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**VARDHAMAN COLLEGE OF ENGINEERING
(AUTONOMOUS)**

MBA IV Semester Regular/Supplementary Examinations June - 2014
(Regulations: VCE-R11)

**STRATEGIC INVESTMENT AND FINANCE DECISION
(Master of Business Administration)**

Date : 9 June, 2014

Time : 3 Hours

Max. Marks : 60

**Answer any FIVE Questions. All Questions carry equal marks
All parts of the question must be answered in one place only**

1. Five projects M,N,O,P and Q are available to a company for consideration. The investment required for each project and the cash flows it yields are tabulated below. Projects N and O are mutually exclusive. Taking the cost of capital @ 10%, which combination of projects should be taken up for a total capital outlay not exceeding Rs. 3 lakhs on the basis of NPV and Benefit- Cost Ratio? 12M

Project	Investment	Cash flow p.a	No. of years	PV @ 10%
M	50000	18000	10	6.145
N	100000	50000	4	3.170
O	120000	30000	8	5.335
P	150000	40000	16	7.824
Q	200000	30000	25	9.077

2. GFC Ltd., is considering investing in a new equipment costing Rs. 30 lakhs. The equipment is likely to provide a cash flow after taxes of Rs. 10 lakhs per year for 6 years. The unlevered cost of equity capital of the company is 16%. The company intends to finance the project with 60% debt, which will bear an interest rate of 12%. The loan will be repaid in equal annual principal payments at the end of each of the 6 years. Floatation costs on financing will be Rs. 1 lakh and the company is in a 30 % tax bracket. What is the adjusted present value of the project? Is the project acceptable? 12M

Note: Extracted from the table of PV of Re. 1

PVIF @ 12% for 0 to 6 years are: 1.000, 0.8928, 0.7972, 0.7118, 0.6355, 0.5674, 0.5066

PVIF for 6 years @ 16%=3.6847.

3. Select the following project and compute NPV and IRR using Terminal value method 12M

Initial out lay	Rs. 10000
Life of the project	5 years
Cash inflows	Rs. 4000 p.a. for 5 years
Cost of capital (K)	10%
Expected interest rates at which cash inflows will be reinvested:	
End of the year	
1	6%
2	6%
3	8%
4	8%
5	8%

You are required to analyse the feasibility of the project using Terminal value method

4. Ujwal Lamps Company is considering an investment project which has an estimated life of four years. The cost of the project is 10000 and the possible cash flows are given below: 12M

Year 1		Year 2		Year 3		Year 4	
Cash flow (Rs.)	Prob.	Cash flow (Rs)	Prob.	Cash flow (Rs.)	Prob.	Cash flow (Rs.)	Prob.
2000	0.2	3000	0.4	4000	0.3	2000	0.2
3000	0.5	4000	0.3	5000	0.5	3000	0.4
4000	0.3	5000	0.3	6000	0.2	4000	0.2

- i. The cash flows of various years are independent and risk free discount rate (post tax) is 6%. What is the expected NPV
 - ii. If the NPV is approximately normally distributed, what is the probability that NPV will be zero or less?
 - iii. What is the probability that profitability index will be greater than 1.2?
5. Discuss the relationship between the financial leverage and firm's required rate of return to equity shareholders as per MM proposition. 12M
6. Discuss the various steps involved in a merger. 12M
7. Discuss the procedure for comparing 'leasing' with 'borrowing and buying' option. 12M
8. How does corporate restructuring helps in economic development of a particular nation strategically? 12M

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Question Paper Code : C1035



**VARDHAMAN COLLEGE OF ENGINEERING
(AUTONOMOUS)**

MBA IV Semester Regular/Supplementary Examinations June - 2014

(Regulations: VCE-R11)

MANAGEMENT OF INDUSTRIAL RELATIONS

(Master of Business Administration)

Date : 9 June, 2014

Time : 3 Hours

Max. Marks : 60

**Answer any FIVE Questions. All Questions carry equal marks
All parts of the question must be answered in one place only**

1. What is negotiation? Explain the procedure followed in negotiation, with a relevant example. 12M
2. Explain the different approaches to industrial relations 12M
3. What is personal injury? When is the employer not liable to pay compensation for personal injuries by accident under Workmen's Compensation Act? Discuss. 12M
4. Discuss the role of tripartism bodies in strengthening industrial relations in India. 12M
5. Explain the Contract Labour (Regulation & Abolition) Act, 1970. 12M
6. Do you think trade unions are necessary for employees? Critically analyse the purpose, functions and methods of operations of trade unions in India. 12M
7. What factors should be kept in mind by the management in handling the grievance of the workers? What steps should be taken in handling the grievances? 12M
8. Define retrenchment. When will the retrenchment be considered valid? What are its effects? 12M

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Question Paper Code : C1038



**VARDHAMAN COLLEGE OF ENGINEERING
(AUTONOMOUS)**

MBA IV Semester Regular/Supplementary Examinations June - 2014

(Regulations: VCE-R11)

INTERNATIONAL FINANCIAL MANAGEMENT

(Master of Business Administration)

Date : 4 June, 2014

Time : 3 Hours

Max. Marks : 60

**Answer any FIVE Questions. All Questions carry equal marks
All parts of the question must be answered in one place only**

1. What is the geographical location of foreign exchange market? Discuss in brief functions of major players in the foreign exchange market. 12M
2. The changing international financial system poses new challenges for financial managers in developing countries. Elaborate. 12M
3. Explain the important agencies that facilitate International flows. 12M
4. Discuss the various factors responsible for the emergence and growth of the Eurocurrency market. 12M
5. "The international economy is fast Turning into a borderless global village". Critically examine. 12M
6. An export company wants to raise capital from international market. What are the basic considerations the firm should take into account while making this international financing decision? Explain. 12M
7. Critically examine Purchasing Power Parity Theory with the help of suitable examples. 12M
8. What is the difference between foreign direct investment and portfolio investment? To what extent is the building up of separate investment strategies justified by such difference? 12M

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Question Paper Code : C1039



**VARDHAMAN COLLEGE OF ENGINEERING
(AUTONOMOUS)**

MBA IV Semester Regular/Supplementary Examinations June - 2014

(Regulations: VCE-R11)

COMPENSATION AND REWARD MANAGEMENT

(Master of Business Administration)

Date : 4 June, 2014

Time : 3 Hours

Max. Marks : 60

**Answer any FIVE Questions. All Questions carry equal marks
All parts of the question must be answered in one place only**

1. Human Resource Department plays a crucial role in Wage and Salary administration of a firm. Discuss. 12M
2. Multinational Companies operating in India have influenced the salary structure and policies of Indian organizations. Explain. 12M
3. Explain the legal provisions relating to compensation payable to an employee. 12M
4. Explain the scope and objectives Labor welfare. 12M
5. Explain the role of Trade unions in promoting the welfare of employees. 12M
6. Explain the statutory and non statutory welfare programs to promote welfare of employees. 12M
7. Define Social Security and explain its scope in India. 12M
8. Write a brief note on Labor administration in Andhra Pradesh. 12M

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Question Paper Code : C1041



**VARDHAMAN COLLEGE OF ENGINEERING
(AUTONOMOUS)**

MBA IV Semester Regular/Supplementary Examinations June - 2014

(Regulations: VCE-R11)

ADVERTISING AND BRAND MANAGEMENT

(Master of Business Administration)

Date : 6 June, 2014

Time : 3 Hours

Max. Marks : 60

Answer any FIVE Questions. All Questions carries equal marks

All parts of the question must be answered in one place only

1. Discuss the options available and their suitability, for a marketer in terms of marketing communication mix. 12M
2. Bring out the economic, social and ethical aspects of advertising? 12M
3. Write in detail about media scheduling. 12M
4. Discuss in detail the pros and cons of measuring advertising effectiveness and highlight on the measurement difficulties. 12M
5. Analyze your observations regarding the popularity of various direct response advertising methods from a local context. Comment on the future potential of various direct response advertising methods. 12M
6. Bring out the importance of Branding from the perspectives of consumer and manufacturer. 12M
7. "Every retailer will have profit from private labels", present your arguments with regard to the above statement. 12M
8. How do you evaluate a brand extension opportunity? 12M