

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

BUSINESS ADMINISTRATION

( 4th Semester )

Course No. : FM-3106/MM-3204/HR-3305/  
OM-3404

*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 *or* Option—D

OPTION—A

Course No. : FM-3106

( **BANKING AND FINANCIAL SERVICES** )

1. Trace out the development of financial system in India. Also classify the various financial markets and bring out their functions. 7+7=14

OR

2. Why is the RBI valuable to the Indian financial system and economic growth? Explain the object and functions of RBI.

7+7=14

3. Over the last couple of decades, technology has assumed the vital role not only as a facilitator, but also a source of competitive advantage for banks. The business of banking—especially financial services and retail banking is undergoing a sea change, as business shift increasingly to the online environment. The increasing number of customer transacting online would move the 'marketplace' to 'market space', where bank would be forced to expand their product range to competitor's product while rapidly innovating their own value-added products. For banks, Internet offers a cost effective means of innovating, publicizing and delivering services to the customers as well as maintaining relationship which has opened up enormous possibilities of convenience and choice. The security of payment and settlement system is crucial for sustaining public trust in banks and other parts of the financial system. RBI was empowered in 2007 to regulate and supervise the payment and settlement

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system in India. However, the advent of high technology has also brought with it new operational risks in the form of security risks. The safety of banks, the integrity of the country's payment and settlement system and the trust that customers impose in the safety of the system are all intertwined to ultimately contribute to financial stability. The challenge for the future will be to identify and address risk to banking safety and security without hampering technological innovations in banking. The conventional risks today have been exacerbated by contemporary threats like phishing and pharming, spear phishing, carding and skimming, crimeware and spyware, money laundering, mules, scams, spams—and still counting.

Questions :

- (a) Write your viewpoints on the case highlighting why a country requires technology in banking.
- (b) Are e-payment necessary? What are the benefits and risks associated in e-payment process?
- (c) What precautions need to be taken by the customer in avoiding threats? 14

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( Turn Over )

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4. What is the difference between commercial banks and development banks? How well have they been achieved in recent times? If the goals of both the banks have not been achieved satisfactorily, what are the reasons? 5+5+4=14

OR

5. Why did the Government privatize the insurance sector? Explain the present scenario and challenges of new players in insurance industries. Do you agree with the idea of tax rebate for investment in insurance product? 5+5+4=14
6. (a) Explain the origin and importance of mutual funds. Also identify the problems faced by the MFs in India. 4+3=7
- (b) Distinguish between open-ended and close-ended mutual funds. 7

OR

7. Write explanatory notes on the following : 7×2=14
- (a) Credit Rating Agencies
- (b) Venture Capital Industry in India

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8. What is securitization process? State the advantages of securitization. Can each of the following types of loan be easily securitized? Give reasons. 2+3+9=14
- (a) Agricultural loans
  - (b) Credit card loans
  - (c) Loan to professionals
  - (d) Home loans
  - (e) Vehicle loans
  - (f) Loan for capital expenditure

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OPTION—B

Course No. : MM-3204

**( CUSTOMER RELATIONSHIP MANAGEMENT )**

1. What is CRM? Explain the rationale of paradigm shift approach of marketing. What are the success factors in CRM? 2+7+5=14

**OR**

2. Define customer satisfaction. What role does customer satisfaction play in the overall CRM strategy formulation of a service organization? Cite examples. 14
3. The biggest problem that banks are facing today is deciding the optimal mix of denominations that they must keep in order to ensure that there is maximum customer satisfaction. In India, there are 300 million bankable consumer population and the number of ATMs required for this population is supposedly more than two lakhs. An ATM is to be installed for every 1489 cards issued. This seems to be an uphill task for private banks considering the expansion spree of the retail banks. And all those banks which have harped strongly on CRM look forward to satisfying customers by supplying them with the denominations they look for. But in this

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process, at times, demand gets skewed for a particular denomination leading to short supply. This can still be managed by demanding the specific denominations from the RBI or from other commercial banks. For example, SDI bank once faced a situation whereby they are left with ₹ 2 crore in ₹ 10 denominations. Their predicament was such that they could not push this cash through the ATMs since the machines accepted only ₹ 500, ₹ 100 and ₹ 50. Another bank example is of Bharat Bank which holds an account with SDI Bank, gives only a day's notice to the bank regarding the exact denominations it needs for paying off its customers in its supply chain. At times, it so happens that the RBI also runs short of such denominations and has to look forward to get the specific notes from its other branches. Therefore, it is only forecasting what would be the level of demand, but also the nature of demand that is important to understand.

*Questions :*

- (a) Do you think that CRM would help a bank to forecast the demand for cash in ATMs?
- (b) What are the underlying factors, you would take into account in satisfying and retaining a bank customers through CRM?

14

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( Turn Over )

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4. What do you mean by service gap? State dimensions of service quality. Explain how service qualities can be enhanced by introducing CRM. 2+5+7=14

**OR**

5. Write explanatory notes on the following : 7×2=14
  - (a) Technologies of e-CRM
  - (b) Drivers and dimensions of customer loyalty
6. (a) Enumerate the role of data warehousing in analytic CRM.
  - (b) What is data mining? State the loops and techniques of data mining. 7+7=14

**OR**

7. (a) Explain the relationship between service quality and CRM.
  - (b) What are the push factors of customer loyalty? Explain the customer loyalty ladders. 7+(3+4)=14
8. In order to strengthen dealer relationships and improve operational efficiency and effectiveness, Tata Motors has deployed Siebel Automotive—a comprehensive suite of

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e-Business applications that allow organizations to manage, synchronize, and coordinate all customer touch points. Commenting on this development, K. R. Sreenivasan, head—CRM and dealer management system, Tata Motors, said, “Siebel Automotive has allowed us to get real time 360 degree view of the customer and his vehicle for better and faster decision making.” “Within the first year of implementing the Siebel Solution, we have seen improvements in customer satisfaction, revenue and operating cost reductions through productivity improvements, and these benefits are expected to increase further over time” added Sreenivasan. Tata Motors selected Siebel Automotive due to its robust partner management capabilities needed for managing its huge dealer network. The ease of integration between Siebel and Tata’s dealer management and ERP systems was also a critical factor in the company’s decision process. Says Sreenivasan, “We are currently in the first part of a three-phase deployment. The implementation is being handled collaboratively by Siebel, TCS and Tata technologies.” Speaking on the challenges encountered in the deployment, Sreenivasan said, “As in the case of any new technology adoption, the challenges were

primarily managing the aspect of change and training the users.” Siebel Automotive has been closely integrated with a wide array of back-office applications, including applications for inventory management, fulfilment, and parts location. Pricing and tax calculations can be adjusted for each dealer’s requirements. The solution is currently in use by 500 sales and service personnel. Implemented in a phased manner since July-August, 2004, the CRM solution is expected to be deployed at Tata Motors’ entire network of 250 dealer organizations in India by the end of 2005. Once the current phase is completed, the company plans to deploy marketing, call center, business analytics, and captive finance modules. Ultimately, Tata Motors intends to create an open portal for customer self-service, enabling car buyers to manage product configuration and place order online. Tata Motors works through a network of dealers located across the country to sell its vehicles. In recent years, this number has expanded by 50% to its current pool of 250 deal organisations.

*Case Questions :*

- (a) Why did Tata Motors select Siebel Automotive?

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- (b) Why have Tata Motors deployed the CRM technology in its operation?
- (c) What do you think is the role of CRM technology in the automobile industry after studying the above case? 3+4+7=14

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OPTION—C

Course No. : HR-3305

**( CROSS CULTURAL AND GLOBAL MANAGEMENT )**

1. (a) What do you understand by the term 'ethnocentrism'? Briefly explain various theories that attempt to explain the origins of ethnocentrism. 1+7=8
- (b) *Case* : Amanda, an American entrepreneur, went to China with a dream of expanding her business overseas. But very soon she found it difficult and frustrating to get things done on time and to get feedback from her local team. She said she would ask her Chinese staff to do certain tasks and they would always agree only to disappoint her by not meeting her expectations and deadlines. Amanda had limited interactions with her staff and she preferred not to mix work with pleasure. She normally grabbed lunch alone and ate it at her desk so that she could continue working. After 18 months things went so wrong that

Amanda called it quits and returned to San Francisco.

Questions :

What went wrong in this case? Analyse the case from the perspective of cultural differences. 1+5=6

- 2. Discuss the various approaches of cross cultural research. 14

OR

- 3. Critically examine Hofstede’s research findings along with the examples of practical application of it. 14

- 4. Case : Sandeep has just joined the Bengaluru office of a New York-based MNC. As a part of his training he will be spending three months in the US, but has already been assigned to a team with members in New York, Tokyo and Bengaluru. Sarah, the New York-based Project Manager, has scheduled a teleconference meeting for Tuesday. Sandeep will be travelling to Delhi to get his US Visa over the meeting time. Here’s their conversation—

Sarah : Can we do the teleconference tomorrow, 7:00 p.m. for you, or should we wait until you get back?

Sandeep : Better if we can wait, but I can do it if you like— if it’s necessary.

Sarah : Do you want to postpone it? Tell me, yes or no.

Questions :

- (a) What cultural factors are influencing the communication? 3
- (b) What is Sarah and Sandeep likely to be thinking/feeling from their own cultural standpoint? 4
- (c) Highlight the variables that influence cross cultural communication process. 7

OR

- 5. What are the causes for international assignment failures? Suggest the methodology for effective training of employees for international assignments. Design a strategy for successful smooth re-entry. 5+5+4=14
- 6. “French people are rude.” Do you agree? Support your answer with strategies to deal with French people. 14

OR

- 7. What do you mean by expatriate management? Discuss in detail on the process of expatriate management. 4+10=14

8. The American public was simply scandalized finding out that Nike sport shoes for children, for which the American parents pay between 100 and 180 dollars are produced for only 5 dollars by Nike. The complete amazement was when some Pakistan and Indonesian kids were presented broidering the Nike logo on the company products for only 2 dollars per day.

Those who observed it for the very first time were the teenagers from a social centre in Bronx, who initiated a protesting action in front of the supermarket Nike-Town. Around 200 teenagers emptied in front of the security agents bags full of old Nike sport shoes. What amazed the Nike managers even more was the declaration made by a thirteen-year old girl who said on a national TV channel : “Nike we made you, we will break you!”

*Questions :*

On the backdrop of this case, discuss the importance of ethics in International Business. What are consequences of unethical behaviour in International Business? Explain. 7+7=14

OPTION—D

Course No. : OM-3404

**( TOTAL QUALITY MANAGEMENT )**

1. Define total quality. Briefly explain the components of total quality loop and the costs associated with quality. Mention the three components of Juran Triology. 4+6+4=14

**Or**

2. What are the dimensions of quality? Discuss the performance measurement framework. Indicate the factors critical to quality. 4+6+4=14
3. TQM Practices in Zambian Tourism Industry :  
Total Quality Management is a corporate business management philosophy which recognizes that customer needs and business goals are inseparable. It is applicable within both industry and commerce. TQM ensures maximum effectiveness and efficiency within a business and secures commercial leadership by putting in place processes and systems which will promote excellence, prevent errors and ensures that every aspect of the business is aligned to customer needs and the advancements of business goals without



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duplication or waste of efforts. The TQM factors revealed by the study were the quality practices of the top management, employee involvement in the quality management system, customer focus, process and data quality management and quality tools and techniques implementation. According to the findings, those factors significantly affect the companies' performance with respect to their internal procedures, customer market share and the natural and social environment. The subjective data was dependent on the perceptions of quality from Tourism Organizations' point of view and the fact that the sample organizations came from small tourism enterprises constitute the limitations. From the findings, it is evident that not much has been done in the Zambian tourism industry in relation to TQM. There is need to improve infrastructure as well as transport networks to the remote areas. A clear lack of a quality policy formulation and a lack of funding have adversely affected marketing efforts. In addition to this, low wages and a bureaucratic system have contributed to a lack of motivation for employees. There is also a lack of training facilities leading to unskilled labour in the industry and Zambia was also found to be an expensive tourist destination. This "TQM is a

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corporate business management philosophy which recognizes that customer needs and business goals are inseparable."

Evaluate this statement. 14

4. What do you mean by acceptance sampling? Why are attribute charts used in quality control? 7+7=14

OR

5. (a) What is statistical process control (SPC)? What are the major causes of variations in production? 3+4=7

- (b) A production manager for a tire company has inspected the number of defective tires in five random samples with 20 tires in each sample. The table below shows the number of defective tires in each sample of 20 tires. Calculate the control limits : 7

Sample	No. of defective tires	No. of tires in each sample	Proportion defective
1	3	20	0.15
2	2	20	0.10
3	1	20	0.05
4	2	20	0.10
5	1	20	0.05
Total	9	100	

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6. Explain the concept of six sigma. Discuss the planning tool of Quality Function Deployment (QFD). 7+7=14

**OR**

7. Write short notes on the following : 7×2=14

- (a) Total Productive Maintenance  
(b) Failure Mode Effect Analysis

8. The Sutlej Auto Company is producing auto parts and components to large scale auto companies producing the various automotive vehicles. The auto company is the best and tier one supplier to about three companies and their branches located in different places. This company is already an ISO 9000 certified company and planning to implement the TQM philosophy and best practising the TQM tools and techniques in the company. The top management already identified a quality team comprises distinguished members from the different departments including design, marketing, HR, production, purchase, suppliers, industrial engineering and quality, etc. The team is called a TQM implementation team. Expected results after

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TQM implementation are improved quality of suppliers, improved quality of processes, improved employee satisfaction and improved customer satisfaction.

*Questions :*

Which ISO 9000 certification is enough for this manufacturing organization? What are your recommendation regarding introduction of TQM into the organization? 7+7=14

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