

Uttar Pradesh Technical University
Model Question Paper
(Based on Revised Syllabus)
MBA First Semester Examination, 2008-09
MBA012 : Managerial Economics

Time : 03 Hours

Max. Marks : 100

Note : The Question Paper contains three parts, All questions are compulsory.

Part I

Q.1 This question contains 20 objective type questions. Choose the correct answer and write its serial order. (1x20)

- 1- Managerial Economics is considered to be
 - (a) Macro economics
 - (b) Applied microeconomics
 - (c) International economics
 - (d) None of the above
- 2- Policy decisions are normally taken at
 - (a) Top level management
 - (b) Middle level management
 - (c) Top level management
 - (d) None of the above
- 3- In case of substitute products
 - (a) As the price of the substitute products rises, the demand for the commodity rises
 - (b) As the price of the substitute products rises, the demand for the commodity falls
 - (c) As the price of the one commodity falls, the demand for another commodity rises
 - (d) As the price of the one commodity rises, the demand for another commodity rises
- 4- Law of supply states that
 - (a) When the price falls, the supply will also fall
 - (b) When the price falls, the supply increases
 - (c) When the price increases, the supply falls
 - (d) None of the above
- 5- Sloping downward or negative slope of demand curve states that
 - (a) Less units would be bought if price is reduced
 - (b) More units would be bought if price is increased
 - (c) More units would be bought if price is reduced
 - (d) None of the above
- 6- Law of demand states that
 - (a) Higher the prices, more would be the quantity demanded
 - (b) Higher the prices, lower would be the quantity demanded
 - (c) Both (a) & (b)
 - (d) None of the above

- 15- Innovation theory of profit was developed by
 (a) Joseph Schumpeter
 (b) Marshall
 (c) Prof. Henry
 (d) Prof. H. Speight
- 16- The price effect is
 (a) It is the effect on the quantity demanded exclusively as a result of change in price.
 (b) The price change in one commodity lead to the substitution of one product with another
 (c) It is the effect on the quantity demanded exclusively as a result of change in income provided all the prices remain constant
 (d) None of the above
- 17- There are ----- methods of measurement of national income.
 (a) 3
 (b) 4
 (c) 5
 (d) None of the above
- 18- Demands forecasting assists in
 (a) Maintaining its market share
 (b) Maintaining market position
 (c) Identification of various factors affecting demand
 (d) all of the above
- 19- Profits can be maximized
 (a) By increasing cost
 (b) By reducing profit Margin
 (c) By lowering cost of production
 (d) None of the above
- 20- Indifference curve is also known as
 (a) Iso-utility curve
 (b) Maximum utility curve
 (c) Minimum utility curve
 (d) None of the above

PART II

(30)

Q.2

From the following data, find out the estimated demand of TV sets for the next three years

Years	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Demand of TV sets (In Lakhs)	40	44	43	50	56	52	60	59	63	68

OR

Suppose individual demand schedule for A, B and C are given as follows

Price(Rs.)	A's Demand	B's Demand	C's Demand
5	80	40	20
10	40	20	10
15	20	10	5
20	10	5	0
25	0	0	0

Find

- (A) Market demand schedule
- (B) Market demand curve
- (C) Elasticity when price falls from Rs.15 to Rs.10
- (D) Elasticity when price rises from Rs.10 to Rs.15

PART III

(12½x 4)

Q.3 What is Managerial Economics? Explain its fundamental concepts and scope.

OR

“Managerial Economics serves as a link between traditional economics and decision science for business decision making”. Elucidate

Q.4 Explain the concept of elasticity of demand and its types. Discuss its application in decision making

OR

Explain the meaning & characteristics of production function. How will you define economies of scale?

Q.5 How is the price of a commodity determined in a perfectly competitive market? Illustrate and explain how firms under perfect competition find their equilibrium.

OR

Define oligopoly. What is basic difference between oligopoly and monopolistic competition? In which of the two kinds of markets price and output are indeterminate and why?

Q.6 What is National Income and how is it measured? Explain any one method of measuring national income.

OR

Write short notes on the following:

- (a) Inflation
- (b) Business Cycle

Uttar Pradesh Technical University
Model Question Paper
(Based on Revised Syllabus)
MBA First Semester Examination, 2008-09

MBA 013 ACCOUNTING AND FINANCIAL ANALYSIS

Time : 03 Hours

Max. Marks : 100

Note : The Question Paper contains three parts, All questions are compulsory.

Part I

Q.1 This question contains 20 objective type questions. Choose the correct answer and write its serial order. (1x20)

1. Debentures are _____
 - a. Long-term Liability
 - b. Short-term Liability
 - c. Asset
 - d. None of the above
2. A person who owes money to the firm is called a _____
 - a. Creditor
 - b. Debtor
 - c. Lender
 - d. None of the above
3. The asset of a business on 31st March, 2008 are worth Rs. 50,000 and its capital is Rs. 35,000. Its liability on that date shall be Rs. _____
 - a. 85,000/-
 - b. 15,000/-
 - c. 35,000/-
 - d. 10,000/-
4. The system of recording transactions based on dual aspect concept is called _____
 - a. Double account system
 - b. Double entry system
 - c. Single entry system
 - d. None of the above
5. The convention of conservatism, when applied to the balance sheet, results in _____
 - a. Understatement of assets
 - b. Understatement of Liabilities
 - c. Overstatement of capital
 - d. None of the above.
6. A withdrawal of cash from business by the proprietor, Ram Kumar, should be credited to _____
 - a. Ram's Account
 - b. Cash Account
 - c. Sales Account
 - d. Capital Account

7. Interest on Drawings is _____

- a. Expenditure for the business
- b. Expenses for the business
- c. Gain for the business
- d. Loss for the business

8. Outstanding Salaries are shown in _____

- a. Trading Account (Debit Side)
- b. Profit & Loss Account (Credit Side)
- c. Balance Sheet (Asset Side)
- d. Balance Sheet (Liability Side)

9. Depreciation is the process of _____

- a. Apportionment of the cost of the asset over its useful life.
- b. Valuation of assets.
- c. Maintenance of asset in a state of efficiency.
- d. None of the above.

10. The Diminishing Value Method means a method by which _____

- a. The rate of depreciation falls year by year
- b. The amount on which depreciation is calculated falls year by year
- c. The rate as well as the amount to which it is applied falls year by year
- d. None of the above

11. Buying goods for cash would _____

- a. Increase the gross profit percentage
- b. Increase the current ratio
- c. Decrease the current ratio
- d. Have no effect on current ratio

12. Which of the following is a type of Vertical Analysis of Financial Statement?

- a. Comparative Balance Sheet
- b. Common Size Statement
- c. Trend Analysis
- d. Benchmarking

13. Which accounting ratio would indicate ability to pay short term obligations?

- a. Debt Service Coverage Ratio
- b. Current Ratio
- c. Net Profit Ratio
- d. Debtors Turnover Ratio

14. In the balance sheet of the company the items Goodwill is shown under the headings _____

- a. Current Asset
- b. Loans and Advances
- c. Liability
- d. Fixed Asset

15. Which accounting ratio will be useful in indicating the "Low capacity utilization" _____

- a. Fixed Asset Turnover Ratio
- b. Debt – Equity Ratio
- c. Current Ratio and Quick Ratio
- d. Debtor's Turnover Ratio

16. In a Cash Flow Statement, which of the following would appear as a cash inflow ____?

- a. Repayment of Bank Loan
- b. Depreciation of Current Year
- c. Amount received as a result of selling fixed asset
- d. Redemption of debentures by conversion

17. "Decrease in Working Capital" is a ____?

- a. Source of Fund
- b. Application of Fund
- c. Reserve
- d. None of the above

18. In a Cash Flow Statement, which of the following would appear as a cash outflow ____?

- a. The payment for investments purchased
- b. Amount received on issue of new shares
- c. Debentures held as investment being converted into shares
- d. None of the above

19. Which of the following transactions will result in fund flow ?

- a. Cash collected from debtors
- b. Purchase of machinery by issue of debentures
- c. Old furniture, the book value of which is 5000/- discarded and written off in the Profit and Loss Account
- d. None of the above transactions will result in funds flow

20. Cash from Operation is equal to ____?

- a. Net Profit plus Increase in Outstanding Expenses
- b. Net Profit plus Increase in Debtors
- c. Net Profit plus Increase in Stock
- d. None of the above

PART II

(30)

Q.2 Hritik Arora, the proprietor of a small trading concern, Hritik Enterprises, had the following opening balances on April 1, 2008 : Cash 27000/- (ie., In hand 15000/- & At bank 12000/-) ; Stock 13000/-, Fixed Assets 9000/- ; Sundry Debtors 5000/- (ie., Vijaylakshmi 1500/-, Anubha 2000/- & Madhulika 1500/-) ; Sundry Creditors 4000/- (ie., Ashu 4000/-) ; Loan 10000/- (from Sanidhya).

The following transactions took place during the month of April 2008.

1. Purchased goods worth 4000/- and deposited 5000/- into bank
2. Received 1450/- from Vijaylakshmi in full settlement by cheque
3. Purchased goods from Bindiya worth Rs. 5000/-.
4. Purchased equipment from Shahzad worth Rs. 5000/-.
5. Sold goods to Rekha, Rs. 15500/-
6. Paid to Bindiya 4650/- in full settlement by cheque
7. Paid rent 750/- and salary 1200/-
8. Took home goods worth 600/- from shop for personal use.

You are required to journalise the opening balances and the transactions occurring in the month of April. Also prepare cash ledger and determine closing balance of cash on April 8, 2008.

OR

From the following Balances of Pioneer Enterprises on March 31, 2008, prepare final accounts:

Name of Account	Balance	Name of Account	Balance
Debtors	35,000/-	Sales	1,70,000/-
Opening stock	30,000/-	Bills Payable	40,000/-
Land and Buildings	1,00,000/-	Furniture	35,000/-
Capital	3,17,000/-	Advertisement	10,000/-
Rent (Cr.)	5,000/-	Rates and Taxes	8,000/-
Cash in Hand	16,000/-	Salaries	20,000/-
Cash at Bank	43,000/-	Drawings	20,000/-
Wages	30,000/-	Purchases	1,00,000/-
Bills Receivables	22,500/-	Plant and Machinery	57,000/-
Discount (Dr.)	2,000/-	Repairs	3,000/-
Bad Debts	2,000/-	Provision for doubtful debts	1,500/-

Adjustments:

1. The value of closing stock was 70,000/-
2. Depreciate Land & Building @ 10%, Plant & Machinery @ 15% and Furniture @ 5%
3. Outstanding Wages 5000/-
4. Interest on Capital to be paid @ 6% on Capital
5. New Provision for Doubtful Debts @ 5% on Debtors
6. Manager is entitled to a Commission of 5% on net profits before charging such commission

Q.3 From the following Balance Sheets and Additional Information prepare Schedule of Changes in Working Capital and Funds Flow Statement

Liabilities	2007	2008	Assets	2007	2008
Share Capital	100000/-	100000/-	Goodwill	12000/-	12000/-
General Reserve	14000/-	18000/-	Building	40000/-	36000/-
Profit & Loss A/c	6000/-	3000/-	Plant	37000/-	36000/-
Creditors	8000/-	5400/-	Investments	10000/-	11000/-
Bills Payable	1200/-	800/-	Stock	30000/-	23400/-
Provision for tax	16000/-	18000/-	Bills Receivable	2000/-	3200/-
Prov. for Doubtful Debts	400/-	600/-	Debtors	18000/-	19000/-
			Cash	6600/-	15200/-
TOTAL	155600/-	155800/-	TOTAL	155600/-	155800/-

Additional Information:

1. Depreciation charged on Plant was 4000/- and on Building was also 4000/-.
2. Provision for Taxation of 19000/- was made during the year 2008.
3. Interim Dividend of 8000/- was paid during the year 2008.

OR

Prepare Cash Flow Statement from the following information:

Liabilities	2007	2008	Assets	2007	2008
Equity Share Capital	30000/-	35000/-	Goodwill	10000/-	8000/-
General Reserve	10000/-	15000/-	Machinery	41000/-	54000/-
P & L A/c	6000/-	7000/-	10% Investments	3000/-	8000/-
10% Debentures	15000/-	25000/-	Stock	4000/-	5500/-
Sundry Creditors	7500/-	11000/-	Debtors	8000/-	19000/-
Bills Payable	1000/-	1500/-	Cash & Bank Balance	12000/-	13000/-
Prov. For Depreciation on Machinery	9000/-	13000/-	Discount on Debentures	500/-	-
TOTAL	78500/-	107500/-	TOTAL	78500/-	107500/-

Additional Information: Investments costing 3000/- were sold for 2800/- during 2008, and a new machine was purchased for 13000/-

Q.4 "The Accounting Equation is the basis for recording all transactions in Financial Accounting." Comment. On which basic accounting concept is this equation based? Illustrate your answer with at least five typical business transactions and their effect on the accounting equation.

OR

What do you understand by Accounting Principles? Discuss any eight principles in detail.

Q.5 What are adjustment entries and why are they required? Illustrate any five adjustment entries required in preparation of Company Final Accounts.

OR

An asset was purchased for Rs. 50,000/- on January 1, 2008. The asset is expected to last for ten years. What would be the book value of the asset after five years if it was depreciated according to (i) Straight Line Method (ii) Diminishing Balance Method @ 10% per annum? Show only tabular calculations. (Ledger entries not required)

Q.6 Discuss in brief the need for analysis of financial statements. With the help of suitable illustrations describe any two methods of analysis.

OR

From the following information calculate and comment upon:

(i) Gross Profit Ratio	(ii) Current Ratio	(iii) Debt – Equity Ratio	(iv) Acid Test Ratio	(v) Stock Turnover Ratio
Net Sales Rs. 30000/-	Cost of Goods Sold Rs. 20000/-	Net Profit Rs. 3000/-		
Current Assets Rs. 6000/-	Current Liabilities Rs. 2000/-	Stock Rs. 1000/-		
Share Capital Rs. 5000/-	Debentures Rs. 8000/-			

Q.7 What is "Cash Flow Analysis"? Compare Cash Flow Analysis and Funds Flow Analysis?

OR

Explain, with the help of suitable examples, the concept of "fund" and "flow of funds" as used in Funds Flow Analysis. Also bring out the significance of Funds Flow Analysis.

Uttar Pradesh Technical University

Model Question Paper

(Based on Revised Syllabus)

MBA First Semester Examination, 2008-09

MBA 014 ORGANIZATIONAL BEHAVIOUR

Time : 03 Hours

Max. Marks : 100

Note : The Question Paper contains three parts, All questions are compulsory.

Part I

Q.1 This question contains 20 objective type questions. Choose the correct answer and write its serial order. (1x20)

- 1 Which of the following is best defined as a consciously coordinated social unit, composed of two or more people, which functions on a relatively continuous basis to achieve a common goal or set of goals?
a. party
b. unit
c. team
d. community
e. organization
- 2 According to Luthans and his associates, which of the following is considered a part of traditional management?
a. disciplining
b. decision making
c. exchanging routine information
d. acquiring resources
e. investing
- 3 An OB study would be least likely to be used to focus on which of the following problems?
a. an increase in absenteeism at a certain company
b. a fall in productivity in one shift of a manufacturing plant
c. a decrease in sales due to growing foreign competition
d. an increase in theft by employees at a retail store
e. excessive turnover in volunteer workers at a non-profit organization
- 4 _____ is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization's effectiveness.
a. Organizational development
b. Human Resources Management
c. Organizational behavior
d. People management
e. Corporate strategy
- 5 Which of the following is not a core topic of organizational behavior?
a. motivation
b. attitude development
c. conflict
d. resource allocation
e. work design
- 6 All of the following are true about learning except that it _____.
a. involves change
b. can have a very short duration
c. requires a change in behavior

- d. requires some form of experience
 - e. affects aptitude
- 7 Experiments performed by Pavlov led to what theory?
- a. classical conditioning
 - b. operant conditioning
 - c. social learning
 - d. method reproduction
 - e. behavior shaping
- 8 _____ refers to an individual's general attitude toward his or her job.
- a. Job satisfaction
 - b. Job involvement
 - c. Job stability
 - d. Organizational commitment
 - e. Social investment
- 9 Which of the following statements about personality is correct?
- a. Personality is always stable.
 - b. Personality is a part of a person.
 - c. Personality is an aggregate whole.
 - d. Personality is for the most part comprised of traits that cannot be measured.
 - e. Personality is the primary source of emotions in most people.
- 10 What is the term used for a general impression about an individual based on a single characteristic such as intelligence, sociability, or appearance?
- a. the contrast effect
 - b. personal bias
 - c. prejudice
 - d. the halo effect
 - e. projection
- 11 Motivation is best defined as a process that _____.
- a. results in a level of effort
 - b. intensifies an individual's efforts
 - c. accounts for an individual's efforts toward attaining a goal
 - d. meets an individual's needs
 - e. stabilizes over time
- 12 Which of the following theories was proposed by Douglas McGregor?
- a. Hierarchy of Needs Theory
 - b. Theories X and Y
 - c. Two-Factor Theory
 - d. ERG Theory
 - e. Expectancy Theory
- 13 What are the five stages of group development?
- a. generation, implementation, construction, production, termination
 - b. introduction, development, production, deterioration, adjournment
 - c. initiation, evolution, maturation, degeneration, termination
 - d. forming, storming, norming, performing, adjourning
 - e. acting, reacting, enacting, impacting, acting
- 14 Leadership is best defined as _____.
- a. the ability to influence a group in goal achievement
 - b. keeping order and consistency in the midst of change
 - c. implementing the vision and strategy provided by management
 - d. coordinating and staffing the organization and handling day-to-day problems
 - e. not a relevant variable in modern organizations
- 15 Which theory states that people are born with certain characteristics that predispose them to being leaders?
- a. Fiedler's perspective
 - b. characteristic theory

- c. LPC
 - d. contingency theory
 - e. trait theory
- 16 Power can be defined as ____.
- a. the ability to influence the behavior of others
 - b. the actualization of the dependency of others
 - c. congruence between the goals of the leader and those being led
 - d. downward influence on one's followers
 - e. upward influence on one's leaders
- 17 Which of the following types of power requires acceptance of the leader's authority by members of the organization?
- a. Personal
 - b. Organizational
 - c. Legitimate
 - d. Positional
 - e. Balanced
- 18 The ____ view of conflict argues that conflict is a natural and inevitable outcome in any group.
- a. human relations
 - b. interactionist
 - c. traditional
 - d. functional
 - e. human resources
- 19 Culture may be a liability because it is a barrier to ____.
- a. change
 - b. diversity
 - c. mergers and acquisitions
 - d. all of the above
 - e. none of the above
- 20 Resistance to change can be positive because ____.
- a. it provides a degree of stability to behavior and productivity
 - b. without some resistance, OB would take on characteristics of chaotic randomness
 - c. resistance can be a source of functional conflict
 - d. all of the above
 - e. none of the above

PART II

(30)

Q.2 Case Incident

FRUSTRATED AT AGE 30

Rama Rao is 30. But if you listened to him, you'd think he was 60 and washed-up. "I graduated college at a great time. It was 1996. I started as an analyst for Accenture, worked as a health-care IT consultant for two other firms, and then became chief technology officer." By 2001, Rama Rao was making INR 2 million a year plus bonus, driving an expensive BMW car, and optimistic about his future. But Rama Rao has become a statistic. He's one of 40 million Indians born between 1966 and 1975 whose peak earnings may be behind them. Rama Rao now makes INR 850,000 as a technology analyst at a hospital and is trying to adjust to the fact that the go-go years of the late 1990s are history.

Like many of his generation, Rama Rao is mired in debt. He owes INR 2.5 million on his home loans and has run up more than INR 500,000 on his credit cards. He faces a world very different from the one his father found when he graduated college in the early 1960s.

"The rules have changed. And we Generations Xers are getting hit hard. We had to go to college to get a decent job. But the majority of us graduated with high student debt. The good news was, when we graduated, the job market was great. I got a INR 100,000 hiring bonus on my first job! The competition by employers for good people drove salaries up. When I was 28, I was making more

money than my dad, who had been with the same company for over 20 years. But my dad has job security. And he has a nice retirement plan that will pay him a guaranteed pension when he turns 58. Now look at me. I don't know if I'll ever make INR 2 million thou again. If I do, it'll be in 20 or more years. I have no job security. I'm paying INR 20,000 a month on my college loans. I'm paying another INR 5000 a month on my credit card account. I've got 30 more payment on my BMW. And my wife says it's time for us to start a family. It would be nice to own a house, but how can I commit myself to a 30-year mortgage when I don't know if I'll have a job in six months."

"I'm very frustrated. I feel like my generation got a bad deal. We initially got great jobs with unrealistically high pay. I admit it; we were spoiled. We got used to working one job for six months, quitting, then taking another and getting ourselves a 25 or 30 percent raise. We thought we'd be rich and retired by 40. The truth is that we're now lucky to have a job and, if we do, it probably pays half what we were making a few years ago. We have no job security. The competition for jobs, combined with pressures by business to keep costs down, means a future with minimal salary increases. It's pretty weird to be only 30 years old and to have your best years behind you!"

Questions

1. Analyze Rama Rao using the Maslow need hierarchy.
2. If you were Rama Rao's boss, what could you do to positively influence his motivation?

PART III

(50)

Q3 What is Organizational Behaviour. What are the implications of Paradigm Shift in Organizational Behaviour?

Or

What are the three levels of analysis in OB Model? Explain the contingency model of OB?

Q4 How can you differentiate sensation with perception? Explain the process of perception.

Or

"Heredity determines personality", build arguments in support and against of the the statement.

Q5 Compare the Maslow's Hierarchy of needs with Herzberg's two factor theory.

Or

What are some of the needed skills for leader/manager? Briefly explain the Mintzbergs managerial roles

Q6 What are the bases of power. Explain the role of power in organization?

Or

Discuss the five stages of conflict process in an organization

Uttar Pradesh Technical University

Model Question Paper

(Based on Revised Syllabus)

MBA First Semester Examination, 2008-09

MBA 015 BUSINESS STATISTICS

Time : 03 Hours

Max. Marks : 100

Note : The Question Paper contains three parts, All questions are compulsory.

Part I

Q.1 This question contains 20 objective type questions. Choose the correct answer and write its serial order. (1x20)

1. Identify the discrete variable from the following.
(a) Length of a room. (b) Temperature of a Patient. (c) Height of a Person.
(d) Age on last birthday.
2. The difference between the upper and the lower limits of a class is called
(a) Class mid-point (b) Class boundary (c) Class interval (d) Class frequency
3. The most suitable average that can be calculated from a frequency distribution with open end classes is
(a) Arithmetic mean (b) Geometric mean (c) Median (d) Mode
4. Measure of dispersion which is affected most by extreme observations is
(a) Range (b) Quartile deviation (c) Mean deviation (d) Standard deviation
5. The Empirical relationship between Mean, Median and Mode is
(a) $\text{Mode} = 3\text{Median} - 2\text{Mean}$ (b) $\text{Median} = \text{Mode} + 2\text{Mean} / 3$
(c) $\text{Mean} = 3\text{Median} - \text{Mode} / 2$ (d) All are correct
6. Cyclical fluctuations in a time series are caused by
(a) Strikes and lockouts (b) Floods (c) Wars (d) None of these
7. Which Index Number satisfies the factor reversal test
(a) Marshall Edgeworth (b) Fisher (c) Kelly's fixed base (d) Laspeyres' index
8. Which one of the following is an example of negative correlation
(a) The family income and expenditure on luxury items (b) Price and demand of a commodity
(c) Heights and weights (d) None of these.
9. Which of the following statements is true regarding Karl Pearson's coefficient of correlation(r)
(a) $0 < r < 1$ (b) $0 < r < -1$ (c) $-1 < r < 1$ (d) None is true.
10. Correlation coefficient is the----- between the two regression coefficients
(a) Arithmetic Mean (b) Harmonic Mean (c) Geometric Mean (d) Median
11. The probability that a non-leap year should have fifty-three Sundays
(a) $1/7$ (b) $2/7$ (c) $3/7$ (d) None of these