

PG Even Semester (CBCS) Exam., April—2019

BUSINESS ADMINISTRATION

( 4th Semester )

Course No. : FM-3103/HR-3303/OM-3403

*Full Marks : 70*

*Pass Marks : 28*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

Candidates have to answer *either* from Option—A  
*or* Option—B *or* Option—C

OPTION—A

Course No. : FM-3103

( INTERNATIONAL FINANCIAL MANAGEMENT )

1. (a) Discuss the scope and importance of  
international financial management. 8

- (b) From the following information,  
calculate (i) Balance of Current  
Account, (ii) Balance of Capital Account  
and (iii) Foreign Exchange Reserve as on  
31-12-2018 : 6

Transactions during the year 2018  
(April–December) was as follows :

	(\$ in million)
Import during the year	120,000
Export during the year	90,000
Inflow on account of services	50,000
Outflow on account of services	35,000
Investment income (net)	5,000
Remittances received	7,000
Inflow of loans	20,000
Repayment of loans	20,350
FDI inflow	80,000
FDI outflow	30,000
FII's investment in India	5,000
Short-term movement of fund	(-)1,200
Statistical discrepancy	(-)5,000
Foreign Exchange Reserve as on 01-04-2018	400,000

2. (a) The exchange rate was ₹ 42.14/\$ in  
2007–2008. Over the period of 2007–  
2008 to 2018–2019, the price index in  
India and in USA rose by 87% and 25%  
respectively. Find out the exchange rate  
during 2018–2019. 3

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- (b) Find out the one-month forward rate of US \$ if spot rate is ₹ 66.00 and the forward premium is 12 percent. 4
- (c) Find ₹/€ exchange rate if ₹ 65.93-₹ 65.95/\$ and € 0.83/\$. 3
- (d) If exchange rate at the end of 2004–2005 was ₹ 43.91/\$ and, if the rate of inflation in India and USA during 2005–2007 was 9% and 6% respectively, find out—
- (i) inflation rate differential between the two countries;
- (ii) the exchange rate at the end of 2005–2007 4
3. Distinguish between the following : 7×2=14
- (a) Translation exposure and Transaction exposure
- (b) Economic exposure and Interest rate exposure

**OR**

4. Explain the procedure of measurement and technique of management of economic exposure. 14
5. (a) Explain the benefits of centralized cash management system from MNC's point of view. 6

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( Turn Over )

( 4 )

- (b) A project of a subsidiary involves initial investment of \$ 500,000. The net cash inflow during the life of the project will be \$ 300,000, \$ 200,000 and \$ 350,000 respectively. Scrap value at the end of third year—\$ 100,000. The risk adjusted discounting rate is 10%. Calculate—
- (i) NPV if there is a restriction that the money can be transferred to the HO only after the life of the project is over and the subsidiary can invest the fund @11% during the life time of the project;
- (ii) NPV if the above restriction is there and the subsidiary also cannot invest the fund. 4+4=8

**OR**

6. (a) A proposal involves initial investment of € 2,000,000. The annual cash flow is € 95,000 for 3 years (each year). Find out the IRR. (Table will not be supplied). 8
- (b) Discuss the significance of weight at the time of calculating weighted average cost of capital for multinational corporation. 6
7. Write notes on the following : 7×2=14
- (a) Minimum alternative tax
- (b) International Fisher effect

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( Continued )

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OR

8. (a) Capital structure of a foreign subsidiary is as follows :
- |                  |              |
|------------------|--------------|
| Equity share     | \$ 5 million |
| 9% debenture     | \$ 2 million |
| 10% bank loan    | \$ 2 million |
| Retained earning | \$ 1 million |
- (i) Calculate debt-equity ratio of the subsidiary unit.
- (ii) If the subsidiary wants to raise fresh capital of \$ 2 million, from which source the subsidiary unit may raise the fund and why? 2+5=7
- (b) In which situations capital structure of a subsidiary may be different from the parent organization? 7

( 6 )

OPTION—B

Course No. : HR-3303

( LEGAL FRAMEWORK GOVERNING HRM )

1. Write a note on emergence of labour legislation with special reference to India. 14

OR

2. Give an overview of the major amendments made in the labour laws in India in the recent past. 14
3. Read the following cases and answer the questions that follow :

**Case A :** Mr. R. Das, the respondent, met with an accident on June 21, 1991 while he was on his way to his place of employment. The accident occurred at a place, which was about one kilometre away to the north of the factory. The time of occurrence was 4:15 p.m. The respondent was going to his place of work on bicycle. He was hit by a lorry belonging to his employer, M/s T. R. Coats (P) Ltd. He sustained fracture injuries and was in hospital for 12 days. The respondent Mr. Das claimed for disablement benefit

under the Employees State Insurance Act, 1948.

*Question :*

Do you think the claim of the respondent is valid under the ESI Act, 1948? Support your argument.

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**Case B :** In a textile company, there was Industrial dispute going on between the management and the Trade Union. The work in company was suspended during the period and wages were not paid to the workmen for the period of suspension of work. Finally the matter was concluded by entering into a settlement between the workmen and the management whereby the management agreed to pay 'ex gratia' amount for the said period of suspension and the payment was effected accordingly.

*Question :*

Whether the 'ex gratia' payment made under the terms of settlement for the period during which the work was suspended, amounts to wages, under the ESI Act, 1948?

7

- 4. (a) **Case :** Mr. X is employed in Tasty Ice-cream Factory, a seasonal establishment. The factory was in

operation for four months only during the financial year 2009–2010. S was not in continuous service during this period. However, he has worked only for 60 days.

*Question :*

Referring to the provisions of the Payment of Gratuity Act, 1972 decide whether Mr. X is entitled to gratuity payable under the Act. Would your answer be the same in case Mr. X works for 100 days?

7

- (b) Explain as to when is the gratuity payable to an employee of an establishment, under the provisions of the Payment of Gratuity Act, 1972.

7

**OR**

- 5. (a) What are the eligibility criterias set under the Maternity Benefit Act, 1961 to avail benefits under the Act?
- (b) Explain the provisions of maternity benefits for industrial workers.

4

10

- 6. Discuss the provisions related to 'safety' as provided under the Factories Act, 1948.

14

( 9 )

OR

7. (a) Write short notes on the following :  
3½×2=7
- (i) Definition of 'factory' under the Factories Act, 1948
- (ii) Objectives of the Factories Act, 1948
- (b) Highlight the provisions related to employment of women and young children under the Factories Act, 1948. 7
8. What are the disqualifications for bonus under the Payment of Bonus Act, 1965? Discuss the provision related to Payment of Minimum Bonus (Section 10), Payment of Maximum Bonus (Section 11) and Computation of Number of Working Days (Section 14). 4+10=14

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OPTION—C

Course No. : OM-3403

( LOGISTICS AND SUPPLY CHAIN MANAGEMENT )

1. (a) As an operations manager, you are to look into the supply chain design, supply chain planning and supply chain operations of the different product line of your company. Do you think that same type of supply chain design actually fit the different product lines? If not, why? Give your views. 8
- (b) How does responsive supply chain design differ from efficient supply chain design? Discuss. 6

OR

2. Why does supply chain planning play a key role in the distribution of products? Discuss in brief the pull process view and push process view in a supply chain. 8+6=14
3. A firm's cost of goods sold last year was \$ 3,410,000 and the firm operates 52 weeks per year. It carries seven items in inventory :

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three raw materials, two work-in-process items and two finished goods. The following table contains last year's average inventory level for each item, along with its value :

Category	Part No.	Average Level	Unit Value (in \$)
Raw materials	1	15000	3.00
	2	2500	5.00
	3	3000	1.00
Work-in-process	4	5000	14.00
	5	4000	18.00
Finished goods	6	2000	48.00
	7	1000	62.00

- (a) What is the average inventory value?  
(b) How many weeks of supply does the firm maintain?  
(c) What was the inventory turnover last year? 14

4. Eagle Electric Repair wants to select a supplier based on total annual cost, consistent quality and delivery speed. The following table shows the weights management assigned to each criterion (total

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of 100 points) and scores assigned to each supplier (Excellent = 50, Poor = 1) :

Criterion	Weight	Scores	
		Kramer	Sunrise
Total annual cost	30	4	5
Consistent quality	40	3	4
Delivery speed	50	5	3

Which supplier should Eagle select given these criteria and scores? Give your views. 14

5. What is 4PL? How does it differ from 3PL? Why is 4PL industry forecasted as the future of supply chain industry? 4+6+4=14

**OR**

6. What is integrated logistics? Discuss in brief the barriers of internal integration in logistics. 8+6=14  
7. Describe the various factors which are required to be taken into consideration while deciding about a material handling facility. 14

**OR**

8. Write short notes on the following : 7×2=14  
(a) Global logistics and risk management  
(b) Reverse logistics

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