

ANDHRA UNIVERSITY
SCHOOL OF DISTANCE EDUCATION

3-YEAR MBA PROGRAMME

III YEAR ASSIGNMENT QUESTION PAPERS 2009-2010

COMPULSORY PAPER

BUSINESS POLICY AND STRATEGIC MANAGEMENT

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. Discuss the corporate experiences of linking strategy with ethics and social responsibilities of business.
2. Explain how environmental scanning helps any organization to formulate strategy.
3. What are the key factors for the corporate competitive success.
4. Case Study :

The Tannery and Footwear Corporation (TAFCO) of India, the only leather goods manufacturing unit in the public sector, has its' works located at Kanpur. TAFCO was formed in May, 1969 by the merger of two units of the British India corporation – Cooper Allen and the North West Tannery. The two units, after 50 years of profitable operations, had started making losses from 1952. The British owners sold the units to the Mundhras in 1956, who later sold them to the Bajorias. In 1969, when the Government purchased the fixed assets from the latter at a nominal price, they had been running at a loss for 17 years. The Government justification for takeover of the unprofitable units was that it would ensure availability of leather goods and provide continued employment for the 2,500 workers who otherwise would have lost their jobs.

At full capacity TAFCO could manufacture 5 million pairs of footwear on a single shift basis besides processing leather for use in its own factories as well as for sale outside, and producing leather goods including handbags and travel bags and ancillary products loike finishers, polishers, lacquers, adhesives, and myrobalan extract powders for tanning. The defence services were its main clients lifting 70 p.c. of the products, mainly army boots. But in 1969, the production units were running far below capacity and profits were a thing of the distant past. The sickness continued with such characteristic features as old machines, low productivity of workmen, erroneous incentive policies, incompetent supervisory and managerial staff, goondaism among workers, too many unions, an unrealistic wage structure, high turn over of top management, and thus chaotic decision making, and above all a board of directors which operates with remote control from Delhi, equipped with neither the right diagnosis of the problems, nor the right priorities for a course of action.

In recent years, the company has been working at 30 to 49 p.c. capacity and accumulated losses have mounted to a colossal magnitude (Rs. 35.554 crores as on 31st March, 1984). Machines have become obsolete. Although some of them have been replaced, that is not throughout the production line, so that the least efficient machine has continued to determine the level of production. Low productivity of workmen has been a persistent problem. Various schemes of incentives to increase productivity have been tried in vain. With 17 unions, the environment is not conducive to the success of any plan. A proposal to link wages directly to production through a piece rate system was reported to have the approval of both workers and unions individually but a joint agreement has been

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elusive. In the absence of a promotion policy, supervisory positions are now held by workers who have won promotions by going to court, even though they are not competent to supervise. This has led to deteriorating work culture where might is right. Even managers are known to lack quality. The wage and salary structure is too low for the company to recruit the right type of people. Salaries have not been revised since 1976, revision having been rejected by the Government on the ground that TAFCO was making losses. In the last 16 years, there have been 14 M.Ds/Chief Executives. With every new man at the top, the perspective has changed, resulting in faulty implementation of any plan of action for TAFCO's recovery. The board of directors consist of various Delhi-based officials drawn from Central ministries who visit Kanpur only for Board of Meetings. The local management in Kanpur has to await the approval of the Board for every decision. The time lag between proposal, decision and implementation is inordinate. A high handed Board of directors combined with the unstable top level management has effectively shot down any strong leadership that may have emerged in the company so far.

None of the programmes drawn up for modernization since 1969 fructified. This was because money was sanctioned on a piecemeal basis. Modernisation undertaken in parts has been self-defeating. It is reported that after spending Rs. 486 lakhs over 176 years on modernization, very little has been achieved.

TAFCO's sickness has manifested itself in many areas of operations. Its capacity utilization has not once crossed 40 p.c. in the last 17 years. Exports which were significant in the seventies, have dwindled to nothing. Many ancillary product lines have been closed. Even its relationship with its chief buyer, the armed forces, has suffered. The Defence Ministry is not prepared to accept the rates of TAFCO on the ground that private sector units offer cheaper rates. But for TAFCO, working with higher labour costs, price competition is an impossibility. It is planning to reduce its dependence on the main buyer and develop other markets. It has started making industrial safety shoes for coal mines, Indian Oil, BHEL and Indian Airlines.

The latest corporate plan includes a proposal to shift the boot factory to a new site. The multi-storey building which now houses the factory involves enormous waste of time and effort due to the constant vertical movement of men and materials. The building is decrepit of the electric connections are old and dangerous. The new building is to be aircooled, housing the entire production unit on the ground floor. The officials have been looking to the new building as a panacea for the ills plaguing the boot factory. They expect a reduction in cost of production and a better work culture in the new environment. The expert group set up by the government, which drew up the corporate plan suggested new lines of production and indicated that TAFCO should (a) make a fresh thrust for the defence market (b) start a line for the general shoe mart (c) start producing canvas shoes, (d) manufacture polymethene moulded shoes and (e) set up a 10 tonnes a day continuous leather board plant. The total amount sanctioned under the plan is Rs. 385 lakhs, of which Rs. 218 lakhs will be spent on the footwear division, Rs. 105 lakhs on a chrome tannery and Rs. 62 lakhs on a workshop and bark tannery unit.

Questions :

1. Analyse the deficiencies responsible for the continued sickness of TAFCO.
2. Suggest suitable measures for effective implementation of the new corporate strategy in the light of the past experience.

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BUSINESS POLICY AND STRATEGIC MANAGEMENT

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Discuss corporate level and business level strategies.
2. Explain corporate experiences of various functional level strategies.
3. What are the techniques of evaluating and controlling corporate strategies ?
4. Case Study :

Mysore Food Ltd. Produces and distributes packaged food products such as cereals, biscuits, spices, jams and jellies, syrups, etc. The company has a national market and also exports small quantities to neighbouring countries. It conducts a large national advertising campaign. It has 75 plants located all over the country and market 70 different products, each under its own trade mark. Though its products are all food products, they are not otherwise closely related. They vary from long margin specialities with comparatively small volume to large volume items with small profit margins. Different raw materials and other articles are used in their processing packing. All products, are, however, sold through the same channel, i.e. retail grocery and provision stores. Gross sale are Rs. 25 crore and total assets exceed Rs.12 crore.

The management of Mysore Foods Ltd. Is centralized. The Chairman of the Board, the President and four Vice-Presidents who are responsible for sales, production, purchasing and law make up the topmost executive level of the company and operate as a committee on all general policy matters.

Sales, advertising and sales promotion come under the Sales Vice-President. All Plant operations as well as the research and engineering department report to the Production Vice-President, Purchasing is the responsibility of its Vice-President who also governs traffic. Public relations, law and corporate functions fall under the General Counsel. Financial responsibilities are handled by the President and employee relations are covered by each Vice-President in his own area of responsibility.

The company was set up by combining several food product organizations and it has acquired others since. One of the theories of the organizers was that there would be great advantage in wholesale distribution if one salesman could cover an entire line on one call as against a number of salesmen, each calling to sell a single line. Saving in time alone would be of great value to the distributor. This principle has been retained and has proved successful as the company has grown. One sales organization handles all the products. Each product is given specific time and attention by the sales organization in accordance with its demands.

The head of the field sales organization reports to the Vice-President. The Advertising Manager and the Sales Promotion Manager take care of advertising and sales promotion for the entire line but each product has its own advertising campaign and appropriation. The sales Promotion manager is in charge of the missionary salesman who contact retailers.

To avoid neglect or error, single products or a group of products are assigned to one of the 20 Product Managers. Each Product Manager is responsible for seeing that his product receives due attention from the sales organization, the production department, and the advertising and promotion departments. He specializes in the pricing and sales appeal

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questions of his product. He reports, however, to the Sales Vice-president, who has the overall control. The Sales Vice-president can curtail any efforts of the Product Managers if he is using his sales force for special effort on some other product or products. There is no institutional advertising. All advertising is coordinated and placed by Advertising Manager while the final authority rests with Sales Vice-president.

Each plant is operated by a superintendent who is in-charge of wags, maintenance, cost, output, quality, hiring, inspection and other normal plant operation responsibilities. Superintendents reports to eight Regional Production Managers who are responsible to the Production Vice-president. The volume of Production in ACC plant is scheduled by the production control group reporting to the operating Vice-President. Final schedules are set after consulting the Sales Vice-President.

The business has more than doubled in the past ten years and profits, both gross and net, have increased. The number of plants has also more than doubled. Purchases have increased proportionately. New taxes and new reports to the government have added to the complexity. The management feels that certain problems are potentially dangerous and should be solved. Before they become serious.

There have been periods in which a product has got into difficulty because of loss of favour with the public, bad management or even neglect. Attention of the Sales Vice-President to the problems of some products has caused him, at times, to fail to recognize difficulties in other products even though the Product Manager of such products had recognized them and brought them to his attention. The burden on the present officers is becoming too heavy to ensure proper attention to all their responsibilities. Employment of assistants erodes the personal touch of the top group that is necessary for successful management.

Opportunities for increasing product lines and expanding the business are being lost because of lack of executives time to study them or to manage new products. In any business where specialities are sold under trade marks and brands are the major business of a company, it is necessary for the company to continually bring out new products and to study old ones to determine the point of no return regarding promotion and advertising expenses.

Once the top executives group has approved the idea of a new product, it is put under one of the vice-presidents. He develops an organization and brings it along. At first, the advertising appropriation for a new product is not the responsibility of the Sales Vice-President but of the Developing Vice-President. Eventually, if the product proves to be successful it is turned over to the regular line of organization. With new products and growth in the old lines, the weight, complexity and number of decisions that have to be taken by the very few men at the top, mean a heavier burden for them.

The management feels that in addition to the lost opportunities, market potential and the need for development of present products are not being fully recognized. The business may have grown too big for the form of management. Executives require more responsible attention for each product. At the same time they wish to retain the advantages of central management in purchasing, traffic institutional reputation and minimum sales approach and to maintain the high caliber advance and experience now present in law, advertising, accounting and public relations.

Questions :

1. How far is the existing organizational structure effective in the changed condition of the company ?
2. What are the structural changes required in the organization ?

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COMPULSORY PAPER
MANAGEMENT DECISION SUPPORT SYSTEMS

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. How is Information Technology useful for managerial decision making ? Explain with examples.
2. What does Management Information system constitute ? Explain in detail various components of MIS.
3. Discuss in detail the various approaches to systems development and design.
4. What is testing ? Discuss elaborately the role of testing in systems design.

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. What is managerial decision making process ? Explain Herbert Simon's Model of decision making in detail.
2. What are different DSS Tools ? Elucidate.
3. Explain the various decision support systems adopted by organization in India with evidences.
4. How do you evaluate the performance of a decision support system in an organization.

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MARKETING SPECIALISATION

A - 205 - CONSUMER BEHAVIOUR AND MARKETING RESEARCH

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. How organizational buying behaviour differs from household buyer behaviour ?
2. Explain influence groups of on consumer behaviour
3. 'In the context of Globalisation the study of cross cultural consumer behaviour assumed greater significance'. Discuss.
4. How does the study of consumer perception helps the marketer ?

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Explain the models of buyer behaviour and their usefulness in marketing.
2. Develop a market research plan to collect consumer opinion on service quality of a restaurant.
3. How do you study attitudes of consumers on retail malls by using various measurement scales ?
4. Explain various tests of Hypothesis.

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A - 206 - SERVICES MARKETING AND CRM

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. How do services marketing differs from goods marketing ?
2. Explain service flower by taking an example of Indian Railways.
3. What are the reasons for growth of services in India ?
4. Explain new service development process and service differentiation strategies.

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Explain the gap model of service quality and strategies to fill the gaps.
2. What is the role and importance of Physical environment in service marketing ?
3. Explain the management frame work of CRM.
4. What are the strategies of Internal Marketing ?

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A - 207 - ADVERTISING AND BRAND MANAGEMENT

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. Discuss the changing dimensions of advertising in India.
2. What are the techniques used to evaluate the effectiveness of advertising ?
3. 'Advertisements are criticized on various grounds by different sections of the society ?
4. What are the critical aspects of creative strategies and copy writing ?

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Explain the recent developments in growth and business of Advertising Agencies in India.
2. What is brand positioning ? Critically evaluate the positioning strategies of cellular service companies in India.
3. How do you measure brand equity ?
4. What are the key issues in designing and implementing brand strategies ?

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A - 208 - SALES AND RETAIL MANAGEMENT

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. 'Organised Retailing kills the conventional retailing in India in a few years'
Do you agree ?
2. What is the importance of location and site selection in retailing ?
3. Explain the dimensions of visual merchandising by taking an example of a retail store in your place.
4. Explain in detail retail operations.

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. What are the issues considered in formulating personal selling strategy ?
2. What are the qualities of an efficient sales person ?
3. Explain the functions of sales force management.
4. 'Sales persons need to be evaluated not only on quantitative terms but also qualitatively'. Discuss.

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FINANCE SPECIALISATION

B – 205 – SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. "Investment is well-grounded and carefully planned speculation". Discuss.
2. Distinguish between systematic risk and non-systematic risk. How systematic risk is measured ?
3. 'The level, trend and stability of earnings of a company depend upon a number of factors concerning the operations of the company'. Discuss.
4. An investor is considering the purchase of a bond currently selling for Rs. 878.50. The bond has 4 years to maturity, a face value of Rs. 1000 and coupon rate of 8%. The appropriate discount rate for investments of similar risk is 10%. Calculate yield to maturity of the bond. Based on calculation, should the investor purchase the bond ?

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. What is technical analysis ? Explain the basic principles and hypotheses of Dow theory.
2. An investor owns a portfolio of four securities with the following characteristics :

Security	Beta	Random error (S.D.) (%)	Proportion
1	0.79	12	0.25
2	1.85	8	0.30
3	1.05	17	0.15
4	0.82	20	0.30

- Calculate portfolio risk, assuming the standard deviation of returns on market index to be 16%.
3. 'CAPM Postulates the nature of relationship between the expected return and the systematic risk of a security'. Explain.
 4. 'Formula plans attempt to make portfolio revision a simple and almost mechanical exercise'. Discuss.

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B - 206 - FINANCIAL MARKETS AND DERIVATIVES

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. Explain the Corporate Governance framework pertaining to the working of Financial Institutions in India.
2. Outline the steps initiated by the RBI and the Government for the development of Indian Money Market.
3. Discuss the special features of Indian Treasury Bill Market.
4. What are the recent measures initiated by the Government towards developing a Derivatives Market in India.

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. 'Options and Futures are Zero sum games'. Critically examine the statement.
2. Explain the term Spread and its types with the help of illustrations. Also explain its significance in futures pricing.
3. Option on XYZ 500
Stock price = Rs. 240 ; Call exercise price = Rs. 200
Exercise date = 6 months ; Current Market Price = Rs. 56
Estimated Standard Deviation = 30%
Risk free return = 8% p.a.
Calculate Call Option price of the stock as per Black-Scholes Model.
4. What is Currency Swap ? Explain its features and also show the three steps flow of currency swaps with examples.

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B - 207 - STRATEGIC FINANCIAL MANAGEMENT

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. Show schematically the planning system of a firm. What are the elements of a corporate financial plan ? State the benefits of financial planning.
2. Discuss both the judgemental evaluation and Payback Period requirement ways of incorporating risk in the investment decision making process.
3. What is sale and lease back arrangement ? What are the income tax provisions and sales tax provisions relating to this arrangement ?
4. Deepak Ltd. is considering the proposal to acquire Dinesh Ltd. and their financial information is given below

Particulars	Deepak Ltd.	Dinesh Ltd.
No. of equity shares	20,00,000	12,00,000
Market price per share (Rs.)	30	18
Market capitalization (Rs.)	6,00,00,000	2,16,00,000

Deepak Ltd. intend to pay Rs.2,80,00,000 in cash for Dinesh Ltd, if Dinesh Ltd.'s market price reflects only its value as a separate entity. Calculate cost of merger (i) When merger is financed by cash and (ii) when merger is financed by stock.

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Enumerate the importance and need of Merger as Capital Budgeting decision.
2. Elucidate the pros and cons of takeover and state the key provisions of SEBI takeover code.
3. 'Despite of an LBO as an effective corporate restructuring mechanism to prevent hostile takeovers, the exercise is criticized on several grounds'. Elucidate.
4. X Ltd. Is deciding whether to payout Rs. 9,60,000 in excess cash in the form of an extra dividend or go for a share repurchase. Current earnings are Rs. 2.40 per share and the stock sells for Rs. 24. The market value balance sheet currently is as follows :

		Balance Sheet	(Rs. '000)
Equity	4,800	Assets other than cash	5,120
Debt	<u>1,280</u>	Cash	<u>960</u>
	<u>6,080</u>		<u>6,080</u>

Evaluate the two alternative in terms of the effect on the price per share of the stocks, the EPS and the P/E ratio. Which alternative do you recommend ? Give reasons.

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B - 208 - MANAGEMENT OF FINANCIAL SERVICES

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. Explain the regulatory framework available for various financial services in India.
2. What are the activities connected with 'Issue Management' and 'Underwriting' of Merchant Bankers ?
3. Give a detailed account of the regulatory framework available for Merchant Banking activity in India.
4. What critical factors are required for the success of the Venture Capital Industry in India ?

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Discuss the prudential norms applicable to NBFC's
2. Explain the factors that have contributed to the growth of the Credit Rating system worldwide.
3. What is 'Forfeiting' ? What are its features ? Explain the modus operandi involved in Forfeiting.
4. What is an AMC ? Explain its functions and also the working mechanism of an AMC.

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HRM SPECIALISATION

C - 205 - HUMAN RESOURCE PLANNING AND DEVELOPMENT

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. What is Human Resource Planning ? Discuss macro and micro level aspects of human resource planning with reference to any organization.
2. Explain the concept and components of HRD.
3. Distinguish between Training and Development. What are the methods of training and development activities of any organization ?
4. Explain the concepts and process of counseling and mentoring.

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Explain HRP for health and service sectors in India.
2. Discuss international experiences of HRD activities.
3. What are the experiences of HRD climate in Indian companies ?
4. Discuss the emerging trends in HRP in Indian industries.

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C - 206 - INDUSTRIAL RELATIONS

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. Discuss the recent trends in India's industrial relations.
2. "The globalised environment reduced the strength and power of trade unions". Explain.
3. Explain the machinery for prevention and settlement of industrial disputes.
4. What are the corporate experiences in promoting industrial peace and harmony ?

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. What are the causes and consequences for employee grievances in the recent years ?
2. Explain the size and structure of trade unions in India.
3. Discuss collective bargaining practices in the Indian companies.
4. Explain various schemes of employee participation in management in India.

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C - 207 - EMPLOYEE COMPENSATION AND WELFARE MANAGEMENT

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. Discuss executive compensation in India.
2. Explain various wage incentive schemes.
3. In the liberalized era, wages are to be linked with productivity. Explain.
4. Discuss various welfare measures introduced in Indian companies.

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Discuss the methods of creating safety at workplace ?
2. What are the social security measures for unorganized sector workers in India ?
3. Discuss the provisions relating to workmen's compensation under the Act.
4. Explain the provisions relating to Provident Fund Act ?

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C - 208 - INTERNATIONAL HUMAN RESOURCE MANAGEMENT

Assignment No. 1

4 x 5 = 20

Answer all Questions :

1. Distinguish between domestic and international HRM.
2. Discuss new trends in International HRM.
3. What are the cross cultural influences on International HRM.
4. Explain various practices of developing global managers.

Assignment No. 2

4 x 5 = 20

Answer all Questions :

1. Discuss the objectives and approaches to international compensation.
2. Explain the global practices of retaining, developing and retrenching employees.
3. Discuss the compensation practices of expatriate managers.
4. What is the state and status of trade unions at international level.