

SEM I

Time: 2 Hours

Total Marks: 60

N.B:

- 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. (a) Explain the concept of Vision and Mission in strategic management. (15)
(b) Enumerate the benefits of strategic management.

OR

(c) Define strategic management. Elaborate the various financial strategies. (15)
(b) Describe the components of macro business environment.

Q.2. (a) Explain any two alternative strategies under the formulation of strategies. (15)
(b) Elucidate the SWOT analysis as a part of corporate portfolio analysis.

OR

(c) Discuss the factors affecting strategic choice (15)
(d) Explain the limitations of budgetary control.

Q.3. (a) Discuss the various external factors of corporate renewal strategies. (15)
(b) What is Strategic Alliance? Explain its importance in India.

OR

(c) Enumerate the problems of PPP model in India. (15)
(d) Highlights on the contribution of IT sector in Indian business.

Q.4. A) Fill in the blanks with appropriate options. (5)

1. Strategy ----- is the final step of strategic management process.
a) Formulation b) Implementation c) Evaluation d) Planning

2. Supplier is a part of ----- factor of the business environment
a) Internal b) Micro c) Macro d) Fixed

3. ----- basically start for short term benefits
a) Foreign collaboration b) Franchisee c) Diversification d) Joint venture

4. In the full form of PPP includes one of the "P" is -----
a) People b) Private c) Partner d) All of these

5. ----- is a type of man-made disaster.
a) Cyclone b) Earthquake c) War d) Flood

Q. 4. B) State whether the following statements are True or False. (5)

- 1) Retrenchment strategies involve an extension in the scope of a corporation's activities.
- 2) Business valuation is the first process of Merger and Acquisition.
- 3) PERT/CPM is the traditional method of controlling.
- 4) Franchising is one of the types of strategic alliance.
- 5) Successful entrepreneurs take risks.

2

Q. 4. C) Match the Column.

(5)

Sr. no.	Group A	Group B
1)	Focused low cost	a) Toxic culture
2)	Turnaround strategy	b) Reduction of losses
3)	Internal cause of renewal	c) Mitigation
4)	Strategic alliance	d) Business level strategy
5)	Prevention disaster	e) Company profitable again

OR

Q4. Write Short notes on (Any Three)

(15)

- 1) Reason for Growth of KPO
- 2) Operational reengineering
- 3) Consequences of disaster
- 4) Process of business start-up
- 5) Make in India model

[Time: 2 Hours]

[Marks:60]

Please check whether you have got the right question paper.

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

Q.1

- a) Explain the determinants of demand. 07
- b) "Tangency between indifference curve and price line is a necessary condition but not a sufficient condition for consumer's equilibrium", Discuss. 08

OR

- c) Explain the minimum wage controversy. 07
- d) Explain the concept of Bandwagon effect and Veblen effect. 08

Q.2

- a) "The firm can maximize its profits by employing the factors in optimal combinations at which the cost of production will be minimum", Explain. 07
- b) Explain the law of variable proportion with suitable illustration and diagram. 08

OR

- c) Write a note on – 'Learning curve'. 07
- d) The total cost schedule of a firm is given below, from this derive the TFC, TVC, AFC, AVC, ATC and MC of the firm. 08

Output (units)	0	1	2	3	4	5
TC (Rs.)	60	100	120	162	236	360

Q.3

- a) Explain the equilibrium of a discriminating monopolist with the help of a suitable diagram. 07
- b) Explain with help of suitable diagram equilibrium of an oligopoly firm facing kinked demand curve. 08

OR

- c) Explain the methods of measuring monopoly power. 07
- d) Alen and Jack were involved in the drug selling. They were caught by Drug Enforcement Administration but they had insufficient proof and hence they require a testimony from either of them to go ahead with the prosecution. Both of them will be interrogated separately and do not come in any kind of contact what so ever. 08

Both the suspects do not want to end up in jail.
Following is the pay off matrix for Alen and Jack.

	Alen Confess	Alen Don't Confess
Jack Confess	8 years, 8 Years.	0 years, 20 years
Jack-Don't confess	20 years, 0 years	6months, 6 months

On the basis of above pay off matrix..

- i) Explain the basic concepts used in the game theory.
- ii) Discuss dilemma of both suspects Alen and Jack

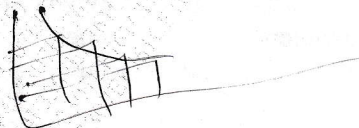
- Q.4 a)** State whether the following statements are true or false 07
- i) Business economics is the applications of economics to business decisions.
 - ii) In a market economy prices act as incentives and signals.
 - iii) Profit is maximized at a point where total revenue is greater than total cost.
 - iv) Economic profit = Total revenue – Explicit cost
 - v) The imperfect information is a source of market failure.
 - vi) Market failure does not occur in the case of public goods.
 - vii) Allocative efficiency occurs when goods and services are distributed according to consumer preference.

- b)** Give precise meaning of the following 08
- i) Externalities
 - ii) Opportunity cost
 - iii) Public goods
 - iv) Accounting Profit

OR

- Q.4** Write short note on any three of the following 15

- a) Scope of Business Economics
- b) Production possibility frontier
- c) Expansion path
- d) External Economies
- e) Cartels



mem (e)

5
1273

Time: 2 Hours

Total Marks: 60

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

1. Prepare a Cash Budget for the three months ending 30th June from the following information.

[15 Marks]

Month	Sales Rs.	Materials Rs.	Wages Rs.	Overheads Rs.
February	1,40,000	96,000	30,000	17,000
March	1,50,000	90,000	30,000	19,000
April	1,60,000	92,000	32,000	20,000
May	1,70,000	1,00,000	36,000	22,000
June	1,80,000	1,04,000	40,000	23,000

- (a) Credit terms are- Sales/Debtors -10% sales are on cash, 50% of the credit sales are collected next month and the balance in the following month.
 (b) Creditors – Materials 2 months
 Wages ¼ month
 Overheads ½ month
 (c) Cash and Bank balance on 1st April is expected to be Rs.60,000.
 (d) Other relevant information are:
 (i) Plant and Machinery will be installed in February at a cost of Rs.9,60,000. The monthly instalments of Rs.12,000 are payable from April onwards.
 (ii) Dividend @ 5% on preference share capital of Rs.12,00,000 will be paid on 1st June.
 (iii) Advance to be received for sale of vehicles Rs.90,000 in June.
 (iv) Dividends from investments amounting to Rs.10,000 are expected to be received in June.
 (v) Income tax (advance) to be paid in June is Rs.20,000.

OR

1. A factory is currently working at 50% capacity and produces 10,000 units. Prepare a Flexible Budget and estimates the Profits of the Company when it works at 60% and 80% capacity and advise the Company. At 60% working, Raw Material Cost increases by 2% and selling price falls by 2%. At 80%, Raw Material cost increases by 5% and selling price falls by 5%. At 50% capacity working the product costs Rs.180 per unit and is sold at Rs.200 per unit.

[15 Marks]

The unit cost of Rs.180 is made up as follows:

Material	Rs.100
Labour	Rs.30
Factory Overheads	Rs.30 (40% Fixed)
Administrative Overheads	Rs.20 (50% Fixed)

Also find out Break Even Point at the above stated capacity utilisation.

2. Mahi Transport Company operates a Luxury bus, which runs between Delhi to Jaipur and back for 10 days in a month. The distance from Delhi to Jaipur is 270 Kms. The bus completes the trip from Delhi to Jaipur and comes back on the same day. The bus goes on a Delhi-Agra trip for 10 days in a month. The distance from Delhi to Agra is 180 Kms. This trip is also completed on the same day. For 4 days of its operation in a month it runs in the local city. Daily distance covered in the city is 65 Kms. The other information is given below:

[15 Marks]

Particulars	Amount (Rs.)
Cost of Bus	15,00,000
Depreciation	15% per annum
Salary of Driver	9,000 per month
Salary of Conductor	8,000 per month
Salary of Part Time Accountant	4,500 per month
Insurance	10,800 per quarter
Diesel	49 per litre
Distance covered per litre	5 Kms
Token Tax	8,100 per quarter
Lubricant Oil	300 per 100 kms
Repairs and Maintenance	8,000 per month
Permit Fee	13,050 per quarter
Normal Capacity	50 persons

The bus is generally occupied 90% of the capacity when it goes to Jaipur and 80% when it goes to Agra. It is always full when it runs within the city. Passenger tax is 25% of the fare. Calculate the rate the company should charge a passenger when it wants to earn a profit of 33% on its revenue.

OR

2. The standard mix to produce one unit of product is as follows.

[15 Marks]

Material X	60 units @ Rs. 15 per unit =	Rs. 900
Material Y	80 units @ Rs. 20 per unit =	Rs. 1600
Material Z	100 units @ Rs. 25 per unit =	Rs. 2500
	240 units	5,000

During the month of April, 10 units were actually produced and actual consumption was as follows:

Material X	640 units @ Rs. 17.50 per unit =	Rs. 11,200
Material Y	950 units @ Rs. 18 per unit =	Rs. 17,100
Material Z	870 units @ Rs. 27.50 per unit =	Rs. 23,925
	2460 units	52,225

Calculate the following:

- Material Cost variance
 - Material Price Variance
 - Material Usage variance
 - Material Mix Variance
 - Material Yield Variance
3. A company annually manufactures and sells 20,000 units of a product, the selling price of which is Rs.50 and profit earned is Rs.10 per unit. [15 Marks]

The analysis of cost of 20,000 units is

Material Cost	Rs.3,00,000
Labour Cost	Rs.1,00,000
Overhead (50% variable)	Rs.4,00,000

You are required to compute:

- Contribution per unit
- P/V Ratio
- Break Even Sales in Rs.
- Break Even Sales in Units

- (v) Sales required to earn a profit of Rs.4,00,000
- (vi) Profit when sales is 18,000 units
- (vii) Margin of safety when actual sales is Rs.7,00,000

OR

3. The Cost Sheet of a product is as follows:

[15 Marks]

Particulars	Rs. Per unit
Direct Material	10
Direct Wages	5
Factory Overheads:	
Fixed	1
Variable	2
Administrative Expenses (Fixed)	1.5
Selling and Distribution Expenses:	
Fixed	0.50
Variable	1
Cost of Sales	21

The selling price per unit is Rs.25. The above cost information is for an output of 50,000 units, whereas the capacity of the firm is 60,000 units. A foreign customer is desirous of buying 10,000 units at a price of Rs.19 per unit. The extra cost of exporting the product is Rs.0.50 per unit. You are required to advise the manufacturer whether the order should be accepted?

4. (A) Rewrite the entire sentence selecting the most appropriate alternative with the given serial no.s without altering the order/sequence: [08 Marks]

1. Fixed Costs are fixed _____
 - (a) Totally
 - (b) Per unit
 - (c) Both of these
2. The Standard which can be attained under the most favourable conditions possible _____
 - (a) Ideal Standard
 - (b) Expected Standard
 - (c) Current Standard
 - (d) Normal Standard
3. Which one of the following items would not be included in a cash budget?
 - (a) Capital repayments on loans
 - (b) Depreciation Charges
 - (c) Dividend payments
 - (d) Proceeds of sale of fixed assets
4. Sales budget shows _____
 - (a) Estimate of future sales
 - (b) Estimate of future production
 - (c) Estimate of inventory
 - (d) None of the above



5. The object of hotel costing is to find out cost _____
 - (a) Per table
 - (b) Per room
 - (c) Per bed
 - (d) Per visitor

6. Garage rent is _____
 - (a) Semi variable
 - (b) Variable cost
 - (c) Fixed cost
 - (d) None of these

7. When sales increases then break even point _____
 - (a) Increases
 - (b) Remains constant
 - (c) Decreases
 - (d) None of these

8. Overhauling is classified as _____
 - (a) Fixed cost
 - (b) Semi fixed cost
 - (c) Maintenance cost
 - (d) Marginal cost

(B) Match the following by rewriting the columns A & B by matching on an overall most appropriate basis: [07 Marks]

A	B
1. Contribution	a. Controllable Cost
2. Key Factor	b. Drawn for one level
3. Fixed Budget	c. Sales – Variable Cost
4. Flexible Budget	d. Margin of Safety in Value x P/V Ratio
5. Goods transport	e. Limiting Factor
6. Cost which cannot be influenced by the concerned cost centre	f. Drawn for multiple levels
7. Profit	g. Per Ton – K.M

OR

4. Write Short Notes on any Three:

[15 Marks]

1. Significance of Contribution
2. Labour Variance
3. Sales Budget
4. Operating Costing of Hospital
5. Limitations of Budgetary Control

(2 Hours)

Marks : 60

N.B. (1) All questions are compulsory

(2) Figures to the right indicate full marks

- 1.a) Explain the need and importance of Business ethics. 8
- b) What is an ethics committee? State and explain their responsibilities 7

OR

- c) Explain any four approaches to business ethics 8
- d) Describe Gandhi's Doctrine of Satya and Ahimsa. 7

- 2.a) Explain the specific issues in marketing ethics. 7
- b) Define Corporate Governance. Explain the factors influencing corporate Governance. 8

OR

- c) What is an Audit Committee? State their responsibilities. 8
- d) Explain the role of Board in Corporate Governance. 7

- 3. a) Explain the scope of Corporate Social Responsibility. 7
- b) State and explain any four models of CSR practices in India. 8

OR

- c) Discuss CSR practice in any four Indian Corporations..
- d) What are the legal provisions and specifications on CSR in India?

4. A) State whether the following statements are true or false:

5

- i. Ethical practices enable a firm to improve its performance.
- ii. Ads in poor taste are ethical in nature..
- iii. The HR professionals must be involved in designing the CSR policy.
- iv. Environment sustainability reporting is mandatory in India.
- v. Planet refers to sustainable environmental practices.

B) Fill in the blanks with appropriate options:

5

- i. _____ theory of ethics is very old theory existing since the time of Aristotle.
(Virtue, Justice, Teleological, Deontological)
- ii. Conflict of interest in allocating contracts and projects is an unethical practice in _____
(marketing, advertising, management, finance and accounting)
- iii. _____ refers to go being of others published work.
(Plagiarism, Duplication, Editing, Rewriting)
- iv. The aim of fair Labour Association is to improve _____ conditions in factories. (working, welfare, women, child)
- v. _____ places emphasis on meeting the needs of present and future generations.
(Sustainable Development, Education, Health, Environment)

C) Match the Pairs:

Group A

Group B

1. Sources of value
2. Infringement
3. Philanthropic
4. SA 8000
5. GRI

- a) Donation
- b) Auditable Social Certification
- c) International Reporting
- d) Unethical
- e) Genetic

OR

4. Write short notes (any three)

15

- a) CSR and Environmental Concerns
- b) AA 1000 series
- c) Major Codes on CSR
- d) CSR and Sustainable Development
- e) Ethical Issues in Financial Accounting