

(DEMB 11)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY - 2015

First and Second Years

Paper-XI : BUSINESS POLICY AND STRATEGIC MANAGEMENT

Time : 03 Hours

Maximum Marks : 75

SECTION-A

(3 x 5 = 15)

Answer Any Three of the following

- 1) a) Concept of strategic management.
b) Competitive advantages.
c) Cost leadership.
d) Strategic process.
e) Marketing strategy.
f) Diversification.

SECTION-B

(3 x 15 = 45)

Answer Any Three of the following

- 2) Give an account 7 – s framework.
3) What are the functions of Board of Directors.
4) State the kind of steps that should be undertaken to implement turn around strategy.
5) Explain strategic issues in declining firms.
6) Elucidate the issues involved in the implementation of strategy.
7) Enumerate the significance of environmental analysis.

SECTION-C

(15)

(Compulsory)

8) Akim, a high school teacher, wanted to earn some extra money to help provide better care for himself, his wife, and their expected baby. After studying the lawn care business in the local area, he decided there was a place for him to operate a part-time business. His niche would be cutting and caring for private lawns and doing contract work on common ground in prosperous neighborhoods.

Using his credit cards, Akim bought the equipment he needed. Then he used his home computer and printer to make up business cards and circulars to be distributed in the neighborhoods he had selected as his niche.

Akim priced his service by stating a low figure based on the time he thought it would take to finish the job. Then, based on that experience, he'd set a price to do the yard in the future.

Things went well until summer vacation. Then business improved so much that he couldn't handle it all by himself, but he had difficulty finding capable and dependable help. Also, many of his customers wouldn't pay when billed. Finally, unable to find a quick and reasonable source of repairs for his equipment – which he could ill afford, anyway – he called it quits after two years. He was unable to sell his equipment.

Questions:

- a) What did Akim do right in starting his business?
- b) Was there anything he should have done that he didn't do?; and
- c) What marketing concepts apply to a small business of this nature?

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(DEMB 12)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY - 2015

First and Second Years

Paper – XII : INTERNATIONAL BUSINESS

Time : 03 Hours

Maximum Marks : 75

SECTION-A

(3 x 5 = 15)

Answer Any Three of the following

- 1) a) IPRS
- b) Genesis of WTO.
- c) SAARC.
- d) Quality circles.
- e) Performance indicators.
- f) Seven tigers of Asia.

SECTION-B

(3 x 15 = 45)

Answer Any Three of the following

- 2) State the environment faced by a business unit in internationalisation.
- 3) Critically examine comparative cost theory of international trade.
- 4) How are foreign markets identified for IB?
- 5) Elucidate the role of WTO.
- 6) Enumerate the factors that should be considered while designing international channel of distribution.
- 7) Examine the strategic planning in MNCs.

(Compulsory)

8) It takes more than the establishment of a reliable auction process to make Internet exchanges work.

What were they thinking, those punters who bid up business-to-business (B2B) e-commerce stocks so high before the markets crashed earlier this year? Or, for that matter, the hundreds of B2B exchanges that launched into that bubble, only quietly to scale back or shut down in the past six months? Entrepreneurs have hunched more than 700 B2B marketplaces, many of them based upon auctions, hoping to create commodity-like markets for everything from chemicals to steel. Most have been guilty of thinking that business transactions are lot simpler than they really are.

The problem is that commodities that can be auctioned this way represent only a tiny fraction of all transactions. An estimated 80-90% of all business goods and services are actually traded through extended-term contracts, often lasting for a year or more; the public “spot” markets, which quote up-to-the-minute prices, are just the tiny tip of a huge private market of one-to-one contract deals, which are hard to bring on to Internet.

Too many B2B exchanges focused on the spot markets in their industries (or imagined that such markets existed), and are now paying the price. By focusing on the exception, rather than the rule, they were bound to remain fringe players, starved of liquidity and ignored by most of the big firms in their industry, which continued negotiating contracts with each other as before. A report earlier this year by AMR Research, a consultancy, found that not a single one of the 600 B2B exchangers studies had reached even 1% of the overall trading volume in its industry.

Now the survivors are turning to the harder, but more lucrative, game contracts. One of the earliest to do this was FreeMarkets , which designs and runs “reverse auctions” (in which the price falls over time instead of rising) for many industries. This is a tricky process involving codifying all the elements of a contract, from the specifications of the product to performance guarantees, so that bidders can compete

fairly in an auction. *In fact*, so tricky is the work that, despite FreeMarkets' early start, its share price is down 90% from its peak. Others, such as Perfect .com and Commerce One, are trying to write software that will help, automate bidding across industries, but the sheer complexity of the task is slowing their progress.

The more manageable option is to work with a single industry. But even here, few B2B exchanges have had the money, industry knowledge and resources to succeed. One of the exceptions is GoCargo, an exchange for the container-shipping industry, which is expanding from a relatively small spot market to far larger contract market- and learning just how complex that is.

Bulky Task

At first blush, containers look as commodity-like as airline seats. After all, the containers themselves are standard-sized, sealed units. Nobody cares much about how the boxes get from here to there; just how much it costs to send them. Even better, American prohibitions on private-rate negotiations for container space were lifted last year, opening the market to deal-by-deal auctions. No wonder Eyal Goldwerger, a consultant with Boston Consulting Group scouting for a B2B idea in 1998, settled on containers and founded GoCargo. If ever there was product perfect for online trading, this seemed to be the one.

Even so, the exchange faced an uphill struggle. Around three-quarters of the world's \$50-billion container business is still done under service contracts, most of them negotiated the old-fashioned way, through relationships, brokers, sales calls and the like. This is partly because the industry, like its shops, is slow to turn. But other problems to deeper. For one, the sea is usually only part of the journey for a container. It will also probably go on a truck and a train, and typically passes through customs twice. shippers usually want an end-to-end solution; although paying a logistics firm or freight forwarder to provide it may cost them a bit more than they would pay in an open auction, the overall savings on hassle often make it worthwhile.

Nor are all freight carriers as alike as they might seem. Some have better reliability records than others and some can handle bigger shipments, for instance. Where carriers are alike is in their suspicion of any market place that might cut their prices by treating their service as an undifferentiated commodity. And on the shipper's side, long service-contracts have the additional advantage of locking in availability and price over a set period.

Although GoCargo started by auctioning spot capacity, Mr Goldwenger quickly saw that old-style service contracts were not about to disappear. So he built a staff of 60 multilingual industry specialists and traders, based in New York, who could codify terms, certify shippers and carriers, and otherwise make this handshake business safe for Internet trading. (To respond to the carrier's concerns about becoming commoditised GoCargo include ways to help them stand out from the crowd by including in the auction criteria such elements as rated quality of service.) As GoCargo got better at this, it started to turn into a real business: contracts now amount to nearly a third of the exchange's total volume and should reach half by the end of the year. The site now has 12,000 members and has conducted more than 5,000 live auctions over the past year, providing it with enough liquidity to start compiling real-time market trends and indices.

Another example is Logistics.com, which auctions transport contracts of all kinds, from trucking to air and sea. Yossi Sheffi, its boss, reckons such contracts are among the hardest to bring online. One of the biggest problems is "conditional deals" a carrier will agree to move containers in one direction only if it can find someone who will pay it to bring them back again. Unless online auctions accommodate this kind of problem, they will be ignored.

In a few other industries, such as steel, B2B exchanges are also starting to make some headway in trading contracts, having realised that spot markets, though easy to enter, are usually too small.

The hope is that contracts will gradually become more standardized, allowing them to be traded like commodities themselves. But if the industry has shown

anything in its first, dismal couple of years, it is that this will take far longer than those early, breathless business plans suggested.

Questions:

- a) What are neural networks? ;
- b) How do you reengineer the international business process based on the new technologies? ;
- c) What is meant by E -Business? ;
- d) What is E-Commerce? What are its advantages and disadvantages?

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(DEMB 13)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY - 2015

First and Second Years

Paper – XIII : MANAGEMENT INFORMATION SYSTEMS

Time : 03 Hours

Maximum Marks : 75

SECTION-A

(3 x 5 = 15)

Answer Any Three of the following

- 1) a) Decision making with the help of data.
b) Design of system.
c) Control of projects.
d) Computer networks.
e) Query language.
f) Caribbean community.

SECTION-B

(3 x 15 = 45)

Answer Any Three of the following

- 2) Bring out the significance of information resource management.
3) What are the stages in system development life cycle?
4) Distinguish between hardware and software.
5) Enumerate the future trend of DBMS.
6) Explain the computerisation at IFFCO.
7) Give an account of relational data base management systems.

(Compulsory)

8) We reach Nock in San Francisco's lower Haight after dark. Once inside, our pupils madly dilate as we try to catch the dynamics of this small, dark Cenozoic cave trimmed in airplane fuselage and grunge-clad patronage. Most don't take any notice; except a Medusalike young man sporting the stubby remnants of the recently shorn dreadlocks who rises from a floor cushion and extends his hand for a shake. He is Sirdystic, a hacker with whom I'd had only E-mail contact until now.

"Cool place," I offer.

"Yup." He gives a wry smile. "Cyber-Flintstones."

Soon, seven of us are slugging down room-temperature Guinneses, which I'm buying. They all belong to the Cult of the Dead Cow, a 13-year-old, in-your-face hacking group whose members are young, rebellious, brilliant, and fed up with a mountain of perceived persecutions. They're misunderstood "white hat" good guys. Clueless federal agents are dogging them for no good reason, Privacy, Free speech. You get the picture.

But what they really hate is Microsoft Corporation, which, in the past year, has become the greatest of hacking targets. "We bring all these huge, gaping holes to their attention, and they don't listen," bellows Deth Veggie, a mammoth 24-year-old with rock-star looks.

Microsoft, they say, is more interested in marketing new systems than in securing them. Microsoft is breeding "dumbed-up" systems administrators who are so reliant on friendly, point-and-click interfaces that they fail to set basic security settings. Microsoft they say, hasn't learned from past mistakes made-and patched-in the Unix operating system.

"When we find a hole, we share that exploit with the rest of the world-and it takes Microsoft a long, long time to respond," says 22-year-old Tweetfish.

Hackers have posted the source code and techniques of myriad attacks against Microsoft products on World Wide Web sites and bullets in boards. They've got the

tools to crack passwords on NT and Windows 95 operating systems. And the techniques to grab those passwords from LAN Manager. Hackers know how to drop an Active X security level from high to none, essentially helping themselves to anything on the machine and the network it's connected to.

And the list goes on.

Why Microsoft? \ Why NT? First Microsoft is the biggest dog on the porch. Run, no less, by the richest guy on the planet. That's irresistible to many hackers. Also, compared with Unix which has been hacked and patched ad nauseam, NT makes for an exciting new playground.

In addition, Windows NT is quickly infiltrating the enterprise. Microsoft is shipping more than 100,000 units of NT Version 4.0 every month. According to The Sentry Group, 85 percent of businesses and government agencies in the United States will use Windows NT as a desktop platform by next year.

In NT 5.0, Microsoft will introduce a three-tiered security architecture. MIT-developed RCF Kerberos authentication will replace the LAN Manager setup that hackers find so inviting. In addition, crypto-key infrastructure will be included to support digital certificates that authenticate users who access the system remotely. Moreover, in NT 5.0 data encryption will be supported, and administrators will have a central point from which to issue certificates and access controls.

Microsoft also maintains an electronic-mail address (secure@microsoft.com) to which anybody can send information about vulnerabilities. In addition, the company employs about 300 engineers who work only on security. And they listen to both hackers and customers, according to Ed Muth, NT product manager. "We have demanding customers like banks and defense agencies who are not shy about telling us their security desires," he says.

"That's a bunch of marketing crock" Veggie says. "We try to contact Microsoft, and we always get the brush".

In any event, the bottom line is that the security problems most hackers ferret out aren't having a serious effect on Microsoft's ability to do business. Corporate America doesn't seem too spooked about Microsoft security, given the speed at

which they are deploying Windows NT. And that just keeps the hackers hacking away.

Questions:

- a) Why are hackers like the Cult of the Dead cow hacking into Windows NT?
- b) What is Microsoft doing about hacking and the security of Windows NT?
- c) Is hacking by the cult of the dead cow and other “white hat” hackers ethical? Why or why not?

EEE

(DEMB B1)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY - 2015

First and Second Years

Group B – FINANCIAL MANAGEMENT

Paper – I : Security Analysis and Portfolio Management

Time : 03 Hours

Maximum Marks : 75

SECTION-A

(3 x 5 = 15)

Answer Any Three of the following

- 1) a) Investment avenues.
b) SENSEX.
c) Financial risk.
d) YTM
e) Odd lot.
f) Efficient market hypothesis.

SECTION-B

(3 x 15 = 45)

Answer Any Three of the following

- 2) Describe the environmental considerations in fundamental analysis.
3) State the problems associated with empirically testing the APT.
4) What are the components of investment risk?
5) Describe the regulation of stock market.
6) Classify mutual funds and their evaluation.
7) In what way is ratio analysis an indicator of a company's health.

SECTION-C

(15)

(Compulsory)

- 8) A middle level executive, who is in the age group of 40 to 45 years approaches you for investment suggestions to invest his savings of Rs. 5,00,000. The executive can afford to have an investment horizon of 4 to 5 years. Suggest appropriate strategies to him based on scientific analysis. Explain the reasons for your strategies.

EEE

(DEMB B2)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY - 2015

First and Second Years

Group B – FINANCIAL MANAGEMENT

Paper – II : Financial Markets & Derivatives

Time : 03 Hours

Maximum Marks : 75

SECTION-A

(3 x 5 = 15)

Answer Any Three of the following

- 1) a) Money market.
b) Commercial bill.
c) Primary market.
d) Swaps.
e) Interest rate derivatives.
f) Hedging

SECTION-B

(3 x 15 = 45)

Answer Any Three of the following

- 2) State the constituents of money market.
3) How does SEBI regulate stock market?
4) What the functions of depositories?
5) Explain the properties of stock option prices.
6) Enumerate the approach to pricing derivative securities.
7) Distinguish between forwards and futures with examples.

SECTION-C

(15)

(Compulsory)

- 8) Mr. Ramesh wants to buy 1000 shares of Reliance Industries after month. He is of fear that price of Reliance may increase in future (after one month). He wants to hedge his risk. The current price of Reliance is Rs.400 and call options are priced at Rs. 10 per share at strike price of 450.
- a) How could Ramesh protect his position by entering into option market?
 - b) What will be profit/loss to Ramesh if Reliance spot after one month is Rs. 500 per share?

EEE

(DEMB B3)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY – 2015

First and Second Years

GROUP B- FINANCIAL MANAGEMENT

Paper - III : International Financial Management

Time : 3 Hours

Maximum Marks: 75

SECTION - A

(3×5 =15)

Answer any Three of the following

- 1) a) Floating exchange rate.
b) International portfolio theory.
c) Risk management techniques.
d) SDRS.
e) Bond market.
f) Non border factoring.

SECTION - B

(3×15 =45)

Answer any Three questions

- 2) Describe the importance of international financial management.
3) How do you measure foreign exchange risk?
4) State the functions involved in international cash management.
5) What are the considerations in international investment policy?
6) Discuss the uses of balance of payments in economic enquiry.
7) How is inventory managed at the international level?

SECTION - C

(15)

(Compulsory)

8) Following data in the Forex and Money markets.

Forex Market Data:

Spot rate $S (\$/DM) = \$ 0.4800/DM$

30 days forward $F(\$/DM) = \$ 0.4812/DM$.

Money Market Data:

DM 30 days treasury bill rate = 13%

Dollar 30 days treasury bill rate = 10%.

Examine whether the interest rate arbitrage possibility exists.



(DEMB B4)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY – 2015

First and Second Years

GROUP B- FINANCIAL MANAGEMENT

Paper - IV : Management of Financial Services

Time : 3 Hours

Maximum Marks: 75

Section - A

(3×5 =15)

Answer any Three of the following

- 1) a) Features of financial services.
b) Trading in stock exchanges.
c) Registrar to an issue.
d) Reverse merger.
e) Debit card.
f) Bills discounting.

SECTION - B

(3×15 =45)

Answer any Three of the following

- 2) Classify mutual funds with examples.
3) Bring out the participants in financial market.
4) State the obligations of merchant banker.
5) What are the sources of housing finance?
6) Elucidate the growth of venture capital funds.
7) Examine the mechanism involved in factoring.

Compulsory

8) ABC Ltd. is considering a proposal to acquire an equipment costing Rs. 5,00,000. The expected effective life of the equipment is 5 years. The company has two options-either to acquire it by obtaining a loan of Rs. 5 lakhs at 12% interest p.a. or by lease. The following additional information are available:

- i) The principal amount of loan will be repaid in 5 equal yearly instalments.
- ii) The full cost of the equipment will be written off over a period of 5 years on straight line basis and it is to be assumed that such depreciation charge will be allowed for tax purpose.
- iii) The effective tax rate for the company is 40% and the after tax cost of capital is 10%.
- iv) The interest charge, repayment of principal and the lease rentals are to be paid on the last day of each year.

You are required to work out the amount of lease rental to be paid annually, which will match the loan option. The discount factor at 10% are as follows:

Year	1	2	3	4	5
Discount factor	0.909	0.826	0.751	0.683	0.621



(DEMB B5)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY - 2015

First and Second Years

B - FINANCIAL MANAGEMENT

Paper - V : Project Management

Time : 03 Hours

Maximum Marks : 75

SECTION-A

(3 x 5 = 15)

Answer Any Three of the following

- 1) a) Market survey.
b) Feasibility report.
c) Cost over runs.
d) Selection of materials handling equipment.
e) MIS.
f) Data vs information.

SECTION-B

(3 x 15 = 45)

Answer Any Three of the following

- 2) Explain the contents of project report.
3) What are the sources of financing projects?
4) State the HR requirements for project planning.
5) Describe the role of computers in the evaluation of project.
6) Give an account of integrated project management control systems.
7) How is financial profitability of projects assessed?

(Compulsory)

- 8) In these days of performance-based information systems, managers have to work hard to get their information system requests approved. Requests to develop a new information system or improve on existing systems are closely scrutinized by senior managers to assure that the investment is effectively supporting corporate goals and will bring in a quick return.

Delta Technology, the information technology arm of \$16 billion Atlanta-based Delta Air Lines, presents a good example of this trend. “We have been carefully reviewing every project and every spend (expense) with approvals at the senior vice president level. Before, we delegated decisions to a lower level”, says Curties Robb, senior vice president and chief technology officer. “Finance is also much more actively involved in business cases that are developed (for IT projects)”. In other words, Delta and many other companies have found it necessary to implement return on investment (ROI) standards and procedures for measuring return on information system investment.

Curtis Robb says there are critical issues that businesses must address to ensure ROI. The first is total cost of ownership. Each of Delta’s business teams mud develop plans that look ahead four years, he says. They look at not only the purchase price but also the “tail behind that purchase price”-hardware, software, maintenance and support, Robb says. The second issue is finding the right level of support for the system once it is in place. Right sizing maintenance contracts has helped Delta shed \$ 10 million in expenses. Standardizing technology has also helped the company save on training and development costs. Rather than building new systems from scratch, Delta designs generic systems to allow portions of systems to be reused on new projects as they arise. The final issue is time to market. At Delta, “solution architects” are assigned to projects from the start to help create a blueprint and determine a timeline.

Once an information system project is under way, it is important to provide oversight to ensure that the project brings in a return. Some companies create

technology review boards to provide monthly reviews of IS proposals. Projects are reviewed each month to make sure scope, costs and time frames are on target.

Implementing a system such as Delta's often meets with a considerable amount of cultural resistance. Tellabs, a Naperville, Illinois-based communications equipment maker, has faced obstacles in implementing its new procedures for measuring return on IT investment. When information system proposals were reviewed for approval. CIO Cathy Kozik found a number of inaccuracies and a general lack of honesty. Managers and staffers were finding it hard to be objective due to concerns over budget cuts and worries about automating themselves out of their jobs. To overcome the honesty and accuracy problems, Kozik asked financial controllers from each unit to oversee the calculations of each proposal.

Implementing ROI standards must be a gradual process, Kozik warns. If Tellabs forced its ROI process on workers, "it would have collapsed under its own weight", she says. "Instead of going from 0 to 120, we're going from 0 to 30, 30 to 60".

The role of the CIO becomes all the more valuable to an organization when striving toward a high ROI. The CIO bridges the gap between top-level executives who may be technically native, and lower-level staff who may be more interested in preserving their jobs than saving the company money. Only the CIO can assure that the organization is getting the highest possible return on its information system investments to gain an advantage over the competition.

Questions:

- i) How might a CIO motivate the information system staff to assist in assessing return on investment and to overcome fears of job loss? and
- ii) How does the trend of involving upper management in information system management decisions affect the balance of power within the organization? Does this undermine previous efforts to empower lower-level employees? Is it possible to have both a high ROI and empowered employees?

