hand | 750 |
| Sundry debtors | 45,000 | Cash at bank | 7,125 |
| Carriage inward | 1,200 | Rent and taxes | 1,650 |
| Commission (Dr.) | 1,200 | Carriage outward | 2,175 |
| Interest on capital | 1,050 | Sales | 75,000 |
| Stationery | 675 | B/P | 4,500 |
| Returns inward | 1,950 | Creditors | 29,475 |

Capital Rs. 26,850.

The closing stock was valued at Rs. 37,500.

6. On 1st January 2007 Rama Rao Ltd. offers 16,000 shares of Rs. 10 each. Applications are invited for full 16,000 shares. Money is payable as follows :

| | |
|----------------|-----------------|
| On application | Rs. 3 per share |
| On allotment | Rs. 2 per share |
| On 1st call | Rs. 3 per share |
| On final call | Rs. 2 per share |

The shares were duly allotted, calls made and money realized.

You are required to pass the necessary journal entries.

7. The trading results of Rama Rao Ltd. for the last two years have been :

| Year | Sales | Profit |
|------|-----------------|---------------|
| 1 | Rs. 4,00,00,000 | Rs. 20,00,000 |
| 2 | Rs. 3,60,00,000 | Rs. 4,00,000 |

(a) You are required to forecast the expected profit or loss with sales of (i) Rs. 3,00,00,000 and (ii) Rs. 6,00,00,000.

(b) Determine P/V ratio

(c) Ascertain Break even point.

SECTION C — (15 marks)

This question is compulsory.

8. Balance sheet of M/S Kishore and Raul as on 1.4.06 and 31.3.07 were as under :

| Liabilities | 1.4.06 Rs. | 31.3.07 Rs. | Assets | 1.4.06 Rs. | 31.3.07 Rs. |
|-----------------------|-----------------|-----------------|----------|-----------------|-----------------|
| Creditors | 80,000 | 88,000 | Cash | 20,000 | 14,000 |
| Mr. Raul's loan | 50,000 | — | Debtors | 60,000 | 1,00,000 |
| Loan from bank | 80,000 | 1,00,000 | Stock | 70,000 | 50,000 |
| Capital | 2,50,000 | 3,06,000 | Plant | 1,60,000 | 1,10,000 |
| | | | Land | 80,000 | 1,00,000 |
| | | | Building | 70,000 | 1,20,000 |
| | <u>4,60,000</u> | <u>4,94,000</u> | | <u>4,60,000</u> | <u>4,94,000</u> |

Net profit for the year amounted to Rs. 90,000. During the year plant costing Rs. 20,000 (accumulated depreciation Rs. 6,000) was sold for Rs. 10,000. Provision for plant as on 1.4.06 was Rs. 50,000 and as on 31.3.07 Rs. 80,000.

Prepare funds flow statement.

(DBUS 05)

M.B.A. DEGREE EXAMINATION, DECEMBER 2007.

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Paper V — QUANTITATIVE TECHNIQUES FOR MANAGERIAL DECISIONS

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE of the following.

1. (a) Explain various types of functions with suitable examples.
- (b) Define determinant of a (2×2) matrix. What are its properties?
- (c) Distinguish between mean deviation and standard deviation.
- (d) Define Poisson distribution. Give three examples. What are the conditions for application of Poisson distribution?
- (e) Explain stratified random sampling.
- (f) Define regression coefficients. What are their properties?

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

2. (a) Determine price elasticity of demand and marginal revenue if $q = 30 - 4p - p^2$ where q is quantity demanded and p is price and $p = 3$.

- (b) Find the adjoint matrix of $\begin{pmatrix} 4 & 9 & 7 \\ 3 & 5 & 7 \\ 5 & 4 & 5 \end{pmatrix}$.

3. Calculate the coefficient of variation for the following distribution :

| | | | | | |
|------------------|-----|-----|------|-------|-------|
| Class interval : | 0-4 | 4-8 | 8-12 | 12-16 | 16-20 |
| Frequency : | 4 | 6 | 8 | 5 | 2 |

4. (a) Assuming one in 80 births is a case of twins, calculate the probability of 2 or more sets of twins on a day when 30 births occur.

(b) The customer accounts at a certain departmental store have an average balance of Rs. 480 and a standard deviation of Rs. 160. Assuming that the account balances are normally distributed.

(i) What proportion of the accounts is over Rs. 600?

(ii) What proportion of the accounts is between Rs. 400 and Rs. 600?

5. (a) A group of students raise money each year by selling souvenirs outside the stadium after a cricket match between Team A and B. Their sales are mostly dependent on which team wins the match. A conditional payoff table is as under :

| | | Types of Souvenir | | |
|-------------|-----|-------------------|-----|-----|
| | | I | II | III |
| Team A wins | Rs. | 1,200 | 800 | 300 |
| Team B wins | | 250 | 700 | 110 |

Which type of souvenir should the students buy if probability of Team A's winning is 0.6?

(b) Given that $P(A) = 3/8$, $P(B) = 5/8$ and $P(A \cup B) = 3/4$ find $P(A/B)$ and $P(B/A)$. Show whether A and B are independent.

6. (a) In a sample of 4,000 parts manufactured by a company the number of defective parts was found to be 30. The company however claimed that only 5% of their product is defective. Test at 50% level of significance. Whether the claim of the company is tenable.

(b) In a survey of 225 boys of which 85 were intelligent, 45 have educated fathers, while 95 of the intelligent boys have uneducated fathers. Do these figures support the hypothesis that educated fathers have intelligent boys? (Given the tabulated value of the test statistic at 5% level of significance with 1 d.f. is 3.84).

7. (a) Equations of the two lines of regression are :

$$2x + 3y = 7 \text{ and } 5x + 4y = 9. \text{ Find}$$

(i) Mean of x and mean of y

(ii) Regression coefficients

(iii) Correlation coefficient between x and y .

(b) Determine the equation of a straight line which best fits the following data :

| | | | | | |
|-----------------------|------|------|------|------|------|
| Year : | 2000 | 2001 | 2002 | 2003 | 2004 |
| Sales (in Rs. '000) : | 35 | 56 | 79 | 80 | 40 |

SECTION C — (1 × 15 = 15 marks)

Compulsory.

8. (a) A factory has two machines *A* and *B*. Past record shows that machine *A* produced 60% of the items of output and machine *B* produce 40% of the items of output. Further 20% of items produced by machine *A* were defective and 1% produced by machine *B* were defective. If a defective item is drawn at random what is the probability that it was produced by machine *A*?

(b) In a recent diet survey the following results were obtained in a city :

| | Community <i>A</i> | Community <i>B</i> |
|----------------------------------|--------------------|--------------------|
| No. of families taking tea : | 1236 | 164 |
| No. of families not taking tea : | 564 | 36 |

Test whether there is any significant difference between the two communities in the matter of taking tea. (Given the critical value of the test statistic at 5% level of significance with (d.f. is 3.84).

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Paper VI — INFORMATION MANAGEMENT AND COMPUTER APPLICATIONS

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE of the following.

- (a) Explain the functions of the subcomponents of CPU.
- (b) Describe different applications of spread sheet software.
- (c) Describe the functions of financial systems.
- (d) Describe the uses of computers in human resource management.
- (e) Explain the term 'value' of information.

- (f) Explain the report writer feature of COBOL.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

2. Explain the role of computers in modern management.
3. Define what is meant by inventory and its characteristics. Explain inventory system files and data relationships with a suitable example.
4. What are the characteristics of computer viruses? Describe the important precautionary measures to prevent virus infection. Describe some general methods of virus removal.
5. Describe Anthony's framework for understanding MIS. Explain the role of MIS in an organisation.
6. Explain the tasks in the analysis and design of CBIS.
7. Explain the structure of COBOL with a suitable example.

SECTION C — (1 × 15 = 15 marks)

(Compulsory)

8. The manager of manufacturing for the Triad Pump Co., Mr. Ires at age 60 was appointed manager of the new MIS function. Triad had over Rs. 500 million in annual sales, serviced over 9600 customer accounts and employed over 5000 people. Mr. Ires knew all operations of the company well. He and two assistants analysed information needs by examining position guides, developed a system for processing data, and with the approval of top management, purchased computer hardware.

When the new MIS was being installed, transfers to new jobs were made and new forms and procedures were revealed. Workers grew confused and angry. Within a week, conditions were chaotic despite Mr. Ires' carefully planned installation.

- (a) What did Mr. Ires fail to do ?
- (b) How should Mr. Ires proceed at this point?