

M.B.A. DEGREE EXAMINATION, DECEMBER 2012.

First Year

Paper I — PERSPECTIVES OF MANAGEMENT

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE of the following.

1. (a) Management Vs Administration.
- (b) Management by crisis.
- (c) Game theory.
- (d) Span of control.
- (e) EDPs.
- (f) Leadership.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

2. Discuss various approaches to management.
3. What are the principles of organisation?
4. Explain about the process of selection.
5. Critically examine the Maslow's hierarchy style of motivation theory.
6. What is meant by PERT and CPM? Distinguish between them.
7. Explain the universality of management principles.

SECTION C — (15 marks)

Compulsory.

8. Case Study.

You are a senior clerk in a large branch of a prestigious bank in a metropolitan city. Your manager has decided that customer service should be improved and has formed a committee of junior staff to discuss and present suggestions to the management in a month's time.

You are appointed as a member of this committee but not the chairperson. A young lady, a grade junior to you is made the chairperson. She was very reluctant to accept the responsibility because as she said, she had never been to any meeting nor chaired any. However, she was offered no choice in the matter. The manager simply appointed her as the chairperson.

In fact she could be a good choice. She is an experienced cashier known to the public as efficient and pleasant, and she has often expressed strong views about the importance of good service. She thinks of herself as intelligent and logical and sometimes puts people down quite firmly if she finds flaws in their arguments.

You were not able to attend the first meeting of the committee, but from what you heard it was not at all successful. In conversation with those present you have gained the impression that progress was slow and difficult. The chairperson tended to be aggressive. Very few ideas emerged and it was not too clear to those present what they were there to achieve.

You have also spoken to the chairperson. She thinks that nobody was forthcoming or enthusiastic enough. They all kept going off the subject and asking silly questions. Such ideas as there were turned out to be trivial or irrelevant in her opinion, apart from the ones she had to suggest herself. She contended that she was worried about the next meeting, about the likely success of the committee in general and indeed about her overall relationship with the staff who were committee members.

The next meeting is to take place in a week's time.

Questions :

- (a) Identify the problems in this case.
  - (b) What can you do to ensure that the committee perform more effectively when it next meets?
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Paper II – BUSINESS ENVIRONMENT

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE of the following.

1. (a) Economic environment.
- (b) Public sector.
- (c) Foreign trade.
- (d) Fiscal policy.
- (e) Liberalisation.
- (f) Financial sector reforms.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

2. How do the socio-cultural factors effect the business environment?
3. Briefly examine the structure of Indian economy.
4. Explain about regulatory and promotional finance-work of industrial policy.
5. What is BOP? Write in detail about India's balance of payment.
6. Explain the effects of globalisation and privatisation on Indian economy.
7. Critically examine the industrial policy resolution, 1991.

SECTION C — (15 marks)

(Compulsory)

8. Case study :

Indian leather exports, an important foreign exchange earner for the country has been reportedly hit hard by the decision of some major US retail chains like Eddie Bauer, LL Bean, Timberland and Casual Corner, and a German company Bader to boycott leather goods from India in protest against the ill-treatment of animals here. This move came shortly after a decision by global retail chains Gap, Marks and L. Spencer, Liz Claiborne and J. Crew not to buy Indian leather goods. This development has a lot to do with the lobbying by the US-based animal rights group People for Ethical Treatment of Animals (PETA) for a ban on leather goods from India by documenting evidence of “cruelty to Animals” killed for making leather. It has been reported that the overseas firms have officially communicated to the Indian outfit of PETA that they will not be sourcing leather products from India until there is strict enforcement of animal protection laws. following this, the Mumbai –based Teja Industries, the official supplier of leather goods for Marks and Spencer in India, started out-sourcing leather from other countries to manufacture products for the global chain.

Questions :

- (a) In the light of the above, discuss the implications of social activist groups for business.
  - (b) With reference to this case, discuss the failure of the governments, council for Leather Exports and the leather industry and the lessons of this case.
  - (c) What should the governments, Council for Leather Exports and the leather industry do to overcome the problem?
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Paper III — MANAGERIAL ECONOMICS

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE of the following.

1. (a) Demand function
- (b) Scope of managerial economics
- (c) Opportunity cost
- (d) Pricing tactics
- (e) Profit maximization
- (f) Risk and uncertainty.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

2. Discuss the significance of managerial economics in recent business environment.
3. What is elasticity of demand? Explain its types.
4. Briefly explain the law of variable proportions.
5. Explain the behavioral theory of the firm.
6. Discuss the Traditional techniques of capital budgeting.
7. Explain the process of price determination under monopoly.

SECTION C — (15 marks)

Compulsory

8. Case study :

A manufacturer of product *X* when produces 1,00,000 units under its normal capacity of the plant in a year has the following costs.

Raw material costs Rs. 11.50 per unit.

Variable overhead costs : Rs. 3.50 per unit.

Labour costs Rs. 5.00 per unit.

Fixed overhead costs Rs. 10.00 per unit.

Variable marketing and selling costs Rs. 1 per unit.

In the next three months the firm can sell only 15,000 units at a price of Rs. 30 per unit. Alternatively, if the plant is shut down, the fixed manufacturing costs can be reduced to Rs. 60,000. Additional costs of shut down will be Rs. 10,000. Decide what to do? Sell 15,000 units or shut down?

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Paper IV — ACCOUNTING FOR MANAGERS

Time : Three hours

Maximum : 75 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE of the following.

1. (a) Double Entry system.
- (b) Forfeiture of shares.
- (c) Funds flow statement.
- (d) Inflation accounting method.
- (e) P/V ratio
- (f) Incremental costs.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

2. Describe the construction of profit and loss a/c.
3. Explain in detail about accounting concepts and functions.
4. Discuss the auditor's penalty for non-compliance.
5. Explain the relationship among cost-sales and profit.
6. Describe the accounting procedure for declaring and distributing dividends.
7. An organisation is currently running at 50% capacity and produces 5,000 units at a cost Rs. 90 per unit as per detail below:

Material	Rs. 50
Labour	Rs. 15
Factory overheads	Rs. 15 (Rs. 6 fixed)
Administrative overhead	Rs. 10 (Rs. 5 fixed)
The current selling price is	Rs. 100 per unit

At 60% working, material cost per unit increases by 2% and selling price per unit falls by 2%.

At 80% working, material cost per unit increases by 5% and selling price per unit falls by 5%.

Estimate profits of the factory at 60% and 80% working and offer your comments.

SECTION C — (15 marks)

Compulsory.

8. Calculate the variances in the following cases.

	Standard		Actual	
	Qty.	Rates (Rs.)	Qty.	Rates (Rs.)
Material (kgs)	400	2.00	420	2.10
Wages (hrs) (Trained)	80	1.50	70	1.50
Wages (hrs) (untrained)	600	0.90	620	0.90
Overheads (hrs)	700	0.95	720	0.90

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SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. (a) Criteria for maximum and minimum of functions.
- (b) Two dimensional diagrams.
- (c) Types of decision making situations.
- (d) Sampling distribution of mean.
- (e) Scatter diagram.
- (f) Quota sampling.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

2. (a) The cost function of firm is given as  $C = 300x - 10x^2 + \frac{x^3}{3}$ . Where C is the cost and  $x$  the output. Calculate
  - (i) Output at minimum marginal cost
  - (ii) Output at minimum average cost.

- (b) Solve the following system of equations by using Cramer's rule.

$$5x - 6y + 4z = 15$$

$$7x + 4y - 3z = 19$$

$$2x + y + 6z = 46$$

3. Calculate Karl – Pearson's coefficient of skewness from the following data.

Marks:	Above(>)0	>10	>20	>30	>40	>50	>60	>70	>80
Frequency:	100	98	95	90	80	50	35	23	23

4. (a) A production unit is made up of 20 identical components and each component has a probability of 0.25 being defective. What is the average number of defective components in a unit? Further, what is the probability in a unit
  - (i) Less than 3 components are defective
  - (ii) Exactly 3 compounds are defective.

- (b) The weekly wages of 2000 workers in a factory are normally distributed with a mean of Rs. 200 and a variance of 400. Estimate the lowest weekly wages of 197 highest paid workers and the highest weekly wages of the 197 lowest paid workers.
5. A fruit dealer buys oranges at the rate of Rs. 3 per dozen and sells them at the rate of Rs. 5 per dozen oranges not sold during the day are treated as stale and thrown away. The daily sales of oranges in past has not been less than 98 dozens and not more than 100 dozens. Prepare a pay off table and a loss table and a loss table.
6. (a) A machine produced 20 defective articles in a batch of 400 after overhauling it produced 10 defectives in a batch of 300 has the machine improved?  
 (b) To compare the price of a certain commodity in two towns, the shops were selected at random in each them, the following figures give the price found
- |         |    |    |    |    |    |    |    |    |    |
|---------|----|----|----|----|----|----|----|----|----|
| Town A: | 61 | 56 | 63 | 56 | 63 | 59 | 56 | 44 | 61 |
| Town B: | 55 | 47 | 59 | 51 | 61 | 57 | 54 | 64 | 58 |
- Test whether the average price can be said to be same in the two towns.
7. (a) Calculate the two regression equations from the data given below:  
 Price (Rs): 10 12 13 12 16 15  
 Demand: 40 38 43 45 37 43  
 Estimate the likely demand when the price is Rs 20.  
 (b) What are the components of a time series? Explain the methods of determining  
 (i) Quadratic and  
 (ii) Exponential trends.

SECTION C — (15 marks)

Compulsory.

8. A market research organization wants to determine, on the basis of the following information, whether there is a relationship between the size of the tooth paste which a shopper buys and the number of persons in the shopper's household

Size of tube	Family size			
	1-2	3-4	5-6	7 or more
Giant	23	116	78	43
Large	54	25	16	11
Small	31	68	39	8

Is there a relationship at the level of significance 0.01?

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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.

1. (a) Evolution of computers.
- (b) Uses of computers in human resource management.
- (c) Constitutional provisions which relate to privacy of individuals.
- (d) Data life cycle.
- (e) Array data structure.
- (f) Screen handling feature of COBOL.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE of the following.

2. Explain the components of CPU and their functions. Explain the capabilities of spreadsheet software and its use in solving managerial problems.
3. What is inventory? What are its characteristics? Explain in detail the inventory system design for a retail sales enterprise.
4. Discuss the impact of computers on organisations and society at large. Discuss the tortious liabilities in use of computers.
5. What is an MIS? What are its characteristics? Discuss the three models of MIS and compare them. Discuss the role of MIS at various management levels.
6. Explain the various stages in the life cycle of a CBIS. Discuss the table handling feature of COBOL.

7. Explain the different loop structures. Compare and contrast formal and informal information. Give three examples each.

SECTION C — (15 marks)  
(Compulsory)

8. Case Study :

Joe Roberts refuels and services 80 trucks everyday at Ryder Systems maintenance yard in Holt, Michigan. Unlike most fueling attendants, however, Roberts is also a data – entry clerk. As Roberts refuels each truck he plugs a hand-held instrument into the truck’s onboard. Computer to retrieve information that helps Ryder keep track of its vehicles.

Ryder commercial leasing and services has recently implemented a \$ 33 – million truck maintenance and track system that will help the Miami Company maintain and manage vehicles throughout much of the Midwest and South. Eventually, the system will keep tabs on the company’s 170,000 vehicles at 915 locations throughout North America. Formerly, Ryder’s various information systems presented more than one face to many of its 11,000 customers, which include retailer Home Depot and Hotel Chain Marriott International. Further, revenue from truck fleet leasing over the past 6 years had plateaued and the prospect of generating additional income was limited by existing business processes. Dennis Klinger, Ryder’s V.P. of Information Services, said “We could not squeeze costs and improve performance by doing the same old things”. The company decided to restrictive itself and developed a master plan toward this end.

The master plan called for the company to integrate disparate field, district and head quarters information systems that had often created “islands of information”. The result : a system that will allow users to share data with 1,000 local service centers, 76 district offices, and the company’s Miami Headquarters.

Under the new maintenance system, a mechanic or attendant in Florida will be able to access the maintenance history of a truck that was serviced in Michigan a week earlier.

The system works as follows : when servicing a truck, the service representative inserts a probe from a hand-held computer into a button-shaped data carrying device that is mounted on the side of each vehicle's cab. The computer records the amount of fuel pumped, oil used and other pertinent information, all of which was previously transcribed by hand.

This gives attendants time to perform additional routine checks and to clean the trucks more thoroughly. The touch memory button tracks a vehicle's fueling and service history. "The button is like a file cabinet with room for extra files".

Another new system at Ryder is the shop management system, written in COBOL, which automatically schedules vehicles for maintenance or repair. The system matches the job with the mechanic best qualified to perform the tasks. It also updates the maintenance histories of all vehicles in the fleet and monitors inventory levels at Ryder locations. The system can automatically submit warranty claims, process payroll data, and even order parts electronically from 20 suppliers.

Another interesting system at Ryder is Simplified Asset Management (SAM), which gathers information from a variety of systems in order to assess how the company is putting its fixed assets to use. For instance, using the system, the company could decide 18 months before a truck lease expires when best to dispose of the vehicle. "In essence we have a profit and loss statement for every truck". The SAM system will reduce the time district managers need to collect data on the vehicles they manage from 2 work days to 15 minutes.

- (a) Identify the software systems in this case and describe the types of software required for each application.
  - (b) The shop management system was written in COBOL. Identify some advantages and disadvantages of COBOL.
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