2018/ODD/10/29/FM–3101/
HRM–3301/OM–3401/257

PG Odd Semester (CBCS) Exam., December—2018

BUSINESS ADMINISTRATION

(3rd Semester)

Course No. : MBAOC–304

Full Marks : 70
Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Candidate have to answer *either* from FM–3101 *or* HRM–3301 *or* OM–3401

OPTION—A

Course No. : FM–3101

(Corporate Financial Decision)

1. *(a)* Discuss the importance of NPV in corporate financial decision making. 6

(b) Your company possesses an office building, if it is sold today it will get ₹ 4,35,000. The company can also rent it at an annual rent of ₹ 8,000 p.a. for 8 years and may sell the same after 8 years. Property adviser estimated that

the price of office building will increase by 3% p.a. over the period. Advise whether to sell the building today or to give it on rent now and sell it after 8 years. (Discounting rate is 5%.) 8

2. *(a)* Is there any difference between discounted payback period method and IRR? If it is so, establish the same with an example. 8

(b) Your company has taken an office building mortgage loan of ₹ 25,00,000, rate of interest is 10%. Loan is to be repaid over 20 years and the bank wants that the loan is to be repaid in equal monthly instalments. Calculate monthly instalment. 6

OR

3. *(a)* Distinguish between present value and future value. 4

(b) What are the different factors that are to be considered to make investment decision? 4

(c) Cost of the project is ₹ 6,00,000. Life of the project is 5 years, residual value ₹ 40,000. Depreciation will be charged equal every year. Rate of tax is 33·30%. Cash inflows over the life of the project

are ₹ 2,00,000, 2,50,000, 2,00,000, 2,00,000 and 1,90,000. Required rate of return for the organization is 11%. Additional ₹ 50,000 will be required to maintain the project in the 4th year. (Discounting Factors : 0·901 ; 0·812 ; 0·731 ; 0·659 ; 0·593.) Calculate net present value for the project. 6

4. *(a)* Explain with example the difference between depreciation and amortization. 6

(b) Explain the six lessons of market efficiency. 6

(c) Narrate the meaning of trade financing. 2

OR

5. *(a)* From the following information, calculate half-yearly lease rental. Value of the asset is ₹ 15,00,000, life of the asset is 7 years. It is a financial lease. Salvage value will be ₹ 1,00,000. Required rate of return is 12%. Lease rent is to be paid at the end of each half-year.

(Given Annuity value of ₹ 1 for 14 years @ 6% is 9·295 and for 7 years @ 12% is 4·564.) 6

(b) Write notes on the following : 4×2=8

(i) Short-term financing

(ii) Commercial paper

6. *(a)* Explain the term 'financial distress without bankruptcy'. 4

(b) Book value of equity share of a company which is at financially distressed is ₹ 100 million and the market value is ₹ 50 million. If the company goes into liquidation, the shareholder can realized 40 paisa for ₹ 1 of book value. To complete the process of liquidation 6 months will be required and the official administrator needs to be paid ₹ 1 lakh every month as remuneration. Other cost of liquidation will be ₹ 50,000. Estimate the cost of bankruptcy to the shareholders of the company and also find out the cost to be born by a share-holder, holding shares worth ₹ 5 lakh (book value). 7+3=10

7. *(a)* What do you understand by the term 'return on investment'? Elaborate with example. 8

(b) Distinguish between wealth added index and market value added. 6

OR

8. When a market is said to be an efficient market? Mention a few evidences against market efficiency. 7+7=14

OPTION—B

Course No. : HRM–3301

(Human Resource Development)

1. Write short answers of the following : 2×7=14

(a) State the functions of HRD.

(b) Explain HRD Audit.

(c) What is HR outsourcing?

(d) What do you mean by strategic HRD?

(e) What do you mean by career anchor?

(f) What is HRD benchmarking?

(g) What do you mean by up-skilling?

2. Bring out the recent trend of HRD professionalism and explain challenges of HRD profession today. 14

OR

3. What is HRD? Explain various theories of HRD. 2+12=14

4. The world renowned British theoretical physicist Late Stephen Hawking, known for his contribution to the field of consmology, general relativity, and grantum gravity especially in the context of black holes, said

that "Artificial intelligence will never kill human brain".

Taking the cue from Mr. Hawking's comment, can you say that human beings can never be replaced by artificial intelligence and robots in workplaces? If artificial intelligence and robots replaces partially the spaces of human being, how HRD in organization have to react? Explain. 7+7=14

OR

5. What do you mean by workplace competencies for an employee of a standard organization? List out various workplace competencies required for an employee of a business organization. As an HRD agent, what are the activities would you undertake to elevate workplace competencies? 2+6+6=14

6. "Performance appraisal system and processes are still evolving. The recent 360° programme is also not adequate for performance appraisal." Comment. If you are to appraise employees with 360° appraisal, what steps and method will you deploy? Explain. 7+7=14

OR

7. What are the various issues involved in HRD programme implementation and evaluation? As an HRD professional, how would you minimise those disturbing issues or overcome the same? Explain. 8+6=14

8. A senior manager from a major international bank was in line of promotion. However, there were reservations about his behaviour in meetings and his ability to get best out of his team.

Originally as a Chartered Accountant, he had many of the characteristics typical of the technical professionals. He was intelligent and fast thinking with sharp analytical approach to issues, admired intelligence in others and believed that he would be rated highly by his managers if he continually demonstrated his own competence—even if this meant putting others down.

He was intolerant of people who thought more slowly that himself and his intollerance was extended to more senior managers as well as to members of his own team.

There was also problem with his line manager, as he did not see the need to give them reports on his progress, expecting them to trust him to get on with the job.

He attended a coaching program. He came to understand the sources of intolerance and to realise the effects of that it was having on his career. He came to see that while people admired his intellect, they feared his sharpness and that his use of sarcasm created distrust among his team.

Following 6 × half-day, one-to-one coaching session over a period of six months, he developed a more considerate approach to others. He also took the time to explain himself clearly rather than simply assuming that people had understood and his interpersonal and people management skills had improved significantly. He received his promotion and has maintained the improvements that were initiated by the coaching.

Questions :

(a) What is the case all about?

(b) What type of coaching was undertaken by the accountant?

(c) Whether the coaching received by the accountant was effective?

(d) What is your view—on the efficacy of coaching as HRD tool? Write in the light of the case. 2+3+3+6=14

OPTION—C

Course No. : OM–3401

(Production Planning and Control)

1. Given the following data :

Period	*Demand*
1	43
2	37
3	55
4	48

(a) Calculate the three-period moving average for period '5'.

(b) Calculate the exponential smoothed forecast for period '5' using an alpha value ( ) of 0·4. Assume the forecast for period '4' was the three-period moving average of the first three periods.

(c) Which method appeals the most for the data? Why? 5+5+4=14

2. Suppose that a master scheduler consistently finds that there is inadequate capacity to produce the product, the facility needs in order to satisfy customer demand. What actions should they take and why? Discuss. 14

OR

3. Sanchar Limited is a telecommunication firm and is laying overhead telecable in five parts of the old city. The task is carried out in two phases—erection of poles and laying of line. The poles have to be erected before line can be laid on them. The timing in weeks required at different sites for the two activities are given below :

Sites	*A*	*B*	*C*	*D*	*E*
Erection of poles	3	6	4	8	5
Line laying	2	8	3	6	5

Determine the optimal sequence and the elapsed time. 14

4. What is theory of constraints? How does theory of constraints impact the performance of a firm? 7+7=14

OR

5. What is Just in Time (JIT) manufacturing? Discuss the framework of JIT implementation. 7+7=14

6. Consider the following situation for the MRP system with the table below. The product *Y* is

made from one component *P*, three components *Q* and two components *R*. *P* is made from two parts *S*, *Q* is made from one *S* and *R* is made from two parts *S* and three parts *T*. Other data includes—

Part	*Lead time*	*Lot size*	*On hand*	*Scheduled receipts*	*Safety stock*
Y	1	lot for lot	30	none	5
P	2	40	15	none	none
Q	2	100	8	none	8
R	3	120	30	none	none
S	2	500	20	500 weeks	20
T	2	600	370	none	50

Compute the MRP (Material Requirement Planning) explosion for product *Y*. Identify any problems and discuss possible solution. 14

7. Discuss the algorithm of CRAFT (Computerized Relative Allocation of facility technique) layout. 14

OR

8. How does modular design concept help a manufacturing firm? Describe the CORELAP (Computerized Relationship Layout Planning) in brief. 7+7=14

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