



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2018
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – II

R.No.....

Subject: Marketing Management
Full Marks: 100

Course Code: MGT 521
Time: 4:00 Hours

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

Tick the best answers

- Q1. Which one is not the nature of marketing?
a. Marketing environment
b. Marketing must deliver values.
c. Marketing is business.
d. Marketing is consumer focused.
- Q2. The aim of selling concept is to:
a. Sell what companies make
b. Sell what companies make and customers want
c. Sell what the market wants
d. None of these
- Q3. According to research, there are four factors that influence consumer buyer behavior, they are:
a. Psychological, personal, social, CRM systems
b. Cultural, organizational, personal, psychological
c. Cultural, social, personal, psychological
d. None of the above
- Q4. When Gary was a high school student, he enjoyed rock music and regularly purchased hip clothing sported by his favorite rock band. However, five years later, when Gary became an accountant, his preference shifted toward formal clothing. Which of the following personal characteristics is likely to have had the most influence on Gary's preferences during his high school days?
a. Education
b. Age
c. Income
d. Gender
- Q5. If the purchase is for a high-involvement product, consumers are likely to develop a high degree of so that they can be confident that the item they purchase is just right for them.
a. Brand loyalty
b. Society
c. Product knowledge
d. References
- Q6. The Coca Cola Company markets a wide range of different beverage products including soft drinks, bottled water, juices and sports drinks. Each product appeals to a different segment. This is an example of market offering.
a. Undifferentiated marketing
b. Targeted marketing
c. Differentiated marketing
d. None of the above
- Q7. The philosophy of is to identify market segments, select one or more, and develop products and marketing mixes tailored to each selected segment.
a. Mass marketing
b. Macro marketing
c. Product variety marketing
d. Target marketing
- Q8. Marketing objectives concerned with a firm's size are normally measured in terms of:
a. Market share and cash flow
b. Sales and market share
c. Profit and cash flow
d. Brand loyalty and customer service
- Q9. An increase in the sales of pet food driven by premium products that use high quality ingredients. Which type of market growth does it indicate?
a. Commodization
b. Performance
c. Demographics
d. Premiumization
- Q10. What is meant by the term "key factors for success" (KFS)?
a. KFS are those things any firm, irrespective of its industry, must do well to survive and prosper.
b. KFS are the criteria used to determine which organizations are successful and which not.
c. KFS are performance targets used to motivate staff.
d. KFS are those resources, attributes and skills of the organizations in the industry that are essential to deliver success in the marketplace
- Q11. Not all aspects of the environmental analysis are equally important. So what should be the order of priority?
a. The broad environment, competitors, then customers
b. Markets, segments, then individual customers
c. Competitors, customers and complementors
d. Customers, immediate competitors then the broader environment

- Q12. Wedding photography is an industry whose professionals have lots of competitors- every wedding guest has a cell phones, a friend or family member who is a talented photography hobbyist often volunteers to photograph the wedding for free. Which type of competition does the professional wedding photographer face?
- Direct competition
 - Potential competition
 - Potential competition
 - Indirect competition
- Q13. Kinds of goods that are purchased by customers after comparing products on basis of price, quality and sustainability are classified as:
- Unsought goods
 - Convenience goods
 - Specialty goods
 - Shopping goods
- Q14. Consumer product and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort are called:
- Specialty products
 - Industrial products
 - Convenience products
 - Unsought products
- Q15. Which of the following is not a desirable quality for a brand name?
- It should suggest something about the product's benefits and qualities.
 - The name should translate easily in foreign languages.
 - It should be distinctive.
 - The brand name should always be a long word to get attention.
- Q16. A value based pricing strategy involves which of the following?
- The pricing is product driven; the input comes from calculus and controlling.
 - Setting price based on buyer's perceptions of value rather than on sellers cost.
 - The company adds up the costs of making the product and sets a price that covers the cost plus target profit.
 - None of the above
- Q17. Pricing strategy for new product through which revenues are collected form segments willing to pay higher prices is classified as:
- Market skimming pricing
 - Business line pricing
 - Market penetration pricing
 - Product line pricing
- Q18. Temporarily reducing prices to increase short run sales is an example of which of the following?
- Segmented pricing
 - Dynamic pricing
 - Promotional pricing
 - Geographical pricing
- Q19. Which of the following is not an advantage of advertising?
- A large audience is attracted
 - Messages can be lengthy and contain a lot of detail
 - A large number of alternative media are available
 - The retailer has control over message contents, graphic, timing and size.
- Q20. A major reason for the development of IMC has been:
- The move towards relationship marketing
 - A more collaborative approach to strategy
 - Increasingly little difference between products
 - The internet





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

Answer any FIVE questions:

- Q1. "Marketing management is increasingly important in today's business." How do you understand the term marketing? Elaborate. 6
- Q2. Discuss how companies differentiate and position their products for gaining competitive advantage? 6
- Q3. Describe the types of consumer products and give example of each. How does marketing differ for each product type? 4+2
- Q4. Explain the concept of product life cycle. Taking example of any consumer product, discuss how marketing strategy would vary during different stages of product life cycle. 2+4
- Q5. Compare and contrast market skimming and market penetration pricing strategies. Discuss the conditions under which each is appropriate. 4+2
- Q6. Explain why distribution is considered as the "other half of marketing". 6
- Q7. Write short notes on (any two): 3+3
- a. Limitation of e-marketing
 - b. Marketing myopia
 - c. Cost based pricing method

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

Answer any TWO questions:

- Q8. "Consumers undertake complex buying behavior when they are highly involved in purchasing." Identify and explain the consumers buying decision process. Also, explain any two buyer characteristics that affect a buyer's decision. 7+4+4
- Q9. Ms. Deepa KC is planning to open a bakery in Bhat Bhateni, Pokhara. Describe marketing related decisions that Ms. Deepa KC should take regarding her products and services with suitable examples. 15
- Q10. Explain the methods for setting promotional budget. Elaborate the factors that affect the budget set by a company for promotional purposes. 10+5

SECTION D: CASE STUDY (20 MARKS)

- Q11. Read a case given below and answer the following questions:

IKEA

IKEA was founded by a 17 year old Swede named Ingvar Kampard who sold pens, Christmas cards, and seeds out of a shed on his family's farm. The name IKEA was derived from Kampard's initials (IK) and the first letters of the Elmtaryd farm and the village of Agunnaryd where he grew up (EA). Over the years, the company grew into a small retail titan in home furnishings and a global cultural phenomenon, inspiring business week to call it a "one stop sanctuary for coolness" and the quintessential cult brand."

IKEA inspires remarkable levels of interest and devotion from its customers. Each year more than 650 million visitors walk through its stores all over the world. Most need to drive 50 miles round trip but happily make the effort in order to experience IKEA's unique value proposition: leading edge design and functional home furnishings at extremely low prices.

IKEA's Scandinavian designed products are well made and appeal to the masses. To stay relevant and fashionable, the company replaces approximately one third of its products lines each year. Most have Swedish names, such as HEKTAR lamps, BILLY bookcases, and LACK side tables, Kamprad, who was dyslexic, believed it was easier to remember product names rather than codes or numbers.

Besides featuring fashionable and good quality products, IKEA stands out in the industry because of its bargain prices. The company's vision is and always has been "to create a better everyday life for the many people". As Kamprad said, "people have very thin wallets. We should take care of their interests. A high percentage of its customers are college students and families with children".

IKEA continuously seeks out new ways to run its businesses more efficiently and pass those cost savings on to the customers. In fact, it reduces prices across its products by 1 percent to 3 percent annually. How can it do so? For starters, IKEA engages the customers on many levels, including having the customer do all the shopping, shipping and assembly.

IKEA's floor plan is designed in a winding, one way format featuring different inspirational room settings, so consumers experiences the entire store. Next, they can grab a shopping cart, pay for the items, visit the warehouse, and pick up the purchases in flat boxes. Consumers load the items in their car, take them home, and completely assemble the products themselves. This strategy makes storage and transportation easier. IKEA has also implemented several companywide strategies to keep operational costs low. The company buys in bulk, controls the supply chain uses lighter packing materials, and saves on electricity through solar panels, low wattage light bulbs and energy from its own wind farm in six different countries. Its stores are located a good distance from most of city centers, which help keeps land costs down and taxes low.

When IKEA develops new products, its designers and product developers, start with a low price tag first and then work with one of their 1350 suppliers around the world to develop the product within that price range. Designs are efficient; and wastage is kept to minimum. Most stores resemble a large box with few windows and doors are painted bright yellow and blue- Sweden's national color.

Many of IKEA's products are sold uniformly throughout the world, but the company also caters to local and regional tastes. For example, stores in China stock specific items for each New Year. During the Chinese year of the rooster, IKEA stocked 250,000 plastic placemats with rooster themes, which quickly sold out. When employees realized U.S shoppers were buying vases as drinking glasses because they considered IKEA's regular glasses too small, the company developed larger glasses for the U.S market. After IKEA managers visited European and U.S consumers in their homes they learned that Europeans generally hang their clothes, whereas U.S shoppers prefer to store them folded. As a result, IKEA designed wardrobe for the U.S market with deeper drawers.

Showrooms in each country or region vary as well. For example, managers learned that many U.S consumers though IKEA sold only European size beds. Beds are very important to U.S consumers so IKEA quickly changed its U.S showrooms to feature king size beds and a wide range of styles. After visiting Hispanic households in California, IKEA added more seating and dining space to its California stores, as well as brighter color palettes and more picture frames on the showroom walls. In China, IKEA set up its showrooms in small spaces to accurately reflect the small size of apartments in that country.

As the company expands globally, it is learning that attitudes towards its core DIY delivery and assembly business models vary. In China, for example, consumers do not want to assemble products themselves and will pay a significant amount for home delivery and assembly. As a result, IKEA has added these services and sales in Asia have taken off. The company plans to the same strategy in India where DIY is also less common.

IKEA has also known for its quirky marketing campaigns, which help generates excitement and awareness of its stores and brand. It ran a campaign inviting customers to be the Ambassador of KUL (Swedish for fun) but in order to live in IKEA store for three full days before it opened, which they happily did.

Thousands of people will line up for a chance to win prizes and IKEA furniture, in Sweden, IKEA launched a Facebook page for the manager of a new store. Anyone who could tag his name or her name to an IKEA product on the profile page won that item. The promotion generated thousand of tags.

IKEA has evolved into the largest furniture retailer in the world with approximately 350 stores in 43 countries and revenues topping \$36 billion in 2013. The majority of sales still come from Europe, but the company has aggressive plans to expand the brand further into Asia, India and the United States.

Questions:

- a. What are some of the things that IKEA is doing well to reach the consumers in different markets? 5
- b. IKEA has essentially changed the way people shop for furniture. Discuss the pros and cons of this strategy especially as the company plans to continue to expand in places like Asia and India. 5
- c. Identify the three levels of IKEA's product by giving examples from the case. 5
- d. Do you think that the business model and marketing strategies are suitable in country like Nepal? Discuss with possible challenges. 5



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Full Marks: 100

Course Code: MGT 522
Time: 4:00 Hours

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

Tick the best answers.

- Q1. The competitive business strategy that may involve developing unique products and services or entering unique markets or market niches is known as:
- Differentiation strategy
 - Growth strategy
 - Alliance strategies
 - Innovation strategy
- Q2.can make profit in markets with broad product ranges and short model lifetimes and can produce orders individually and in arbitrary lot sizes.
- Agile company
 - Virtual company
 - IT company
 - Expert company
- Q3. The fundamental roles of Information System in business is:
- To support business and operations
 - To support decision making by employees and managers.
 - To support strategies for competitive advantage
 - All of the above
- Q4. Knowledge-based system that provides expert advice and acts as expert consultants to users is:
- Knowledge management system
 - Expert system
 - Strategic information system
 - Functional business system
- Q5. The knowledge that is the data, documents, and things written down or stored on computers is known as:
- Tacit knowledge
 - Explicit knowledge
 - Expert knowledge
 - Artificial intelligence
- Q6. Which company cooperates with customers, suppliers, other companies and even with its competitors to achieve competitive advantage for long run?
- Virtual company
 - Agile company
 - Physical company
 - All of the above
- Q7. One of the earliest forms of information technology for supply chain management is:
- Virtual Private Network
 - Extended –intranet
 - Electronic data interchange
 - Material resource planning
- Q8. The use of software tools to support communication, coordination and collaboration among members of networked teams and workgroups is known as:
- Management information system
 - Enterprise collaboration system
 - Executive information system
 - Decision support system
- Q9. Programs that direct processing for a particular use of computers by end users such as sales analysis, payroll, and word processing programs are known as:
- Procedures
 - System software
 - Application software
 - Data resources
- Q10.is a cross-functional system driven by an integrated suite of software modules that supports basic internal business process of a company.
- Customer Relationship Management
 - Enterprise Resource Management
 - Supply Chain Management
 - Partner Relationship Management

- Q11. Unique identifier for the record is called:
- File
 - Primary key
 - Attributed
 - Secondary key
- Q12. Knowledge management is not related to:
- Systematic knowledge management
 - Managing implicit and tacit knowledge
 - Collection of information
 - Making strategic plan
- Q13. In the relational model, all data elements within the database are viewed as being stored in the form of simple two-dimensional tables, sometimes referred to as :
- Relations
 - Primary Key
 - Secondary key
 - None of the above.
- Q14. The computer simulated reality that is an area of AI that had its origin in efforts to build more natural, realistic, multisensory human computer interfaces is known as:
- Robotics
 - Artificial intelligence
 - Virtual reality
 - Decision support
- Q15. Computer crime includes:
- Unauthorized use, access, modification, or destruction of hardware, software, data, or network resources
 - Denying an end user access to his/her own hardware, software, data, or network resources
 - Using or conspiring to use computer or network resources illegally to obtain information or tangible property
 - All of the above
- Q16. The process of converting data into a form, called a cipher text, that cannot be easily understood by unauthorized people is known as:
- Encryption
 - Decryption
 - Decoding
 - Encoding
- Q17. Enterprise resource planning (ERP) is:
- severely limited by current MRP computer systems
 - not related to MRP
 - an advanced MRP II system that ties-in customers and suppliers
 - None of the above
- Q18. Ais a database management catalog or directory containing metadata (i.e., data).
- Data dictionary
 - Data mining
 - Data warehouse
 - None of the above
- Q19. The following area of information system deals with fundamental behavioral, technical, business and managerial concepts about the components and roles of information system.
- Foundations concepts
 - Information technologies
 - Business Applications
 - Development Processes
- Q20. Database structure in which the relationship between records form a treelike structure is known as:
- Hierarchical structure
 - Relational structure
 - Multidimensional structure
 - Object-Oriented structure





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

Answer any FIVE questions:

- Q1. What are the fundamental roles of information system in business? List them down and describe each of them in brief. (2+4)
- Q2. Define Customer Relationship Management. What are the different phases of CRM? Describe briefly. (2+4)
- Q3. Define Artificial Intelligence. What are the major application areas of artificial intelligence? Describe them in brief. (2+4)
- Q4. Compare and contrast between agile and virtual company. (6)
- Q5. Compare and contrast between relational database structure and object-oriented structure. Which one is more suitable and bigger database structure and why? (3+3).
- Q6. How is e-commerce changing the shape of competition, the speed of action, the payment methods and streamlining the interactions and products in present business world? Explain briefly. (6)
- Q7. Write short notes on following: (any two) (6)
- a. Data mining b. Virtual Reality c. Expert system

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

Answer any TWO questions:

- Q8. “A company can survive and succeed in the long run only if it successfully develops strategies to confront five competitive forces”. Do you agree with this statement? Explain your answer in the light of different competitive forces and competitive strategies to counter them. (5+10)
- Q9. The roles of computer-based information system have expanded over time bringing so many changes on the end users and managers of an organization. Explain the expanding roles of information system (trends in information system) in business and management with examples. (15)
- Q10. Why are information policy, data administration, and data quality assurance essential for managing the firms' data resources? Explain with example. (15)

SECTION D: CASE STUDY (20 MARKS)

Q11. Read a case given below and answer the following questions:

SECURING FLIPKART

Flipkart is one of the leading eCommerce companies in India. Located in Bangalore, it started its operation in 2007 by selling books online. Gradually, it widened its array of offerings to include a host of other products including electronics and lifestyle goods. In order to manage its growing business, Flipkart also had to increase the number of delivery partners. Prompt delivery of the products has never been more important than in the context of online retail.

The logistical challenge of such a business is huge. Every single order must be delivered, without fail. It is this realization that led Flipkart to develop an online logistics application called eCart, which is a part of W.S. Retail Services Private Limited, the business-to-customer wing of Flipkart. With the help of this information system, delivery executives can get vital information on their mobile devices. Since a large part of Flipkart's operations involve movement of goods, the relevance of a mobile application cannot be overstated. However, organizations need to be cautious when deploying sensitive business data to employees and other trade partners over mobile applications. Flipkart realized that in order to manage the flow of information to too many people in their delivery channels, it would need to come up with an effective way of monitoring the devices on which delivery information was shared. Vendors like XenMobile, Mobilerin, AirWatch, and Fiberlink came up with solutions to Flipkart's challenges. After an extensive analysis of all these applications, Flipkart decided to go with the Fiberlink MaaS360 mobile data management (MDM).

Fiberlink offered a competitive advantage to Flipkart and demonstrated an ability to work towards helping Flipkart achieve its goals. MaaS360, an IBM company, is a leader in mobile management and security solutions for organizations. The solutions developed by MaaS360 help organizations securely manage and integrate mobile technology to their businesses. In 2013, MaaS360 won the SIIA CODiE award for the best mobile device application for enterprises.

As more and more organizations are following the bring your own device (BYOD) policy. The MDM solution developed by MaaS360 addresses this issue. This application, which is available for all the major operating systems (Android, Windows, and iOS), registers the official devices and authenticates them, using a unique password. The administrator can then track the device, receive alerts, and if necessary, even lock the device remotely or reset its password. The homepage of MOM provides an interactive dashboard showing all the devices, users, documents, applications, and location of the device.

MaaS360's App Security feature enables organizations to share and manage confidential information. It even sets a time-out for a single sign-on session on a particular application. It provides a threat management facility that allows administrators detect applications with malware and uninstall those applications remotely. MaaS360 Secure Mail allows only authorized users to access confidential email. Organizations can restrict the forwarding, copying, pasting, and screen capture options in such emails.

A large host of features such as these make MaaS360 a good choice for a mobile data management application for Flipkart. The e-commerce company operates in more than a dozen deliveries, hubs across India. Using MaaS360's MDM solution, it can send all the devices at one, central location, thus eliminating the need for decent food IT teams at each of the delivery hubs. Centralization of devices has helped Flipkart reduce costs. Delivery executives get the information where to deliver the parcels on their official devices. In addition, MaaS360 enables Flipkart to track the physical location of the delivery executives and ensure that they follow the recommended routes, which helps save both time and cost. MaaS360 also ensures that all the devices receive updates from Flipkart's in-house logistic program application, so that everyone is using the latest version of the application. All these features of MDM technology have enabled Flipkart to be a leading provider of online retail service in India.

Questions:

- a. Do you think Flipkart was in need of MDM technology? How is it adding value to the firm? (5)
- b. How are the employees benefiting from this technology? How is the management benefiting from the deployment of this technology? (5)
- c. Discuss the key features of MDM as provided by IBM's MaaS360. (5)
- d. Do you think the technology provides any competitive edge to Flipkart? (5)





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R.No.....

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

Tick the best answers.

- Q1. When a perfectly competitive firm makes a decision to shut down, it is most likely that:
- Price is below the minimum of average variable cost.
 - Fixed costs exceed variable costs.
 - Average fixed costs are rising.
 - Marginal cost is above average variable cost.
- Q2. Suppose the demand for good Z goes up when the price of good Y goes down. We can say that goods Z and Y are:
- Substitutes.
 - Complements.
 - Unrelated goods.
 - Perfect substitutes.
- Q3. When excess demand occurs in an unregulated market, there is a tendency for:
- Quantity supplied to decrease.
 - Quantity demanded to increase.
 - Price to rise.
 - Price to fall.
- Q4. The demand for a given product will rise if:
- Income rises for a normal good or falls for an inferior good
 - The price of a complement falls
 - The price of a substitute rises
 - All of these
- Q5. Two explanations for the law of demand are:
- Price and quantity effects.
 - Substitution and income effects.
 - Opportunity cost and substitution effects.
 - Substitutes and inferior goods.
- Q6. If the price of crackers goes up when the price of cheese goes down, crackers and cheese are:
- inferior goods.
 - substitutes.
 - both substitutes and complements.
 - complements
- Q7. Total revenue falls as the price of a good increases if price elasticity of demand is:
- elastic.
 - inelastic
 - unitary elastic
 - perfectly elastic.
- Q8. A positive cross elasticity of demand coefficient indicates that:
- a product is an inferior good.
 - a product is a normal good.
 - two products are substitute goods.
 - two products are complementary goods.
- Q9. The quantity of a good demanded rises from 1000 to 1500 units when the price falls from \$1.50 to \$1.00 per unit. The price elasticity of demand for this product is approximately:
- 1.0
 - 16
 - 2.5
 - 4.0
- Q10. If demand is price elastic, then:
- a rise in price will raise total revenue.
 - a fall in price will raise total revenue.
 - a fall in price will lower the quantity demanded.
 - a rise in price won't have any effect on total revenues.

- Q11. If the average productivity of labor equals the marginal productivity of labor, then:
- the average productivity of labor is at a maximum.
 - the marginal productivity of labor is at a maximum.
 - Both A and B above.
 - Neither A nor B above.
- Q12. The least cost combination of-factors or producer's equilibrium is now explained with the help ofcurves and iso costs.
- iso product
 - iso process
 - Both(a) and (b)
 - None of these
- Q13. Perfect competition is an industry with
- a few firms producing identical goods.
 - many firms producing goods that differ somewhat.
 - a few firms producing goods that differ somewhat in quality.
 - many firms producing identical goods.
- Q14. Price for a firm under monopolistic competition is:
- equal to marginal revenue
 - greater than marginal revenue
 - less than marginal revenue
 - greater than total revenue
- Q15. Products produced by oligopolistic firms are:
- Homogeneous.
 - Heterogeneous.
 - Differentiated.
 - Heterogeneous or differentiated
- Q16. Oligopoly is characterized by all of the following except:
- A few large firms.
 - Differentiated product.
 - Difficult entry into the industry.
 - Price competition
- Q17. Marginal revenue for a monopolist is:
- equal to price
 - greater than price
 - less than price
 - equal to average revenue
- Q18. Which of the following will NOT cause a shift in the demand curve for compact discs?
- A change in the price of pre-recorded cassette tapes.
 - A change in income.
 - A change in the price of compact discs.
 - A change in wealth.
- Q19. When the decrease in the price of one good causes the demand for another good to decrease, the goods are:
- Normal
 - Inferior
 - Substitutes
 - Complements
- Q20. Microeconomics is not concerned with the behavior of:
- Aggregate demand.
 - Consumers.
 - Industries.
 - Firms.





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

Answer any FIVE questions:

- Q1. What is managerial economics? Explain scope of managerial economics. 2+4
- Q2. What is price floor? Explain the impact of price floor in market. 2+4
- Q3. Explain Slutsky method for decomposition of price effect into income effect and substitution effect. 6
- Q4. Define monopolistic competition market. Explain its features. 2+4
- Q5. What are the prerequisites for capital budgeting? Explain. 6
- Q6. Let, demand function $P = 100 - 20Q$ and cost function $C = 60Q - 10Q^2$. Find profit maximization output by MR-MC approach. 6
- Q7. A restaurant owner has the following short-run production function:
 $Q = 30L - 2L^2$, where Q=number of meals served per day, and L=number of workers.
- a. Draw up a table showing total, marginal and average product up to an input of ten workers. 4
- b. Show the range of labour where I, II and III stages of production occur. 2

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

Answer any TWO questions:

- Q8. What is meant by economies of scale? What are the sources of internal and external economies of scale of production?
Explain 5+5+5
- Q9. What is indifference curve? Write any five features of IC. Explain the consumer equilibrium under IC approach. 3+5+7
- Q10. What is duopoly market? Explain price leadership low cost firm and price leadership by a dominant firm model. 3+6+6

SECTION D: CASE STUDY (20 MARKS)

Q11. Read a case given below and answer the following questions:

The country's most famous retailer Marks & Spencer's big store in London's Kensington High Street has just had a re-fit. Instead of the usual drab M&S interior, it is now Californian shopping mall meets modernist chrome and creamy marble floors. Roomy walkways and designer displays have replaced dreary row after row of clothes racks. By the end of the year M&S will have 26 such stores around Britain – the first visible sign that the company is making a serious effort to pull out of the nose-dive it has been in for the past two years.

Things have become so bad that M&S, until recently a national icon, is in danger of becoming a national joke. It does not help that its advertisements featuring plump naked women on mountains – the first-ever TV ads the company has produced – have met with an embarrassed titter; nor that, last week, the BBC's Watchdog program savaged M&S for overcharging and poor quality in its range of garments for the fuller figure.

As the attacks grow in intensity, so do the doubts about M&S's ability to protect its core value: areputation for better quality that justified a slight price premium – at least in basic items, such as underwear. It is a long time since any self-respecting teenager went willingly into an M&S store to buy clothes. Now even parents have learned to say no. Shoppers in their thirties and forties used to dress like their parents. Now many of them want to dress like their kids.

M&S's makeover comes not a moment too soon. Compared with the jazzy store layouts of rivals such as Gap or Hennes & Mauritz, M&S shops look like a hangover from a bygone era. The makeover aims to bring it into the present. People tended to join M&S straight from college and work their way slowly up the ranks. Few senior appointments were made from outside the company. This meant that the company rested on its laurels, harking back to 'innovations' such as machine-washable pullovers and chilled food.

Worse, M&S missed out on the retailing revolution that began in the mid-1980s, when the likes of Gap and Next shook up the industry with attractive displays and marketing gimmicks. Their supply chains were overhauled to provide what customers were actually buying – a surprisingly radical idea at the time. M&S, by contrast, continued with an outdated business model. It clung to its 'Buy British' policy and it based its buying decisions too rigidly on its own buyers' guesses about what ranges of clothes would sell, rather than reacting quickly to results from the tills. Meanwhile, its competitors were putting together global purchasing networks that were not only more responsive, but were not locked into high costs linked to the strength of sterling. In clothing, moreover, M&S faces problems that cannot be solved simply by improving its fashion judgments. Research indicates that overall demand for clothing has at best stabilized and may be set to decline. This is because changing demographics mean that an ever-higher share of consumer spending is being done by the affluent over-45s. They are less inclined than youngsters to spend a high proportion of their disposable income on clothes. The results of M&S's rigid management approach were not confined to clothes. The company got an enormous boost 30 years ago when it spotted a gap in the food market, and started selling fancy convenience foods. Its success in this area capitalized on the fact that, compared with clothes, food generates high revenues per square meter of floor space. While food takes up 15% of the floor space in M&S's stores, it accounts for around 40% of sales. But the company gradually lost its advantage as mainstream food chains copied its formula. M&S's share of the British grocery market is under 3% and falling, compared with around 18% for its biggest supermarket rival, Tesco.

M&S has been unable to respond to this competitive challenge. In fact, rather than leading the way, it has been copying rivals' features by introducing in-house bakeries, delicatessens and meat counters. Food sales have been sluggish, and operating margins have fallen as a result of the extraspace and staff needed for these services. Operating profits from food fell from £247m in 1997 to £137m in 1999, while sales stayed flat.

Perhaps the most egregious example of the company's insularity was the way it held out for more than 20 years against the use of credit cards, launching its own store card instead. This was the cornerstone of a new financial-services division, also selling personal loans, insurance and unit-trust investments. When, in April this year, M&S eventually bowed to the inevitable and began accepting credit cards, it stumbled yet again. It had to give away around 3% of its revenues from card transactions to the card companies, but failed to generate a big enough increase in sales to offset this. Worse, it had to slash the interest rate on its own card, undermining the core of its own finance business. And this at a time when the credit-card business was already becoming more competitive, with new entrants offering rates as low as 5%.

If shrunk to its profitable core, M&S may become an attractive target for another big retailer. At the moment, however, while its food division may be attractive to the likes of Tesco, the clothing side represents a daunting challenge. Why take the risk now, when the brand may be damaged beyond repair?

Questions:

- a. Identify the main factors affecting the demand for M&S products. 5
- b. Find the relating these to controllable and uncontrollable determinants of demand. 5
- c. Analyze the strength on the demand side of M&S. 5
- d. Analyze the threats on the demand side of M&S. 5



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2018
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – II

R.No.....

Subject: Financial Management
Full Marks: 100

Course Code: MGT 524
Time: 4:00 Hours

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

Tick the best answers.

- Q1. "Shareholder's wealth" in a firm is represented by:
- The number of people employed in the firm.
 - The book value of the firm's assets less the book value of its liabilities
 - The amount of salary paid to its employees.
 - The market price per share of the firm's common stock.
- Q2. EVA represents the residual income that remains after the cost of capital.
- debt
 - equity
 - all
 - none of the above
- Q3. What is the correct case when there is more than one compounding in a year?
- effective rate < nominal rate
 - effective rate > nominal rate
 - effective rate = nominal rate
 - none of them
- Q4. To calculate cost of equity using CAPM is not required.
- beta
 - risk free rate of return
 - market rate of return
 - current trading price of stock
- Q5. If debenture is sold at par then the before tax cost of debt will be:
- Above coupon rate
 - less than coupon rate
 - equal to coupon rate
 - None of the above
- Q6. The equation for WACC (K_0) is.....
- $W_D \times K_{Dt} + W_P \times K_P + W_E \times K_E$
 - $W_D \times K_{Dt} - W_P \times K_P + W_E \times K_E$
 - $W_D \times K_{Dt} + W_P \times K_P - W_E \times K_E$
 - $W_D \times K_{Dt} - W_P \times K_P - W_E \times K_E$
- Q7. Capital budgeting decision of the firm is related with:
- Dividend decision
 - Investment decision
 - Financing decision
 - All the above
- Q8. has value additive principle.
- IRR
 - MIRR
 - NPV
 - PBP
- Q9. is defined as the length of time required to recover the initial cash outlay.
- Payback-period
 - Inventory conversion period
 - Receivable conversion period
 - All the above
- Q10. In capital budgeting, the term Capital Rationing implies that:
- no retained earnings is available
 - limited funds are available for investment
 - no external funds can be raised
 - no fresh investment is required in current year
- Q11. Which of the following does not affect cash flows of a project?
- Salvage Value
 - Depreciation Amount
 - Tax Rate Change
 - Method of Project Financing

- Q12. There exists optimum capital structure according to
- a. Net Income Approach
 - b. Net Operating Income Approach
 - c. Traditional Approach
 - d. None of the above
- Q13. Homemade leverage is assumed in:
- a. Traditional Approach
 - b. MM Model
 - c. Net Income Approach
 - d. Net Operating Income Approach
- Q14. According to..... different mixes of debt and equity do not alter the size of the pie - total value of the firm stays the same.
- a. Traditional Approach
 - b. Net Income Approach
 - c. MM Model
 - d. Net Operating Income Approach
- Q15. Net working capital is defined as:
- a. Total assets of a firm
 - b. Total fixed assets of a firm
 - c. Total current assets of a firm
 - d. Total current assets minus total current liabilities of a firm
- Q16. The term 3/5, net 25 means:
- a. 3% Interest if payment made in 25 days and 5%, interest thereafter
 - b. 5% Discount if payment in 3 days, otherwise full payment 25 days
 - c. 3% Discount if payment in 5 days, otherwise full payment in 25 days
 - d. None of the above
- Q17. The relationship between size of inventory and ordering cost of inventory is
- a. positive
 - b. negative
 - c. both a and b
 - d. none of the above
- Q18. The operating cycle of a firm is.....
- a. ICP + RCP
 - b. RCP + PDP
 - c. ICP + PDP
 - d. ICP - RCP
- Q19. As per policy excess amount of current liabilities should be kept in the firm to finance in working capital.
- a. Aggressive
 - b. Conservative
 - c. Moderate
 - d. None of the above
- Q20. refers to the length of time required to convert inventory into sales.
- a. Payable deferral period
 - b. Inventory conversion period
 - c. Days sales outstanding
 - d. Credit period





MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2018
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – II

Subject: Financial Management
Full Marks: 100

Course Code: MGMT 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:

- Q1. Define financial management. Mention the importance of financial management. 3+3
- Q2. Assume that one year from now; you will deposit Rs. 5000 into saving account that pays 12 percent.
- a) If the bank compounds interest annually, how much will you have in your account for four years from now? 2
- b) What would your balance for four years from now be if the bank used quarterly compounding rather than annual compounding? 2
- c) Suppose you deposited the Rs. 5,000 in 4 payments of Rs. 1250 each at Year 1, Year 2, Year 3 and Year 4. How much would you have in your account at Year 4, based in 12 percent annual compounding? 2
- Q3. What do you mean by weighted average cost of capital? How is it calculated? Illustrate with example. 2+4
- Q4. What are the approaches of capital structure? Explain briefly. 6
- Q5. The Tamor Hydro Company's cost of equity is 17 percent. Tanner's before-tax cost of debt is 10 percent, and tax rate is 35 percent. Using the following balance sheet, calculate Tanner's after-tax weighted average cost of capital. (Assuming that this accounting balance sheet also represents Tanner's target capital structure) 6

Assets		Liabilities	
Cash	Rs. 100	Account payable	Rs. 200
Account receivable	800	Accrued taxes and due	600
Inventories	1300	Long-term debt	1400
Plant and equipment, net	1800	Equity	1800
Total assets	Rs. 3,000	Total Liabilities	Rs. 3,000

- Q6. National Electronic Corporations operates a mail-order for collection of cash. National Electronic receives an average of Rs 540,000 in payments per day. On average, it takes 5 days from the time customers mail check until National Electronic receives and process them. National Electronic is considering the use of a lockbox system to reduce collection and processing float. The system will cost Rs 8,500 per month and will consist of 10 local depository banks and a concentration bank located in Surkhet. Under this system, customers' checks should be received at the lockbox location 1 day after they are mailed, and daily totals will be transferred to Surkhet using wire transfer consisting Rs 25.75 each. Assume that National Electronic has an opportunity cost of 10 percent and that are $52 \times 5 = 260$ working days, hence 260 transfers from each lockbox location, in a year.
- a) What is the total annual cost of operating the lockbox system? 2.5
- b) What is the total benefit of the lockbox system to National Electronic Corporations? 2.5
- c) Should National Electronic Corporations initiate the system? 1
- Q7. The Karnali Apple Company and the Bheri Orange Company are identical in every aspect except that the Karnali Apple company is not levered, while the Bheri Orange Company has Rs 2.5 million in 15 percent bonds outstanding. There are no taxes, and capital markets are assumed to be perfect. The valuation of the two firm is the following:

	Karnali	Bheri
Net operating income	750000	750000
Interest on debt	0	375,000
Earning to common	750,000	375,000
Required equity rate	0.15	0.16
Market value of stock	5,000,000	2,343,750
Market value of debt	0	3,000,000
Total value of firm	5,000,000	5,343,750
Implied overall capitalization rate K_o	15.00%	14.04%
Debt to equity ratio, B/S	0	1.28

- a. You own Rs 23,437.5 worth of Bheri Orange. Show the process and the amount by which you could reduce your outlay through the use of arbitrage. 5
- b. When will this arbitrage process cease? 1

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

Answer any TWO questions:

- Q8. "Wealth maximization goal of financial management is superior to profit maximization goal." Justify this statement. 15
- Q9. a) Alicante Wine Industries sell on terms of 4/10, net 40. Total sales for the year are Rs 2550,500. Sixty percent of customers pay on the 10th day and take discounts, the other forty percent pay, on average, 50 days after their purchase.
- i) What is the days sales outstanding? 3
 - ii) What is the average amount of receivable? 3
 - iii) What would happen to average receivables if Alicante Wine toughened up on its collection policy with the result that all non discount customers paid on the 40th day? 2
- b) Suprim Textile Corporation's annual sales is Rs 4200,000, and its annual credit purchase is Rs 3000,000. The corporation has following current assets and current liabilities.
- | | |
|-----------------|------------|
| Account payable | Rs 500,000 |
| Receivable | Rs 750,000 |
| Inventory | Rs 600,000 |
- i) Calculate the Corporation's inventory conversion period. 2
 - ii) Calculate the corporation's receivable conversion period. 2
 - iii) Calculate the Corporation's payable deferral period. 2
 - iv) What is the corporation's cash conversion cycle? 1
- Q10. On January 1, 2018, the total assets of the Himal Cement Company were Rs 180 million. By the end of the year, total assets are expected to be Rs 270 million. (Assume there is no short-term debt.) The firm's capital structure, shown below, is considered to be optimal;
- | | |
|----------------------------|-----------------------|
| Common equity | Rs 90,000,000 |
| Preferred stock (at 11.5%) | Rs 18,000,000 |
| Debt (11% coupon bonds) | Rs 72,000,000 |
| | Rs 180,000,000 |

New bond will have 12.5 percent coupon rate and will be sold at par. Preferred stock will have 13 percent rate and will be sold at par. Common stock, currently selling at Rs 230 a share, can be sold to net the company Rs 210 a share. Stockholders' required rate of return, estimated to be 15 percent, consists of dividend yield of 5 percent and an expected growth of 10 percent. Retained earnings are estimated to be Rs 9 million (ignoring depreciation). The marginal corporate tax rate is 35 percent.

- a) Assuming all asset expansion (gross expenditures for fixed assets plus related working capital) is included in the capital budget, what is the amount of the capital budget (ignoring depreciation)? 1
- b) To maintain the present capital structure, how much of the capital budget must be financed by equity? 2
- c) How much of the new equity funds needed must be generated internally? How much externally? 2
- d) Calculate the cost of each of the equity components. 3.5
- e) At what level of capital expenditures will there be a break in the MCC schedule? 1
- f) Calculate the MCC both below and above the break in the schedule. 3.5
- g) Plot the MCC schedule. 2

SECTION D: CASE STUDY (20 MARKS)

Q11. Read a case given below and answer the following questions:

The Bheri Karnali Hydro Company was established 10 years ago to produce electricity in the western part of Nepal. It is producing and supplying electricity regularly in the western part of Nepal. It has purchased a machine 5 years ago at a cost of Rs 500,000. It has an expected life of 10 years at the time of purchase and an expected salvage value of Rs 50,000 at the end of 10 years. It is being depreciated by straight line method.

Now, the Bheri Karnali Hydro Company is considering replacing the machine purchased 5 years ago because due to the outdated technology of old machine the operating cost of old machine is very high.

The Bheri Karnali Hydro Company can purchase for Rs 1050,000 including installation cost. Over its 5-year life, it will reduce cash operating expenses by Rs 250,000 per years. Sales are not expected to change. At the end of its useful life, the machine is estimated to be worthless. MACRS depreciation will be used, and it will be depreciated after its 3-year class rather than its 5-year economic life. The old machine can be sold today for Rs 185,000. The firm's tax rate is 35 percent. The appropriate discount rate is 12 percent.

- i) If the new machine is purchased, what is the amount of the initial cash flow at year 0? 3
- ii) What incremental operating cash flows will occur at the end of year 1 through 5 as a result of replacing the old machine? 7
- iii) What incremental non-operating cash flow will occur at the end of year 5 (if the new machine is purchased)? 2
- iv) What is the NPV of this project? Should the firm replace the old machine? 8



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2018
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – II

R.No.....

Subject: Human Resource Management
Full Marks: 100

Course Code: MGT 525
Time: 4:00 Hours

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

Tick the best answer

- Q1. One of the objectives of Human Resource Manager is to assist an organization to achieve its overall objectives irrespective of its type. It refers to ...
- a. Personal objective
 - b. Functional objective
 - c. Organizational objective
 - d. Societal objective
- Q2. is a human resource management responsibility of line manager.
- a. Repair and lubricate machinery
 - b. Office layout planning
 - c. Procurement of raw materials required for production
 - d. Orientation of new employees
- Q3. The major elements of are stakeholder interests, situational factors, policy choice regarding human resource management, human resource outcomes and long term consequences.
- a. the human resource management model
 - b. the Harvard model
 - c. the Matching model
 - d. the human resource management System model
- Q4. Which is not the challenge of human resource management?
- a. Globalization
 - b. Technology
 - c. Managing human capital
 - d. Managing inventory of materials
- Q5. is external force influencing human resource management environment.
- a. Organizational strategy
 - b. Organizational culture
 - c. External unions
 - d. Organizational structure
- Q6. measures abilities or skills that have already been acquired by training or experience.
- a. Attainment test
 - b. Intelligence test
 - c. Aptitude test
 - d. Personality test
- Q7. is a method of collecting job analysis information which requires job incumbents to record their daily activities in their log book.
- a. Interview
 - b. Direct observation
 - c. Dairy method
 - d. Technical conference method
- Q8. The socialization stage where individuals confront the possible dichotomy between their organizational expectations and reality is:
- a. Prearrival stage
 - b. Encounter stage
 - c. Metamorphosis stage
 - d. Orientation stage
- Q9. The officer at Nepal Oil Corporation has prepared a written statement which includes Job title, duties and responsibilities, authority, accountability and job relationship. It means the officer has prepared ...
- a. job description
 - b. job specification
 - c. job performance standards
 - d. job evaluation
- Q10. is a trainer's detailed description of the course of instruction for an individual lesson.
- a. Lesson plan
 - b. Trainee
 - c. Training materials
 - d. Trainer

- Q11. Which is not the benefit of off-the-job training?
- Helps to eliminate stress and frustration of trainees.
 - Large amount of theoretical information can be covered.
 - The trainee motivation is low.
 - Trainees develop useful contacts.
- Q12. A method of on-the-job training, the goal of which is to combine practical experience with theoretical knowledge is known as
- Apprenticeship training.
 - Internship training.
 - Job instruction training.
 - Job rotation.
- Q13. A career stage in which the individual is not a learner rather he/she is expected to have moved beyond apprenticeship to journeyman status is called
- Exploration stage
 - Establishment stage
 - Mid-career stage
 - Late career stage
- Q14. Which of the following is an example of physiological need?
- Need for food
 - Need for protection against danger
 - Need for association with others
 - Need for achieving the potential within oneself
- Q15. The performance appraisal method in which evaluations are made by oneself, supervisors, employees, team members, customers, suppliers and the like stakeholders is called ...
- Checklist appraisal.
 - The critical incident appraisal.
 - 360° appraisal.
 - Management by objective appraisal
- Q16. When two or more employees are paid for their combined performance, it is called ...
- Individual incentive
 - Group incentive
 - Scanlon plan
 - Organization wide incentive
- Q17. are received by employees as a result of continuing their employment in the organization.
- Incentives
 - Benefits
 - Services
 - Indirect compensation
- Q18. Which of the following is the determinant of pay structure?
- Condition of labour market
 - Worth of a job
 - Cost of living
 - All of the above
- Q19. Which is not objective of employee benefit program?
- To attract qualified employees
 - To reduce employee turnover
 - To enhance the organization's image
 - To increase unionism
- Q20. is the cause of indiscipline.
- Good supervision
 - Effective communication
 - Violation of rights of employees
 - Provision of grievance handling and settlement procedures



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2018
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – II

Subject: Human Resource Management
Full Marks: 100

Course Code: MGT 525
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:

- Q1. Explain briefly the importance of human resource management to a modern organization. 6
- Q2. Describe briefly the emerging challenges related to human resource management faced by managers in the contemporary organizations. 6
- Q3. Describe the various steps in the human resource planning process. 6
- Q4. Define performance appraisal. Explain the various uses of performance appraisal with suitable examples. 2+4
- Q5. Who do you think should be responsible for managing the career of employees in the organization? 6
- Q6. Discuss the various factors that influence in setting a pay structure. 6
- Q7. Write short notes on (any TWO): 3+3
- a. Management development
 - b. Reward management
 - c. Collective bargaining

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

Answer any TWO questions:

- Q8. Employee training is necessary for improving the performance and quality of work. In this context, explain the different methods used in employee training. How can the training effectiveness be evaluated? 10+5
- Q9. Contrast between traditional and contemporary theories of motivation. Also, elucidate various techniques of employee motivation practiced by modern organizations. 8+7
- Q10. (a) Employee indiscipline is being common problem in Nepalese organizations. Discuss the reasons for arising employee disciplinary problems in Nepalese organizations. And hence suggest different disciplinary actions to overcome them. 5+4
- (b) Identify the various causes of accidents. Explain briefly the different methods of preventing accidents generally practiced by most of the organizations. 2+4

SECTION D: CASE STUDY (20 MARKS)

Q11. Read a case given below and answer the following questions:

Case – If We Knew Then What We Know Now

Pinpoint Networks, a promising Internet search engine company located in Durham, North Carolina, had everything going for it. Its two teenage founders, Judson Bowman and Taylor Brockman, had taken the company far since its founding just two years earlier. Together, they had raised more than \$5 million in venture capital and had made significant contacts with some big players in the telecommunications industry. But these two entrepreneurs knew they needed help to move the company forward. Although well prepared to perform the work that would take Pinpoint to the next level, they needed an executive running the company-someone who could obtain more venture capital as well as expand and nurture contacts in the telecommunications industry. Bowman and Brockman needed to hire a CEO.

An executive search firm helped identify several potential candidates. One, Anthony Blake, Jr., appeared to be the perfect choice. He had been involved in some of the industry's biggest initiatives. Blake, CEO of Object Stream in Pleasanton, California, indicated that he desired to leave his company because he was selling it to WorldCom. He had contacts and he had a vision. In quick order, he was hired as Pinpoint's CEO.

But shortly after hiring Blake, the excitement started to wane. Blake wanted no publicity surrounding his hiring as CEO. Several of his "friends in the business" had never heard of Blake. The sale of Object Stream to WorldCom was never announced, nor would it be from WorldCom's perspective. It appeared Blake had exaggerated his career success, his industry contacts, and even his age!

Just 13 weeks into Blake's tenure with Pinpoint, he and the company parted ways. This short association ran Pinpoint into some difficulty. Cash flow was hurting- they had at best, six to seven months left before the cash rang out. To help ease this situation, the company laid off one-third of its workforce. Two years later, the company has had a remarkable turnaround-with Bowman at the helm!

Interestingly, when the search firm had been contacted about the names they recommended to pinpoint, a difference of opinion occurred. The search firm claimed they simply presented potential candidates without recommending any one in particular. The search firm claimed that Pinpoint was so excited with Blake's resume that they proceeded too quickly and failed to leave ample time for anyone to verify the information with proper due diligence. The search firm regarded this as an absolute must, as the year earlier, in conducting 70 background checks for people potentially placed in executive level positions; they found that 39 percent had serious problems-from insurance fraud to SEC violations-never revealed on the resume!

Questions:

- a. Identify major problems faced by Pinpoint Network Company. Do you agree with the actions taken by Pinpoint Network to solve the problems? Justify. 2+4
- b. What are the background investigation implications of the Pinpoint Network case? 4
- c. Do you believe the search firm had a responsibility for checking candidates' references prior to giving Pinpoint their recommendations? Explain your position. 5
- d. What role does the company play in reference checking even if it uses a search firm? 5





MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2018
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – II

R.No.....

Subject: Organizational Behavior
Full Marks: 100

Course Code: MGT 526
Time: 4:00 Hours

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

Tick the best answer.

- Q1. Why is Organizational Behavior (OB) said to have few absolutes?
- OB is similar to physical sciences like physics and chemistry.
 - Human behavior is dynamic depending upon situations.
 - OB draws several principles from multi-disciplinary areas.
 - Contents of OB are different across cultures.
- Q2. How do you understand citizenship behavior?
- Any behavior not included in job description of an employee
 - Set of actions employees take to separate themselves from organizations.
 - Discretionary behavior not included in formal job requirements but contribute to psychological environment at workplace
 - All of the above
- Q3. Choose the set of characteristics determining deep level diversity in workplace.
- Gender, race and ethnicity
 - Age, ethnicity and values
 - Values, personality and preferences
 - Age, personality and beliefs
- Q4. How do you identify Leon Festinger?
- The proponent of the notion that attitude follows behavior.
 - An advocate believing that behavior is always a result of attitude.
 - A pioneer of the theories of personality
 - A theorist who originated the concept of selective perception
- Q5. Find the correct alternative to fill the blank in the sentence: The degree to which employees believe an organization values their contribution and cares about their well-being is known as :
- Employee engagement
 - Psychological empowerment
 - Organizational commitment
 - Perceived organizational support
- Q6. In which of the following situations an employee optimistically waits for conditions to improve, speaks in favour of the organization and trusts management?
- Exit
 - Voice
 - Loyalty
 - Neglect
- Q7. What are weaknesses associated with MBTI personality assessment instrument?
- It little discusses about job performances.
 - It forcibly pushes an individual into one of the two opposite personality types, without considering chance of in-between.
 - It cannot effectively serve in employee selection.
 - All of the above
- Q8. Identify the suitable traits of people involved in painting and music, as described in Holland's typology of personality?
- Imaginative, idealistic and impractical
 - Ambitious and self-confident
 - Sociable and friendly
 - Conforming, inflexible and efficient
- Q9. In which stage of group formation members accept existence of the group but resist the constraints it imposes on individuality?
- Forming stage
 - Storming stage
 - Norming stage
 - Performing stage

- Q10. Find the instance when there is high productivity.
- High performance norms and low cohesiveness
 - High cohesiveness and low performance norms
 - High performance norms and high cohesiveness
 - Low performance norms and low cohesiveness
- Q11. Trait approach to leadership is important because:
- It is a traditional theory of leadership.
 - There are specific set of traits contributing to effective leadership
 - Traits can predict leadership and emergence of leaders.
 - Leaders act based on specific traits which they deliberately apply.
- Q12. What types of leadership is able to increase followers' self-efficacy, giving the group a 'can do' spirit?
- Charismatic leadership
 - Transactional leadership
 - Servant leadership
 - Transformational leadership
- Q13. Which of the following powers come from formal sources?
- Coercive, expert and referent power
 - Coercive, reward and legitimate power
 - Expert and referent power
 - All of the above
- Q14. Pick out the statement you do not agree with.
- The early approach to conflict assumed that all conflict was bad and to be avoided.
 - Harmonious and cooperative groups are prone to static and unresponsive to change.
 - Destructive conflict is also called dysfunctional conflict.
 - Tasks conflict relates to how a work gets done.
- Q15. Centralization and decentralization are important elements of structure that relate to:
- What degree activities are subdivided into separate jobs.
 - On what basis jobs are grouped together?
 - Where does decision making authority lie?
 - How many employees can a manager effectively direct?
- Q16. A culture within a department reflecting common experiences and problems are called:
- Subcultures
 - Core values
 - Dominant cultures
 - Strong cultures
- Q17. Who do you identify as the ultimate source of cultures in an organization?
- Senior employees
 - Industry leaders
 - State regulators
 - Founders
- Q18. Organizations have built-in mechanisms, such as formalization and processes, which act as counterbalance to sustain stability. They are known as :
- Group inertia
 - Structural inertia
 - Organizational inertia
 - Design inertia
- Q19. Manipulation and cooptation can be risky when:
- the resisting party knows they are being tricked or used.
 - there is strong group sentiment among employees.
 - there is intense conflict between management and employees
 - employees are divided into sub groups.
- Q20. Which is the correct statement in relation to workplace stress?
- Stress is always associated with negative context.
 - Challenge stresses produce more strain than hindrance stress.
 - Absenteeism and turnover are psychological response against stress.
 - Some people thrive on stressful situations, while others are overwhelmed by them.



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2018
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – II

Subject: Organizational Behavior
Full Marks: 100

Course Code: MGT 526
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:

- Q1. With relevant examples, discuss why managers in modern organizations need to know organizational behavior (OB). 6
- Q2. How do you understand attitude? Discuss the components of attitude with the help of suitable example. 2+4
- Q3. How does classical conditioning differ from operant conditioning? How do you establish their relevance for human learning in the context of OB. 3+3
- Q4. Present some features of transformational leadership. What type of leadership do you think is relevant in corporate sector of Nepal? Include justification. 3+3
- Q5. Change and innovation are inevitable, but still difficult. What, in your opinion, may be the reasons for this? Present your views. 6
- Q6. Discuss the different elements that constitute organizational culture. Also briefly present your model or approach to institute good culture in a business organization. 3+3
- Q7. Write short notes on any two of the following: 2x3
- Views on conflict
 - Structure behavior relationship
 - OB outcomes

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

Answer any TWO questions:

- Q8. How does Myers-Briggs type indicator (MBTI) identify human personality? Does employee personality really matter in an organization? Give your explanation. Also mention some commonly preferable personality traits in modern organizations. 6+3+6
- Q9. Do you agree that communication is one of the most important parts determining overall organizational performance? Give your arguments. As a manager of a company, predominantly consisting of young employees, what tools and techniques would you like to use to promote effective communication for productive organizational climate? 6+9
- Q10. What do you know by workplace stress? Write your understanding about causes and impact of stress at workplace. Also provide some practical measures for managing stress. 2+8+5

SECTION D: CASE STUDY (20 MARKS)

Q11. Read a case given below and answer the following questions:

WHAT RIDES OVER-PROFIT OR ETHICS?

Nagesh Iron and Steel Company Ltd. was established by Nagesh Samuel in the year 1980 with its head office at Delhi. The company was established in 400 acre of land at Bilaspur in MP in which four plants were situated viz. Sponge Iron, Powerhouse, Furnace and Rolling Mill. The project cost was around Rs.650 crore and annual turnover was around 1000 crore and the company was recognized as a profit making unit. The workforce was 3000 in number, out of which, 1200 workers were on the company's pay roll while remaining were affiliated to INTUC. The unit was headed by the chairman and managing director (CMD), Nagesh Samuel. He used to operate from Delhi and was supported by the president and other three VPs in the field of finance, marketing and technical fields respectively. There were also general managers appointed for respective plants and divisions at Bilaspur. Nagesh Iron and Steel Company Ltd. had constructed huge township for the staff and managerial personnel and almost seventy families including few workmen resided in the township. Most of the workers hailed from Orissa, Bihar and Madhya Pradesh. The literacy rate was very low amongst the Workers and the local anti-social element often influenced the activities of the union.

The CMD was 42 yrs of age and a religious, dynamic person who believed in quick decision making with an autocratic style of leadership. He was a qualified engineer from USA and occasionally visited the factory. He used to control the plant from the Delhi head office. The recruitment at senior level was not based on proper procedure and nepotism was

encouraged by giving chance to the relatives of CMD. The market for Nagesh Iron and Steel Company Ltd. was exclusively on the domestic front however, it had to face competition from Jindal, Nova and Special Steels. The relationship between management and the union was bitter since the beginning. The CMD was directly involved in day to day activities and the president reported directly to the CMD. The working capital involved per day was Rs. 30 lakhs as a result of which CMD wanted to continue with production at any cost. An undue advantage was taken by union members towards this approach of CMD and as and when the union got the opportunity, it threatened to go on strike and became dominating while interacting with the management.

On Dec. 2, 2012, the President of the unit was shocked upon receiving a fax from CMD stating that the listed 12 employees including the GM, Quality control and other officers were to be sacked with immediate effect. On being inquired by the President about the termination, the CMD from Delhi, on telephone replied that he had information that there were close links of these people with the union leaders.

A meeting was called immediately by the president which was attended by VP (Comm. & Admn.), VP (Technical), Manager (R & A) and HR Manager. After long discussion, every member was of the opinion of terminating the officers and managers, gradually in phases, because immediate termination would have resulted in bad consequences on the company and the process of agreement with the union might have taken a ugly shape.

The opinion was conveyed to the CMD at his head office. However, the CMD did not agree with the opinion and strongly told the President to sack the listed twelve employees immediately. The President called GM Quality, Arnab Ray and asked for the resignation on the ground of lack of confidence and similar reasons were given to all other employees. Some of them had tendered the resignation immediately while others had asked some time to think. Arnab Ray and others met the union leaders the same evening to discuss the issue.

As the news of termination spread within the premises, simmering discontent started and the atmosphere become tense. As a result, next morning i.e., on December 3, 2012, at 6.30 A.M., all workers at the behest of the union went on strike. Workers from all the four plants came out of the factory to the main gate and even workers form night shifts were not allowed to start their machines. With the result half of the plant was running without attendant and the remaining plant was closed at 8.30 A.M. The staff members also formed the union and got associated with labour union and revised charter of demand were served before the management, clearly indicating the reinstatement of sacked employees.

Management refused to accept the new charter of demands and as a result, situation became violent to the extent in that even telephone connection and electricity supply was disconnected. Police was called in for maintaining law and order situation and for the protection of executives. Only six managers stood by the management and they were gheraoed and locked for twenty four hours inside the plant without food and water. A meeting was conducted by the local management, police and union leaders, so that the officers who were inside the plant got food from their houses. The strike continued for next eight days and though there were number of rounds of negotiations, no results were obtained.

An application was submitted to the labour court by the local management through their consultants and advocates and a strike was declared illegal by the labour court and the same was published in the newspaper. Since CMD started direct dialogue with the union, the local management became powerless and the union stopped listening and interacting with them. Strike had started in the first week of the month and salary couldnot be distributed therefore, restlessness could be observed among the workers and management reached to a conclusion that strike might be called off within a day or two and this was communicated to the CMD also but the CMD didn't succumb to the advise given by the management as he was facing financial loss costing Rs. 300 – 400 crores and on December 9, 2012 he himself reinstated all the sacked employees and bowed down before the union and accepted the charter of demand.

In the next six months the president called back to the Delhi office, HR Manager and VP (Technical) resigned and VP (Commercial & Administration) was transferred to another unit at Jabalpur.

Questions:

- a. Was the decision of CMD to terminate 12 employees right? Write with reasons. 5
- b. Had you been in the place of CMD, what would have been your decision? 5
- c. What was wrong in the organizational culture of the unit? 5
- d. What can CMD initiate fresh so that there is collaborative culture in the future? 5