

Code No: MB1931/R19

MBA III Semester Regular/Supplementary Examinations, December-2024

STRATEGIC MANAGEMENT

Max. Marks: 75

Time: 3 Hours

*Answer Any FIVE Questions, one from each unit
Question No. 11 is Compulsory*

UNIT-I

1. Define Strategic Management. Discuss the process of Strategic Management. 12M
(OR)
2. a) What do you mean by Policy? Briefly explain. 6M
b) Discuss significance and role of policies in organizations with examples. 6M

UNIT-II

3. a) What is Environment Analysis? What do we analyze as part of environment analysis? 6M
b) Define Competitive Advantage. Outline some of the strategies of organizations that help in gaining Competitive Advantage. 6M
(OR)

4. Discuss in detail the concept and application of Porter's Five Forces Model in Strategic Management of Organizations. 12M

UNIT-III

5. Explain in detail the steps of Strategy Formulation Process. 12M
(OR)
6. Explain the concept of Competitive Analysis. Also Explain the benefits of competitive analysis framework with relevant examples. 12M

UNIT-IV

7. Discuss how the Culture and Values impact the Strategies of the organization. 12M
(OR)

8. Discuss in detail the steps for successful implementation of the strategy. 12M

UNIT-V

9. Discuss in detail the Strategic Evaluation Process. 12M
(OR)
10. Discuss the concepts of Strategic Surveillance and Strategic Audit. 12M

15M

CASE STUDY

Tata Motors, a part of the Tata Group, was founded in 1945 and is one of India's largest automotive manufacturers. The company has a diverse portfolio, ranging from commercial vehicles to passenger cars. Known for producing the Tata Indica, India's first indigenously developed passenger car, Tata Motors has made significant contributions to the Indian automotive industry. It also gained global recognition with its acquisition of Jaguar Land Rover (JLR) in 2008, which expanded its market presence.

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By the early 2000s, Tata Motors was facing multiple challenges:

1. **Increased Competition:** Foreign automakers like Maruti Suzuki, Hyundai, and later, international giants like Honda and Toyota, were competing aggressively in the Indian market. This led to intense price and quality competition.
2. **Changing Consumer Preferences:** Indian consumers were increasingly looking for vehicles with modern features, safety standards, and fuel efficiency.
3. **Volatile Market Conditions:** The automotive sector in India was affected by fluctuations in economic growth, regulatory changes (e.g., BS-VI emissions norms), and rising fuel prices.
4. **Sustainability Pressures:** Growing environmental awareness and government initiatives like the FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) scheme were pushing automakers to focus on electric vehicles (EVs).

To tackle these challenges, Tata Motors implemented several key strategic initiatives:

1. **EV Focus with Tata Nexus EV:** In 2020, Tata Motors launched the Tata Nexus EV, India's first mass-market electric SUV. Supported by Tata Power's charging infrastructure, Tata leveraged its "Tata Universe" ecosystem to promote the EV market in India. This strategic move positioned Tata Motors as a leader in India's EV segment.
 2. **Improving Product Quality and Innovation:** Tata Motors undertook significant product upgrades, especially in safety and design, as seen in models like the Tata Tiago, Tata Harrier, and Tata Altroz. These models garnered positive responses for high safety ratings, competitive pricing, and premium features.
 3. **Acquisition and Integration of JLR:** Tata Motors strategically used its acquisition of Jaguar Land Rover to access global markets and bring luxury automotive technology into India. This integration improved Tata's brand perception in India, helping the company appeal to premium customers.
 4. **Partnerships and Alliances:** Tata Motors entered partnerships with suppliers and technology providers to enhance R&D, reduce production costs, and improve vehicle quality. They also collaborated with the government under schemes like FAME to promote EV adoption.
 5. **Cost Optimization and Lean Production:** Tata Motors optimized production processes and improved supply chain management, focusing on lean manufacturing to reduce costs. This move was aimed at maintaining affordability, a critical factor in the price-sensitive Indian market.
- Tata Motors' strategic approach led to notable achievements.
- **Financial Performance:** Tata Motors gained market share in the Indian passenger vehicle market, especially in the EV segment, where the Tata Nexus EV became the market leader.

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OPERATIONS RESEARCH

Time: 3 Hours

Max. Marks: 75

*Answer Any FIVE Questions, one from each unit
Question No. 11 is Compulsory*

1. a) Explain the significance of operations research in business decision making by citing relevant examples. 6M
- b) Solve the following problem using simplex method
Max $Z=3x+5y$, subject to the constraints $x+y \geq 3$, $x+2y \geq 5$, $3x+y \geq 6$ and $x, y \geq 0$. 6M
- (OR)
2. a) Highlight and explain the salient features of the operations research discipline. 6M
- b) Use Big-M method to maximize $Z=5x-2y$ subject to the constraints: $2x+y \geq 2$, $x+3y \leq 3$, $y \leq 4$ and $x, y \geq 0$. 6M
3. a) Determine the optimum solution to the following transportation problem. You can use any method to find the initial basic feasible solution. 6M

		Showroom			Capacity (In tonnes)
		R1	R2	R3	
Warehouse	W1	5	6	3	25
	W2	2	3	2	12
	W3	4	2	1	6
	W4	3	7	4	5
Demand (In tonnes)		6	19	23	

b) A hospital wants to purchase four different types of medical equipment across 5 locations. The expected revenue (in thousands) from each equipment at each location is given below. Using Hungarian method of Assignment, please help the hospital in assigning the medical equipment to the best possible location.

		Medical Equipment			
		A	B	C	D
Location	P	50	40	60	20
	Q	40	30	40	30
	R	60	20	30	20
	S	30	30	20	30
	T	10	20	10	30

- (OR)
4. a) Explain in detail the travelling salesman problem and discuss the method to solve the problem. 6M
- b) How do you solve an unbalanced assignment problem? If you have experienced degeneracy in an assignment problem what is the procedure you follow to address the degeneracy and arrive at a final solution? Explain clearly by mentioning all the underlying steps. 6M

UNIT-III

5. a) Find the optimum integer solution to the following Linear programming problem
 $\text{Max } Z=x+4y$ subject to the constraints: $3y \leq 8$, $x+y \geq 7$, $3x \leq 13$, $x, y \geq 0$. 6M
 b) Use Dynamic programming to solve the following linear programming problem:
 $\text{Max } Z=3x+8y$ subject to the constraints: $2x+y \leq 27$, $y \leq 12$, x and $y \geq 0$.
- (OR)
6. a) Use branch and bound technique to solve the following Linear programming problem. Minimize $Z=4x+5y$, subject to the constraints: $3x+5y \leq 30$, $x \leq 5$, $y \leq 8$, x and $y \geq 0$ and integers. 6M
 b) Define the following terms in Dynamic programming
 Optimal return, immediate return, state, state variable and state transformation function. 6M

UNIT-IV

7. a) Find the saddle points (or point) and solve the following game. The payoff matrix of the game is as follows. 6M

		Player S		
		S1	S2	S3
Player R	R1	-3	-1	6
	R2	6	5	7
	R3	-4	2	-1

- b) What is strategy in a game? How do mixed strategies and pure strategies differ from each other? Explain. 6M

(OR)

8. a) Solve the following game which doesn't have a saddle point. 6M

		B			
		I	II	III	IV
A	I	2	2	3	-1
	II	4	3	2	6

- b) A businessman is considering taking over a certain new business. Based on past information and his own knowledge of the business, he works out the probability distributions of the daily costs and sales, as given below. He calculates profit as Sales-Costs.
 Using Simulation technique calculate the Average profit (in Rs) for the following set of Random numbers: 21,64, 47,17,46,42,45,67,88,27,79,41,30,93,22

Cost (In Rs)	Probability
8500	0.10
9000	0.10
9500	0.40
10000	0.20
10500	0.20

Sales (In Rs)	Probability
9500	0.15
10000	0.10
10500	0.20
11000	0.40
11500	0.15

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UNIT-V

9. a) If 2 or more individuals draw network diagram for a project it is highly likely that both the diagrams may look different. In such cases, what are the steps that should be taken to draw an 'Easy to Follow' network diagram? 6M
b) There are 4 common errors that are commonly observed in drawing network diagrams. Highlight and explain those errors in brief. 6M

(OR)

10. a) The cost of a machine is Rs. 67,800 and its scrap value is only Rs. 11,500. The maintenance costs are found from experience to be as follows. When should the machine be replaced? 6M

Year	1	2	3	4	5	6	7	8
Maintenance Cost (In Rs)	1500	2250	3750	6500	8750	1400	1800	2200

- b) Explain in detail the difference in the approaches followed to replace the machine that deteriorates with time and the equipment that fails completely. Use relevant examples, facts and figures, wherever required. 6M

11. CASE STUDY 15M

The New Zealand Transport Agency (NZTA) effectively managed the restoration of vital infrastructure following a destructive flood in the South Island of New Zealand. The flood caused widespread damage to roads, bridges, and essential infrastructure, cutting off access to numerous communities. The primary challenges included:

Severe Damage: The extensive destruction of infrastructure required rapid assessment and prioritization of repairs to restore connectivity

Logistical Complexity: The remote conditions made it difficult to transport materials and deploy teams to the affected areas

Time Sensitivity: The urgency to reconnect communities and restore essential services demanded swift and efficient project execution

To tackle these challenges, the NZTA implemented a structured project management approach and named it as Project Haka-M. The following table gives data on normal time-cost and crash time-cost for the project.

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Activity	Normal		Crash	
	Time (days)	Cost (NZD)	Time (days)	Cost (NZD)
1-2	6	550	4	900
1-3	4	550	2	1900
2-4	5	450	3	1400
2-5	3	400	1	550
3-4	6	850	4	1900
4-6	8	750	4	2900
5-6	4	350	2	900
6-7	3	400	2	700

The indirect cost per day is New Zealand Dollar (NZD) 175/-

Question:

- i. Draw the network diagram and identify the critical path.
- ii. What are the normal project duration and associated costs?
- iii. Crash the relevant activities systematically and determine the optimum project completion time and cost.

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MBA III Semester Regular/Supplementary Examinations, December-2024
MANAGING BANKS AND FINANCIAL INSTITUTIONS
(Finance)

Time: 3 Hours

Max. Marks: 75

Answer Any FIVE Questions, one from each unit
Question No. 11 is Compulsory

1. a) Define bank? Explain the evolution of banking system in India. 6M
b) Explain the role of RBI in banking sector reforms. 6M
2. a) What is the role of RBI in the Indian financial system? 6M
b) What is the meaning of prudential in banking? What are its norms? 6M
- (OR)
3. a) Explain the functions of RBI. 6M
b) Discuss the role of NBFCs in Indian economy. 6M
- (OR)
4. a) Discuss the importance of commercial banks in Indian economy. 6M
b) What do you mean by FDI? Explain its significance in Indian banking sector. 6M
- UNIT-II
5. a) What is the asset-liability management (ALM) process in banking? Explain. 6M
b) What do you mean by country risk in banking? How to manage it? Discuss. 6M
- (OR)
6. a) What is credit risk? Explain the credit risk management in banking sector. 6M
b) Explain the banking related functions of IRDAI. 6M
- UNIT-III
7. a) What is meant by development bank? Explain their functions. 6M
b) Write the functions of – (i) IDBI and (ii) SIDBI. 6M
- (OR)
8. a) Explain the lending policies of term lending institutions. 6M
b) Discuss the role financial institutions in the capital market. 6M
- UNIT-IV
9. a) Write the differences between old generation and new generation private banks. 6M
b) What is the role of NSDL and CDSL in the stock market? 6M
- (OR)
10. a) What is foreign bank? Explain their role in Indian banking system. 6M
b) What are the objectives and functions of DFHI? 6M

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11. CASE STUDY

15M

The Reserve Bank of India (RBI) in its 4th bi-monthly meet held on October 9, 2020 has decided to keep the repo rate unchanged yet again with accommodative stances. This is the second time in a row the apex bank has kept the key rates unchanged.

The repo rate and reverse repo rate remains at 4 per cent and 3.35 per cent, respectively, after the announcement. RBI keeping the repo rate unchanged in this monetary policy review was expected by many market participants due to rising inflation and growth uncertainty in the country.

Borrowers who were facing salary cut/job loss due to novel corona virus pandemic situation and were looking for some reduction in their equated monthly installments (EMI) burden will have to wait a little longer. On the other hand, no change in policy rates means good news for fixed deposit (FDs) investors as banks may go slow on cutting interest rates on FDs.

Questions:

- i. What is repo rate?
- ii. Why were the borrowers looking for reduction in EMI?
- iii. How does the repo rate affect EMI?
- iv. Change in repo rate is a part of fiscal policy. (True/False).

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MBA III Semester Regular/Supplementary Examinations, December-2024

FINANCIAL MARKETS AND SERVICES
(Finance)

Time: 3 Hours

Max. Marks: 75

*Answer Any FIVE Questions, one from each unit
Question No. 11 is Compulsory*

UNIT-I

1. a) "There is a close nexus between financial system and economic development". – 6M
Comment?
- b) What are the recent financial sector reforms in Indian financial system? 6M
(OR)
2. a) What are the functions and objectives of stock exchanges in India? 6M
b) "The SEBI regulates the functioning of the Indian capital market and monitors and regulates the securities market to safeguard investors' interests" – Explain. 6M

UNIT-II

3. a) What are the regulatory frame works of financial services? 6M
b) Discuss the post –issue obligations of merchant bankers in India. 6M
(OR)
4. a) Explain the importance of Financial services. 6M
b) What do you mean by Leasing? Explain its advantages and disadvantages. 6M

UNIT-III

5. a) Write a note on legal aspects and guidelines relating to venture capital financing in India. 6M
b) Discuss in brief about the mechanism of factoring services followed in India. 6M
(OR)
6. a) Outline the financing pattern under venture capital. 6M
b) Define factoring. What is factoring in bill discounting? Explain. 6M

UNIT-IV

7. a) What is credit rating? Explain the credit rating process of CRISIL. 6M
b) Explain the SEBI guidelines for mutual funds. 6M
(OR)

8. a) Define mutual fund and explain its types. What is Systematic Investment Plan? 6M
b) Explain the role of NSDL in De-mat and Re-mat services. 6M

UNIT-V

9. a) What is the rural financial system? Explain its future in India. 6M
b) Explain the role of NABARD in microfinance in India. 6M
(OR)

10. a) What is micro finance? Explain its status in India. 6M
b) Explain the Grameen Bank model of microfinance in India. 6M

Code No: MB193B3/R19

11. CASE STUDY

A firm can lease at Rs. 2,50,000 a machine for five years at Rs.62,500. It can purchase the machine at Rs.50,000 down payment and the balance in five equal payments at 10% interest. The firm qualifies for Rs. 20,000 tax credit in year zero if it preleased. The machine will be depreciated at straight line calculations to a book value of Rs. 50,000 at the end of the year five. The cash value at that time will be zero. The cost of debt is 10% and the cost of capital is 12%. Should machine be leased or owned?

15M

Present value factor at 10%

Year	0	1	2	3	4	5
Factor	1.000	0.909	0.826	0.751	0.683	0.621

12% cost of capital factor is 0.567.

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MBA III Semester Regular/Supplementary Examinations, December-2024

**INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT
(Finance)**

Time: 3 Hours

Max. Marks: 75

*Answer Any FIVE Questions, one from each unit
Question No. 11 is Compulsory*

UNIT-I

1. a) "Investment opportunities are available to the investor in many types and in many combinations with each type." – Elucidate the statement. 6M
b) What do you mean by primary and secondary markets? Explain the key differences between them. 6M

(OR)

2. a) Define Investment. Is it different from speculation? Explain. 6M
b) Explain the procedure for calculating the BSE Sensex index using the free-float market capitalization method. Give an example. 6M

UNIT-II

3. a) What is the meaning of total risk? What are its components? Explain the procedure for its calculation. 6M
b) XYZ Ltd. currently paying a dividend of Rs.2 per share and their dividend is expected to grow at a 15% annual rate for 3 years then at a 12% rate for the next 3 years. After, it is expected to grow at 5% forever. What value would you place on the equity if the required rate of return were 9%. 6M

(OR)

4. a) What do you mean by systematic and unsystematic risk? Explain the differences between them. 6M
b) A 6.5% p.a. bond (coupon payments made semi-annually) with a maturity time of 5-years is traded in the market at Rs.97.56. Assume that the coupon re-investment rates are 5%, 5.25%, 5.45%, 5.3%, and 5.28% for the subsequent coupon payments respectively and the bond is expected to be sold at Rs.98.64 at the end of 3-years. Determine the holding period yield. 6M

UNIT-III

5. a) What is meant by fundamental analysis? What are the various factors that are considered in such an analysis? 6M
b) Describe the types of tests that have been commonly employed to verify the weak form of efficient market hypothesis. 6M

(OR)

6. a) "Technical analysis is useful in forecasting the individual share prices as well as the path of the markets as a whole" – Explain with an illustration. 6M
b) "A market may be efficient in weak form but it may not be efficient in semi-strong or strong form of efficiency". Is it possible? 6M

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UNIT-IV

7. a) What are the assumptions of Markowitz Theory?

6M

The A and B Corporations have the following expected risk and return inputs for the next year. Find out the portfolio risk, if 50% of funds are allocated for each stock.

	A	B
Return	20%	23%
Risk	21%	25%
Correlation coefficient	0.4	

- b) Explain the assumptions of APT? How are risk and return calculated under APT and multi-factor model?

6M

(OR)

8. a) Stocks X and Y have the following parameters.

6M

	Stock-X	Stock-Y
Expected Return	20%	30%
Expected Variance	16%	25%
Covariance of X and Y	20	

Is there any advantage of holding a combination of X and Y.

- b) Single Index Model is an improvement over Markowitz Model. Do you agree? Explain your view points.

6M

UNIT-V

9. a) Explain Treynor's Ratio and Sharpe's Ratio. State the basic difference between them.

6M

- b) Calculate Sharpe, Jenson, Treynor Ratios:

Portfolio	Avg. Return (%)	Std. Deviation (%)	Beta
A Ltd.	14	18	1.60
B Ltd.	12	32	0.80
C Ltd.	11	16	1.25
D Ltd.	12	24	0.75

Market Return: 12% and Risk free Return: 6%

(OR)

10. a) What do you mean by Jenson's Alpha? Explain with a numerical example.

6M

- b) Consider the characteristics of the following two portfolios:

	Observed Return	Beta	Residual Variance
Portfolio - X	0.16	1.8	0.03
Portfolio - Y	0.10	1.6	0.00

The risk-free rate is 0.07. The return on the market portfolio is 0.16. The standard deviation of the market is 0.08. Compute the Sharpe Index and Trenor Index for the portfolios A and B.

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11. CASE STUDY

15M

Information regarding two mutual funds and market index are given below:

Fund	Return (%)	Standard Deviation (%)	Beta
Franklin Templeton	14	30	0.72
Standard Chart	32	70	1.33
Market Index	20	48	1.00

Assuming the risk-free return as 5 per cent.

- i. Calculate the differential return (Jensen Ratio) for the two funds.
- ii. Calculate net selectivity measure for the both funds using Fama's framework of performance components.

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MBA III Semester Regular/Supplementary Examinations, December-2024

TAXATION

(Finance)

Time: 3 HoursMax. Marks: 75*Answer Any FIVE Questions, one from each unit
Question No. 11 is Compulsory*

- UNIT-I**
1. a) Write a note on direct and indirect taxes. 6M
 - b) Explain the State's power to levy taxes in India. 6M
- (OR)**
2. a) Describe the provisions of the Income Tax Act, 1961, and its importance in the Indian tax system. 6M
 - b) Discuss the role of the Finance Act in determining tax laws and rates in India. 6M
- UNIT-II**
3. a) Explain the deductions available under Section 80C of the Income Tax Act. 6M
 - b) Describe the types of rebates and reliefs available to taxpayers in India. 6M
- (OR)**
4. Calculate the total tax liability for an individual for the Assessment Year 2023-24 given the following details: 12M

Gross Salary Income: ₹12,00,000

House Property Income (Net of standard deduction): ₹1,50,000 (loss)

Other Income (Fixed Deposit Interest): ₹60,000

Deductions:

- i. Section 80C: ₹1,50,000
- ii. Section 80D: ₹25,000
- iii. Section 80G (Donations to approved charitable institutions): ₹20,000 (eligible for 50% deduction)
- iv. Section 80TTA (Interest on savings): ₹10,000

Advance Tax Paid: ₹20,000

Consider current slab rates and include education cess. Calculate the net tax payable or refund, if any.

UNIT-III

5. a) Explain the concept of book profit for partnership firms under the Income Tax Act. 6M
 - b) Describe the tax deductions available to partnership firms. 6M
- (OR)**
6. a) Discuss the taxation provisions for Hindu Undivided Families (HUFs). 6M
 - b) Explain the concept of set-off and carry-forward of losses for firms under Income Tax Law. 6M

UNIT-IV

7. a) Explain the concept of Minimum Alternative Tax (MAT) and its purpose. 6M
- b) Discuss the tax provisions related to amalgamation and demerger of companies. 6M

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8. Calculate the taxable income and MAT for XYZ Ltd. for the Assessment Year 2023-24 given the following details: 12M

Net Profit as per Profit & Loss Account: ₹25,00,000
Additions for Tax Purposes:

1. Depreciation as per books: ₹3,00,000
2. Depreciation as per Income Tax Act: ₹4,50,000
3. Donations to an approved institution: ₹50,000

Brought Forward Losses:

1. Business Loss: ₹1,00,000
2. Unabsorbed Depreciation: ₹2,00,000

MAT Rate: 15%

Calculate the taxable income under normal provisions and under MAT, and determine the final tax payable for the company.

UNIT-V

9. a) Define tax audit and explain its significance under Indian tax laws. 6M
b) Describe the qualifications required to be a tax auditor in India. 6M

10. a) Discuss the types of reports and forms involved in a tax audit. 6M
b) Explain the tax reporting and disclosure requirements in financial statements. 6M

CASE STUDY 15M

DEF & Co., a partnership firm with two partners, is looking to optimize its tax burden for the current financial year. The firm has earned a net profit of ₹20,00,000 before interest and remuneration to partners. Under the partnership deed, both partners are eligible for remuneration of ₹3,00,000 each and interest on capital at 12% per annum. The partners have invested ₹5,00,000 each as capital. DEF & Co. wants to make full use of deductions and optimize the tax payable by the firm.

Questions:

- i. Calculate the maximum allowable remuneration to partners under Section 40(b) of the Income Tax Act.
- ii. Determine the total taxable income for DEF & Co. after accounting for interest and remuneration to partners.
- iii. Suggest a tax planning strategy for DEF & Co. that minimizes their tax liability while remaining compliant with Indian tax laws.

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