

**AR19**

**Code: 19MBA3014**

**SET-2**

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)  
II MBA III Semester Regular/Supplementary Examinations, January-2023  
PLANNING, STRUCTURING, AND FINANCING SMALL BUSINESS**

**Time: 3 Hrs**

**Max. Marks: 60**

**Answer any Five questions  
All questions carry EQUAL marks  
Question No. 8 is Compulsory**

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|----|--|-------------|
| 1. | a) Describe various Steps in Setting up a MSMEs  | <b>6 M</b>  |
|    | b) List out various causes for Sickness of MSME  | <b>6 M</b>  |
| 2. | a) What is business model explain its need?  | <b>6 M</b>  |
|    | b) How to choose the best model for business   | <b>6 M</b>  |
| 3. | a) Elaborate various Incentives and Subsidies for MSMEs  | <b>6 M</b>  |
|    | b) Justify your view on Entrepreneurship Development Programme in India                              | <b>6 M</b>  |
| 4. | a) What do you understand by venture capital? Discuss. stages of venture development and financing   | <b>6 M</b>  |
|    | b) Explain the role of Commercial Bank & Co-operative bank in SME                                    | <b>6 M</b>  |
| 5. | a) Critically examine the various forms of business strategy and its implementation on MSME success. | <b>6 M</b>  |
|    | b) Briefly discuss growth strategies for small business enterprises with suitable examples           | <b>6 M</b>  |
| 6. | a) Discuss Crisis Management in MSMEs  | <b>6 M</b>  |
|    | b) What is the impact of personnel & office management on MSME                                       | <b>6 M</b>  |
| 7. | a) Bring out the relevance of leasing as source of finance   | <b>6 M</b>  |
|    | b) Name any two Institutions offering financial assistance to SSI                                    | <b>6 M</b>  |
| 8. | <b>CASE STUDY:</b>   | <b>12 M</b> |

In October 1998, Hindustan Motors (HM), makers of one of India's best known cars - the Ambassador - launched a new car, the Mitsubishi Lancer (Lancer). The launch of Lancer, a new car from the HM stable after nearly two decades, was reported to be very important for the company, whose market share was on the decline. HM was reportedly banking heavily on the Lancer's success to fight competition from other car companies. Lancer was positioned in the mid-size luxury car segment, which was dominated by Maruti Udyog's (MUL) Maruti Esteem and Honda's Honda City. Lancer was received very well by automobile experts throughout the country, largely due to its technical finesse. The car's sales reached 2,866 units by the end of the fiscal 1998-99. Much to HM's delight, Lancer was even ranked as the top vehicle in India for the three consecutive years (1999, 2000 and 2001) by J.D. Powers for the least number of defects and high customer satisfaction in a countrywide survey of car owners.

However, the company's euphoria was short-lived as Lancer's sales failed to pickup as expected. While 7,621 cars were sold in 1999, HM managed to sell only 7,635 cars in 2000-01 against a forecast of 8,000. On the other hand, sales of Honda City increased to 10,011 in 2001 from 9631 in 1999. Meanwhile, HM's other offerings Ambassador and Contessa were also faring badly. In 1999, Ambassador's sales were down to 15,374 from 18,312 in 1998 and Contessa's to 285 from 575 in 1998. This poor performance took a heavy toll on the company's bottom-line and HM reported a net loss of Rs 615.8 million for the fiscal 1999-00. The company had reportedly accumulated losses worth Rs 1.1 billion during 1999-2001.

**Questions:**

1. What were the reasons of poor sales of Mitsubishi Lancer in year 2001?
2. What strategies would you recommend to fulfill the objective of the company?