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St Aloysius (Deemed to be University)

Mangaluru

Semester II – P.G Examination – M.B.A

May/June - 2025

OPERATIONS MANAGEMENT

Time: 2½ hrs. **Max Marks: 60**

SECTION - A

Answer any FOUR of the following questions **(4x12=48)**

1. a) Discuss the emerging role of the production managers in India. **(4)**

   b) Describe the types of production processes with examples. **(8)**

2. a) Illustrate how would you determine whether to utilize capacity options or demand options in response to an unexpected surge in customer demand. **(4)**

   b) Analyze the various classifications of production planning and control functions, illustrating how each contributes to efficient production with suitable examples. **(8)**

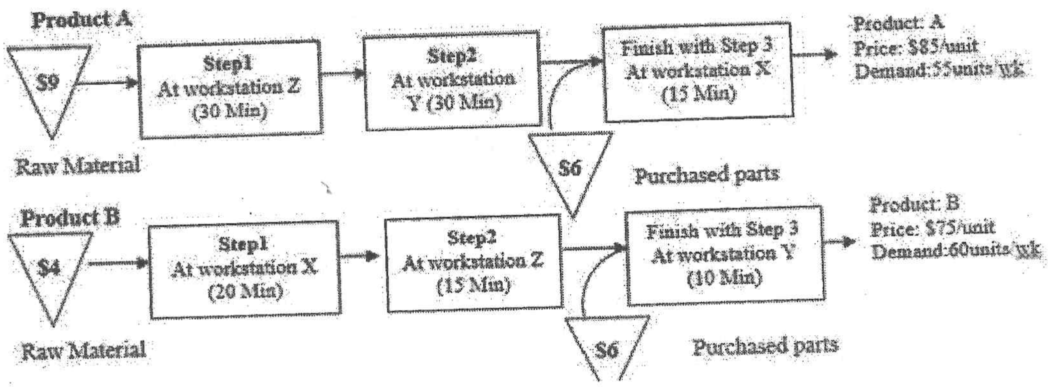
3. a) A work study engineer is conducting a work sampling study to estimate the proportion of time a quality inspector spends inspecting products on the assembly line. Management assumes that this activity takes up 60% of the inspector's time and wants the estimate to be within 4% absolute error at a 95% confidence level. Determine the number of observations required for this study. **(4)**

   b) AJ.'s Wildlife Emporium manufactures two unique bird- feeders (A and B) that are manufactured and assembled in up to three different workstations (X, Y, Z) using a small batch process. Each of the products is produced according to the flowchart in Figure. Additionally, the flowchart indicates each product's price, weekly demand, and processing times per unit. Batch setup times are negligible. AJ. Can make and sell up to the limit of its weekly demand and there are no penalties for not being able to meet all of the demand. Each workstation is staffed by two workers who is dedicated to work on that workstation alone and is paid $18 per hour. The plant operates 40 hours per week, with no overtime. Overhead costs are $1,700 per week. Based on the information provided, as well as the information contained in the flowchart, answer the following questions.

   a) Which of the three workstations has the highest utilization and thus serves as the bottleneck for AJ.'s Wildlife Emporium?

   b) Using the bottleneck-based method, what is the optimal product mix that yields the highest total profit? **(8)**

Contd...2



4. a) Golden Grain Bakery is a charming bakery renowned for its Artisan Multigrain Bread. The manager needs to forecast monthly demand for this bread to ensure a consistent supply of specialty grains. The monthly sales data for the past ten months is provided below:

Month	Cups Sold	Month	Cups Sold
Mar	180	Aug	240
Apr	195	Sept	235
May	210	Oct	250
June	200	Nov	245
Jul	220	Dec	255

Forecast the demand for bread from June to December using the weighted moving average method with n = 3 and weights of 0.50, 0.30, and 0.20, where 0.50 applies to the most recent demand. **(4)**

b) During the past 8 quarters, the port of Baltimore has unloaded large quantities of grain from ships. The port's operation's manager wants to test the use of exponential smoothing to see how well the technique works in predicting tonnage unloaded. He guesses that the forecast of grain unloaded in the first quarter was 175 tons. Two values of α are to be examined: α= 0.10 and α= 0.50. Compare the actual data with the data that has been forecasted (using each of the 2 α values) and then find the MADs, and suggest the best α based on MAD.

Quarter	Actual Tonnage Unloaded
1	180
2	168
3	159
4	175
5	190
6	205
7	180
8	182

(8)

5. a) Insurance company of Latin America (ILA) is considering opening an office in the U. S. The 2 cities under consideration are Philadelphia & New York. The factor ratings for the 2 cities are given in the following table. In which city should ILA locate?

Factor	Weight	Philadelphia	New York
Customer convenience	0.25	70	80
Bank accessibility	0.20	40	90
Computer support	0.20	85	75
Rental costs	0.15	90	55
Labor costs	0.10	80	50
taxes	0.10	90	50

(4)

Contd...3

b) A company consumes 1,800 units per month of a mechanical part. The cost per unit is Rs.5. The ordering cost is Rs.60 per order, and the inventory carrying cost is 8% per annum on the average inventory value.

a) Calculate the Economic Order Quantity (EOQ).

b) The supplier offers a 6% discount if the company places a single annual order. Should the company accept the offer? **(8)**

SECTION – B

(12)

6. **Case study:**

A DVD manufacturer is in need of APP. He has put together the following demand cost data.

Beginning inventory	0 cases
Stock out cost	$ 20 per case
Inventory holding cost	$10 per case at the end of the quarter
Hiring employees	$35 per case
Terminating employees	$50 per case
Subcontracting cost	$33 per case
Unit cost on regular time	$25 per case
Overtime cost	$15 extra per case
Capacity on regular time	2100 cases per period

Period	Forecasted Demand
1	2200
2	2600
3	2000
4	2200
5	2050
6	2300

Develop an aggregate plan and evaluate the following strategies. Suggest the best plan.

Plan A: Chase strategy that hires and fires employees as necessary to meet the forecasted demand.

Plan B: A level strategy

Plan C: A level strategy that produces 2000 cases per quarter and meets all the other demand by subcontracting.

Plan D: To maintain a constant workforce for 2000 cases per period and uses overtime whenever necessary.

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St Aloysius (Deemed To Be University)

Mangaluru

Semester II – P.G Examination – M.B.A

May/June - 2025

INTERNATIONAL BUSINESS ENVIRONMENT

Time: 2½ hrs. **Max Marks: 60**

SECTION - A

Answer any FOUR of the following questions **(4x12=48)**

1. a) Absolute advantage theory and comparative advantage theory describes the ability of various countries to produce goods efficiently compared to others. Analyse this statement. **(4)**

   b) Porter's theory of national competitive advantage is a strategic framework that provides insight into the determinants of national and industry competitiveness in global markets. Elaborate this statement. **(8)**

2. a) Critically evaluate the various aspects of dumping. **(4)**

   b) Globalisation benefits people worldwide, no matter where they live. It connects individuals in new ways and opens paths for businesses to expand. Elucidate. **(8)**

3. a) Distinguish between standardisation and adaptation. **(4)**

   b) Evaluate the different methods through which Chaipoint can enter US market. Chai Point is an Indian tea company and a cafe chain which focuses on tea-based beverages. **(8)**

4. a) Elaborate the main features that distinguish international business from domestic business? **(4)**

   b) Apply the CAGE framework to compare business opportunities in India and a foreign country of your choice. **(8)**

5. a) Identify what differentiates the different exchange rate systems. **(4)**

   b) Explain in detail, the various theories of FDI. **(8)**

SECTION – B

6. **Case study:** **(12)**

Zenith Motors

The Pioneer Turned Struggler Zenith Motors was once Europe's poster child for clean automotive innovation. Founded in Germany in 2010, Zenith launched the "Z-One", a compact electric vehicle (EV) that quickly gained traction across the continent. The company positioned itself as a sustainable, affordable alternative to fuel-based vehicles, earning subsidies, awards, and loyal early adopters. By 2020, however, Zenith's Z-One entered the maturity stage of its product life cycle. Competitors like Tesla, BYD, and even local upstarts from

Contd...2

Scandinavia had flooded the market with newer models offering longer range, faster charging, and AI integration. Sales of the Z-One plateaued and began to decline by mid-2022. A redesigned version, the Z-Two, was on the horizon—but development delays meant at least 12 months before launch. Zenith was left with tens of thousands of Z-One units in inventory, plus active production contracts they couldn't cancel without incurring massive penalties.

The Dumping Strategy

In early 2023, Zenith's executive board approved an aggressive international sales strategy: offload surplus Z-One stock at deeply discounted prices in emerging markets, including India, Vietnam, South Africa, and parts of Latin America. The Z-One, which retailed at €24,000 in Europe, was being offered at the equivalent of €13,000 in foreign markets, often below cost. This sparked allegations of "dumping"—the controversial practice of selling goods overseas at unfairly low prices, often to dispose of excess stock or undercut local competition.

India Pushback: The Mahindra EV Challenge in India

Zenith's move caused outcry among domestic manufacturers, particularly Mahindra Electric, which had recently launched its own urban EV. Mahindra petitioned the Indian Ministry of Commerce to investigate Zenith for anti-competitive behavior and predatory pricing. Trade unions, too, raised concerns: "How can local companies compete with heavily subsidized European surplus?" one leader asked on a televised panel. "This isn't trade—it's corporate disposal." Zenith, however, denied wrongdoing. "These vehicles meet all safety and emissions standards," said VP Johan Bauer. "We're expanding consumer choice—not destroying it."

Consumer Response

Urban Indian consumers were initially thrilled. The Z-One offered sleek design, Western branding, and quality tech at a previously unreachable price point. Preorders surged on e-commerce platforms and dealership inquiries spiked across major cities. But consumer rights groups worried about after-sales support, spare parts, and software updates. "Dumping may give you a shiny car today," one op-ed warned, "but you might be stuck tomorrow."

The Bigger Picture: Product Life Cycle and Global Trade

Zenith's case raised deeper questions: • How should companies handle excess inventory during the decline stage of a product life cycle? • When does global market expansion cross the line into dumping? • Should governments protect local industries or prioritize consumer access to affordable tech? By mid-2024, WTO representatives had been looped into the conversation, with possible tariff retaliation being discussed by India and Brazil.

Contd...3

Dilemma

Zenith must decide whether to continue its discount strategy despite trade tensions—or scale back and risk inventory losses, reputational damage, and strained cash flow. Meanwhile, policymakers must weigh whether to block imports to protect domestic industries—or allow the market to self-correct, risking long-term dependency on foreign goods.

Questions

a) Break down the possible motivations of Zenith, Mahindra, and Indian regulators. (6)

b) Analyze the interaction between trade protectionism and product life cycle strategy. (6)

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Semester II – P.G Examination – M.B.A

May/June – 2025

BUSINESS RESEARCH METHODOLOGY

Time: 2½ hrs.

Max Marks: 60

SECTION - A

Answer any FOUR of the following questions. **(4x12=48)**

1. a) A company wants to assess employee job satisfaction. Which research approach—quantitative or qualitative—would be more suitable? Justify your answer with reasoning. **(4)**

   b) Explain in detail the types of research based on their application and objectives, using relevant real-world examples to illustrate each type. **(8)**

2. a) Business research is essential for companies to remain competitive and adapt to market changes. Explain why this is important, providing examples from different industries. **(4)**

   b) "Research without a literature review is like building a house without a blueprint." Explain this statement by highlighting the steps involved in conducting a literature review. **(8)**

3. a) In a study of television viewing habits, it is desired to estimate the average number of hours that teenagers spend watching per week. Suppose the population standard deviation is given to be 192 minutes. How large a sample would be required if one wants to be able to assert with 95% confidence that the sample mean would differ from the population mean by at most 24 minutes? **(4)**

   b) Highlight the requisites of a good questionnaire and explain the various steps involved in the questionnaire design process. **(8)**

4. a) Differentiate between Census and Sample Survey with examples. **(4)**

   b) Design a five point Likert scale items to measure patients' satisfaction with hospital services under three major indicators. Describe how you would collect, score, and analyze the data. **(8)**

5. a) Describe the differences between a Technical Report and a Popular Report. Provide examples of situations where each type would be most appropriate. **(4)**

   b) Discuss the role of an executive summary in the layout of a research report. How does it serve as a guide to the reader, and what should be included to make it an effective summary of the entire report? **(8)**

Contd...2

SECTION – B

6. **Case study:** **(12)**

Little Scholars Academy, a well-established chain of pre-nursery schools in Mangaluru, is dedicated to providing high-quality early childhood education and a nurturing environment for young learners. As part of its ongoing commitment to service excellence and parental engagement, the administration recognizes the importance of understanding the attitudes and perceptions of parents regarding various facets of the academy's operations. This insight is not only vital for refining current practices but also for cultivating positive word-of-mouth referrals, which significantly influence the academy's reputation and enrollment.

To achieve this, Little Scholars Academy has commissioned a comprehensive marketing research study aimed at evaluating parents' satisfaction with different aspects of their experience. This study will encompass several key areas of interaction between the parents, their children, and the academy. These areas include:

- Admissions Process: Evaluating the efficiency and clarity of the enrollment procedures.
- Learning Environment & Infrastructure: Assessing the quality and suitability of the classrooms, play areas, and learning resources.
- Teachers and Their Engagement: Gathering feedback on the qualifications, teaching methods, communication skills, and overall engagement of the teaching staff.
- Child's Well-being & Safety: Reviewing parents' perceptions of the academy's commitment to their child's emotional well-being, safety protocols, and supervision.
- Fee Structure & Value: Understanding parents' perceptions of the tuition fees and the perceived value for the education and care provided.
- Communication & Parent Involvement: Analyzing the effectiveness and frequency of communication between the academy and parents, as well as opportunities for parental involvement.
- Hygiene & Health Practices: Evaluating the cleanliness of the facilities and the academy's adherence to health and safety guidelines.

By systematically investigating these areas, the research intends to pinpoint strengths and identify areas needing improvement. Ultimately, this will guide Little Scholars Academy in enhancing its services, addressing any parental concerns, and bolstering parent satisfaction and their likelihood of recommending the academy to others. The findings of this study will offer actionable insights for strategic planning and continuous improvement initiatives.

QUESTIONS:

1. Design a structured questionnaire considering the various types of questions under two sections to study the profile of parents (include at least 5 questions) and also to investigate the attitude parents have towards the various aspects of the school (include at least 10 questions)

2. For each of the items in the questionnaire, identify the type of question and measurement scale in the following format.

Question Number	Type of Question	Measurement Scale

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Semester II – P.G Examination – M.B.A
May/June - 2025
BUSINESS LAW

Time: 2½ hrs. Max Marks: 60

SECTION - A

Answer any FOUR of the following questions **(4x12=48)**

1. a) (i) Apply the concept of a wagering agreement under the Indian Contract Act, 1872, to the following situation and determine whether the agreement is valid or void.
   (ii) A agrees to pay B ₹5,000 if India wins the cricket match against Australia, and B agrees to pay A ₹5,000 if Australia wins. **(4)**

   b) (i) "An agreement enforceable in law is a contract". Discuss and enumerate the essentials of a valid contract.
   (ii) A offers to sell his diamond ring to B for Rs 2,80,000. B replied purporting to accept and enclosed Rs 80,000, promising to pay the balance of Rs 2,00,000 by monthly installments of Rs 20,000 each. Is B's acceptance enforceable? **(8)**

2. a) X agrees to indemnify Y for any loss Y may incur due to a lawsuit filed by a third party for the breach of a contract Y entered into. Y is subsequently sued, and X refuses to cover the expenses incurred by Y for legal defence. Explain the remedy available to Y. **(4)**

   b) Explain the following terms:
   a) Agent and Principal under the law of agency
   b) Mutual Agency and Limited Liability under the Partnership Act. **(8)**

3. a) Briefly describe the essentials of a contract of sale of goods **(4)**

   b) "Highlight the essentials of a promissory note and bring out the differences between a promissory note and a bill of exchange. **(8)**

4. a) Explain the different modes of winding up of a company as per the Companies Act, 2013. **(4)**

   b) "The Memorandum of Association is the charter of a company and defines it's raison d' etre". Describe the nature and contents of the Memorandum of Association **(8)**

5. a) Discuss the main features of the Competition act. **(4)**

   b) A consumer files a complaint for a defective refrigerator worth ₹65 lakh. Identify the appropriate Consumer Redressal Forum to approach under the Consumer Protection Act, 2019, and explain the reasoning. Also describe the powers that the Commission can exercise in such a case. **(8)**

SECTION – B

6. **Case study:** **(12)**

a) A mall had rented a shop to Manish, from where he ran a music store. Under the tenancy agreement, sub-letting the premises was prohibited. Sub-letting would give the right to the mall to terminate the tenency and claim damages. Manish was advised to run his business as a company. He formed a private limited company. Of the total 30,000 shares in the company, Manish held 29999 shares and the only remaining share was held by his wife. He was appointed as a director and also an employee by the articles of association. To affect the transition, Manish sold the music store with all its rights and liabilities to the company. Thereafter, he continued to run the music store as he had always done. Four months later, the mall got to know of the change. The mall terminated the tenancy on the grounds that Manish had sub-let the premises and is claiming damages. Manish protests this. Decide using the IRAC rule.

b) Omega Limited is a company exclusively engaged in the business of selling computer software. A director of the company was of the view that the prices of gold was going to go up. The company could make significant gains by buying gold, holding it for a month and selling it. However, buying gold was not is not listed as an objective in the memorandum of association. Following the director's suggestion, the board of directors approved a proposal for buying gold worth 50 lakhs. The purchase manager entered in a contract with a vendor to buy the gold. Before the seller could deliver the goods, the prices went up by 10% of the contract price. The seller claimed that the contract was ultra vires and void and therefore, not binding on him. The company is claiming damages for breach of the contract. Decide using the IRAC rule.

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St Aloysius (Deemed To Be University)

Mangaluru

Semester II – P.G Examination – M.B.A

May/June - 2025

COST AND MANAGEMENT ACCOUNTING

Time: 2½ hrs. **Max Marks: 60**

SECTION - A

Answer any FOUR of the following questions **(4x12=48)**

1. a) Following information are available from the records of Radeon Ltd. **(4)**

Raw material on April 1, 2024	Rs.35,000
Purchases	Rs.85,000
Raw material on April 30,2024	Rs.20,000
Direct Wage	Rs.40,000
Factory overhead	150% of direct wage
Office and Administrative overhead	50% of Factory cost

You are required to calculate:

i. Raw material consumed

ii. Factory cost

iii. Cost of Production

iv. Percentage of factory cost on cost of production

b) Describe the primary and support activities in the value chain of an organization and explain how they add value. **(8)**

2. a) How is net profit calculated under marginal costing? Illustrate. **(4)**

b) Chahal Plywood Ltd commenced production operations on March 1, 2025 and though it was unable to sell any of its products exhibited an impressive production of 16,000 units though the normal monthly production was estimated to be 10,000 units. The following table is a summary of costs incurred at 10,000 units as on March 31, 2025 **(8)**

PARTICULARS	AMOUNT
Material	5,00,000
Labour	10,00,000
Other variable factory O/H	2,50,000
Fixed factory O/H	2,00,000
Variable selling & administration O/H	1,00,000
Fixed selling & administration O/H	25,000

Compute the Net Profit according to Absorption & Marginal Costing & analyze the difference in profits for the month of March 2025.

Contd...2

3. a) A company manufactures three models economy, deluxe, super deluxe. From the data given below advise the management on the priority according to which the models are to be produced with a view to enhancing the profitability of the concern **(4)**

i) if the sales potential in value and

ii) sales potential in units are limiting factors.

PARTICULARS	ECONOMY	DELUXE	SUPER DELUXE
Selling price p.u.	1000	1200	1400
Material cost per unit	450	650	850
Direct Labour cost per unit	100	100	100
Other variable costs per unit	60	90	142

b) The sales turnover and profit during two time periods are as follows: 2023: **(8)**

Sales Rs. 20,00,000; Profit Rs. 2,00,000

2024: Sales Rs. 30,00,000; Profit Rs. 4,00,000

Calculate the P/V ratio; Contribution; Variable cost; B.E.P; Margin of Safety for both periods; Profit when the sales are Rs. 35,00,000 and Rs.37,50,000; Sales to earn a profit of Rs. 2,50,000 and 4,30,000.

4. a) How does budgetary control differ from standard costing? **(4)**

b) A company produces and sells 3 different items in its product line- Cold cream, Snow cream and Suntan lotion in 10 ml tubes. The company divided its market into 2 zones, namely North and South. They require you to prepare a Quantitative and Sales budget for the forthcoming period based on last quarter's sales. The following was the information relating to last year. **(8)**

Particulars	North Zone		South Zone	
	Units	Price per unit	Units	Price per unit
Snow Cream	10,000	100	15,000	100
Suntan Lotion	5,000	160	7,500	160
Cold Cream	6,000	200	6,000	200

For the quarter April to June 2025, it is estimated that the sale of snow cream will go up by 20% in the South Zone and that of North Zone by 500 units. The company plans to introduce a publicity film for the Suntan Lotion on the local TV network. This will increase the sales by 15% in north zone and 20% in south zone. While there was no proposal to change the prices of Snow cream, it was proposed to introduce a cut of Rs. 10 in the price of the Suntan Lotion and Rs. 20 in cold cream.

There was no change in the sales of Cold Cream.

Contd...3

5. a) From the following information calculate material variance. **(4)**

Material	Standard		Actual	
	Quantity (Kg)	Price (Rs)	Quantity (Kg)	Price (Rs.)
Wheat	100	20	120	30
Milk	200	60	180	50
Total	300		300	

b) The details regarding the composition and daily wage rates of labour forces engaged on a job are as follows: **(8)**

Category of workers	Budgeted		Actual	
	No. of hours worked	Rate per hour	No. of hours worked	Rate per hour
Skilled	50	600	30	700
Semi-skilled	60	400	70	500
Unskilled	90	300	80	200

Calculate and analyse all the labour variances.

SECTION – B

6. **Case study:** **(12)**

A manufacturer is desirous to discontinue one item from the product line and replace it with another. Following are the current details:

Product	Price per unit (Rs.)	Variable cost (Rs.)	Sales Mix (%)
Book shelves	60	40	30%
Tables	100	60	20%
Beds	200	120	50%
Total fixed cost per year Rs.7,55,000			
Sales last year Rs.25,00,000			

The change under consideration consists in dropping the line of tables in favour of cabinets. If this change is made, the manufacturer forecasts the following cost output data:

Product	Price per unit (Rs.)	Variable cost (Rs.)	Sales Mix (%)
Book shelves	60	40	50%
Cabinets	160	60	10%
Beds	200	120	40%

Total fixed costs and sales remain the same. Is this proposal to be accepted? Comment.

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Mangaluru
Semester II – P.G Examination – M.B.A.
May/June - 2025

ENTREPRENEURSHIP

Time: 2½hrs. **Max Marks: 60**

SECTION - A

Answer any FOUR of the following questions **(4x12=48)**

1. a) Social entrepreneurs look out for solutions that benefit society not for profits. – justify your answers with examples **(4)**

   b) Demonstrate how rural entrepreneurship strengthens local economies. Reflect on challenges faced by rural entrepreneurs in accessing markets and capital. **(8)**

2. a) Compare the strategic implications of adopting a New-Old versus a New-New approach when launching a startup. **(4)**

   b) Ravi is planning to become an entrepreneur soon after completing his studies. He is exploring different approaches to enter the business world. Suggest suitable pathways he can consider for new venture creation. **(8)**

3. a) Differentiate between angel investors and venture capitalists. **(4)**

   b) In today's competitive startup ecosystem, how can a budding entrepreneur effectively secure the necessary financial resources to launch and grow a new business venture **(8)**

4. a) Elaborate the pitfalls one must avoid while selecting new ideas and opportunities **(4)**

   b) Explain the essential elements of a business plan with a suitable example. **(8)**

5. a) Elaborate on the key reasons for pursuing growth in your business, and how do these align with your long-term goals **(4)**

   b) Carry out a Segmentation, Targeting, and Positioning(STP) for the product of your choice **(8)**

SECTION – B

6. **Case study:** **(12)**

Lighting Lives – Ramesh's Solar Solutions

Ramesh, a young engineering graduate from a village in Bihar, returned home to see frequent power cuts hampering everyday life. Students couldn't study after dark, farmers struggled with water pumps, and shopkeepers closed early. Determined to create change, Ramesh founded "Grameen Urja," a rural solar energy startup. He used a mix of government subsidies and microfinance to set up small-scale solar grids. He trained local youth to install and maintain solar panels, creating jobs and a skilled workforce. His team established solar charging stations, enabling mobile charging and LED lighting at nominal costs. Ramesh began with his village, then expanded to 30 nearby villages. He offered affordable payment plans and partnered with NGOs for awareness programs. His initiative not only improved productivity and education but also reduced dependence on kerosene. Ramesh now plans to integrate solar-powered water pumps and Wi-Fi zones, making villages smarter and more self-reliant.

Questions (6 marks each):

1. What entrepreneurial opportunities exist in rural areas as seen in Ramesh's case?
2. Explain how Ramesh's business contributes to rural development.

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St Aloysius (Deemed To Be University)

Mangaluru

Semester II – P.G Examination – M.B.A

May/June - 2025

CORPORATE FINANCIAL MANAGEMENT

Time: 2½ hrs. **Max Marks: 60**

SECTION - A

Answer any FOUR of the following questions **(4x12=48)**

1. a) Suppose you expect to receive Rs. 5,000 annually for 7 years, each receipt occurring at the end of the year. What is the present value of this stream of benefits if the discount rate is 8%? **(4)**

   b) Financial management is about making strategic decisions that drive an organization's future. Explain the scope of financial management. **(8)**

2. a) Calculate the benefit cost ratio for the following project which is being evaluated by a firm that has a cost of capital of 14%. Also calculate the net benefit cost ratio.

Investment outlay (Rs)	2,00,000
Benefits (Rs)	
Year 1	50,000
Year 2	80,000
Year 3	80,000
Year 4	1,00,000

(4)

   b) Atharv Ltd wishes to raise additional finance of Rs.8,00,000 for meeting its investment plans. It has Rs.1,20,000 in the form of retained earnings available for investment purposes.

   The following are the further details.

   - Debt equity mix 40:60
   - Cost of debt up to Rs.2,00,000, 8% (before tax); beyond Rs.2,50,000,12% (before tax).
   - Earnings per share Rs.5
   - Dividend pay-out is 60% earnings.
   - Expected growth rate in dividend is 8%.
   - Current market price per share is Rs.52.
   - Tax rate is 35%.

   You are required to;

   1. Determine the factor for raising the additional finance assuming the firms intense to maintain existing debt equity mix.
   2. To determine the post-tax average cost of additional debt.
   3. To determine the cost of retained earnings and cost of equity
   4. Compute the overall weighted average after tax cost of additional finance. **(8)**

Contd...2

3. a) Discuss the role of risk and uncertainty in investment decision making. (4)

b) A company is examining two independent investment projects; the management of the company uses CE Approach to evaluate the new investment proposals. Advise the company which project should be taken based on the following data.

Years	Proposal A		Proposal B	
	CFAT (Rs)	CEC	CFAT(Rs)	CEC
0	12,50,000	1.0	12,50,000	1.0
1	7,50,000	0.8	4,50,000	0.9
2	7,50,000	0.7	9,00,000	0.8
3	7,50,000	0.6	6,00,000	0.7
4	7,50,000	0.5	8,00,000	0.4
5	7,50,000	0.3	5,00,000	0.3

The firms risk free borrowing rate is 10%. Which project is riskier? (8)

4. a) A company expects an operating income (EBIT) of Rs. 140,000. The company has Rs. 240,000, 12% debentures. The company's overall cost of capital is 10%. Calculate the total value of the firm and equity capitalization rate as per the NOI theory. (4)

b) Calculate operating leverage and financial leverage under situations 1 and 2 and financial plans X and Y respectively. From the following information relating to the operation and capital structure of Striker Ltd, also find out the highest and lowest values as per combined leverage. (8)

Actual Production and sales (units)	1,000
Selling price/ unit (Rs)	20
Variable cost / unit (Rs)	15
Fixed cost (Rs):	
Situation 1	1,000
Situation 2	2,000

Capital Structure:

Particulars	Financial Plans	
	X	Y
Equity (Rs)	7,500	2,500
Debt (Rs)	2,500	7,500
Cost of debt (%)	12	12

5. a) Briefly explain the various sources of finance available to investors from international markets. (4)

Contd...3

b) Considering the following information, calculate the price of the share as per Gordon's Model of dividend policy.

Net sales	Rs.2,40,00,000
Net profit Margin	15%
Preference shares	Rs. 60,00,000 @15% dividend
No. of equity shares	2,00,000
Cost of capital	14%
Retention ratio(b)	40%, 60%, 90%
Return on investment	16%, 14%,12%

(8)

SECTION – B

6. **Case study:** (12)

Roshan ltd is considering a new project for manufacture of pocket video games involving a capital expenditure of Rs. 600 lakhs and working capital of Rs. 150 lakhs. The capacity of the plant is for an annual production of 12, 00,000 units and capacity utilization during the 6 year working life of the project is expected to be as indicated as below.

Year	Capacity Utilization (%)
1	33.33
2	66.67
3	90
4-6	100

The average price per unit of the product is expected to be Rs. 200 netting a contribution of 40%. The annual fixed cost, excluding depreciation is estimated to be Rs. 480 lakhs per annum from the third year onwards. For the first and second year it would be Rs. 240 and 360 lakhs respectively. The average rate of depreciation for tax purpose is 33.33% on the capital assets. The rate of income tax may be taken at 35%. Cost of capital is 15%. At the end of the third year an additional investment of Rs. 100 lakhs would be required for the working capital. Terminal value for the fixed assets may be taken at 10% and for the current assets at 100 %. Calculate the Net Present Value.

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BM6CPSC572 Reg. No.

St Aloysius (Deemed to be University)

Mangaluru

Semester II – P.G Examination – M.B.A

May/June - 2025

LEADERSHIP IN BUSINESS ORGANISATIONS

Time: 2½ hrs. **Max Marks: 60**

SECTION - A

Answer any FOUR of the following questions **(4x12=48)**

1. a) Explain the distinction between leadership and management (4)
   b) Explain the Managerial Grid by Blake and Mouton (8)
2. a) Describe the impact of achievement motivation in leadership roles (4)
   b) Analyze the difference between general and task-related personality traits with examples. (8)
3. a) Evaluate the impact of charisma on organizational effectiveness. (4)
   b) Distinguish between transformational and transactional leadership (8)
4. a) Briefly discuss the concept of situational leadership. (4)
   b) Explain in detail Fiedler's Contingency theory of leadership (8)
5. a) How does Burn's perspective define ethical leadership? (4)
   b) Discuss the role of servant leadership in promoting employee well-being. (8)

SECTION – B

6. **Case study:** **(12)**

Sandra Coke is vice president for research and development at Great Lakes Foods (GLF), a large snack food company that has approximately 1,000 employees. As a result of a recent reorganization, Sandra must choose the new director of research. The director will report directly to Sandra and will be responsible for developing and testing new products. The research division of GLF employs about 200 people. The choice of directors is important because Sandra is receiving pressure from the president and board of GLF to improve the company's overall growth and productivity. Sandra has identified three candidates for the position. Each candidate is at the same managerial level. She is having difficulty choosing one of them because each has very strong credentials. Alexa Smith is a longtime employee of GLF who started part-time in the mailroom while in high school. After finishing school, Alexa worked in as many as 10 different positions throughout the company to become manager of new product marketing. Performance reviews of Alexa's work have repeatedly described her as being very creative and insightful. In her tenure at GLF, Alexa has developed and brought to market four new product lines. Alexa is also known throughout GLF as being very for the success of each of the four new products with which she has been involved.

Contd...2

A second candidate for persistence about her work: When she starts a project, she stays with it until it is finished. It is probably this quality that accounts for the new position is Kelsey Metts, who has been with GLF for five years and is manager of quality control for established products. Kelsey has a reputation for being very bright. Before joining GLF, she received her MBA at Harvard, graduating at the top of her class. People talk about Kelsey as the kind of person who will be president of her own company someday. Kelsey is also very personable. On all her performance reviews, she received extra-high scores on sociability and human relations. There isn't a supervisor in the company who doesn't have positive things to say about how comfortable it is to work with Kelsey. Since joining GLF, Kelsey has been instrumental in bringing two new product lines to market. Thomas Santiago, the third candidate, has been with GLF for 10 years and is often consulted by upper management regarding strategic planning and corporate direction setting. Thomas has been very involved in establishing the vision for GLF and is a company person all the way. He believes in the values of GLF, and actively promotes its mission. The two qualities that stand out above the rest in Thomas's performance reviews are his honesty and integrity. Employees who have worked under his supervision consistently report that they feel they can trust Thomas to be fair and consistent. Thomas is highly respected at GLF. In his tenure at the company, Thomas has been involved in some capacity with the development of three new product lines. The challenge confronting Sandra is to choose the best person for the newly established director's position. Because of the pressure she feels from upper management, Sandra knows she must select the best leader for the new position.

Questions : 1. Based on the information provided about the trait approach, if you were Sandra, whom would you select? **(6 Marks)**

2. In what ways is the trait approach helpful in this type of selection and in what ways are the weaknesses of the trait approach highlighted in this case? **(6 Marks)**

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BM6CPSC573

Reg. No. | | | | | | | | |

St Aloysius (Deemed To Be University)

Mangaluru

Semester II – P.G Examination – M.B.A

May/June – 2025

MARKETING MANAGEMENT

Time: 2½ hrs. Max Marks: 60

SECTION - A

Answer any FOUR of the following questions. (4x12=48)

1. a) Differentiate between manufacturer (National) brands and private brands (4)

   b) Rashi's team is launching a new smartphone. Apply individual product decision-making steps to introduce the smartphone. (8)

2. a) State two key public policy concerns in pricing. (4)

   b) What are the key steps involved in implementing a value-based pricing strategy, and how can businesses effectively assess customer perception of value to ensure successful pricing decisions? (8)

3. a) What are the key functions performed by wholesalers? (4)

   b) A mid-sized apparel brand wants to enter Tier 2 cities. It is debating between a franchise model and company-owned stores. Apply relevant channel design principles and evaluate both the models. (8)

4. a) What are the factors affecting 'Budget Size'? (4)

   b) Analyse on how the key elements of the Communication Process influence the effectiveness of marketing messages, and how can businesses optimize each element for maximum impact? (8)

5. a) A mobile phone company launches a model during the festive season with a cashback offer and heavy newspaper advertising. Classify these strategies and their likely impact. (4)

   b) A regional dairy brand employed local salespeople to promote its products in nearby towns. Sales rose by 30% in 6 months. Apply the personal selling process to explain the success. (8)

SECTION – B

6. **Case study:** (12)

   Rise & Grind is a fast-growing coffee chain in southern India that has built its reputation on ethically sourced beans, community-themed interiors, and friendly service. The brand started as a single outlet but now operates 15 stores across three cities. As it scales, Rise & Grind has begun facing inconsistencies in customer experience and service delivery. While

Contd...2

customers in Bengaluru give high ratings for ambiance and service quality, those in Coimbatore complain about long wait times and under-trained staff. The management is now reviewing its marketing strategy, especially how to retain service quality while expanding. The chain is also exploring a new "Rise at Home" subscription product that delivers freshly ground coffee powders, recipes, and merchandise to customers monthly. Management sees this as a way to augment the brand experience beyond physical outlets and diversify revenue.

Questions:

a) Apply the concept of the Service-Profit Chain to suggest how Rise & Grind can improve its consistency across outlets.

b) Analyze how Rise & Grind's new subscription box exemplifies the three levels of a product.

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BM6CPSC574 Reg. No. | | | | | | | | |

St Aloysius (Deemed To Be University)
Mangaluru
Semester II – P.G Examination – M.B.A.
May/June - 2025

ECONOMETRIC ANALYSIS

Time: 2½hrs. **Max Marks: 60**

SECTION - A

Answer any FOUR of the following questions **(4x12=48)**

1. a) Assume that you have been assigned the task of predicting the demand for used cars in Mangalore. Identify the relevant variables and specify an econometric model. Justify the selection of variables. **(4)**

   b) The selection of the appropriate regression and correlation techniques depends on the nature of variables. Elaborate. **(8)**

2. a) Distinguish between estimated t value and critical t value. Compute and interpret the t value for the slope coefficients of the following model **(4)**

bpsystol	Coef	Std.Err
height	-0.746	0.389
weight	0.339	0.273
bpdiast	1.29	0.341
_cons	124	69.97

   b) Following are the results of the estimated regression model of bpsystol on bmi (Number of Observations =500; critical t value is 2.0) **(8)**

bpdiast	Coef.	Std. Err.
bmi	1.022157	.0238222
_cons	55.61158	.6195241

a).Write the estimated model and interpret $\beta 1$

c). Perform hypothesis testing for $\beta 1$ using the test of significance approach.

3. a) Slope coefficients of a multiple regression model are known as partial Regression coefficients. Explain Interpret the slope coefficients of the below model **(4)**

bpdiast	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
height	-.1348312	.0145474	-9.27	0.000	-.163347	-.1063154
weight	.3258082	.0085134	38.27	0.000	.3091202	.3424962
age	.1490231	.0072369	20.59	0.000	.1348375	.1632088
tcresult	.0206819	.0025038	8.26	0.000	.015774	.0255898
hgb	1.016012	.2170078	4.68	0.000	.5906348	1.441389
hct	-.0475294	.0815268	-0.58	0.560	-.2073378	.1122789
_cons	56.80929	2.334927	24.33	0.000	52.23239	61.3862

Contd...2

b) Select the best model from the competitive multiple regression models given below **(8)**

	Model 1	Model 2	Model 3	Model 4
No. of observations (n)	23	23	23	23
No. of Independent variables	2	3	4	5
ESS	1072.9	1089.27	1120.17	1127.25
R^2	0.897	0.911	0.937	0.943

4. a) Dirty data is like a blind spot, and for a business's direction and goals, it can result in taking the wrong steps. Elaborate this highlighting the importance of data cleaning. **(4)**

b) Outliers are data points that lie outside the majority of the data in a particular data set. Explain this highlighting the methods to detect and handle outliers in a dataset. **(8)**

5. a) Provide the python codes for the following **(4)**

To import an csv file named Data from the python directory

To view the top 25 observations

To view bottom 10 observations

To set the date column as index

To compute the descriptive statistics

b) Explain the steps involved in estimating and validating quadratic trend regression model in Python. **(8)**

SECTION – B

6. **Case study:** **(12)**

Keynes theory of consumption postulates that as income increases consumption also increases. Following are the sample data on income (X) and consumption expenditure (Y) of 10 families. (In ₹)

Xi	80	100	120	140	160	180	200	220	240	260
Yi	55	65	90	95	118	115	145	140	145	150

a. Estimate Keynes' consumption model and comment on income-consumption relationship

b. Predict the consumption of a family whose income is ₹ 350

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