

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Master of Business Administration (MBA)  
Semester - II

R.No.....

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Subject: Marketing Management  
Full Marks: 100 Pass Marks: 50

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Course Code: MGT 521  
Time: 4:00 Hours

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**SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)**

*Tick the best answers.*

1. Which one of the following statements is correct?
  - a. "Marketing is the term used to refer only to the sales function within a firm"
  - b. "Marketing managers usually don't get involved in production or distribution decisions"
  - c. "Marketing is an activity that considers only the needs of the organization, not the needs of society as a whole"
  - d. "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have the value for customers, clients, partners, and society at large"
2. Which one of the followings is not an element of the marketing mix?
  - a. Distribution
  - b. Product
  - c. Target market
  - d. Pricing
3. Political campaigns are generally the examples of---
  - a. cause marketing
  - b. organization marketing
  - c. event marketing
  - d. person marketing
4. Which one of the followings is typically not a result of recognizing the importance of ethnic groups by marketers?
  - a. Use of an undifferentiated one-size-fits-all marketing strategy
  - b. Different pricing strategies for different groups
  - c. Variations in product offerings to suit the wants of a particular group
  - d. Study of ethnic buying habits to isolate market segments
5. Strategic marketing planning establishes the-----
  - a. resource base provided by the firm's strategy
  - b. economic impact of additional sales
  - c. tactical plans that must be implemented by the entire organization
  - d. basis for any marketing strategy
6. When companies make marketing decisions by considering consumers' wants the long-run interests of the company, consumer, and the general population, they are practicing. Which one of the following principles is true?
  - a. Innovative marketing
  - b. Consumer-oriented marketing
  - c. Value marketing
  - d. Societal marketing
7. Market expansion is usually achieved by
  - a. More effective use of distribution
  - b. More effective use of advertising
  - c. By cutting prices
  - d. All of the above are suitable tactics

8. A marketing philosophy summarized by the phrase "a good product will sell itself" is the characteristic of the \_\_\_\_\_ period.
- a. production
  - b. sales
  - c. marketing
  - d. relationship
9. Today's marketers need \_\_\_\_\_
- a. neither creativity nor critical thinking skills
  - b. both creativity and critical thinking skills
  - c. critical thinking skills but not creativity
  - d. creativity but not critical thinking skills
10. Which one of the followings is a strategic marketing planning tool?
- a. The market share/market growth (BCG) matrix
  - b. The consumer scanning model
  - c. A market vulnerability/business opportunity matrix
  - d. Market sheet analysis
11. Which one of the followings diversification is best described?
- a. Existing products in new markets
  - b. Existing products in existing markets
  - c. New products for new markets
  - d. New products for existing markets
12. \_\_\_\_\_ is a strategy of using a successful brand name to launch a new or modified product in a new category.
- a. Duo-branding
  - b. Line extension
  - c. Brand extension
  - d. Multi-branding
13. Which one of the following statements is true regarding break-even point:
- a. The profit at break-even point is 0
  - b. Total revenue is more than total cost at break-even point
  - c. Total cost is more than total profit at break-even point
  - d. None of these
14. Identify the incorrect statement about multiple channels:
- a. Internet banking is an example of low cost channel that is offered by banks
  - b. Customers usually use only one channel for all transactions even if multiple channels are offered
  - c. Service sensitive customers prefer the full service channels
  - d. Economic considerations should not only be the criterion for deciding what combination of channels to be used
15. Segmentation is the process of:
- a. Dividing the market into homogenous groups
  - b. Selecting one group of consumers among several other groups
  - c. Creating a unique space in the minds of the target consumer
  - d. None of these
16. Good marketing is not an accident, but a result of careful planning and \_\_\_\_\_.
- a. Execution
  - b. Selling.
  - c. Research.
  - d. Strategies
17. \_\_\_\_\_ is referred to as segmentation.
- a. Mass marketing
  - b. Niche marketing
  - c. Differentiated marketing
  - d. All of the above

18. The emotional attachment of a customer towards a brand is known as \_\_\_\_\_.
- a. brand associations
  - b. perceived quality.
  - c. brand loyalty.
  - d. brand awareness.
19. Logistics means \_\_\_\_\_.
- a. production.
  - b. flow of goods.
  - c. consumption.
  - d. marketing channel.
20. Marketing buzz means \_\_\_\_\_.
- a. viral marketing.
  - b. virtual marketing.
  - c. de-marketing.
  - d. social marketing.

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*You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.*

**SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)**

Answer any **FIVE** questions:

1. What is product development?
2. Write a short note on branding.
3. Discuss the role of statistical tools for the demand and sales for counting in competitive market .
4. State the challenges of marketing manager to respond to marketing environment.
5. Briefly describe 'meeting competition' and 'under the market' pricing policies.
6. What is break-even pricing method? Explain the product life cycle management.
7. What do you understand by the term 'advertising'?

**SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)**

Answer any **TWO** questions:

8. Explain the communication process, its steps and strategies to develop effective communication.
9. Suppose you are a marketing manager of a Digital Marketing Company, share the marketing strategy along with the proposal, which you will share your clients to generate a business.
10. Make a marketing plan for a restaurant which launched a few food items, which were not available in the whole country till now.

**SECTION D: CASE STUDY (20 MARKS)**

11. Read the **Case** given below and answer the following questions:

AB Electrolux, popularly known as Electrolux, is a global leader in home and professional appliances, including refrigerators, cookers, dishwashers, washing machines, vacuum cleaners, air conditioners, and small domestic appliances. It sells more than 50 million products in 150 countries. Headquartered in Stockholm, Sweden, Electrolux was founded in 1919, as a result of a merger between AB Lux, and Svenska Electron AB. In 2013, Electrolux had revenues of approximately \$14.5 billion and employed 61,000 people worldwide. The Electrolux group consists of six business divisions, including four major appliances divisions, a small appliances division, and a professional products division. The core markets for Electrolux are Western Europe, North America, and Australia, New Zealand and Japan accounting for 65 percent of group sales. These markets are characterized by low population growth and high replacement product sales. The growth markets for Electrolux are Africa, Middle East and Eastern Europe, Latin America, and Southeast Asia and China contributing 35 percent to its sales. Given the rising living standards in the growth markets, Electrolux aims to increase its share of sales in these markets to 50 percent by introducing innovative product offerings in the next two years. In 2013, Electrolux was among the top five global players in the household appliances industry, along with Whirlpool, the Haier Group, Bosch-Siemens, and LG Electronics. These companies contributed to nearly 50 percent of the global appliances sales. The major drivers of this industry are increased per capita income, changing lifestyles, consumer spending, housing activities, and urbanization. Economic growth in emerging markets is expected to boost the industry. The main competitive advantages of Electrolux are global presence, consumer insight, design, professional legacy, Scandinavian heritage, wide product range, people and culture,

and sustainability leadership. The vision of the Electrolux Group is to become the best appliance company in the world as measured by its customers, employees, and shareholders. It bases its strategy on four pillars: innovative products, operational excellence, profitable growth, and dedicated employees. Its brand portfolio is strategically planned to serve luxury, premium, and mass markets. Alongside the Electrolux brand, the group has seven other strategic brands, namely Grand Cuisine, AEG, Zanussi, Eureka, Frigidaire, Molteni, and Westinghouse. The “innovation triangle” at Electrolux encourages close cooperation between its marketing, R&D, and design functions to ensure faster reach to the market based on solid consumer insights. This enables Electrolux to use “same product architecture, differentiated design” to develop global modularized platforms. These platforms facilitate planning across divisions by making it easier to spread a successful launch from one market to another with adaptations to local preferences, and deliver greater customer value. By maintaining strategic emphasis on increasing operational efficiency, Electrolux has restructured its production across divisions globally. Electrolux has shifted nearly 65 percent of its manufacturing from mainly Western Europe and North America to low-cost regions. Pursuing its strategy of profitable growth, Electrolux continuously innovates to enhance its current products and ranges to penetrate existing markets. In 2013, it launched many innovative products in North America and Japan. Expanding to growth markets, Electrolux tapped the potential of the Chinese market by launching a full range of kitchen and laundry appliances of more than 60 products designed exclusively for China. An important aspect of Electrolux’s strategy is to grow through mergers and acquisitions, and build brand portfolio through horizontal integration. In the last 40 years, the group has had a series of acquisitions around the world that strengthened its global position through effective targeting and brand positioning in domestic and regional markets. Examples of such acquisitions include Zanussi in Europe; AEG in Germany; Frigidaire, Kelvinator, and White Westinghouse in North America; Refripar in Brazil; and the Olympic Group in Middle East and North Africa. In September 2014, Electrolux unveiled its agreement to acquire the appliance business of General Electric, GE Appliances, for a cash consideration of \$3.3 billion. GE Appliances is one of the leading manufacturers of kitchen and laundry products in North America, and makes more than 90 percent of its sales in this region and runs its own distribution and logistics network. The acquisition also included a 48.4 percent shareholding in the Mexican appliance company Mabe that develops and manufactures a portion of the GE Appliances product range as part of a joint venture with GE. According to Keith McLaughlin, President and CEO of Electrolux, the acquisition was expected to give the company more financial horsepower on its balance sheet to do even more business around the world. With a growing portfolio of smartly positioned brands, global reach, innovations based on consumer insight, operational excellence and manufacturing efficiency, and increased financial power, Electrolux is all set to establish greater dominance in the global home appliances industry.

**Questions:**

- a. Evaluate Electrolux’s strategy in the light of its vision and the global trends in the household appliance industry.
- b. What benefits will Electrolux receive from the acquisition of GE appliances?
- c. How does it fit in with the strategic direction of the group?
- d. What other strategic options can Electrolux pursue for future growth to achieve greater global dominance?

**THE END**

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Semester - II

R.No .....

Subject: Management Information System  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 522  
Time: 4: 00 Hours

**SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)**

Tick the *best* answer

1. Which level of the organization is an ESS specifically designed to serve?
  - a. Operational
  - b. End-user
  - c. Middle management
  - d. Senior management
2. The use of the Internet by state agencies to interact with citizens and employees or for revenue collection is called:
  - a. e-commerce.
  - b. e-business.
  - c. An intranet.
  - d. e-government.
3. Which of the following statements is not true about how information technology impact on business organizations?
  - a. Information technology helps firms reduce environmental scanning.
  - b. Information technology helps firms lower the cost of market participation.
  - c. Information technology helps reduce internal management costs.
  - d. Information technology helps reduce transaction costs.
4. All of the following are competitive forces in Porter's model except:
  - a. Suppliers.
  - b. New market entrants.
  - c. Disruptive technologies.
  - d. Customers.
5. Amazon's use of the internet as a platform to enhance customer convenience illustrates which of the following strategies?
  - a. Low-cost leadership
  - b. Enhancing core competencies
  - c. Focusing on market niche
  - d. Strengthening supplier intimacy
6. A faster and more consistent, can have the knowledge of several experts, and does not get tired or distracted by overwork or stress refers to the .....
  - a. Expert system
  - b. Knowledge management system
  - c. Intelligent agent
  - d. Executive information system
7. An information system can enable a company to focus on a market niche through:
  - a. Developing intimacy with customers.
  - b. Enabling new products and services.
  - c. Producing products and services at a lower price than competitors.
  - d. Intensive customer data analysis.
8. The value chain model:
  - a. Categorizes five related advantages for adding value to a firm's products or services.
  - b. Sees the supply chain as the primary activity for adding value.
  - c. Categorizes four basic strategies a firm can use to enhance its value chain.
  - d. Highlights specific activities in the business where competitive strategies can best be applied.
9. Information systems can be used at the industry level to achieve strategic advantage by:
  - a. Building industrywide, IT-supported consortia, symposia, and communications networks.
  - b. Raising the bargaining power of suppliers.
  - c. Encouraging the entry of new competitors.
  - d. Decreasing switching costs.

10. You are consulting for a natural food products distributor who is interested in determining the benefits it could achieve from implementing new information systems. What will you advise as the first step?
  - a. Identify the business ecosystem the distributor is in
  - b. Implement a strategic transition to the new system
  - c. Perform a strategic systems analysis
  - d. Benchmark existing systems
11. Which of the following is not one of the key strategic business objectives that businesses are seeking to achieve when they invest in information systems?
  - a. Operational excellence
  - b. Improved decision making
  - c. Improved community relations
  - d. Competitive advantage
12. \_\_\_\_\_ are responsible for translating business problems and requirements into information requirements and systems.
 

a. End users	c. Programmers
b. Information systems managers	d. Systems analysts
13. \_\_\_\_\_ is a cross-functional enterprise system driven by an integrated suite of software modules that supports the basic internal business processes of a company.
  - a. Supply chain management systems
  - b. Materials resource planning
  - c. Manufacturing resource planning
  - d. Enterprise resource planning
14. Which of the following is an essential process in which the intelligent methods are applied to extract data patterns?
 

a. Warehousing	c. Text Mining
b. Data Mining	d. Data Selection
15. A capability of some management, decision support, and executive information systems that supports interactive examination and manipulation of large amounts of data from many perspectives is refer to the \_\_\_\_\_.
 

a. Online transaction processing	c. Operation support systems
b. Online analytical processing	d. Data mining
16. \_\_\_\_\_ systems ensure that the proper transactions, decisions, and work activities are performed, and the correct data and documents are routed to the right employees, customers, suppliers, and other business stakeholders.
 

a. Human resource management	c. Content management
b. Workflow management	d. Catalog management
17. Which of the following is not an application of the artificial intelligence?
 

a. Robotics	c. Transaction processing
b. Natural language processing	d. Learning systems
18. A (n) -----represents data as two dimensional tables with records organized in rows and attributes in columns.
  - a. Database management systems
  - b. Data warehouse
  - c. SQL query
  - d. Relational database
19. When hackers flood a web site with useless traffic to overwhelm the network, it is called.....
 

a. Phishing	c. A denial of service attack
b. Pharming	d. Spoofing
20. People who spend most of their time communicating and collaborating in teams and workgroups and creating, using, and distributing information is refers to the \_\_\_\_\_.
 

a. End users	c. IS specialists
b. Knowledge workers	d. Systems analyst



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**SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)**

Answer any **FIVE** questions:

1. Business today depend on the internet, intranets, and extranets to implement and manage innovative e-business applications. Describe the role of e-business in business.
2. How could a business leverage its investment in information technology to build strategic IT capabilities that serve as a barrier to new entrants into its markets?
3. A database is an integrated collection of related data elements. Describe the advantages of database management approach to the file processing approach. Give examples to illustrate your answer.
4. If personalizing a customer's web site experience is a key success factor, then electronic profiling processes to track visitor web site behavior are necessary. Do you agree or disagree with this statement? Explain your position.
5. In what ways does using an electronic spreadsheet package provide you with the capabilities of a decision support system?
6. What are several business decisions that you will have to make as a manager that have both ethical and IT dimensions? Give examples to illustrate your answer.
7. A company can survive and succeed in the long run only if it successfully develops strategies to confront five competitive forces that shape the structure of competition in its industry. Explain the five competitive strategies model of IT infrastructure to a business.

**SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)**

Answer any **TWO** questions:

8. The major application domains of artificial intelligence (AI) include variety of applications in cognitive science, robotics and natural interfaces. Explain some of the limitations or dangers you see in the use of AI technologies such as expert system, virtual reality, and intelligent agents. What could be done to minimize such effects?
9. Information systems are systems just like any other system. Their value to modern organization, however, is unlike any other system ever created. Explain various components of Information systems with diagram.
10. Supply chain management is integrating the entire chain right from suppliers to manufacturers, distributors, wholesalers, retailers and finally to the end customers, and emphasizes the need for collaboration between all entities to optimize the whole system. Describe TWO (2) real world companies that optimize their use of supply chain management system (SCM) to facilitate their supply chain with examples of each.

## SECTION D: CASE STUDY (20 MARKS)

11. *Read the case given below and answer the following questions:*

United Parcel Service (UPS) started out in 1907 in a closet-sized basement office. Jim Casey and Claude Ryan—two teenagers from Seattle with two bicycles and one phone—promised the “best service and lowest rates.” UPS has used this formula successfully for more than 100 years to become the world’s largest ground and air package Delivery Company. It’s a global enterprise with over 408,000 employees, 96,000 vehicles, and the world’s ninth largest airline.

Today, UPS delivers more than 15 million packages and documents each day in the United States and more than 200 other countries and territories. The firm has been able to maintain leadership in small-package delivery services despite stiff competition from FedEx and Airborne Express by investing heavily in advanced information technology. UPS spends more than \$1 billion each year to maintain a level of customer service while keeping costs low and streamlining its overall operations.

It all starts with the scannable bar-coded label attached to a package, which contains detailed information about the sender, the destination, and when the package should arrive. Customers can download and print their own labels using special software provided by UPS or by accessing the UPS Web site. Before the package is even picked up, information from the “smart” label is transmitted to one of UPS’s computer centers in Mahwah, New Jersey, or Alpharetta, Georgia, and sent to the distribution center nearest its final destination. Dispatchers at this center download the label data and use special software to create the most efficient delivery route for each driver that considers traffic, weather conditions, and the location of each stop. UPS estimates its delivery trucks save 28 million miles and burn 3 million fewer gallons of fuel each year as a result of using this technology. To further increase cost savings and safety, drivers are trained to use “340 Methods” developed by industrial engineers to optimize the performance of every task from lifting and loading boxes to selecting a package from a shelf in the truck.

The first thing a UPS driver picks up each day is a handheld computer called a Delivery Information Acquisition Device (DIAD), which can access one of the wireless networks cell phones rely on. As soon as the driver logs on, his or her day’s route is downloaded onto the handheld. The DIAD also automatically captures customers’ signatures along with pickup and delivery information. Package tracking information is then transmitted to UPS’s computer network for storage and processing. From there, the information can be accessed worldwide to provide proof of delivery to customers or to respond to customer queries. It usually takes less than 60 seconds from the time a driver presses “complete” on a DIAD for the new information to be available on the Web.

Through its automated package tracking system, UPS can monitor and even re-route packages throughout the delivery process. At various points along the route from sender to receiver, bar code devices scan shipping information on the package label and feed data about the progress of the package into the central computer. Customer service representatives are able to check the status of any package from desktop computers linked to the central computers and respond immediately to inquiries from customers. UPS customers can also access this information from the company’s Web site using their own computers or mobile phones.

Anyone with a package to ship can access the UPS Web site to check delivery routes, calculate shipping rates, and determine time in transit, print labels, and schedule a pickup, and track packages. The data collected at the UPS Web site are transmitted to the UPS central computer and then back to the customer after processing. UPS also provides tools that enable customers, such

Cisco Systems, to embed UPS functions, such as tracking and cost calculations, into their own Web sites so that they can track shipments without visiting the UPS site.

In June 2009, UPS launched a new Web-based Post-Sales Order Management System (OMS) that manages global service orders and inventory for critical parts fulfillment. The system enables high-tech electronics, aerospace, medical equipment, and other companies anywhere in the world that ship critical parts to quickly assess their critical parts inventory, determine the most optimal routing strategy to meet customer needs, place orders online, and track parts from the warehouse to the end user. An automated e-mail or fax feature keeps customers informed of each shipping milestone and can provide notification of any changes to flight schedules for commercial airlines carrying their parts. Once orders are complete, companies can print documents such as labels and bills of lading in multiple languages.

UPS is now leveraging its decades of expertise managing its own global delivery network to manage logistics and supply chain activities for other companies. It created a UPS Supply Chain Solutions division that provides a complete bundle of standardized services to subscribing companies at a fraction of what it would cost to build their own systems and infrastructure. These services include supply chain design and management, freight forwarding, customs brokerage, mail services, multimodal transportation, and financial services, in addition to logistics services.

Servalite, an East Moline, Illinois, manufacturer of fasteners, sells 40,000 different products to hardware stores and larger home improvement stores. The company had used multiple warehouses to provide two-day delivery nationwide. UPS created a new logistics plan for the company that helped it reduce freight time in transit and consolidate inventory. Thanks to these improvements, Servalite has been able to keep its two-day delivery guarantee while lowering warehousing and inventory costs.

**Questions:**

- a. Explain the inputs, processing, and outputs of UPS's package tracking system. [5]
- b. Explain the different technologies used by UPS in this case. [5]
- c. Describe the various strategic business objectives that UPS's information systems address. [5]
- d. Explain how the technologies mentioned in the case are related to UPS's business strategy. [5]

**THE END**

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R.No. ....

Subject: Managerial Economics  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 523  
Time: 4: 00 Hours

**SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)**

Tick the *best* answers.

1. Managerial Economics is regarded as:
  - a. microeconomics
  - b. economics
  - c. practical aspects
  - d. All of the above
2. Managerial economics is close to
  - a. Microeconomics
  - b. Macroeconomics
  - c. Theory of Income and Employment
  - d. Theory of Wages and Employment
3. What does “socialism” refer to?
  - a. The use of market
  - b. Government ownership of capital
  - c. Private ownership of capital goods
  - d. Private ownership of homes and cars
4. A movement along the demand curve occurs due to the change in:
  - a. Price factor
  - b. Non price factor
  - c. Both (a) and (b)
  - d. None of these
5. Complementary goods is such a type of goods which has :
  - a. Positive price effect
  - b. Negative price effect
  - c. No price effect
  - d. Non of them
6. In case of Giffen’s paradox, the slope of demand curve is:
  - a. Negative
  - b. Positive
  - c. Parallel to X-axis
  - d. Parallel to Y-axis
7. Suppose the price of good X increases. If X and Y are the substitutes, then, in the market for good Y, we would expect:
  - a. An increase in both the equilibrium price and quantity.
  - b. A decrease in the equilibrium price and an increase in the equilibrium quantity.
  - c. An increase in the equilibrium price and a decrease in the equilibrium quantity.
  - d. A decrease in both the equilibrium price and quantity.
8. The quantity of goods demanded rises from 100 to 150 units when the price falls from Rs200 to Rs 100 per unit. The price elasticity of demand for this product is :
  - a. 1.0
  - b. 16
  - c. 2.5
  - d. 4.0
9. A consumer attains equilibrium, in the case of one commodity, when:
  - a.  $MU_x = P_x$
  - b.  $MU_x > P_x$
  - c.  $MU_x = 0$
  - d.  $MU_x < P_x$
10. Which one of the followings is not the property of indifference curve?
  - a. Higher the indifference curves higher the level of satisfaction.
  - b. Two indifference curves cannot intersect each other
  - c. Indifference curve is concave to origin
  - d. Indifference curve is downward sloping

11. As long as all prices remain constant, an increase in money income results in
  - a. an increase in the slope of the budget line.
  - b. a decrease in the slope of the budget line.
  - c. an increase in the intercept of the budget line.
  - d. a decrease in the intercept of the budget line.
12. The marginal rate of technical substitution is
  - a. the rate at which a producer is able to exchange, without affecting the quantity of output produced, a little bit of one input for a little bit of another input.
  - b. the rate at which a producer is able to exchange, without affecting the total cost of inputs, a little bit of one input for a little bit of another input.
  - c. the rate at which a producer is able to exchange, without affecting the total inputs used, a little bit of one output for a little bit of another output.
  - d. a measure of the ease or difficulty with which a producer can substitute one technique of production for another.
13. .... is defined as the locus or joining of the points of tangency between the isoquants and the iso cost lines.
 

a. Expansion path	c. Iso cost line
b. Ridge line	d. Price line
14. At the optimum combination of two inputs (and assuming the firm produces using a typical production function)
  - a. the slopes of the isoquant and isocost curves are equal.
  - b. costs are minimized for the production of a given level of output.
  - c. the marginal rate of technical substitution equals the ratio of input prices.
  - d. all of the above.
15. A competitive firm in the short run can determine the profit-maximizing (or loss-minimizing) output by equating:
 

a. price and average total cost.	c. marginal revenue and marginal cost.
b. price and average fixed cost.	d. price and marginal revenue.
16. Which one of the following models explains price rigidity under oligopoly?
 

a. Price-leadership model	c. Kinked demand curve model
b. Market-sharing model	d. Model of joint profit maximization
17. Which one is not a model of price-leadership?
  - a. Price determination by a low-cost firm
  - b. Price determination by a barometric firm
  - c. Pricing by large and dominant firm
  - d. Pricing in cartel
18. In a monopolistic competition
  - a. Entry is free and there is no advertisement expenditure
  - b. Entry is free and there is advertisement expenditure
  - c. Entry is blocked and there is no advertisement expenditure
  - d. Entry is blocked and there is advertisement expenditure
19. Which one of the followings is not used in capital budgeting?
 

a. Payback period	c. Net Asset Method
b. Net Present Value	d. Profitability Index
20. Capital budgeting is a part of
 

a. Investment Decision	c. Marketing management
b. Working capital management	d. Capital structure

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**SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)**

Answer any **FIVE** questions:

1. Explain the basic tools used in managerial economics. [6]
2. Explain the concept of consumer's surplus, producer's surplus and deadweight loss with the help of a diagram. [2+2+2]
3. The demand equation of Colgate Toothpaste is given below:

$$Q_X = 1572 + 2A + 10Y + 3P_Y - 4P_X$$

Where  $Q_X$  = Quantity demanded for Colgate Toothpaste;  $A$  = Advertisement expenditure in thousand rupees;  $P_X$  = Price of Colgate Toothpaste;  $P_Y$  = Price of Pepsodent Toothpaste;  $Y$  = Income in thousand rupees.

**Requirements:**

- a. Find the quantity demanded if  $P_X = \text{Rs.}400$ ,  $Y = \text{Rs.}15000$ ,  $A = 20000$  and  $P_Y = \text{Rs.}500$ .
- b. Find price elasticity of demand at  $P_X = \text{Rs.}400$ . Is the demand elastic or inelastic? What would be the effect of a rise in the price on the total income?
- c. Find cross elasticity of demand between the two types goods. Are the two of types of goods substitutes or complements? Give reasons. [2+2+2]
4. Explain consumer's equilibrium by the help of indifference curve and budget line. [6]
5. Given the production function  
 $Q = 100K^{1/2}L^{1/2}$   
 If the firm is operating efficiently and using 100 units of capital and 25 units of labour:
  - a. Find marginal product of capital and marginal product of labour.
  - b. Find the wage rate when the price of capital is Rs.20 per unit. [3+3]
6. Define monopoli market structure. What are its characteristics? [6]
7. What do you mean by investment decision under uncertainty? [6]

**SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)**

Answer any **TWO** questions:

8. (I) Consider the following cost schedule:

Output (Q)	0	1	2	3	4	5	6	7	8	9
TVC	0	10	18	24	32	50	80	124	180	260

- a. Compute TC, AFC, AVC, AC and MC under fixed cost Rs. 100. [4]
  - b. Prove that AC is influenced by the trend of AFC and AVC. [3]
  - c. Prove that SMC is independent with fixed cost. [3]
- (II) Explain the shape of long-run average cost curve according to the modern theory of cost. [5]
9. Define production function. Explain the law of returns to scale with the help of isoquants. [5+10]

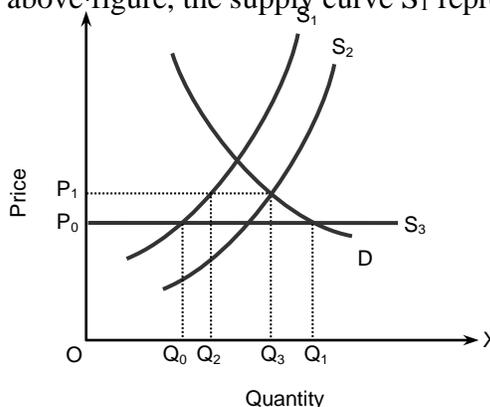
10. What are the price discrimination and its types? What are the conditions necessary for price discrimination? How are price and output determined under the third degree price discrimination?[3+4+8]

**SECTION D: CASE STUDY (20 MARKS)**

11. Read the **Case** given below and answer the following questions:

Organisation of Petroleum Exporting Countries (OPEC) is a cartel that is formed by oil producing countries. It has control on about three-fourths of the world's oil reserves. The cartel was formed in 1960 by Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela. By 1973, it was joined by additional eight nations, namely Qatar, Indonesia, Libya, the United Arab Emirates, Algeria, Nigeria, Ecuador, and Gabon. The cartel also sets production levels for all member nations and raises prices through a coordinated reduction in the quantity produced. Because of high prices, member countries of OPEC enjoyed vast wealth which they spent on arms and economic development. The cartel was tempted to further increase prices in the 1980s which resulted in the price hike from \$3 to nearly \$12 in 1973 to \$30 in the 1980s. The success of OPEC is illustrated in the following figure:

In the above figure, the supply curve  $S_1$  represents



non-OPEC nations,  $P_0$  is the price of oil, and the supply curve  $S_3$  represents world supply of oil. The production of non-OPEC countries at  $P_0$  price is  $Q_0$ . The demand curve is represented by  $D$  at the quantity demanded  $Q_1$  and price  $P_0$ . When the output is limited by OPEC, the world supply curve is shifted to  $S_2$  from  $S_3$ . As a result, the price of oil increased to  $P_1$  at which non-OPEC countries supply quantity  $Q_2$  and OPEC countries supply  $Q_2Q_3$ . Thus, due to the inelastic demand of oil, an increase in price leads to a rise in OPEC revenues even though quantity fell considerably. However, in the long run, the act of restricting the supply led to an increase in supply by non-OPEC countries due to high prices. This resulted in the shift in the supply curve of these countries to the right. Consequently, the share of OPEC declined. Thus, by 1985, OPEC had to reduce the price by 30 percent for which they also lowered down their output. Consequently, the income of OPEC fell and the members of OPEC began to violate quotas to maintain their profits. Ultimately OPEC eliminated quotas by 1985.

**Questions:**

- What is cartel? What are its objectives?
- Why was the OPEC cartel unable to retain its monopoly in the long run during 80s?
- Do you think that other industries can also form a cartel and behave like a monopoly?
- On the basis of the diagram, explain the impact of OPEC cartel in the oil price.

**THE END**

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Master of Business Administration (MBA)  
Semester - II

R.No. ....

Subject: Financial Management  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 524  
Time: 4:00 Hours

**SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)**

Tick the **best** answers.

1. "Shareholder wealth" in a firm is represented by:
  - a. The number of people employed in the firm.
  - b. The book value of the firm's assets less the book value of its liabilities
  - c. The amount of salary paid to its employees.
  - d. The market price per share of the firm's common stock.
2. The basic objective of financial management is .....
  - a. maximizing shareholder's wealth
  - b. maximizing profit
  - c. ensuring financial discipline in the organization
  - d. none of the above
3. If interest is compounded monthly then the relationship between effective rate of interest and nominal rate of interest will be .....
  - a. effective rate < nominal rate
  - b. effective rate > nominal rate
  - c. effective rate = nominal rate
  - d. none of the above
4. The equation of Present value of an annuity due is:
  - a.  $\left[ \frac{1 - \frac{1}{(1+i)^n}}{i} \right] \times (1+K)$
  - b.  $\left[ \frac{(1+i)^n - 1}{i} \right] \times (1+K)$
  - c.  $\frac{1 - \frac{1}{(1+i)^n}}{i}$
  - d.  $\left[ \frac{(1+i)^n - 1}{i} \right]$
5. Beta is measure of .....
  - a. total risk
  - b. unavoidable risk
  - c. avoidable risk
  - d. all the above
6. Tax-rate is relevant and important for calculation of specific cost of capital of:
  - a. Equity Share Capital
  - b. Preference Share Capital
  - c. Debentures
  - d. All the above
7. Which of the following is true?
  - a. Retained earnings are cost free
  - b. External equity is cheaper than internal equity
  - c. Retained earnings are cheaper than external equity
  - d. Retained earnings are costlier than external equity
8. Which of the following has the highest cost of capital?
  - a. New Equity
  - b. Retained earnings
  - c. Bonds
  - d. Preference shares.

9. Capital budgeting is the process which .....
- helps to make the master budget of the organization.
  - the firm decides how much capital to invest in business
  - the firm decides which long-term investments to make.
  - undertake to analyze how to make available various finance to the business.
10. .... is a project whose cash flows are not affected by the accept/reject decision for other projects.
- Mutually exclusive project
  - Independent project
  - Low cost project
  - Risk free project
11. .... is the discount rate which should be used in capital budgeting.
- Cost of capital ( $K_o$ )
  - Risk free rate ( $R_f$ )
  - Risk premium ( $R_m$ )
  - Beta rate ( $\beta$ )
12. The price reductions offered to customers for large orders, to encourage them to purchase in large quantities is known as:
- Freebies
  - Quantity discounts
  - Normal discounts
  - Premiums
13. Positive working capital means:
- The company is able to pay off its long-term liabilities.
  - The company is able to select profitable projects.
  - The company is unable to meet its short-term liabilities.
  - The company is able to pay off its short-term liabilities.
14. The payment terms 2/10, Net 30 means:
- 2% discount if the payment is made within 10 days of invoice date; otherwise, the full amount is payable within next 10 days of invoice date.
  - 10% discount if the payment is made within 2 days of invoice date; otherwise, the full amount is payable within 30 days of invoice date.
  - 2% discount if the payment is made within 30 days of invoice date; otherwise, the full amount is payable within next 10 days of invoice date.
  - 2% discount if the payment is made within 10 days of invoice date; otherwise, the full amount is payable within 30 days of invoice date.
15. 5 C's of credit standard of a customer is:
- Character, Capacity, Capital, Conditions & Collateral security
  - Character, Capacity, Complaint, Conditions & Collateral security
  - Character, Charm, Capital, Conditions & Collateral security
  - all of the above
16. A decrease in the firm's receivables turnover ratio means that .....
- it is collecting credit sales more quickly than before
  - it is collecting credit sales more slowly than before
  - sales have gone down
  - inventories have gone up
17. As per ..... policy less amount of current assets should be kept in the firm to meet the target level of sales.

- a. aggressive
- b. conservative

- c. moderate
- d. None of the above.

18. The term "capital structure" refers to:

- a. Long-term debt, preferred stock, and common stock equity.
- b. Current assets and current liabilities
- c. Total assets minus liabilities
- d. Shareholders' equity

19. Arbitrage process brings the value of firm equal in:

- a. Traditional Approach
- b. MM Model

- c. Net Income Approach
- d. Net Operating Income Approach

20. Which of the following is true for Net Income Approach?

- a. Higher Equity is better
- b. Higher Debt is better

- c. Debt Ratio is irrelevant
- d. None of the above

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Final Examination-2078  
Master of Business Administration (MBA)  
Semester - II

Subject: Financial Management  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 524  
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

**SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)**

Answer any **FIVE** questions:

1. Explain the importance of financial management. [6]
2. Foksundo Furniture Company has current assets of Rs 1 million and current liabilities of Rs 600,000. What would be its current ratio if each of the following occurred, holding all other things constant? [1.5x4]
  - a. A machine costing Rs 100,000 is paid for with cash.
  - b. Inventories of Rs 120,000 are purchased and financed with trade credit.
  - c. Accounts payables of Rs 50,000 are paid off with cash.
  - d. Account receivable of Rs 75,000 is collected.
3. Why is inventory needed in the organization? Explain. [6]
4. Heutada Cloth Company has an inventory conversion period of 60 days, a receivable turnover of 8 times, and payable deferral period of 25 days. [2+2+2]
  - a. What is the length of cash conversion cycle?
  - b. If Corporation's annual sales are Rs 3600,000 and 75% of sales are on credit, what is the corporation's investment in accounts receivable?
  - c. How many times per year does the corporation turnover its inventory?
5. Nepal *Lube Oil* Limited has earnings before interest and taxes of Rs 4 million and a 30 percent tax rate. Its required rate of return on equity in the absence of borrowing is 15 percent.
  - a. In the absence of personal taxes, what is the value of the company in an MM world. (i) with no leverage? (ii) with Rs 5 million in debt?
  - b. Personal as well as corporate taxes now exist. The marginal personal tax rate on common stock income is 25 percent, and the marginal personal tax rate on debt income is 40 percent. Determine the value of company. (i) with no leverage? (ii) with Rs 5 million in debt? [3+3]
6. Explain the cost associated with receivables. [6]
7. Write short notes on: [3+3]
  - a. Stock repurchase
  - b. Net operating income approach

**SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)**

Answer any **TWO** questions:

8. Define Capital budgeting. Why is capital budgeting decision important to a business firm? Why is NPV taken as superior decision criterion than IRR? Explain. [3+5+7]
9. The Mustang Motor Company has Rs 200 million in total net assets at the end of 2010. It has planned to increase its production machinery in 2023 by Rs 50 million. Bond financing, at an 11 percent rate, will sell at par. Preferred will have an 11.5 percent dividend payment and will be sold at par value of

Rs 100. Common stock currently sells for Rs 50 per share and can be sold to net Rs 45 after flotation costs. There is Rs 10 million of internal funding available from retained earnings. Over the past few years, dividend yield has been 6 percent and the firm's growth rate is 8 percent. The tax rate is 40 percent. The present capital structure shown below is considered optimal:

Debt:		
4% coupon bonds	40,000,000	
7% coupon bonds	40,000,000	Rs 80,000,000
Preferred stock		Rs 20,000,000
Common stock (Rs 10 par)	40,000,000	
Retained earnings	60,000,000	
Equity		<u>Rs 100,000,000</u>
		<u><b>Rs 200,000,000</b></u>

- How much of the Rs 50 million must be financed by equity capital if the present capital structure is to be maintained? [2]
  - How much of the equity funding must come from the sale of new common stock? [2]
  - Calculate the component cost of: [4]
    - New debt
    - New preferred stock
    - Retained earnings
    - New equity
  - What is Mustang Motor's average cost of equity for 2023? [2]
  - What would be Mustang Motor's weighted average cost of capital if only retained earnings were used to finance additional growth—that is, if Rs 20 million were raised? [3]
  - What is the weighted average cost of capital when Rs 50 million is raised? [2]
10. Seetal Bakery Industry is attempting to determine the optimal level of current assets for the coming year. Management expects sales to increase to approximately Rs 1.2 million as a result of an asset expansion presently being undertaken. Fixed assets total Rs 0.6 million, and the firm wishes to maintain a 60 percent debt ratio. The company's interest cost is currently 10 percent on both short-term and long-term debt (Which the firm uses in its permanent structure). Three alternatives regarding the projected current assets level are available to the firm: 1) A tight policy requiring current assets of only 40 percent of projected sales. 2) A moderate policy requiring current assets of 50 percent of projected sales and 3) A relaxed policy requiring current assets of 70 percent of sales. The firm expects to generate earnings before interest and tax at a rate of 15 percent on total sales. What is the expected return on equity under each current assets level? (Assumes a 40 percent tax rate.) [5+5+5]

#### SECTION D: CASE STUDY (20 MARKS)

11. Read the **Case** given below and answer the following questions:

Srinkhala Television Corporation is one of the pioneer television manufacturer located in Mid-Western Nepal. Its business is growing rapidly in recent year. To meet the increased demand of its various brand of television, Srinkhala Television Corporation is contemplating the replacement of one of its old machine with a newer and more efficient one. The old machine has a book value of Rs 1800,000 and a remaining useful life of five year. The firm does not expect to realize any return from scrapping the old machine in five years, but it can sell the machine now to another firm in the industry for Rs 1376,500. The old machine is being depreciated toward to zero salvage value or by Rs 360,000 per year, using the straight line method.

The new machine has purchase price of Rs 2577,000, an estimated useful life of five year. The installation cost of new machine will be Rs 233,000 and Rs 340,000 shipping charge will also incurred. It will also require additional working capital of Rs 297,000 The new machine will have an estimated salvage value of Rs 287,000 at the end of its working life. It is expected to economize on electric power usage, labour, and repair costs and to reduce the number of defectives radios. In total and annual saving

of Rs 495,000 will be realized if the new machine is installed. The company's marginal tax rate is 30 percent and it has 10 percent cost of capital. The depreciation values of new machine from year 1 through 5 would be calculated as 20 percent, 32 percent, 19 percent, 12 percent, and 11 percent on the cost of the assets.

**Questions:**

- a. What is the initial cash outlay required for the new machine? [5]
- b. Calculate the change in the annual depreciation expenses if the replacement is made. [4]
- c. What are the operating cash flows in Year 1 through 5? [4]
- d. What is the non-operating cash in Year 5? [2]
- e. Should the company purchase the new machine? [5]

**THE END**

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Master of Business Administration (MBA)  
Semester - II

R.No. ....

Subject: Human Resource Management  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 525  
Time: 4:00 Hours

**SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)**

Tick the *best* answers.

1. Which of the following is a method of collection of information for job analysis?
  - a. Questionnaire method
  - b. Ratio analysis
  - c. Optimization models
  - d. Trend analysis
2. As a part of job design, suppose, an employee who specialized in hotel room design, now also getting involved in restaurant design. Which of the job design approach is used here?
  - a. Job rotation
  - b. Job enrichment
  - c. Job enlargement
  - d. Job simplification
3. Which of the following techniques of job design is suitable when there are employees who have needs for personal power, achievement, and goal setting?
  - a. Job rotation
  - b. Job enlargement
  - c. Job enrichment
  - d. Job simplification
4. Job analysis, HR planning, recruitment, selection, placement, inductions, and internal mobility are a few important functions that come under the heading of..... in HRM.
  - a. Integration function
  - b. Development
  - c. Maintenance
  - d. Procurement function
5. Career development involves:
  - a. Conscious determination of career aspirations and potentialities of employees and matching them with the organization's needs.
  - b. Providing counseling to students to choose their careers.
  - c. Providing information to students about opportunities for employment.
  - d. Determining the potentialities of students for a suitable career.
6. In-basket training is involved in:
  - a. Vestibule training
  - b. On-the-job training
  - c. Simulation
  - d. Coaching
7. Which of the following is considered the first wage incentive plan in the modern industrial era?
  - a. Halsey plan
  - b. Taylor's differential piece-rate plan
  - c. Barth plan
  - d. Gantt Task plan
8. A strike called by a section of workers'/union members' without authorization from the proper authority of the union is called:
  - a. Sectional strike
  - b. Jurisdictional strike
  - c. Sympathetic strike
  - d. Wild cat strike
9. Collective bargaining is a procedure regulated by agreements between their:
  - a. Bargaining agents and employers
  - b. Employees and employees
  - c. Employers and employers
  - d. Labor officers and trade unions
10. The employer-employees should have mutual trust/confidence/willingness to settle/respect rights and responsibilities of other parties, is covered under:
  - a. Effective bargaining method
  - b. Essentials for effective bargaining
  - c. Types of bargaining
  - d. Areas of bargaining

11. Which of the following technique represents a situation in which experts work independently, not face to face, and reach a consensus with the help of an intermediary?
  - a. Nominal group
  - b. Delphi
  - c. Managerial estimate
  - d. Focus group discussion
12. A job analysis technique that involves extensive input from the employee's supervisor is:
  - a. Structured questionnaire method
  - b. Technical conference method
  - c. Diary Method
  - d. Interview
13. ....are word-of-mouth advertisements in which current employees refer applicants from outside the organization
  - a. Employee referral programs
  - b. Trade unions and associations
  - c. Employment agencies
  - d. Unsolicited application
14. Under point method of job evaluation, factor(s) generally considered are:
  - a. Skill, effort, Accountability
  - b. Skill, job enrichment, accountability
  - c. Wage, job enrichment, accountability
  - d. Wage, effort, accountability
15. A careful assessment of..... of the employees will help the HR department to design and organize training programs for improving the skills and enhancing employee capacity to cope with the ever-changing demands of the work situation.
  - a. Salary
  - b. Job evaluation
  - c. Motivation
  - d. Training need
16. Which one of the followings is not correct about job rotation?
  - a. It is the horizontal transfer of an employee to a job of the same level and status.
  - b. Main purpose is to train employees in different jobs and techniques
  - c. It intends to add similar tasks or activities to the existing work profile of employees to make their jobs more interesting.
  - d. Popular to develop a flexible workforce to fit a person in different jobs, so that one can work in different jobs at the time of urgency and scarcity.
17. Which one of the followings is not an assumption of employee socialization?
  - a. Socialization strongly influences employee performance and organizational stability.
  - b. New members suffer from anxiety.
  - c. Socialization occurs in a vacuum.
  - d. Individuals adjust to new situations in remarkably similar ways.
18. Which one of the followings is not a benefit of the training program?
  - a. It helps to make the successful implementation of a change program.
  - b. It helps to reduce customers' complaints.
  - c. It increases costs for an organization.
  - d. It increases attraction in an organization.
19. Which one of the followings is not true about off-the-job training methods?
  - a. Such methods are suitable when accuracy is important or mistakes can be dangerous or costly.
  - b. It is mostly classroom-based.
  - c. It is well suited to train many employees in clerical positions, production floor, and workers in manual and repetitive jobs.
  - d. Trainees are removed from the stresses and demands of the workplace.
20. Which one of the followings is not true about audiovisual-based training?
  - a. When there is a need to expose trainees to events not easily demonstrable in live lectures, such as visual tour of a factory, or open-heart surgery.
  - b. When you need organization-wide training and it is too costly to move the trainers from place to place.
  - c. It involves learning a job in off-the-job situations that are similar to actual job conditions.
  - d. When there is a need to illustrate how to follow a certain sequence over time, such as when teaching machine repair. The stop action, instant replay, and fast-or-slow-motion capabilities of audiovisuals can be effective.

Mid-West University  
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Surkhet, Nepal  
Final Examination-2078  
Master of Business Administration (MBA)  
Semester - II

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Subject: Human Resource Management

Course Code: MGT 525

Full Marks: 100 Pass Marks: 50

Time: 4:00 Hours

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You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

**SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)**

Answer any **FIVE** questions:

1. Explain the importance of human resource management in a globalized context. [6]
2. Training programs are frequently the first items eliminated when management wants to cut costs. Why do this occur? Explain the relevance of evaluating training program effectiveness. [3+3]
3. What are the five traditional career stages? Which of the five is probably least relevant to HRM? Defend your position. [4+2]
4. Describe the process of socialization in an organization. [6]
5. Describe why companies provide benefits to their employees. What effect do companies expect benefits will have on employee work behaviors? [3+3]
6. What are the major factors that distort performance appraisals? Explain. [6]
7. Write short notes any two: [3+3]
  - a. Job enlargement
  - b. Training Vs. Development
  - c. Succession planning

**SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)**

Answer any **TWO** questions:

8. "HR manager faces a lot of challenges while managing human resources in changing context of internal and external HRM environment". In line with the given statement, discuss the challenges of HRM. [15]
9. "Training and development are one of the important pillars of human resource management in an organization". In line with this statement, discuss the importance of training and development programs for an organization. Describe the concept of on-the-job training along with its types. [5+10]
10. Imagine, if you were an HR manager of XYZ company, what areas of HRM would you like to focus on, in order to make HR of companies highly motivated and engaged towards the achievement of organizational objectives? Discuss. [15]

**SECTION D: CASE STUDY (20 MARKS)**

11. Read the **Case** given below and answer the following questions:

Microsoft, the biggest and most profitable software company in the world, has been called the best 80,000-person company in the USA. These 80,000 employees generated over \$ 20 billion in revenues in 2012 alone. Perhaps even more impressive is the fact that since Bill Gates founded Microsoft in 1974, over 8000 of these employees have become millionaires because of the stock options that Gates uses to attract and retain talented employees. Gates himself is the richest man in the USA, having a fortune estimated at over \$ 86 billion. What is the secret of Microsoft's success?

At the level of individual employees, Gates' philosophy of managing his organization is evident in the sorts of people he recruits and selects. Microsoft goes to the best software departments in the colleges and universities across the country and spends a lot of time recruiting people who like to work hard, be imaginative and creative, and take risks. These are work values that are Gates' own and that Microsoft prizes. Employees are expected to

work long hours, often 60- or 80-hour workweeks. They are expected to become experts in specific software projects. They work on and to possess up-to-the-minute information and state-of-the-art knowledge about what Microsoft and its competitors are doing. Gates meets frequently with employees to make sure they are up-to-date. If they lack current information, they lose credibility with him because they are not doing their job.

Beyond stock options, Gates motivates his employees by providing them with the latest technology, flexible work hours, and even exercise rooms on the office premises. In addition, the way Gates motivates his employees is closely linked to the way Microsoft uses groups and teamwork as the basis of its organizing process.

At Microsoft, programmers work in teams that can be as small as five or six people, and different teams work on specific software applications. Often many small teams are working on different aspects of a larger project managed by a project manager. For example, over 7000 people worked in small teams to develop Microsoft's Windows 07 operating system, a product that attempts to match the user-friendliness of Apple's operating system. The use of product teams allows people to cooperate and pool their skills and resources; it promotes among team members the intense interactions that often lead to the breakthroughs that help Microsoft pioneer new products so quickly. Moreover, team members can learn from one another and control one another's behavior.

At the organizational level, Gates is careful to keep the distance between himself and the teams to a minimum by keeping the number of levels in the organizational hierarchy to a minimum. Moreover, he designs Microsoft's structure around these teams and decentralizes authority, and delegates important decisions to each team to give it maximum autonomy and freedom to be creative and to take risks. Gates is able to delegate so much authority because he pays so much attention to recruiting the right kinds of employees and because he appraises each team's performance regularly to ensure that all teams are on top of their projects.

**Questions:**

- a. What are the secrets of Microsoft's success? [5]
- b. What are the main elements in Bill Gates' management and motivational practices? [5]
- c. What is Microsoft's organizing approach? What are the good points in it? [5]
- d. What management problems do you think might emerge in Microsoft as it continues to grow? [5]

**THE END**

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Master of Business Administration (MBA)  
Semester - II

R.No. ....

Subject: Research Methodology  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 525.  
Time: 4:00 Hours

**SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)**

Tick the *best* answers.

1. A research in which we start with certain particular statements and conclude with a universal statement is called:
  - a. Deductive research
  - b. Inductive research
  - c. Descriptive research
  - d. Abnormal research
2. Adopting ethical principles in research means:
  - a. Avoiding harm to participants
  - b. The researcher is anonymous
  - c. Deception is only used when necessary
  - d. Selected informants give their consent
3. What type of research is generally exploratory and is not intended to provide "hard numbers?"
  - a. Quantitative research
  - b. Qualitative research
  - c. Subjective research
  - d. Descriptive research
4. When a researcher study the promotional materials of one store in Kathmandu, to find out sells of a new product that might be able to explain the sales trend in the sector, this is an example of a:
  - a. Participant-observation.
  - b. Case study.
  - c. Pseudo study.
  - d. Experiment.
5. In an experimental design, the dependent variable is:
  - a. the one that is not manipulated and in which any Shresthaes are observed
  - b. the one that is manipulated in order to observe any effects on the other
  - c. a measure of the extent to which personal values affect research
  - d. an ambiguous concept whose meaning depends on how it is defined
6. The difference between the result of the sample and the result of a census conducted by an identical procedure is called a(n):
  - a. Random error.
  - b. Non-sampling error.
  - c. Interviewer error.
  - d. Sampling error.
7. All of the following are examples of nonprobability samples EXCEPT:
  - a. A convenience sample.
  - b. A cluster sample.
  - c. A quota sample.
  - d. A judgment sample.
8. When all visitors to an Internet site are asked to fill out a pop-up survey, what type of sample does this represent?
  - a. Stratified sample
  - b. Convenience sample
  - c. Cluster sample
  - d. Quota sample

9. What type of scale is used when a football player has the number 12 on the back of his jersey during a game?
- a. Ordinal scale
  - b. Nominal scale
  - c. Interval scale
  - d. Ratio scale
10. When a student looks in her wallet and discovers that she is out of cash, what type of scale is this student using?
- a. Interval
  - b. Rank-order
  - c. Ratio
  - d. Nominal
11. To the extent that a measuring instrument reflects the "true value" of the concept being measured, we say that this instrument is:
- a. Reliable.
  - b. Valid.
  - c. Believable.
  - d. Unreliable
12. Data that is collected first time for the research study in hand are called:
- a. Primary data.
  - b. Secondary data.
  - c. Nominal data.
  - d. New data.
13. What type of question is the following?  
Should Sita's continue her excellent gift-wrapping service in future? \_\_\_ Yes \_\_\_ No
- a. Loaded
  - b. Double-barreled
  - c. Open-ended
  - d. Leading
14. Which one is not an advantage of secondary data?
- a. Addresses a fresh topic.
  - b. Fast to obtain.
  - c. Inexpensive.
  - d. Already exist.
15. The process of assigning numbers or symbols to each item in a question is referred as:
- a. Sampling
  - b. Coding
  - c. Symbolizing
  - d. Categorizing
16. What type of statistics are involved when the result of a sample of people are used to estimate the confidence interval for the population of people?
- a. Descriptive statistics
  - b. Variance statistics
  - c. Inferential statistics
  - d. Normal statistics
17. In a distribution of scores, the score that occurs the most often is called the:
- a. Mean.
  - b. Standard deviation.
  - c. Mode.
  - d. Median.
18. What type of hypotheses involve two variables at the same time?
- a. Alternative
  - b. Bivariate
  - c. Univariate
  - d. Multivariate
19. A 1-2 page summary of the research project is called a(n):
- a. Executive summary.
  - b. Appendix.
  - c. Body of the report.
  - d. Set of findings.
20. In which part of a research report should the sample selection procedures be described?
- a. Appendix
  - b. Data analysis
  - c. Research methodology
  - d. Literature review

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078

Master of Business Administration (MBA)  
Semester - II

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Subject: Research Methodology  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 525.  
Time: 4:00 Hours

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You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

**SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)**

Answer any **FIVE** questions:

1. Explain the roles of research in management decision making.
2. Give your understanding of a good research design. Is single research design suitable in all research studies? If not why?
3. What do you mean by multivariate analysis? Explain how it differs from bivariate analysis?
4. What is reliability? What technique is most commonly used to check reliability of research instruments?
5. How do you differentiate interval scale with nominal scale? Discuss.
6. What are the disadvantages of using interview to collect research data?
7. "Report writing is more an art that hinges upon practice and experience". Discuss.

**SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)**

Answer any **TWO** questions:

8. Enumerate the different methods of collecting data. Which are the most suitable for conducting inquiry regarding family welfare programme in Nepal? Explain its merits and demerits.
9. Under what circumstances stratified random sampling design is considered appropriate? How would you select such sample? Explain with an example.
10. Briefly describe the different steps involved in a research process.

**SECTION D: CASE STUDY (20 MARKS)**

11. Read the **Case** given below and answer the following questions:

Sarita Shrestha was a Nepalese MBA student studying at a large university in the North of England. Her MBA was designed for international students, most of whom were Nepalese although there were students from other Asian countries and mainland Europe. Sarita's specialist stream was in accounting, but for her research project she wanted to study the role of women in management positions in Nepalese organizations. In particular, she was interested in difficulties women experience in management positions.

Sarita arrived at the decision to study this topic as a result of the difficulties she had experienced in her employment in Nepal. She had been employed by a large organization partly owned by the State. Her organization espoused the principles of gender equality but the fact was that very few of the senior management positions in her organization were occupied by women. Management in her organization was thought to be largely a 'man's world'. At first she thought that this topic would not be acceptable to the university, partly because it did not relate to her specialism, and partly because it seemed to her that it might not be sufficiently 'theoretical'. However, a brief discussion with one of her tutors, who

acted as a one of a group of MBA project tutors, set her mind at rest on both counts. She also valued the encouragement from her fellow female Nepalese students, some of whom had noted similar difficulties in their employment experience in Nepal.

After some practice drafts which she shared with her fellow students, Sarita finally arrived at the following title: ‘Women in management in China: what role do they play and what problems are they facing?’

As well as the title and objectives, Sarita included in her proposal the background to the research. This included material on the problem facing women managers in China and an indication of the literature which she used in preparing the proposal and would be used in preparing the dissertation. In addition, Sarita included some detail on the methods she would use to collect her data. Sarita submitted her proposal and waited for the decision of the course tutor. It was made clear to her and her fellow students that they should not commence their research until such time as the proposal was approved.

**Questions:**

- a. What difficulties, of both a theoretical and a practical nature, would you alert Sarita as you her course tutor?
- b. Write a problem statement and objectives of Sarita’s research project.
- c. What variables are to considered by Sarita to conduct such research project?
- d. How Sarita should collect data on these variables to complete her project?

**THE END**

Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
Final Examination-2078  
Master of Business Administration (MBA)  
Semester - II

R.No.....

Subject: Organizational Behavior  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 526  
Time: 4: 00 Hours

**SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)**

*Tick the best answers.*

1. McClelland's Three Needs theory highlights the:
  - a. Need for Power, Need for Esteem and Need for Achievement
  - b. Need for Physiology, Need for Social and Need for Security
  - c. Need for Power, Need for Affiliation and Need for Achievement
  - d. Need for Actualization, Need for Investment, Need for Enjoyment
2. Richness of information is ensured in the following communication channel:
  - a. Reports and bulletins
  - b. memos and letters
  - c. Face to face conversation
  - d. prerecorded speeches
3. OB is the study of human behavior at:
  - a. Individual, Group and Organizational levels.
  - b. Group, Organizational and Industrial levels.
  - c. Organizational, Industrial and National levels.
  - d. Industrial, National and International levels.
4. The belief that conflict is not only a positive force in a group but also an absolute necessity for a group to perform effectively. Which conflict theory does this statement represent?
  - a. Traditional view of conflict
  - b. Interactionist view of conflict
  - c. Dysfunctional view of conflict
  - d. All of the above.
5. In which of the following situations an employee optimistically waits for conditions to improve, speaks in favor of the organization and trusts management?
  - a. Exit
  - b. Voice
  - c. Loyalty
  - d. Neglect
6. What are the weaknesses associated with MBTI personality assessment instrumentality?
  - a. It little discusses about job performance.
  - b. It forcibly pushes an individual into one of the two opposite personality types, without considering chance of in-between.
  - c. It cannot effectively serve in employee selection.
  - d. All of the above.
7. 'Social pressure to comply' will be relatively higher in which of the following group decision making technique?
  - a. Nominal
  - b. Electronic
  - c. Brainstorming
  - d. Interacting
8. The contribution of psychology to the OB discipline are:
  - a. Cross cultural analysis, Organizational culture and comparative values.
  - b. Learning, Personality, Perception and Emotion.
  - c. Group process, formal organizational theory and intergroup behaviour.
  - d. Organizational change, organizational environment and organizational culture.
9. 'Legitimacy' is used as a power tactics to:
  - a. Cross influence.
  - b. Lateral influence.
  - c. upward influence.
  - d. downward influence.

10. Cognitive dissonance is:
  - a. any disagreements between the supervisor and the employee that impact organizational goals.
  - b. any conflicts between two groups in the organization that hinder the production processes.
  - c. any incompatibility an individual might perceive between two or more attitudes or between behavior and attitudes.
  - d. any inconsistency between the thought processes of an individual.
11. Instrumental values are:
  - a. means of achieving terminal values.
  - b. instruments that validates the personal achievements.
  - c. value system that ensures the accomplishment of organizational goals.
  - d. values of maintaining work-life balance.
12. Which of the following statement is false?
  - a. Internally caused behaviours are those we believe to be under the personal control of the individual
  - b. Externally caused behaviour is what we might imagine the situation forced the individual to do.
  - c. Distinctiveness refers to whether an individual displays different behaviours in different situations.
  - d. Internally caused behaviours are those we believe to be beyond the personal control of the individual.
13. Mechanistic Organizational Structure is characterized by:
  - a. High specialization, Clear chain of command and Rigid departmentalization
  - b. Cross-functional teams, Cross-hierarchical teams and Free flow of information
  - c. Wide Span of Control, Decentralization, Low formalization
  - d. Informality, Free flow of information and decentralization
14. Which one of the following is 'innovation' oriented culture?
 

a. Clan culture	c. Adhocracy culture
b. Market culture	d. Hierarchy culture
15. A person who has a grandiose sense of self-importance, requires excessive admiration, has a sense of entitlement, and is arrogant. Which personality trait describes above statement?
 

a. Machiavellianism	c. Openness to experience
b. Narcissism	d. Conscientious
16. An intuitive decision-making is all about -----
  - a. always a rational way of decision-making.
  - b. making-decisions based on available facts and figures related to the reality.
  - c. information analysed backed-up decision-making approach.
  - d. decision-maker's personal feeling dominated approach of decision-making.
17. Theories that consider personal qualities and characteristics that differentiate leaders from non-leaders are called:
 

a. Behavioral Theories	c. Situational Theories
b. Trait Theories	d. Transformational Theories
18. The association of gloomy weather with drinking alcohol is associated with learning theory.
 

a. Classical conditioning	c. Social learning
b. Operant conditioning	d. Observational learning
19. Lewin's THREE step model of change management explains the phenomenon of:
 

a. Unfreezing	c. Refreezing
b. Movement	d. All of the above.
20. ....are acceptable standards of behavior shared by their members that express what they ought to and ought not to do under certain circumstances.
 

a. Cohesion	c. Status
b. Roles	d. Norms

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*You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.*

**SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)**

Answer any **FIVE** questions:

1. Evaluate the challenges and opportunities for managers to apply OB concepts in the modern world. [3+3]
2. Evaluate key biographical characteristics of employees in the context of OB. [6]
3. Besides the Big Five model, what other personality traits are relevant to OB? [6]
4. What are the unique challenges of oral, written and non-verbal communication? Explain them in terms of workplace relationships. [2+4]
5. Compare and contrast charismatic and transformation leadership with examples. [3+3]
6. Provide a detailed account of determinants of organizational structure. [6]
7. Explain the primary OB outcomes at all three levels (individual, group and organizational level). [6]

**SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)**

Answer any **TWO** questions:

8. What are the common decision making biases or errors people make? Explain them in the context of workplace environment with examples. [5+10]
9. Managers today do not believe in “One-benefit-plan-fits-all”. What are the alternative benefit plans that managers can apply? Why do you think these alternative benefit packages are used to motivate employees? [7.5+7.5]
10. Explain the dynamics of group properties with reference to roles, norms, status, size, cohesiveness and diversity. In this regard, explain the importance of understanding these dynamics and explore the factors to be considered for enhancing group effectiveness. [7.5+7.5]

**SECTION D: CASE STUDY (20 MARKS)**

11. Read the **Case** given below and answer the following questions:

From a Lebanese family-owned small business to a leading multi-line conglomerate in the Middle East and North Africa (MENA) region, Khalil Fattal & Fils (KFF) Holding is the exclusive agent and distributor of many multinational brands within the following categories: food and beverages, home and personal that have shaped the business and contributed to its success. At the base of this success is the owners’ philosophy, which drove the corporation toward its vision and instilled solid corporate values that have increased performance and created a spirit of unity among its members.

At the beginning of 2002, the owners gathered 30 of their top managers in a retreat to define the corporate culture in the coming years. The team succeeded in drafting a mission that enlarged the scope of the corporation’s activities to “reach out to millions of consumers in the Levant and North African countries.” (The Levant is comprised of Lebanon, Syria, Jordan, and Iraq.) The team also adopted a set of corporate values that were disseminated to all other employees through workshops and group discussions.

The corporation's core values revolve around trust, respect, sharing, and courage, with a specific set of expected behaviors for each value. Under the value of courage, embracing change was selected as the main behavior for individuals who aspire to succeed in their careers with the group. This is now stated in the corporate manual as "embrace change as an opportunity to grow," and employees are invited to accept rotation in their assignments every four to five years, or whenever needed, not only in Lebanon but also throughout the region where the corporation operates.

To conduct business in the MENA region, it is a legal requirement that local partners and employees be engaged. Hence, to ensure the operation's success, the corporation decided to relocate part of the management team to its subsidiaries in Syria, Jordan, Iraq, Sudan, Algeria, and Egypt. Although these countries share a common language (Arabic) with Lebanon, their social, economic, and political systems differ. As a result, some managers were reluctant to relocate outside their home country. This became a major obstacle that needed to be resolved.

To overcome this impediment, the KFF's CEO took the initiative and moved ahead of everyone else to ensure a satisfactory setup and even asked some members of his family to accept these new foreign assignments, thereby setting the example for others to follow suit, and many managers did. To further motivate these managers, an attractive financial package was offered, including fringe benefits such as housing, schooling for children, expatriate allowances, and longer vacations. This rotational path has since become part of KFF management's recognized fast track for career progression within the group. KFF's expansion throughout the region exposed the corporation to new kinds of customers, such as hypermarket chains. This necessitated a change in the business model, which required new knowledge and techniques and raised awareness of the need to enhance employee skills. Accordingly, the corporation took the initiative and provided employees with intensive training and workshops aimed at improving the competences and skills of its work force. As a result, it was better able to meet the expectations of its customers and suppliers alike.

**Questions:**

- a. What were the forces that necessitated change in the organization? [5]
- b. Why is it so difficult for individuals to accept change? [5]
- c. What were the forces that helped make the change process smoother? [5]
- d. Evaluate the changes process in the case by applying Lewin's three steps model. [5]

**THE END**