

**NCRD's Sterling Institute of Management Studies,
Nerul, Navi Mumbai**

**SEMESTER END EXAMINATION MMS SEM IV April 2016
Sub: - Security Analysis and portfolio Management**

Date: 23.04.2016

Day: Saturday

Roll No:

Time: 11am to 2.00 pm

Marks: 60 Marks

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Q No.1

(A) Ronix Computers has a well-earned reputation for earning a high return on capital. The firm had a return on capital of 100%, on capital invested of Rs.1,500 crore, in 2008-09. Assume that you have estimated the value of the research asset to be Rs.1,000 crore. In addition, the R & D expense this year is Rs.250 crore, and the amortization of the research asset is Rs.150 crore.

Required:

Re-estimate Ronix Computer's return on capital.

(B) Every investor in the capital asset pricing model owns a combination of the market portfolio and a riskless asset. Assume that the standard deviation of the market portfolio is 30% and that the expected return on the portfolio is 15%. What proportion of the following investor's wealth would you suggest investing in the market portfolio and what proportion in the riskless asset? (The riskless asset has an expected return of 5%).

- (i) An investor who desires a portfolio with no standard deviation;
- (ii) An investor who desires a portfolio with a standard deviation of 15%;
- (iii) An investor who desires a portfolio with a standard deviation of 30%;
- (iv) An investor who desires a portfolio with a standard deviation of 45%;
- (v) An investor who desires a portfolio with an expected return of 12%.

Qno 2 Attempt Any two

1. Define risk. What are the different kinds of risks in corporate investment.
2. How does the systematic risk affect the individual stock return.
3. What is standard deviation. What are its important features.

Qno 3 Attempt Any two

1. What is Risk free asset? What is meant by portfolio risk?
2. Distinguish between Systematic risk and Unsystematic risk.
3. Explain Interest Rate risk and Inflation risk.

Qno 4. Attempt Any two

1. What is Total Return over a period. Illustrate with example.
2. Does the Random Walk Theory suggest that price levels are random? Explain.
3. Explain the Security Market Line with the help of a diagram. How does it differ from the Capital Market Line?

Qno 5: Attempt Any two

1. What is Portfolio Theory? Explain the assumptions and principles underlying the portfolio theory.
2. Explain assumptions and uses of efficient market hypothesis (EMH).
3. Discuss any two weaknesses of MARKOWITZ approach

Qno 6 Explain: Attempt Any two

1. What is the significance of Beta in portfolio selection?
2. Mention any two assumptions used in capital Asset Pricing Model.
3. What do you mean by risk less arbitrage opportunity?

Q no 7 Answer: Attempt Any two

1. Mention two advantages of managed portfolios.
2. How do volume and breadth of market indicate the trend of the market?
3. "Option and futures are zero-sum games". What do you think is meant by this statement?

**NCRD's Sterling Institute of Management Studies,
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SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - E-Commerce

Date: 04/22/2016

Time: 11am to 2.00 pm

Day: Friday

Marks: 60 Marks

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Q.1 Solve the following case study

You are introduced to E-Kin in this case study. You'll explore ethical decision making and current issues in e-commerce as you follow the developments of E-Kin -- a company started by college students. As E-Kin grows and delves into the world of e-commerce, the founders and executives encounter some tough decision making.

Dilemmas: The major security dilemma will come from our wanting to rush to the market with our Internet site. We feel that we are prepared as a company to expand from direct and storefront sales into Internet sales. A few of us also feel that if we don't move very quickly and decisively, we will lose our "window of opportunity". Some feel the reputation of our company is at stake as we look to roll out the Internet initiative. If we are not completely confident that we have airtight security on our website for purchases, we cannot jeopardize our customers. It will take at least another 4 to 6 months to thoroughly test our procedures and processes.

Questions:

1. If you were the CEO of E-Kin would you seize the opportunity presented by a new website or hold back until you felt more comfortable with the security of the site? Why?
2. How secure does a company need to be before they open their website to the public?
3. Is there a financial threshold at which it makes sense to take some risk on web site security in this case? How would you determine the threshold? Explain your answer.
4. What is the relationship between security and ethics in e-commerce?

Q 2 Attempt any two from the following sub questions

- (a) What are the different security issues in E-Commerce?
- (b) What are e-cheques, credit cards, smart cards, electronic purses and debit cards?
- (c) Explain different e-payment risks

Q 3 Attempt any two from the following sub questions

- (a) What are the different types of Electronic payment systems?
- (b) Cyber laws in India and their limitations
- (c) State the reasons for slow acceptability of EDI for trading.

Q 4 Attempt any two from the following sub questions

- (a) Explain Client server network security
- (b) What is B2C? Explain.
- (c) What are the different website naming issues?

Q 5 Attempt any two from the following sub questions

- (a) What do you mean by intellectual property in cyberspace? Explain.
- (b) What are the five primary revenue models?
- (c) What are private and public encryption methods?

Q 6 Attempt any two from the following sub questions

- (a) What is Electronic Signature?
- (b) What are the eight key elements of a business model?
- (c) State the benefits and limitations of E-Commerce

Q 7 Attempt any two from the following sub questions

- (a) What is Cyber Squatting?
- (b) Explain risk management model with the help of a diagram.
- (c) Explain EDI architectures and standards

**NCRD's Sterling Institute of Management Studies,
Nerul, Navi Mumbai**

SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - Strategic Marketing Management

Date: 20/04/2016

Time: 11am to 2.00 pm

Day: Wednesday

Marks: 60

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Q 1.

Prepare Strategy for AMUL in India (use all 4 P's) Chart paper. (20 Marks)

Attempt Any Four out of the Remaining Six Questions

Q2 Explain any 2

(a) Marketing Management (5 Marks) (b) Strategy (5 Marks) (c) Pricing (5 Marks) 10 Marks

Q3 Explain any 2

(a) Promotion (5 Marks) (b) Product (5 Marks) (c) SWOT (5 Marks) 10 Marks

Q4 Explain any 2

(a) Porter's 5 Forces (5 Marks) (b) BCG (5 Marks) (c) Ansoff Matrix (5 Marks) 10 Marks

Q5 Explain any 2

(a) PLC (5 Marks) (b) New Product Development (5 Marks) (c) FMCG (5 Marks) 10 Marks

Q6 Explain any 2

(a) Brand (5 Marks) (b) Export Marketing (5 Marks) (c) Rural Marketing (5 Marks) 10 Marks

Q7 Explain any 2

Planning (5 Marks) (b) Marketing Audit (5 Marks) (c) CSR (5 Marks) 10 Marks

54

NCRD's Sterling Institute of Management Studies
Nerul, Navi Mumbai

SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - Six Sigma

Date: 20th April, 2016

Time: 11:00 am to 2:00 pm

Day: Wednesday

Marks: 60 Marks

Roll No:

Instructions: Question No.1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from Ques 2 to Ques 7. (10 Marks each)

Giving relevant examples, graphs etc. carries weightage.

Q1. (a) Micro Tools Ltd. is a manufacturing company producing small tools. One tool P45T6 requires a part whose length is being measured for ensuring quality. So 10 samples of size 5 each, are taken and the observations are as given below:

Sample No.	1	2	3	4	5	6	7	8	9	10
Sample Mean	15	17	15	18	17	14	18	15	17	16
Range	7	7	4	9	8	7	12	4	11	5

Calculate the values of the central line and the control limits. Plot the suitable control charts, and comment on the state of control. **(10 marks)**

(From the table, the conversion factors are as given:

For $n = 5$ the values are $A_2 = 0.58$ $D_3 = 0$ $D_4 = 2.115$)

(b) Explain in Brief the following terms: (2 marks each)

(i) CTQ (ii) Gantt Chart (iii) SOP (iv) Poka Yoke (v) Theory of Constraints

Q2. Attempt any two (5 marks each)

(a) Explain Taguchi Loss Function.

(b) Compare Six Sigma and Lean Management.

(c) What is Balanced ScoreCard? Discuss its evolution.

Q3. Attempt any two

(5 marks each)

- (a) Discuss the term COPQ. State in details the related components.
- (b) What is meant by 'variation'? Explain the two types of variation clearly.
- (c) Elaborate the 'Improvement Phase of Six Sigma' methodology.

Q4. Attempt any two

(5 marks each)

- (a) What is Six Sigma? How can one select a project of six sigma?
- (b) Explain House of Quality, and its 8 elements/components.
- (c) What is 'Gauge R & R'? Explain its procedure.

Q5. Attempt any two

(5 marks each)

- (a) Explain Fishbone Diagram.
- (b) Discuss Strategy Maps w.r.t. BSC.
- (c) Sunshine Restaurant is a very crowded hotel, especially in the evenings. There are many ways in which a defect in service can occur : Food not tasty, wrong dish served, arrogant behavior of the waiter, delay in dish being served, table not clean enough, and error in billing. The owner Mr. Shah feels the need to improve the service quality. He conducted a survey of 100 customers. 12 customers reported a total of 18 defects in service. Find the current Sigma Level at which the Sunshine Restaurant is operating.

Following is the extract of the DPMO v/s Sigma Level Conversion:

Sigma Level	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50
DPMO	105,650	66,807	40,059	22,750	12,224	6,210	2,980	1,350

Q6. Attempt any two

(5 marks each)

- (a) Explain the application of Six Sigma in any one service sector.
- (b) Discuss the terms : Metrics, and Analytics. Give examples of some metrics.
- (c) Explain Scatter Diagram, and FMEA.

Q7. Write short notes on any two

(5 marks each)

- (a) Force Field Analysis
- (b) Activity Based Costing
- (c) Kano Analysis

50

**NCRD's Sterling Institute of Management Studies
Nerul, Navi Mumbai**

SEMESTER END EXAMINATION MMS SEM IV APRIL 2016

Sub: - Building Learning Organizations

Date: 20/4/16

Time: 11am to 2.00 pm

Day: Wednesday

Marks: 60 Marks

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Que.1 Study the case described below and solve the requirements given at the end:-

“Traditional Organization Vs Learning Organization”

Indo Industrial Engineers (IIE) is a manufacturing unit producing auto components and is an OEM (Original Equipment Manufacturer) of Maruti Udyog Limited (MUL). The company is very successful and is ISO certified for quality and environment. The system in the company seems to be matured and everything is moving as per plans.

The company recently conducted an organizational culture survey in which it was found that the scores of openness, transparency, confrontation are on higher side whereas experimentation score is the lowest. This opened the eyes of the top management in the light of the fact that Tata Motors has announced that it will produce a car of Rs. 1,00,000 with four doors. Since the company OEM to Maruti Udyog Limited (MUL) which is going to face this competition in the market and is likely to pass this to their OEMs as they have done in the past. Indo Industrial Engineers have faced situations in the past that the price reduction has been executed from the buyer's side which they were supposed to execute being an OEM of MUL. The top management remembers the good time when they use to just pass on the price rise in the production to the customer very easily following the cost plus model. But now those days are gone and the market

51

governs the price and the manufacturer is required to manufacture with price specified by the market. There is complete shift in the paradigm from the suppliers market to a buyers' market. The Research & Development is very weak in IIE which is reflected in the low score of experimentation in the organization culture survey. It was also found in the research survey that the top management is concerned about the lack of leadership qualities amongst the managerial cadre of the organization.

The top management is in a fix as the challenge of competition is going to be stiffer particularly in the light of Tata Motors announcement of producing the cheapest car.

Questions

(20 Marks)

1. Discuss the main issues of the case. What does the research survey on organizational culture indicate?
2. What leadership qualities are required to be developed amongst the employees of Indo Industrial Engineers?
3. Discuss the relevance of learning organization in the above context. Suggest a suitable strategy for IIE & MUL.
4. How does a learning organization differ from a traditional organization?

Attempt Any Four Questions

Que.2 Attempt any two of the following:-

- a) How Peter Senge has defined the learning organizations? Describe five disciplines of learning organizations.
- b) What are the emerging business realities? Why do organizations need to learn?
- c) Discuss the role of HR in learning organizations.

Que.3 Attempt any two of the following:-

- a) Explain five dimensions of learning with suitable diagram.
- b) Single Loop Learning Vs Double Loop Learning
- c) Explain System Thinking as the cornerstone of the learning organizations.

Que.4 Attempt any **two** of the following:-

- a) Discuss various characteristics of the learning organizations. How organizational learning can be optimized?
- b) Define Benchmarking. Discuss the types of benchmarking. Narrate the objectives and process of benchmarking. Discuss the role of HR in benchmarking.
- c) Explain Systems Thinking as a perspective, as a special language and as a set of tools.

Que.5 Attempt any **two** of the following:-

- a) Explain the relevance of Knowledge Management for a learning organization
- b) What is Process Mapping? How to do Process Mapping?
- c) Discuss the Learning Company Blueprint. What are the barriers to a learning organization? What can a manager do to develop a learning company?

Que.6 Attempt any **two** of the following:-

- a) Explain Causal Loops and Archetypes
- b) Learning organization can be promoted by a conducive climate, transformational leadership, and empowerment. Comment.
- c) Discuss leadership strategies for creating the learning organizations.

Que.7 Attempt any **two** of the following:-

- a) How to achieve the principles of a learning organization?
 - b) Discuss the application of learning in an organization.
 - c) Discuss the relevance of knowledge creation & acquisition for developing a learning organization
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**NCRD's Sterling Institute of Management Studies,
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SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - Treasury Management

Date: 20th April 2016

Time: 11am to 2.00 pm

Day:

Marks: 60 Marks

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Q1 – 20 Marks (Compulsory)

List three sources of capital and List all possible sources including sub sources of **Senior Debt Capital** available to a corporate treasurer in India along with a one line explanation of each source/sub source.

Attempt Any Four out of the Remaining Six Questions

Q2

(a) What are the eligibility criteria including rating criteria for Issuance of CP by RBI (5 Marks)

(b) Calculate the Issue price of the following CP:

A company issues commercial paper with a face value of Rs. 5 million. The CP Matures in 91 days and is issued at a 4 per cent discount rate. [Show your working] (5 Marks)

(c) Calculate Yield on CP issued at 91 rupees for 300 days with Rs. 100 FV under 365 day basis convention [Show your working] (5 Marks)

Q3

(a) The new controller of the Flexo Paneling Company, makers of modularized office equipment, wants to determine the company's accounts receivable collection period. In the June accounting period, the beginning accounts receivable balance was 318,000, and the ending balance was 383,000. Sales for May and June totaled 625,000. Based on this information, help the controller calculate the average receivable collection period. [Show your working] (5 Marks)

(b) List the key specific issues relating to the management of cash surpluses that the Treasury policies need to address (5 Marks)

(c) Following are the Balance Sheet Line Item Amounts

- Cost of goods sold 4,075,000
- Direct materials expense 1,550,000

49

- Raw materials inventory 388,000
- Total inventory 815,000
- Calculate Inventory turnover as
 - X times
 - No. Of Days
 - Direct Materials to Raw Materials Inventory

[Show your working] (5 Marks)

Q4

- (a) Explain the importance of Inventory Management from working capital cycle perspective (5 Marks)
- (b) Explain the contents of monthly treasury report on surpluses (5 Marks)
- (c) List the benefits of Netting in Treasury context (5 Marks)

Q5

- (a) Explain Netting (5 Marks)
- (b) Explain the contours of Mezzanine Finance (5 Marks)
- (c) Explain the primary uses of Medium Term Cash Forecasts (5 Marks)

Q6

- (a) Explain the primary uses of Long Term Cash Forecasts (5 Marks)
- (b) Explain the primary uses of Short Term Cash Forecasts (5 Marks)
- (c) Briefly explain the impact of Loose Credit policy on the working capital of a company (5 Marks)

Q7

- (a) Explain the possible credit controls that a company can put in place (5 Marks)
- (b) A company issues a CP at a Yield of 10% for 300 days with Rs. 100 FV under 365 day basis convention. What was the price at which the CP was issued [Show your working] (5 Marks)
- (c) Explain the various methods of availing bank finance by a company's treasury (5 Marks)

**NCRD's Sterling Institute of Management Studies,
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46

SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - Data.Warehousing and Data Mining

Date: 04/20/2016

Time: 11am to 2.00 pm

Day: Wednesday

Marks: 60 Marks

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Q.1 Solve the following case study

Build a decision tree classification model to classify bank loan applications by assigning application to one of the three risk classes as shown in the following table

Owens Home?	Married	Gender	Employed	Credit Rating	Risk Class
Yes	Yes	Male	Yes	A	B
No	No	Female	Yes	A	A
Yes	Yes	Female	Yes	B	C
Yes	No	Male	No	B	B
No	Yes	Female	Yes	B	C
No	No	Female	Yes	B	A
No	No	Male	No	B	B
Yes	No	Female	Yes	A	A
No	Yes	Female	Yes	A	C
Yes	Yes	Female	Yes	A	C

Q 2 Attempt any two from the following sub questions

- (a) Explain slice and dice technique in detail.**
- (b) What is association? Explain the terms: support and confidence**
- (c) What are the differences between facts and dimensions?**

247

Q 3 Attempt any two from the following sub questions

- (a) What is a factless fact table?
- (b) What is Information package? Explain with the help of an example.
- (c) What are the different features of OLAP?

Q 4 Attempt any two from the following sub questions

- (a) What is Data loading? Explain in detail.
- (b) Explain different types of metadata.
- (c) What is K-means method in clustering?

Q 5 Attempt any two from the following sub questions

- (a) Explain snow flake schema with the help of an example.
- (b) Explain the terms: Rollup, Drill down, Drill through and Drill across.
- (c) Explain Naive algorithm in association.

Q 6 Attempt any two from the following sub questions

- (a) What are the differences between ROLAP and MOLAP?
- (b) Explain Data Mining in detail.
- (c) What is ETL? Explain in short

Q 7 Attempt any two from the following sub questions

- (a) Explain the differences between Data Mart and Data Warehouse.
- (b) What is star schema? Explain with the help of a diagram
- (c) Explain information delivery component.

60

NCRD's Sterling Institute of Management Studies,
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SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - Project Management

Date: 04/18/2016

Time: 11am to 2.00 pm

Day: Monday

Marks: 60 Marks

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Q.1 Solve the following case study

Develop a network diagram using the AON technique and calculate the critical path using the information in the table

Activity	Description	Estimated duration (Days)	Predecessor
A	Evaluate current technology platform	2	None
B	Define user requirements	5	A
C	Design web page layouts	4	B
D	Set up server	3	B
E	Estimate web traffic	1	C, D
F	Test Web pages and links	4	D, E
G	Move web pages to production environment	3	F, E D
H	Write announcement of intranet for corporate newsletter	5	G
I	Train users	5	G
J	Write report to management	1	H, I

Q 2 Attempt any two from the following sub questions

- (a) What is scope creep? What are the different reasons for source creep?
- (b) If a project costs \$300,000 to implement and the annual net cash inflow is \$45,000, what is the payback period?
- (c) What are Gantt charts? Explain with the help of an example.

Q 3 Attempt any two from the following sub questions

- (a) What are the common sources of conflict?
- (b) What are the different non numeric project selection models?
- (c) What are the different project team pitfalls?

Q 4 Attempt any two from the following sub questions

- (a) Explain the importance of communication in project management?
- (b) Explain the five stage team development model.
- (c) What is a Project Charter? Why is it needed?

Q 5 Attempt any two from the following sub questions

- (a) What are the roles and responsibilities of a Project Manager? Explain in short.
- (b) What is the difference between Functional and Project Manager?
- (c) Why are schedules important to projects? What value do they add to the project?

Q 6 Attempt any two from the following sub questions

- (a) What is WBS? Explain with the help of an example
- (b) What is Risk Management?
- (c) Explain Coaching and Mentoring abilities of a Project Manager

Q 7 Attempt any two from the following sub questions

- (a) How can you manage virtual project teams?
- (b) What is SDLC? Explain.
- (c) What are the main causes of Project Failure?

**NCRD's Sterling Institute of Management Studies,
Nerul, Navi Mumbai**

SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - Emerging Trends in Marketing (Set II)

Date: 18/04/2016

Time: 11am to 2.00 pm

Day: Monday

Marks: 60 Marks

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest (Total 40 Marks)

Q1 Case Study

Mercedes-Benz USA launched the GLA, the automaker's first compact SUV, through a distinctive campaign that used Instagram and Facebook ads together to achieve strong brand and direct response results.

Since inventing the first car in 1886, Mercedes-Benz has never stopped reinventing it. By leading with innovation in safety, performance and design, the brand is now the biggest selling luxury automaker in the U.S.

Mercedes-Benz USA set out to build excitement for the GLA among millennial drivers who admire the brand, but may not have considered it part of their lifestyle.

Mercedes-Benz put imagery at the center of their campaign pulling inspiration from the #ThingsOrganizedNeatly hashtag, creating engaging ads highlighting the versatility of the GLA. The brand tapped photographers and brand ambassadors to answer the question, "What would you pack in your GLA?" and used their photos of neatly arranged items photographed from above on a custom GLA cargo mat to portray the versatility of the vehicle for various weekend trips.

Mercedes-Benz saw a 54% increase in website visits by serving branding ads to the same people across Instagram and Facebook. They also saw a 580% increase in website visits when Instagram and Facebook branding ads were paired with Facebook direct response ads. By using the two platforms to complement each other, Mercedes-Benz effectively moved people from awareness to action and sparked further discovery among their target audience.

Questions:

Q 1.1 What are the reasons, according to you, that have resulted into success of the campaign?

Q 1.2 Briefly narrate a similar successful social media marketing campaign you know.

Q2 Attempt any two (5 marks each)

- (a) Discuss emerging trends in marketing in the context of the Emerging Rural India
- (b) Consumers are becoming increasingly tougher to influence. Discuss with examples
- (c) Depending upon event, the length of time required to yield positive buyer behavior varies. Discuss with reference to Event-Based Marketing.

Q3 Attempt any two (5 marks each)

- (a) Priorities of low-income, middle-income & high-income consumers are distinct in fighting inflation. Discuss with reference to the changing Indian consumers.
- (b) The focus of the customer experience must be on engaging, not "managing" customers. Discuss with suitable examples
- (c) Discuss the benefits and limitations of crowd sourcing

Q4 Attempt any two (5 marks each)

- (a) Purchase places are shifting from small store to super markets. Explain with suitable examples.
- (b) Where customers want to spend their money is no longer influenced by brand messages, but rather by the experiences they get from brands. Discuss with examples.
- (c) Sports market has sales value of approximately \$180 billion, & is growing annually by 20%. Discuss with reference to importance of sport marketing.

Q5 Attempt any two (5 marks each)

- (a) Nielsen study reports that by the end of 2018, more people will use mobile phones than the PC for social networking. Which aspects should a marketer bear in mind while designing a campaign in this context?
- (b) Reports say that nearly 80% of shoppers expect personalization as a standard feature. Discuss in context of data driven marketing.
- (c) Write a brief note on: LOHAS

Q6 Attempt any two (5 marks each)

- (a) Elaborate the green marketing mix with examples.
- (b) Cause-related marketing is a powerful marketing tool that business and nonprofit organizations are increasingly leveraging. Explain with examples.
- (c) Rather than considering consumers as passive message receivers, consumers should be actively involved in production & co-creation of marketing programs. Discuss in context of engagement marketing with examples

Q7 Attempt any two (5 marks each)

- (a) Differentiate between social marketing and commercial marketing.
- (b) Referral programs are among the least expensive marketing strategies. Do you agree? Justify with illustrations.
- (c) The poor don't waste money on luxury products, they only fulfill basic needs. Do you agree? Discuss with reference to Bottom of Pyramid Marketing

**NCRD's Sterling Institute of Management Studies,
Nerul, Navi Mumbai**

SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - Financial Modeling

Date: 18.04.2016

Time: 11am to 2.00 pm

Day: Monday

Marks: 60 Marks

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Q No. 1 :Case study :

Paul Marriot is the director of Stortford Yachts Ltd. The company has traded for 30 years and has in the past achieved very good levels of growth and return on capital, but this is now changing. In recent time it has failed to introduce new product lines, relying on traditional products and little has been invested in Research or Product Development.

ABC consultancy is a firm of Management Consultants. Stortford Yachts is one of their clients. In recent times the business has experienced increased turnover but a downturn in overall performance.

Paul Marriot has had a meeting with company Director and he has stated that he wants to introduce tighter management control within the company by introducing a system of responsibility accounting. He is concerned with the latest results shown in the final accounts that have recently been prepared at year end.

The file attached contains a summary of the company's abbreviated profit statements and balance sheets for the past three years; together with additional information and performance indicators for their business sector as a whole for the period under review.

Examine this information and do detailed financial analysis with the help of ratio analysis of the company year 2011.

Financial information on Stortford Yachts Ltd.

1. Summary profit statements

Particulars	RS.m	RS.m	RS.m
	2009	2010	2011
Sales turnover	4.9	5.3	6.6

Operating costs	4.17	4.43	5.82
Operating profit before tax	0.73	0.87	0.78
Taxation	0.24	0.3	0.27
Profit after tax	0.49	0.57	0.51
Dividends	0.12	0.16	0.16
Retained profit	0.37	0.41	0.35

N.B. The firm's detailed breakdown of costs is as follows:

Years	2009	2010	2011
Labour costs	0.93	0.98	1.25
Distribution costs	0.44	0.49	0.61
Administration costs	0.19	0.22	0.27

2. Summary balance sheets

	RS.m	RS.m	RS.m
	2009	2010	2011
Fixed assets	2.4	2.77	2.88
Current assets			
Stocks:			
Raw materials	0.09	0.12	0.15
Finished goods	0.4	0.43	0.45
Debtors	1.14	1.32	1.84
Bank	0.03	0.04	0.05
	1.66	1.91	2.49
Less Current liabilities	1.35	1.56	1.9
Net current assets	0.31	0.35	0.59
	2.71	3.12	3.47
Capital and reserves	0.5	0.91	1.26
Bank loans	2.21	2.21	2.21
	2.71	3.12	3.47

3. Yacht Builders Federation

Average ratios for federation members 2011

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% Return on capital employed	26.00%
Asset turnover	1.79 times
Net profit margin	14.50%
Current ratio	1.5:1
Acid test ratio	1.03:1
Debtors collection period	83 days
Gearing ratio	32.00%
Labour cost % of sales	18.10%
Operating cost % of sales	85.50%
Distribution costs % of sales	9.50%
Admin costs % of sales	4.50%

1. Calculate all the ratios given in the average ratios for federation members for 2011.
2. Prepare a detailed report on the company's performance in terms of Profitability Leverage and Liquidity compared with the average of the sector over the period.

Section II

Q No 2. Use the following data to construct a statement of cash flows using the direct

Particulars	Yr-2000	Yr-1999
Cash	4,000	14,000
Accounts receivable	25,000	32,500
Prepaid insurance	5000	7000
Inventory	37000	34000
Fixed assets	316000	270000
Accumulated Depreciation	-45000	-30000
Total assets	342000	327500
Accounts payable Rs.	16000	19000
Wages payable	4000	7000
Note payable	173000	160000
Capital stock	88000	84000
Retained earnings	59000	60500
Total Liabilities & Equity	342000	327500

	Yr-2000	
Sales	200000	
Cost of goods sold	-123000	
Depreciation expense	-15000	
Insurance expense	-1100	
Wage Expense	-50000	
Net Income	1000	

During 2000 declared and paid dividends of RS.2, 500. During 2000, ABC paid RS.46,000 in cash to acquire new fixed assets. The accounts payable was used only for inventory. No debt was retired during 2000.

(Attempt any two out of A,B,C.)

- A) Cash from Operations
- B) Cash from Investment
- C) Cash from Financing activity

Q No. 3 Attempt any two out of A,B,C.

- A) Explain Report Writing in Equity Research.
- B) Equity Research Report has no value without risk analysis. Comment.
- C) What are the important points to be included in report writing?

Q No. 4 Attempt any two out of A,B,C.

- A) What are the advantages of sensitivity analysis?
- B) What are disadvantages of sensitivity analysis?
- C) How do you define "scenario analysis"?

Q No. 5 Attempt any two out of A,B,C.

- A) Is R & D expenditure a Capital expenditure? If Yes, explain.
- B) What are the benefits of Lease asset over Own assets?
- C) Define financial modeling? Where is Financial Modeling Used?

Q No. 6 Attempt any two out of A,B,C.

- A) What are the advantages of financial modeling?
- B) Explain value drivers with the help of examples.
- C) Define cash Flow- water fall. Give example.

Q No. 7 Attempt any two out of A,B,C.

- A) What are the input sheets for Equity research model?
- B) What are the working sheets for Equity research model?

C) What are the output sheets for Equity research model?

Q No. 8 Attempt any two out of A,B,C.

- A) What are the input sheets for M&A MODEL?
- B) What are the working sheets for M&A MODEL?
- C) What are the output sheets for M&A MODEL?

Q No. 9 Attempt any two out of A,B,C.

Bolt Inc. is a company that specializes in building tracks for high speed trains in Electrasia. The company is the process of bidding for a new interstate train project. The chief bidding engineer has come up with a net present value estimate of \$814.5 million. His inputs include the company's weighted average cost of capital of 8%, cash inflows of \$2 billion which are expected at the end of 3rd year, annual expenditures for year 1, 2 and 3 of \$300 million per year. You are the chief investment officer and CFO has asked you to conduct a scenario analysis.

A) For the best case scenario, assume a WACC of 6.5%, cash inflows of \$2.1 billion at the end of 2nd year and cash outflows of \$400 million at the end of 1st year and \$500 million at the end of second year.

For the worst case scenarios, assume a WACC of 9%, cash inflows of \$1.2 billion at the end of 4th year and cash outflows of \$200 million at the end of each year for 4 years.

Do the scenario analysis with the help of NPV.

B) For the best case scenario, assume a WACC of 6%, cash inflows of \$1.8 billion at the end of 2nd year and cash outflows of \$500 million at the end of 1st year and \$400 million at the end of second year.

For the worst case scenarios, assume a WACC of 10%, cash inflows of \$1.5 billion at the end of 4th year and cash outflows of \$300 million at the end of each year for 4 years

Do the scenario analysis with the help of NPV.

C) Do sensitivity Analysis when

1. WACC is increased by 5%
2. Cash flow increased by 10%
3. Expenses in 1 and 2 year are increased by 10%

**NCRD's Sterling Institute of Management Studies,
Nerul, Navi Mumbai**

SEMESTER END EXAMINATION MMS SEM IV April 2016

Sub: - Organizational Development

Date: 18/4/16

Time: 11am to 2.00 pm

Day: Monday

Marks: 60 Marks

Roll No:

Instructions: Question No. 1 is compulsory. (Total 20 Marks)

Attempt Any Four Questions from the Rest. (Total 40 Marks)

Que.1 Study the case described below and solve the requirements given at the end:-

Change and Success

Kumar sat looking at the calendar, the date read 21/10/15. A coincidence it was a Wednesday and the weather outside was gloomy and foggy, maybe reflecting his state of mind. The fog in his mind was due to his concern for his company, Indian Ice Factory. Kumar had inherited the company from his father Mr. Ajit who had passed away recently.

The Indian Ice Factory had been in operation for over 50 years manufacturing ice for various purposes. The product form ranged from crushed ice and ice cubes for retail sales and 300 pound blocks for industrial use. As with all seasonal industries, the operations of the company were of varying intensities in a year. In the summers, when the demand for ice and derived products like ice creams are high, the working hours at the factory were long; the marketing and sales personnel were always overstretched. During the peak season, the company provided employment to people anywhere between seventy-five to hundred and twenty-five. The organization of the management structure was quite abstract and it used to change according to demand and supply forces of products, personnel and the resources.

Mr. Ajit who managed the firm had purchased it from a friend thirty years ago. Ajit used to like doing all the jobs himself and believed in the maxim "if you want to get something done right, do it yourself." He also was a firm believer in "The Boss is always right". In fact he had it written on the entrance of his company, "We have only one rule – Do what you are told". This management philosophy had worked for him in the past. When he had bought the unit, it was about to be declared sick and the financial viability of Indian Ice Factory seemed bleak.

However, despite all odds, Ajit had not only managed to bring the company back from the brink of disaster but had turned it into one of the market leader. He never forgot the difficult times he had faced and the obstacles he had to overcome. This also made him stick to what he called "time tested strategies". In the company, his words were the law and each and every decision, trivial or vital had to be taken by him. His "hands on" management approach, which had worked so well in the past, left him little time to bother looking at the sales figures, strategy formulation and the rising competition in the market. Ajit often used to say, "This is an old fashioned business and we are going to run it the old fashioned way".

Things had been changing gradually though surely for Indian Ice Factory. The liberalized economy, which had demolished so many of Mr. Ajit's problems, had also meant that now it was easier for others to compete with him. As if this wasn't enough, entry of large corporations changed the very nature of the way ice business was being done. The scenario became professional and organized knowledge and expertise became the order of the day. The whole ice industry evolved from being a scattered, un-organized sector to highly competitive organized market. This brought in trained expertise and specialists. Now you had engineers, microbiologists, and environmentalists, MBAs for various jobs unlike the semi-literate jack-of-all-trades in Indian Ice Factory.

Increasing professionalism in the industry was quite interestingly creating resentment among the employees at the Indian Ice Factory. They used to grumble about better working conditions at other places and more democratic and professional leadership of other managers. This problem was being aggravated by incidents like the termination from the job of an employee. The employee who had worked without leave for 33 days straight had taken the day off on independence day (a

national holiday anyhow) with his supervisor's permission. When Mr. Ajit came to know of his leave, he was fired without being given a chance to explain his side of the story. The supervisor had also been pulled up as he had dared allow an employee to go on leave without consulting Mr. Ajit.

The increasing competition in the market had also created a worrying situation. Indian Ice Factory had been a giant among midgets, now it was facing fast eroding market share and increasing discontent among existing customers. His talks with employees had revealed that his father had run the marketing of the enterprise in a rather monopolistic way. There was no pricing policy or mechanism in place.

He was shocked to learn that during the ice shortage last summer, Mr. Ajit had doubled the prices for more than two weeks, his rationale; "if they want it bad enough, they will pay for it". This according to the employees had led to massive resentment among customers and the distributors. Many distributors had discontinued their association with Indian Ice Factory after that incident. Those who were still with the company were dissatisfied due to late shipments, long time taken for order processing and completely forgotten orders. Another marketing problem facing Kumar was the gradual but significant erosion of industrial customers. Earlier, 50% of the total sales of Indian Ice Factory were in the industrial sector. This half of the clientele was important as the cost of sales are always low, the economies of scale lead to better profit margins. Over the last few years the market share had plummeted to 12%.

One of the reasons for customers leaving was also the availability of better quality substitutes from competitors. The product range and quality at Indian Ice Factory was obsolete. The plant itself was dated and the machinery outdated. However, Kumar felt that the plant and machinery were not as big a problem as the human resource situation. Absenteeism and turnover was high. High turnover meant new employees and a lot of time was being spent in training them. There was a complete lack of accountability, as no reporting relationships existed. His father used to come and issue all the orders in the morning and that enabled every worker in the organization to know what he or she was expected to do. Now that when Kumar was trying to decentralize, he was facing the lack of set policies and procedures as well as a lack of decision making among

even the senior staff at the factory. "This was why his dad used to be so busy all his life!!" mused Kumar. His Dad's over involvement in day-to-day and even the mundane and simple activities at the factory were a legend. So much so Ajit had died of a heart seizure while loading a truck with ice himself.

Kumar sat back in the leather chair that had once been his dad's throne. His father had been proud of the Indian Ice Factory and its success. None of what Kumar saw and felt made any sense; how could he have let things deteriorate to such levels?? "More important is to think of the future rather than lament on the past", thought Kumar. He had to restore his father's company to its now fast fading glory. Ajit had bought land nearby to set up a mineral water plant, as water shortages were common enough these days. The ice plant was also getting old; other companies with newer technologies were posing a threat. The lack of even a single computer at the factory was probably sum of all his fears.

In the evening, at the club, Kumar was letting it all out over a drink to a friend. His friend thoughtfully suggested that ideally speaking; Kumar should rope in an expert, preferably an OD agent and use his services to assist Kumar to give a makeover to Indian Ice Factory inside out. Natural choice fell on Mrs. Dhaliwal, a mutual friend after having graduated from IIM, Bangalore, had picked up a job in HR field in a multinational firm. Recently she has started her own consultancy carving a niche for herself as an OD agent.

As Mrs. Dhaliwal and her team answer the following questions-

(20 Marks)

1. Analyze the situation existing in the Indian Ice factory.
2. How would you handle change process?
3. Suggest the interventions, which will be most appropriate.
4. Bring out the key issues in Client- Consultant Relationship related to the case.

Attempt Any Four Questions

Que.2 Attempt any two of the following:-

- a) What are two major goals of OD programs?
- b) Discuss any 2 definitions of OD. Why OD is important?
- c) Discuss underlying assumptions and values of Organization Development

Que.3 Attempt any two of the following:-

- a) Explain Action Research approach with the help of Action Research model
- b) Narrate System Theory highlighting its importance in OD
- c) Discuss Congruence Model

Que.4 Attempt any two of the following:-

- a) Change Management Handbook model
- b) Burke-Litwin model of Organizational Change
- c) Porras & Robertson model of Organization Change

Que.5 Attempt any two of the following:-

- a) Discuss components of the OD process with suitable diagram
- b) The Six Box model
- c) McKinsey 7S Framework model

Que.6 Attempt any two of the following:-

- a) Tichy's Technical Political Cultural (TPC) Framework
- b) Discuss various tools of data collection
- c) Explain 3 types of organizational roles

Que.7 Attempt any two of the following:-

- a) OD versus Change Management
- b) Explain systemic , people and process interventions
- c) Team Building and Survey Feedback
