2M5103

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M.B.A. II-Sem (Back) Exam., Oct.-Nov. - 2020

M-203A Financial Management

Time: 2 Hours **Maximum Marks: 42**

Min. Passing Marks: 17

Instructions to Candidates:

(i) The question paper is divided in two sections.

(ii) There are sections A & B.

*(iii) Section A contains **6** questions out of which the candidate is required to attempt any **2** questions. Section B contains short case study / application based question which is **compulsory.***

*(iv) All questions carry **equal** marks.*

1. NIL 2. NIL

SECTION – A

Q.1 Define Financial Management. What are it's primary objectives? Outline the factors behind Indian companies according greater importance to the goal of Shareholders Wealth Maximization. [14]

Q.2 An investor deposits ₹ 100 in a bank account for 5 years at 8 percent interest. Find out the amount which he will have in his account if interest is compounded (a) annually (b) semi-annually (6-monthly) (c) quarterly and (d) continuously. [14]

Q.3 The following is the capital structure of ABC Ltd – [14]

Sources of Funds	Amount (₹)	After tax cost of capital
Equity Share Capital (1,00,000 shares of ₹ 10 each)	10,00,000	11%
Preference Share Capital (25,000 shares of ₹ 10 each)	2,50,000	8%
Retained Earnings	5,00,000	11%
9% Debentures	7,50,000	4.5%

Presently, the debentures are being traded at 94%, preference shares at par and equity shares at ₹ 13.50 per share.

Find out the weighted average cost of capital based on market value weights.

Q.4 The following information is supplied to you, about a company – [14]

Earnings of the company	₹ 15,00,000
Dividends paid	5,00,000
Number of issued shares	1,00,000
Price earnings ratio	10
Rate of return on investment (%)	15

(i) Determine the theoretical market price of the share.

(ii) Are you satisfied with the current dividend policy of the firm? If not, what should be the optimal dividend payment ratio in this case?

Q.5 X & Y Ltd. is desirous to purchase a business and has consulted you, and one point on which you are asked to advise them, is the average amount of working capital which will be required in the first year's working.

You are given the following estimates and are instructed to add 10 percent to your computed figure to allow for contingencies - [14]

Particulars		Amount for the year
(i)	Average amount backed up for stocks:	
	Stocks of finished product	₹5,000
	Stocks of stores and materials	8,000
(ii)	Average credit given :	
	Inland sales, 6 weeks' credit	3,12,000
	Export sales, 1.5 weeks' credit	78,000
(iii)	Average time lag in payment of wages and other outgoings:	
	Wages, 1.5 weeks	2,60,000
	Stocks and materials, 1.5 months	48,000
	Rent and royalties, 6 months	10,000
	Clerical staff, 0.5 month	62,400
	Manager, 0.5 month	4,800
	Miscellaneous expenses, 1.5 months	48,000
(iv)	Payment in advance:	
	Sundry expenses (paid quarterly in advance)	8,000
	Undrawn profits on an average throughout the year	11,000

Set up your calculations for the average amount of working capital required.

Q.6 Write a note on –

(a) Behavioral Finance [3]

(b) Private Equity [3]

(c) International Sources of Finance [3]

(d) Types of Merger [3]

(e) Financial Modelling [2]

SECTION – B

(Case Study)

Q.7 Evershine Metals Ltd. are considering two different investment proposals. The details are as under - [14]

	Proposal - A	Proposal – B
	₹	₹
Investment Cost	9,500	20,000
Estimated Cash inflows at the end of		
Year I	4,000	8,000
Year II	4,000	8,000
Year III	4,500	12,000

(a) Suggest the most attractive proposal on the basis of Excess Present Value Method considering future cash inflows are discounted at 12%

(b) Also find out the Internal Rate of Return of the two proposals.

The present value of ₹ 1 receivable at the end of each period on various rates of discount are -

Year	10%	12%	14%	15%	16%	17%	18%
1	.9091	.8929	.8772	.8696	.8621	.8547	.8475
2	.8265	.7972	.7695	.7561	.7432	.7305	.7182
3	.7513	.7118	.6750	.6575	.6407	.6244	.6086

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M.B.A. II-Sem (Back) Exam., Oct.-Nov. - 2020

M-208A Operations Research

Time: 2 Hours **Maximum Marks: 42**

Min. Passing Marks: 17

Instructions to Candidates:

(i) The question paper is divided in two sections.

(ii) There are sections A & B.

*(iii) Section A contains **6** questions out of which the candidate is required to attempt any **2** questions. Section B contains short case study / application based question which is **compulsory.***

*(iv) All questions carry **equal** marks.*

1. NIL 2. NIL

SECTION – A

Q.1 (a) Define Operation Research and discuss its scope. [7]

(b) Discuss the advantages and disadvantages of Operation Research. [7]

Q.2 Use the graphical method to solve the following Linear programming problem - [14]

Minimise $Z = 20x_1 + 10x_2$

Subject to, $x_1 + 2x_2 \leq 40$

$3x_1 + x_2 \geq 30$

$4x_1 + 3x_2 \geq 60$ and

$x_1, x_2 \geq 0$

Q.3 (a) Consider the following profit matrix - [7]

	A	B	C	D	E	Supply
1	19	21	16	15	15	150
2	9	13	11	19	11	200
3	18	19	20	24	14	125
Demand	80	100	75	45	125	

Solve the Transportation problem by maximizing the profit.

(b) Explain Hungarian method of assignment problems. [7]

Q.4 (a) Explain the decision- tree approach. [7]

(b) Use matrix oddment method to solve the following 3×3 game – [7]

$$\begin{bmatrix} 0 & 1 & 2 \\ 2 & 0 & 1 \\ 1 & 2 & 0 \end{bmatrix}$$

Q.5 (a) What is Monte Carlo Simulation? [6]

(b) A bakery keeps stock of a popular brand of cake. Previous experience indicates the daily demand as given here - [8]

Daily Demand	0	10	20	30	40	50
Probability	0.01	0.20	0.15	0.50	0.12	0.02

Consider the following sequence of random numbers –

R. No. 48, 78, 19, 51, 56, 77, 15, 14, 68, 09

Using this sequence, simulate the demand for the next 10 days. Find out the stock situation if the owner of the bakery decides to make 30 cakes everyday. Also estimate the daily average demand for the cakes on the basis of simulated data.

Q.6 (a) What are the types of Replacement Problems? [4]

(b) A firm is considering when to replace its machine whose price is ₹ 12, 200. The scrap value of the machine is ₹ 200 only. From past experience the maintenance costs of the machine are as under - [10]

Year	1	2	3	4	5	6	7	8
Maintenance Cost in (₹)	200	500	800	1200	1800	2500	3200	4000

Find when the new machine should be purchased?

SECTION – B

(Case Study)

Q.7 The following table gives the activities in a construction project and other relevant information –

Activity	Optimistic Time t_1	Normal Time t_2	Pessimistic Time t_3
1 - 2	30	44	54
1 – 3	8	12	16
2 – 3	1	2	3
2 – 4	2	3	5
3 – 4	8	10	12
4 – 5	14	22	25

(1) Draw a PERT diagram. [7]

(2) Find the probability that the project will be completed in less than 60 days. [7]

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M.B.A. II-Sem (Back) Exam., Oct.-Nov. - 2020

206 A Research Methods in Management

Time: 2 Hours **Maximum Marks: 42**

Min. Passing Marks: 17

Instructions to Candidates:

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1. NIL 2. NIL

SECTION – A

Q.1 Define 'Business Research'. State the features of a good research. Highlight the application of Business Research in management domain. [14]

Q.2 Describe and distinguish –

(a) Exploratory and Descriptive Research Design. [7]

(b) Cross - Sectional and Longitudinal Study Design. [7]

Q.3 Explain the following in brief –

(a) Internal Data Source [3½]

(b) Projective Techniques [3½]

(c) Personal Interviews [3½]

(d) Observation Method [3½]

Q.4 "Processing of data involves editing, coding, classifying and tabulating." Explain each of these with suitable examples. [14]

Q.5 (a) Define Null and Alternative Hypotheses, with a suitable hypothetical example. [6]

(b) Prices of shares of a company (in Rupees) on the different days in a month were found to be 66, 65, 69, 70, 69, 71, 70, 63, 64 and 68. Examine whether the mean price of shares in the month is different from 65 Rupees, using 5 percent level of significance. ($t = 2.262$ at 9 df) [8]

Q.6 (a) What precautions a researcher should take while preparing a research report? [8]

(b) Describe Bibliography with its significance. [6]

SECTION – B

(Case Study)

Q.7 (a) Give the application of ANOVA in the field of business. [4]

(b) A sample of 870 trainees was subjected to different types of training classified as intensive, good and average and their performance was noted as above average, average and poor. The acquired data is presented in the table below. Use 5 percent level of significance and examine whether there is any relationship between the type of training and performance.

(χ^2 at 4df = 9.49) [10]

Performance	Training			
	Intensive	Good	Average	Total
Above Average	100	150	40	290
Average	100	100	100	300
Poor	50	80	150	280
Total	250	330	290	870
