

**XX-25115-ABC**      Seat No. \_\_\_\_\_

**M. B. A. - II (Sem. III) Examination**

April / May – 2003

**1 - Marketing Research & Information System (New)**

**2 - Indian Financial System (IFS)**

**3 - Organisation Development**

Time : 2 Hours]

[Total Marks : 50

**Instruction :** Attempt **all** questions.

**1 - Marketing Research & Information System (New)**

1 (a) What is Marketing Research ? Write its scope. **8**  
What are its limitations ?

(b) Describe various steps in Marketing Research Process. **8**

**OR**

1 (a) *Proctor & Gamble* wants to determine if new package design for 'Aerial' is more effective than current design. Which type of experimental design would be appropriate for this ? How should *Proctor and Gamble* conduct this experiment ? **10**

(b) How do you collect primary data through observation ? **6**

- 2** (a) Discuss the 'Unstructured-Undsguised' category of questionnaires elaborating on the forms of questions to be included therein. **8**
- (b) Discuss the non-probability sampling methods. **8**

**OR**

- 2** (a) Distinguish between Semantic Differential scale and Likert's scale, giving illustration. **8**
- (b) Discuss the ethical issues involved in the marketing research. **8**
- 3** (a) Give an example of a situation where each of the following analysis can be used : **9**
- (i) Chi-square analysis
  - (ii) Factor analysis
  - (iii) Multidimensional scaling.
- (b) How would you use multiple regression analysis to estimate the demand of colour televisions in India ? **9**

**OR**

- 3** (a) Discuss the steps involved in the launch of new product. **9**
- (b) Discuss an ideal research report format. **9**

## 2 - Indian Financial System (IFS)

**Q.1.** (08 marks)

*What is a debenture? Discuss its key features and its various types.  
Is the corporate debt market likely to grow as large as G-sec market? Why?*

**OR**

**Q.1.** *How has the Mutual Fund Industry evolved in the last five years in India?  
Discuss various developments with respect to UTI and private sector mutual funds in India  
alongwith mention of any regulatory changes in the Industry.*

**Q.2.** (08 marks)

*Distinguish between Financial Markets and Financial Intermediaries in the financial system.  
Enumerate the various functions and rationale of financial markets & financial  
intermediaries.*

**OR**

**Q.2.** *Give an update on the Banking Sector in India? What are the various risks associated with  
commercial Banks in India? Describe each risk in detail.*

**Q.3.** Give to the point answers to any six of the following: (12 marks)

1. Why is management of NPA so critical for commercial banks in India?
2. What would be the benefit to banks if SLR is reduced by 5%?
3. How does capital adequacy norm help better regulation of commercial banks?
4. How does MMMF help investor in investing in Money Market?
5. How do you differentiate between stock split & stock dividend?
6. How does reduction in Fiscal deficit as % of GDP benefit the economy?
7. A corporate prefers CP over WC loan from banks, why?
8. How do global events impact equity pricing of shares listed on international bourses?
9. Why is Employee Provident Fund interest rate not reduced in tandem with fall in PPF & other small savings scheme interest rates?
10. Private Non-Life Insurance players have not been successful as private life insurance players. Why?

- Q.4. Write notes on: (Any Two) (8 Marks)**
1. External commercial borrowings
  2. Prudential norms for commercial banks
  3. Universal Banking in India
  4. SEBI and its regulation of Primary and Secondary Markets

- Q.5 True or False (Any six) (9 Marks)**
1. Reduction in CRR improves liquidity of the banking system
  2. Secured premium notes with detachable warrants have never been issued in India till date.
  3. UTI is under the purview of SEBI
  4. The maximum period for treasury bills now is 364 days.
  5. NBFCs cannot accept public deposits
  6. Retail investors can participate in G-Sec trading
  7. Kotak Mahindra has been awarded permission for opening a Private Sector Bank.
  8. SEBI is the regulator for NBFCs in India
  9. Size as well as liability transformation is among the major functions of the efficient financial system.
  10. RBI offers short term financing measure called WMA within the sanctioned limit to the state and the central government.

- Q.6. Complete the following (5 Marks)**

1. Current interest rate on Public Provident Fund is -----%
  - a. 9.5
  - b. 9%
  - c. 8.5%
  - d. 8%
2. The Chairman of SEBI currently is -----
  - a. N.V. Vittal
  - b. D. R. Mehta
  - c. Bimal Jalan
  - d. A. B. Bajpai
3. Small Savings scheme include -----
  - a. RBI Relief Bonds
  - b. PPF
  - c. ICICI Tax Saving Bonds
  - d. All of the above
4. The coupon rate of UTI Tax free bonds for US'64 unit holders is -----
  - a. 6% p.a
  - b. 6.5% p.a
  - c. 6.25% p.a
  - d. 6.75% p.a

5. The committee on Capital Account Convertibility set up by RBI was headed by-----
- a. S. S. Tarapore
  - b. D. R. Mehta
  - c. J. R. Verma
  - d. Dr. A. C. Shah
6. From the following ----- is not like a derivative instrument
- a. Warrant
  - b. Convertible Debenture
  - c. Equity Share
  - d. Stock Option
7. Credit Rating is -----
- a. an assurance regarding safety of funds
  - b. an opinion on the market perception of the risk
  - c. a guarantee for prospective performance
  - d. an analysis of past performance
8. The financial intermediaries who provide dematerialization services are -----
- a. Development Financial Institutions
  - b. Mutual Funds
  - c. Depository Organizations
  - d. Insurance Companies
9. Capital Accord as per the Basle based BIS refers to -----
- a. Consensus for external commercial borrowing
  - b. Member country's quota in IMF
  - c. Disbursement of Soft Finance by IFC, Washington
  - d. Capital Adequacy Standards for Banks/FIs
10. The instrument used for financing working capital is -----
- a. Cash credit overdraft
  - b. Commercial paper
  - c. Bill Discounting
  - d. All of these

### **3 - Organisation Development**

**Time : 2 Hours]**

**[Total Marks : 50**

**Q.1. Write short essays on any FOUR of the following : [60]**

- (1) Action Research
- (2) Process Consultation
- (3) Survey Feedback
- (4) 3 - Step Change Process of Kurt Lewin.
- (5) Role Analysis Technique
- (6) Large - Scale System Ramifications
- (7) Meaning and Importance of O.D.
- (8) Team Building Intervention.

**Q.2. CASE : The G.C. Company [40]**

Read the case G.C. Company. Analyse the case in terms of

- (i) Structural
- (ii) Psychosocial, and
- (iii) Managerial issues.

Give your recommendations for improving the working of the organisation.

# THE CASE

## G. C. COMPANY

The Grayson Chemical Co. manufactured industrial chemicals for sale to other industrial companies. The company was about 40 years old and had been run by a stable management under only two presidents. Within the past few years, however, declining earnings and sales had brought pressure from the board of directors, investment bankers, and stockholder groups to name a new president. The company had grown increasingly stagnant—although at

Grayson they refer to it as conservative—and had steadily lost market standing and profitability. Finally, the Board decided to go outside the company to find a new CEO and was able to recruit a dynamic manager from another major corporation, Tom Baker. Baker is 47, an M.B.A. and had helped build his prior company into a leadership position. However, when another executive was chosen for the top job, Baker decided to accept the position with Grayson.

Baker was clear about what he needed to do. He knew that he needed to develop a top management team that could provide the leadership to turn the company around. Unfortunately, the situation at Grayson was not very favorable.

Decisions were made by the book, or taken to the next higher level. Things were done because “they have always been done this way,” and incompetent managers were often promoted to high-level jobs.

### THE MEETING

In a meeting with three members of the Board, Robert Temple (chairman), James Allen, and Hartley Ashford each had a different bit of advice to offer.

Robert Temple said: “Look, Tom, you can’t just get rid of the old organization if you want to maintain any semblance of morale. Your existing people are all fairly competent technically, but it’s up to you to develop performance goals and motivate them to achieve these standards. Make it clear that achievement will be rewarded and that those who can’t hack it will have to go.”

James Allen, puffing on his pipe, noted: “Let’s face it, Tom, you need to bring in a new top management team. Probably only six or so, but people who know what top performance means, people who are using innovative methods of managing and, above all, people you trust. That means people whom you’ve worked with closely, from ABC or other companies, but people you know. You can’t retread the old people and you don’t have time to develop young MBAs, so you need to bring in your own team even though it might upset some of the old timers.”

Hartley Ashford smiled and said: “Sure, you’re going to have to bring in a new team from the outside, but rather than bring in people you’ve worked with before, bring in only managers with proven track records. People who have proven their ability to lead, motivate and perform, from different industries. This way you will get a synergistic effect from a number of successful organizations. And the old people will see that favoritism is not the way to get ahead. So get a top performance team, and if you lose a few old timers, so much the better.”