

2023

MBA

4th Semester Examination

PAPER : 403-F/M/HR

Full Marks : 80

Time : 3 hours

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 wherever necessary.

PAPER : 403-F

{ STRATEGIC FINANCIAL MANAGEMENT }

Answer from **both** the Groups as directed.

GROUP—A

Answer *any* **eight** questions from the following :

5×8=40

1. What is the fair value of an asset? How does it differ from the book value of the asset? 2+3=5

2. Explain the continuing value of a firm with suitable example. 5
3. Distinguish between Acquisitions and Divestitures. 5
4. Mention the benefits of a merger. 5
5. After setting aside interest on borrowing, taxation and other provisions, the net surplus available to shareholders is estimated at ₹16,00,000.

Extracts from the Capital Account of the Company :

- (a) 100000 Equity shares of ₹100 each, ₹50 per share paid up.
- (b) 30000, 10% Preference shares of ₹100 each, fully paid up.

The stock market reveals that shares of companies engaged in similar business and declaring dividend of 15% on equity shares are quoted at a premium of 10%. Find out the market value of the company based on Yield Method. 5

(3)

6. State the ways to mitigate the agency conflict. 5

7. "Corporate restructuring aims at increasing shareholders' wealth." Examine the validity of the statement. 5

8. Briefly discuss the different types of merger. 5

9. Write a short note on Global Depository Receipt. 5

10. What are the salient features of divestitures? 5

11. Briefly discuss the important factors influencing the Intellectual Property (IP) valuation. 5

12. Distinguish between merger and takeover. 5

(4)
GROUP—B

Answer *any four* questions from the following :

10×4=40

13. Balance Sheet of Sunshine Company Ltd. as on 31st March, 2018 is given below.

Liabilities	(₹)	Assets	(₹)
Equity shares of 100 each fully paid up	200	Land & Building	110
General Reserve	40	Plant & Machinery	130
Profit & loss Account	32	Patent and Trade Marks	20
Sundry Creditors	128	Stock	48
Provision for Income Tax	60	Sundry Debtors	88
		Bank Balance	52
		Preliminary Expenses	12
	460		460

The valuer has valued the land & building at ₹240 lakhs, goodwill at ₹160 lakhs and plant

(5)

& machinery at ₹120 lakhs. Out of the total debtors, it is found that debtors for ₹8 lakhs are bad.

The profits of the company have been as follows :

For the year 2015-16	: ₹92 lakhs
For the year 2016-17	: ₹88 lakhs
For the year 2017-18	: ₹96 lakhs

The company follows the practice of transferring 25% of profits to general reserve. Similar type of companies earn at 10% of the value of their shares. Plant and machinery has been depreciated at 15% p.a.

Ascertain the value of shares of the company under —

(a) intrinsic value method;

(b) yield value method;

(c) fair value method. 3+3+4=10

14. Write short notes on the following : 5+5=10

(a) Financial benefits of merger

(b) Dividend Growth Valuation Model

15. Fortune Fertilizers Company is taking over Theta Petrochemical Company. The Shareholders of Theta would receive 0.8 shares of Gama for each share held by them. The merger is not expected to yield in economies of scale and operating synergy. The relevant data for the two companies are as follows :

Particulars	Gama	Theta
Net sales (₹ crore)	335.00	118.00
Profit after tax (₹ crore)	58.00	12.00
Number of shares (crore)	12.00	3.00
Earnings per share (₹)	4.83	4.00
Market value per share (₹)	30.00	20.00
Price-earnings ratio	6.21	5.00

For the combined company (after merger), you are required to calculate (i) EPS, (ii) P/E ratio, (iii) market value per share, (iv) number of shares and (v) total market capitalization.

$$2+2+2+2+2=10$$

16. What do you mean by Corporate Restructuring? Discuss the motives for restructuring. 3+7=10
17. Explain leveraged buyout and management buyout as measures of corporate restructuring. 5+5=10
18. What is Intellectual Property Rights? Briefly discuss the different types of Intellectual Property Rights. 2+8=10

(BRAND MANAGEMENT)

Answer from **both** the Groups as directed.

GROUP—A

Answer *any eight* questions from the following :

5×8=40

1. How does a product differ from a brand? Discuss with a suitable example. 5
2. What do you mean by "brand ambassador"? Does a brand ambassador create an additional brand image? 3+2=5
3. What is Brand Equity? Why is it essential for an organization? 2+3=5
4. "A brand extension is a common phenomenon in the brand market." Illustrate with an example. 5
5. "Celebrity endorsement is a common phenomenon in brand building." Discuss the pros and cons of celebrity endorsement in branding with examples. 5
6. What do you mean by umbrella branding? Discuss the advantages of this branding strategy with suitable examples. 2+3=5

7. "Brand mantra is the 'heart and soul' of a brand." Justify your answer with suitable examples. 5
8. " 'Point of Parity' and 'Point of Difference' are two key strategies for brand positioning." Justify your answer with suitable examples. 5
9. "It is important to change the 'feel and look' of a brand during its life cycle." How do you do this? Explain with an example. 5
10. Critically evaluate the role of 'colour' in the context of branding, using appropriate examples. 5
11. "Brand extension is a popular branding strategy to enter the new product category." Justify the statement with a suitable example. 5
12. What is brand architecture? Why is brand architecture important? 2+3=5

GROUP--B

Answer *any four* questions from the following :

10×4=40

13. What does the term 'strong brand' entail? What drives organizations to strive for a strong branding strategy? Discuss with suitable examples. 3+7=10

14. The Samsung brand is selling in India with 70000000 units within a total household of 2500000. However, the following informations are the extract of three cities :

Name of the city	Kolkata	Delhi	Mumbai
Units Sold	3500000	1750000	2800000
Total number of households	500000	300000	360000

Comment on the performance of the brand in selling for 3 cities with the help of BDI. 10

15. "Indian TV advertisement is full of celebrities." Discuss the reasons for the same. State the drawbacks of celebrity endorsement in branding.

5+5=10

16. What do you mean by brand building? How do you develop effective brand building strategies to attract consumers?

3+7=10

17. Following is an extract of the brand and category sales of a hair gel product for men in Kolkata and Mumbai :

(10)

Area	Population	Category	Brand
		Sales	Sales
Kolkata	7000	₹2,40,000	₹78,000
Mumbai	13000	₹3,82,000	₹2,90,000

Calculate the BDI and CDI for Kolkata and Mumbai and also explain the various combinations in the interaction of BDI and CDI.

10

18. Read the case and answer the questions that follow :

Modi Revlon, a prominent player in the colour cosmetics industry, has set its sights on competing with Garnier, the leading player in the mass hair colour market. In order to achieve this, Modi Revlon is introducing its new mass brand, Colour N Care, specifically tailored for the Indian market. This move represents a departure from Revlon's usual premium positioning. Priced at ₹120, Colour N Care will directly rival Garnier, which currently holds a commanding 75% market share in the mass hair colour segment, along with Godrej. The mass hair colour market, valued at ₹200 crore, is largely dominated by brands priced around ₹100, capturing approximately 60% of the market share.

Umesh K Modi, Chairman, President and CEO of the Modi Group, expressed that Colour N Care is Revlon's first brand specifically designed for the Indian market. If the brand proves successful, they intend to obtain the distribution rights to expand its presence in other markets as well. Modi Revlon, a joint venture between Modi Mundipharma and Revlon, generates revenue of ₹150 crore. Their existing hair colour brands include Colour Silk, Top Speed and Colour Stay, priced at ₹250, ₹375 and ₹450 respectively. With the launch of Colour N Care, the company aims to capture a 15% market share within the first year. The promotion of the new brand will involve a combination of mass media campaigns and in-store promotions facilitated by beauty advisors. The hair colour business contributes approximately 20% of Modi Revlon's total revenue and the company currently holds a 12% share of the overall.

- (a) What would be the brand strategy of Revlon? Explain.
- (b) What challenges do you foresee for the firm? Discuss.

5+5=10

(EMPLOYEE WELFARE)

Answer from **both** the Groups as directed.

GROUP—A

Answer *any eight* questions from the following :

5×8=40

1. Explain the concept of 'employee welfare'. 5
2. Narrate extra-mutual welfare facilities with suitable examples. 5
3. Mention any five non statutory provisions of employee welfare. 5
4. Explain the 'Police' theory of employee welfare. 5
5. Mention any five names of 'occupational disease'. 5
6. Distinguish between statutory and non-statutory welfare facilities. 5

7. Explain the 'equity' theory of labour welfare. 5
8. What are the probable causes of physical hazards? 5
9. Discuss the scope of employee welfare. 5
10. What is meant by social security measures? Give two reasons why social security is important. 5
11. Distinguish between occupational hazards and occupational diseases. 5
12. Distinguish between social assistance and social insurance. 5

GROUP—B

Answer *any four* questions from the following :

10×4=40

13. Explain the various approaches of employee welfare in India. 10

14. Discuss the role of State Government in employee welfare. 10

15. Discuss various principles concerning to employee welfare. 10

16. Discuss any five welfare schemes initiated by Appropriate Government. 10

17. Explain the Health Provisions as per the Factories Act, 1948. 10

18. Discuss the qualifications, duties and responsibilities of a labour welfare officer. 10

★ ★ ★