

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Office of the Dean
Model Question [2023]

Full Marks: 100
Pass Marks: 50
Time: 4Hrs

Candidates are required to give their answers in their own words as far as practicable. The figures in the margin indicate full marks.

First Semester/ MBM: 203: Organizational Behavior, Leadership and Ethics

Group “A”
Case Analysis

1. Carefully read the case given below, critically analyze it, and answer the questions that follow: [25]

How would you rescue one of the largest advertising and media services firms in the world from a downturn spiral? That is the question Martin Sorrell faced when his London-based WPP Group acquired Young & Rubicam (Y&R) in 2000. After many years on top, Y&R was starting to lose momentum – and clients. Kentucky Fried Chicken, United Airlines, and Burger King had all decided to take their advertising dollars elsewhere. Sorrell needed to stop such a situation, but how? He searched for a new dynamic leader and, finally, hired Ann Fudge as the new CEO of Y&R in the hope of revitalizing the company.

Ann Fudge was formerly Deputy CEO of Kraft Foods. Bob Eckert was Fudge’s boss when she was at Kraft Foods. Of Fudge, Eckert says, “She is equally comfortable with consumers at the ballpark, factory workers on a production line, and executives in the boardroom. She could engage all three stakeholders on the same day and be comfortable. She is very creative, assertive, organized, trusting, and a workaholic. When things go wrong she becomes a little-bit nervous in the beginning but she never gives up.”

Her commitment to her work and the people she works with is evident in the rules she offers to others for great leadership:

1. Believe in yourself; do not imitate others to be “successful.” Every individual has his/her unique talents.
2. Always remember that people is important, not you – for a leader. A leader cannot be a leader if he/she has no followers. Be honest with people. Give them feedback. Put the right people in the right jobs. Surround yourself with the smartest people you can find.
3. Touch your organization. It’s easy to get stuck behind your desk. Fight the burden of paperwork and get out in the field. Don’t be a remote leader. You cannot create a dynamic organization if people can’t see, hear, and touch you. Let them know you as a person.
4. Steer the wheel with a strategic focus, yet maintain a wide peripheral vision. Know when to stop, speed up, slow down, brake quickly, turn sharply, or even gun it!

During the last few years at Y&R, Fudge has transformed a lackluster organization into a lively one. She has traveled the globe, visiting with Y&R employees around the world living rule number 3 of her own leadership rules. She frequently works for 12 hours a day to formulate new strategies, satisfy clients, encourage teamwork, and handle various exceptional matters. She is now giving due emphasis to both the best practices (via. benchmarking) and the next practices (i.e., innovative products/services).

Fudge’s hard work is paying off. Y&R has recently added Microsoft and Toys R Us to her list of clients, and, if Fudge has her way, the list will continue to grow until Y&R is back on top.

Questions:

- a) How would you interpret the leadership attributes of Ann Fudge? Discuss.
- b) In your opinion, which contemporary theory or theories of leadership Ann Fudge is applying in her day-to-day leadership practices? Explain with specific evidence provided in the case.
- c) Do you think that Ann Fudge will be able to bring Y&R back on top with her current approaches? Do you have any suggestions to further improve her leadership effectiveness? Discuss.

(10)

Group “B”
Problem-Solving/ Critical Analysis Questions

Attempt any three questions. [3x15=45]

2. Some people believe that there are universal ways of understanding, predicting, and managing people at work. But nothing is ever that simple; every so-called final answer is no longer final. In managing people’s behavior, there is always “however”. Justify the above statement by using appropriate theoretical insights, examples, and your own observations.
3. Why do you think person-job fit is not always the right answer for organizations? Why do you think the psychological contract between employees and the organization is gaining more importance in today’s business world than ever before? Discuss.
4. Critically examine trait and behavioral theories of leadership. Why do you think contingency theories and contemporary theories are superior to trait and behavioral theories? Discuss.
5. Over the years, the concept of ethics is getting high importance globally. Discuss the roles of corporate governance, corporate culture, and corporate social responsibility in creating an ethical organization.

Group “C”
Concept-Based Short Answer Questions

Attempt any Six questions. [6x5=30]

6. Explain the basic assumptions of OB about the nature of individuals.
7. Briefly describe the critical skills to be possessed by today’s managers.
8. Explain the various components of emotional intelligence. Why is it important for managers and leaders?
9. Critically examine Maslow’s Need Hierarchy Theory of motivation.
10. Explain the stages of group development.
11. Discuss the various emerging issues in leadership.
12. How an organizational culture is created? Explain.
13. Make a distinction between descriptive ethics and normative ethics with appropriate examples.

(5)

(10)

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Model Question [2023]

Full Marks: 100 Pass Marks: 50 Time: 4 Hrs
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First Semester/ MBM 501: Statistics and Data Analytics for Business Decision

Candidates are required to answer the questions in their own words as far practicable. Figures in brackets indicate full marks.

Group "A"

Case /Situation Analysis Question

[1 × 25 = 30]

1. You are a data analyst working for a marketing research firm, and your team has been tasked with conducting a multiple correlation and regression analysis for a client. The client is a leading company that wants to understand the factors that influence their sales revenue performance. Your task is to analyze the relationship between its sales revenue and two variables: advertising expenditure (in dollars) and website traffic (in number of visitors). Your client has provided you with a dataset for a period of six months containing information on their monthly sales revenue and wants to determine the extent to which advertising expenditure and website traffic can predict sales revenue. Additionally, they want to explore whether these independent variables collectively explain the variations observed in the monthly sales revenues. The table below shows the data collected by the company for six months:

Months	1	2	3	4	5	6
Monthly sales revenue (in "000" dollars)	100	120	130	110	115	125
Advertising expenditure (in "000" dollars)	10	12	15	11	12	14
Website traffic (in "000" number of visitors)	55	55	60	52	58	62

Using multiple correlation and regression analysis techniques, answer the following questions based on the given data:

- a) Perform multiple regression analysis to obtain the regression equation that best predicts the sales revenue based on advertising expenditure and website traffic.
- b) Estimate the monthly sales revenue when the advertising expenditure is \$ 20,000 and the number of website traffic is 75000.
- c) Interpret the constant and coefficients of the regression equation in the context of the problem.
- d) Compute the standard error of estimate and interpret it.
- e) Determine the proportion of the variance in sales revenue that can be explained by advertising expenditure and website traffic.

Group "B"

Problem Solving/Critical Analysis Questions (Attempt any THREE Questions)

[3 × 15 = 45]

2. The following table shows the yield of the crops along with type of land and fertilizers.

Type of Land	Fertilizer Type			
	1	2	3	4
I	55	56	58	58
II	58	56	57	55
III	58	58	56	59

Test at 5% level of significance whether there is significant difference in average yield of crop due to (i) four different fertilizers and (ii) three different types of land.

3. (a) In a company, there are 25 persons among them 10 persons are graduates. If 5 persons are picked out for a special task, what is the probability that (i) they are all graduates (ii) they are non-graduates and (iii) at least one graduates?
- (b) In a bolt factory, machines A, B and C manufacture 60%, 25% and 15% respectively. Of the total of their output 1%, 2% and 1% are defective bolts. A bolt is drawn at random from the total production and found to be defective. From which machine the defective bolt is expected to have been manufactured?
4. (a) In a binomial distribution with 6 independent trials, the probabilities of 3 and 4 successes are found to be 0.2457 and 0.0819 respectively. Find mean and variance of this distribution.
- (b) Incomes of a group of 10000 persons were found to be normally distributed with mean Rs. 52000 and standard deviation Rs.6000. Find
- (i) the number of persons having income between Rs. 40000 and Rs.55000.
- (ii) the lowest income of richest 1000 persons.
- (iii) the maximum income of poorest 1000 persons.
5. (a) The increase in weight in kg in particular period of 10 students of a certain age group of a High School fed with the nourishing food "A", were observed as 5, 2, 6, -1, 0, 4, 3, -2, 1, 4.
- Twelve students of the same age-group, but of another High School were fed with another nourishing food "B" and the increase in weight in kg in the same period observed were 2, 8, -1, 5, 3, 0, 6, 1, -2, 0, 4, 5.
- Test whether the two foods "A", and "B" differ significantly as regards their effect on the increase in weight.
- (b) Two researchers adopted different sampling techniques while investigating the same group of students to find the number of students falling in different intelligence levels. The results are as follows.

Researcher	No. of students in each level				Total
	Below average	Average	Above average	Genius	
X	86	60	44	10	200
Y	40	33	25	2	100
Total	126	93	69	12	300

Would you say that the sampling techniques adopted by the two researchers are significantly different?

Group "C"

Concept Based Short Answer Questions (Attempt any SIX Questions)

[6× 5

=30]

6. Airline passengers arrive randomly and independently at the passenger screening facility at a major international airport. The average arrival rate is 4 passengers per minute.
 - (i) What is the probability that two or three passengers arrive in a minute?
 - (ii) What is the probability that at least two passengers arrive in a minute?
7. It is desired to estimate the proportion of children watching television on Saturday mornings, in order to develop a promotional strategy for electronic games. We want to be 95% confident that our estimate will be within + 2% of the true population proportion.
 - (i) What sample size should we take if a previous survey showed that 40% of children watched television on Saturday mornings?
 - (ii) What would the sample size be, for the same degree of confidence and same maximum allowable error, if no such previous survey had been taken?
8. A machine puts out 16 imperfect articles in a sample of 500. After machine is overhauled, it puts out 3 imperfect articles in a batch of 100. Test the hypothesis that the machine has improved after overhauled at 5% level of significance.
9. Two independent samples of 7 and 6 items respectively had the following values of variables.

Sample A:	9	11	13	11	15	9	12
Sample B:	10	12	10	14	9	8	

Do the two estimates of population variance differ significantly?

10. The mean breaking strength of the cables supplied by a manufacturer is 2000 with a standard deviation of 150. By a new technique in the manufacturing process, it is claimed that the breaking strength of the cables have been increased. In order to test this, claim a sample of 100 cables was tested and the mean breaking strength turned out to be 2100. Can we support the claim at 1% level of significance?
11. Write a short note on modern data ecosystem.
12. Describe the data measurement scale.
13. Give a brief overview about stratified random sampling.

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Full Marks: 100 Pass Marks: 50 Time: 4Hrs

First Semester/MBM 502: Strategic Marketing
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Group "A"

Case/ Situational Analysis Questions (Compulsory)

(1×25=25)

1. Read the following situation prudently and answer the questions that follows:

Tesco is the leading British supermarket retailer. The company has impressive international growth achievements. International developments are carefully tailored to local customer preferences and shopping behavior.

The United States is a difficult market for European retailers and many have failed to adapt to the demands of the American consumer or meet the intense competition.

Tesco is entering the U.S. market with Fresh & Easy, a new neighborhood store chain, focused on selling fresh food. Initial store openings are in Los Angeles, Las Vegas, Phoenix, and San Diego.

In planning the new venture, a Tesco team spent thousands of hours trying to discover what the American consumer wants:

- For two weeks 50 senior Tesco directors and managers lived the “American dream”—shopping and eating with U.S. families on the West Coast, even sharing their leisure activities.
- Hiring researchers to probe the refrigerator contents and lifestyles of sixty American families—checking what time they get up, what they eat for breakfast, when they shop, and preparing meals for them to try.
- A prototype store was built in secrecy in Los Angeles—the cover story was that they were making a movie, and executives used plastic bags of cash rather than corporate charge cards to buy things for the mock store, rather than tip off rivals to what they were

doing. Consumers were flown in to test new ideas and products. More than 200 focus groups toured the store and gave feedback.

The goal is not to transfer the Tesco format from Britain to America, but to design an American store for American consumers.

While most Tesco U.S. stores will be located in prosperous suburbs surrounding Los Angeles, Phoenix, San Diego, and Las Vegas, others will be situated in poor, inner-city areas to address the “grocery gap”—the lack of supermarkets in inner city areas like South Central Los Angeles. Wal-Mart has been unable to establish inner city stores because of union opposition, but the new Tesco small retail formats do not need the environmental and planning approvals that have provided trade unions with the opportunity to block Wal-Mart’s expansion.

Questions:

- i. Identify and analyze the various issues of the given case. (5)
- ii. Examine the opportunities and threats for Tesco in America. (10)
- iii. Suggest the appropriate marketing strategies for Tesco to lead in American market. (10)

Group "B"

Problem Solving/Critical Answer Questions

Attempt Any THREE Questions

(3x15=45)

2. “Marketing strategy is mainly focused on achieving long-term sustainable competitive advantage in the marketplace.” Explain.
3. “Competitor analysis is the key element of external analysis.” Elaborate the statement from strategic marketing perspective.
4. If you are appointed as a chief marketing officer of a multinational company, discuss the promotional strategies suitable for your company.
5. Discuss the various global marketing strategies with suitable examples.

Group "C"

Concept Based Answer Questions

Attempt Any SIX Questions

(6x5=30)

6. What do you know about corporate strategy? Explain.
7. Discuss the process of strategic marketing.
8. Show your acquaintance with the term value chain.
9. What is sustainable competitive advantages?
10. Give the meaning of customer value proposition and its relevance in strategic marketing.
11. What do you understand by the term "Strategic Brand Management"?
12. Differentiate between blue ocean strategy and red ocean strategy.
13. Give the concept of strategic marketing control.

TRIBHUVAN UNIVERSITY

Faculty of Management

Office of the Dean

Model Question-2023

Full Marks: 100

Pass Marks: 50

First Semester/RES 502: Academic Writing

Candidates are required to answer all the questions in their own words as far as practicable. Figures in brackets indicate full marks.

Group "A"

Case Analysis / Extended Analysis Questions

1. Read the badly written persuasive request letter given below and answer the questions that follow. [8+8+9= 25]

Things never get accomplished in time

Mr. Sharma, managing director of an advertising agency, shuffled through the papers piled high on his desk. "This looks like paper garbage" he sighed, briefly surveying the files, books, letters and unfinished contracts littering the floor and covering every available surface. "Ah, here it is . . . Now, where is my pen?" He sat down to write a reply, but was interrupted by Mr. Gurung, his assistant, for ten minutes about some minor matter over a tender bid. His secretary then brought a pile of unopened mail for him. The telephone began to ring. Mr. Sharma answered all six calls, one wrong number, two wrong departments, and other minor queries from other staffs.

Then, it was a lunch time when took up another thirty minutes, during which time Mr. Gurung reminded him about today's sales staff meeting for improving customer services. Both of them went straight to the meeting room and the meeting was started after 15 minutes late as they waited for the arrival of all staffs. Meeting went on for an hour. All the staffs boasted on their brevity of dealing with the different types of different customers. Mr. Sharma found neither any solutions nor clues on how to improve customer services during the meeting. Since he had an appointment with an important clients, h stopped the meeting. The next meeting was scheduled for the next week for the same time. The staffs were told to think of alternatives to improve relation in their departments and share in the forthcoming meeting.

The afternoon was very worse. Many people dropped into his office and telephoned him for a chat. By 5.30 pm, Mr. Sharma had just completed a short letter to remind one of the clients for his due. Now, it is a time to go home as his family is waiting to make a visit to an important family gathering.

He carried some documents to review at home which he had to finish for a meeting in early morning tomorrow. Just before he was ready to leave home, he found five of the morning's letter still unopened. He told himself "There are not enough hours in the day. God gave me only twenty-four hours a day- everyone else seems to have more."

One among these unopened letters was from chairman of the company. He hurriedly opened that letter. Chairman wanted him to report immediate measures to improve the customer relationship to quell heavy customers' complaints on poor customer dealing of sales staff. Mr. Sharma does not have answers to this question right now but he has planned to have another meeting next week on this issue with sales people.

Questions:

- a) What are the main Problems of Mr. Sharma?
- b) What should he do to improve the situation so that he can accomplish task on time effectively?
- c) What should he convey to his chairman tomorrow?

Group "B"

Problem and Application of Concepts / Theory Analysis Questions

Attempt any **THREE** questions:

[3 × 15 = 45]

2. Read the given excerpt and complete the following tasks:
 - a. Summarize the main points of the text in not more than five sentences.
 - b. Paraphrase the text in your own words using quotations and source following the standard techniques of paraphrasing.
 - c. Prepare an effective note-making incorporating relevant key points.

The economic and political world order is changing and, by 2050, the list of the most economically and politically powerful countries in the world will look very different to today. Take China as an example. Due to the impact of the coronavirus crisis, China's economy is now predicted to overtake the United States by 2028, five years earlier than previously thought. China is one of the so called E7 emerging countries – alongside India, Brazil, Mexico, Russia, Indonesia, and Turkey – countries whose economies are expected to exceed those of the G7 advanced economies.

Let's look at a few stats that highlight the startling shifts in power that are coming our way:

- By 2050, the EU27's share of global GDP will be just 9 percent, while China's is expected to be 20 percent.
- BY 2050, India will rank second in the global GDP rankings, putting it behind China and ahead of the US. Indonesia will rank fourth. The UK could be down to 10th place.
- E7 economies could grow around twice as fast as the G7. In fact, the combined economic power of the E7 economies could be double that of the G7 by 2040 – that's from being the same size as the G7 in 2015 and half the size in 1995.

And then there are the "next 11" emerging economies, including Bangladesh, Egypt, Nigeria, Pakistan, and Vietnam. These economies are projected to overtake the EU27 in global power as early as 2030.

Bottom line, the West has been on the rise for centuries, but that is about to change. The E7 and next 11 economies will increasingly hold more sway in the global economy and, in turn, in world politics. Earlier in this chapter, I mentioned that China is building close links with African nations for access to land and rare resources, and this is just one example of China extending its global influence.

This power shift will no doubt bring new tensions, particularly as the world's most precious resources become scarcer. We may also see a new Cold War emerge around technology. China has said it wants to be a world leader in artificial intelligence by 2030, and has introduced measures to control the export of AI technologies by Chinese companies. President Trump's ban on Huawei's products and telecoms equipment gives us another glimpse of how countries may seek to restrict the technological capabilities of other countries. In other words, rather than bringing the world closer together, technology may be yet another thing that exacerbates global tensions and contributes to growing divergence.

[Marr, Bernard, 2022. "The Five Global Shifts That Will Shape the Organizations of the Future". *Business Trends in Practice*. Wiley. Pp: 6-8. Web:<https://bernardmarr.com/wp-content/uploads/2022/05/Business-Trends-in-Practice-Esampler-1.pdf>]

3. Imagine that the government in your country passed a law making cigarettes illegal. Draw a flow chart showing possible effects, and write a paragraph describing them.
4. You are the membership director of a fitness center that caters to professional women. You decided to bring in additional revenue by offering personal training sessions at Rs. 2500 per hour and hire three fitness instructors who have been certified as personal trainers. Unfortunately, clients have slow to sign up. Now, write a persuasive sales letter to existing members, announcing your fitness center's personal training program. In addition to convincing your readers of the benefits of personal training, the letter should also introduce the trainers to add credibility. Your personal training program includes—
 - Anatomy and kinesiology
 - Fitness assessment testing procedures
 - Weight management and nutrition for average persons as well as those requiring special medical needsUse AIDA model to enhance the persuasive dimension of the letter.
5. The following is an introduction to an essay. Red it carefully and write two body paragraphs and a suitable conclusion.

We all negotiate at every moment of our lives. The negotiations that we do for financial profit can be called business negotiations. Negotiation is an integral part of any business; a good negotiator is a successful business man, whether he negotiates with his clients or with his competitors or with the potential and actual customers. Business negotiation can be simply defined as a process of bargaining in which two parties who want something from the other, try to reach an agreement on mutually accepted terms. Negotiation happens because the interest of both the parties are involved in it and each of the party make some benefit from it.

Group "C"

Concept Based Short Answer Questions

Answer any *SIX* questions:

[6 × 5 = 30]

6. Write two paragraphs on the following Thesis Statement:
"Information overload necessarily leads to misunderstanding."
7. Establish the relationship between critical thinking and academic writing with suitable examples.
8. What leadership characteristics do you feel make for the best leaders, and how do you strive to obtain them? And, on the flip side, what are you doing to avoid any potential leadership pitfalls that you observe in yourself or others?
9. Paraphrase the text in order of accuracy and clarity.
More than three million shipwrecks are believed to lie on the sea bed, the result of storms and accidents during thousands of years of sea-borne trading. These wrecks offer marine archaeologists valuable information about the culture, technology and trade patterns of ancient civilizations, but the vast majority have been too deep to research. Scuba divers can only operate down to 50 metres, which limits operations to wrecks near the coast, which have often been damaged by storms or plant growth. A few deep sea sites (such as the Titanic) have been explored by manned submarines, but this kind of equipment has been too expensive for less famous subjects. However, this situation has been changed by the introduction of a new kind of mini submarine: the automatic underwater vehicle (AUV). This cheap, small craft is free moving and does not need an expensive mother-ship to control it. Now a team of American archaeologists are planning to use an AUV to explore an area of sea north of Egypt, which was the approach to a major trading port 4,000 years ago.
10. What do you mean by plagiarism? How could we avoid it?
11. Change the word class of the underlined words, and then rewrite the sentences as shown in the example:
Example:
The growth of the car industry parallels the development of modern capitalism.
The rise of the automobile industry matches the progress of contemporary capitalism.
 - a. It began in France and Germany, but took off in the United States.
 - b. There Henry Ford adapted the moving production line from the Chicago meat industry to motor manufacturing, thus inventing mass production.
 - c. In the 1920s Alfred Sloan's management theories helped General Motors to become the world's dominant car company.
 - d. After the Second World War the car makers focused on the styling of their products, to encourage more frequent model changes.
 - e. From the 1970s there was criticism of the industry due to the inefficiency of most vehicles, which used petrol wastefully.
12. Transition words bring unity to one's writing. Write a note on the significance of transition words in academic writing.
13. Match the terms on the left to the definitions on the right.

Project	A piece of research, either individual or group work, with the topic chosen by the student(s).
Report	The longest piece of writing normally done by a student (20,000+ words) often for a higher degree, on a topic chosen by the student.
Essay	A general term for any academic essay, report or article.
Dissertation/ Thesis	A study of something that has happened (e.g. a survey a student has conducted).
Paper	The most common type of written work, with the title given by the teacher, normally 1,000–5,000 words.

...Best of Luck...

TRIBHUVAN UNIVERSITY
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Model Question [2023]

Full Marks: 100
Pass Marks: 50
Time: 4 Hrs

First Semester/ MBM 506: Accounting for Decision Making

*Candidates are required to answer all the questions in their own words as far as practicable.
Figures in the bracket indicate full marks*

Group "A"

Case Analysis

(1x25=25)

1. The performance of **GG Mart** has not been satisfactory. Hence, the management committee has decided to adopt master budget from the current year and has given instructions to the chief accountant of the company to make systematic analysis of the company's budget so that **GG Mart** can compete with its other competitors.

Balance Sheet at the end of 2022

Liabilities	Rs.	Assets	Rs.
Share Capital	500,000	Plant & Machinery	500,000
P/L a/c	80,000	Investment	100,000
General Reserve	100,000	Stock	120,000
12% Debenture	100,000	Account Receivable	150,000
Account Payable	120,000	Cash	30,000
	900,000		900,000

The schedule of the forecasted sales units for coming four months 2022 and their probability are as follows:

January	Prob.	February	Prob.	March	Prob.	April	Prob.
1,600	0.5	2,000	0.5	2,500	0.3	1,875	0.4
3,000	0.2	2,200	0.3	4,000	0.2	2,000	0.3
2,000	0.3	2,700	0.2	1,500	0.5	2,500	0.3

	January	February	March	April
Selling and Administrative Expenses Rs.	40,000	42,000	44,000	42,000

SPPU is Rs.100 and cost of sales per unit is Rs.60. Ending inventory of merchandize will be sales need of next month. Experience shows that all purchases are paid in the next month of purchase. 50% sales are for cash and credit sales will be collected in the next month of sales. During January, company purchase plant & machinery for Rs.100,000, depreciation rate per year will be 15%. During March, company will sell investment at Rs.80,000 and issue share capital of Rs.100,000. Company will pay debenture at the end of February. The company keeps minimum cash balance of Rs.40,000. If cash is not sufficient, company can take loan from bank at 9% interest rate per annum. All the borrowings and payments are made in the multiple of Rs.2,000.

Required for 2023:

- a. Expected sales units for January to April
- b. Merchandize Purchase Budget for January to March
- c. Cash Budget for January to March
- d. Budgeted Income Statement ending March
- e. Budgeted Balance Sheet ending March
- f. Fixed cost and variable cost
- g. Breakeven value
- h. Profit if sales is Rs.800,000
- i. Margin of safety if profit is Rs.40,000
- j. Comments on the results (2+3+5+3+3+1+1+1+1+5=25)

Group "B"

Problem Solving and Critical Analysis Questions (3x15=45)

Attempt any three questions

2. "Management accounting provides meaningful information for planning and controlling the organization activities", justify this statement. (15)
3. "The Balance Scorecard translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategies measurement and management system", discuss. (15)

4. A company is considering bringing a new machine to increase its capacity. The machine has an initial cost of Rs.1,300. The account department has developed the following discrete probability distribution for cash flows generated by the additional capacity during its service life of three years.

Year 1		Year 2		Year 3	
Cash flow	Probability	Cash flow	Probability	Cash flow	Probability
200	0.10	300	0.15	200	0.20
400	0.20	600	0.20	300	0.30
600	0.50	800	0.40	500	0.40
800	0.20	1,100	0.25	900	0.10

Assuming the probability distributions of cash flows for future periods are independent (uncorrelated). The company can invest in 6% treasury bills cash flow.

Required:

- The expected monetary value (EMV) i.e. cash flow for each year.
- The expected net present value and decision regarding the proposal.
- The standard deviation for each year
- The standard deviation of the net present value to measure the risk.
- If the total distribution is approximately normal and continuous, find out
 - Probability of NPV being less than Rs. 300
 - Probability of NPV being more than Rs. 400
 - Probability of profitability index being 0.8 or more (3+3+4.5+1.5+1+1+1=15)

5. ABC Furniture Industry is manufacturing two products **Tables** and **Chairs** which are very popular across the Nepal. The company's annual sales and expenses of two products were as follows:

Products	Table	Chair	Total
Sales units	400	600	1,000
Sales revenues	180,000	180,000	360,000
Less: Variable costs			
Wood & Plank @ Rs.50 per sq. ft.	80,000	60,000	140,000
Carpenters Wages @ Rs.30 per hrs	60,000	72,000	132,000
Total Variable costs	140,000	132,000	272,000
Contribution margin	40,000	48,000	88,000
Less: Departmental fixed costs	15,000	5,000	20,000
Less: Joint fixed costs			20,000
Total Fixed Costs			40,000
Net income			48,000

Currently the maximum availability of wood & plank is 1,600 sq. ft. and labour hours for carpenters is 2,600 hours

Required:

From the data given above you have to decide that sales mixed policy adopted by the company is suitable or not on the basis of following

- a. Overall BEP units of the company
- b. Overall BEP units of the company if the sales mix of the company is reversed
- c. Profit of the available sales mix of the company under the constraints of wood and planks and labour hours by using linear programming model
- d. Overall BEP units of the company under the optimal profitable sales mix
- e. Comments on the results (2+2+6+2+3=15)

Group "C"

Concept Based Answer Questions (Attempt any six questions)

(6x5=30)

6. Differentiate between relevant and irrelevant cost.
7. What are the five main components of professional ethics?
8. Differentiate between flexible and static budget.
9. What are the different evaluation techniques of investment decisions?
10. The following are the information of a manufacturing company:
 - The direct material and direct labor cost per unit for the output are Rs.8 and Rs.5 respectively
 - Lease square analysis of monthly output and various expenses are:
 - i. Indirect labor $Y = 3,000 + 3 X$
 - ii. Depreciation $Y = 9,000 + 0 X$
 - iii. Power expenses $Y = 0 + 2 X$
 - Supplies for 6,000 units are estimated to be of Rs.15,000 of which 60% are fixed
 - Salary per month is estimated to be Rs.10,000 and the management expects that expenses would be increased by 10%

Required:

- a. Segregation of fixed and variable cost
- b. Cost for 8,000 units using formula method (3+2=5)

11. The details regarding materials are given below:

Standard:

Material	Quantity (Kg)	Standard Cost per Kg (Rs.)
A	4	4
B	3	4
C	3	5

Actual:

Material	Quantity (Kg)	Actual Cost (Rs.)
A	120	420
B	80	300
C	100	450

Standard Loss is 10% and Actual output is 285 kg

Required: Material Variances

12. A Company manufactures a single product; the operating data for period is given below

Production Units =	11,000 units	Sales Units =	10,000 units
Normal Output =	10,000 units	Fixed Manufacturing Cost per Unit	Rs.5
Selling Price per Unit =	Rs.50	Fixed Selling & Office Overhead =	Rs.70,000
Direct Material per Unit =	Rs.10	Variable Selling Overhead =	Rs.2 per unit
Direct Labour per Unit =	Rs.7	Variable Factory Overhead =	Rs.5 per unit
Opening Stock @ Rs.20 per unit =	1,000 units		

Required: Income Statement under Variable Costing (*Use LIFO method for inventory valuation*)

13. A company at present has been buying components at Rs.8 per unit. The normal capacity of 30,000 machine hours and annual budgeted fixed manufacturing overhead is Rs.240,000. The product designing department has prepared the following estimation of cost of producing one unit of component. Annual demand of components is 100,000 units

Direct material 2 units at Rs.4
Direct labour 0.50 DLH per unit at Rs.6 per DLH
Manufacturing overhead 0.25 MH per unit at Rs.16 per MH

Required:

Differential cost analysis to see whether the company should make its own component or buy