

- ~~2~~ A project requiring Rs. 200Cr as initial investment is expected to fetch following cash flows: Rs. 30cr per year for first four years followed by Rs. 50cr for next two years and Rs. 60cr in the final year. Calculate IRR of the project. (12.5)
3. Mega Mart Ltd (MML) is a levered company having 2:1 Debt-equity ratio with a debt of Rs. 10,000cr @7% per annum. MML has 100cr shares of Rs. 10 face value and Rs. 50 book value per share. It has the following information from its income statement of 2022-23 and 2021-22 (previous year): Sales: Rs. 5000cr (4000cr); COGS: Rs. 3000cr (2500cr); Depreciation: Rs. 500cr (500cr). MML is subject to 25% of taxation. Calculate Degree of Operating, Financial and Total Leverage (DOL; DFL & DTL) for MML. (12.5)
4. An iron ore company is considering investing in a new processing facility. The company extracts ore from an open pit mine. During a year, 1,20,000 tonnes of ore is extracted. If the output from the extraction process is sold immediately upon removal of dirt, rocks and other impurities, a price of Rs. 500 per ton of ore can be obtained. The company has estimated that its extraction costs amount to 50 percent of the net realisable value of the ore. As an alternative to selling all the ore at Rs. 500 per tonne, it is possible to process further 25 percent of the output. The additional cash cost of further processing would be Rs. 50 per

ton. The proposed ore would yield 60 percent final output, and can be sold at Rs. 1,500 per ton. For additional processing, the company would have to instal equipment costing Rs.80 lakhs. The equipment is subject to 10 percent depreciation per annum on reducing balance (WDV) basis/method. It is expected to have useful life of 5 years. Additional working capital requirement is estimated at Rs.8 lakhs. The company's cut-off rate for such investments is 15 percent. Corporate tax rate is 30 percent. Assuming there is no other plant and machinery subject to 10 percent depreciation, should the company instal the equipment if the expected salvage is Rs. 10 lakhs.

(12.5)

5/ Explain the MM Hypothesis of Capital Structure. How is it different from traditional theory of Capital Structure? Mention the limitations of MM Hypothesis.

(12.5)

6/ Dividend Policy of any company is function of both internal and external factors. Explain the factors and their impact on dividend decisions of the company. Also explain the relevance of dividend distribution for any company. (12.5)

7/ What do you mean by operating Cycle? Discuss the issues and challenges in minimizing the Operating cycle time. Also discuss the different ways to synchronize the Account receivables and payables. (12.5)

(2500)

Sr. No. of Question Paper : 3523

F

Unique Paper Code : 429801207

Name of the Paper : Paper No. MBAFT 6207 –
Marketing Research

Name of the Course : Master of Business
Administration (MBA)

Student : SOL

Semester : II

Duration : 3 Hours Maximum Marks : 70

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. This paper consists of two parts, **Part A** and **Part B**.
3. **Part A** is mandatory, **Part B** consist of 6 questions, out of which students need to attempt any 4.

1. The CAT (Common Admission Test) is a standardized examination used by various educational institutions for admission into management programs. This study aims to investigate whether there is a significant difference in CAT test scores between students from Delhi and Bangalore. The research question is as follows :

CAT score for the test given by Delhi Students	CAT score for the test given by Bangalore Students
540	350
570	470
600	630
430	590
500	610
510	520
530	460
560	550
550	530
490	570

- (a) Use the Mann-Whitney U test to determine whether there is a significant difference in the two cities students test results. Assume Level of Significance = .01.

$$U(10,10, 0.01) = 20; U(10,10, 0.005) = 17; z(0.01) = -2.33, z(0.005) = -2.576 \quad (10)$$

- (b) A high school teacher is interested in exploring the effectiveness of different study techniques used by students in preparing for their final exams. The teacher selects two study techniques, "Group Study" and "Individual Study," and wants to understand if there are any differences in exam performance between the two approaches. Based on the above information: Answer the following question: What statistical test could be used to analyse the data and test the research question? If the p-value is less than the chosen significance level, what conclusion can be drawn regarding the effectiveness of study techniques on exam performance?
- (10)

Part (B)

Attempt **any four** out of the following questions.
Each Question Carries **12.5** Marks.

- 2 ✓ Compare and contrast the different scaling techniques used in marketing research, such as nominal, ordinal, interval, and ratio scales. Provide examples to illustrate the application of each scale and discuss their respective strengths and limitations?
- 3 ✓ You are planning to conduct a market research study for a new mobile phone model. Describe the data collection methods you would use to gather primary data from potential customers regarding their

preferences, needs, and willingness to pay for the new phone. Justify your chosen methods based on the research objectives and the target audience.

4. What are the key steps involved in the qualitative research process? What are the advantages and disadvantages of using qualitative research methods in social science studies?
5. You are a research analyst working for a cosmetics company planning to launch a new skincare product. Design a sample for a survey to gather feedback from potential customers. Outline the sampling method you would use, justify your choice, and discuss how the sample results would be used to make data-driven marketing decisions.
6. Discuss the factors that influence sample size determination in quantitative research. Explain how the level of confidence, margin of error, and variability impact the required sample size. Provide examples to illustrate how different research scenarios may necessitate varying sample sizes.
7. Discuss the different applications of marketing research from the industry perspective. Elaborate your answer with examples & explain the four different levels of measurement?
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(2500)

[This question paper contains 12 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 3519 F

Unique Paper Code : 429801205

Name of the Paper : Paper No. MBAFT 6205 –
MANAGEMENT
ACCOUNTING

Name of the Course : Master of Business
Administration (MBA)

Student : SOL

Semester : II Examination 2023

Duration : 3 Hours Maximum Marks : 70

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. This paper consists of two parts- A and B.
3. Part A is mandatory, Part B consist of 6 questions, out of which students need to attempt any 4.

Part A

1 Case Study

(20)

A company manufactures and sells three products A, B and C as per details given below:

Particulars	A (in Rs.)	B (in Rs.)	C (in Rs.)
Direct Materials	20	16	18
Direct Labour	12	14	12
Variable Overheads	8	10	6
Fixed Overheads	6	6	4
Total Cost	46	46	40
Profit	18	14	12
Selling Price	64	60	52
Sales (units)	10,000	5,000	8,000

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(a) Rank the products according to profitability.
What is the profit currently earned by the company?

(b) Production arrangements are such that if one of the products is discontinued, sales of the other

two can be increased by 50%. Management wants to discontinue product 'C' as its contribution is least. Do you agree? Present your recommendation supported by suitable analysis.

(c) There is also a proposal to introduce a highly profitable product 'D' using the existing facilities along with the two products retained at the original level of production. The details relating to product 'D' are as follows :

Variable Cost per unit	Amount (in Rs.)
Direct Materials	12
Direct Labour	8
Variable Overheads	5
Selling price per unit	48

Demand for 'D' is uncertain. Management wants to know the minimum sales that would ensure the maximum profit as per (b).

Give your recommendation supported by workings.

Part B

2. (a) Differentiate between variable cost and fixed cost with the help of an example and also show them graphically? (4.5)
- (b) Supreme Ceramics Limited manufactures product X whose selling price is Rs. 10 per unit. The firm has the capacity to produce 10,000 units. The variable costs are Rs. 2.50 per unit. Fixed costs are estimated at Rs. 30,000 upto the capacity utilization level of 50%, Rs. 36,000 above that level but Rs. 42,000 if the level of capacity utilization is 80% & above. $P = C + FC$ (8)
- (i) What is break-even point?
- (ii) What will be the operating profits of the firm, if the levels of capacity utilization are 70%, 80% and 90% respectively?
- (iii) What is the level of activity at which the firm can make an operating profit of Rs. 18,000?

80%

(iv) Management of the firm is advised that, if the selling price is reduced to Rs. 9 per unit, sales will go up from 7,000 units to 7,500 units. Is it worthwhile to reduce the selling price?

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3. (a) Describe the role of management accounting within an organization. What are the primary objectives of management accounting, and how do they contribute to the decision-making process and overall organizational success? (4.5)

(b) The Prabhat Ltd.' is divided into two production cost centers A and B, and two service cost centers X and Y. The following is the summary of overhead costs for a particular period. Works Manager's Salary 4,000; Power 21,000; Contribution to PF 9,000; Rent 6,000; Plant Maintenance 4,000. Canteen expenditure 12,000; Depreciation of Plant and Machinery 20,000.

16800

The following information is made available from the various departments.

	DEPT. A	DEPT. B	DEPT. X	DEPT. Y
No. of Employees	16	8	4	4
Area Sq. Ft.	2,000	3,000	500	500
Value of Plant	75,000	1,00,000	25,000	
Wages	40,000	20,000	10,000	5,000
Horse Power	3	3	1	-

Apportion the costs to the various departments on the most equitable basis. (8)

4. (a) Classify the following items under the more appropriate category: Category (CC) – Cost Control Or Category (CR) – Cost Reduction:

(4)

(i) Costs exceeding budgets or standards are investigated.

(ii) Preventive function

(iii) Corrective function

(iv) Measures to standardize for increasing productivity

(v) Provision of proper storage facilities for materials.

(vi) Continuous comparison of actual with the standards set.

(vii) Challenges the standards set

(viii) Value analysis

(b) Sun Pharmaceuticals Limited produces a drug by blending two basic raw materials. It operates a standard costing system and the following standards have been set for raw materials :

Material	Standard Mix	Standard Price per kg (in Rs.)
A	40%	4
B	60%	3

The standard loss in processing is 15%. During

April, 1990 the company produced 1700kgs of finished output. The position of stock and purchases for the month of April 1990 are as under :

Material	Stock on 1/4/1990	Stock on 30/4/1990	Purchases during April 1990	
A	35kgs	5kgs	800kgs	Rs.3400
B	40kgs	50kgs	1200kgs	Rs.3000

Calculate Material Variances. (8.5)

5. Prepare a Cash Budget from the data given below for a period of six months (July to December). (12.5)

(1) Month	Sales	Raw Materials
May	75,000	37,500
June	75,000	37,500
July	1,50,000	52,500
August	2,25,000	3,67,500
September	3,00,000	1,27,500
October	1,50,000	97,500
November	1,50,000	67,500
December	1,37,500	-

(2) Collection estimates:

- Within the month of sale: 5%
- During the month following the sale:
80%
- During the second month following the sale: 15%
15%

(3) Payment for raw materials is made in the next month.

(4) Salary Rs. 11,250, Lease payment Rs. 3750, Misc. Exp. Rs. 1150, are paid each month

(5) Monthly Depreciation Rs. 15,000

(6) Income tax Rs. 26,250 each in September and December.

(7) Payment for research in October Rs. 75,000

(8) Opening Balance on 1st July Rs. 55,000.

6. (a) A company has adopted a Just-in-Time (JIT) production system. Describe how backflush costing is used to account for costs in a JIT environment. Discuss the advantages of backflush costing in simplifying cost tracking and its alignment with JIT principles. (4)

(b) A material used on building is produced in three grades : (8.5)

Particulars	Process I	Process II	Process III
Raw Material used (1000 tons)	Rs.1,00,000	—	—
Wages	Rs.87,500	Rs.39,500	Rs.10,710
Weight loss (% of input)	5%	10%	20%
Scrap (Sales price Rs.50 per ton)	50 tons	30 tons	51 tons
Sale price per ton of finished goods	Rs.350	Rs.500	Rs.800

Management expenses were Rs.17,500 and selling expenses Rs.10,000. $\frac{2}{3}$ rd of the output of process I and 50% of the output of process II are passed to the next process and the balance is sold. The entire output of process 3 is sold. Prepare Process Accounts and a statement of profit.

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7. (a) Differentiate between financial accounting and management accounting. Highlight the key purposes, users, focus, and types of information provided by each branch of accounting. Provide examples to illustrate these differences. (4)

- (b) In a factory two types of T.V sets are manufactured i.e. black & white + colour. From the following particulars prepare a statement showing cost and profit per T.V Set sold. There is no opening or closing stock. (8.5)

	B & W	Colour
Materials	Rs. 2,73,000	Rs. 10,80,000
Labour	Rs. 1,56,000	Rs. 6,20,000

Works overhead is charged at 60% of Prime cost and Office overhead is taken at 20% at Works cost. The selling price of B & W is Rs.600 and

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that of colour is 10000. During the period 200
B & W and 400 colour T.V. sets were sold. The
selling expenses are Rs. 50 per T.V. Set.

(2500)