

2010

Time : As in Programme

Full Marks : 100

The questions are of equal value.

Answer all questions.

1. Discuss managerial economics as :

- (a) Normative
- (b) Positive
- (c) Both

OR

Write short notes on the following :

- (a) Growth model of a firm
- (b) Management Utility Maximisation

2. What is elasticity of demand ? Explain the factors on which the elasticity of demand is dependent.

OR

Describe the major steps involved in estimating the demand function for a product.

3. (a) What is Producer's Equilibrium in a Production Function ?

(b) Explain the Laws of Return to Scale.

OR

What is Cost Function ? How the Cost Function is estimated ?

4. What are the main features of monopoly ? What are the sources of monopoly ? Show how price is determined under this market condition.

OR

Discuss clearly the concept and nature of capital budgeting and its problems.

5. Write notes on the following :

(a) India as a Developing Economy

(b) India as a Mixed Economy

OR

Write an essay about the necessity of Economic Reform in 1991. Give your opinion on the efficacy of further reform.



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GROUP-B (AFM)

1. Explain the wealth maximisation goal of financial management. How is it related to the stock market ?
Discuss the limitations and the risks associated with the wealth maximisation goal.

OR

What do you mean by portfolio management ? Explain its objectives. State how the risk and the return of a two security Portfolio can be measured.

(2)

2. The following is the capital structure of Silicon Co. L on 31.12.2008.

Equity shares 10,000 shares of Rs. 100 each	Rs.10,00,000
10% preference shares of Rs. 100 each	Rs.4,00,000
12% Debentures	<u>Rs. 6,00,000</u>
	<u>Rs.20,00,000</u>

The market price of the Company share is Rs.110 and it is expected that a dividend of Rs.10. per share would be declared after 1 year. The dividend growth rate is 6%.

- If the Company is in 50% tax bracket, compute the weighted average cost of Capital.
- Assuming that in order to finance an expansion plan, the company intends to borrow a fund of Rs.10 lakhs bearing 14% rate of interest, what would be the Company's revised weighted average cost of capital ? This financing decision is expected to increase dividend from 10 to Rs.12 per share. However the market price per equity share is expected to decline from Rs.110 to Rs.105 per share.

(3)

OR

The initial investment outlay for a capital investment project consists of Rs. 100 lakhs for plant and machinery and Rs.40 lakhs for working capital. Other details are summarised below.

Sales.one lakh units of output
per year for years 1 to 5

Selling priceRs.120 per unit of output

Variable cost Rs.60 per unit of output

Fixed overheads (Excluding depreciation).... Rs.15 lakh
per year for year 1 to 5

Rate of Depreciation for plant and machinery 25%
on WDV method.

Salvage value of plant of machineryEqual to WDV at
the end of year 5

Tax rate 40%

Time Horizon 5 years

Post tax cut off rate 12%

(4)

Required —

- (i) Indicate the financial viability of the project by calculating the NPV.
 - (ii) Determine the sensitivity of the projects NPV under the following condition.
 - (a) Decrease in selling price by 5%
 - (b) Increase in variable cost by 10%
 - (c) Increase in cost of plant of machinery by 10%
3. What are the objectives of Inventory management ? Which consideration given the maximum and minimum level of Inventory ? Explain the trade-off required in inventory management.

OR

North Factors Ltd. has a standard deviation of monthly net cash flows of Rs.200. Its transaction costs of converting cash into marketable securities is Rs.10 and the interest is 1% per month. The minimum cash balance required by the firm is Rs.100. Set out the upper, lower and Return limit for the firm. Also find out the average cash balance, by applying the miller-ORR model.

(5)

What of the two dividend policies, steady dividends or dividends fluctuating with earning would you recommend ? Give justifications. Would your recommendation be different for a new company as distinct from one which has been in existence for a period of ten years.

OR

Company 'U' and 'L' are identical in every respect except that the former does not use debt in its capital structure, while the latter employs Rs.6,00,000 of 15% debt. Assuming that (a) all the MM assumptions are met, (b) the corporate tax rate is 5% (c) The EBIT is Rs.2,00,000 and (d) the equity capitalisation of the unlevered company is 20%. What will be the value of the firm U and L ? Also determine the weighted average cost of capital for both the firms.

5. A company operating in a country having the \$ as its unit of currency has to day invoice sales to an Indian company, the payment being due 3 months from the date of invoice. The invoice amount is \$13,750 and at today, spot rate of \$0.0275 is equivalent to Rs.5,00,000.

(6)

It is anticipated that the exchange rate will decline over the 3 months period and in order to protect payments, the importer proposes to take appropriate action in the foreign exchange market. The 3 month forward is presently quoted as \$0.0273. You are required to calculate the expected loss and to show how it can be hedged by a forward contract.

OR

Write short notes on :

- (a) Purchasing power parity Vrs. Interest Rate Parity.
- (b) Spot Rate Vrs. Forward Rate
- (c) Ask Price Vrs. Bid Price.
- (d) Direct Quote Vrs. Indirect Quote.

GROUP-C (MR)

1. What do you mean by Marketing Research ? Describe its scope and explain its application in real life.

OR

(7)

What are the characteristics of good questionnaire ?

Describe the significance of pilot study in questionnaire design and administration.

2. Tracing an imaginary marketing research problem state how the data collected would be processed and analysed ?

OR

'Systematic and proper interpretation and application of processed information constitute the crux of marketing research. Elaborate.

3. How is awareness of consumer behaviour help a marketer in effective marketing planning ?

OR

How is buying behaviour of an organization different from consumer behaviour ? How will you use this information ?

4. Exemplify the influence of culture, sub-culture and social forces on consumer buying behaviour.

OR

'Consumer behaviour is largely influenced by perceptu
personality, attitude and learning'. Elucidate.

5. What are the different models of purchase behaviour ?
How will you use these models as a marketer ?

OR

Enumerate the steps in the buying process. Why problem
recognition is the most important one ?

GROUP-D

(Human Resource Planning)

1. Briefly discuss the relevance of Human Resources Planning
in any organisation. State the various dimensions of Human
Resources Planning.

OR

What do you mean by social demand approach of Human
Resources Planning ? How it differs from rate of return
approach and manpower requirement approach ?

(9)

2. Critically examine the difference techniques and methods commonly practised by the business enterprises to find out the demand and supply of human resources for a given period of time.

OR

Write short note on :

- (a) Work force analysis
 - (b) Manpower inventory
 - (c) Manpower planning models.
3. What do you mean by career planning ? State the various elements of career planning. How can you develop career planning ?

OR

- (a) What is Human Resources Accounting ? Why to go for study of Human Resource Accounting ?
- (b) Discuss the procedures in manpower reporting system of any standardized organisation.

(10)

4. Write notes on :

- (a) Job Design
- (b) Job Enrichment and Job enlargement
- (c) Job Evaluation.

OR

Compare and contrast between Indian management and Japanese management. How do you feel that Japanese management in India may not be so successful ?

5. "The appraisal system of Indian organisations needs to be appraised first". Comment.

OR

Distinguish between :

Compensation and consideration

Internal and systematic appraisal.

GROUP-E

(Entrepreneurship Development)

1. Discuss the importance of entrepreneurship development in a free market economy. State the changes that have caused accelerated growth of new entrepreneurship ventures in India.

(11)

OR

What are major difference and similarities between a centrally planned economy and a mixed economy? What are the major hurdles that one notices in the mixed economy towards entrepreneurship development.

2. Define an entrepreneurial venture and state its major features. How does one analyse the competitive forces associated with a new venture? Discuss.

OR

Describe briefly the various legal requirements that are to be complied by a new public limited company before it is given permission to raise money from the market.

3. What do you understand by entrepreneurial behaviours? Write a brief note on the different Psychotheories associated with entrepreneurial behaviour.

OR

What factors motivate on individuals to become an entrepreneur? Is it possible for the promotional institution to develop more entrepreneurial talents through entrepreneurial training? Comment.

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4. Discuss the differences between a professional entrepreneur and a professional manager and explain their individual roles in the success of an enterprise.

OR

Write a note on the different concessions and incentives normally provided to new entrepreneurs willing to start units in the underdeveloped regions.

5. Why does a government formulate its industrial policy ?
Discuss the essential components of the current Industrial policy of the Govt. of India.

OR

Discuss the importance functions of MSME Institute in the promotion of new entrepreneur at the state level.

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OR

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Answer *all* questions from appropriate Group.

GROUP-B (SAPM)

1. Should an investor play a winner's game or loser's game while buying securities? As an investment advisor what features would you suggest to be included in the investment bunch of a client? Explain these features.

OR

Why do individuals invest? What factors contribute to the rate of return that investors require on an investment? Discuss the most common errors observed in analysing the portfolios of individual investors.

(2)

4. What is the effect of operations of a securities exchange on the economic life of a nation? Is it necessary to control securities exchanges? Explain.

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OR

Why is it necessary to maintain a liquid secondary market in securities in India? Discuss the automation of stock exchanges in India.

5. Discuss the rationale for expecting the existence of an efficient capital market. Explain the random walk theory of stock market prices.

OR

"Most of technical indicators make sense when examined individually but when one examines many technical indicators simultaneously the interpretation of their collective meaning is often contradictory and confusing". Comment.

4. It is now August 1, 2008. PKP Enterprises has a 15 percent semiannual coupon, noncallable bond issue outstanding which matures on December 31, 2028. Each bond currently sells for 112 percent of its Rs.1000 par value.

(3)

- (a) What is the bond's before tax yield to maturity ?
- (b) What is the bond's effective annual YTM ?
- (c) What is the bond's after tax YTM to an investor in the 28% marginal tax bracket ?
- (i) Assume that the premium is treated as a long term capital loss at maturity ?
- (ii) Assume that the premium is amortised over the life of the issue and used to offset the interest income.

OR

What are the critical variables in determining the yield on a convertible debenture ? How can values for these variables be estimated ? Explain.

5. Bull and Bear Enterprises has a β (Beta) of 1.50 the risk free rate is 8% and the expected return on the market portfolio is 15%. The company presently pays a dividend of Rs.2.50 per share and investors expect it to experience a growth in dividend of 12% per annum for many years to come. Compute the required rate of return on the equity according to CAPM. What is the present market price of equity share, assuming the computed required return ?

(4)

OR

4. Why
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Sharpe's index will rank the performance of a group of investments about the same way that would be ranked if they were ranked purely in terms of their average holding period return, this is because the average holding return is given more weight than is risk in Sharpe's index. Is this statement true, false, or uncertain? Explain.

5. I

GROUP-C (MSAM)

1. What is the importance of service sector today? Describe the steps of services management process.

OR

How do modern business organisations adopt the concepts and techniques of marketing in marketing of services? Illustrate your answer with suitable examples.

2. What is importance of Marketing Research in marketing of services? Describe the steps adopted in conducting services marketing research.

(5)

OR

What is the significance of studying Product Life Cycle and how does it help in the formulation of a suitable services marketing strategy ?

3. How far marketing has been successful in adoption of promotion as one of the tools of promotion in achieving the objectives of marketing ?

OR

What is the importance of "Placement" in the marketing of a business organisation ? What are the activities undertaken under this element of marketing and who are such performers ?

4. What are the elements of communication and how do such elements help in formulating "suitable business promotion strategy" ? Discuss with suitable examples.

OR

What is the importance of sales promotion and how does it differ from promotion of any product ? Illustrate your answer with suitable examples.

(6)

4. What are the strategic considerations of a suitable advertising campaign planning? Outline the execution process of such strategies.

OR

What is the significance of the followings in formulating a suitable advertisement campaign :—

- (a) Message Design and Development.
(b) Media Selection and Planning.

GROUP-D

(HRD & OD)

1. "In the era of globalisation management of human resource is the tough task that every organisation is confronting".
Comment.

OR

Define personnel management. How it differs from human resources management? Discuss the significance and growth of HRM in India.

(7)

2. Critically examine the relevance of organisational development. How can you introduce organisational development in your organisation?

OR

Write short notes on :

- Role playing
- Management Development
- Job rotation

3. Why training is so essential for every organisation? Discuss the various methods of training with their relative merits and demerits.

OR

"Training retraining and continuous training is the need of the hour for sustainable development". Do you agree?

4. (a) What are the sound principle of a good wage and salary administration?
- (b) Define job analysis. How job analysis differs from job evaluation?

(8)

OR

4. Wh
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Discuss the objective and concept of performance appraisal. Why it is essential to have an effective performance appraisal for your organisation? What are the factors that can distort appraisal?

5. Explain the Herzberg theory of motivation. Is it same as McGregor's theory of motivation? Which one do you prefer and why?

OR

Define Human Resources Development. What are the objectives and mechanism of HRD? Point out the relevance of HRD in the present era.

GROUP-E

(MSE)

1. Define Industry. Distinguish between large and small firms and about state the reasons and benefits of setting up small units in India.

(9)

OR

Outline various Government policies initiated for the promotion of small units in India. Also discuss if all these initiatives have become successful. Justify.

2. What is production management? Discuss various quality control practices adopted by the small scale units in Orissa and their effectiveness.

OR

Write notes on :

- (a) Production Programme
 - (b) Plant layout
 - (c) Capacity Planning
 - (d) Stock Control
3. 'Marketeers do not sale the product but the concept'. In the light of the above statement, discuss various strategies to be adopted to sale the products of SSIs in India.

OR

Discuss various distribution channels available in India and the advantages and disadvantages of each channel. Also suggest the measures to make the distribution channels more effective.

4. Compare and contrast between the various techniques used for cost control and cost reduction. Also state how the proper training to finance managers will help introducing the cost of an organisation.

OR

Write notes on :

- (a) Office Management
 - (b) Office Location
 - (c) Incentive scheme
 - (d) Wage payment
5. Define industrial sickness. Discuss various factors responsible for the incidence of sickness in SSI's and the measures taken to overcome industrial sickness.

(11)

OR

What is Backward Area Development ? How is a backward area developed ? Explain, with suitable examples, how the handicraft and cottage industries can be used as the potent weapons in generating employment in rural areas of Orissa.

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GROUP-B

(MBFS)

1. Briefly discuss the main features of RBI directions relating to acceptance of deposits by NBFCs.

OR

Write notes on :

- (a) Fee based services
- (b) Fund based services
- (c) Loan syndication
- (d) Classification of FSCs.

(2)

2. Define Merchant Banking. Discuss its major functions.

OR

State the features of venture capital. Briefly highlight the venture capital schemes prevalent in India.

3. What are the features of Hire purchase agreement ? Discuss the guidelines issued by the RBI which will be applicable to banks so far as hire purchase business is concerned.

OR

Discuss the present status of Mutual fund in India and outline the causes for their slow growth.

4. Describe the procedure of registration of a stock broker and bring out the code of conduct for stock brokers in India.

OR

Explain the features of various types of credit card issued by banks in India. Describe the facilities offered to card holders.

5. Discuss the role of special purpose vehicle in securitisation. State the condition for successful securitisation.

(3)

OR

Distinguish between forward and future contracts. In your opinion which one is more beneficial as a hedging instrument.

GROUP-C

(PSM)

1. Why the objectives and strategies are considered as the pillars for the success of any product ? Discuss with examples.

OR

Define product. What are the various strategies used for product line modification ? Elaborate.

2. What is meant by Product development ? Discuss briefly the product development process.

OR

Write short notes on :

- (a) Test Marketing
- (b) Economic Analysis

(4)

3. What are the difficulties in branding ? What marketing criterion should be adopted to overcome such difficulties in branding.

OR

Define Packaging. What are the important functions of packaging the products ?

4. What is meant by Personal Selling ? Describe the essential features of salesmanship.

OR

Why salesman is considered as the key personnel in selling?

Discuss the importance of personal selling.

5. How sales force can be controlled ? What are the various aspects of control ?

OR

How sales force is recruited ? What are qualities of successful salesman ? How salesmen can be trained ?

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(5)

GROUP-D

(Industrial Relations)

1. Define the concept of industrial relation and also state the assumptions and significance of a good industrial relation.

OR

What do you mean by values of industrial relation? Explain the role of the state in building industrial relations.

2. Define 'Trade Union'. Discuss its objects and function and the pattern of structure in India.

OR

Explain the main features of the Trade Unions Act, 1926. Also explain how can trade unionism be made an effective tool of industrial relation.

3. What do you understand by industrial disputes? Discuss in brief the role played by trade unions in settlement of industrial disputes in India.

OR

Explain the role of machinery for the prevention and settlement of industrial disputes in India.

(6)

4. Define collective bargaining. Explain its basic function and the obstacles that restrict its growth in India.

OR

Explain why is workers participation in management important ? Also state the condition essential for its success in labour management cooperation in India.

5. What is the object of fixing 'minimum wages' ? State the procedure laid down under the minimum wages Act, 1948 for fixing and revising minimum wages.

OR

Write short notes on any *two*.

- (a) Indian Factory Act, 1948
- (b) Industrial Dispute Act, 1947
- (c) ILO

GROUP-E

(Regulatory Environment)

1. What do you understand by 'Business Environment' ?
Discuss in brief, the various factors affecting the business environment in India.

(7)

OR

- Discuss, in detail, the regulatory role of the Government and effectiveness in promoting the international business in India.
2. Distinguish between the FERA and FEMA Act. Also discuss the objectives and usefulness of FEMA Act in the era of globalisation in India.

OR

Write short notes on any *two* :

- (a) IDR Act.
 - (b) MRTP Act.
 - (c) Factory Act.
3. Outline in detail, the various provisions and features of Sales Act and state the reason for it being the secondary source of revenue for the Government in India.

OR

Write short notes on :

- (a) Central Excise
- (b) Pollution Control Act.

(8)

4. What do you understand by certificate of incorporation of a company ? Also state various steps to be taken in the formation of a company under the Companies Act, 1956.

OR

What do you mean by 'winding up' ? Explain in detail the mode of winding up and the circumstance in which a company may be wound up by the court.

5. Distinguish between FII and FDI. Discuss in detail, the Government policy on Foreign investment in India in the era of liberalisation.

OR

Write short notes on :

(a) GATT

(b) WTO.