



P.E.S COLLEGE OF ENGINEERING, MANDYA – 571 401
(AN AUTONOMOUS INSTITUTION UNDER VTU, BELGAUM)
Fourth Semester M.B.A Degree – Master of Business Administration
MODEL QUESTION PAPER

Strategic Management
(Course Title)

P09MBA41
(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) Define Strategic Management. Explain briefly characteristics of Strategic Management. (6)
(b) Discuss the important steps involved in strategic management process. (8)
(c) What is organizational vision? Discuss its characteristics. (6)
2. (a) What is mission? Explain key elements in developing a mission statement. (8)
(b) What is an objective? Explain areas of objectives set for all areas and departments of an organization. (12)
3. (a) Define environmental analysis. Discuss components of a company's external environment. (12)
(b) Discuss porter's five force model. (8)
4. (a) Differentiate Horizontal Integration and Vertical Integration. (8)
(b) Discuss any four growth strategies of an organization to increase their profits. (12)
5. (a) Explain BCG matrix, and list out its advantages and disadvantages. (12)
(b) Briefly explain criteria for evaluating strategic alternatives. (8)
6. (a) Discuss any four issues in strategy implementation. (8)
(b) Define leadership? Explain any two leadership styles. (6)
(c) What do you understand about corporate social responsibility? Discuss. (6)
7. (a) Discuss the steps involved in process of strategic control. (12)
(b) Discuss successful maintenance of strategic control (8)
8. Write short notes on any four of the following: (5 X 4 = 20)
 - a. SWOT analysis.
 - b. Collaborative partnership.
 - c. Joint venture strategies.
 - d. Conglomerate diversification.
 - e. Restructuring and turnaround.
 - f. Value chain analysis.



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Fourth Semester M.B.A Degree – Master of Business Administration
MODEL QUESTION PAPER

International Human Resource Management
(Course Title)

P09MBA4H1

(Course Code)

Max. Marks: 100

Time: 3 Hrs.

Note: Answer any FIVE full Questions.

1. (a) Define IHRM. (3)
(b) What is the difference between HRM & IHRM? (7)
(c) Explain basic model of IHRM. (10)
2. (a) What is Transnational Corporation? (3)
(b) What are advantages of using HCN, TCN & PCN in international assignments? (3)
(c) State & Explain stages of Internationalization. (10)
3. (a) Define the term “Third Country national”. (3)
(b) Explain the reasons for the failure of expatriate in foreign employment. (7)
(c) Explain different approaches to multinational staffing decisions. (10)
4. (a) Explain the term “Expatriate”. (3)
(b) State & Explain factors that influence the Expatriate Selection. (7)
(c) What are the challenges of International performance Management? (10)
5. (a) What is hardship premium? (3)
(b) Explain the component of pre-departure Training. (7)
(c) Explain the Repatriation Process. (10)
6. (a) Explain Social Dumping. (3)
(b) Explain going rate approach & State its merit & demerits? (7)
(c) Explain the variables affecting expatriate performance. (10)
7. (a) What is Culture? (3)
(b) Explain how trade unions may limit the strategic choices of Multinational firms? (7)
(c) Bring out major Japanese National Culture Characteristics. (10)
8. Write short notes on any 4. (5 X 4 = 20)
 - (a) HRM Practices in USA
 - (b) Balance sheet approaches to compensation
 - (c) Cross – cultural Training
 - (d) Hard Goal Versus Soft Goal
 - (e) Dual career challenge



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Fourth Semester M.B.A Degree – Master of Business Administration
MODEL QUESTION PAPER

Organizational Change and Development
(Course Title)

P09MBA4H2
(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) Explain any four external factors initiating organizational change (6)
(b) Describe organizational evolution & life cycle. (8)
(c) Explain any four strategies in creating conditions for organizational change. (6)
2. (a) Define OD, briefly explain values, assumptions and beliefs in OD. (10)
(b) Explain briefly Socio technical & Socio clinical approaches in OD. (10)
3. (a) Explain any four types of OD Interventions. (8)
(b) Discuss any four types of classifying OD Interventions. (8)
(c) Distinguish between Experimentation Intervention & perspective Intervention. (4)
4. (a) How does participation & empowerment model helps in organizational development? (8)
(b) Discuss parallel learning structure. (8)
(c) Briefly explain action research model. (4)
5. (a) Describe Walton's approach to third party Pacemaking. (10)
(b) Discuss the important aspects of organization mirror intervention. (10)
6. (a) How does T group has high relevance for developing skills? Discuss. (10)
(b) How does life & career planning helps in career development workshops. Discuss. (10)
7. (a) Discuss fundamentals strengths of OD & its future. (8)
(b) Discuss the problems encountered in implementation of self managed teams. (6)
(c) Briefly explain concept of Quality circles. (6)
8. Write short notes on any four of the following- (4 X 5 = 20)
 - (a) Grid organization development
 - (b) Partnering
 - (c) Coaching & mentoring
 - (d) Instrumented training
 - (e) TQM & OD
 - (f) Gestalt approach to team building.



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MODEL QUESTION PAPER

Training & Development

(Course Title)

P09MBA4H3

(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) Define Training & Development. What are the objectives of training? (8)
(b) Mention various approaches to training. (6)
(c) Briefly explain Proactive TNA & Reactive TNA. (6)
2. (a) What are the factors to be considered while designing training & development activities? (8)
(b) What is learning? What are the barriers to learning? (6)
(c) Discuss briefly the limitations of the on-the-job training. (6)
3. (a) What are the elements of programme design? (6)
(b) What do you mean by role play? Differentiate between teaching & learning. (6)
(c) What is competency based training? How does it enhance performance? (8)
4. (a) What are the external resources of training? What is a training plan? (6)
(b) Write a note on organizational climate in effective training. (6)
(c) What ideal qualities do trainers need to have? (8)
5. (a) Mention any three important roles of trainers in HRD. Discuss the personal needs of trainers. (8)
(b) What is the difference between counseling & mentoring? (6)
(c) What is the significance of training in career development? (6)
6. (a) What is management development? Explain the meaning, concept & process of Management Development. (8)
(b) What is a training audit? Outline the various steps involved in training audit. (6)
(c) Specify any six qualities of a trainee executive. (6)
7. (a) Good Managers are not necessarily good trainers. Explain this statement with examples. (8)
(b) How do you evaluate a managerial grid programme held for the top management group of a company? (8)
(c) What is validation? Explain any one method of validation. (4)
8. Write short notes on any four of the following- (5 X 4 = 20)
 - (a) Role Play
 - (b) Triggers for training
 - (c) Proactive TNA
 - (d) Kolb's learning cycle
 - (e) Off the job training
 - (f) Management Development



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MODEL QUESTION PAPER

Organizational Learning and Knowledge Management
(Course Title)

P09MBA4H4
(Course Code)
Max. Marks: 100

Time: 3 Hrs.

Note: Answer any FIVE full Questions.

1. (a) What is learning organization? (3)
(b) What are pre-conditions for creating a learning organization? (7)
(c) What is the significance of organizational learning? (10)
2. (a) What is Knowledge Management? (3)
(b) What are the Drivers to Knowledge Management? (7)
(c) What are the Key Challenges of Knowledge Management? (10)
3. (a) What are Knowledge Management Myths? (3)
(b) Distinguish between Data, Information & Knowledge. (7)
(c) State & Explain different types of Knowledge. (10)
4. Distinguish between (All Answers 5 Marks each)
(a) Knowledge & Common Sense
(b) Learning by example & learning by discovery
(c) Knowledge portals Versus Information portals.
(d) Explicit & Tacit knowledge.
5. (a) What is KMSLC? (3)
(b) What is the difference between Conventional Versus KMSLC? (7)
(c) What is Knowledge Creation and Explain Nonaka's model of Knowledge Creation & Transformation? (10)
6. (a) What are Portals? (3)
(b) Explain Knowledge management capture techniques. (7)
(c) What is the impact of Technology on Knowledge worker? (10)
7. (a) What is Knowledge Capture? (3)
(b) How would One's identify Expertise? (7)
(c) How is brainstorming conducted? Provide an example. (10)
8. Write short notes on any four. (5 X 4 = 20)
(a) Role of Chief Knowledge Officer
(b) 5 P's of Strategic Knowledge Management
(c) Delphi's Method
(d) Black Boarding
(e) Characteristics of Learning Organizations.



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MODEL QUESTION PAPER

Portfolio Management
 (Course Title)

P09MBA4F1
 (Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) Write a note on Portfolio Management. (3)
- (b) Explain the models for portfolio theory. (7)
- (c) What is asset allocation? What are the strategies of asset allocation? Explain them. (10)
2. (a) Write a note on Diversification. (3)
- (b) Stocks X & Y display the following returns over the past 3 years:-

	Years	1994	1995	1996
Returns	X	14	16	20
	Y	12	18	15

- (i) What is the expected return on portfolio made up of 40% of X & 60% of Y?
- (ii) What is the Standard deviation of each stock?
- (iii) What is the portfolio risk of a portfolio made up of 40% of X & 60% of Y? (7)
- (c) The market information regarding the following stocks is given below:-

Stock1	α	β_i	e_i^2
ABC	-0.05	+1.6	0.04
RSE	+0.08	-0.3	0.00
GIV	0.00	+1.1	0.10

- i) If the market index is expected to have a return of 0.20 & a Variance of 0.20, which single stock would the investor prefers to own from the risk & return point of view?
- ii) Interpret the e_i^2 value & the α value of all stocks given in table. (10)
3. (a) Write a note on Formula Plan. (3)
- (b) Data for finding out the optimum portfolio are given below-

Security	Mean Return	Excess Return	Beta	Unsystematic risk	Excess return to Beta
	R_i	$R_i - R_f$	β_i	σe_i^2	$R_i - R_f / \beta_i$
1	19	14	1.0	20	14
2	23	18	1.5	30	12
3	11	6	0.5	10	12
4	25	20	2.0	40	10
5	13	8	1.0	20	8
6	9	4	0.5	50	8
7	14	9	1.5	30	6

The riskless rate of interest is 5% & the market variance is 0. Determine the cutoff point. (7)

(c) An investor has Rs. 15,00,000 to invest. He wants to use the constant dollar value plan for managing his investments. He wants to invest his money equally in stocks & bonds. He identified a stock for investing, which is currently trading at Rs.250. He wants to revise his portfolio whenever there is a 10% change in the value of the portfolio. If the prices of the share declines to Rs.200, then increases to Rs. 290 & then fall back to Rs. 250. Show the revision action taken by the investor. Also, calculate the number of shares held by him & his gain at the end. Compare the gains from constant dollar value plan with those from a passive buy & hold strategy. (10)

4. (a) The portfolio of Mr. Shankar had a beginning value of Rs. 100 lakh & after a year an ending value of Rs. 135 lakh. If Mr. Shankar receives Rs.12.5 lakh at the end of 6 months as dividends then calculate Money Weighted Rate of Return [MWROR] of Mr. Shankar's portfolio. (3)

(b) Consider the following data –

Actual return from the stock	= 30%
Risk free rate	= 7%
Standard deviation of market returns	= 8%
Market return	= 18%
Standard deviation of Market return	= 5%
Beta	= 1.5

Compute the selectivity, diversification, return required & net sensitivity, using Fama's framework of performance components. (7)

(c) Alpha & Beta co-efficients for 5 stocks are given below-

Stocks	Alpha	Beta
Craft High Corp.	1.0	0.8
Crown Corp.	1.35	1.15
Courtesy Corp.	1.18	1.25
Cute Corp.	1.25	0.95
Cure Corp.	1.5	1.4

Rank the five stocks using Jensen's performance measure. (10)

5. (a) A bond has a remaining maturity of 3yrs. It pays a coupon of 8% annually & is currently traded at par value of Rs.100. Calculate the duration of the bond. (3)

(b) Explain how equity portfolios are managed. (7)

(c) Explain how Portfolios are managed using Future & options. (10)

6. (a) Write a note on role of mutual funds. (3)

(b) With a 9% risk free rate of return, the NSE – NIFTY portfolio having an expected return of 21% & a standard deviation of 8%. In the Reliance Equity Fund, the mean is 15 % & Standard Deviation is 8%. In Febility Equity fund, the mean is 20% & Standard deviation is 12%. For the magnum equity fund, the return is 21% & Standard deviation is 16%. Choose the best fund. (7)

(c) With the given details, evaluate the performances of different mutual funds using sharpe, Treynor & Jensens performance evaluation techniques.

Funds	Returns	Standard Deviation	Beta
Magnum 100	2	20	0.98
Birla advantage	12	18	0.97
Canara Robaco Equity	8	22	1.17
Sundaram Growth	9	24	1.22

Risk free rate of return is 4%. (10)

7. (a) Write a note on Active & Passive strategy. (3)

(b) A fund Manager has apprehensions that in the short term market is going to decline. His portfolio details are given below. You are required to calculate portfolio beta & suggest him the suitable alteration so as to avoid loss. (7)

Stocks	Proportion of investment	Beta
Infosys	35%	1.37
ICICI	20%	0.99
Dr.Reddy's has	20%	0.91
TISCO	10%	1.19
GACL	15%	0.95

(c) The following 3 portfolios provide the particulars given below-

Portfolio	Average Annual Returns	Standard Deviation	Correlation Co-efficient
A	18	27	0.8
B	14	18	0.6
C	15	8	0.9
Market	13	12	-

Risk free rate of interest is 9%.

(a) Rank these portfolios using sharpe's & Treynor's method.

(b) Compare both the indices. (10)

8. (a) Consider the following information & calculate beta.

Co-variance = 138.92, Standard deviation of Market returns = 10.56. Beta =? (3)

(b) Mr. Niraj Panday has categorized all the available stocks in the market into the following types -

- 1) Small cap value stocks
- 2) Small cap Growth stocks
- 3) Large cap Value stocks.
- 4) Large cap Growth stocks.

He has also estimated the weights of the above categories of stocks in the market index. Furthermore, the sensitivity of returns on these categories of stocks to the three important factors are estimated to be –

Category of stock	Weight in the Market index	Factor 1 (Beta)	Factor II (Price / Book)	Factor III (Average Capitalization)
Small cap value	10%	0.90	0.75	1.25
Small cap Growth	25%	0.80	1.39	1.35
Large cap value	15%	0.85	2.05	6.75
Large cap Growth	50%	1.165	2.75	8.65
Risk Premium		6.85%	-3.5%	0.65%

The risk free rate of return is 4.5%.

Using Arbitrage pricing theory compute expected rate of return on market index. (7)

(c) Mr. Vinod received Rs. 10,00,000 from his pension fund. He wants to invest in stock market. The

T-bills rate is 5% & the market return variance is 10. The following details are given-

Security	Expected Return	Beta β_i	σe_i^2
A	15	1.0	30
B	12	1.5	20
C	11	2.0	40
D	8	0.8	10
E	9	1.0	20
F	14	1.5	10

What is the optimum portfolio assuming no short sales?

(10)



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MODEL QUESTION PAPER

Risk Management
(Course Title)

P09MBA4F2
(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any five full questions; each main question carries 20 marks.
Sub question a) carries 3 marks, b) carries 7 marks, and c) carries 10 marks
Use Normal distribution table is allowed.

1. (a) Give some reasons for the growth of derivatives worldwide.
(b) Enumerate different types of derivatives.
(c) Futures contract is a standardized Forward Contract? – Explain
2. (a) What is Carry – Pricing Model?
(b) Describe the method of initiating trades and order flow for a futures contract.
(c) A futures contract is available for petrol at \$ 28 per barrel. Each contract is for 100,000 barrel. You have contracted for 8 long futures. The contract is entered into on 15th June 2003, and expires on June 30, 2003. The initial margin is 10% of the contract value and maintenance margin is 75% of the initial margin. You have to prepare a statement of marking to market showing.
a) Daily loss gain b) Margin account balance c) Margin Call.

The closing \$ prices of petrol per barrel in the spot market on various days are as follows:

June 16	28.50	June 24	26.10
June 17	31.00	June 25	26.70
June 18	33.00	June 26	25.95
June 19	29.00	June 27	25.45
June 20	28.25	June 28	25.15
June 21	27.55	June 29	25.75
June 22	26.50	June 30	24.90
June 23	26.45		

3. (a) A financial institution quotes an interest rate of 14% per annum with quarterly compounding. What is the equivalent rate with i) continuous ii) annual compounding?
(b) A forward contract on 200 shares, currently trading at Rs. 112 per share, is due in 45 days.
If the annual risk-free rate of interest is 9% calculate the value of the contract price. How would the value be changed if a dividend of Rs. 4 per share is expected to be paid in 25 days before the due date?

(c) An investor has portfolio consisting of seven securities as shown below.

Security	Number of Shares	Share price as on	Beta
ABN AMRO	4000	1029.75	0.59
CIPLA	5200	208.40	1.32
ICICI Ltd	6600	61.20	0.87
Infosys	2400	3958.95	0.35
TATA Engg	5600	308.80	1.16
HIND LEVER	1500	128.05	1.24
Zee telefilm	4000	168.00	1.05

The cost of capital for the investor is given to be 20% per annum. The investor fears a fall in the prices of the shares in the near future. Accordingly, he approaches you for advice, you are required to;

- i) Calculate the beta of his portfolio
- ii) The May future on BSE Sensex is quoted at 344.60. Assuming the market lot to be 100, calculate the number of contracts, the investor should short for hedging his portfolio against falling markets.

4. (a) Forward contracts are zero-sum games” Explain. Also give the differences between the delivery price and forward price.

(b) Calculate the forward price on a 6 months contract on a share, expected to pay no dividend during the period, which is available at Rs. 75, given that the risk free rate of interest be 8% p.a. compounded continuously.

(c) An investor expects the stock market to decline but instead of selling the equity short, he decides to sell the stock index futures contract based on XYZ stock exchange composite index, the index is currently 138 and the contract has a value that is 500 times the amount of index. The margin requirements is Rs. 3,500 and the maintenance margin is Rs. 1,000

- I. If after one week of trading the index stands at 140, what has happened to investor’s position? How much has he lost or profited?
- II. If the index declined to 136.6, what is investor’s percentage profit or loss on his position?

5. (a) What is Forward rate agreement?

(b) A fund manager has an equity portfolio of Rs. 80 lakhs. The beta of the portfolio 1.25 since a fall is expected in the market, the fund manager is interested reducing the portfolio beta to 0.90.

- i) What amount of the portfolio should be replaced by risk free assets in order reduce the beta to 0.90?
- ii) Alternatively, if the manager does not want to reshuffle the portfolio, how can use index futures for reducing beta? Explain. The three month futures contracts on the bench mark index is traded at 3500. The multiplier for index futures 100.
- iii) Assuming that the manager used index futures, what is his net gain / loss maturity if the index on maturity stood at 3325 and his portfolio value fell Rs. 75 lakhs. No revision of portfolio was done during this period.

(c) The following table gives the prices of bonds:

Bond Principal	Time to maturity (Years)	Annual coupon (\$)	Bond Price (\$)
100	0.50	0.0	98
100	1.00	0.0	95
100	1.50	6.2	101
100	2.00	8.0	104

Assumed stated coupon to be paid every 6 months.

- Calculate zero rates for maturities of 6 months, 18 months, and 24 months.
 - What are the forward rates for the periods: 6 months to 12 months, 12 months to 18 months, 18 months to 24 months?
 - What are the 6-month, 12-month, 18 month, and 24-month par yields for bonds that provide semiannual coupon payments?
 - Estimate the price and yield of a two-year bond providing a semiannual coupon of 7% per annum.
6. (a) Suppose you want to buy a call option with strike price Rs. 42/ \$ and you expect the following spot rates with their probabilities.

Rs / \$	40.00	41.50	43.00	44.50	46.00
Probability	0.15	0.25	0.30	0.20	0.10

What should be option premium to enable you to break – even?

- (b) A stock trades at Rs. 110 and there are 2 European options currently available. Put strike price and premium are:

Put	Strike Price (Rs.)	Premium (Rs.)
A	114	5
B	117	9

Can a speculator make arbitrage profit? How?

- (c) What is Butterfly spread? Consider the following data about call options on Maruthi Udyog Ltd., for which one contract involves 1000 shares.

Strike Price (Rs.)	Premium (Rs.)
460	71.20
470	65.00
480	62.00

Help an investor build a butterfly spread. Also calculate pay-off if call price is Rs. 465/-

7. (a) What is a naked call?

(b) The share of a company is traded at Rs. 240 now. An investor has purchased and put option of six months on this share by paying Rs. 8

- i) Show his position diagrammatically
- ii) What will be the maximum loss that he might suffer?
- iii) What will be the profit / loss made by him if the share price turns out to be Rs. 225 or Rs. 246 at the end of six months.

(c) Calculate the price of a forward contract using the following data:

Price of the share = Rs. 38/ each

Time to expiration = 6 months

Dividend expected = Rs. 150

Time to dividend = 4 months

No. of share purchases = 100 shares

Continuously compounded = 10% per annum

Risk free rate of return

8. (a) List any three reasons for buying a stock option.

(b) The current price of a share is Rs. 50 and it is believed that at end of one month the price will be either Rs. 55 or Rs. 45. What will a European call option with an exercise price of Rs. 53 on this share be valued at, if the risk free rate of interest is 15% per annum? Also calculate the hedge ratio, applying binomial formulation.

(c) The following information is available.

- Current stock price Rs. 225
- Strike price Rs. 245
- The continuously compounded interest rate is 13% per annum
- Volatility of interest rate is 4%
- Duration of option 5 months.

Using the Black and Scholes Model determine option delta, Gamma, Vega, Theta and Rho.



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MODEL QUESTION PAPER

International Financial Management

(Course Title)

P09MBA4F3

(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any five full questions; each main question carries 20 marks.
Sub question a) carries 3 marks, b) carries 7 marks, and c) carries 10 marks
Use Normal distribution table is allowed.

1. (a) Name the major participants in a foreign exchange market.
(b) What are the distinguishing features of international finance? Explain.
(c) Examine the objectives and functions of the IMF. Critically examine its achievement.
2. (a) State the importance of BOP.
(b) Explain the concept of disequilibrium in BOP. How does disequilibrium arise? How can it be restored?
(c) Prepare a statement of sources and uses of funds from the following information:
 - 1) A German company invests in India Rs.3, 00,000 to modernize its Indian subsidiary.
 - 2) A tourist from Europe buys souvenirs worth Rs. 3,000 to carry with him. He also pays travel bills of Rs. 5,000 to Delhi tourist agency.
 - 3) The Indian subsidiary of German company remits, Rs. 5,000 as dividends to its parent company in Germany.
 - 4) The German company sells a part of its production which is produced in India in other countries for Rs. 1,00,000
 - 5) The Indian subsidiary of American company borrows Rs. 2, 00,000 (to be repaid in a years time) from American market to resolve its liquidity problem.
 - 6) An Indian company buys a machine for Rs. 1, 00,000 from U.K. and 60% payment is made immediately; the remaining amount is to be paid after 3 years.

3. (a) What is SWIFT?
(b) Convert the following rates into outright rates and indicate their spread-

	Spot	1 month	3 month	6 month
USD / INR	43.6300/25	20 / 25	25 / 35	30 / 40

- (c) In April 2010, the following rates were being quoted:

CHF /USD : 1.4854 / 1.4900 (Spot)
1.4825 / 1.4915 (3 month forward)

The three month interest rates were in US: 5.80% and SF: 2%.

Explain how a trade could take advantage.

4. (a) What is a Euro currency?

(b) In London, a dealer quotes:

GBP / CHF Spot 3.5250 / 55

GBP / JPY Spot 180.80 / 181.30, Suppose that in Geneva you get a quote CHF / JPY spot 51.1530 / 51.2350. Is there an arbitrage opportunity?

(c) Set out below is a table or cross rate:

	Deutch mark	Dollar	French franc	Pound Sterling
Frankfurt	--	2.2812	0.4712	4.0218
New York	0.4421	--	0.2110	1.8000
Paris	2.0949	4.7393	--	8.4301
London	4.0207	1.7775	8.4232	--

For Frankfurt, New York and Paris, all quotes are direct; for London, all quotes are indirect.

If all the above quotes were available at the same time and assuming no transaction costs, how might a trader take advantage of the situation?

5. (a) Define covered interest arbitrage.

(b) Explain the purchasing power parity theory and the rationale behind it.

(c) Assume the following information

Spot rate £ = \$1.60

180 – day forward rate £ = \$1.56

180 – day British interest rate = 4 %

180 – day US interest rate = 3%

Based on the information is covered interest arbitrage by US investors feasible? Explain.

6. (a) Define exposure and list types of exposure.

(b) Compare and contrast the following;

(i) Netting & matching

(ii) Leading & lagging

(c) During the month of June, European pound steeling options are quoting as follows. The quotes are in terms of U.S dollars.

Call option Premium	Strike price
0.06	1.6100
0.03	1.6500
0.01	1.6600

Determine the conditions under which profits can be made for each option separately by the

(i) Option buyer

(ii) Option writer

7. (a) What is a currency option?
 (b) Explain the techniques for managing transaction exposure.
 (c) Farm product is Canadian affiliate of a US manufacturing company. Its balance sheet, in thousands of Canadian dollars, for January 1, 2001 is shown below. The January 1, 2001, exchange rate was C\$ 1.6/\$. Farm products balance sheet (Thousands of C\$)

Assets		Liabilities & Net worth	
Cash	C\$ 1,00,000	Current liabilities	C\$ 60,000
Account Receivable	C\$ 2,20,000	Long term debt	C\$1,60,000
Inventory	C\$ 3,20,000	Capital Stock	C\$ 6,20,000
Net plant & Equipment	C\$ 2,00,000		
	C\$ 8,40,000		C\$ 8,40,000

- a) Determine Farm products accounting exposure on January 1,2001, using the current rate method / monetary / non-monetary method.
 b) Calculate farm products contribution to its parents accounting loss if the exchange rate on December 31, 2001 was C\$ 1.8 per \$. Assume all accounts remain as they were at the beginning of the year.
8. (a) What does economic exposure indicate in international financial operations?
 (b) What is political risk? How multinational companies manage political risk? Explain.
 (c) A Company ABC has its receivables of DM 1.0 million due in 3 months. The rupee has tendency to appreciate. The rupee has tendency to appreciate. The current rate is 24.2020 / DM. The company would like to hedge in the options market. The data are as follows:
 Strike price: Rs. 23.50 / DM
 Premium: 2%
 Which type of option is involves? How is this option to be used?



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Fourth Semester M.B.A Degree – Master of Business Administration
MODEL QUESTION PAPER

Tax Management
(Course Title)

P09MBA4F4
(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) What do you mean by Assessment year and Previous year? [03 marks]
(b) Explain the essential features of the charge of Income tax. [07 marks]
(c) Following are the particulars of taxable income of Mr. Jain for the previous year ended 31st March, 2010:
- i) Royalty received from Government of India Rs. 28000.
 - ii) Income from business earned in Africa Rs. 30000 of which Rs. 17500 were received in India. Business controlled from India.
 - iii) Interest received from Sri Kamath, a non-resident against a loan provided to him to run a business in India Rs. 8000.
 - iv) Royalty received from Altaf, a non-resident for technical service provider to run a business outside India Rs. 20000.
 - v) Income from business from Bengaluru Rs. 38000, this business is controlled from Africa Rs. 20000 remitted to Africa.

Find out the gross total income of Mr. Jain for the assessment year

2010-11, if is a;

- a) Ordinary Resident of India
 - b) Not ordinary Resident of India
 - c) Non-Resident of India [10 marks]
2. (a) Explain the conditions to be satisfied for an income to be charged under the head “Income from other sources.” [03 marks]
(b) Explain the different tax-free perquisites [for all employees] under Income-tax Act. [07 marks]
(c) S submits following information regarding his salary income for the year 2009-10.

Basic salary	Rs. 15000 p.m.
Dearness Allowance [forming part of salary]	40% of basic salary
City Compensatory Allowance	Rs. 300 p.m.
Children education Allowance	Rs. 200 p.m. per child for 2 children
Transport Allowance	Rs. 1000 p.m.

He is provided with a rent free unfurnished accommodation which is owned by the employer. The fair rental value of the house is Rs. 24000 p.a.

Compute the gross salary assuming accommodation is provided in a city having population:

- i) Not exceeding 10 lakhs as per 2001 census.
- ii) Exceeding 10 lakhs but not exceeding 25 lakhs as per 2001 census
- iii) Exceeding 25 lakhs [10 marks]

3. (a) What is a capital asset? Name 3 assets which are not treated as capital assets for computation of capital gains. [03 marks]

(b) What do you mean by “cost of improvement” and “cost of acquisition” as per Income-tax Act of 1961? [07 marks]

(c) Compute the capital gain of Mr. David for the year ended 31st March, 2010 from the following information furnished:

Sl. No.	Particulars	Sales proceeds Rs.
1	Shop purchased in 1986-87 (C.I.I.:140) for Rs.18000	150000
2	Machinery purchased in 1993-94 (C.I.I.:244) for Rs.50000 (WDV on 1-4-2009 Rs. 35000)	60000
3	Furniture purchased on 1-5-2009 for Rs. 1000	1300
4	Machinery purchased on 1-5-2009 for Rs. 10000	12000
5	Agricultural land in Agra purchased in 1979-80 for Rs. 10000 [F.M.V. on 1-4-81 (C.I.I.:100) being Rs.15000	260000
6	One residential house purchased in 1988-89 (C.I.I.:161) costing Rs. 30000	163000

During the year he bought another house for his residence for Rs. 150000.

Work out the amount of Capital Gains to be included in the Gross Total Income and also compute his Total Income, if his other business income during the year was Rs. 110000. Cost inflation index for 2009-10 is 632. [10 marks]

4. (a) State any four losses which are not deductible from business income. [03 marks]

(b) State the provisions pertaining to maintenance of accounts by business or profession u/s 44AA of I.T. Act. [07 marks]

(c) R Ltd., a manufacturing company, which maintains accounts under mercantile system, has disclosed a net profit of Rs. 1250000 for the year ending 31-3-2010. You are required to compute the taxable income of the company the taxable income of the company for the assessment year 2010-11 after considering the following information, duly explaining the reasons for each item of adjustment:

- i) Advertisement expenditure includes a sum of Rs. 60000 paid in cash to the sister concern of a director, the market value of which is Rs. 52000

ii) Legal charges include a sum of Rs. 45000 paid to a consultant for framing a scheme of amalgamation duly approved by the Central Government.

iii) Repairs of plant and machinery include Rs. 180000 towards replacement of worn out parts of machineries.

iv) A sum of Rs. 6000 on account of liability foregone by a creditor has been taken to general reserve. The same was charged to the revenue account in the assessment year 2008-09.

v) Sale proceeds of import entitlements amounting to Rs. 100000 has been credited to profit and loss account, which the company claims as capital receipt not chargeable to income tax.

vi) Being also engaged in the bio-technology business, the company incurred the following expenditure on in-house research and development as approved by the prescribed authority: (a) research equipments purchased Rs. 150000; (b) remuneration paid to scientists Rs. 50000. The total amount of Rs. 200000 is debited to the profit and loss account. [10 marks]

5. (a) State the different types of custom duties levied in India. [03 marks]

(b) What is 'Sales' under the CST Act? Explain briefly the transactions, which are not sales under CST Act. [07 marks]

(c) Explain any three bases available/followed for calculation of excise duty payable. [10 marks]

6. (a) Name any three permissible deductions u/s 80C. [03 marks]

(b) Explain the provisions for payment of tax by companies' u/s 115 JB. [07 marks]

(c) Dr. J.L. Gupta is a registered medical practitioner. He keeps his books on cash basis, and his summarized cash account for the year ended 31st March, 2010 is as under:

Particulars	Rs.	Particulars	Rs.
Balance b/d	122000	Cost of medicines	10000
Loan from bank for private purpose	3000	Surgical equipments	8000
Sales of medicines	25250	Motor car	120000
Consultation fees	55000	Car expenses	6000
Visiting fees	24000	Salaries	4600
Int. on Govt. Securities	4500	Rent of dispensary	1600
Rent from property (not subject to local taxes)	3600	General expenses	300
		Personal expenses	11800
		Life Insurance premium	3000
		Int. on loan from bank	300
		Int. of property	200
		Deposit in Tatkal Telephone Deposit Scheme	
		Balance c/d	30000
			41550
Total	237350	Total	237350

Compute his income from profession and for the previous year 2009-10, taking into account the following further information.

i. One third of motor car expenses are in respect of his personal use.

ii. Depreciation allowable on car is 20% and surgical equipment is @ 25%. [10 marks]

7. (a) Explain what is meant by 'Working Partner' and his various responsibilities. [03 marks]
- (b) Explain briefly the conditions to be satisfied u/s 184 and 40(b) regarding payment of remuneration and interest to the partners of a partnership firm. [07 marks]
- (c) Profit and Loss A/c of R.G and Sons, a partnership firm is as follows:

Particulars	Rs.	Particulars	Rs.
Establishment and other expenses	300000	Gross profit	1160000
Int. on Capital to partners @ 24% p.a.	48000	Rent from house property	60000
Int. on loan to partners @ 20%		Int. from Govt. Securities	32000
Int. on loan to Mrs. R @ 16%	20000		
Municipal taxes of let out house property	24000		
Repairs to house property	10000		
Donation to National Children's Fund	5000		
Remuneration to partners			
Int. on money borrowed for investment in Govt. Securities	10000		
Sales tax	560000		
Net profit	10000		
	25000		
	240000		
Total	1252000	Total	1252000

Other information;

- a. out of municipal taxes of Rs. 10000; Rs. 6000 was payable on 31-3-2010 and the same was paid on 30-6-2010.
- b. Sales tax includes a sum of Rs. 10000 payable on 31-3-2010. Rs. 6000 was paid on 30-11-2010, although the due date of payment under the Sales-tax Act was 14-5-2010.

Compute:

- a. The Book-profit.
- b. The maximum amount of remuneration deductible u/s 40(b). [10 marks]

8. (a) Explain carry forward and set off of 'Capital Loss' arising out of computation of Capital gains. [03 marks]
- (b) Discuss the provisions relating to valuation of residential accommodation as per New Rule 3 and Notification No. 15/2001 dated 12-12-2001. [07 marks]
- (c) Explain Tax planning, Tax Avoidance and Tax Evasion with suitable examples for each one of them. [10 marks]



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MODEL QUESTION PAPER

International Marketing Management
(Course Title)

P09MBA4M1
(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) Define International Marketing Research. (3)
(b) What are the Key players in an electronic value chain and which functions do they serve? (7)
(c) Discuss the four phases of international marketing involvement. (10)
2. (a) Define foreign environment uncontrollable. (3)
(b) How can information & communication technology contribute to shorter new – product development Cycle? Write examples. (7)
(c) What is culture? Is there such thing as a cultural universal or Cultural Universale? If your answer is affirmative. Give an example of a cultural universal, if it is negative; explain why there is no such thing. (10)
3. (a) What is the importance of collaborative relationships to competition? (3)
(b) Why is the formulation of the research problem difficult in foreign market research? (7)
(c) Why do companies change their organizations when they go from being an international to a global company? (10)
4. (a) Compare the organizational implication of joint ventures versus licensing. (3)
(b) Discuss the breadth & scope of international marketing research. Why is international marketing research generally broader in scope than domestic marketing research? (7)
(c) Explain the phases in International planning process. (10)
5. (a) Define the country of origin effect & give examples. (3)
(b) What roles do service replacement parts and standard play in competition in foreign marketing? Illustrate. (7)
(c) What ISO 9000 legal requirements are imposed on products sold in the EU? Discuss. (10)
6. (a) What is price quality relationship? (3)
(b) What determines the type of license needed for exportation? Discuss. (7)
(c) Review the key variables that affect the marketer’s choice of distribution channels. (10)
7. (a) What is Sales Promotion and how it is used in international marketing? (3)
(b) Explain the International Communication process? (7)
(c) “In many world market places, a wide variety of media must be used to reach the majority of the market” Explain. (10)
8. (a) Define Marginal cost pricing & its importance. (3)
(b) Discuss the six major changes in global marketing. (7)
(c) What are the major challenges for globalization from Indian companies? Explain. (10)



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MODEL QUESTION PAPER

Strategic Brand Management
(Course Title)

P09MBA4M2
(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) Define brand. (3)
(b) Explain the functions of brand to consumers. (7)
(c) Explain the role of brand & its advantages. (10)
2. (a) What is brand equity? (3)
(b) Explain the steps in brand management process. (7)
(c) Explain in detail – consumer based brand equity. (10)
3. (a) Write a note on resonance. (3)
(b) Explain the meaning of brand identity & need for identity positioning. (7)
(c) Explain David Aaker's Brand equity Model. (10)
4. (a) Define point of parity. (3)
(b) Explain the criteria for choosing brand element. (7)
(c) Explain Designing brand tracking studies. (10)
5. (a) Write a note on point of difference. (3)
(b) Explain methods for measuring brand equity. (7)
(c) Define brand extension. Explain its advantages & disadvantages. (10)
6. (a) Give 6 examples for strong brands. (3)
(b) Explain brand product matrix. (7)
(c) Explain the meaning of brand initiation, kind of initiations & factor affecting brand initiations. (10)
7. (a) What does brand signifies to consumer? (3)
(b) Explain different strategies for building brand. (7)
(c) Do you consider IPU can built the brand? How & Why? (10)
8. (a) What are the tangible & intangible characteristics of a brand? (3)
(b) Which brand do you loan the most? & Why? (7)
(c) Do you think brand simplify consumer purchase decision. How? (10)



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MODEL QUESTION PAPER

Integrated Marketing Communications
(Course Title)

P09MBA4M3
(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) Discuss the IMC Planning Model. (10)
(b) Define advertisement. Explain the purpose of advertising. Discuss the role of advertisement. (10)
2. (a) What are the different types of advertisement agencies? Discuss the criteria for selection and evaluation of ad agencies. (10)
(b) Expand DAGMAR? Discuss DAGMAR approaches. (10)
3. (a) Discuss the advantages and disadvantages of various media. (10)
(b) What is creativity? Discuss the elements of creativity strategy and its implementation. (10)
4. (a) Define direct marketing. Explain the features and functions of direct marketing. Discuss the advantages and disadvantages of direct marketing. (10)
(b) Discuss the tools and techniques of conventional and unconventional sales promotional activities. (10)
5. (a) Discuss the various methods of measurement of effectiveness of advertisement. (10)
(b) Discuss the special issues in industrial selling. (10)
6. (a) What are event? Discuss the factors for pricing of an event. (10)
(b) If you were to organize an event 'state level management fest' in your college which are the mediums of promotions you prefer and why? (10)
7. (a) Discuss the advantages and limitations of Net advertising. (10)
(b) What are the objectives of public relations? Discuss the tools of public relations. (10)
8. Answer any four of the following (4 X 5=20)
 - (a) Global environment in advertising
 - (b) Various budgeting methods for advertising
 - (c) Importance of headline
 - (d) PR V/s Publicity
 - (e) Elements of IMC



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MODEL QUESTION PAPER

Retail Management
(Course Title)

P09MBA4M4
(Course Code)

Time: 3 Hrs.

Max. Marks: 100

Note: Answer any FIVE full Questions.

1. (a) What is Retailing? Throw light on retail industry of India. (10)
(b) Discuss the importance of Location Decision. Explain the levels of location decisions. (10)
2. (a) Discuss the criteria for effective market segmentation. (10)
(b) What information should the customer profile contain? Explain how customer profile helps in framing effective marketing strategy. (10)
3. (a) Define merchandise management. Explain the components of merchandise management. (10)
(b) Discuss the retail pricing & promotion strategy. (10)
4. (a) Discuss the composition size and key players in food, jewellery retail. (10)
(b) Discuss the different types of ownership in retail industry. (10)
5. (a) Discuss the importance of sales forecasting in retailing. (10)
(b) Explain the factors that affect the demand for the region on trade area. (10)
6. (a) Discuss the importance of assortment plan & estimation of demand. (10)
(b) What is relationship marketing? Describe the evaluation of relationship marketing. (10)
7. (a) Explain the reasons for the emergence of category management. (10)
(b) Discuss the promotional strategy of any two organized retail units. (10)
8. Answer any four of the following (4 X 5 = 20)
 - (a) Careers in Retailing
 - (b) Contribution of retailing to economy
 - (c) Types of Ownership
 - (d) The attractiveness of a site
 - (e) Retail Audits.