

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Master of Business Administration (MBA)
Semester - III

2

Subject: Strategic Management
Full Marks: 100 Pass Marks: 50

R.No.....
Course Code: MGT 531
Time: 4:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the best answers.

1. Which one of the followings is NOT a major element of the strategic management process?
 - a. Formulating strategy
 - b. Implementing strategy
 - c. Evaluating strategy
 - d. Assigning administrative tasks
2. What is meant by the term 'Stakeholder'?
 - a. A person who is not related with a business
 - b. A person who is related with a business
 - c. A person who owns a business
 - d. A person who purchases the shares of a business
3. The various organizational routines and processes that determine how efficiently and effectively the organization transforms its inputs into outputs are called:
 - a. strengths
 - b. core competencies
 - c. capabilities
 - d. customer value
4. When defining strategic management, the most important thing to remember is that it is:
 - a. not as easy as you think
 - b. mainly the province of senior managers
 - c. A living evolving process
 - d. more conceptual than practical
 - e. a way of determining responsibilities
5. An organization's strategy:
 - a. remains set in place longer than the mission and objectives
 - b. generally forms over a period of time as events unfold
 - c. tends to be formed at the same time the mission is developed and objectives are formulated
 - d. is usually conceived at a single time when managers sit down and work out a comprehensive strategic plan for the next 3-5 years
6. The primary focus of strategic management is:
 - a. strategic analysis
 - b. the total organization
 - c. strategy formulation
 - d. strategy implementation
7. Which one of the followings defines what business or businesses the firm is in or should be in?
 - a. Business strategy
 - b. Corporate strategy
 - c. Functional strategy
 - d. National strategy
8. Which one of the followings is at the core of strategic management?
 - a. Choosing which organizational objectives to focus on
 - b. Being alert for opportunities to change work responsibilities
 - c. Adapting the organization to a changing external environment
 - d. Choosing whether to make decisions autoeratically or on the basis of participation
9. The corporate level is where top management directs:
 - a. all employees for orientation
 - b. its efforts to stabilize recruitment needs
 - c. overall strategy for the entire organization
 - d. overall sales projections
10. Which one of the followings is NOT in the Porter's Five Forces model?
 - a. Potential development of substitute products
 - b. Bargaining power of suppliers

- c. Rivalry among stockholders
 - d. Rivalry among competing firms
11. The environmental segments that comprise the general environment typically will NOT include
- a. demographic factors.
 - b. sociocultural factors.
 - c. substitute products or services.
 - d. technological factors.
12. Product differentiation refers to the:
- a. ability of the buyers of a product to negotiate a lower price.
 - b. response of incumbent firms to new entrants.
 - c. belief by customers that a product is unique.
 - d. fact that as more of a product is produced the cheaper it becomes per unit.
13. Which one of the followings is NOT an entry barrier to an industry?
- a. expected competitor retaliation
 - b. economies of scale
 - c. customer product loyalty
 - d. bargaining power of suppliers.
14. New entrants to an industry are more likely when (i.e., entry barriers are low when...)
- a. it is difficult to gain access to distribution channels.
 - b. economies of scale in the industry are high.
 - c. product differentiation in the industry is low.
 - d. capital requirements in the industry are high.
15. Suppliers are powerful when:
- a. satisfactory substitutes are available.
 - b. they sell a commodity product.
 - c. they offer a credible threat of forward integration.
 - d. they are in a highly fragmented industry.
16. The highest amount a firm can charge for its products is most directly affected by
- a. expected retaliation from competitors.
 - b. the cost of substitute products.
 - c. variable costs of production.
 - d. customers' high switching costs.
17. According to the five factors model, an attractive industry would have all of the following characteristics EXCEPT:
- a. low barriers to entry.
 - b. suppliers with low bargaining power.
 - c. a moderate degree of rivalry among competitors.
 - d. few good product substitutes.
18. Internal analysis enables a firm to determine what the firm
- a. can do.
 - b. should do.
 - c. will do.
 - d. might do.
19. An external analysis enables a firm to determine what the firm
- a. can do.
 - b. should do.
 - c. will do.
 - d. might do.
20. Which group would be classified as a stakeholder?
- a. Communities
 - b. Banks
 - c. Suppliers
 - d. Employees

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SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any FIVE questions:

1. Describe the strategic management process.
2. Briefly explain the balanced scorecard approach to performance management.
3. Critically explain the usefulness/ value of SWOT analysis.
4. Discuss why organizational culture is so important in formulating strategies.
5. Explain value chain analysis and its relevance in formulating strategies.
6. Identify and discuss the three types of "Integration Strategies."
7. Differentiate between market penetration, market development, product development and differentiation strategies.

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any TWO questions:

8. Describe Michael Porter's "Five Forces Model" of industry structure/ profitability. Conduct an analysis of any industry of your own choice using the model.
9. Make a distinction between vision and mission statements. Explain the various essential components of a good vision and mission statements.
10. Critically explain the 21st century challenges in Strategic Management.

SECTION D: CASE STUDY (20 MARKS)

11. Read the Case given below and answer the following questions:

Liu Zhang was apprehensive about taking a job at the Chun Si Enterprises in Zhongshan where thousands of factories manufacture goods for Western companies. The company manufactures and sells handbags mainly to Wal-Mart, Target and K-Mart. The western companies were advertising the decent workplace conditions and fair salary of their suppliers despite the fact that most of the Chinese companies located at Zhongshan, including Chun Si Enterprises, were poor regarding the workplace related CSR.

Liu joined the factory and quickly realized that the factory was even worse than his imagination. The factory charged \$45 a month for food and lodging in a crowded dorm. Health and Safety measures at workplace were also poor. Liu also found that the factory's 900 workers were locked in the walled factory compound making themselves virtual captives. Recently, news in the Times Magazine published the fact that western companies including Wal-Mart is promoting the businesses like Chun Si where workers are severely exploited. This deteriorated the image of not only the Chun Si but also the Wal-Mart and other western companies.

Questions

- a. Discuss the critical Corporate Social Responsibility (CSR) issues confronted by Chun Si Enterprises and the western companies. What are the challenges associated with these issues?
- b. What are your suggestions to Chun Si and western companies, including Wal-Mart, to improve their Corporate Social Responsibility(CSR) performance in order to survive and excel in this hyper-competitive world of business?

THE END

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Subject: Production and Operation Management
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SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS) / (TIME: 20 MINUTES)

Tick the best answers.

1. Variations in the items produced in a factory may be due to :
 - a. chance causes
 - b. assignable causes
 - c. both a and b
 - d. none of the above
2. The telecom industry seeks locations that have:
 - a. good electronic movement of data
 - b. low cost labor
 - c. adequate availability of labor
 - d. all of the above
3. ISO series is a family of..
 - a. standards for quality management systems
 - b. standards for health management systems
 - c. standards for safety management systems
 - d. all of the above
4. The person who introduced standardized, interchangeable parts was:
 - a. Eli Whitney
 - b. Henry Ford
 - c. Adam Smith
 - d. William Fdwards Deming
5. A company that is organized across international boundaries with decentralized authority is substantial autonomy at each business via subsidiaries, franchise, or joint ventures has:
 - a. a global strategy
 - b. a transnational strategy
 - c. an international strategy
 - d. a multi domestic strategy
6. What is the Japanese term for continuous improvement?
 - a. kaizen
 - b. Ishikawa
 - c. fishbone
 - d. both a and b
7. Which one of the followings is a determinant to product quality?
 - a. Design
 - b. Product/Service conformity to design
 - c. Ease of Use
 - d. All of the Above
8. Which one is NOT a consequence of poor quality?
 - a. Productivity
 - b. Loss of Business
 - c. Costs
 - d. None of the Above
9. The consequences of poor quality products or services may result in:
 - a. less liability
 - b. baldrige
 - c. injuries and defective output
 - d. lower costs
10. An eyeglass repair shop would be best matched with which one basic process type?
 - a. Continuous
 - b. Job Shop
 - c. Batch
 - d. Project
11. Productivity in the service sector has proven difficult to improve because service work is :
 - a. typically labor intensive
 - b. frequently individualized process
 - c. often difficult to mechanize and automate
 - d. all of the above

12. The relatively few activities that make a difference between a firm having and not having a competitive advantage are known as:
- a. activity maps
 - b. SWOT
 - c. critical success factors
 - d. response strategy
13. For the production of petroleum products, which one of the following process technologies is suitable?
- a. Product technology
 - b. Assembly line technology
 - c. Continuous flow technology
 - d. Batch technology
14. Which one of the following layouts is used in universities?
- a. Product layout
 - b. Process layout
 - c. Fixed position layout
 - d. Combination layout
15. Which one of the following methods is best considered intangible costs related to a location decision?
- a. Factor rating method
 - b. Locational break even analysis
 - c. Both of above
 - d. None of above
16. Listing products in descending orders of their individual dollar contribution to the firm is called:
- a. product by value analysis
 - b. value analysis
 - c. value engineering
 - d. design data base
17. Measurements taken at the various points in the transformation process for control purposes are called:
- a. plans
 - b. directions
 - c. controls
 - d. feedback
18. Budgeting, analysis of investment proposals, and provision of funds are the activities associated with the _____ function.
- a. operation
 - b. marketing
 - c. purchasing
 - d. finance
19. The benefits of CAD/CAM, include:
- a. shorter design time
 - b. production cost reduction
 - c. product quality improvement
 - d. all of the above
20. In which one phase of the product life cycle the high investment in the advertisement will be justified?
- a. Start up
 - b. Growth
 - c. Maturity
 - d. Decline

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SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

1. What are the differences, between production and operations management? Explain with suitable examples. [6]
2. The accounts receivable department has documented the following defects over a 30-day period:

Category	Frequency
Invoice amount does not agree with the check amount	108
Invoice not on record (not found)	24
No formal invoice issued	18
Check (payment) not received on time	30
Check not signed	8
Invoice number and invoice referenced do not agree	12

What techniques would you use and what conclusions can you draw about the defects in the accounts receivable department? [6]

3. Productivity can be measured in a variety of ways, such as by labor, capital, energy, material usage, and so on. At Modern Lumber, Inc., Art Binley, president and producer of apple crates sold to growers, has been able, with his current equipment, to produce 240 crates per 100 logs. He currently purchases 100 logs per day, and each log requires 3 labor-hours to process. He believes that he can hire a professional buyer who can buy a better-quality log at the same cost. If this is the case, he can increase his production to 260 crates per 100 logs. His labor-hours will increase by 8 hours per day. What will be the impact on productivity (measured in crates per labor-hour) if the buyer is hired? [6]
4. We need 1,000 electric drills per year. The ordering cost for these is \$100 per order and the carrying cost is assumed to be 40% of the per unit cost. In orders of less than 120, drills cost \$78; for orders of 120 or more, the cost drops to \$50 per unit. Should we take the advantage of the quantity discount? [6]
5. The following set of seven jobs is to be processed through two work centers in Hard King's printing company. The sequence is first printing, then binding. Processing time at each of the work centers is shown in the table:

Jobs	Printing [hours]	Binding [hours]
T	15	3
U	7	9
V	4	10
W	7	6
X	10	9
Y	4	5
Z	7	8

- What is the optimal sequence for these jobs to be scheduled? Solve graphically. [6]
6. How does a traditional adversarial relationship with suppliers change when a firm makes a decision to move to a few suppliers? Explain. [6]
7. What one type of process is used for making each of the following products? [6]
- a. Beer
 - b. Wedding invitations
 - c. Automobiles
 - d. Paper

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any TWO questions:

8. Although most organizations may make the location decision infrequently, there are some organizations that make the decision quite regularly and often. Provide one or two examples. How might their approach to the location decision differ from the norms? Discuss [15]
9. You are given the following details of ABC project: [5+5+5]

Activity	Preceding activity	Time in days
A	-	40
B	-	70
C	AB	40
D	B	30
E	A	20
F	C	10
G	EF	50
H	DF	60
I	GH	30
J	I	40

- a. Draw the CPM diagram
 - b. Find out the critical activities
 - c. Construct the slack table
10. What is facility layout? Explain its types with suitable examples and diagrams. [3+12]

SECTION D: CASE STUDY (20 MARKS)

11. Read a case given below and answer the following questions:

Dell Computer, with close supplier relationships, encourages suppliers to focus on their individual technological capabilities to sustain leadership in their components. Research and development costs are too high and technological changes are too rapid for any one company to sustain leadership in every component. Suppliers are also pressed to drive down lead times, lot sizes, and inventories. Dell, in turn, keeps its research customer-focused and leverages that research to help itself and suppliers. Dell also constructs special Web pages for suppliers, allowing them to view orders for components they produce as well as current levels of inventory at Dell. This allows suppliers to plan based on actual end customer demand; as a result, it reduces the bullwhip effect. The intent is to work with suppliers to keep the supply chain moving rapidly, products current, and the customer order queue short. Then, with supplier collaboration, Dell can offer the latest options, can build-to-order, and can achieve rapid throughput. The payoff is a competitive advantage, growing market share, and low capital investment.

On the distribution side, Dell uses direct sales, primarily via the Internet, to increase revenues by offering a virtually unlimited variety of desktops, notebooks, and enterprise products. Options displayed over the Internet allow Dell to attract customers that value choice. Customers select recommended product configurations or customize them. Dell's customers place orders at any time of the day from anywhere in the world. And Dell's price is cheaper; retail stores have additional costs because of their brick-and-mortar model. Dell has also customized Web pages that enable large business customers to track past purchases and place orders consistent with their purchase history and current needs. Assembly begins immediately after receipt of a customer order. Competing firms have previously assembled products filling the distribution channels (including shelves at retailers) before a product reaches the customer. Dell, in contrast, introduces a new product to customers over

the Internet as soon as the first of that model is ready. In an industry where products have life cycles measured in months, Dell enjoys a huge early-to-market advantage.

Dell's model also has cash flow advantages. Direct sales allow Dell to eliminate distributor and retailer margins and increase its own margin. Dell collects payment in a matter of days after products are sold. But Dell pays its suppliers according to the more traditional billing schedules. Given its low levels of inventory, Dell is able to operate its business with negative working capital because it manages to receive payment before it pays its suppliers for components. These more traditional supply chains often require 60 or more days for the cash to flow from customer to supplier—a huge demand on working capital.

Dell has designed its order processing, products, and assembly lines so that customized products can be assembled in a matter of hours. This allows Dell to postpone assembly until after a customer order has been placed. In addition, any inventory is often in the form of components that are common across a wide variety of finished products. Postponement, component modularity, and tight scheduling allow low inventory and support mass customization. Dell maximizes the benefit of postponement by focusing on new products for which demand is difficult to forecast. Manufacturers who sell via distributors and retailers find postponement virtually impossible. Therefore, traditional manufacturers are often stuck with product configurations that are not selling while simultaneously being out of the configurations that are selling. Dell is better able to match supply and demand.

One of the few negatives for Dell's model is that it results in higher outbound shipping costs than selling through distributors and retailers. Dell sends individual products directly to customers from its factories. But many of these shipments are small (often one or a few products), while manufacturers selling through distributors and retailers ship with some economy of scale, using large shipments via truck to warehouses and retailers, with the end user providing the final portion of delivery. As a result, Dell's outbound transportation costs are higher, but the relative cost is low (typically 2% to 3%), and thus the impact on the overall cost is low. What Dell has done is build a collaborative supply chain and an innovative ordering and production system. The result is what Dell likes to refer to as its value chain—a chain that brings value from supplier to the customer and provides Dell with a competitive advantage.

Discussion Questions

- a. How has Dell used its direct sales and build-to-order model to develop an exceptional supply chain? [5]
- b. How has Dell exploited the direct sales model to improve operations performance? [5]
- c. What are the main disadvantages of Dell's direct sales model? [5]
- d. What are the lessons you learnt from this case? [5]

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SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the best answers.

1. When returns to labor, capital, or management are increased without increased productivity, process:
 - a. Rise
 - b. Fall
 - c. Stay the same
 - d. Unable to determine
2. Among the ways for a firm to effectively use its operations management function to yield competitive advantage are:
 - a. rapid design changes
 - b. speed of delivery
 - c. maintain a variety of product options
 - d. all of the above
3. For the production of soap, which one of the following process technologies is suitable?
 - a. Project technology
 - b. Assembly line
 - c. Continuous flow
 - d. Batch technology
4. Academic institution is an example of which service process technology?
 - a. Quasi-manufacturing process technology
 - b. Custom-shop process technology
 - c. Professional process technology
 - d. Mass service process technology
5. Listing products in descending orders of their individual dollar contribution to the firm is called:
 - a. product by value analysis
 - b. value analysis
 - c. value engineering
 - d. design data base
6. Control charts for attributes are:
 - a. P-chart
 - b. Range chart
 - c. Mean chart
 - d. Run chart
7. Advantages of flexible manufacturing systems include all of the following except:
 - a. lower setup costs
 - b. ability to adapt to wide range of sizes and configuration
 - c. high utilization of facilities
 - d. lower direct labor costs
8. Capacity decisions should be made on the basis of:
 - a. building sustained competitive advantage
 - b. good financial returns
 - c. integration into the company's strategy
 - d. all of the above
9. The relatively few activities that make a difference between a firm having and not having a competitive advantage are known as:
 - a. activity maps
 - b. SWOT
 - c. critical success factors
 - d. response strategy
10. Which one of the followings layout is considered in hospital?
 - a. Product layout
 - b. Process layout
 - c. Fixed position layout
 - d. Combination layout

11. Which one of the following methods best considers intangible costs related to a location decision?
 - a. Factor rating method
 - b. Locational break even analysis
 - c. Both of above
 - d. None of above
12. Cause and effect diagrams are also known as:
 - a. quality loss charts
 - b. target specification graphs
 - c. fish bone charts
 - d. scatter diagram
13. the variations in the items produced in a factory may be due to :
 - a. chance causes
 - b. assignable causes
 - c. both a and b
 - d. none of the above
14. The call centre industry seeks locations that have:
 - a. good electronic movement of data
 - b. low cost labor
 - c. adequate availability of labor
 - d. al of the above
15. ISO series is a family of:
 - a. standards for quality management systems
 - b. standards for health management systems
 - c. standards for safety management systems
 - d. all of the above
16. Which one of the followings is NOT a principle of ethics in business?
 - a. Integrity in Your Decisions
 - b. Integrity in Your Actions
 - c. Value for Your Employer
 - d. Value for Your Time
17. Which one of the following options is not necessary in creating an effective supply chain?
 - a. Trust
 - b. Effective Communication
 - c. Information velocity
 - d. All of the above are necessary
18. The model that leads to minimum costs, when the usage is fairly uniform is:
 - a. economic order quantity model
 - b. fixed-period ordering
 - c. lot-for-lot ordering
 - d. independent demand
19. Restructuring the bill of materials, so that multiple occurrences of a component will coincide with the lowest level at which the component occurs is known as:
 - a. one-level coding
 - b. component minimizing
 - c. low-level coding
 - d. MRP minimization
20. Slack can be determined by:
 - a. late start minus early finish
 - b. late start minus early start
 - c. late finish minus early finish
 - d. both B and C

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SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any FIVE questions:

1. How operations managers can design competitive strategies by the help of Production and Operations Management? [6]
2. Our main distribution center in Phoenix, AZ is due to be replaced with a much larger, more modern facility that can handle the tremendous needs that have developed with the city's growth. Fresh produce travels to the seven store locations several times a day making site selection critical for efficient distribution. Using the data in the following table, determine the map coordinates for the proposed new distribution center. [6]

Store Locations	Map Coordinates (x,y)	Truck Round Trips per Day
Mesa	(10,5)	3
Glendale	(3,8)	3
Camelback	(4,7)	2
Scottsdale	(15,10)	6
Apache Junction	(13,3)	5
Sun City	(1,12)	3
Pima	(5,5)	10

3. Material Requirement Planning [MRP] is more than an inventory system; what additional capabilities does MRP possess? [6]
4. What is plant layout? Explain the types of layout with suitable examples. [2+4]
5. The annual demand for a product which costs Rs. 10 per unit is 500 units. It costs Rs 40 to place an order and the annual inventory carrying cost is estimated to be 20%. The supplier has given you the following quantity discount situation:

Options	Order size	Discount
1	1-99	None
2	100 or over	3%

6. What order quantity would you recommend? [6]
7. "Quality is a journey, not a destination." Explain this statement with suitable examples. [6]
8. Lake Charles Seafood makes 500 wooden packing boxes for fresh seafood per day, working in two 10-hour shifts. Due to increased demand, plant managers have decided to operate three 8-hour shifts instead. The plant is now able to produce 650 boxes per day. Calculate the company's productivity before the change in work rules and after the change. What is the percent increase in productivity? [6]

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any **TWO** questions:

8. Mass customization and rapid product development were identified as current trends in modern manufacturing operations. What is the relationship, if any, between these trends? Briefly explain with examples? [15]
9. How does the decision making process for locating manufacturing units differ from one for locating a service unit? Explain with suitable examples. [15]
10. The development of a new deluxe version of a particular software product is being considered. The activities necessary for the completion of this project are listed in the table below along with their costs and completion times in weeks.

Activity	Normal Time	Crash Time	Normal Cost	Crash Cost	Immediate Predecessor
A	4	3	2,000	2,600	-
B	2	1	2,200	2,800	A
C	3	3	500	500	A
D	8	4	2,300	2,600	A
E	6	3	900	1,200	B, D
F	3	2	3,000	4,200	C, E
G	4	2	1,400	2,000	F

- a. What is the project expected completion date? [5]
- b. What is the total cost required for completing this project on normal time? [5]
- c. If you wish to reduce the time required completing this project by 2 week, which activity should be crashed, and how much will this increase the total cost? [5]

SECTION D: CASE STUDY (20 MARKS)

11. Read a case given below and answer the following questions:

Paradise Lost: The Xerox Alto

Imagine the value of cornering the technological market in personal computing. How much would a five-year window of competitive advantage be worth to a company today? It could easily mean billions in revenue, a stellar industry reputation, future earnings assured, and the list goes on. For Xerox Corporation, however, something strange happened on the way to industry leadership. In 1970, Xerox was uniquely positioned to take advantage of the enormous leaps forward in office automation technology it had made. Yet it stumbled badly through its own strategic myopia, lack of nerve, structural inadequacies, and poor choices. This is the story of the Xerox Alto, the world's first personal computer and one of the great "what if?" stories in business history.

The Alto was not so much a step forward as a quantum leap. In place and operating by the end of 1973, it was the first stand-alone personal computer to combine bit-mapped graphics, a mouse, menu screens, icons, an Ethernet connection, a laser printer, and word processing software. The result of the combined efforts of an impressive collection of computer science geniuses headquartered at Xerox's Palo Alto Research Center (PARC), the Alto was breathtaking in its innovative appeal. It was PARC's

answer to Xerox's top management command to "hit a home run." Xerox had profited earlier from just such a home run in the form of the Model 914 photocopier, a technological innovation that provided the impetus to turn Xerox into a billion-dollar company in the 1960s. The Alto represented a similar achievement.

What went wrong? What forces combined to ensure that no more than 2,000 Altos were produced and that none was ever brought to market? (They were used only inside the company and at some university sites.) The answer could lie in the muddled strategic thinking that went on at Xerox while the Alto was in development. The history of Xerox during this period shows a company that stepped back from technological leadership into a form of *incrementalism* that made it content to follow IBM's lead in office automation.

Incrementalism refers to adopting a gradualist approach that plays it safe, avoiding technological leaps, large risks, and consequently the possibility of large returns. In 1974 the decision was made to launch the Model 800 magnetic tape word processor rather than the Alto because the Model 800 was perceived as the safer bet. Over the next five years, a series of ill-timed acquisitions, lawsuits, and reorganizations rendered the Alto a casualty of inattention. What division would oversee its development and launch? Whose budget would support it and PARC in general? By leaving those tough decisions unmade, Xerox wasted valuable time and squandered its technological window of opportunity.

Even when clear indications showed that competitor Wang was in line to introduce its own line of office systems, Xerox could not take the step to bring the Alto to market. By 1979, Xerox's unique opportunity was lost. No longer was the Alto a one-of-a-kind technology, and the company quietly shelved any plans for its commercial introduction. The ultimate irony may have been that a company that made its name through the phenomenal success of a highly innovative product, the Model 914 photocopier, did not know how to handle the opportunities presented by the next phenomenon. In short, the Alto was simply so advanced that the company seemed unable to comprehend its possibilities.

Executives did not have a strategic focus that emphasized a continual progression of innovation. Instead, they were directed toward moving head to head with the competition in an incremental approach. That is, when IBM released a new electric typewriter, they did the same. Xerox's organizational structure worked against any one division or key manager becoming the champion for the Alto. In 1979 Steven Jobs, president of Apple Computer, was given a tour of the PARC complex and saw an Alto in use. He was so impressed with the machine's features and operating capabilities that he asked when it was due to be commercially launched. When told that much of this technology had been developed in 1973, Jobs recounted in his own words that he became "physically sick" at the thought of the opportunity Xerox had forgone.

Discussion Questions

- a. How does Xerox's strategic vision work in favor of or against the development of radical new technologies such as the Alto? [5]
- b. How did other unforeseeable events combine to make Xerox's executives unwilling to take any new risks precisely at the time that the Alto was ready to be released? [5]
- c. "Radical innovation cannot be too radical if we want it to be commercially successful." Argue either in favor of or against this statement. [5]
- d. What are the lessons you learned from this case? [5]

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Master of Business Administration (MBA)
Semester - III

R.No.

Subject: Total Quality Management

Course Code: MGT 533

Full Marks: 100 Pass Marks: 50

Time: 4: 00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the best answers.

1. A is a plot of two variables in X and Y axis showing whether they are related or not.
 - a. control chart
 - b. affinity diagram
 - c. scatter diagram
 - d. block diagram
2. has been given the responsibilities to provide the relevant quality related service in line with the current requirements of the consumers and the suppliers in Nepal
 - a. Nepal Bureau of standards and metrology
 - b. Ministry of Industry, Commerce, and supplies
 - c. Department of Industry
 - d. Office of the Company registrar
3. Six Sigma is developed by.....
 - a. Samsung
 - b. Motorola
 - c. Apple
 - d. Nokia
4. Loss function concept is developed by ...
 - a. Shewhart
 - b. Taguchi
 - c. Fisher
 - d. Taylor
5. Which one is not the traditional concept of quality?
 - a. Some minor defects and deviations are acceptable.
 - b. Low quality is due to poor working people.
 - c. Higher quality means higher costs, reduced profits.
 - d. Higher quality creates higher profits.
6. Identify the false statement.....
 - a. Process capability study for process qualification is a prevention cost.
 - b. Set-up inspection is a prevention cost.
 - c. Employee training cost is a prevention cost.
 - d. Product quality planning cost is a prevention cost.
7. According to the modern concept of quality, which statement is false.
 - a. The quality control department is a separate unit, checking the finished products.
 - b. Improve the processes in advance to eliminate the reasons for the low quality.
 - c. Low quality is due to poor labor management.
 - d. Sincere evaluation and respect for people is the key to higher quality.
8. According to Six sigma, the nonconformance rate per- million unit is:
 - a. 3.4
 - b. 3.64
 - c. 3.6
 - d. 3.54
9. Total Quality Management (TQM) focuses on:
 - a. Employee
 - b. Customer
 - c. Both (a) and (b)
 - d. None of the above

10. Which statement is false?
- Delighted customer produces a 'wow' reaction.
 - Delighting the customers will lead to repurchase behaviour or customer loyalty.
 - Customer delight is, to take great pleasure or joy.
 - A delighted customer is high price sensitive.
11. Which statement is true?
- Customer never define quality
 - Quality is not strategic issue.
 - Quality is the responsibility of quality control department
 - Top management must provide the leadership for quality
12. To find out dissatisfiers. The best starting point is :
- Market Research
 - Benchmarking
 - Brainstorming
 - Customer complaints
13. Who is known as a father of modern-day statistical quality control?
- Shewhart
 - Deming
 - Juran
 - Crosby
14. What is quality?
- Meeting and exceeding the customer's expectations
 - Adding factors to make the customer happy
 - The degree to which the project meets requirements
 - Conformance to management's objectives
15. According to Deming, Quality problems are
- due to management
 - due to method
 - due to machine
 - due to material
16. Quality is free statement of :
- Deming
 - Juran
 - Crosby
 - Ishikawa
17. Just-in Time (JIT) origin and development was in :
- U.S.A.
 - Japan
 - German
 - U. K.
18. While setting quality objective, _____ to be considered.
- Customer need
 - Organizational need
 - Supplier needs
 - Worker need
19. Improving quality through small, incremental improvements is a characteristic of what type of quality management system?
- Just-in-time
 - Six-Sigma
 - TQM
 - Kaizen
20. To achieve the objectives and stimulate innovation, what the organization should encourage?
- The involvement of its human resource
 - The involvement of its process
 - The involvement of its system
 - The involvement of its capital

Mid-West University
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 Surkhet, Nepal
 Final Examination-2079
 Master of Business Administration (MBA)
 Semester - III

Subject: Total Quality Management
 Full Marks: 100 Pass Marks: 50

Course Code: MGT 533
 Time: 4: 00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

1. Select a product or service and describe the importance of quality. [6]
2. Differentiate between kaizen and innovation [6]
3. Differentiate between traditional concept and modern concept of quality [6]
4. Write down the contributions of Deming. [6]
5. Describe the controlled variables and uncontrolled variables in experimental design with suitable examples and its application in Nepalese manufacturing industry. [4 + 2]
6. Are you convinced from Crosby's statement i.e., quality is free? Give your personal opinion [6]
7. Write short notes (on any two):
 - a. Scatter diagram [3]
 - b. NS Certification [3]
 - c. European quality award [3]

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any **TWO** questions:

8. Output depends on input and conversion process, material supplied by suppliers and employees play significant role in conversion process. Give your advice to top level executives of Nepalese manufacturing organization to take competitive advantage from supplier and existing employee to satisfy customer. [10 + 5]
9. The following data is given the weight of an automobile part. Five samples of four items each was taken on random sample basis (at an interval of 1 hour each).

Sample number	Weight of the parts in gram			
1	20	22	25	24
2	18	23	20	26
3	24	25	22	20
4	23	21	26	24
5	24	25	24	21

Required: Draw control charts for mean and range. Is the process under control? [12+ 3]

10. Organization's financial performance depends on customer satisfaction. Few Nepalese entrepreneurs are saying different people have different perceptions towards product and service. So, organization emphasises on customer expectations from product and service before production of goods and service. Few entrepreneurs are saying Nepalese peoples are suffering from economic problem due to COVID 19 pandemic. Nepalese people's expectation is only to obtain goods and service at minimum price as per as possible. If organization focused on mass production and provides goods and service

at minimum price, organization will become success to increase financial performance. Give your personal arguments.

[15]

SECTION D: CASE STUDY (20 MARKS)

11. Read the Case given below and answer the following questions:

The culture of quality at Arnold Palmer Hospital

Founded in 1989, Arnold Palmer Hospital is one of the largest hospitals for women and children in the U.S., with 431 beds in two facilities totaling 676,000 square feet. Located in downtown Orlando, Florida, and named after its famed golf benefactor, the hospital, with more than 2,000 employees services an 18- county area in central Florida is the only level 1 trauma center for children in the region. Arnold Palmer Hospital provides a broad range of medical services including neonatal and pediatric intensive care, pediatric oncology and cardiology, care for high-risk pregnancies, and maternal intensive care.

The issue of assessing quality health care

Quality health care is a goal all hospitals profess, but Arnold Palmer Hospital has actually developed comprehensive and scientific means of asking customers to judge the quality of care they receive. Participating in a national benchmark comparison against other hospital, Arnold Palmer Hospital consistently scores in the top 10% in overall patient satisfaction. Executive Director Kathy Swanson states, "Hospitals in the area will be distinguished largely on the basis of their customer satisfaction. We must have accurate information about how our patients and their families judge the quality of our care, so I follow the questionnaire results daily. The in-depth survey helps me and others on my team to gain quick knowledge from patient feedback". Arnold Palmer Hospital employees are empowered to provide gifts in value up to \$200 to patients who find reason to complain about any hospital service such as food, courtesy, responsiveness, or cleanliness.

Swanson doesn't focus just on the customer surveys, which are mailed to patients one week after discharge, but also on a variety of internal measures. These measures usually start at the grassroots level, where the staff sees a problem and develops ways to track performance. The Hospital's longstanding philosophy supports the concept that each patient is important and respected as a person. That patient has the right to comprehensive, compassionate family-centered health care provided by a knowledgeable physician-directed team.

Some of the measures Swanson carefully monitors for continuous improvement are morbidity, infection rates, readmission rates, costs per case, and length of stays. The tools she uses daily include Pareto charts, flow charts, and process charts, in addition to benchmarking against hospitals both nationally and in the southeast regions.

The result of all of these efforts has been a quality culture as manifested in Arnold Palmer's high-ranking in-patient satisfaction and one of the highest survival rates of critically ill babies.

Questions:

- a. Why is it important for Arnold Palmer Hospital to get a patient's assessment of health care quality? Does the patient have the expertise to judge the health care she receives? [5]
- b. How would you build a culture of quality in an organization, such as Arnold Palmer Hospital? [5]
- c. What techniques does Arnold Palmer Hospital practice in its drive for quality and continuous improvement? [5]
- d. Develop a fish-bone diagram illustrating the quality variables according to view point of a patient of Arnold Palmer Hospital (or any other hospital). [5]

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Master of Business Administration (MBA)
Semester - III

R.No.

Subject: Entrepreneurship and Technology Management
Full Marks: 100 Pass Marks: 50

Course Code: MGT 534
Time: 4:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the *best* answers.

1. _____ is used to accomplish the project economically in the minimum available time with limited resources
 - a. Project Scheduling
 - b. Network Analysis
 - c. Budget Analysis
 - d. Critical Planning
2. _____ is a form of financing especially for funding high technology, high risk and perceived high reward projects
 - a. Fixed capital
 - b. Current capital
 - c. Seed capital
 - d. Venture
3. _____ is a favorable set of circumstances that creates a need for a new product, service, or business.
 - a. A niche
 - b. A venture
 - c. A trend
 - d. An opportunity
4. Which one of the followings are the ways to identify an opportunity except:
 - a. observing trends.
 - b. solving a problem.
 - c. trying out alternative uses of existing products.
 - d. finding gaps in the marketplace.
5. Entrepreneurs can recognize problems and find ways to solve them through each of the following except:
 - a. recognizing problems in emerging trends.
 - b. identifying a currently available product or service and then building a business around a better version.
 - c. framing a problem differently than it's been thought of before, and then proposing an appropriate solution.
 - d. experiencing a problem in one's own life, and then realizing the solution represents a business opportunity.
6. All of the followings are the characteristics shared by those who excel at recognizing opportunities except:
 - a. brainstorming.
 - b. prior experience.
 - c. entrepreneurial alertness.
 - d. social contacts and ties with others.
7. All of the followings are suitable questions to ascertain product/service desirability except:
 - a. Does it make sense?
 - b. Is the product or service financially feasible?
 - c. Is this a good time to introduce the product or service in the market?
 - d. Are there any fatal flaws in the product or service's basic design or concept?
8. All of the followings are the characteristics of attractive industries except
 - a. the industry is young.
 - b. the industry is fragmented.
 - c. the industry is crowded.
 - d. the industry has high operating margins

9. _____ is conducted to determine whether a proposed business has sufficient management expertise, organizational competence, and resources to successfully launch its business.
- A marketing plan
 - Financial feasibility analysis
 - Industry/market feasibility analysis
 - Organizational feasibility analysis
10. Why is the executive summary perhaps the most important section of the business plan?
- This section of the plan provides in-depth discussion of the major trends in the industry in which the firm intends to compete.
 - This section of the plan summarizes the firm's key executives.
 - If this section of the plan fails to attract an investor's interest, he or she is unlikely to read the remainder of the plan.
 - This section of the plan deals with the day-to-day operations of the company.
11. Which one of the followings might be termed a disadvantage faced by the small business?
- Greater flexibility
 - Greater ability to serve specialized markets
 - Extreme personal commitment of the owner
 - More personal service
12. The financial assistance to small business provided by the Small Business Administration takes the form of:
- direct loans
 - guidance in locating lenders
 - loan guarantees
 - assistance in filling out paperwork
13. The key features of a well written business plan would include all of the followings except:
- financial plan
 - qualifications of the owner
 - an analysis of the market
 - a review of the advertising firms analyzed
14. EDPs course contents contain _____.
- general introduction to entrepreneurs.
 - motivation training.
 - managerial skills.
 - all the above
15. MSME is defined under which act?
- MSMED Act 2006
 - MSMED Act 2001
 - MSMED Act 1999
 - MSMED Act 2004
16. MSMEs are important for the Nation's Economy because they, significantly, contribute to
- industrial production
 - exports
 - employment
 - all of the above
17. Investment Limit of a Micro Enterprise under manufacturing sector does not exceed _____ lakhs.
- 10
 - 20
 - 25
 - 50
18. The manufacturing enterprises are defined in terms of investment in _____.
- furniture
 - stock
 - plant & machinery
 - none of these
19. Which one of the followings is not considered while selecting the region?
- Law and order
 - Price of land
 - Availability of raw materials
 - Proximity to the product market
20. Which one of the followings is the step involved in setting up a new enterprises?
- Creating a business plan
 - Making a product choice
 - Selecting the location
 - Setting up infrastructure

Mid-West University
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Semester - III

Subject: Entrepreneurship and Technology Management

Full Marks: 100 Pass Marks: 50

Course Code: MGT 534

Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any *FIVE* questions:

1. Briefly explain entrepreneurship with suitable examples. [6]
2. How can technology create challenges for an entrepreneur? Explain. [6]
3. What is the easiest source of funds for a budding entrepreneur? Illustrate with justification. [6]
4. As a layman, who is planning to start his venture, what are the most important things to consider? [6]
5. How difficult is it to convince investors for an startup and why? [3+3]
6. How does idea generation exercise work and what are the key factors to consider? [3+3]
7. "Technology is the blood for entrepreneurs. Do you agree to this statement? Explain your reason for agreement or disagreement. [6]

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any *TWO* questions:

8. How do you think entrepreneurial start up like tootle and pathao are losing the market share and what could they do to come back in the market? Explain. [7.5+7.5]
9. Discuss the challenges faced by entrepreneurs, which makes them lose interest and then move out to being an employee from entrepreneur. [15]
10. Devise a business plan for setting up a business that you want to open and your business plan should maintain minimum level of standards. [15]

SECTION D: CASE STUDY (20 MARKS)

11. Read the **Case** given below and answer the following questions:

STARTING A NEW BUSINESS Eva graduated from Columbus State Community College with an associate degree in Business Management. She then worked full-time so she could pay back her college loans. But she kept on the lookout for an opportunity to start her own full-time business. Join Eva as she adds to her work experience and considers a new business opportunity.

Something's Cooking!

After graduating, Eva decided to work full-time. Her mother told her about an opening at Ohio State University. "It's an administrative assistant job with the Campus Dining Services," she said. "They manage ten restaurants and a catering service on campus. With your business degree and experience in event planning, it could be a good match." Eva got the job. She worked for the Director of the Campus Dining Services. Eva's job allowed her to apply her business skills, while learning how various types of food service are managed. Although she enjoyed her work, Eva missed running her own business. She realized that, of all the event-planning tasks, she had most of all enjoyed cooking. One day Eva was talking with a friend who said, "After working all day, I wish I had someone to cook dinner for me!" "Wow," Eva thought, "what a great idea! People who work all day might appreciate having someone prepare their meals. That's an idea for a business. I could become a personal chef for working people." It seemed like a great way for Eva to combine her passion for cooking and her desire

to start a full-time business. Eva knew that some of her cooking skills were weak. She needed improvement in knife technique, cost-cutting, and efficiency. Eva also figured that people might be reluctant to hire a personal chef who had no formal culinary training. She decided to do some market research to help her decide if her idea was a viable business opportunity

Making It Personal

Here's what Eva discovered through her market research:

- **Description of Service.** Eva would be responsible for planning, buying, and preparing ve dinners for a household. Food is often prepared at customers' homes. The chef packages dinners family-style with heating instructions and stores them in the customer's refrigerator or freezer. Kitchen clean-up is the personal chef's responsibility.
- **Start-Up Expenditures.** A low financial investment is needed to start a personal chef business. Eva would have to purchase her own set of professional knives, and possibly some cooking utensils.
- **Training and Certification.** Both home study and on-site training courses were available through associations such as the American Personal and Private Chef Association (APPCA) and the U.S. Personal Chef Association (USPCA). A personal chef could become certified after meeting educational and work experience guidelines. Eva figured that certification would help potential customers have more confidence in her.
- **Competition.** In the greater Columbus area, there were currently 15 personal chefs. • Market. Columbus had a growing market segment of professionals. Eva thought households of professionals making a combined income of over \$50,000 would be her most likely market. In the greater Columbus area this market was growing steadily. Like her friend, these professionals were often too busy to cook dinner.
- **Growth Potential.** Personal chef businesses made up one of the fastest growing segments in the food-service industry. According to the APPCA, about 9,000 personal chefs were currently serving about 72,000 clients nationwide. Those numbers were expected to double over the next five years. Eva made a list of established competitors and visited their websites. She also telephoned them to send out more about their services.

Eva created a customer survey, which she conducted at a local mall. She discovered that people didn't use personal chefs because they weren't aware they existed.

They also assumed that the cost of a professional chef would be out of their price range.

Based on her love of cooking and market research, Eva decided to switch from being a parttime event-planner to a full-time personal chef. She created a new name for her company, Eva's Edibles. On a vacation from her job at the Campus Dining Services, Eva took a five-day personal-chef training course to prepare for certification tests.

When Eva returned from vacation, she prepared a business plan on evenings and weekends. When she was satisfied with it, she did something everyone had advised her not to do she quit her day job (but with appropriate notice). She was going to be a personal chef. She was about to start Eva's Edibles!

questions

- a. After Eva's graduation from community college, she took a full-time job to pay for her college loans. What did Eva give up by beginning to work full-time? Would you have made the same choice? [5+5]
- b. Based on Eva's background, her personal skills, and her market research results, draw up a SWOT chart for Eva's Edibles. Do you think her business idea is a good opportunity? [5+5]

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Master of Business Administration (MBA)
Semester - III

R.No.

Subject: Corporate Law
Full Marks: 100 Pass Marks: 50

Course Code: MGT 535
Time: 4:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the *best* answers.

1. A contract with minor can be made valid when
 - a. minor reaches the age of major
 - b. minor has sufficient money
 - c. A & B both
 - d. None of the above
2. A contingent contract is related to
 - a. performance which is on going
 - b. future certain event
 - c. future uncertain event
 - d. executed contract
3. Which one of the followings does terminate an offer?
 - a. Rejection of offer
 - b. Counter offer
 - c. Death of the parties
 - d. All of the above
4. Specific Performance is an order from the court not issued in one of the following circumstances:
 - a. in case the contract has been signed for providing services relating to personal expertise, skill or knowledge
 - b. in case the amount paid in cash as compensation for breach of contract is not adequate
 - c. in case the court can clearly identify the performance of contract
 - d. in case where contract can easily be stipulated
5. A party entitled to claim compensation in proportion to the work done by him can file a suit for
 - a. damages
 - b. injunction
 - c. quantum meruit
 - d. liquidated damages
6. Notice of annual general meeting must be given to the shareholders at least
 - a. 15 days ahead
 - b. 21 days ahead
 - c. 35 days ahead
 - d. One week ahead
7. What are the types of liquidation?
 - a. Mandatory and voluntary
 - b. Compulsory and mandatory
 - c. Regulatory and proceedings
 - d. Compulsory and voluntary
8. Minor and unsound mind people are
 - a. incapable of making contract
 - b. capable only when they want
 - c. capable in writing
 - d. incapable to verbal contract
9. Where was Common Law System generated from?
 - a. Rome
 - b. Britain
 - c. Egypt
 - d. India
10. Managing Director is appointed by
 - a. Board of directors
 - b. Annual general meeting
 - c. Extra-ordinary general meeting
 - d. Shareholder
11. What does ADR stand for
 - a. Alternative Dispute Resolution
 - b. Alternate Dispute Reconciliation
 - c. Alternative Disaster Record
 - d. Alternative Dispute Ruling
12. 100% foreign investment is allowed in Nepal
 - a. True
 - b. False
 - c. Not in all sectors
 - d. None of the above

13. Home sick can be accumulated to
- a. 120 days
 - b. 45 days
 - c. 90 days
 - d. 70 days
14. A private limited company can have a single shareholder
- a. True
 - b. False
 - c. Minimum two shareholders are required
 - d. None of the above
15. Fraud is a/an
- a. intentional misrepresentation
 - b. misrepresentation
 - c. no intention to lie
 - d. mistake
16. Minimum number of weekly leave is
- a. 1
 - b. 2
 - c. 3
 - d. 4
17. Decision of arbitration is known as
- a. verdict
 - b. award
 - c. precedent
 - d. order
18. Patent can be renewed years in a row
- a. 7
 - b. 5
 - c. 9
 - d. 6
19. Present Labor Act is known as
- a. Labor Act 2063
 - b. Labor Act 2074
 - c. Labor Act 2048
 - d. Labor Act 2075
20. Repatriation means:
- a. taking investment/earning back
 - b. additional investment
 - c. loan money
 - d. selling your investment

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Master of Business Administration (MBA)
Semester - III

Subject: Corporate Law
Full Marks: 100 Pass Marks: 50

Course Code: MGT 535
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

1. What is the current minimum investment cap for foreigners to invest in Nepal? State the different investment caps prescribed in the past.
2. State the salient features of the law.
3. Invitation to offer is actually not an offer. Explain
4. Explain Corporate Personality.
5. Explain the meaning of patent with its validity provided by law
6. Why do you think minors are capable enough to enter into a contract?
7. Explain repatriation with an example.

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any **TWO** questions:

8. Do you think liquidation and insolvency cross each other's paths? If they do, how do you think they are co-related?
9. Recently foreign investment laws in Nepal have added types of investment in Nepal in addition to those already in existence. Explain those routes where a foreigner to invest in Nepal including rules for bringing funds to Nepal and rules for repatriation.
10. Dispute settlement is challenging and time-consuming. How do you think dispute settlement differs from regular dispute settlement from alternative dispute settlement? Also, explain the process of settling disputes in both regular and alternative ways.

SECTION D: CASE STUDY (20 MARKS)

11. Read the **Case** given below and answer the following questions:

Case A:

Mark was suffering from disease from cold since a month. Mark had tried several medicines but none of them made him well. One morning he saw an advertisement of a ONE Company regarding a medicine which actually cured his disease. The advertisement said, if the medicine used as per the prescribed instruction mentioned in the cover of the medicine, no person shall catch any disease out of cold. The advertisement also promised to provide NPR 5000 to those person who catch cold even after using the medicine as per the instruction. The advertisement further added, for the assurance of the payment, ONE Company has deposited NPR 50,000.00 in Nabil Bank Limited.

The medicine did not affect Mark even after using it as per the instructions. When Mark went to claim NPR 5000, he was denied saying that was not a contract. Thus, Mark filed a case against ONE Company.

Case B:

A promise made to her husband (Mr. Hello) was turned out to be a joke. Therefore Mr. Hello filed a case against her wife (Mrs. Hello) for not complying with her promise.

(The case was: Mr. Hello had promised to give a diamond ring on their marriage anniversary and Mrs. Hello had promised a Ducati motorbike. Mr. Hello complied with his promise but Mrs. Hello bought a toy Ducati motorbike)

Solve the above cases on the basis of "All contracts are agreement but all agreements may not be contract"

THE END

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Master of Business Administration (MBA)
Semester - III

Subject: International Business Strategy
Full Marks: 100 Pass Marks: 50

R.No.....
Course Code: MGT 536
Time: 4: 00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the *best* answers.

- International business is evolved from
 - international trade and international marketing
 - international politics and international business activities
 - international culture and international politics
 - international transaction and internationalization of money
- International business is due to the influence of varied social, cultural, political, economic, natural factors, and government policies and laws.
 - a wider market
 - an entrepreneurship
 - a crucial venture
 - an exchange stability
- Business firms go globally to maximize
 - resources and recover loss
 - profits and market expansion
 - benefits and profits
 - benefits and minimize risks
- International business approaches include
 - ethnocentric approach
 - polycentric approach
 - regio-centric approach and geocentric approach
 - all of the above
- Important theories of international business include:
 - pricing theory and social theory
 - comparative cost theory and the opportunity cost theory
 - comparative cost theory and risk minimize the theory
 - social cost theory and power theory
- Global business firms formulate business strategies to exploit the opportunities offered by
 - politics and policies
 - the environment
 - the finance
 - the culture
- is responsible for the success and failure of products and services.
 - Politics
 - Manager
 - Culture
 - Government mechanism
- The economic conditions vary from
 - one system to another system
 - one government to another government
 - one policy to another policy
 - one country to another country

9. is the application of knowledge which redefines the boundaries of global business.
 - a. Cultural values
 - b. Society
 - c. Technology
 - d. Economy
10. Political stability mostly helps for
 - a. the growth of business
 - b. create environment for foreign investment
 - c. measures risk of the country
 - d. identify political philosophy
11. Strategic alliance is a co-operative and collaborative approach to achieve the
 - a. small goals
 - b. target goals
 - c. specific goals
 - d. larger goals
12. Companies with low may go for management contract.
 - a. technology and managerial experience
 - b. funding and human resource capacity
 - c. organizational capacity and department
 - d. number of human resources and finance
13. The GATT came into existence on
 - a. 1st March 1948
 - b. 1st January 1948
 - c. 1st January 1949
 - d. 1st February 1948
14. WTO was established on 1st January 1995 to implement the final act of of GATT.
 - a. Basel Round agreement
 - b. Uruguay Round agreement
 - c. Doha Round agreement
 - d. Singapore Round agreement
15. NAFTA is expected to eliminate all tariffs and trade barriers among
 - a. USA, Canada and Brazil
 - b. USA, Canada and Peru
 - c. USA, Canada and Mexico
 - d. USA, Canada and Ghana
16. SAARC has been trying for
 - a. improving the quality of life and welfare of the people
 - b. developing region economically very sound
 - c. provideing the opportunities to the people of the member countries
 - d. all of the above
17. China started to introduce capitalist business method in
 - a. 1976
 - b. 1978
 - c. 1979
 - d. 1987
18. are the two traditional economic power in Pacific Asia.
 - a. Australia and Singapore
 - b. Australia and Malaysia
 - c. Australia and Thailand
 - d. Australia and New Zealand
19. International Bank for Reconstruction and Development is also known as
 - a. World Bank
 - b. Exim Bank
 - c. International Bank
 - d. International Monetary Fund
20. Rapid integration or inter-connection between countries is known as
 - a. privatization
 - b. globalization
 - c. liberalization
 - d. socialization

Mid-West University
Examinations Management Office
Surkhet, Nepal
Final Examination-2079
Master of Business Administration (MBA)
Semester - III

Subject: International Business Strategy

Course Code: MGT 536

Full Marks: 100 Pass Marks : 50

Time: 4: 00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

1. Why do business firms of a country go to establish their refineries in other countries? Give your answer with suitable examples. [4+2]
2. What are the competitive advantages of international business? Explain. [6]
3. What is technology? Explain the role of technological changes in the global business. [2+4]
4. Do you believe that political stability leads to business development and vice versa? If yes, state your answer with examples. [4+2]
5. What is exporting? How does the firm enter into the international markets through exporting strategy? Explain. [6]
6. What are the different stages of globalization? Explain. [6]
7. Describe the objectives and organization structure of SAARC. Why did SAARC fail in achieving economic integration among member countries? [3+3]

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any **TWO** questions:

8. Explain the comparative cost theory of international business. What are its assumptions and outcomes? Explain [7.5+7.5]
9. How do you classify the countries as low income, middle-income and rich income countries? Do you think that the economic status of the country influences the global business? Explain. [7.5+7.5]
10. What are the theories of FDI? What are the advantages and disadvantages of FDI in Nepal? Also explain FDI strategies of Nepal. [7.5+7.5]

SECTION D: CASE STUDY (20 MARKS)

11. Read the **Case** given below and answer the following questions:

Wrong Trade Organization?

One of the banners one saw during the demonstration at Seattle proclaimed that the WTO was not the World Trade Organization but the Wrong Trade Organization.

It was the Wrong Trade Organization because it involved itself with trade which (as the protestors saw it) spoilt the environment and promoted unacceptable working conditions for labourers in the poor countries. On the face of it, the charge is clearly not acceptable, but then, do the demonstrators have a point at all?

In the eyes of the demonstrators, the WTO would not have been the Wrong Trade Organization if it could ensure that more trade did not automatically mean greater damage to the global environment. On this, one can have no quarrel with the Seattle demonstrators at all.

If we look at labour, everyone will agree with the premise that most important objective of economic development is to improve the living standards of people. Since the business of a higher trade exchange is to derive larger profits from such exchange which can be used to hasten economic development, it can be argued that more trade should ultimately lead to better living standards. This includes labour and living standards, the inference being that more trade should lead to better living standards for labour. The Seattle demonstrators said that this is not always the case and that in large parts of the developing world, the production of goods that ultimately generated higher trade figures rested on unsatisfactory working conditions.

Their point was that the WTO was not doing anything to ensure that such production did not enter the stream of globally traded items. Both the charges are valid as they are, which means that concerted efforts will have to be made to look after the environment and labour aspects of higher international trade. The question is whether it is the business of WTO to do so. If yes, then the WTO as it is now constituted is certainly the Wrong Trade Organization. If not, then the protesters are themselves wrong in trying to make the WTO responsible for something which really is not among its functions.

The question then is: Should the WTO be held responsible for the wrong done to global living standards and the environment flowing from a larger international trade exchange, or should these spheres to be responsibility of other organizations? Basically, the issue revolves around the question ----- should the WTO be involved in any sphere of international relations other than trade? As of now, nearly the entire developing world feels that it should not be so involved while the quest of the developed countries is to develop such extra-trade responsibilities for the WTO.

This is not an easy question to answer because the act of trading cannot be put into an airtight compartment in any social set-up. Take, for example, the issue of opening up trade in agriculture, which has become a major bone of contention among developed countries like the US, the Cairns Group, the European Union and Japan. Tokyo has focused on the “multifunctionality” of agriculture within the Japanese economy, which really means that there are extra-economic (certainly extra-trade) dimensions of farming activity which must be taken into account before trade in farm products can be affected in any way by WTO regulations. On its part, Nepal has talked about “food security”, which can easily be tied up with “national security” (particularly in a poor country). This certainly cannot in any way be a responsibility of the WTO. What therefore, is amply clear is the complex nature of the issue – if it is the business of the WTO to involve itself with the labour and environment aspects of trade. However, there is one factor of relief with respect to these two specific spheres: That there are in existence separate international forums the sole business of which is to look after the working conditions of international labour in one instance, and the world’s environment, in the other. Common sense would suggest that since the framework for international trade should be set by the standards in force on the labour and environment fronts, these spheres should be the responsibility of the already existing different forums.

In other words, since trade (being only one part of pure economic activity) cannot set the standards either in labour or the environment, the WTO should not get into these spheres of activity but should restrict itself to policing international trading activity, taking as given, the prevailing labour and environment standards. It can, of course, be argued that since not much effective work is being done in both the labour and environment spheres by way of tightening up on standards by the different international forums currently engaged in the task –the International Labour Organization, and so on – there is no alternative but to tighten the screw on these related aspects of trade activity within the WTO itself.

This could conceivably be the case, but if it is then why is so much being made of, say, the US signing the Worst Forms of Child Labour Convention, which is strictly an ILO document? In other words, if the WTO is the Wrong Trade Organization, then the ILO is the Irrelevant Labour Organization, the work of which, however, has been applauded by, among others, Washington.

There are some who will argue that the entire effort to involve the WTO with the labour and environment aspects of trade and environment aspects of trade is actually a part of the larger effort by some developed countries to reduce the comparative advantage which poor countries enjoy by way of lower overall production costs, which makes their products cheaper in the world market. If this is correct, then the point needs to be emphasized that the WTO is the right trade organization which is being sought to be influenced and controlled by the wrong sort people. (Source: Ranabir Ray Choudhary, “Wrong Trade Organization”, The Hindu, 4th June, 2000)

Questions

- a. What are the basic limitations of the World Trade Organization? [5]
- b. Why is the World Trade Organization called “Wrong Trade Organization?” [5]
- c. How does WTO affect Nepal, particularly in agriculture and in labour aspects? [5]
- d. What are the ways to improve business in Nepal ? Explain with the certain business rules and procedures of WTO. [5]

THE END