

Strategic
Management

NOV-16

MCom-I

Sem-I

QP Code :804201

(2 Hours)

[Total Marks : 60

- N. B. :** (1) All questions are **compulsory**.
(2) Figures to the **right** indicate **full** marks.

1. (a) Explain the strategic management process. 15
(b) Elaborate the business level strategies.
OR
(c) Write a note on Human Resource Strategy. 15
(d) Discuss the Micro Environmental factors of business.
2. (a) Explain the various stages in the process of merger and acquisition. 15
(b) Elucidate the GE, Nine cell matrix.
OR
(c) What is ETOP? Explain with the help of example. 15
(d) Explain the modern techniques of controlling.
3. (a) Describe the various forms of corporate restructuring strategies. 15
(b) What are the problems faced by Indian Strategic Alliances? Explain.
OR
(c) Explain the various governing strategies of PPP model. 15
(d) What are the limitations of IT strategies? Explain.
4. (a) Fill in the blanks with appropriate options :- 5
(i) _____ strategies involve reduction in the scope of corporation's activities.
(a) Retrenchment (b) Stability
(c) Diversification (d) None of these
(ii) A merger between two companies that operates in completely different industry is known as _____ merger.
(a) Concentric (b) Conglomerate
(c) Horizontal (d) Vertical
(iii) _____ control is the process by which budgets are prepared for the future period.
(a) MBO (b) PERT
(c) CPM (d) None of these

[TURN OVER

- (iv) Overdependence on _____ makes everyone less active and less innovative.
 (a) Biotechnology (b) Information technology
 (c) Chemotechnology (d) None of these
- (v) _____ is/are mental coping strategies in disaster.
 (a) Make fit (b) Accept reality
 (c) Share feelings (d) All of these
- (b) State whether the following statements are True or False :- 5
- (i) Political Environment in a country influences the legislature, Executive & Judiciary system.
 - (ii) A Joint Venture is a permanent business arrangement between two different companies.
 - (iii) Strategy implementation is the translation of chosen strategy into organisational action to achieve the goals.
 - (iv) Balance scorecard is a recent technique of strategic control.
 - (v) According to government initiatives in make in India 4 D's means Durability, Dependence, Division & Diplomacy.
- (c) Match the column :- 5
- | Group 'A' | Group 'B' |
|------------------------|---|
| (1) Marketing strategy | (a) Pradhan Mantri Mudra Yojna |
| (2) ETOP | (b) CRM |
| (3) BCG matrix | (c) Environmental threats & opportunities |
| (4) Strategic Alliance | (d) Developed by Bruce Henderson |
| (5) Make in India | (e) Franchising |
- OR**
- (c) Write short notes on (any three) :- 15
- (a) Reasons for growth of BPO in India.
 - (b) Steps in Process Reengineering
 - (c) Strategies for managing & preventing disasters.
 - (d) Make in India model.
 - (e) Start-up business strategies.

Business Ethics →
Corporate Responsibility

Q. P. Code : 804401

(2 Hours)

[Marks : 60]

- Note : (1) All Questions are compulsory
(2) Figures to the right indicate full marks.

1. (a) Explain the need and importance of Business Ethics. 15
(b) Briefly explain Ethics Management Programme.

OR

- (c) Explain Friedmans Economic Theory of Business Ethics.
(d) Briefly explain Gandhian Approach in Management and Trusteeship.

2. (a) Explain in detail the ethical practices in Marketing and Advertisement. 15
(b) Discuss in brief the importance of Corporate Governance.

OR

- (c) Briefly explain the regulatory framework of Corporate Governance in India.
(d) Explain the causes of failure of Corporate Governance in India.

3. (a) Write in brief the importance of CSR in Contemporary Society. 15
(b) Explain the drivers of CSR.

OR

- (c) Discuss CSR practices in any four Indian Corporations.
(d) Discuss the role of NGO's in CSR implementation.

4. (A) State whether the following statements are True or False. 05
(i) Work ethos is necessary to complete self job.
(ii) Plagiarism refers to copying of others published work.
(iii) Ads in poor taste are ethical in nature.
(iv) CSR brings social change in the Society.
(v) Environment sustainability reporting is mandatory in India.

TURN OVER

B. Fill in the blanks with appropriate option.

05

- (i) Duty theory is a type of ----- theory.
(Deontological, Teleological, Utilitarian, all of the above)
- (ii) ----- refers to fair & just treatment to all stakeholders.
(Equity, MBO, Scalar chain, Partiality)
- (iii) ----- helps to stabilise and improve stock prices.
(Corporate Governance, Unethical business, Malign Growth, all of the above)
- (iv) The term "Triple Bottom Line" was coined by-----.
(John Elkington, Peter Drucker, Philip Kotler, none of the above)
- (v) The aim of fair Labour Association is to improve-----
conditions in factories. (working, welfare, women, child)

C. Match the following:

05

Group 'A'

- Sources of Ethics
- Promotion Ethics
- CSR towards Government
- CSR Impact Award
- Inter Governmental Body

Group 'B'

- Fair Advertising
- Religion
- NGOBOX
- Taxes to be paid on time
- International Labour Organization

OR

4. Write short notes (Any three)

15

- CSR towards creditors & financial Institutions.
- Role of HR professionals in CSR.
- Major codes on CSR.
- Functions of UNDP.
- CSR through Triple Bottom Line.

(2 Hours)

[Total Marks : 60

- N.B. :** (1) All questions are compulsory.
(2) Figures to the right indicate full marks.
(3) Draw neat diagrams wherever necessary.

1. a) Explain the theory of attributes in detail. 8
b) Discuss changes in consumer's equilibrium due to changes in price of a commodity and derive the price consumption curve. 7

OR

- c) What is bandwagon effect ? Discuss how it is different from snob effect. 8
d) Discuss the applications of elasticity of demand to economic issues. 7

2. a) Explain production function with two variable inputs and show economic region of production with the help of ridge lines. 8
b) Bring out the relationship between AFC, AVC, ATC and MC with the help of a diagram. 7

OR

- c) Tangency between an Isoquant and an Isocost line indicates producer's equilibrium. Explain 8
d) i) Find out the total output with the help of following information 7
 $Q = 0.5X + 2Y + 40Z$
 $X = 100, Y = 200, \text{ and } Z = 200$
ii) Also find out the change in total output if all the inputs are increased by 2%.

3. a) What is market structure? Identify the major differences between perfect competition and imperfect competition. 8
b) Explain with a suitable diagram how a dominant firm will decide the price and output under collusive oligopoly. 7

OR

- c) Will a monopolist remain in business in the short run if he is just covering his average cost? Explain with the help of a diagram. 8
d) A and B are two touring foreigners who met at a railway station in India. They are caught by the police and taken to the local police station to be questioned separately. They are suspected of robbing local merchant. Each one of them told that if he confesses immediately, he will get only 6 months sentence. But each one of them is told separately that if he does not confess while the other confesses, he will get a sentence of 12 months. If neither of them confesses, each will be

[TURN OVER]

sentenced for 3 months on the basis of evidence with the police. A and B will not be allowed to communicate each other.

- i) Write pay-off matrix for the above case.
- ii) Discuss dilemma of both suspects A and B.

4. a) **Choose the right option**

7

- i) Human wants refer to all the goods and services individuals
a) need b) desire c) have d) purchase
- ii) Total money expenses incurred by a firm in producing a commodity is called costs.
a) Money b) production c) Transformation d) None of these
- iii) efficiency occurs when good and services are distributed according to consumer's preferences.
a) Technical b) Allocative c) Productive d) None of these
- iv) profit considers theoretical estimation of cost based on opportunity cost and value.
a) Accounting b) Economic c) Business d) Market
- v) The goods having features of non-rival in consumption and non-excludability are called goods.
a) Public b) Private c) merit d) None of these
- vi) State intervention is needed in the economy to
a) improve economic efficiency b) pursue social values of equity
c) provide public and merit goods d) all of the above.
- vii) In the case of goods with externalities the firms produce too little of goods.
a) Negative b) positive c) Neutral d) zero

b) **Give precise meaning of the following**

8

- i) Business economics
- ii) Externality
- iii) Asymmetric information
- iv) Economic profit

OR

4. **Write short note on any three of the following :-**

15

- i) Production possibility frontier
- ii) Distinction between accounting profit and economic profit.
- iii) Opportunity cost
- iv) Income effect
- v) Price rigidity

Costing

QP Code : 804301

(2 Hours)

[Total Marks : 60

- N. B. :** (1) All questions are compulsory carrying equal marks
(2) Use of simple calculator is permitted.
(3) Support your answer with required working notes.
(4) Round off upto two decimal points.

1. The Sun Transport operates a fleet of lorries. The records for lorry L-12 reveals the following information for September 2016 15
- Days maintained - 30
Days operated - 25
Total hours operated- 300 hours
Total kilometers covered- 2500 kms
Total tonnes carried- 200 (4 tonnes load per trip, return journey empty)
Other Information
- A. Operating Costs per month- Petrol Rs. 400/- Oil Rs. 170/- Grease Rs. 90/- Wages to driver Rs. 550
Wages to cleaner Rs. 350/-
B. Maintenance Costs for the month- Repairs Rs. 170/- Overhaul Rs. 60/- Tyres Rs. 150/- Garage charges Rs. 100/-
C. Interest Rs. 40/- License tax Rs. 80/- Insurance Rs. 50/- other fixed overheads - Rs. 190/-
D. Capital Costs- Cost of acquisition Rs. 54,000/- residual value at end of 5 years Rs. 36,000/-

Prepare a Cost sheet and Performance statement showing

1. Cost per day maintenance
2. Cost per day operated
3. Cost per kilometer
4. Cost per hour
5. Cost per commercial tonne kms

OR

1. LSK Ltd manufactures a simple product the standard mix is as follows 15
- Material L- 60% @ Rs. 30/kg
Material S - 40% @ Rs. 15/kg
Normal loss in production is 20% of total input. Due to shortage of Material L the Standard mix was changed and actual results are as below -
Material L- 210 kgs @ Rs. 30/kg

[TURN OVER

Material S - 190kgs @ Rs. 13/kg
 Input - 400 kgs
 Loss -70 kgs
 Output- 330 kgs
 Calculate all the material variances.

2. AB Ltd. is currently operating at 75% capacity and producing 75,000 units. In the past two years, level of operations was 55% and 65% respectively. The company is planning for 85% capacity level during 2017-18. The cost details are as follows:

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Particulars	55% (Rs)	65% (Rs)	75% (Rs)
Direct materials	11,00,000	13,00,000	15,00,000
Direct labour	5,50,000	6,50,000	7,50,000
Factory overheads	3,10,000	3,30,000	3,50,000
Selling overheads	3,20,000	3,60,000	4,00,000
Administrative overheads	1,60,000	1,60,000	1,60,000

Profit is estimated @20% on sales

The following increase in costs is expected during the year 2017-18:

- Direct material - 8%
- Direct labour- 5%
- Variable factory overheads - 5%
- Variable selling overheads - 8%
- Fixed factory overheads - 10%
- Fixed selling overheads - 15%
- Administrative overheads - 10%

Prepare flexible budget for the period 2017-18 at 85% level of capacity and also ascertain profit.

OR

[TURN OVER

2. From the following information, prepare Cash Budget of a company:

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Particulars	1st quarter (Rs.)	2nd quarter (Rs.)	3rd quarter (Rs.)	4th quarter (Rs.)
Opening cash balance	10,000	-	-	-
Collection from customers	1,25,000	1,50,000	1,60,000	2,21,000
Payments:				
Purchase of materials	20,000	35,000	35,000	54,200
Other expenses	25,000	20,000	20,000	17,000
Salary and wages	90,000	95,000	95,000	1,09,200
Income tax	5,000	-	-	-
Purchase of machinery	-	-	-	20,000

All sales are on credit basis. The company desires to maintain cash balance of Rs 15,000 at the end of each quarter. Cash can be borrowed or repaid in multiple of Rs 500 at an interest of 10% per annum. The company does not want to borrow cash more than what is required and wants to repay as early as possible. Interest is paid when the principal is repaid. Assume that borrowings take place at the beginning and repayments are made at the end of quarter.

3. Kohler & Co. manufactures a single product at a marginal cost of Rs. 120, having selling price of Rs. 200 and bears fixed costs of Rs. 8,000 annually. Calculate:

15

- Contribution per unit;
- Profit-volume ratio;
- Break-even point both in units and value;
- Profit at a sales of 300 units;
- Sales required to earn a profit of Rs. 32,000;
- Margin of safety (in units, value & percentage) at 200 units;
- Revised break-even sales (units & Rs.) if selling price is reduced by 10%

OR

[TURN OVER

3. Arihant Ltd. is annually producing 25,000 tablets of 'Gasolene' having selling price of Rs. 10, at a marginal cost of Rs. 6 on a machine and using, inter-alia, raw material 'B' being consumed @ 10 gms. per tablet and costing Rs. 2 per 10 gms. 15

The company has received a proposal of self-manufacturing the material 'B' at Re. 1 per 10 gms. by partly using the machine presently being used for producing 'Gasolene'. By doing so, it shall loose production of 5,000 tablets annually on account of the machine being partially occupied in manufacture of material 'B'.

Advise the company whether it should continue buying material 'B' being bought from outside as it is doing at present or whether it should start manufacturing 'B', substantiating your advice with appropriate workings and reasons.

4. (A) Rewrite the entire sentence selecting the most appropriate alternative with the given serial no.s without altering the order / sequence : 8
1. Fixed costs are fixed _____.
(totally / per unit / both of these).
 2. For a monthly budget to be prepared for 6 consecutive months, Bank overdraft i.e. temporary finance as may be required _____ be worked out at once for all 6 months simultaneously
(can / cannot / may).
 3. Depreciation accounting will _____ effected in Cash budget
(be / not be).
 4. _____ is the cost centre or cost unit in transport costing
(passenger-kms./ tonnekms. / room-days).
 5. _____ is the cost centre or cost unit in hotel costing
(passenger-kms./ tonne-kms. / room-days).
- In a Tour by Bus business, the fuel cost will depend upon _____.
(passanger-kms. / kilometers / total enterprise's investment).
7. The _____ factor is known as the key factor
(most scarce / least scarce / most liked).

[TURN OVER

8. _____ will be Standing costs for a Tourism business
(Fuel / Insurance / Oil and accessories).

(B) Match the following by rewriting the columns A & B by matching on an overall most appropriate basis:

A

1. Fixed costs
2. Partly fixed, partly variable costs
3. Production budget
4. Cash budget
5. Checking of reality with estimates
6. Constant per unit
7. Purchase budget

B

- a) Only in quantity terms
- b) Variance analysis
- c) Charges per room-days
- d) Sunk costs
- e) Preceeds Production budget
- f) Semi-variable costs
- g) Variable costs
- h) Depreciation to be ignored
- i) Succeeds production budget
- j) Depreciation to be taken into account

OR

4. Write short notes on any **three**

1. Marginal Costing
2. Overhead Variance
3. Need for budgetary control
4. Flexible Budget
5. Operating costing of hotel

15