

Mid-West University  
Examinations Management Office  
Surkhet, Nepal  
End-Semester Examination-2080  
Master of Business Administration (MBA)  
Semester - II

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

R.No.....  
Course Code: MGT 521  
Time: 4:00 Hours

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

Tick the **best** answers.

1. \_\_\_\_\_ segmentation is a precise form of audience identification based on data points like age, gender, marital status, family size, income, education, race, occupation, nationality, and/or religion.
  - a. Demographic
  - b. Behavioral
  - c. Psychographic
  - d. Geographic
2. \_\_\_\_\_ segmentation is the practice of dividing your audience based on region, from country right down to postal code.
  - a. Behavioral
  - b. Geographic
  - c. Psychographic
  - d. Demographic
3. A \_\_\_\_\_ mix is a combination of marketing methods including advertising, sales, public relations and direct marketing to achieve a specific marketing goal.
  - a. marketing
  - b. sales
  - c. promotional
  - d. sales promotional
4. A \_\_\_\_\_ is a strategy used by the business to charge products and services at a rate they believe consumers are willing to pay.
  - a. competitor pricing
  - b. skimming pricing
  - c. cost based pricing
  - d. value based pricing
5. The \_\_\_\_\_ is the stage where the new products are distributed in a small area.
  - a. commercialization
  - b. prototype development
  - c. market tests
  - d. production development
6. In \_\_\_\_\_ stage financial feasibility of the products are performed.
  - a. business analysis
  - b. profit analysis
  - c. market tests
  - d. production development
7. \_\_\_\_\_ refers to decisions relating to the addition or deletion or product(s) from existing product lines
  - a. Product length decision
  - b. Product line decision
  - c. Individual product line decision
  - d. Product mix decision
8. \_\_\_\_\_ occurs when a business price different products within the similar product range at different price points.
  - a. Captive Product Pricing
  - b. Optional Product Pricing
  - c. Product Line Pricing
  - d. Product Length Pricing
9. Market share and market segment are studied in \_\_\_\_\_ analysis.
  - a. competitor
  - b. customer
  - c. customer motivation
  - d. market



10. In \_\_\_\_\_ analysis change in taste and preferences, demand levels, price sensitivity are analyzed.
- a. customer
  - b. competitor
  - c. market trend
  - d. unmet need
11. \_\_\_\_\_ is the closeness of relationship between different product lines.
- a. Product mix consistency
  - b. Product line stretching
  - c. Product line filling
  - d. Product mix width
12. \_\_\_\_\_ is the set of techniques and strategies related to managing how information about an individual or company is disseminated to the community, and especially the media.
- a. Direct marketing
  - b. Public relations
  - c. Mass advertising
  - d. Media marketing
13. \_\_\_\_\_ concept is also known as "the intelligent consumption concept".
- a. Selling
  - b. Production
  - c. Societal marketing
  - d. Marketing
14. The focus of the \_\_\_\_\_ concept is on the customers or buyers and finding out ways to produce such a product that would satisfy the needs and wants of customers.
- a. production
  - b. product
  - c. selling
  - d. marketing
15. In the communication process \_\_\_\_\_ ensures that the messages are bundled in the right format for the sender to send the appropriate message to the receiver.
- a. encoding
  - b. decoding
  - c. channel decision
  - d. receiver
16. The brand places the different price for identical product in different regions. This is an example of \_\_\_\_\_ pricing.
- a. international
  - b. psychological
  - c. dynamic
  - d. geographical
17. \_\_\_\_\_ refers to the act of attempting to appeal to a person or group or to influence them in some way.
- a. Segmentation
  - b. Targeting
  - c. Positioning
  - d. Promotion
18. Under \_\_\_\_\_ distribution manufacturer make a deal with a retailer to sell a product through that specific storefront only.
- a. inferential
  - b. intensive
  - c. exclusive
  - d. selective
19. \_\_\_\_\_ is a step where the marketers use strategy to find and reach new customers.
- a. Presentation
  - b. Handling the objection
  - c. Closing the sale
  - d. Prospecting
20. The conflict between wholesaler and retailer is an example of \_\_\_\_\_ conflict.
- a. vertical
  - b. horizontal
  - c. selling
  - d. segregated



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

Answer any **FIVE** questions:

1. Based on the trends and developments in businesses, discuss the challenges marketing managers face in 21<sup>st</sup> century. [6]
2. Explore the various factors that influence consumer decision making. [6]
3. How can you justify that internal environment analysis is important for a marketer equally as external factors? [6]
4. Every product or service does not have similar adoption rate. Justify the statement. [6]
5. Discuss the difference between the skimming and penetration pricing with some examples. [6]
6. What is the impact of environmental cost in pricing any service or product? [6]
7. "Packaging is considered as last minute marketer". Explain. [6]

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

Answer any **TWO** questions:

8. Elaborate the process of segmentation with reference to a product you are familiar with. How can market be segmented in terms of social class"? [9+6]
9. "Competitor analysis will help us recognize how we can enhance our business strategy". Justify the statement. Explain how we can categorize competitors. [9+6]
10. Explain the different components of marketing information system. [15]

**SECTION D: CASE STUDY (20 MARKS)**

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

**Vijay Furniture**

Vijay Furniture was established 40 years ago. Mr. Shrestha left the government job to establish his furniture business. The furniture industry at that time had very less competitor and gradually the firm was able to increase the market share. Now, Vijay furniture is a prominent player in the industry supplying office and household furniture.

Previously, the firm used to only sell the products which were produced by them. The firm has its own main showroom located at a prime location. It also has two branches which are being run by Mr. Shrestha's relatives. All outlets had a good sales revenue before the entry of the Chinese mass furniture manufacturer

From year 2000, there is has been drastic increase in market share of Chinese mass furniture producer. The convenient and contemporary design has helped the Chinese furniture to increasing its market share. Additionally, due to advantage of economies of scale Chinese furniture are affordable as well. Vijay furniture also had to decrease their manufacturing capacity and start importing Chinese furniture to stay competitive. However, to meet the growing demand of the affordable furniture, the quality control aspect is neglected by Chinese furniture manufacturer. Hence, the negative perception towards the Chinese furniture has been growing.

Vijay furniture has seen negative perception towards the Chinese furniture as an opportunity. They have now drastically reduced the import of Chinese furniture. Additionally, they have increased their manufacturing facility to produce quality furniture. Mr. Shrestha is also trying to increase the number of distribution outlet.



**Questions**

- a. Discuss the difference between the retail strategy of Chinese furniture and Vijay Furniture? [7]
- b. Discuss on the change in strategy of Vijay Furniture? [6]
- c. Discuss the importance of personal selling in furniture business. [7]

**THE END**

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R.No.....

Subject: Management Information Systems  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 522  
Time: 4:00 Hours

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

*Tick the best answers.*

1. What is the term for a comprehensive collection of data gathered from diverse sources, ready for analysis?
  - a. Data Management
  - b. Data Warehousing
  - c. Data Mining
  - d. Both b and c
2. Which one type of information systems helps decision-makers tackle complex, ill-structured problems using analytical models and database access?
  - a. Decision Making
  - b. Systematic
  - c. Cognitive
  - d. Decision Support
3. The main role of information systems in business includes:
  - a. supporting business operations
  - b. facilitating competitive strategy
  - c. aiding decision making by employees and managers
  - d. all of the above
4. What do we call the utilization of software tools to enhance communication and collaboration within networked teams?
  - a. Management Information System
  - b. Executive Information System
  - c. Enterprise Collaboration System
  - d. Decision Support System
5. How does new information technology typically impact society?
  - a. Suppresses business ethics discourse
  - b. Raises new ethical, social, and political issues
  - c. Exclusively benefits society with no dilemmas
  - d. Simplifies ethical concerns
6. Retail banks adopting ATMs to achieve improved efficiency is an example of using information systems for:
  - a. enhanced customer intimacy
  - b. survival
  - c. competitive advantage
  - d. cost reduction
7. When state agencies employ the internet for citizen interactions and revenue collection, it is referred to as:
  - a. e-commerce
  - b. intranet
  - c. e-governance
  - d. both a and c
8. Which one organizational level is, specifically, served by an Executive Support System (ESS)?
  - a. Operational
  - b. Middle Management
  - c. End User
  - d. Senior Management
9. Which one function is, typically, included in a Human Resource Management System?
  - a. Payroll Management
  - b. Sale Force Automation
  - c. Inventory Control
  - d. Capital Budgeting
10. Information systems that oversee fundamental activities and transactions are the part of the:
  - a. management level system
  - b. operational level system
  - c. knowledge level system
  - d. strategic level system



11. Which one is not a key strategic business objective achieved through investments in information systems?
  - a. Operational Excellence
  - b. Improved Community Relations
  - c. Enhanced Decision-making
  - d. Survival
12. Flooding a website with useless traffic to overwhelm the network is known as:
  - a. phishing
  - b. pharming
  - c. spoofing
  - d. denial of service
13. Online auctions where consumers and businesses buy and sell on an auction website are:
  - a. B2B ecommerce
  - b. C2C ecommerce
  - c. B2C ecommerce
  - d. all of these
14. Which one of the issues does the competitive environment of a business encompass?
  - a. Threat of New Entrants
  - b. Rivalry among Existing Firms
  - c. Bargaining Power of Customers
  - d. All of these
15. What is the term for the significant rethinking and redesign of business processes to achieve improvements in cost, quality, speed, and service?
  - a. Service Engineering
  - b. Business Process Reengineering
  - c. Both a and b
  - d. None of the above
16. What is the primary goal of a Data Warehousing system?
  - a. Real-time data processing
  - b. Data mining
  - c. Storing and managing data
  - d. Customer interaction
17. In the context of information systems, what does ERP stand for?
  - a. External Reporting Protocol
  - b. Enterprise Resource Planning
  - c. Efficient Revenue Processing
  - d. Enhanced Relationship Platform
18. Which one of the followings is not a potential ethical issue related to information systems?
  - a. Privacy concerns
  - b. Security breaches
  - c. Increased productivity
  - d. Data accuracy
19. What is the primary focus of a knowledge management system?
  - a. Data storage and retrieval
  - b. Customer interaction
  - c. Sharing and leveraging organizational knowledge
  - d. Document printing
20. What is the term for the practice of outsourcing a business process to an external service provider?
  - a. Offshoring
  - b. Insourcing
  - c. Downsizing
  - d. Crowdsourcing



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

Answer any **FIVE** questions:

1. What are the different types of Information systems? Explain them with the help of a diagram. [3+3]
2. As a manager, what ethical considerations in IT-related matters might shape your business decisions. Present instances to substantiate your perspective. [6]
3. Unveil the concept of Knowledge Discovery in Databases (KDD), illustrating the KDD process through a pertinent diagram. [6]
4. Is it advisable for the majority of businesses to embrace online commerce (e-commerce) on the Internet? What is your stance on this assertion, and how would you substantiate your viewpoint? [4+2]
5. Illustrate how data mining reveals fresh connections, patterns, and trends in large business databases, exemplifying its significance by showcasing a data mining process within a business database. [6]
6. Describe how a business can ensure its long-term survival and success by addressing effectively the five competitive forces that shape industry competition. [6]
7. How does an integrated supply chain, spanning suppliers to end customers, leverage information systems for collaborative optimization? Provide real-world examples of how firms benefit from this approach in Supply Chain Management (SCM). [3+3]

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

Answer any **TWO** questions:

8. From a business-oriented viewpoint in the context of MIS, enumerate the constraints or risks associated with deploying AI technologies like expert systems, virtual reality, and intelligent agents. Additionally, propose strategies to mitigate these potential consequences. [15]
9. Explore the fusion of technology and strategic customer interactions within an MIS and Customer Relationship Management (CRM). Highlight the significance of CRM systems in nurturing customer engagement, loyalty, and data-driven insights. Examine their impacts on sales, marketing, and customer service, driving business performance and competitiveness. [15]
10. Given the rapidly evolving customer demands and behaviors in the modern ecommerce landscape, businesses must continuously adjust to remain competitive. Technological readiness for rapid innovation, efficient code implementation, and embracing new content delivery channels is crucial. How can a well-structured ecommerce architecture serve as a remedy in this scenario? Support your explanation with relevant reasoning. [15]

**SECTION D: CASE STUDY (20 MARKS)**

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

Management information systems (MIS) involve both the information system and the organization and go beyond just information technology. MIS has four interrelated dimensions: the use of information technology and its implementation; the reactive and inextricable elements of an information system and its organizational context; information technology as a form of intellectual technology; and the activities of a profession or corporate function integral to the



essence of MIS. Computer science is essential in developing and delivering advanced forms of information technology, but it is not the sole focus of MIS.

Dell is a major manufacturer of personal computers, computer peripherals, and software that sells its products directly to customers through the Internet and mail-order catalogs instead of retail outlets. Customers are involved in the product planning and manufacturing processes, which encourages effective collaboration and faster customer-focused product and service innovation. The company was founded in 1984 by Michael Dell, who started by selling excess inventory of RAM chips and disk drives for IBM personal computers through newspaper advertisements. By 1984, his sales totaled about \$80,000 a month, and he dropped out of school to launch his company. Dell started manufacturing its own computers under the name PCs Limited and sold them directly to customers through advertisements in magazines and catalogs, allowing them to offer lower prices than retail stores. Sales grew rapidly and Dell became the leading mail-order computer company in the US. Dell faced some setbacks that hurt profits, including selling through retail stores and quality problems with a line of notebook computers. However, Dell bounced back with a new line of notebook computers and by focusing on the server market. By the late 1990s, Dell was the world's number one direct seller of computers, with over 50% of sales transactions taking place via its website.

Data processing is the analysis and organization of data and is used in various fields such as business, engineering, and science. It is used for tasks like payroll preparation, accounting, record keeping, inventory control, sales analysis, and processing of bank and credit card statements in businesses. Engineers and scientists use it for processing seismic data, analyzing product designs, processing satellite imagery, and analyzing data from scientific experiments. Data processing is widely used in various fields and is divided into two types: database processing and transaction processing. A database is a collection of common records that can be searched, accessed, and modified. Database processing uses a computerized database as a central source of reference data for computations. Transaction processing involves interaction between two computers in which one initiates a transaction and the other provides the data or computation required. Most modern data processing uses one or more databases at one or more central sites. Transaction processing is used to access and update the databases when users need to immediately view or add information; other data processing programs are used at regular intervals to provide summary reports of activity and database status. Examples of systems that involve all of these functions are automated teller machines, credit sales terminals, and airline reservation systems. Dell uses various information processing tools such as computers, the internet, maps, spreadsheets, models, and databases. Maps are suitable for the operational level as they can help determine information sources and demographics. Databases are appropriate for the tactical level as they provide records to identify company strengths and weaknesses. The internet or World Wide Web is the most appropriate tool for the strategic level, allowing for analysis of trends and strategies used by other companies to formulate an appropriate strategy.

Efficient inventory control is crucial for businesses, requiring a minimum inventory level that meets consumer needs whenever and wherever necessary. The inventory mix should be effective in satisfying consumer needs. Dell's inventory control system is up-to-date and reliable, ensuring availability of products for consumers at any given time. It is also used to monitor product availability and prevent problems that may arise from misuse of the system.

Management information systems involve both the information system and the organization. Dell benefits from this system as it helps the company develop strategies to overcome challenges and threats from competitors. It also assists in processing necessary information and updating inventory control systems. Since the MIS of a company is a vital part of its operations and its survival in the modern world, it must be well updated and it must compete well with MIS's



competitors. The MIS of a company should be created from high standards so that it can be of stiff competition against its counterparts. The MIS system should help the company to achieve its goals and assist the company in reaching its potential.

**Question**

- a. Comment on the MIS in Dell and suggest the positives and negatives of MIS in Dell. [5]
- b. The Dell directly sells its computers to the customer whether it gives them good and reliable information or they are lacking in information system due to this move. [5]
- c. What is Dell's business model? How does it differ from traditional computer companies? [5]
- d. How does Dell use the various information processing tools in its operations? [5]

**THE END**



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R.No.....

Subject: Managerial Economics  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 523  
Time: 4:00 Hours

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

Tick the best answers.

1. Managerial economics is also known as.....
  - a. microeconomics
  - b. macroeconomics
  - c. monetary economics
  - d. development economics
2. What does "Socialism" refer to?
  - a. The use of market
  - b. Government ownership of capital
  - c. Private ownership of capital goods
  - d. Private ownership of homes and cars
3. Opportunity cost is measured in terms of
  - a. optional cost that has been avoided
  - b. next best alternative that has been foregone
  - c. negative cost that has been sacrificed
  - d. accounting cost that has been paid
4. Price controls are
  - a. market forces that move a market to equilibrium
  - b. legally mandated maximum or minimum prices for a good or service
  - c. limits on the amount a company is allowed to produce
  - d. limits on the amount a consumer is allowed to purchase
5. The demand for a given product will rise if:
  - a. income rises for a normal good or falls for an inferior good
  - b. the price of a complement falls
  - c. the price of a substitute rises
  - d. all of these
6. Total revenue falls as the price of a good increases if price elasticity of demand is:
  - a. elastic
  - b. unitary elastic
  - c. inelastic
  - d. perfectly elastic
7. The quantity of a good demanded rises from 1000 to 1500 units when the price falls from Rs.3 to Rs.2 per unit. The price elasticity of demand for this product (using arc method) is approximately:
  - a. 1.0
  - b. 2.5
  - c. 16
  - d. 4.0
8. As long as the principle of diminishing marginal utility is operating, any increased consumption of a good
  - a. lowers total utility.
  - b. produces negative total utility.
  - c. lowers marginal utility and, therefore, total utility.
  - d. lowers marginal utility, but may raise total utility.
9. A consumer attains equilibrium, in case of one commodity, when it is.....
  - a.  $MU_x = P_x$
  - b.  $MU_x > P_x$
  - c.  $MU_x = 0$
  - d.  $MU_x < P_x$



10. The slope of an iso-quant refers to the measurement of
  - a. the marginal rate of technical substitution
  - b. the marginal physical product of labour
  - c. the efficiency of capital
  - d. marginal rate of substitution
11. As per indifference curve analysis, consumer equilibrium is attained when:
  - a. slope of Indifference curve is constant
  - b. slope of both indifference curve and budget line are equal
  - c. slope of both indifference curve and price line are opposite
  - d. both price line and Indifference curve are parallel
12. As long as all prices remain constant, an increase in money income results in
  - a. an increase in the slope of the budget line.
  - b. a decrease in the slope of the budget line.
  - c. an increase in the intercept of the budget line.
  - d. a decrease in the intercept of the budget line.
13. If the average productivity of labour ( $AP_L$ ) equals the marginal productivity of labour ( $MP_L$ ), then:
  - a.  $AP_L$  is at a maximum
  - b.  $MP_L$  is at a maximum
  - c. both a and b above
  - d. neither a nor b above
14. The downward slope of LAC curve is subject to the
  - a. internal economies
  - b. economies and diseconomies
  - c. internal diseconomies
  - d. external diseconomies
15. At the optimum combination of two inputs (and assuming the firm produces using a typical production function)
  - a. the slopes of the isoquant and isocost curves are equal.
  - b. costs are minimized for the production of a given level of output.
  - c. the marginal rate of technical substitution equals the ratio of input prices.
  - d. all of the above.
16. Perfect competition is characterized by all of the followings EXCEPT
  - a. well-informed buyers and sellers with respect to prices.
  - b. a large number of buyers and sellers.
  - c. no restrictions on entry into or exit from the industry.
  - d. considerable advertising by individual firms.
17. Price leadership can be in the form of
  - a. price leadership by a low-cost firm
  - b. price leadership by a dominant firm
  - c. a barometric price leadership
  - d. all of the above
18. In a monopolistic competition, a firm can earn supernormal profits in the short-run but in the long-run, such profits disappear because
  - a. it assumes that entry is free and new firms will enter the industry
  - b. it assumes that exit is free and old firms will exit from the industry
  - c. it assumes that the market is to be converted into monopoly due to cartel
  - d. all of the above
19. Capital budgeting is the process –
  - a. which helps to make master budget of the organization.
  - b. by which the firm decides how much capital to invest in business
  - c. by which the firm decides which long-term investments to make.
  - d. undertaken to analyze how make available various finance to the business.
20. Capital budgeting is a part of
  - a. investment decision
  - b. working capital management
  - c. marketing management
  - d. capital structure



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

Answer any FIVE questions:

1. Define managerial economics. What are the uses of managerial economics in business decision making? [6]
2. Explain the concepts of price ceiling and price control. [3+3]
3. Illustrate the concept of consumer's surplus and producer surplus. [6]
4. How is consumer's equilibrium by the help of indifference curve and budget line? [6]
5. Explain the concepts of economies of scale and diseconomies of scale. How are they important to business firms? [4+2]
6. Assume that the total market demand is  $D = 100 - P$  and that the supply function of small firms is  $S = P + 10$ . The total cost of the dominant firm is  $TC = 15Q$ .  
Find the following:
  - a. Price and output of the dominant firm.
  - b. Total supply of the small firms.
7. Discuss the role of managerial economics in public investment decision. [6]

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

Answer any TWO questions:

8. Explain the uses of indifference curve in tax and subsidy and income-leisure choice of a worker. [15]
9. Suppose, the production function of a firm is  $Q = 100 K^{1/2} \cdot L^{1/2}$ 
  - a. Find expansion path when the price of labour ( $w$ ) is Re 1 and the price of capital ( $r$ ) is Re 1 [6]
  - b. Determine efficient input combination for producing  $Q = 1000$  units of if  $w = \text{Rs } 4$  and  $r = \text{Rs.}2$  [5]
  - c. Determine new input combination if the price of capital increased to  $r = \text{Rs. } 4$  and the firm still want to produce 1,000 units of output? [4]
10. What does the term "price discrimination" refers to? What are the prerequisites for implementing price discrimination? Explain how price and output are determined under third-degree price discrimination. [3+4+8]

**SECTION D: CASE STUDY (20 MARKS)**

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

Imagine that you are an economist analyzing the demand for a certain product in the market. You have obtained a demand function that describes how the quantity demanded of the product changes in response to its price and two other factors, namely consumer income ( $M$ ) and the price of a related product ( $P_R$ ). The demand function is given by:

$$Q_d = 8,000 - 16P + 0.75M + 30P_R$$

As an economist your responsibility is to determine the right amount of output to be produced at different prices, income of the consumer and prices of related goods (substitutes and complementary) so that the firm can make production plan according to the market demand its product. Also, you have to find the different prices that should be charged to sell the given quantity of your product. The following are some of the questions you have to answer on the basis of the given demand function.

**Questions:**

- a. Determine the nature of your product on the basis of income and price of related goods. Also, derive the equation for the demand function when  $M = \text{Rs.}30,000$  and  $P_R = \text{Rs.}50$ . [4]
- b. Interpret the intercept and slope parameters of the demand function derived in part a. [4]
- c. Sketch a graph of the demand function derived in part a. Where does the demand function intersect the quantity-demanded axis? Where does it intersect the price axis? [4]
- d. Using the demand function from part a, calculate the quantity demanded when the price of the good is Rs.1,000 and when the price is Rs.1,500. [4]
- e. Derive the inverse of the demand function in part a. Using the inverse demand function, calculate the demand price for 24,000 units of the good. Give an interpretation of this demand price. [4]

**THE END**



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

*Tick the best answers.*

1. Which one is not a function of financial management?
  - a. Divided decision.
  - b. Investment decision.
  - c. Financing decision.
  - d. Profit maximization decision.
2. The superior goal of financial management is .....
  - a. stock price maximization
  - b. increase market share
  - c. customer satisfaction
  - d. maximization of net income.
3. The profit maximization is inferior to the wealth maximization goal because it does not consider.....
  - a. net profit of the firm.
  - b. time value of money.
  - c. market condition.
  - d. managerial decision.
4. When are PV and FV the same?
  - a. If compounding in a year is one.
  - b. If the interest rate is the same.
  - c. If the interest rate is zero.
  - d. If the maturity period is the same.
5. Series of equal cash flows at the beginning of each period over a finite period of time is.....
  - a. ordinary annuity
  - b. annuity due
  - c. perpetuity
  - d. lump sum
6. When are simple and effective rates the same?
  - a. In annual compounding
  - b. In semi-annual compounding
  - c. In quarterly compounding.
  - d. In daily compounding
7. The investment decision of the firm is also called .....
  - a. dividend decision.
  - b. financing decision.
  - c. capital budgeting decision.
  - d. profitability decision.
8. Which one is a disadvantage of discounted payback period?
  - a. It ignores the net income of the firm.
  - b. It considers the time value of money.
  - c. It considers the reinvestment effect.
  - d. It ignores cash flows after the payback period.
9. Which one is the true statement of NPV?
  - a. It is the difference between the revenue and cost of a project.
  - b. It is the difference between the PV of cash expected cash flows and initial investment.
  - c. It is the difference between the initial investment of a project and cash flows.
  - d. It is the sum of the total cash flows of a project during the project life.
10. The projects are profitable if.....
  - a. the internal rate of return and cost of capital are equal.
  - b. the internal rate of return is less than the cost of capital.
  - c. the internal rate of return is greater than the cost of capital.
  - d. the internal rate of return and discount rate are the same.



11. In which situation is the cost of capital smaller than IRR?
  - a. If the NPV is positive
  - b. If the NPV is negative
  - c. If the payback period is equal to life.
  - d. None of the above.
12. In which situation, is only one project accepted?
  - a. Mutually exclusive projects
  - b. Dependent projects
  - c. Independent projects
  - d. New projects
13. The cost of internal equity is also called .....
  - a. cost of new common stock.
  - b. cost of retained earnings.
  - c. cost of new stock.
  - d. cost of debt capital.
14. Why cost of new common stock is always greater than the cost of retained earnings?
  - a. Due to the nature of financing sources.
  - b. Due to the purpose of financing.
  - c. Due to the flotation cost associated with the issue of the new stock.
  - d. All of above
15. Net working capital can be defined as .....
  - a. the sum of current assets
  - b. the sum of current liabilities.
  - c. the sum of current assets and current liabilities
  - d. the difference between current assets and current liabilities
16. The operating cycle is.....
  - a. the sum of the receivable collection period and inventory conversion period.
  - b. the difference between the receivable collection period and inventory conversation period.
  - c. the difference between the receivable collection period and payable deferral period.
  - d. the sum of the inventory conversion period and payable deferral period.
17. The inventory conversion period is .....
  - a. time required for the sale of inventory
  - b. time is required to convert raw materials into finished goods and sell them.
  - c. time required to conversion of raw material into finished goods.
  - d. time required to collect credit sale and buy new inventory.
18. The optimal order size is the order size at which .....
  - a. the total ordering cost is minimum.
  - b. total carrying cost is minimum.
  - c. total inventory cost is minimum.
  - d. total purchase cost is minimum
19. What is the meaning of 3/10 net 40?
  - a. A 3 percent discount is allowed if payment is made within 40 days otherwise payment must be made within 10 days
  - b. A 3 percent discount is allowed if payment is made within 10 days otherwise payment must be made within 40 days
  - c. A 3 percent discount is allowed if payment is made between 10 to 40 days otherwise payment must be made within 30 days
  - d. A 3 percent discount is allowed if payment is made after 10 days otherwise payment must be made within 40 days
20. The capital structure of a firm refers to .....
  - a. composition of current liabilities
  - b. composition of current assets.
  - c. composition of long-term sources of financing.
  - d. composition of short and long-term financing.



Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
End-Semester Examination-2080  
Master of Business Administration (MBA)  
Semester - II

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

Course Code: MGT 524  
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 do you mean by financial management? How is wealth maximization different from profit maximization? Discuss.
2. To complete your last year in business school and then go through law school, you will need Rs 100,000 per year for 4 years, starting next year. Your rich uncle offers to put you through school, and he will deposit in a bank paying 8 percent interest a sum of money that is sufficient to provide the four payments of Rs 100,000 each. His deposit will be made today.
  - a. How large must the deposit be? [3]
  - b. How much will be in the account immediately after you make the first withdrawal? After the third withdrawal. [3]
3. Butwal Engineering Inc. (BEI) has the following capital structure, which it considers to be optimal:

Debt	25%
Preferred stock	15
Common equity	<u>60</u>
	100%

BEI's expected net income this year is Rs 34,285.72, its established dividend payout ratio is 30 percent, its federal-plus-state tax rate is 40 percent, and investors expect earnings and dividends to grow at a constant rate of 9 percent in the future. BEI paid a dividend of Rs 3.60 per share last year, and its stock currently sells at a price of Rs 54 per share.

BEI can obtain new capital in the following ways:

- Preferred: New preferred stock with a dividend of Rs 11 can be sold to the public at a price of Rs 95 per share.
  - Debt: Debt can be sold at an interest rate of 12 percent.
    - a. Determine the cost of each capital structure component. [4]
    - b. Calculate the weighted average cost of capital. [2]
4. Family Corporation is trying to determine the effect of its inventory turnover ratio and days sales outstanding (DSO) on its cash flow cycle. Family's 1995 sales (all on credit) were Rs 180,000, and it earned a net profit of 5 percent, or Rs 9,000. The cost of goods sold equals 85 percent of sales. Inventory was turned over 8 times during the year, and the DSO, or average collection period, was 36 days. The firm had fixed assets totaling Rs 40,000. The family's payables deferral period is 30 days.
    - a. Calculate the Family's cash conversion cycle. [3]
    - b. Assuming the Family holds negligible amounts of cash and marketable securities, calculate its total assets turnover and ROA. [3]
  5. Laxmi just borrowed Rs500,000. The loan is to be repaid in equal installments at the end of each of the next 5 years, and the interest rate is 10 percent.
    - a. Set up an amortization schedule for the loan. [4]
    - b. How large must each annual payment be if the loan is for Rs 100,000? Assume that the interest rate remains at 10 percent and that the loan is paid off over 5 years. [2]



6. The Nanglo Bread Company buys and then sells (as bread) 2.6 million bushels of wheat annually. The wheat must be purchased in multiples of 2,000 bushels. Ordering costs, which include a grain elevator removal charge of Rs 3,500, are Rs 5,000 per order. Annual carrying costs are 2 percent of the purchase price of Rs 5 per bushel. The company maintains a safety stock of 200,000 bushels. The delivery time is 6 weeks.
- What is the EOQ? [2]
  - At what inventory level should an order be placed to prevent having to draw on the safety stock? How would your answer change if the delivery time were 12 weeks? [2]
  - What are the total inventory costs, including the costs of carrying the safety stock? [2]
7. KoshiOil Inc. operates a mail order for doing business in the West region. Koshi receives an average of Rs 325,000 in payment per day. On average it takes 4 days from the time customers mail checks until Koshi receives and processes them. Koshi is considering the use of a lockbox system to reduce collection and processing float. The system will cost Rs 6,500 per month and will consist of 10 local depository banks and a concentration bank located in Kathmandu. Under this system, Customer's checks should be received at the lockbox locations 1 day after they are mailed, and daily totals will be transferred to Kathmandu using a wire transfer costing Rs 9.75. Assume that Koshi has an opportunity. Cost of 10 percent and that there are  $52 \times 5 = 260$  working days, hence 260 transfers from each lockbox location, in a year.
- What is the total annual cost of operating the lockbox system? [3]
  - What is the annual benefit of the lockbox system to Koshi? [2]
  - Should Koshi initiate the system? [1]

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

Answer any TWO questions:

- What are the assumptions of capital structure theories? Also, explain the concept of net income approach and net operating income approach of capital structure theory. [5+10]
- You are a financial analyst for Damak Engineering Company. The director of capital budgeting has asked you to analyze two proposed capital investments, projects X and Y. Each project has a cost of Rs 10,000, and the required rate of return for each project is 12 percent. The projects' expected net cash flows are as follows:

Expected Net Cash Flows		
Year	Project X	Project Y
0	Rs ( 10,000)	Rs ( 10,000)
1	6,500	3,500
2	3,000	3,500
3	3,000	3,500
4	1,000	3,500

- Calculate each project's payback period (PBP). [3]
  - Calculate each project's net present value (NPV). [4]
  - Calculate each project's internal rate of return (IRR). [6]
  - Which project or projects should be accepted if they are independent? [1]
  - Which project should be accepted if they are mutually exclusive? [1]
10. On January 1, 2023, the total assets of the Dhital Company were Rs 200 million. The firm's present capital structure which follows, is considered to be optimal. Assume that there is no short-term debt.

Long-term debt	Rs 80,000,000
Common equity	120,000,000
Total liabilities and equity	Rs 200,000,000

New bonds will have a 10 percent coupon rate and will be sold at par. Common stock, currently selling at Rs 60 a share, can be sold to net the company Rs 54 a share. Stockholders' required



rate of return is estimated to be 12 percent, consisting of a dividend yield of 4 percent and an expected growth rate of 8 percent. Retained earnings are estimated to be Rs 13.5 million. The marginal tax rate is 40 percent. Assuming that all asset expansion is included in the capital budget, the rupee amount of the capital budget, ignoring depreciation, is Rs 150 million.

- a. To maintain the present capital structure, how much of the capital budget must Dhital finance by equity? [2]
- b. How much of the new equity needed funds will be generated internally and externally? [4]
- c. Calculate the cost of each of the equity components and the after-tax cost of capital. [9]

**SECTION D: CASE STUDY (20 MARKS)**

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

Sunshine Company is planning to install a new production facility. The required plant and equipment for the new production unit will cost Rs. 960,000. In addition to the price of the plant and equipment, it will have to pay Rs. 40,000 for shipment and Rs. 100,000 for installation of the plant and equipment. It will need an additional investment of Rs 120,000 in working capital. The new production unit will generate Rs. 750,000 sales revenue in each year for 5 years and operating cost excluding depreciation will be Rs. 450,000 each year. The company will follow the straight-line depreciation method to depreciate the plant and equipment. At the end of the fifth year, the plant and equipment will have Rs. 100,000 book value but it will be worth for Rs. 150,000 in the market. The company's marginal corporate tax rate is 30%. The company's required rate of return is 10%.

- a. What will be the initial cash outlay? [5]
- b. What will be the annual operating cash flow of the new production unit? [5]
- c. What will be the final year's cash flows of the production unit? [4]
- d. Compute net present value (NPV) [5]
- e. Should the company install the new production unit? [1]

**THE END**



Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
End-Semester Examination-2080  
Master of Business Administration (MBA)  
Semester - II

R.No.....

Subject: Human Resource Management  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 525  
Time: 4:00 Hours

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

Tick the *best* answers.

1. What is the first step in the recruitment and selection process?
  - a. Performing initial screening interviews
  - b. Building a pool of candidates
  - c. Performing candidate background checks
  - d. Deciding what positions to fill
2. Which one of the followings terms refer to the background investigations, tests and physical exams that firms use to identify viable candidate for a job?
  - a. Selection tools
  - b. Job analysis methods
  - c. Personnel techniques
  - d. Forecasting tools
3. All of the following topics are typically addressed during employee orientation except \_\_\_\_
  - a. employee benefits
  - b. personnel policies
  - c. work behavior expectations
  - d. wage curves
4. The methods used to give new or present employees the skills they need to perform their jobs are called \_\_\_\_
  - a. orientation
  - b. training
  - c. development
  - d. management
5. MAX Enterprises failed to provide adequate safety training to one of its employees. As a result, the employee harmed a customer. A court would most likely find MAX liable for \_\_\_\_
  - a. discrimination
  - b. negligent training
  - c. occupational fraud
  - d. hazardous training
6. Which one of the followings will most likely not help employers protect themselves against charges of negligent training?
  - a. Confirming an employee's claims of skill and experience
  - b. Providing extensive and appropriate training
  - c. Evaluating the effectiveness of the training
  - d. Paying employees for their training time
7. \_\_\_\_ identifies the training employees who will need to fill future jobs.
  - a. Competency modeling
  - b. Performance analysis
  - c. Strategic training needs analysis
  - d. Screening
8. Dorjee, an HR manager, is currently identifying the specific knowledge and skills required for a telemarketing position at Tibet Enterprises. in which of the followings is Dorjee most likely involved?
  - a. Task analysis
  - b. Program evaluation
  - c. Employee development
  - d. Screening
9. Laxmi, an accounting supervisor, has been asked to provide a training for her subordinates about new tax laws. In order to motivate the individuals who attend her training session, Laxmi should most likely do all of the followings except \_\_\_\_
  - a. using as many visual aids as possible during the session



- b. providing an overview of the material to be covered  
 c. using new terminology and technical concepts  
 d. giving information in logical, meaningful sections
10. The process of verifying that there is a performance deficiency and determining if such deficiencies should be corrected through training or through some other means is called \_\_\_\_\_  
 a. needs analysis  
 b. training assessment  
 c. performance analysis  
 d. performance appraisal
11. Which one of the followings best describes the first step in a performance analysis?  
 a. Comparing a person's actual performance to the ideal performance  
 b. Investigating employee-related customer complaints  
 c. Evaluating supervisor performance reviews  
 d. Conducting job knowledge assessments
12. Kumar, a new accounts representative at Martin Marketing, is learning the job by actually doing job-related tasks such as contacting customers. Kumar is most likely participating in \_\_\_\_\_  
 a. on-the-job training  
 b. socializing  
 c. social learning  
 d. modeling
13. One of the \_\_\_\_\_ functions of a human resource manager includes directing the activities of his or her subordinates in the HR department.  
 a. coordinative  
 b. corporate  
 c. staff  
 d. line
14. Saraswati works at a position in her organization where she maintains contacts within the local community and travels to search for qualified job applicants. Saraswati's position is best described as:  
 a. recruiter  
 b. manager  
 c. labor relations specialist  
 d. job analyst
15. All of the followings are the major areas in which an HR manger assists and advises line managers except \_\_\_\_\_  
 a. recruiting  
 b. hiring  
 c. strategic business planning  
 d. compensation
16. The HR staff member who has the job of advising management on all aspects of union-management aspects is the \_\_\_\_\_  
 a. recruiter  
 b. line manager  
 c. compensation manager  
 d. labor relations specialist
17. All of the followings are the examples of human resource specialists except \_\_\_\_\_  
 a. job analyst  
 b. financial advisor  
 c. compensation manager  
 d. labor relations specialist
18. Ramesh works in the HR department and is in charge of developing the plans for how people are paid and how the employee benefits program is run. Ramesh is most likely holding the position of.....  
 a. training specialist  
 b. recruiter  
 c. compensation manager  
 d. job analyst
19. Which one of the following human resource management specialties calls for collecting data to write job descriptions?  
 a. Job analyst  
 b. Job training specialist  
 c. Compensation manager  
 d. EEO coordinator
20. Which one of the following areas is not a major area where human resource managers assist and advise line managers?  
 a. Recruiting  
 b. Hiring  
 c. Compensation  
 d. Performance management



Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
End-Semester Examination-2080  
Master of Business Administration (MBA)  
Semester - II

Subject: Human Resource Management  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 52  
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 workers organize labor movements? [6]
2. Briefly discuss the pros and cons of internal and external job recruitment. [6]
3. Define collective bargaining and good faith bargaining. [6]
4. Discuss the concept of succession planning. [6]
5. What causes accidents at the workplace? [6]
6. What are the major types of employee benefits offered in Nepalese organizations? [6]
7. Briefly discuss sexual harassment at workplace. [6]

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

Answer any **TWO** questions:

8. Managers conveniently think of a typical training or development programme as consisting of five steps. Explain each step in detail. [15]
9. Diversity is taking the Human Resources (HR) world by storm; many life science organizations are recognizing the benefits of a diverse workforce. Discuss in detail. [15]
10. Discuss the challenges and opportunities which human resource managers are facing due to the Covid pandemic. [15]

**SECTION D: CASE STUDY (20 MARKS)**

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

**Performance Appraisal at Yarra Bank**

James De Lisle, a newly appointed graduate, is a staff development officer in the Melbourne head office of Yarra Bank. One of a team of six, James and the other staff development officers are responsible for preparing and conducting middle-level management development and training programs. Henry Austin is the manager. Aged 54 years and with 39 years' service, Henry is somewhat of a legend in the bank. Bluff, autocratic and demanding, Henry is uncomfortable with younger, better-educated employees and their perceived lack of respect. As a result, he is quick to squelch any criticism or questioning of his decisions.

Just before lunch one day, James was shocked when Henry entered the staff development office and flicked an appraisal form onto each officer's desk. 'Read these and have the signed copies on my desk by two o'clock. Any questions? Good. And don't forget – signed and delivered by two o'clock'. After Henry left, James turned to his colleagues and asked, 'He isn't serious, is he? This isn't a performance appraisal, it's a joke! Ken Yeo, a bank veteran of 30 years, smiled. 'He wasn't joking, mate. You've just had your appraisal and you had better like it because that's all you're going to get!'

**Questions**

- a. If you were James, what would you do? Compare any two formal and predetermined appraisal methods. [10]
- b. If you were the HR manager for Yarra Bank, how would you rectify this situation? Discuss any two rating scale appraisal problems. [10]

**THE END**



Mid-West University  
Examinations Management Office  
Surkhet, Nepal  
End-Semester Examination-2080  
Master of Business Administration (MBA)  
Semester - II

R.No.....

Subject: Organizational Behavior  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 526  
Time: 4:00 Hours

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

*Tick the best answers.*

1. What is the study of organizational behavior primarily concerned with?
  - a. Financial management
  - b. Understanding individual and group behavior in organizations
  - c. Marketing strategies
  - d. Supply chain management
2. Which one of the followings is not a factor influencing individual behavior in organizations?
  - a. Personality traits
  - b. Organizational culture
  - c. Economic policies of the government
  - d. Motivation
3. The term "perception" in organizational behavior refers to:
  - a. the way employees interpret their job responsibilities
  - b. the process of selecting employees for promotion
  - c. the physical layout of the workplace
  - d. the formal hierarchy of authority
4. Which theory suggests that employees are motivated by a hierarchy of needs, starting from basic physiological needs to higher-level psychological needs?
  - a. Expectancy theory
  - b. Equity theory
  - c. Maslow's hierarchy of needs
  - d. Goal-setting theory
5. According to the contingency theory, effective leadership depends on:
  - a. inherent personal traits of the leader
  - b. the situational context and the leader's behavior
  - c. the leader's ability to inspire and motivate followers
  - d. the leader's charisma and vision
6. According to the Five Factor Model (Big Five) of personality, which trait is characterized by being organized, responsible, and dependable?
  - a. Extraversion
  - b. Agreeableness
  - c. Openness to experience
  - d. Conscientiousness
7. A formal system of task and reporting relationships that coordinates and motivates employees to work together toward the organization's goals is known as:
  - a. job satisfaction
  - b. organizational structure
  - c. job enrichment
  - d. employee engagement
8. Which stage of the communication process involves encoding the message into symbols or language that can be understood by the receiver?
  - a. Decoding
  - b. Feedback
  - c. Channel
  - d. Encoding
9. According to classical conditioning theory, which term refers to the process of associating a neutral stimulus with an unconditioned stimulus to evoke a desired response?
  - a. Operant conditioning
  - b. Extinction
  - c. Generalization
  - d. Conditioning



10. Which three components are attitudes are typically composed of?
  - a. Thinking, Talking, Trusting
  - b. Affect, Behavior, Cognition
  - c. Perception, Reaction, Adaption
  - d. Belief, Action, Recognition
  
11. Which type of power is based on an individual's personal charisma and the ability to attract and inspire followers?
  - a. Legitimate power
  - b. Coercive power
  - c. Referent power
  - d. Expert power
  
12. Which conflict-handling style involves both parties giving up something to reach a compromise?
  - a. Avoiding
  - b. Collaborating
  - c. Competing
  - d. Compromising
  
13. Which one of the following statements accurately reflects the relationship between age and employee performance?
  - a. Older employees generally outperform younger employees due to their advanced skills.
  - b. Performance tends to decline with increasing age due to decreased experience.
  - c. Age has no significant impact on employee performance.
  - d. Younger employees are more likely to experience a decline in performance.
  
14. Which stage of group development is characterized by increased conflict and disagreement among members?
  - a. Forming
  - b. Storming
  - c. Norming
  - d. Performing
  
15. According to Cognitive Dissonance Theory, what is the term for the state of discomfort or tension that arises when there is inconsistency between our attitudes or between our attitudes and behavior?
  - a. Attitudinal dissonance
  - b. Cognitive imbalance
  - c. Affective disarray
  - d. Cognitive dissonance
  
16. Which cognitive bias involves assessing the likelihood of an occurrence based on its similarity to a preexisting category or stereotype?
  - a. Overconfidence Bias
  - b. Anchoring Bias
  - c. Confirmation Bias
  - d. Availability Bias
  - e. Representative Bias
  
17. Which leadership theory emphasizes that effective leaders adapt their behavior based on the situation and the needs of their followers?
  - a. Trait theory
  - b. Transformational leadership theory
  - c. Contingency theory
  - d. Charismatic leadership theory
  
18. The process of changing an organization's culture, structure, or processes in response to significant external or internal pressures is known as:
  - a. organizational development
  - b. organizational change
  - c. organizational behavior
  - d. organizational alignment
  
19. Which phase of the Organizational Development (OD) process involves collecting and analyzing data to diagnose organizational issues and identify areas for improvement?
  - a. Intervention
  - b. Evaluation
  - c. Diagnosis
  - d. Implementation
  
20. What does the belief that an employee has perceived autonomy in the work place refer to?
  - a. Job satisfaction
  - b. Job involvement
  - c. Psychological empowerment
  - d. Employee engagement



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Master of Business Administration (MBA)  
Semester - II

Subject: Organizational Behavior  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 526  
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. How does a well-designed stress management program contribute to employee well-being, performance, and overall organizational success in the context of Organizational Behavior?
2. You are a team leader responsible for making a significant strategic decision for your department. The team comprises individuals with diverse expertise and perspectives. How would you apply principles of group decision-making from organizational behavior to ensure a collaborative and effective decision-making process?
3. How do evolving trends and concepts in organizational structures challenge traditional organizational paradigms and contribute to enhanced agility, innovation, and collaboration in today's dynamic business environment?
4. 'Servant leadership approach can be applied to address organizational challenges, promote employee well-being, and enhance overall team performance'. Do you agree? Why?
5. Identify the common causes of conflict within organizational settings. Provide examples illustrating how these causes of conflict can impact productivity, collaboration, and overall organizational effectiveness.
6. Explain the connection between different types of values and the psychological aspects of organizational behavior.
7. Briefly discuss the application of operant conditioning principles in organizational behavior. Provide real-world examples to support your answer.

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

Answer any **TWO** questions:

8. Examine Herzberg's Two-Factor Theory and its impact on employee satisfaction. How can organizations leverage this theory for effective strategies that enhance job satisfaction, reduce turnover, and promote employee well-being? Provide real-world examples to support your answer.
9. Imagine that you've just been promoted to be the manager of a software development team you've been working in for two years. The situational factors look something like this:  
*Trust will be high. You've already worked with the team for two years, know each of the team members well, and they trust you.*  
*Task structure is high. Even though software development is complex, task structure is high as the team knows what they have to do each week.*  
*Position power is low. Although you've been promoted to manage the team's day to day work, you are not responsible for line managing any of them. Thus, you don't hold much formal authority over any of them.*  
In this situation, explain the Fiedler's Contingency Theory of Leadership and which leadership is best suited to this type of role.
10. Imagine you are a project manager leading a diverse team working on a critical project. As the project progresses, you notice a breakdown in communication between team members from different departments. Some team members seem hesitant to voice their opinions, and misunderstandings are starting to affect project timelines. Identify potential barriers to effective communication in this scenario and suggest specific strategies you would implement to overcome these barriers and foster open and transparent communication within the team.



SECTION D: CASE STUDY (20 MARKS)

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

TransAct Insurance Corporation (TIC) provides automobile insurance throughout the south-eastern United States. Last year a new president was brought in by TIC'S Board of Directors to improve the company's competitiveness and customer service. After spending several months assessing the situation, the new president introduced a strategic plan to improve TIC'S competitive position. He also replaced three vice presidents. Ram Kumar was hired as vice president of claims, TIC'S largest division with 1,500 employees, 50 claims center managers, and 5 regional directors.

Ram Kumar immediately met with all claims managers and directors, and visited employees at TIC's 50 claims centers. As an outsider, this was a formidable task, but his strong interpersonal skills and uncanny ability to remember names and ideas helped him through the process. Through these visits and discussions, Ram Kumar discovered that the claims division had been managed in a relatively authoritarian, top down manner. He could also see that morale was extremely low and employee-management relations were guarded. High workloads and isolation (claims adjusters work in tiny cubicles) were two other common complaints. Several managers acknowledged that the high turnover among claims adjusters was partly due to these conditions.

Following discussions with TIC'S president, Ram Kumar decided to make morale and supervisory leadership his top priority. He initiated a divisional newsletter with a tear-off feedback form for employees to register their comments. He announced an open-door policy in which any claims division employee could speak to him directly and confidentially without going first to the immediate supervisor. Ram Kumar also fought organizational barriers to initiate a flextime program so that employees could design work schedules around their needs. This program later became a model for other areas of TIC.

One of Ram Kumar's most pronounced symbols of change was the 'Claims Management Credo' outlining the philosophy that every claims manager would follow. At his first meeting with the complete claims management team, Ram Kumar presented a list of what he thought were important philosophies and actions of effective managers. The management group was asked to select and prioritize items from this list. They were told that the resulting list would be the division's management philosophy and all managers would be held accountable for abiding by its principles. Most claims managers were uneasy about this process, but they also understood that the organization was under competitive pressure and that the organization was under competitive pressure and that Ram Kumar was using this exercise to demonstrate his leadership.

The claims managers developed a list of 10 items, such as encouraging teamwork, fostering a trusting work environment, setting clear and reasonable goals, and so on. The list was circulated to senior management in the organization for their comment and approval and sent back to all claims managers for their endorsement. Once this was done, a copy of the final document was sent to every claims division employee. Jim also announced plans to follow up with an annual survey to evaluate each claims manager's performance. This worried the managers but most of them believed that the credo exercise was a result of Ram Kumar's initial enthusiasm and that he would be too busy to introduce a survey after settling into the job.

One year after the credo had been distributed, Ram Kumar announced that the first annual survey would be conducted. All claims employees were to complete the survey and return it confidentially to the human resources department where the survey results would be compiled for each claims center manager. The survey asked the extent to which the manager had lived up to each of the 10 items in the credo. Each form also provided space for Claims center managers were surprised that the survey Ram Kumar had promised a year ago would be conducted, but they were even more worried about Ram's statement that the results would be shared with employees. What "results"



would employees see? Who would distribute these results? What happens if a manager gets poor ratings from his or her subordinates? "We'll work out the details later," said Ram in response to these questions. "Even if the survey results aren't great, the information will give us a good baseline for next year's survey.

The claims division survey had a high response rate. In some centers, every employee completed and returned a form. Each report showed the claims center managers average score for each of the 10 items and how many employees rated the manager at each level of the five point scale. The reports also included every comment made by employees at that center. No one was prepared for the results of the first survey. Most managers received moderate or poor ratings on the 10 items. Very few managers averaged above 3.0 (out of a five-point scale) on more than a couple of items. This suggested that, at best employees were ambivalent about whether their claims center manager had abided by the 10 management philosophy items. The comments were even more devastating than the ratings. Comments ranged from mildly disappointed to extremely critical of their claims manager. Employees also described their long-standing frustration with TIC, high workloads, and isolated working conditions. Several people bluntly stated that they were skeptical about the changes that Ram had promised. "We've heard the promises before, but now we've lost faith," wrote one claims adjuster.

The survey results were sent to each claims manager, the regional director, and employees at the claims center. Ram Kumar instructed managers to discuss the survey data and comments with their regional manager and directly with employees. The claims center managers, who thought employees only received average scores, were shocked to learn that the reports included individual comments. Some managers went to their regional director, complaining that revealing the personal comments would run their careers. Many directors sympathized, but the results were already available to employees.

When Ram heard about these concerns, he agreed that the results were lower than expected and that the comments should not have been shown to employees. After discussing the situation with the regional directors, he decided that the discussion meetings between claims managers and their employees should proceed by as planned. To delay or withdraw the reports would undermine the credibility and trust that Ram was trying to develop with employees.

However, the regional director in that area attended the meeting in each claims center to minimize direct conflict between the claims center manager and employees. Although many of these meetings went smoothly, a few created harsh feelings between managers and their employees. The source of some comments was easily identified by their content, and this created a few delicate moments in several sessions. A few months after these meetings, two claims center managers quit and three others asked for transfers back to non-management positions in TIC. Meanwhile, Ram wondered how to manage this process more effectively, particularly since employees expected another survey the following year.

**Questions:**

- a. Examine the driving forces that motivated Ram Kumar's cultural transformation efforts at TransAct Insurance Corporation (TIC) and the resisting forces that posed challenges to the change process. How did the interplay between these forces influence the organization's journey towards a more collaborative and employee-centric culture within the claims division?
- b. How did Ram Kumar's leadership approach and strategies contribute to the cultural transformation process at TransAct Insurance Corporation (TIC)? Analyze the key leadership decisions and actions taken by Ram Kumar that influenced employee engagement, organizational change, and the adoption of the "Claims Management Credo."

**THE END**



Mid-West University  
**Examinations Management Office**  
Surkhet, Nepal  
End-Semester Examination-2080  
Master of Business Administration (MBA)  
Semester - II

R.No.....

Subject: Research Methodology  
Full Marks: 100 Pass Marks: 50

Course Code: MGT 526.  
Time: 4:00 Hours

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

*Tick the best answers.*

1. If a research is directed towards the practical application of the findings. The researcher is performing:
  - a. managerial research
  - b. policy research
  - c. action research
  - d. pure research
2. Analytical research in any study involves:
  - a. description of phenomenon as it is
  - b. finding solution to the problem that has not been studied more clearly
  - c. critical evaluation by information that are available
  - d. establishing an existence of relationship
3. A variable that influences the other variable in study is :
  - a. independent variable
  - b. moderating variable
  - c. dependent variable
  - d. intervening variable
4. Objectivity in any scientific research refers to:
  - a. researcher has conducted study with enough sample size
  - b. research work has accurately measured the concept
  - c. value free research
  - d. development of hypothesis
5. A researcher having no or little information about the phenomenon would follow:
  - a. descriptive survey research design
  - b. exploratory research design
  - c. historical design
  - d. experimental research design
6. A researcher selects a group of people that have suffered from the same disease as respondents for study at different point of time. This is a:
  - a. panel study
  - b. cohort study
  - c. trend study
  - d. survey study
7. It is difficult to apply scientific methods to social science. The reason is:
  - a. scientific method follows set of procedures
  - b. knowledge created is based on empirical evidence
  - c. there is influence of measurement process on results
  - d. sample size used are generally low
8. A researcher uses focus group discussion method to collect data. He/she is conducting:
  - a. quantitative research
  - b. qualitative research
  - c. case study research
  - d. mixed method research
9. Sampling frame refers to:
  - a. a well-defined or identifiable element or group
  - b. list of elements
  - c. information obtained from respondents
  - d. using whole population as sample for study.



10. Using similar methods, procedure of data collection and analysis result should be similar with the previous study. It implies to:
- reliability
  - replicability
  - purposiveness
  - sampling procedure
11. A sample procedure to be used when respondents are geographically wide scattered is :
- quota sampling
  - snowball sampling
  - convenience sampling
  - cluster sampling
12. List of items or people forming a population from which sample is taken is:
- sample unit
  - sampling frame
  - sample design
  - sample statistics
13. A survey tends to use one variable to conduct research. The statistical data analysis used will be:
- univariate analysis
  - bivariate analysis
  - measures of association
  - multivariate analysis
14. If a researcher is concerned with process rather than outcome in research, It shows the use of:
- qualitative research
  - quantitative research
  - pragmatic approach
  - triangulation
15. If a scale is formed to know the preferences of the respondents it is known as:
- interval scale
  - ratio scale
  - ordinal scale
  - nominal scale
16. A research problem refers to:
- critical analysis of available literature
  - variables under the study
  - an area of concern or interest
  - empirical evidences for research
17. Research is not the panacea for all the ills. It implies:
- research is flexible
  - research is evidence based only
  - only conducting research may not solve all the problems
  - research is fact finding and fact transcribing
18. A research that is conducted to evaluate the project in ongoing phase/after the completion of the project.
- pure research
  - applied research
  - evaluation research
  - managerial research
19. A philosophy of research that uses general known premises to form hypothesis is:
- inductive
  - deductive
  - quantitative
  - qualitative
20. A research having replicability will:
- have higher acceptance and confidence of being scientific.
  - provide consistency in results
  - help in developing hypothesis
  - help in choosing a perfect data analyzing tool



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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. Define research. Differentiate between quantitative and qualitative researches. [2+4]
2. Briefly define any four features of scientific research. [6]
3. "A problem well defined is a problem half-solved". Discuss. [6]
4. Explain, in brief, the deductive and inductive approaches in research. [3+3]
5. Describe the ethical concerns in research. [6]
6. Why is literature review essential in management research? [6]
7. Define research design. Describe any two types of research design [2+4]

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

Answer any TWO questions:

8. "Business research is the application of scientific thinking to solve the business problem". Discuss this statement in the light of scientific research process. [15]
9. Define the term variable. Explain the types of variables with suitable examples wherever necessary. [2+13]
10. Explain the components of empirical phase while conducting research. [15]

**SECTION D: CASE STUDY (20 MARKS)**

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

In recent years' mergers and acquisitions in the BFI's is on rise in Nepal. A merger occurs when two or more companies decide to combine their operations and assets to form a new entity and acquisition occurs when one company purchases another company's assets, shares or a controlling stake, thereby gaining control over the acquired company's operations. M&A activities can be motivated by various factors, including strategic growth, diversification, increased market share, cost savings, economies of scale, enhanced competitive position, access to new markets or technologies and more. However, M&A transactions can also be complex and involve considerations such as regulatory approvals, due diligence, valuation, financing, cultural integration and risk management. Both mergers and acquisitions have significant implications for the companies involved, their shareholders, employees, customers and broader market. Similarly, employees of the organizations involved in mergers and acquisition are benefitted as per many researchers. The benefits may be job security as the company becomes stronger, with larger companies the operation expands thereby increasing the career opportunities, skill enhancements, training and developments, improved compensation and benefits, networking and collaboration, job satisfaction etc. However, as per the current status of the organizations that has gone through M&A are facing the problem of higher turnover over the period of time which shows that M&A can have both positive and negative effects of the employees and the success of M&A in delivering the benefits to employees depends on effective communication, effective execution and the ability to manage the challenges and opportunities that arise during the integration process and transparent leadership.

- a. State the research problem for the case. [5]
- b. State the variables that you think are important to research for successful implementation of M&A according to the information available on the case. [5]
- c. What is a research question? State any three research questions if you are going to conduct a study based on the information available [2+3]
- d. As a researcher if you are going to conduct a study upon the merger and acquisition of BFI's in Nepal, what should be the population and sampling procedure.? [2+3]

THE END