

2008

MASTER OF BUSINESS ADMINISTRATION

[Third Semester]

The figures in the right-hand margin indicate marks

*Candidates are required to give their answers in their
own words as far as practicable*

Illustrate the answers whenever necessary

(Specialisation : Marketing Management)

PAPER—M-306

(Marketing of Services)

Full Marks : 100

Time : 3 hours

**Write the answers to questions of each Half
in separate books**

(Turn Over)

FIRST HALF

[Marks : 50]

1. Answer any *four* of the following: 5×4
- (a) Discuss the differences between goods and services with suitable examples.
 - (b) Discuss about the contribution of Service Industry to Indian economy.
 - (c) What do you mean by service life cycle? Discuss each of the stages briefly with suitable example.
 - (d) What do you mean by “Moments of Truth”? Discuss briefly the types of encounter.
 - (e) How does a service manager tackle his ‘Perishability’ characteristics of services?
 - (f) What are the five dimensions of service quality management?

2. Answer any *two* questions: 10×2

(a) What do you mean by service guarantee? How a company will be benefited by good guarantee? Illustrate it with proper example. 5 + 5

(b) Discuss the concept of 'Service Creation' elaborately with a hypothetical example. 10

(c) Write a short notes on any *two* of the following: 5 + 5

(i) Strategies of pricing

(ii) Elements of services marketing mix

(iii) Customer satisfaction.

[*Internal Assessment* : 10 Marks]

SECOND HALF

[*Marks* : 50]

3. Answer any *four* questions:

5×4

(a) What are the reasons for service failure?
Discuss them briefly.

(b) What do you mean by Service Triangle?
Discuss it. What is zone of tolerance?

(c) What are the benefits of relationship marketing? What do you mean by customer defection rate?

(d) Discuss briefly the different insurance products available in today's market with their different features.

(e) What are the methods of 'customer retention'?

(f) What do you understand by customer retention? Discuss with suitable example.

4. Answer any *two* questions:

10×2

(a) What are the methods to tackle 'Customer Defections'?

10

(b) What do you understand by physical evidence of services? Discuss the strategies used by the service provider for effective physical evidence? Give examples. 10

(c) Write short notes on any two of the following: 5 + 5

(i) Customer Relationship Management

(ii) Transportation Services.

(iii) IT-enabled Services.

[*Internal Assessment* : 10 Marks]

(*Specialisation* : *Financial Management*)

PAPER—F-306

(*Advanced Financial Accounting* [Theory])

Full Marks : 50

Time : $1\frac{1}{2}$ hours

FIRST HALF

(Advanced Financial Accounting)

1. Answer any *four* of the following:

5 × 4

(a) What is 'Accounting Standard'? State the scope and functions of Accounting Standards Board.

(b) The capital of a company consists of 40,000 Equity Shares of Rs. 10 each fully paid. The annual Profits of the company is Rs. 40,000 which is expected to be maintained in future. Normal rate of return on the paid up value of shares for similar business is 8%.

Compute the value of the shares if they are quoted in the market at Rs. 11.

(c) A company has a paid-up share capital of Rs. 6,40,000 divided into 80,000 Equity shares of Rs. 10 each, Rs. 8 per share paid-up. The Profit & Loss Account shows a debit balance of Rs. 3,00,000. The company decides to reduce the paid up capital to Rs. 6 per share. Necessary amounts will be taken up from General Reserve to write off the debit balance of Profit & Loss Accounts.

Give appropriate Journal entries.

(d) From the following information, determine
(i) Capital employed (ii) Average capital employed.

Balance sheet of X Ltd. as on 31st March, 2008 :

<u>Liabilities</u>	<u>Rs.</u>	<u>Assets</u>	<u>Rs.</u>
20,000 Equity shares of Rs. 10 each	2,00,000	Goodwill	40,000
1000, 9% Pref. shares of Rs. 100 each	1,00,000	Fixed Assets	3,50,000
Reserve and Provision including Rs.20,000 for taxation	2,00,000	6% Govt. Loans	50,000
10% Debentures	90,000	Current Assets	2,00,000
Creditors	60,000	Discount on issue of Debentures	10,000
	<u>6,50,000</u>		<u>6,50,000</u>

The market value of the Fixed Assets to be taken Rs. 50,000 more. The average profit of the company after interest and tax is Rs. 70,000. Normal rate of return 12%. Tax rate 35%.

(e) Name the different methods of valuation of Goodwill. Explain any one of them.

(f) What do you understand by External and Internal reconstruction ?

2. Answer any *two* questions:

10×2

(a) Following is the Balance Sheet of XY Ltd. as on 31.03.08:

<u>Liabilities</u>	<u>Rs.</u>	<u>Assets</u>	<u>Rs.</u>
Share Capital:			
20,000 Equity shares of Rs. 10 each	2,00,000	Goodwill	20,000
P & L A/c	40,000	Building	1,00,000
General Reserve	60,000	Plant & Machinery	50,000
Sundry Creditors	30,000	Sundry Debtors	30,000
Bills Payable	5,000	Stock-in-Trade	40,000
Provision for Taxation	5,000	Cash at Bank	90,000
		Discount on issue of share	10,000
	<u>• 3,40,000</u>		<u>3,40,000</u>

Profits of past four years before tax were :

Rs. 40,000, Rs. 60,000, Rs. 72,000 and Rs. 40,000 respectively.

Compute the value of goodwill, under super profit method, of the company assuming that the normal rate of return for this type of company is 10%. Income tax is payable @ 50% on the above profits.

(b) A Co. Ltd. agrees to absorb B Co. Ltd. on 31.12.08 on which date their Balance Sheets were as follows :

<u>Liabilities</u>	A Ltd.	B Ltd.	<u>Assets</u>	A Ltd.	B Ltd.
	<u>Rs.</u>	<u>Rs.</u>		<u>Rs.</u>	<u>Rs.</u>
Share Capital :					
Equity shares of			Fixed Assets	2,50,000	1,00,000
Rs. 10 each	3,00,000	1,50,000	Stock	1,50,000	80,000
Profit & Loss A/c	1,00,000	50,000	Debtors	80,000	60,000
General Reserve	1,00,000	50,000	Bills Receivable	70,000	40,000
Bills payable	40,000	20,000	Cash & Bank		
Sundry Creditors	60,000	40,000	balance	50,000	30,000
	<u>6,00,000</u>	<u>3,10,000</u>		<u>6,00,000</u>	<u>3,10,000</u>

The purchase consideration is Rs. 2,80,000 payable by Equity Shares of Rs. 10 each.

Additional Information are as follows :

(i) Sundry Debtors of B Ltd. valued at Rs. 50,000.

(ii) Fixed Assets of B Ltd. are taken at Rs. 1,20,000.

(iii) Stock of B Ltd. includes an obsolete item of Rs. 10,000.

(iv) Liquidation expenses of B. Ltd is paid by A Ltd. Rs. 7,500.

Show the entries in the books of A Ltd. are also prepare the opening Balance Sheet of A Co. Ltd. 5 + 5

(c) Balance sheets of H Ltd. and S Ltd. as at March 31, 2008 :

<u>Liabilities</u>	<u>H Ltd.</u>	<u>S Ltd.</u>	<u>Assets</u>	<u>H Ltd.</u>	<u>S Ltd.</u>
	<u>Rs.</u>	<u>Rs.</u>		<u>Rs.</u>	<u>Rs.</u>
Equity shares of			Fixed Assets	7,60,000	6,80,000
Rs.100 each	6,00,000	4,00,000	Investments		
General Reserve	1,60,000	48,000	in 3200		
Profit & Loss A/c	1,20,000	1,12,000	shares		
Creditors	2,40,000	1,20,000	of S Ltd	3,60,000	—
	<u>11,20,000</u>	<u>6,80,000</u>		<u>11,20,000</u>	<u>6,80,000</u>

H Ltd. acquired shares in S Ltd. on July, 1, 2007. On April, 1, 2007 S Ltd. had Rs. 40,000 in General reserve and Rs. 32,000 (Cr.) in Profit & Loss A/c. Profits earned by S Ltd. accrue evenly throughout the year. No dividend was paid during the year. On the date of acquisition of shares the fixed assets of S Ltd, was seen undervalued by Rs. 60,000. Prepare a consolidated Balance Sheet.

[*Internal Assessment* : 10 Marks]