

MBA IV Semester Regular Examinations September 2014

Total Quality Management**Max. Marks: 60****Time: 03 Hours**

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

1. a) What is meant by Total Quality Management? What is the importance of it in business?
b) Explain the elements of Total Quality Management?
2. a) How can one organization measure its customer satisfaction?
b) Why the concept of Customer relationship is getting its importance? What are the different strategies of CRM?
3. Explain the following concepts and also implications for management?
 - a. Quality Circularity
 - b. Types of teams
4. a) What is the contribution of Juran to continuous improvement in process technology?
b) What is Kaizen? In what way it will help organizations in bettering their business models?
5. Explain the following concepts
 - a. Q.F.D
 - b. Deming cycle
 - c. Benchmarking
6. Implementation of Total Quality Management is required more in service sector than in any other sectors. Do you agree?
7. How can one company be successful in implementing Quality Management System?

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

The Beijing Morning News is established news Paper Company in China which is very successful in retaining their existing customers and attracting the new customers every time for its ad Business. The customer satisfaction is ensured by the company whenever queries have come from the customers. The top management believes in the effectiveness of CRM. All the team members who are working know that the Quality in the total quality management (TQM) method is defined as customer delight.

Customers are delighted when their needs are met or exceeded. The needs of the customer are: Product quality, Delivery quality, Service quality & Cost value. Improving customer service was the focus of two projects within the deployment of TQM in a mid-sized newspaper in India.

The newspaper closed its window for booking advertisements at 4 p.m. every day. However, many of the newspaper's advertisers expressed that they would be delighted if this limit could be extended to 5 p.m., as they were not able to send ad materials on time for the 4 p.m. deadline. The TQM leaders formed a team consisting of representatives from each link in the ad-processing chain of work. The team attended a two-day quality-mindset program to expose them to the concepts of TQM and also to open their minds about experimenting with change.

In TQM, problems are defined as $\text{Problem} = \text{Desire} - \text{Current status}$. Therefore, in this case $\text{Problem} = \text{Desired closing time} - \text{Current closing time} = 5 \text{ p.m.} - 4 \text{ p.m.} = 60 \text{ minutes}$. The 4 p.m. deadline had been instituted because, Deadline for sending the ad pages to the press was 6:30 p.m. Standard cycle time for processing ads into pages was 2.5 hours

Achieving a 5 p.m. ad closure deadline meant reducing the standard ad processing time by 40 percent, or one hour.

8. Questions

- a) What are the strengths and weaknesses of the company?
- b) What TQM strategies can solve the problem and ensure customer delight?

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Financial Derivatives**Max. Marks: 60****Time: 03 Hours**

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

1. Write about types of Derivatives. Explain about features of Future & Forward contracts. Also comment on criticism of Derivatives.
2. Write on Role of Derivatives market and also write about misuses or Dangers of Derivatives market with examples.
3. Write about Participats in future market & distinguish between Forwards & Futures.
4. Write about Evaluation of Swap market. Advantages and limitations of Swaps.
5. Write about Types of interest rate Swaps.
6. Write about structure of options market. Distinguish between options & future markets.
7. Discuss in detail about Binomial option pricing model.

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

A bank has entered into a currency Swap where it receives 5% per annum in yen and pays 8% per annum in \$ once in a year on yen bond & Dollor bond. The principle in the two currencies are \$ 10 million dollors and 1200 million yen. The Swap will last for 3 years. The Swap interest rate is flat in both Japan & US. The Japanes rate is 4% per annum and US rate is 9% per annum (both continuous compounding). The current exchange rate is 110 yen = \$1.

8. Questions

- a) Show the present value of yearly cash flows on yen bond & \$ bond.
- b) Find the value of yen bond and dollor bond
- c) Find the value of Swap in Dollars.

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Global Human Resource Management**Max. Marks: 60****Time: 03 Hours**

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

1. What are the different selection approaches in global business?
2. What are the different compensation packages in international business?
3. Discuss the evaluation of global HRM practices.
4. What are the cross cultural differences in global organization?
5. Explain approaches to International compensation.
6. Explain the importance of HRM in the context of globalization
7. Write a short note on
 - a. Trade Union
 - b. Employee participative management

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

The construction industry is a major employer in many states and communities through the United States. Unfortunately, another common characteristic of the construction industry is a high number of works –related accidents and injuries. Increasingly the employees in the construction industry are individuals for whom English is not their primary language and a number of construction site accidents have been attributed to the lack of English language skills of some construction workers. For instance, it has been estimated that 40% of work related in the Houston, Texas, area involve Hispanic workers. Some specific examples illustrate the concerns:

- A worker demolishing a building in New York City was hit and killed by a demolition boom. He left the machine on and pushed the wrong boom control pedal. Even though a safety instruction manual was available in English, the worker spoke and understood only Polish.
- A Hispanic worker was killed when the window-washing lift he was on fell 30 feet because the lift platform had not been locked properly. None of the safety instructions and warning was in Spanish.

Even if injuries or deaths do not result, the diversity of workers on many construction sites means many different languages are being used by employees, with English fluency less common than might be desirable. Assume that workers from Croatia, Mexico, Sudan and Laos are all working on the same construction project how would a supervisor who speaks only English communicate with them?

Fortunately some progressive construction firms have organized that the diversity of workers present some opportunities for building better work places by working with constructions unions, some employers have developed English training programs for workers that are offered to non-English – speaking employees. Other employers have translated their safety training materials into Spanish or other languages also greater use of pictures and diagrams rather than written instructions has helped with safer operation of equipment and machinery. Some construction firm have conducted basic foreign language classes for English speaking supervisors and managers still other employers have conducted diversity training in order to reduce conflicts among the different racial /ethnic groups and to promote better working relationships and greater understanding. This training also has helped reduce the number of racial harassment complaints and lawsuits.

The major benefit of these efforts is that the number of work related accidents at construction sites has declined some. Another benefit is that whenever employee received training in their own languages and/or their boss makes some efforts to speak the native language of construction workers, employee morale appears to increase and turnover tends to decline. Thus it appears the addressing diversity issues pay-off for construction employees.

8. QUESTIONS:

- a. As the HR manager, how would you begin development of a diversity effort for a construction firm?
- b. Discuss the difficulties in dealing with employees from a number of differential racial/ethnic groups when developing and conducting the training.

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International Financial Management

Max. Marks: 60

Time: 03 Hours

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

1. a) Who are the participants in foreign exchange market? 6M
b) Discuss the forex market structure in India. 6M
2. Why should a corporate finance manager monitor balance of payments' development? 12M
3. What is the inherent paradox in having a particular currency as the reserve currency in the international monetary system? 12M
4. Define the concept of foreign exchange exposure, translation exposure, and transaction exposure. 12M
5. How does increased availability of capital to multination firms impact their cost of capital? Does market segmentation result invariably in a higher cost of capital for an affiliate in a segmented market? 12M
6. Why should inventory be held? Why is inventory management important? Explain the objectives of inventory management? 12M
7. Describe the functions of IFC and comment on its performance. 12M

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

Given the following data.

Spot Rate: 1\$ = Rs 42.0010

Six month forward rate: 1\$ = Rs 42.8020

Annualized interest rate on six month rupee = 12%

Annualized interest rate on six month dollar = 8%

How can an arbitrageur take advantage of the situation? Assume the arbitrageur is willing to borrow \$1,000 or Rs 1,000. Calculate the arbitrage possibilities.

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International Marketing**Max. Marks: 60****Time: 03 Hours**

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

1. What do you mean by international marketing? How it is different from domestic marketing? Explain. 12M
2. What is the role of business customs in international marketing? Explain in detail. 12M
3. What are the advantages and disadvantages of market segmentation? Explain. 12M
4. What are the strategic alternatives for geographic expansion in international marketing? Explain. 12M
5. Explain the factors that affect the selection of distribution channel for marketing the products globally. 12M
6. What do you mean by Grey market? What are its types? Explain in brief. 12M
7. Explaining the concept of export documentation, briefly describe the commercial and the regulatory documents. 12M

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

Automotive Components Ltd. (ACL) was started over twenty years ago, designing and building automotive components. The company's innovative, high quality products had gained it a first class reputation, a healthy growth rate, and excellent profitability. ACL's founder and his sons, who took over the business upon their father's retirement, managed to develop close relationships with the leading car and truck builders in India. The result was that the company became a leader in many of the market niches in which it competed. As far as participating in the international markets was concerned, the company has been very cautious. ACL's founder, in particular, liked to point out that the Indian market was the most important one and offered plenty of opportunities for growth.

ACL's international involvement had largely been limited to exporting products from India through an exporter. Currently, foreign sales revenues accounted for almost 20 percent of total sales and were growing at a faster rate than the domestic business. In addition, these export sales are very profitable.

Assuming yourself to be a newly appointed manager at ACL, answer the following.

8. Questions: (Assuming the geographic region of your choice)

- a) Why should ACL become more aggressively involved in foreign markets and how should ACL do so?
- b) Prepare a list of the various entry strategies ACL can use to enter foreign markets. List the advantages and disadvantages of each.

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Organization 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. a) Laboratory training stem | 6M |
| b) Survey research and feedback stem | 6M |
| 2. Explain the values in transition with suitable examples? | 12M |
| 3. Discuss the foundations of OD? | 12M |
| 4. a) Diagnosing Organizational process | 6M |
| b) Six box model | 6M |
| 5. Sketch the classification of OD interventions? | 12M |
| 6. a) CMBO | 6M |
| b) Role efficacy | 6M |
| 7. a) Power and politics | 6M |
| b) T- Groups | 6M |

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

A senior OD consultant deputed his colleague to a reputed organization for building consultant - client relations before he joins him at a later date. The OD consultant while delegating the work to his colleague asked him to discuss various issues involved in consultant – client relationship.

- a) If you are deputed, what are the issues you discuss with you senior?
- b) How do you build the trust?
- c) What are measures you take to get away from “On being absorbed by the culture

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Services Marketing

Max. Marks: 60

Time: 03 Hours

Part A

Answer any Four Questions (12 Marks each)

4 x 12 = 48 Marks

1. Explain the role of Services in modern Economy? 12M
2. What is meant by market Segmentation? Explain the steps involved in the Process of Market Segmentation? 12M
3. Briefly describe Marketing Strategies for existing and new Services. 12M
4. What are the main characteristics of service pricing? 12M
5. State different objectives of marketing Communication? 12M
6. What are the guidelines identified for effective physical evidence? 12M
7. Explain steps involved in CRM programs? 12M

Part B—Compulsory Question

Analyze the following case and answer the questions.

CASE STUDY

12Marks

Service provided by health club for its swimming pool

You have been appointed as the marketing manager of a Health Club, having its own International grade indoor swimming pool. In the last year, two deaths occurred in the swimming pool. Public, at large, doubt the safety provisions at the swimming pool. The membership stands adversely affected. The management of the health club had appointed a fact finding committee. Its suggestions are as follows:

- a) Reduce the membership fees to attract more price-conscious members or increase the membership fee to attract the up-market membership.
- b) Try to hide-out the facts of deaths at the swimming pool from the public's notice or call the press to convince them the club's management is not guilty.

Discuss

1. As a marketing manager which suggestion will you propose? Why?
2. Does the firm should adopt the negative publicity by acquiring press conference comment?

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Strategic Management

Max. Marks: 60

Time: 03 Hours

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

1. a) Explain the importance of a vision and a mission statement. 6M
b) Explain the relationships among objectives, strategies and policies 6M
2. Why do you scan the business environment? What are the social and cultural factors that affect the business? 12M
3. Explain BCG Matrix. List four limitations of a BCG Matrix. If a firm has the leading market share in its industry, where on the BCG Matrix would the circle lie? 12M
4. What are the pros and cons of a firm merging with a rival firm? 12M
5. Explain why organization structure is so important in strategy implementation. 12M
6. What are the advantages and disadvantages of Mergers and Acquisitions? 12M
7. Explain the various types of diversification strategies. 12M

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

Mysore Foods Limited 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 neighboring countries. It conducts a large national advertising campaign. It has 75 plants located all over the country and markets 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 specialties with comparatively small volume to large-volume items with small profit margins. Different raw materials and other articles are used in their processing and packing. All products are, however, sold through the same channel. i.e., retail and provision stores. Gross sales are Rs. 25 crore and total assets exceed Rs. 12 crore.

The management of Mysore Foods Limited 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 comes 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 products 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 contacts retailers.

To avoid neglect or error, single product 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 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 efforts on some other product or products. There is no institutional advertising. All advertising is coordinated and placed by the Advertising Manager while the final authority rests with Sales Vice-President.

Each plant is operated by a superintendent who is in-charge of wages, maintenance, cost, output, quality, hiring, inspection and other normal plant operation responsibilities. Superintendents report to eight Regional Production Managers who are responsible to the Production Vice-President. The volume of production in each 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 last 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 specialties are sold under trademarks 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 ones, the weight, complexing 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 advice and experience now present in law, advertising, accounting and public relations.

8. Questions:

- a) How far is the existing organizational structure effective in the changed conditions of the company?
- b) Indicate:
 - i. How the desired product responsibility can be achieved?
 - ii. Any changes in line authority, and
 - iii. The use, if any, of staff. Functional authority or committees.
- c) What policy and organizational structure changes do you recommend, and why?
