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IV Semester M.B.A. Degree Examination, July 2018
(CBCS Scheme)
MANAGEMENT
4.4.3 : Talent and Knowledge Management

Time : 3 Hours Max. Marks : 70

SECTION – A

Answer **any five** questions from the following. **Each** question carries 5 marks. (5×5=25)

1. Explain the modern practices of talent retention in IT sector.
2. Explain the process of designing and building a talent reservoir.
3. Why should knowledge management be integrated with the organization's strategic business plan ?
4. Distinguish between knowledge portals and information portals.
5. Examine the institutional strategies for dealing with talent management.
6. Describe the role of leaders in Talent Management.
7. What is competency mapping ? Explain the approaches to competency mapping.

SECTION – B

Answer **any three** questions from the following. **Each** question carries 10 marks. (3×10=30)

8. Discuss the role and relevance of internet search engines and knowledge management practices.
9. Describe the process of developing a Talent Management information system.
10. What is knowledge creation ? Explain Nonaka's model of knowledge creation and transformation.
11. What are the features of a Knowledge Intensive Firm ? Suggest some measures for creating a learning environment for knowledge gaining.

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SECTION – C

12. **Compulsory** Case Study : **(1×15=15)**

A PVC floor tile manufacturing company was manufacturing flooring tiles in different textures and colours. However, all the colours were on the dark side. Many enquires started coming in lighter colours. Some of the company's corporate customers started insisting on light coloured flooring tiles. After a careful analysis of the market potential for light coloured tiles, the company decided to get acquire the necessary technology for the same. Technical Director of the company went around the world and identified one useful technology. Tiles in different light colour shades were procured.

The company showcased them at a marketing conference arranged for the purpose. Market response was good. Negotiations were completed in a record time. Company's technical director and one of the senior production engineers for deputed for in-plant training at collaborator's place. The plant was erected.

Trials were taken up. Flooring tiles in different bright colours were produced. The product was released into the market. Market response was again highly encouraging. Several metric tonnes of the product were manufactured and released to the market. The company was happy that it successfully introduced a new range of products with high market potential.

In less than a couple of months, a volley of complaints started pouring from all the market segments. All the markets had one complaint, namely, the tiles would become ugly in a short span of usage cycle. Market stopped lifting new product. The company had to stop the manufacturing the new product. Technical director was again rushed to the collaborator's place for detailed investigation. Tiles from different batches of production were sent to collaborative place. After the detailed analysis, the company had no other option; other than to re-declare that there was nothing wrong with the technology and the problem lies with usage conditions.

Puzzled with the situation, the company puts its development technologist to investigate the causes for failure of tiles in the Indian market. Dr. Murthy joined the company as a senior development officer. Fortunately for him, the company's dark coloured tiles were available for comparison. The one that didn't generate complaints had a washed natural filler, whereas the other formula which was rejected by the market had a processed synthetic filler or semi-processed natural filler.

One had a plate like structure and the other one had a needle like structure. He next started examining tiles under electron scanning microscopes. Both the tiles exhibited intermolecular craters. No conclusion could be drawn. He then switched over to high resolution microscopes for examining the tile surface.

New formulas exhibited intermolecular craters and the another one showed smooth surface at similar magnification. Intermolecular craters behaved as charge traps to hold static dust permanently to make the tile look ugly. The puzzle had been solved.

What needed was the addition of a charge equalizer or a charge distributor. However, the high cost of charge distributor did not make the product competitive. The project was permanently abandoned.

Questions :

a) What are the various knowledge elements responsible for product failure in Indian markets ?

b) Which knowledge management principles get highlighted in this case ?

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IV Semester M.B.A. Degree Examination, July 2018
(CBCS Scheme)
MANAGEMENT
4.2.3 : Risk Management & Derivatives

Time : 3 Hours Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **five** marks. **(5×5=25)**

1. What is Decision making under Uncertainty ? What are the reasons for Uncertainty of project cash flows ?

2. Explain the advantages of using Future contracts in Hedging the risk of a Portfolio.

3. What are 'Commodity Derivatives' ? Write a brief note on Commodity Exchanges of India.

4. Nuksan Ltd. Which makes only one product, sells 20,000 units of its product making a loss of Rs. 20,000. The variable cost per unit of the product is Rs. 16 and the fixed cost is Rs. 60,000.

   The company has estimated its sales demand as under :

Sales (units)	20,000	24,000	28,000	32,000	36,000
Probability	0.10	0.15	0.20	0.30	0.25

   What is the probability that the company will continue to make losses ?

   What is the probability that the company will make a profit of at least Rs. 12,000 ?

5. A sold in January Nifty Futures contract for Rs. 21,50,000. For this he had paid an initial margin of Rs. 2,15,000 to his broker. Each Nifty Futures contract is for the delivery of 200 Nifties. On Settlement date, Nifty closed on 10850. How much profit/loss A has made ?

6. Consider a three month maturity forward contract on a non-dividend paying stock. The stock is available for Rs. 200 with Compounded Continuously Risk-free Rate of Interest (CCRRI) of 8% per annum. What would be the price of forward contract ?

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7. Mr. MN purchased a 3-month call option for 100 shares in PQR Ltd., at a premium of Rs. 40 per share, with an exercise price of Rs. 560. He also purchased a 3-month put option for 100 shares of the same company at a premium of Rs. 10 per share with an exercise price of Rs. 460. The market price of the share on the date of Mr. MN's purchase of options is Rs. 500. Compute the profit or loss that Mr. MN would make assuming that the market price at the end of 3 months is

a) Rs. 360

b) Rs. 660

c) Rs. 500.

SECTION – B

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

8. What are 'Derivatives' ? State and explain in brief the different types of derivatives.

9. Briefly explain the techniques used in evaluating investment proposals under uncertainty in order to choose the best product.

10. KLM Ltd., is considering taking up one of the two projects – Project K and Project S. Both the projects having same life require equal investment of Rs. 80 lakhs each. Both are estimated to have almost the same yield. As the company is new to this type of business the cash flow arising from the projects cannot be estimated with certainty. An attempt was therefore, made to use probability to analyse the pattern of cash flow from other projects during the first year of operations. This pattern is likely to continue during the life of these projects. The results of the analysis are as follows :

Project K		Project S	
Cash flow (Rs.)	**Probability**	**Cash flow (Rs.)**	**Probability**
11	0.10	09	0.10
13	0.20	13	0.25
15	0.40	17	0.30
17	0.20	21	0.25
19	0.10	25	0.10

Required :

i) Calculate variance, standard deviation and co-efficient of variation for both the projects.

ii) Which of these two projects is more risky ?

11. The current market price of an equity share of Detergent Ltd. is Rs. 420. Within a period of 3 months the maximum and minimum price of it is expected to be Rs. 500 and Rs. 400 respectively. If the risk free rate of interest be 8% per annum, what should be the value of a '3 month Call Option' under the Risk Neutral Method at the strike rate of Rs. 450 ? Given $e^{0.02} = 1.0202$.

SECTION – C

This is a **compulsory** question carrying **fifteen** marks. **(1×15=15)**

12. Case study :

A sports goods manufacturer, in conjunction with a software house, is considering the launch of a new sporting simulator based on videotapes linked to a personal computer enabling much greater realism to be achieved. Two proposals are being considered. Both use the same production facilities and, as these are limited, only the product can be launched.

The following data are the best estimates the firm has been able to obtain :

Particulars	**Football Simulator**	**Cricket Simulator**
Annual volume (Units)	40,000	30,000
Selling price	Rs. 130 p.u.	Rs. 200 p.u.
Variable production costs	Rs. 80 p.u.	Rs. 100 p.u.
Fixed production costs	Rs. 6,00,000	Rs. 6,00,000
Fixed selling and administrative costs	Rs. 4,50,000	Rs. 13,50,000

The higher selling and administrative costs for the cricket simulator reflect the additional advertising and promotion cost expected to be necessary to sell, the more expensive cricket system.

The firm has a minimum target of Rs. 2,00,000 profit per year for new products. The management recognizes the uncertainty in the above estimates and wishes to explore the sensitivity of the profit on each product to changes in the values of the variables (volume, price, variable cost per unit, fixed costs).

You are required :

a) To calculate the expected profit from each product.

b) To calculate the critical value for each variable (i. e. the value at which the firm will earn Rs. 2,00,000), assuming that all other variables are as expected (express this as an absolute value and as a percentage change from the expected value).

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IV Semester M.B.A. Degree Examination, July 2018
(CBCS Scheme)
MANAGEMENT
4.3.2 : International Marketing Strategy

Time : 3 Hours Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries 5 marks. **(5×5=25)**

1. Draw a line of distinctions between International Marketing and International Business.
2. What are the essential conditions for international trade according to Comparative Cost Theory ?
3. What are the sources of information for targeting International destinations ?
4. Explain the features of Strategic Alliances as an International Market Entry Strategy.
5. What are the challenges in International branding ? Explain with example.
6. What are the options for International Channel of Distribution for a MNC ?
7. Explain the objectives of forming regional trade blocks ?

SECTION – B

Answer **any three** of the following questions. **Each** question carries **10** marks. **(3×10=30)**

8. Discuss the domestic and international factors which cause a company to go for International Marketing.
9. Explain with examples the impact of cultural and legal factors on International Marketing strategy of a firm.
10. Explain the Adaptation and Standardisation of Marketing Mix in International Marketing.
11. Discuss the characteristic features of International Product Life Cycle (IPLC).

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SECTION – C
(Compulsory)

12. Analyse the case and answer the questions given below. 15

Pepsi Co's strategy in the US is to focus on growing its healthier brands and non-carbonated drinks. Internationally, it is focusing on emerging markets, especially China, India and Russia. The lesson from China has been that, although carbonated beverages were targeted as the main product to lead sales, Chinese consumers have shown preferences for bottled water, juices and tea. This seems to indicate that it would be wrong to assume that consumers in developing markets opt first for carbonated drinks, and acquire a taste for alternatives as they become more affluent. Strategy must adapt to tastes in differing markets, where there are usually strong local brands well established.

Pepsi Co has been able to add new businesses and products by its strategy of diversification, allowing it to respond to changing consumer needs with a wide portfolio of products. In particular, it has added bottled water, snack foods (through the acquisition of Frito-Lay and Quaker Oats), juices (through the acquisition of Tropicana), and the sports drink Gatorade (as part of the Quaker Oats portfolio). These products reduce its dependence on traditional carbonated drinks. They also diversify the range of products for health conscious consumers. By comparison, Coke has remained more dependent on its flagship carbonated drink, Coke. Although it has expanded into more markets internationally than Pepsi Co, it has been slow to diversify into healthier products.

Questions.

1) Discuss Pepsi Co's current strategy in both its home market and international market.
2) How has Pepsi Co's diversification strategy proved to be advantageous in comparison to the strategy of Coca-Cola ?
3) What are the strengths and weaknesses of the Pepsi Co and Coca-Cola in international markets ?

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IV Semester M.B.A. Degree Examination, July 2018
(CBCS Scheme)
MANAGEMENT
Paper – 4.3.3 : Digital Marketing

Time : 3 Hours Max. Marks : 70

Instruction : *Answer **all** the Sections.*

SECTION – A

Answer **any five** of the following, **each** question carries **five** marks. **(5×5=25)**

1. How organic search is useful for the customers ? Explain.
2. What is fulfilment options ? Explain its importance in Digital Marketing.
3. How landing pages are important in convertion analysis ? Explain.
4. Explain the building relationships with different stakeholders online.
5. What do you mean by payment gateway ? Explain the process of payment gateway.
6. Explain the need and importance of online marketing research to a company.
7. How Google Adwords are important to a company in Digital Marketing ?

SECTION – B

Answer **any three** of the following, **each** question carries **ten** marks. **(3×10=30)**

8. Distinguish between online buying behaviour vs offline buying behaviour with an example.
9. How online reputation management is important for a business ? What are the strategies used in online reputation management ?
10. Explain the trends in banking industry from brick and mortar to mobile banking.
11. How social media is helpful for Digital Marketing ? Explain.

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SECTION – C

Case Study (**Compulsory**) :

(15×1=15)

12. World Retail Giant Raintree a multi-brand retail brand decided to enter the Indian market. As part of its global expansion strategy "Raintree" picked up e-commerce start up – 'Flipgoods'. The intention was to exploit the huge digital market place that 'Flipgoods' has successfully built and sustained itself over a short period of time. From a small startup, competing with many e-commerce giants, 'Flipgoods' has grown to become the number-one digital market place. Good service, good quality products, quick delivery, safe packaging and competitive pricing created a lot of trust and confidence amongst Indian consumers.

Raintree intends to utilise the strengths of 'Flipgoods' to quickly penetrate the huge digital market place in India.

Read the caselet and answer the following questions :

a) Describe, how Raintree intends to utilise 'Flipgoods to market its products in India.

b) How will Flipgoods retain its position as the best e-commerce brand in India ?

c) In your opinion, will this decision of Raintree to pick up Flipgoods be successful in helping Raintree enter the Indian market place.

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IV Semester M.B.A. Degree Examination, July 2018
(CBCS Scheme)
MANAGEMENT
Paper – 4.3.3 : Digital Marketing

Time : 3 Hours Max. Marks : 70

Instruction : *Answer **all** the Sections.*

SECTION – A

Answer **any five** of the following, **each** question carries **five** marks. **(5x5=25)**

1. How organic search is useful for the customers ? Explain.
2. What is fulfilment options ? Explain its importance in Digital Marketing.
3. How landing pages are important in convertion analysis ? Explain.
4. Explain the building relationships with different stakeholders online.
5. What do you mean by payment gateway ? Explain the process of payment gateway.
6. Explain the need and importance of online marketing research to a company.
7. How Google Adwords are important to a company in Digital Marketing ?

SECTION – B

Answer **any three** of the following, **each** question carries **ten** marks. **(3x10=30)**

8. Distinguish between online buying behaviour vs offline buying behaviour with an example.
9. How online reputation management is important for a business ? What are the strategies used in online reputation management ?
10. Explain the trends in banking industry from brick and mortar to mobile banking.
11. How social media is helpful for Digital Marketing ? Explain.

P.T.O.

SECTION – C

Case Study (**Compulsory**) : (15x1=15)

12. World Retail Giant Raintree a multi-brand retail brand decided to enter the Indian market. As part of its global expansion strategy "Raintree" picked up e-commerce start up – 'Flipgoods'. The intention was to exploit the huge digital market place that 'Flipgoods' has successfully built and sustained itself over a short period of time. From a small startup, competing with many e-commerce giants, 'Flipgoods' has grown to become the number-one digital market place. Good service, good quality products, quick delivery, safe packaging and competitive pricing created a lot of trust and confidence amongst Indian consumers.

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c) In your opinion, will this decision of Raintree to pick up Flipgoods be successful in helping Raintree enter the Indian market place.

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IV Semester M.B.A. Degree Examination, July 2018
(CBCS Scheme)
MANAGEMENT
4.4.2 : International Human Resource Management

Time : 3 Hours Max. Marks : 70

SECTION – A

Answer **any five** questions. **Each** carries **5** marks. **(5×5=25)**

1. Give the difference between expatriation and repatriation.
2. Give a brief note on the future of IHRM.
3. Discuss the problems of women expatriates in general.
4. Explain the role of knowledge management in IHRM.
5. Give a note on the International performance appraisal system.
6. What are virtual organizations ? Explain.
7. Explain the importance of Human Resource Planning.

SECTION – B

Answer **any three** questions. **Each** carries **10** marks. **(10×3=30)**

8. Distinguish between DHRM and IHRM.
9. Discuss in detail about the compensation components of IHRM.
10. Distinguish HR practices in Japan, USA and India.
11. Elucidate the new methods of training of Expatriates.

SECTION – C

Case study : **Compulsory.** **(1×15=15)**

12. Meeting on a Friday in Kenya.

For a long time our building company had finished an important project concerning a new major route in Kenya. However, not all the money had been paid by out customer. Therefore, the Managing Director of the Kenyan subsidiary of the building corporation organized a meeting with the representative of the respective Kenyan government agency. The meeting was scheduled for the next Friday at 10 a.m.

The meetings started and the representative was very polite and friendly. However, at the same time he also seemed to be quite nervous. Every few minutes he received a telephone call or had to initiate a telephone call himself. All phone discussions were carried out in the local language.

Despite the interruptions, I tried to explain the reason for my visit – the outstanding account balance. Of course, the government representative apologized for every interruption. However, after 15 minutes we were both extremely tense because the conversation did not advance at all.

Eventually, I said that I was sorry that my counterpart had so much to do and asked for another meeting the next Tuesday. Instantly, the government representative was relaxed again and happily confirmed the new meeting. Now he could finally concentrate on the preparation and organization of his big family meeting this weekend, which is typical for large Kenyan families.

Discussion questions :

a) Create SWOT analysis of the case.

b) Relate the described situation to one of the cultural dimensions identified by Hofstede. How can you explain it ?

c) How does this situation compare to comparable situations in your home country ? Please explain. Where are the limits of the cultural explanation ?

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IV Semester M.B.A. Degree Examination, July 2018
(CBCS Scheme)
MANAGEMENT
4.2.2/4.6.2 : International Financial Management

Time : 3 Hours | Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **five** marks. **(5×5=25)**

1. Write a short note on the evolution of International Monetary System.

2. What is 'Balance of Payments' ? Explain its relationship with the different economic variables.

3. Explain Interest Rate Parity Theory and International Fisher Effect.

4. The following quotes are available :

   Spot (DM/$) 1.5105/1.5120

   Three-month swap points 25/20

   Six-month swap points 30/25

   Calculate the three-month and six-month outright forward rates.

5. A Bank sold Hong Kong Dollars 40,00,000 value spot to its customer at Rs. 7.15 and covered itself in London market on the same day, when exchange rates were :

   US$ = HK$ 7.9250 – 7.9290

   Local interbank market rates for US$ were

   Spot US$1 = Rs. 55.00 – 55.20

   You are required to calculate rate and ascertain the gain or loss in the transaction. Ignore brokerage. You have to show the calculations for exchange rate up to four decimal points.

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6. If the present rate for 6 months borrowings in India is 9% per annum and the corresponding rate in USA is 2% per annum and the US$ is selling at Rs. 64.50/$, then
   i) Will US$ be at a premium or at a discount in the Indian Forward Market ?
   ii) Find out the expected 6 month forward rate for US$ in India.
   iii) Find out the rate of forward premium/discount.

7. Following information is available in respect of a put option on £:

   Strike price $ 1.50/£

   Option premium $0.04 per £

   Spot rate on strike date $ 1.40/£

   Find the pay off of the buyer and seller of the put option given that one option contract cover 10000 units of £.

SECTION – B

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

8. What is Foreign Exchange Risk ? State and explain the various types of Foreign Exchange Risk with examples. Briefly explain the 'internal techniques' for Mitigating Transaction Risk.

9. Companies A and B have the following interest rates :

	A	B
US Dollars (floating rate)	LIBOR + 0.5%	LIBOR + 1%
Canadian (fixed rate)	5.0%	6.5%

A wants to borrow US Dollars at a floating rate of interest and B wants to borrow Canadian dollars at a fixed rate of interest.

A financial institution is planning to arrange a swap and requires a 50 basis point spread. If the swap is equally attractive to A and B, what rates of interest will A and B end up paying ?

10. Explain ADR's and GDR's as tool/instrument of financial investments in Foreign Market.

11. Indus Ltd. is the wholly owned Indian subsidiary of US based company, Gofts Ltd. non-consolidated Balance Sheets of both Gofts Ltd. and Indus Ltd., (only foreign operations), in thousands, are as follows :

Assets	**Gofts Ltd.**	**Indus Ltd. (Affiliate)**
Cash	$2,200	Rs. 8,000
Accounts receivable	2,400	4,600
Inventory	2,400	7,000
Net plant and equipment	4,600	9,000
Investment	2,000	–
Total	**$13,600**	**Rs. 28,600**

Plant and equipment and common stock were acquired when exchange rate was Rs. 38.20/$.

Liabilities and Net Worth	**Gofts Ltd. (parent)**	**Indus Ltd. (Affiliate)**
Accounts payable	$1,000	Rs. 12,000
Common stock	4,000	6,000
Retained earnings	8,600	10,600
Total	**$13,600**	**Rs. 28,600**

The current exchange rate is Rs. 43.20/$. Gofts Ltd. translates by current rate method.

a) Calculate the accounting exposure for Gofts Ltd. by the current rate method and monetary/non-monetary method.

b) Prepare a consolidated Balance Sheet for Gofts Ltd. and Indus Ltd.

SECTION – C

This is a **compulsory** question carrying **fifteen** marks : **(1x15=15)**

12. Case study :

ABC Ltd., a US firm, will need £ 5,00,000 in 180 days. In this connection, the following information is available :

Spot Rate 1 £ = $ 2.00

180 days forward rate of £ as of today is $ 1.96.

Interest rates are as follows :

	U.S.	U.K.
180 days deposit rate	5.0%	4.5%
180 days borrowing rate	5.5%	5.0%

A call option on £ expires in 180 days has an exercise price of $ 1.97 and a premium of $ 0.04.

ABC Ltd., has forecasted the spot rates for 180 days as below :

Future Rate ($)	1.91	1.95	2.05
Probability	30%	50%	20%

Which of the following strategies would be most preferable to George Ltd. ?

a) A forward contract

b) A money market hedge

c) An option contract

d) No hedging option.