

**ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES :: RAJAMPET
(AUTONOMOUS)**

MBA III Semester Regular Examinations November/December 2012

Investment and Portfolio Management

Max. Marks: 60

Time: 03 Hours

Part A

Answer any Four Questions (12 Marks each)

4 x 12 = 48 Marks

1. "Primary and secondary markets are complimentary to each other but their organizational set up are different"-Explain
2. "Stocks are considered to be risky but bonds are not". This is not fully correct-Elucidate
3. The state of the Economy determines the growth of GDP and Investment opportunities-Comment
4. Define risk and distinguish between Systematic Risk and unsystematic risk
5. Define Markowitz diversification. Explain the statistical method used by Markowitz to obtain the risk reducing benefit?
6. Management has recently announced that expected dividends for the next three years will be as follows:

Year	Dividend
1	2.50
2	3.25
3	4.00

For the subsequent years, management expects the dividend to grow at 5% annually. If the risk free rate is 4.30%, the return on the market is 10.0% and the firms beta is 1.40, what is the maximum price that you should pay for this stock?

7. Write short notes on

(a) Yield to Maturity (b) Zero coupon Bonds (c) Direct Investment channels

Part B-Compulsory Question

Analyze the following case and answer the questions.

CASE STUDY

12Marks

A Company proposes to issue ten year debentures of Rs 10,000 (Rs 100 par value). The company would return Rs 1000 at the end of every year and will pay interest annually at 10% on the outstanding amount.

8. Determine the present value of the debenture issues, if capitalization rate is 20%.

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Product and Brand Management

Max. Marks: 60

Time: 03 Hours

Part A

Answer any Four Questions (12 Marks each)

4 x 12 = 48 Marks

1. Explain in brief, the process behind the development of a new product. 12M
2. What are the different strategies normally applicable in different phases of product life cycle? Explain. 12M
3. What do you mean by product branding? What are its advantages from producers and consumers perspective? 12M
4. Discuss various methods of measuring the brand equity. 12M
5. Write short notes on
 - a) Brand identity 06
 - b) Brand image 06
6. What do you mean by brand personality? Also explain the role of communication strategy in brand personality. 12M
7. Discuss the important criteria of branding in retail sector along with suitable examples. 12M

Part B—Compulsory Question*Analyze the following case and answer the questions.***CASE STUDY****12Marks****Brand Extensions of Refrigerators**

The Indian refrigerator industry had apparently reached maturity in the eighties. The introduction stage could be seen in 1962-66, growth stage in 1967-80 and maturity stage in 1981-90. Between 1989-90 and 1990-91, the market grew by 12 to 12.35 lakh units. In 1992-93, it is estimated to have come down from 12 to 10.39 lakh units. Thus the decline seems to have begun.

Presently there are six main competitors in the refrigerator market in India. The industry seems to have structure prevailing in monopolistic competition. The products at present available in the market are under the brand names of Godrej, Kelvinator, Voltas, Videocon, BPL and LG.

The new entrants to the market like BPL and Videocon with latest ultra modern refrigeration technology have thrown down the gauntlet to the existing leaders like Godrej and Kelvinator. A study has been conducted to find out what changes have occurred in consumer behavior due to the emergence of these new challenges, because, for all one knows, a very tough competition has recently emerged among the individual giants due to which consumer behavior has undergone drastic changes. The main purpose of the study is to see how defectors are affecting consumer behavior.

The specific objectives of the study are positioning of products and brands, rating of different parameters and their ranking, consumer's degree of satisfaction, estimating ideal capacity and ideal prices, consumer's perception of price and brand, awareness of different brands and various sources of information to the consumer.

The survey leads to the conclusion, that most of the people are aware of 165 liter capacity with awareness of nearly 95 percent, others are less known to consumers. The most important parameters for customers while buying a refrigerator are technology, cooling efficiency, durability, price, capacity and after sales service in that order.

According to the dealers, the customer consider brand name, technology, cooling efficiency, durability and after sales service as very important. Other parameters like special gift/price, guarantee/warranty are just important parameters. According to the customers, BPL, Voltas and Videocon are high priced refrigerators and Godrej and the others are comparatively low priced. From the dealers survey it has been found that the ideal capacity is 165 liter and the ideal price is Rs.7000-8000.

8. Questions:

- a. Does Godrej needs any changes in its refrigerators so as not to lose its market share? Discuss.
- b. Discuss which will be the most effective strategy according to you that will make consumer brand loyal in the refrigerator industry.

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**ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES :: RAJAMPET
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MBA III Semester Regular Examinations November/December 2012

Retailing Management

Max. Marks: 60

Time: 03 Hours

Part A

Answer any Four Questions (12 Marks each) 4 x 12 = 48 Marks

1. Define retailing management? Explain the wheel of Retailing? 12M
2. Describe the retailers approach in building a sustainable competitive advantage? 12M
3. Explain the trends in Retail HRM? 12M
4. What is merchandising? What are the factors affecting the merchandising functions? 12M
5. Explain in detail the retail pricing strategies? 12M
6. write short notes on 12M
 - a. Store layout
 - b. Space planning
 - c. Atmospherics
7. Explain the types of retail location? What are the factors affecting the attractiveness of a site? 12M

Part B—Compulsory Question

Analyze the following case and answer the questions.

CASE STUDY**12Marks**

It's Wednesday afternoon and as usual Gwendolyn has a fitting room ready for Mrs.johnson. She has picked out some of the new items in Mrs.johnson's size that came in the previous week. She has everything from scarves to jewelry to shoes ready to go along with outfits.

"Good evening, Mrs.johnson.so how was your birthday?" Gwen asked.

"It was wonderful. My husband took me to Italy. Thank you for the card."

"I pulled some new items for you to try on," Gwendolyn said.

"Thank you, Gwen. You are the best!" replies Mrs.johnson. The reason Mrs.johnson has such a friendly relationship with Gwen is because Mrs.johnson is a regular and a saksFirst member.

Saks Fifth Avenue started in the early twentieth century. Saks is considered the epitome of class, style, and luxury. When customers go to Saks, they receive excellent customer service: when they join Saks first-started in 1994- they also receive a lot of additional benefits. Saks first is a preferred customer program that helps facilitate more personal customer/sales associate relationship.

To become a member, a customer has to have a charge account, and once she or he spends at least\$2,000 dollars a year the customer is automatically enrolled. If a customer wants the benefits of a preferred customer and doesn't spend \$2,000 a year, she or he can pay a \$50 annual fee. For every dollar she or he spends, the customer will receive a point. At the end of the year, the preferred customers receive 2, 4, or 6 percent in rewards based on how much they spent that year to make more purchases at Saks. The newsletters inform the customers of the hottest trends for the next season. The customers can then plan what purchases to make on their next shopping expedition.

The customers receive many exclusive benefits. The tangible benefits include the points, rewards, and discounts. Customers also receive complimentary local delivery, advance notice of sale events, the SaksFirst newsletter, catalogs, promotions and giveaways, double-and triple-points events, and double points on their birthdays. The intangible benefits include recognition and preferential treatment.

For the retailer, the main purpose for the SaksFirst program is to promote customer service. The better the relationship between the customer and the sales associates, the more money their loyal customers will spend. Every year there is a triple-point event in the first week of November. That one day accounts for the highest volume sales day of the year, higher than the day after thanks giving or Christmas Eve. Knowing this, the company understands the importance of the preferred program.

The SaksFirst program can also be used by the sales associates as a selling tool. If a customer is uneasy about purchasing large – ticket items, the sales associate can remind the member of the bonus certificate that will return a percentage of the cost. Sales associates are motivated to enroll as many of their customers as they can because they are given incentives such as “lottery tickets,” that are redeemed for cash

8. Questions

- a. How does SaksFirst build loyalty for Saks Fifth Avenue versus other upscale retailers?
- b. How effective is the SaksFirst program in developing customer loyalty?
- c. Who should Saks target the SaksFirst program toward?
- d. Is the SaksFirst program worth what it spends giving back to customers?

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**ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES :: RAJAMPET
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**M.B.A. III-Semester Regular Examinations, November/December 2012
Reward Management**

Max. Marks: 60

Time: 03 Hours

Part A**Answer any Four Questions (12 Marks each)****4 x 12 = 48 Marks**

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| 1. Describe the trends in Reward management. | 12M |
| 2. How will you analyse the Job of an employee in an organization? Explain. | 12M |
| 3. What is the purpose of Pay Structure? Describe the types of pay structures. | 12M |
| 4. Explain the approaches to Team Rewards? | 12M |
| 5. Explain how to manage the reward system for special groups in an organization? | 12M |
| 6. Describe the role of IT in managing Rewards in an organization. | 12M |
| 7. Write a short notes on | 12M |
| a) Wage Boards. | 6M |
| b) Pay Budget management. | 6M |

Part B—Compulsory Question*Analyze the following case and answer the questions.***CASE STUDY****12Marks****Salary inequities at Acme Manufacturing**

Joe Black was trying to figure out what to do about a problem salary situation he had in his plant. Black recently took over as president of Acme Manufacturing. The founder and former president, Bill George, had been president for 35 years. The company was family owned and located in a small eastern Arkansas town. It had approximately 250 employees and was the largest employer in the community. Black was the member of the family that owned Acme, but he had never worked for the company prior to becoming the president. He had an MBA and a law degree, plus five years of management experience with a large manufacturing organization, where he was senior vice president for human resources before making his move to Acme.

A short time after joining Acme, Black started to notice that there was considerable inequity in the pay structure for salaried employees. A discussion with the human resources director led him to believe that salaried employees pay was very much a matter of individual bargaining with the past president. Hourly paid factory employees were not part of this problem because they were unionized and their wages were set by collective bargaining. An examination of the salaried payroll showed that there were 25 employees, ranging in pay from that of the president to that of the receptionist. A closer examination showed that 14 of the salaried employees were female. Three of these were front-line factory supervisors and one was the human resources director. The other 10 were non-management.

This examination also showed that the human resources director appeared to be underpaid, and that the three female supervisors were paid somewhat less than any of the male supervisors. However, there were no similar supervisory jobs in which there were both male and female job incumbents. When asked, the HR director said she thought the female supervisors may have been paid at a lower rate mainly because they were women, and perhaps George, the former president, did not think that women needed as much money because they had working husbands. However,

she added she personally thought that they were paid less because they supervised less-skilled employees than did the male supervisors. Black was not sure that this was true.

The company from which Black had moved had a good job evaluation system. Although he was thoroughly familiar with and capable in this compensation tool, Black did not have time to make a job evaluation study at Acme. Therefore, he decided to hire a compensation consultant from a nearby university to help him. Together, they decided that all 25 salaried jobs should be in the same job evaluation cluster, that a modified ranking method of job evaluation should be used, and that the job descriptions recently completed by the HR director were current, accurate, and usable in the study.

The job evaluation showed that the HR director and the three female supervisors were being underpaid relative to comparable male salaried employees. Black was not sure what to do. He knew that if the underpaid female supervisors took the case to the local EEOC office, the company could be found guilty of sex discrimination and then have to pay considerable back wages. He was afraid that if he gave these women an immediate salary increase large enough to bring them up to where they should be, the male supervisors would be upset and the female supervisors might comprehend the total situation and want back pay. The HR director told Black that the female supervisors had never complained about pay differences.

The HR director agreed to take a sizable salary increase with no back pay, so this part of the problem was solved. Black believed he had four choices relative to the female supervisors:

1. To do nothing.
2. To gradually increase the female supervisors salaries.
3. To increase their salaries immediately.
4. To call the three supervisors into his office, discuss the situation with them, and jointly decide what to do.

8. Questions:

- a. What would you do if you were Black?
- b. How do you think the company got into a situation like this in the first place?
- c. Why would you suggest Black pursue the alternative you suggested?

ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES :: RAJAMPET
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MBA III Semester Regular Examinations November/December 2012

Advertising & Sales Promotion Management

Max. Marks: 60

Time: 03 Hours

Part A

Answer any Four Questions (12 Marks each)

4 x 12 = 48 Marks

1. Explain the current trends in advertising management in the emerging economies.
2. How to manage agency-client relations? Critically evaluate in Indian context.
3. What is the best way to spend an advertising budget for a small business? Would a business get a better ROI out of print, radio or television? Or would spending marketing dollars online be the best way?
4. What is media planning? Discuss the various factors that are to be considered for the selection of a suitable media.
5. Outline how you would evaluate the effectiveness and efficiency of a business firm's advertising function. Focus on budgeting practices and performance results.
6. Under which conditions and in what way do sales promotions influence household purchase behavior?
7. Describe the role that an Internet strategy might assume in the promotional mix of the business marketer. How can the business marketer use the Web to form close relationships with customers?

Part B—Compulsory Question

Analyze the following case and answer the questions.

CASE STUDY

12Marks

In February 2012, a guest staying at the Hilton in Cherry Hill, New Jersey, died while attending a convention. Several other guests were sent to the hospital amid fears of an outbreak of Legionnaires' disease or an anthrax attack. Later, it was determined that the guest had died from pneumonia and a blood infection unrelated to the hotel. The alarm surrounding this incident illustrates how important safety has become to a hotel's business.

In response to this need, John C. Fannin III, a fire protection and industrial security expert, formed the SafePlace Corporation. The firm is an independent provider of safety accreditation of lodging, healthcare facilities, educational structures, commercial buildings, and other occupancies where the safety of people is a concern. Like the "Good Housekeeping Seal of Approval," SafePlace® Accreditation requirements are based on the security, fire protection, and health and life safety provisions of selected nationally recognized codes, standards, and best practices.

The Hotel du Pont in Wilmington, Delaware, was the first lodging facility in the United States to receive the SafePlace seal of approval. Such an accreditation process involves a rigorous inspection of the facility and identifies the best practices that should be employed by the hotel: the use of key cards (as opposed to keys), self-closing doors, smoke detectors and sprinklers in the guest rooms, throw-bolt locks on the doors, excellent water quality, and safe work and food-handling practices among the hotel staff. The Hotel du Pont, which paid a \$45,000 fee for the inspection and consulting services, displays the SafePlace seal in the lobby and plans to feature the credential on all of the hotel's marketing materials.

Since launching its program in March 2012, SafePlace is receiving inquiries from more than 25 hotels a week. In turn, John Fannin, the firm's president, feels that there is a huge opportunity in the education market, particularly with colleges and universities (for example, the accreditation of dormitories).

8. *Questions:*

- a. Assume that SafePlace wants to initially target top-tier hotels with its service. Describe the central elements of the advertising strategy that SafePlace should follow.
- b. Assume the core benefits that the SafePlace seal provides to a hotel and its guests. How would you describe these benefits in the body of an ad?

**ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES :: RAJAMPET
(AUTONOMOUS)**

MBA III Semester Regular Examinations November/December 2012

Entrepreneurship Development

Max. Marks: 60

Time: 03 Hours

Part A

Answer any Four Questions (12 Marks each)

4 x 12 = 48 Marks

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| 1. Define Entrepreneur and enumerate qualities of a successful Entrepreneur. | 12M |
| 2. Write short notes on
(a). Sole trading (b).Partnership (c). Corporate entrepreneurship, | 12M |
| 3. Enumerate how Heuristics and Brainstorming helps in problem solving. | 12M |
| 4. What are the different sources of Capital? Explain with examples. | 12M |
| 5. Explain the Project Life cycle. | 12M |
| 6. Illustrate the various promotional efforts by Indian government in support of women Entrepreneurship. | 12M |
| 7. What is the Role of NGO's in Rural Entrepreneurship | 12M |

Part B–Compulsory Question

Analyze the following case and answer the questions.

CASE STUDY

12Marks

That thoroughly American experience of renting a movie video or video game cartridge to take home overnight has gone global. As foreign opportunities opened Blockbuster Entertainment Corporation plugged in to numerous international markets. Chairman H.Wayne Huzenga has always been one to look to new frontiers, and the world out their beyond the United States is quite tempting

H.Wayne Huzenga and some close business associates brought out blockbusters founders and franchise holders located in the Dallas areas in 1987. The company began expanding rapidly across the United States by using a growth philosophy similar to McDonald's corporation blanket major markets, add stores quickly, use franchising to hasten process of getting managerial talent and operating capital, and never admit that the market is saturated. (By the middle of 1994 there were over 4300 stores through out North America, Asia, Europe, Latin America, and Australia.) At that time Huzenga, who had built a fortune in variety entrepreneurial ventures, including Waste Management Inc. (Now better known as WMX Technologies), felt that the video rental industry was poised for enormous growth both domestically and internationally. In 1982, rental and sales of home videos in the United States was a mere \$700 million. By 1991, renews in the video rental industry had reached \$11 billions and Americans were spending double the amount to watch movies at home as they did to watch in the movie theaters. By 1994, industry sales revenues approached \$14 billions. Blockbuster currently estimates that the United States video rental market for movies will reach \$19.3 billions by the end of the decade. And that doesn't even include the potential sales in foreign markets.

Blockbuster entertainment made its first international push in early 1992 when it acquires city vision PLC, the largest retailer in the United Kingdom. Around the same time, the company opened several video stores in Japan in joint venture with Fujita & company. Currently the company has outlets in Austria, Australia, Canada, Chile, Guam, Japan, Mexico Puertorico, Spain, The United Kingdom, and the Venunsuila as well as the United States. As Blockbuster entered to the various foreign markets, its employees had familiarized themselves with many different cultures and political jurisdiction.

However, since Huzienga wants to keep his company in the fast forward mode, he is constantly on the look out for other global opportunities and challenges. Blockbuster entertainment intents to keep writing its own video script on location through out the world.

8. Questions:

- a) What legal political and cultural differences would be significant to a video rental company? As a video store Manager for Blockbuster in any of its global locations, how would you deal with these differences?
- b) How would you describe Blockbusters approach to going international? What do you think the advantages and disadvantages of this approach are?
- c) Suppose you are assigned to open a new Blockbuster outlet in Shanghai, China. What would you do to make a successful adjustment both personally and professionally?

**ANNAMACHARYA INSTITUTE OF TECHNOLOGY & SCIENCES :: RAJAMPET
(AUTONOMOUS)*****MBA III Semester Regular Examinations November/December 2012******Financial Institutions, Markets and Services*****Max. Marks: 60****Time: 03 Hours**

Part A**Answer any Four Questions (12 Marks each)****4 x 12 = 48 Marks**

1. Define financial system. Describe the relationship between financial system and economic development.
2. Explain the role and functions of RBI.
3. Explain the role of commercial banks in the development of India Economy.
4. Discuss the present state of the mutual funds in India and outline the cause for their slow growth.
5. Explain the features and advantages of commercial papers.
6. What do you mean by investment banking? Explain the functions and activities of investment banking.
7. Explain the following:
 - a) Factoring
 - b) Hire-purchase.
 - c) Listing of securities.

Part B—Compulsory Question*Analyze the following case and answer the questions.***CASE STUDY****12Marks**

A small firm has total credit sales of Rs.80 lakh, and its average collection period is 80 days. Past experience indicates that bad debts loss around 1 per cent of credit sales. The firm spends around Rs. 1, 20,000 per annum on administering its credit sales. A factor is prepared to buy the firm's receivables by charging 2 per cent commission. The factor will also pay advance against receivables to the firm at an interest rate of 18 per cent after withholding 10 per cent as reserve.

8. Calculate the cost and benefit to the company and also effective rate of annual cost of factoring.

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Human Resource Planning

Max. Marks: 60

Time: 03 Hours

Part A

Answer any Four Questions (12 Marks each)

4 x 12 = 48 Marks

1. Explain the process of manpower planning illustrating with the help of a flow chart? 12
2. Discuss the objectives of Human Resource Planning at organisational level? How does it help in determining and evaluating future organisational needs and anticipated problems? 4 + 8
3. Discuss the role of recruitment in Human resource planning? Discuss the merits and demerits of recruitment technique employee referral? 6 + 6
4. Define Career? Discuss various stages of employee career? 2 + 10
5. What do you mean by MBO? Explain the merits and demerits of MBO as a performance appraisal technique. 3 + 9
6. What is HR Audit? Explain the significance of HR audit? 4 + 8
7. What are the main causes of downsizing? Discuss the strategies to deal with downsizing of employees? 6 + 6

Part B—Compulsory Question*Analyze the following case and answer the questions.***CASE STUDY****12Marks**

The Rajendra Chemicals Ltd., Mumbai planned for computerisation of nearly 50 per cent of the production operations and control. It has taken care of all resources in the computerisation plan including human resources. The present inventory and future requirements of the production department were specified as given hereunder.

The human resource planners suggested to redeploy the chemical engineers in their newly started sister concern, i.e., Rajendra Paper Mills Ltd., and retrench all other categories of employees. They also recommended the management that there was no need for further recruitment or for any other action plan. The computerisation was over by the end of 1987. The management, when it wanted to start the production on the newly computerised process, it was shocked to note that not many employees in the production department were suitable to the new jobs and the information supplied by the human resource planners in this regard did not match with the reality.

S. No	Category of Employees	Persons Inventory	Requirements after computerisation
1	Chemical Engineers (Operation)	15	08
2	Chemical Engineers (Maintenance and Control)	10	06
3	Mechanical Engineers (Maintenance)	02	01
4	Supervisors	10	02
5	Operators	30	10
6	Quality controllers	05	01
	Total	72	28

8. Questions:

- a. Why did the data supplied by the human resource planners proved to be a failure?
- b. To what extent the human resource planning is responsible for the non-suitability of the present employees to the jobs in the computerised production process?

MBA III Semester Regular Examinations, November/December 2012***International Business Management*****Max. Marks: 60****Time: 03 Hours**

Part A**Answer any Four Questions (12 Marks each)****4 x 12 = 48 Marks**

1. Define Globalisation? Explain process of economic globalization. 12M
2. What is international business environment? What are the environment factors Effects on international business? 12M
3. Explain the functions and principals of WTO? 12M
4. Discuss the important of foreign exchange markets. 12M
5. Why is the HRM role so much more complex and important in the international Context? 12M
6. What are international marketing strategies in product life cycle? 12M
7. Explain: 6M
 - a. Foreign trade zone
 - b. Economic processing zone 6M

Part B–Compulsory Question*Analyze the following case and answer the questions.***CASE STUDY****12Marks**

Indian leather exports, an important foreign exchange earner for the country, has been reportedly hit hard by the decision of some major US retail chains like Eddie Bauer, LL Bean, Timberland and casual corner, and a German company Bader to boycott leather goods from India in protest against the ill-treatment of animals heaths move came shortly after a decision by global retail chains Gap, Marks & L.Spencers,Liz Claiborne and J.Crew not to buy Indian leather goods. This development has a lot to do with the lobbying by the US-based animal rights group people for Ethical Treatment of Animals(PETA) for a ban on leather goods from Indian by documenting evidence of “cruelty to animals “ killed for making leather. It has been reported that the overseas firms have officially communicated to the Indian outfit of PETA that they will not be sourcing leathers products from Indian until there is strict enforcement of animal protection laws.Following this, the Mumbai-based Teja Industries, the official supplier of leather foods for Marks & Spencer in India, started out-sourcing leather from other countries to manufacture products for the global chain.

8. Questions

- a. In the light of the above, discuss the implications of social activist groups for business.
- b. With references to this case, discuss the failure of the governments, council for Leather Exports and the leather industry and the lessons of this case.
- c. What should the governments, Council for Leather Exports and the leather industry do to overcome the problem?
