

3rd Year (Sem-VI) BBA University Examination, 2019
(1st/2nd Semester/Repeat/Supplementary/ Spl Supplementary/Old /Annual/Bi-Annual)
SUBJECT: RETAIL MANAGEMENT
PAPER: Theory (BBA 601MM)

TIME: 2hrs

FULL MARKS: 50

Answer any five questions; each question carries equal marks.

1.

It's worth emphasizing that a marketer should provide an experience that is useful, usable, desirable, and differentiated and with that the marketer will create demand for its brand and also delight the customer.

- a) Keeping the above in mind, justify the scope of retailing on platforms like melas (as in the Kumbh mela) or marathons (as in the IDBI Federal Life Insurance Full Marathon).
- b) What do we call such forms of marketing at melas and/or marathons? Can such forms of marketing be used at other places? How is such a program helpful in engaging the prospective customers?

(5+2+1+2=10)

2.

The following is someone's expression,

You swallow hard when you discover that the old coffee shop is now a chain pharmacy, that the place where you first cracked that deal, so-and-so is now a discount electronics retailer, that where you bought this very jacket is now rubble behind a blue plywood fence and a future office building. You say, "It happened overnight." But of course it didn't. Your pizza parlour, his shoeshine stand, her hat store: when they were here, we neglected them. For all you know, the place closed down moments after the last time you walked out the door. And there have been five stores in that spot before the travel agency.

Based on the above answer the following questions related to site,

- a) Why is it hard to swallow as a customer in the situation mentioned above? Where has the marketer gone wrong?
- b) Discuss the role of demographics in deciding upon the location of a pre-school/ Montessori school.

(5+5=10)

3.

She (the shopper) knew what bothered her at the store while viewing the merchandise. It was that the store intensified things that had always bothered her, as long as she could remember. It was for these things that the brands of her choice fell in her blind area and she couldn't trace them despite their presence in the store. It was the pointless actions, the meaningless chores that seemed to keep her from doing what she wanted to do, might have done-and here it was the complicated procedures with moneybags, coat checking, and time clocks that kept the staff at the store from even serving the store as efficiently as they might have.

[P.T.O]

Not wanting something is as good as possessing it and the merchandiser cannot let this happen. The merchandiser has to think of ways to make a habit of buying things the customer doesn't need after all money doesn't bring happiness, only shopping does.

- a) Discuss the retail aspect that bothered the shopper.
- b) How can the merchandiser achieve his/her objective mentioned above?

(5+5=10)

4.

When creating the retail experience, you need to be sure that it's a memorable one. With so much clutter in the market, retailers need to provide customers with a reason to spend their time and money. One of the most important differentiators between you and your competitors is the experience you provide. People are always going to go shopping. A lot of our effort is just: 'How do we make the retail experience a great one?'

- a) Discuss the role of in-store point of purchase (POP) displays at any branded grocery retail (supermarket).
- b) Who is being targeted with POP displays?

(7+3=10)

5.

A well-conceived and executed loyalty program can be key to turning invisible shoppers into profitable customers. What according to your opinion, should marketers do to execute a good loyalty program?

(10)

6.

McDonald's vision is to be the world's best quick service restaurant experience.

Being the best means providing outstanding quality service, cleanliness and value, so that McD makes every customer in every restaurant smile. To achieve this, one of its strategies is to be the best employer. How can McD strategize to achieve this?

(10)

7.

ESPIRIT maintains that it always had an attractive price positioning in India, which is at par with other Asian countries. However industry sources say that ESPIRIT has reduced its prices by about 10%. What may be the reasons for the retailer to undertake such strategy?

(10)

8.

a) Having achieved considerable visibility in the metros, the international brands are aiming to achieve higher market-share by expanding in tier II cities. How can retailers be successful in achieving this?

b) Can stores apply uniform mark-ups on all products that they buy?

(6+4=10)

3rd Year (Sem-VI) BBA University Examination, 2019
 (1st/2nd Semester/Repeat/Supplementary/ Spl Supplementary/Old /Annual/Bi-Annual)
SUBJECT: CORPORATE FINANCE
PAPER: Theory (BBA 601FM)

TIME: 2hrs

FULL MARKS: 50

Answer any five questions; each question carries equal marks.

- 1.
- a) The financial success of a firm to some extent depends on the working capital approach adopted by the firm. Critically examine the different approaches to working capital financing.
- b) You are required to prepare a statement of working capital requirement from the following information, considering a level of output of 144,000 units.

<u>Particulars</u>	<u>Rs./unit</u>
Raw Material	45
Direct Labour	20
Overheads	40
Total	105
Profit	15
Selling price	120

Raw materials are in stock on an average for 2 months.
 The materials are in process on an average for one month.
 Finished goods are in store for one and half months.
 Time lag in payment of wages is 2 weeks.
 Time lag in payment of overhead is 1 week.
 Credit allowed to customers is 30 days.
 Credit received from suppliers is 45 days.
 10% of sale is received in cash.
 Cash balance maintained by the company is Rs.50,000.

(4+6=10)

- 2.
- a) A firm has credit sales amounting to Rs.6,000,000. The sales price per unit is Rs.50, the variable cost per unit is Rs.32, and fixed cost is Rs.480,000. The average age of accounts receivable of the firm is 60 days.
- The firm wants to tighten its credit policy. As a result of this sales volume is likely to come down to Rs.5,000,000 and the average age of accounts receivable to 45 days. Assuming the rate of return on investment to be 20%, is the proposal viable?

[P.T.O]

- b) The following is the record of the receipts and issues of material in a manufacturing company during the month of January, 2019.

<u>Date (2019)</u>	<u>Particulars</u>	<u>No of Units</u>	<u>Unit Cost (Rs.)</u>
5-Jan	Purchases	1200	10
10-Jan	Purchases	800	11
12-Jan	Issues	900	-
15-Jan	Purchases	1100	12
19-Jan	Issues	1200	-
24-Jan	Purchases	700	15
28-Jan	Issues	800	-
31-Jan	Issues	300	-

Prepare a Stores Ledger using Weighted Average Method.

(5+5=10)

3.

- a) Cash and marketable securities is the most liquid asset and it does not earn any substantial return for the company. But still every firm maintains some cash balance. Critically explain the different motives of holding cash by the business firms.
- b) Reliance Industries Ltd's Profit and Loss Account and Balance Sheet for the year ended 31.03.2018 is given below. You are required to calculate Net Operating Cycle from the following information of the Firm.

Trading Profit & Loss Account of Reliance Industries Ltd.

For the year ended 31.03.2018

<u>Particulars</u>	<u>Amount (Rs.)</u>	<u>Particulars</u>	<u>Amount (Rs.)</u>
Opening Stock		Credit Sales	120000
Raw Materials	20000	Closing Stock	
Work-in-Progress	10000	Raw Materials	22000
Finished Goods	30000	Work-in-Progress	11000
Credit Purchase	45000	Finished Goods	35000
Wages	15000		
Gross Profit	68000		
	188000		188000
Advertising Expense	10000	Gross Profit	68000
Depreciation	5000		
Net Profit	53000		
	68000		68000

Balance Sheet of Reliance Industries Ltd.

As on 31.03.2018

Liabilities	Amount (Rs.)	Assets	Amount(Rs.)
Equity Capital	175000	Fixed Assets	150000
Reserve and Surplus	53000	Closing Stock	
Creditors	22000	Raw Materials	22000
		Work-in Progress	11000
		Finished Goods	35000
		Receivables	32000
	250000		250000

Additional information:

Opening Receivables Rs.12000

Opening Creditors Rs.9000

Wages include Rs.5000 incurred for installation of Fixed Assets.

(3+7=10)

- 4.
- a) The earnings per share of the company was Rs.8 and the cost of capital applicable is 10%. The company has before it the option of adopting dividend payout ratio of 50% and 75%. Compute the market price of shares as per as per Walter's model if it can earn a return on investment of (i) 15% (ii) 10% and (iii) 5% on its retained earnings.

- b) The following data is available for Vidyut Plastics.

Earnings per share Rs.8

Cost of Capital 15%

Return on Investment 18%

If the Gordon's model is applied, what will be the market price of share when the dividend payout ratio is 25% and 50%.

(5+5=10)

- 5.
- a) A firm is expected to grow at a rate of 5.5% pa. It has just paid dividends of Rs.3.50 per share. The current price of the share is Rs.43.50. Find the cost of equity.
- b) A firm issues 12.5% debentures of face value Rs.100, redeemable at the end of 7 years. The debentures are issued at a discount of 5% and floatation cost is 1%. Tax rate is 40%. Find the cost of debenture capital.
- c) The capital structure and specific cost of capital of a firm is given below. Compute cost of capital based on both book-value and market-value. Tax rate is 30%.

In Rupees	Book-Value	Market-Value	pretax cost
Equity capital	10,000,000	15,000,000	13%
Preference capital	800,000	800,000	11%
Debt	12,000,000	11,000,000	10%

(2+3+5=10)

[P.T.O]

- 6.
- a) A firm has a total capitalization of Rs.3,000,000 comprising equity capital (Rs.10 a share). It is planning to raise additional funds of Rs.750,000 for implementing a project. The firm can either raise the entire quantum by issue of shares, or raise entire amount by 11% debt. Calculate the indifference point EBIT and EPS, if the firm's tax rate is 25%.
- b) A firm sells 750,000 units at Rs.16 per unit. Variable cost stands Rs.11 per unit, while the firm's fixed cost is Rs.1,000,000. It has raised debentures of Rs.1,500,000 at 13% interest. Calculate the firm's operating, financial, and combined leverages.

(5+5=10)

- 7.
- a) A firm's expected income (EBIT) is Rs.450,000. It has issued Rs.1,800,000, 9% debentures.
- If the cost of equity is 14%, find the overall cost of capital and the value of the firm according to the NI (net income) approach.
 - If the overall cost of capital is 12%, determine the firm value and cost of equity as per the NOI (net operating income) approach.
- b) A company has an EBIT (earnings before interest and tax) of Rs.750,000. It has 7% debentures of Rs.1,100,000 outstanding, and its cost of equity is 13%. What is the value of the company and its overall cost of capital according to the traditional approach? The company now increases debt by another Rs.500,000. As a result the cost of debt increases to 9% and cost of equity increases to 15%. Calculate the overall cost of capital and value of the company now.

(5+5=10)

- 8.
- Answer the following:
- Which factor would you use as the discounting rate while calculating Net Present Value? Would you prefer this rate to be higher, equal, or lower than the Internal Rate of Return - state the reason for your logic.
 - Explain the rationale behind the Pecking Order theory.
 - Capital structure theories make certain assumptions - list these assumptions.
 - After determining a set of financial ratios of a firm, what would you compare them with to analyze the same?

(2.5x4=10)

3rd Year (Sem-VI) BBA University Examination, 2019
(1st/2nd Semester/Repeat/Supplementary/ Spl Supplementary/Old /Annual/Bi-Annual)

SUBJECT: SERVICES MARKETING

PAPER: Theory (BBA 602MM)

TIME: 2hrs

FULL MARKS: 50

Answer any five questions; each question carries equal marks.

1.

If you were the manager of a service organization and wanted to apply the gap model to improve service, which gap would you start with? Why? In what order would you proceed to close the gaps?

(4+3+3=10)

2.

Prepare detailed blueprint for the following services,

- a) Repair of damaged bicycle.
- b) Applying to college or graduate school.

(5+5=10)

3.

What service failure have you encountered during the past two weeks? Did it involve the core product or supplementary service elements? Identify possible causes and how such failures might be prevented in future.

(3+4+3=10)

4.

Critically discuss transformational advertising with example. Explain with the help of a small case, how to build the brand through word of mouth referrals.

(4+6=10)

5.

Service firms face different challenges than companies that market physical products. Service firms are marketing something intangible that the customer cannot experience until the firm has delivered it. While some aspects of service marketing are similar to those of product marketing, the service sector needs to place special emphasis on adding value, differentiation and specialization.

- a) Discuss the service marketing challenges faced by an online app based food delivery service company.
- b) Elaborate on the physical evidence of an eatery on the national highway (popularly called a dhaba). State your assumptions if any.

(5+5=10)

6.

Quality is not what happens when what you do matches your intentions. It is what happens when what you do matches your customers' expectations. Customer service excellence has always been and will always be one of the critical competitive advantages for any business.

- a) How does customer expectation of an air conditioner (AC) installation free service from the company post its purchase affect the quality of the installation service?
- b) Elaborate on the important service quality dimensions at a hair salon.

(5+5=10)

[P.T.O]

7.
It's always the first rule of customer service. Make eye contact, smile, say hello. To EVERYONE: your fellow employees, customers, everyone connected with the extended community.

- a) Explain the tool of marketing mix that is being referred here.
- b) How does this tool help in reducing Gap 3 of the Gap Model?

(5+5=10)

8.
In services, there is an input and an output. Both, the input and output can be intangible in nature because of which service processing is said to be a complicated process.

- a) Discuss the aspect of co-creation in the process of service delivery at a premium dress designer label.
- b) Also, throw light on breakdown and/or failure of service at the designer boutique because of co-creation.

(5+5=10)

3rd Year (Sem-VI) BBA University Examination, 2019
 (1st/2nd Semester/Repeat/Supplementary/ Spl Supplementary/Old /Annual/Bi-Annual)
SUBJECT: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
PAPER: Theory (BBA 602FM)

TIME: 2hrs

FULL MARKS: 50

Answer any five questions; each question carries equal marks.

1.

- a) What do you understand by Relative Strength Index (RSI)? Calculate the RSI from the following information for ACC stock:

Date	Price
Feb 4	300
Feb 6	304
Feb 7	319
Feb 8	317
Feb 11	319
Feb 12	333
Feb 13	331
Feb 14	332
Feb 18	348
Feb 19	346

Explain how will you take a decision whether to buy or sell a stock on basis of RSI?

- b) 'Charts are the major analytic tools used in Technical Analysis' - comment.

(6+4=10)

2.

- a) 'Economic Value Added (EVA) method is better than EPS or Return on Equity to measure the financial performance of a company'. Comment and support your answer.
 b) Calculate the EVA from the following information and comment on the result:

Company X's before tax cost of debt is 8%, preference shares are 13%, equity fund is 17%. In capital investment, debt contributes Rs.450000, preferred capital Rs.100000, equity capital Rs.650000. The net operating profit after tax is given to be Rs.600000.

(4+6=10)

3.

- a) 'A weak Financial System will result in low economic growth for the country.' Comment on the statement and give support for your answer.
 b) Explain the different form of markets as per Efficient Market Hypothesis.

(5+5=10)

4.

- a) Mr X approaches you to select two securities for him from his bundle of choice. He is having some market information too. Everyone in the market is anticipating investor friendly budget to be announced soon. Given the information choose two securities and give reason for your selection:

[P.T.O]

Script Name	Beta	R Square	Monthly Return
Asian Paints Ltd.	1.04	.18	8.63
CIPLA	1.23	.36	32.69
TELCO	0.77	.27	24.23
NIIT	0.44	.25	31.75
Smithkline Beecham	1.37	.47	29.52

- b) Explain any three differences between Fundamental and Technical Analysis with examples. (7+3=10)

5.

The returns of two assets (in %) under six possible scenarios are given below:

Scenario	Probability	Return on Asset-X	Return on Asset-Y
A	0.10	16	19
B	0.15	13	17
C	0.25	18	12
D	0.25	21	10
E	0.15	23	9
F	0.10	20	11

- a) Calculate the expected returns of Asset-X and Asset-Y.
 b) Calculate the standard deviation of the returns on Asset-X and Asset-Y.
 c) Determine the covariance between the returns of Asset-X and Asset-Y.
 d) Find the correlation coefficient between the returns on Asset-X and Asset-Y. (2+2+3+3=10)

6.

- a) The risk-free rate of return R_f is 6%. The expected rate of return on the market portfolio R_m is 11%. The expected rate of growth for the dividend of firm X is 5.5%. The last dividend paid on the equity stock of firm X was Rs.1.75. The beta of firm X's equity stock is 1.15.
- What is the expected price of the equity stock of firm X?
 - What would the above price be when the expected growth rate rises by 4%?
 - How would the expected price change when the beta of X's stock rises to 1.25?
- b) The risk-free return on a stock is 8% and the expected return on a market portfolio is 12%. If the required return on the stock is 14%, what is its beta?
- c) Given that w_1 and w_2 are the weights of two stocks in a portfolio, with σ_1 and σ_2 as their respective standard deviations (risks). Derive the proportion of these weights to minimise the portfolio risk, assuming a correlation coefficient (ρ) of -1. (6+2+2=10)

- 7.
- a) A portfolio comprises four securities, 1, 2, 3, 4. The proportions of these securities are: $w_1 = 0.2$, $w_2 = 0.3$, $w_3 = 0.4$, $w_4 = 0.1$. The standard deviations of returns on these securities (in percentage terms) are: $\sigma_1=4$, $\sigma_2=8$, $\sigma_3=20$, $\sigma_4=10$. The correlation coefficients among security returns are: $\rho_{12}=0.3$, $\rho_{13}=0.5$, $\rho_{14}=0.2$, $\rho_{23}=0.6$, $\rho_{24}=0.8$, and $\rho_{34}=0.4$. What is the standard deviation of portfolio return?
- b) A portfolio consists of three securities, 1, 2, 3 with weights $w_1 = 0.3$, $w_2 = 0.4$, $w_3 = 0.3$. The expected returns (%), variances and covariances are given below:

$$r_1 = 11, r_2 = 14, r_3 = 17$$

$$\text{Var}(r_1) = 81, \text{Var}(r_2) = 100, \text{Var}(r_3) = 144$$

$$\text{Cov}(r_1, r_2) = 75, \text{Cov}(r_1, r_3) = 84, \text{Cov}(r_2, r_3) = 98$$

Calculate (i) expected portfolio return and (ii) portfolio standard deviation.

(5+5=10)

- 8.
- The one period rates of return (in %) on stock B and the market portfolio for a 15-year period are given below:

period	Return on Stock B	Return of Market Portfolio
1	22	12
2	13	14
3	17	13
4	15	10
5	14	9
6	18	13
7	16	14
8	6	7
9	-8	1
10	13	12
11	14	-11
12	-15	16
13	25	8
14	9	7
15	-9	10

- a) Calculate the beta for stock B.
- b) What does the above beta indicate?

(8+2=10)

3rd Year (Sem-VI) BBA University Examination, 2019
(1st/2nd Semester/Repeat/Supplementary/ Spl Supplementary/Old /Annual/Bi-Annual)

SUBJECT: GLOBAL MARKETING MANAGEMENT

PAPER: Theory (BBA 603MM)

TIME: 2hrs

FULL MARKS: 50

Answer any five questions; each question carries equal marks.

1..

- a) "Nestle discovered that cat owners' attitude towards feeding their cats are same everywhere world wide and based on this information, the company started their pan- European campaign on Friskies dry food." - justify global segmentation base, used by Nestle.
- b) "McDonald has properly explored the global market with the introduction of segment manager and a perfect combination of demographic and psychographic segmentation "- Evaluate the statement.

(5+5=10)

2.

Elucidate the global targeting strategies of the following companies:

- a) Coca- cola
- b) Chanel
- c) Land Rover Discoverer
- d) The personal care products in ITC limited (Di Wills)
- e) Winterhalter (German dish washer Company).

(2×5=10)

3.

Comment on global positioning of following products / brands:

- a) Personal computers / laptop
- b) C++ programming language
- c) Nike sportswear
- d) Vodafone
- e) Levis

(2×5=10)

4.

The President of XYZ manufacturing Company of Buffalo, New York, comes to you with a license offer from a company in Osaka, Japan. In return for sharing the company's patents technical know- how , the Japanese company will pay a license fee of 5 percent of the ex- factory price of all products sold based on U.S. Company's license. The President wants your advice. What would you tell him?

(10)

5.

- a) Describe the difference among ethnocentric, polycentric, regiocentric and geocentric management orientation.
- b) How do the global strategy of Harley Davidson and Toyota differ?

(6+4=10)

[P.T.O]

6.

A manufacturer of long range walkie-talkie is assessing the world market potential for his products. He asks if he should concentrate developing countries as potential markets, Critically discuss your suggestion.

(10)

7.

a) Suggest in short a market research plan to enable you to formulate your entry strategy in Eastern Europe for the first time.

b) How does internet affect market information system?

(7+3=10)

8.

a) What are the basic three factors affecting price in any market?

b) What consideration enters into pricing decision?

(6+4=10)

3rd Year (Sem-VI) BBA University Examination, 2019
 (1st/2nd Semester/Repeat/Supplementary/ Spl Supplementary/Old /Annual/Bi-Annual)
SUBJECT: GLOBAL FINANCE
PAPER: Theory (BBA 603FM)

TIME: 2hrs**FULL MARKS: 50***Answer any five questions; each question carries equal marks.*

1.

XYZ Ltd. is the Indian Subsidiary of German based Engineering company.
 Its Balance Sheet as on 01.01.18 is given below. Exchange Rate as on 01.01.18 was Rs.60 per EURO.

Balance Sheet of M/s. XYZ Ltd. as on 01.01.2018

Liability	Amount (Rs.)	Asset	Amount (Rs.)
Equity Share Capital	90,00,000	Building	60,00,000
Long Term Debt	40,00,000	Plant & Machinery	75,00,000
Short Term Debt	10,00,000	Inventory	30,00,000
Reserve & Surplus	25,00,000	Receivables	15,00,000
Sundry Creditors	15,00,000	Bank Balance	9,00,000
Bills Payable	10,00,000	Prepaid Expenses	1,00,000
	1,90,00,000		1,90,00,000
	1,90,00,000		1,90,00,000

- a) Determine Accounting Exposure of XYZ Ltd. as on 01.01.18 using Current / Non-Current Method.
 - b) Calculate Cumulative Translation Adjustment if the exchange rate as on 31.12.18 was Rs.50 per EURO.
- (10)

2.

You are required to prepare Balance of Payment statement of India, showing clearly all the sub-balances from the following transactions.

- (i) ABC company of USA invested Rs. 3,00,00,000 in India and Rs. 1,00,00,000 in Bangladesh to modernize its subsidiaries.
- (ii) Profit made by a Mauritian subsidiary of the ABC company is Rs. 10,00,000 of which 15% is remitted to the parent company and 10% is remitted to the subsidiary located in India.
- (iii) An exporter sold part of its production amounting to Rs.50,00,000 to its agent in Singapore. The agent paid 95% of the value of the consignment after deducting 5% commission.
- (iv) An Indian imported goods amounting to Rs.20,00,000. Payment terms negotiated was 90% against irrevocable sight letter of credit and balance after three months.
- (v) A tourist from the UK visited India and purchased ornaments worth Rs.4,00,000 and paid Rs.1,00,000 towards Hotel and Travel bills.
- (vi) An Indian donated Rs.2,00,000 to a NGO looking after Earthquake victims of Nepal and an US citizen donated US\$ 25000 for the same purpose.

[P.T.O]

- (vii) An US company purchased shares worth Rs.40,00,000 from the Indian share market.
 (viii) An Indian subsidiary of an Australian company obtained loan amounting to Rs. 5,00,000 from an Indian Bank to buy new Plant and Machinery.

(10)

3.

- a) Critically examine the distinguishing factors of the Multinational financial management in comparison with the Domestic financial management.
 b) There are enormous possibilities of the growth of the International finance. Explain the possible reasons for the scope and growth of the International Financial Management.
 c) Purchase Power Parity Theory brings about parity between the exchange rate and price level of a fixed basket of goods and services between two countries. Explain rational behind this theory.

(3+4+3=10)

4.

- a) There is a very long history of the evaluation of International Monetary System. Critically examine the evaluation of the International monetary system with respect to Classical Gold Standard era and Flexible Exchange Rate Regime that is being followed now.
 b) Political risk is the risk that results from political changes or instability in a country. Explain different types of Political risk and state how this risk is managed by the Multinational corporation's?

(6+4=10)

5.

- a) Critically analyse "Derivative" as a preferred source of investment avenues to reduce risk! Explain the advantage of future over forwards with examples?
 b) Explain the concept of pay off in case of Put Option and Call Option graphically for the parties involved by taking a hypothetical example.

(5+5=10)

6.

- a) Explain the difference between call option and put option. Do you subscribe to the view that the buyer of the call and as well as the seller of the put have identical expectation pertaining to the share prices? Explain your answer with appropriate example.
 b) The market received rumours about Arvind Corporation's tie up with multinational company. This has induced the market price to go up. If the rumour is false, the Arvind's stock will probably fall dramatically. To protect from this an investor has bought the call and put options. Purchased one 3 months call with a strike price of Rs. 42 for Rs. 2 premium Paid Rs. 1 per share premium for 3 months put with a strike price of Rs. 40.
 i) Determine the investor's position if the tie up offer bids the price of Arvind's stock upto Rs. 43 in 3 months
 ii) Determine the investor's ending position if the tie up program fails and the price of the stock falls to Rs. 36 in 3 months.

(4+6=10)

7.

- a) "Fixed Exchange rate system is better than Flexible Exchange rate system. Critically analyse the statement.
 b) Explain any 3 (three) functions of foreign exchange market with example? Who are the participants of foreign exchange market.

(5+5=10)

- 8.
- a) Explain the concept of Cross Rates of Exchange with example.
 - b) Mr X paid a premium of Rs 7 per share for a 6 month call option contract share of Aditya Corporation. At the time of purchase Aditya stock was selling at Rs 60 per share and the exercise price of the call option was Rs. 60.
 - i) Determine X's profit or loss if the price of the Aditya's stock is Rs 53 when the option is exercised.
 - ii) Determine X's profit or loss if the price of the Aditya's stock is Rs 63 when the option is exercised.
 - c) Explain foreign exchange risk with an example.

(4+4+2=10)

3rd Year (Sem-VI) BBA University Examination, 2019
(1st/2nd Semester/Repeat/Supplementary/ Spl Supplementary/Old /Annual/Bi-Annual)
SUBJECT: MANAGEMENT INFORMATION SYSTEM
PAPER: Theory (BBA 604)

TIME: 2hrs

FULL MARKS: 50

Answer any five questions; each question carries equal marks.

1.
Discuss the fundamental roles of Information Systems in Business with example. Elucidate the Operations and management classifications of information systems.
(5+5=10)
2.
Give real life examples of two companies which have gained immensely by innovating with Information Technology. Discuss elaborately how they did it.
(10)
3.
How do Management Information Systems obtain their data from the organization's TPS? Explain how intranets and extranets help firms integrate information and business processes.
(5+5=10)
4.
List and describe four competitive strategies enabled by information systems that firms can pursue. Why do contemporary information systems technology and the Internet pose challenges to the protection of individual privacy and intellectual property?
(6+4=10)
5.
Why are information systems vulnerable to destruction, error, and abuse? What are the most important tools and technologies for safeguarding information resources?
(5+5=10)
6.
Define an Expert System. Discuss the components of an Expert System and state functionalities of each. Why has it become such an important tool in business today?
(3+5+2=10)
7.
What are the alternative methods for building information systems? What are new approaches for system building in the digital firm era?
(6+4=10)
8.
Discuss Prototyping model of Systems development with a diagram and state clearly why it is preferred over other models.
(10)