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Somaiya Vidyavihar

SOMAIYA
VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaiya School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Bachelor of Business Management	**SEM: IV**
	JAN-2024

Sr. No.	Subject	Available
1.	131U06E401 – Strategic Cost Management	
2.	131U06E402 – Financial Management	
3.	131U06E403 – Brand Management	
4.	131U06E404 – Consumer Behavior	
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		

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Semester: January 2024
Examination: ISE Examination

Programme code: 06 **Programme: BBM**	**Class: SY**	**Semester: IV** **(SVU 2023)**

Name of the Constituent College: S K Somaiya College	**Name of the department: Business Studies**
Course Code: 131U06E401	**Name of the Course: Strategic Cost Management**

Instructions: 1) Figures to the right indicate maximum marks.

Q 1	**Answer the following concepts**		**10**	**CO**
	1.	A Fast Food company, XYZ Ltd, is in the process of implementing a new Safety measure strategy for cars. As a part of this process, you have been asked to conduct a benchmarking exercise. 1. Identify a suitable company that you would use for benchmarking and justify your choice. 2. Describe one key strategy of the chosen company that XYZ Ltd. could learn from and potentially adapt.	2	1
	2.	ABC Manufacturing Ltd. is a company that produces automotive parts. They have recently decided to adopt lean manufacturing principles to reduce waste and improve efficiency. 1. Identify and describe one type of waste (from the seven wastes in lean manufacturing) that is likely to be present in ABC Manufacturing Ltd.'s operations. 2. Suggest a specific lean manufacturing technique that ABC Manufacturing Ltd. could implement to reduce or eliminate this waste. Justify your choice.	2	1
	3.	DEF Enterprises is a company that manufactures electronic devices. They are facing challenges in managing their costs and are considering strategies for cost reduction and cost control. Explain the difference between cost reduction and cost control in the context of DEF Enterprises. Provide an example for each	22	1

4. Y ltd produces two types of fans, macro and micro. Details of the products are as follows. 2 2

Particulars	Micro	Macro
Direct materials	10 kg	15kg
Direct labour	10hr	12hr
Selling price	1500	2000
Direct material cost p.u Rs.	75	75
Direct Labour cost p.hr Rs.	50	50

Company is facing a shortage of Raw materials and can fulfill demand for any one product in the market. As a manager, evaluate which product should be produced in the market.

5. GHI Ltd. is a software development company that has been working on a project for the past two years. However, the project has faced numerous challenges and delays, Explain the concept of sunk cost and how it could influence the decision-making process at GHI Ltd. in this situation. 2 2

Q 2. A) **Compulsory Question** **8**

REC ltd has a capacity to produce 10,000 articles but actually produced only 4,000 articles for the home market at the following cost. 2

Particulars	Amt (Rs.)
Materials	80,000
Wages	72,000
<u>Factory Overheads</u>	
Variable	40,000
Fixed	20,000
Administration overheads (Fixed)	24,000
<u>Selling and Distribution overhead</u>	
Variable	32,000
Fixed	10,000

The selling price at domestic markets is Rs. 80 per article. A company has received a special export order from IRFC ltd for 6000 articles at Rs 70 per article. For the purpose of export a special packing cost of Rs. 3 per article is to be incurred. As a manager, evaluate whether the special export order should be accepted or not.

Q 2. B) **Attempt any one of the following** **7**

<table>
<tr><td></td><td>1</td><td>A car manufacturing company has recently implemented a just-in-time (JIT) management system. As an Operations manager, list down various performance measures on which you will evaluate the implementation of Just-in-time management system.</td><td></td><td>1</td></tr>
<tr><td></td><td>2</td><td>Ram ltd. Produce 2 products. The company follows Activity Based Costing system. Information related to various costs of the product for the last year are as follows.
<table>
<tr><th>Particulars</th><th>X</th><th>Y</th></tr>
<tr><td>Production and Sales</td><td>30,000</td><td>24,000</td></tr>
<tr><td>Selling price p.u(Rs.)</td><td>20</td><td>32</td></tr>
<tr><td>Raw materials p.u(Rs.)</td><td>5</td><td>8</td></tr>
<tr><td>Direct labour p.u(Rs.)</td><td>2</td><td>4</td></tr>
<tr><td>No. of production runs p a</td><td>34</td><td>26</td></tr>
<tr><td>No. of purchase orders p.a</td><td>46</td><td>54</td></tr>
<tr><td>No. of deliveries to retailers p.a.</td><td>98</td><td>122</td></tr>
</table>
The annual overhead Cost are as follows.
<table>
<tr><th>Overheads</th><th>Rs.</th></tr>
<tr><td>Machine Set up Costs</td><td>24,000</td></tr>
<tr><td>Procurement Costs</td><td>50,000</td></tr>
<tr><td>Delivery Costs</td><td>66,000</td></tr>
</table>
Calculate cost of product X and Y.</td><td></td><td>1</td></tr>
</table>

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Semester: January 2024 **Examination: ISE Examination**		
Programme code: 06 **Programme: BBM**	**Class: SY**	**Semester: IV** **(SVU 2023)**
Name of the Constituent College: S K Somaiya College	**Name of the department: Business Studies**	
Course Code: 131U06E402	**Name of the Course: Financial Management**	
Instructions: 1) Figures to the right indicate maximum marks. **2) Working notes should form of your answer**		

Q 1	**Answer the following concepts**		**10**	**CO**
	1.	Company issues 10% Debentures (FV Rs.100) and Market price per debenture Rs.120. Tax rate : 50%, Calculate cost of debenture.		01
	2.	Operating Leverage: 2 , Financial Leverage : 3, Determine impact on Earnings per share if sales increases by 10%		01
	3.	Company issues Equity shares and 12% Debentures in proportion of 60% : 40%. Cost of equity shares is 16% and tax rate is 40%. Calculate Weighted Average Cost of Capital		01
	4.	Company raises Rs.15,00,000 by issuing Equity shares (FV Rs.10) and 10% Debentures in the ratio of 2:1. Tax rate is 50%. Calculate EPS if Earnings before Interest and tax is Rs.2,00,000		02
	5.	Capital structure of a company consists of Equity capital (FV Rs.10) of Rs.5,00,000 and 11% Debentures of Rs.3,00,000. Tax rate : 50%. Determine financial Breakeven point of the company		02

Q 2. A)		**Compulsory Question**	8	
		The existing capital structure of X LTD. is as follows:		02

Equity shares of Rs 100 each	80,00,000
Retained earnings	20,00,000
9% preference shares	50,00,000
7% debentures	50,00,000

Company earns a return on capital employed of 20 % and the tax on income is 35 %. Company wants to raise Rs. 100,00,000 for its expansion project for which it is considering following alternatives:

1. Issue of 80,000 equity shares at premium of Rs 25 per share
2. Issue of 10 % preference shares
3. Issue of 9% debentures

It is expected that the return on capital employed would remain the same after expansion. Which alternative would you consider to be the best and why?

Q 2. B)		**Attempt any one of the following**	7	
	1	From the following information available for four companies calculate: EBIT EPS Operating leverage Financial leverage		**01**

Particulars		P	Q	R	S
Sales price per unit	Rs	15	20	25	30
Variable cost per unit	Rs	20	15	20	25
quantity	Nos	20,000	25,000	30,000	40,000
Fixed costs	Rs	30,000	40,000	50,000	60,000
interest	Rs	15,000	25,000	35,000	40,000
Tax rate	%	40	40	40	40
No of equity shares	Nos	5000	9000	10,000	12,000

2

Existing capital structure of Zed Ltd is as follows:

Equity capital	50,00,000
11 % preference capital	20,00,000
15 % bank loan	10,00,000
12 % debentures	20,00,000
Total	100,00,000

Tax rate applicable to the company is 40 %. Its equity dividend is rs 2 per share with growth rate of 10% forever and currently share sells at rs 55 per share. Calculate WACC
Company requires additional capital of Rs 30,00,000 from the following sources:

16 % bank loan	10,00,000
14 % debentures	20,00,000

Due to increase in risk, growth rate expectations of equity dividend would risk to 15% and its current market price is expected to fall to rs 46 per share. Calculate new WACC for the company.

01

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Programme code: 06 **Programme: BBM**	**Class: SY**	**Semester: IV** **(SVU 2023)**
Name of the Constituent College: S K Somaiya College	**Name of the department: Business Studies**	
Course Code: 131U06E403	**Name of the Course: Brand management**	
Instructions: 1) Figures to the right indicate maximum marks.		

Q 1		**Answer the following concepts (2 marks each)**	**10**	**CO**
	a)	According to you What are the elements that help you in identifying your preferred brand		CO1
	b)	Share your view points with example about experiential marketing		CO2
	c)	What is the positioning occupied by your favourite brand?		CO2
	d)	Justify if brand repositioning possible and its reasons for doing it		CO2
	e)	Provide your response for green marketing and its impact on consumers		CO2
Q 2		**Attempt Any THREE**	**15**	
	a)	Give any 5 reasons acting as repellser for selecting brands		CO1
	b)	Draw Consumer based brand equity model with example of your preferred brand		CO2
	c)	Explain Brand hierarchy with category of your choice		CO2
	d)	Draft a 21 points/blocks for brand building		CO1
	e)	Draw the chart of Product Vs Brand		CO1

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Semester: January 2024
Examination: ISE Examination

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Name of the Constituent College: S K Somaiya College	**Name of the department: Business Studies**
Course Code: 131U06E404	**Name of the Course: Consumer Behavior**

Instructions: 1) Figures to the right indicate maximum marks.

Q 1	**Answer the following concepts (2 marks each)**		**10**	**CO**
	a)	Illustrate the difference between Innate needs & Acquired needs.		1
	b)	Consumer behavior is a study to learn how consumers behave in the market-Agree or Disagree		1
	c)	Describe the Cognitive Learning Theory		2
	d)	Enumerate the characteristics of Personality		2
	e)	Construct the Maslow's Hierarchy of Needs.		2
Q 2		**Attempt Any THREE**	**15**	
	a)	Classify the functions of Attitudes		1
	b)	Summarize the things that customers look at for before buying a product.		2
	c)	Assess the Carl Rogers theory of Self Concept		1
	d)	Discuss the Consumer Buying Process when buying a new phone		2
	e)	Marketers can appeal to ethnocentric consumers by stressing nationalistic themes in their promotional efforts-Discuss		1