

**23-0009-AP TEST BOOKLET**  
**MANAGEMENT**  
**PAPER - I**

Time Allowed: 3 hours

Maximum Marks: 300

**INSTRUCTIONS TO CANDIDATES**

*Read the instructions carefully before answering the questions: -*

1. This Test Booklet consists of 20(twenty) pages and has 75 (seventy-five) items (questions).
2. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
3. Please note that it is the candidate's responsibility to fill in the Roll Number and other required details carefully and without any omission or discrepancy at the appropriate places in the OMR Answer Sheet and the Separate Answer Booklet. Any omission/discrepancy will render the OMR Answer Sheet and the Separate Answer Booklet liable for rejection.
4. Do not write anything else on the OMR Answer Sheet except the required information. Before you proceed to mark in the OMR Answer Sheet, please ensure that you have filled in the required particulars as per given instructions.
5. Use only Black Ball Point Pen to fill the OMR Answer Sheet.
6. This Test Booklet is divided into 4 (four) parts - Part - I, Part - II, Part - III and Part - IV.
7. All three parts are Compulsory.
8. Part-I consists of Multiple Choice-based Questions. The answers to these questions have to be marked in the OMR Answer Sheet provided to you.
9. Part-II, Part-III and Part-IV consist of Conventional Essay-type Questions. The answers to these questions have to be written in the separate Answer Booklet provided to you.
10. In Part-I, each item (question) comprises of 04 (four) responses (answers). You are required to select the response which you want to mark on the OMR Answer Sheet. In case you feel that there is more than one correct response, mark the response which you consider the best. In any case, choose *ONLY ONE* response for each item.
11. After you have completed filling in all your responses on the OMR Answer Sheet and the Answer Booklet(s) and the examination has concluded, you should hand over to the Invigilator *only the OMR Answer Sheet and the Answer Booklet(s)*. You are permitted to take the Test Booklet with you.
12. **Penalty for wrong answers in Multiple Choice-based Questions:**  
THERE WILL BE PENALTY FOR WRONG ANSWERS MARKED BY A CANDIDATE.
  - (i) There are four alternatives for the answer to every question. For each question for which a wrong answer has been given by the candidate, **one-third** of the marks assigned to the question will be deducted as penalty.
  - (ii) If a candidate gives more than one answer, it will be treated as a **wrong answer** even if one of the given answers happens to be correct and there will be same penalty as above to the question.
  - (iii) If a question is left blank. i.e., no answer is given by the candidate, there will be **no penalty** for that question.

## PART - I

### (Multiple Choice-based Questions)

**Instructions for Questions 1 to 50:**

- Choose the correct answers for the following questions.
- Each question carries 3 marks.

**[3x50=150]**

1. A popular statement, - “if all you have is a hammer, everything looks like a nail”, is given by -
  - (a) A.H. Maslow (Hierarchy of Needs)
  - (b) Henry Fayol (Industrial and General Administration)
  - (c) F.W. Taylor (Scientific Management)
  - (d) Fredrick Herzberg (Hygiene Theory)
2. “Selection is the process in which the candidates for employment are divided into two classes – those who are to be offered employment and those who are not.” This is stated by
  - (a) Dale Yoder
  - (b) M.M. Mandell
  - (c) R.D. Agarwal
  - (d) E. Flippo
3. An organisation in which members are encouraged to work together in ways that meet higher order human needs, according to the Organisational Culture Inventory (OCI), is classified as having a \_\_\_\_\_ culture.
  - (a) constructive
  - (b) motivational
  - (c) passive
  - (d) high achievement
4. The four systems of management in terms of leadership styles are related to -
  - (a) Blake and Mouton
  - (b) Philip Kotler
  - (c) P.F. Drucker
  - (d) Rensis Likert
5. The cost of equity can be measured as -
  - (a) Rate of interest  $(1 - t)$ .
  - (b) Rate of dividend  $(1 - t)$ .
  - (c) Rate of dividend  $\times$  (Face value – Issue Price) / n
  - (d)  $\frac{D_1}{P_0} + g$
6. Identify the one which is *not* an example of *financing activities* with reference to cash flow statement -
  - (a) Repayment of bank loan
  - (b) Sale of fixed assets
  - (c) Interest on debentures paid
  - (d) Cash proceeds from public deposits

7. Match the following correctly using the codes given below::

List – I		List – II	
a	Functional Organisation	1	F.W. Taylor
b	Transactional Analysis	2	Mc Clelland
c	Managerial Grid	3	Eric Berne
d	Need Theory	4	Blake and Mouton

**Codes:**

	a	b	c	d
(a)	1	3	4	2
(b)	1	2	3	4
(c)	4	3	2	1
(d)	2	1	4	3

8. In the model of consumer adoption of new products developed by Everett M. Rogers, the first category of people to adopt a new product are called

- (a) Early adopters
- (b) Initial adopters
- (c) First users
- (d) Innovators

9. Which of the following best describes the theory X?

- (a) People are committed to their responsibilities.
- (b) Motivation is a result of rational behaviour towards attaining goals.
- (c) The perceived relationship between a given level of efforts and an expected performance.
- (d) None of the above

10. The model that applies to Economic Order Quantity for Inventory Management has been proposed to be applied to Cash Management by -

- (a) Miller and Orr
- (b) William J. Baumol
- (c) Michael Sharpe
- (d) Davis Durand

11. M-M Hypothesis for capital structure is based on which of the following assumptions?

- (a) Capital markets are perfect
- (b) Firms belong to equal risk class
- (c) There is 100% dividend payout ratio
- (d) There are nominal corporate taxes

**Select the correct code:**

- (a) (a) and (b) only
- (b) (a), (b) and (c) only
- (c) (b), (c) and (d) only
- (d) (a), (b) and (d) only

12. A company in a packaged tea business that provides special services to its institutional buyers apart from its consumer sales through market intermediaries in order to encourage bulk buying and thus improving marketing efficiency is an example of:

- A. No change strategy
- B. Profit strategy
- C. Stability strategy
- D. Pause/Proceed-with-caution strategy

13. Match the following:

a	Harry Markowitz	1	Dividend Theory
b	David Durand	2	CAPM
c	Dow	3	Capital structure
d	M.J. Gordon	4	Technical Analysis

**Codes:**

	a	b	c	d
(a)	4	3	2	1
(b)	2	3	4	1
(c)	2	1	3	4
(d)	3	2	4	1

14. Arrange the following steps involved in the 'information system development cycle' in ascending order:

- (i) Installation of the system
- (ii) Operations of the system
- (iii) Definition and objectives of the system
- (iv) Review and evaluation
- (v) Development of the system

**Codes:**

- (a) (i), (iii), (v), (iv), (ii)
- (b) (iii), (i), (v), (ii), (iv)
- (c) (v), (i), (iii), (iv), (ii)
- (d) (iii), (v), (i), (ii), (iv)

15. Which one of the following is a structured review of the systems and procedures of an organization in order to evaluate whether they are being conducted efficiently and effectively?

- (a) Financial Audit
- (b) Safety Audit
- (c) Management Audit
- (d) Cost Audit

16. The Competition Commission of India has no role in regulating which of the following?

- (a) Restrictive Trade Practices
- (b) Market Power Utilization
- (c) Unfair Trade Practices
- (d) Mergers and Acquisitions

17. Which one of the following Theories has been correctly matched?

- |                                 |             |
|---------------------------------|-------------|
| (a) Theory of Conditioning      | – Alderfer  |
| (b) Operant Conditioning Theory | – Mc Gregor |
| (c) Stimulus Response Theory    | – Hoodman   |
| (d) Theory of Associates        | – Marshall  |

18. Match the following using the codes given below:

<b>List – I</b>		<b>List – II</b>	
a	Evaluative statements or judgements concerning objects, people or events		Attitudes
b	The opinion or belief segment of an attitude	ii	Cognitive Component
c	The emotional or feeling segment of an attitude	iii	Affective Component
d	An intention to behave in a certain way towards someone or something	iv	Behavioural component

**Codes:**

	a	b	c	d
(a)		ii	iii	iv
(b)	iv	iii	ii	
(c)	iv	ii	iii	
(d)		iii	ii	iv

19. In case where the investment can be made in stages and is dependent on the future outcomes, the capital budgeting technique that can be adopted will be -

- (a) Simulation technique
- (b) Hiller risk modelling
- (c) Decision-tree analysis
- (d) Scenario analysis

20. The benefit of paraphrasing in employee appraisal is -

- (a) It suggests interest and active listening
- (b) It clarifies and conveys to the latter that you are listening actively
- (c) It shows that you are trying to understand the emotional aspect of the work place
- (d) All of the above

21. Performance = f (m, a, e). In this expression 'e' stands for -

- (a) Efficiency
- (b) Effectiveness
- (c) Environment
- (d) Entrepreneurship

22. Which of the following is correctly expressed?

- (a) The practice of replacing widely defined job descriptions with broader categories of related jobs – Job Hierarchy
- (b) A firm's decision to pay at the market rate for its jobs – Pay Grades
- (c) Groups of jobs that are paid within the same pay range – Pay Policy
- (d) A job that is similar or comparable in content across firms – Key Job

23. Match List - I with List - II with the help of the codes given below::

**List - I**

**List - II**

- |  |     |                        |
|--|-----|------------------------|
| a. A pay plan in which most employees are part of the same compensation system   | i   | Elitist pay system     |
| b. A pay plan in which different compensation systems are established for employees or groups at different organizational levels | ii  | Skill based pay        |
| c. A pay system in which employees are paid on the basis of the jobs they can do   | iii | Egalitarian pay system |
| d. The perceived fairness of the pay structure within a firm   | iv  | Internal equity        |

**Codes:**

- |     | a   | b   | c   | d  |
|-----|-----|-----|-----|----|
| (a) | i   | ii  | iii | iv |
| (b) | iii | i   | ii  | iv |
| (c) | i   | iii | ii  | iv |
| (d) | iii | ii  | i   | iv |

24. Which of the following is a non-operating expense?

- (a) Salary of Managing Director
- (b) Depreciation
- (c) Advertisement expenditure
- (d) Interest on loan

25. Match the correct options for the following capital budgeting appraisal criteria:

**List-I**

**List-II**

- |  |     |                           |
|--|-----|---------------------------|
| a. The criterion based on the cash flows of a limited period   | i   | Internal Rate of Return   |
| b. The criterion based on profit over life of the project  | ii  | Pay-back Method           |
| c. The criterion that considers cash flows over the life of project which considered the time value of money   | iii | Accounting Rate of Return |
| d. The criterion that derives the outcomes in terms of the rate of return considering the cash flows over the life of project with the time value of money | iv  | Net Present Value         |

**Codes:**

- |     | a   | b   | c   | d  |
|-----|-----|-----|-----|----|
| (a) | i   | ii  | iii | iv |
| (b) | ii  | iii | iv  | i  |
| (c) | iii | iv  | i   | ii |
| (d) | iv  | iii | ii  | i  |



26. Given the sales volume, which of the following would lead to an increase in contribution margin?

- (a) Variable cost remains same
- (b) Variable cost per unit decreases
- (c) Variable cost per unit increases
- (d) Fixed cost increases

27. Consider the following statements:

- (1) Exclusive dealing amounts to a restrictive agreement under the Competition Act, 2002.
- (2) The rate of growth in the service sector in India is highest among all the other sectors of economy.
- (3) Predatory pricing is not regulated under any law.
- (4) A company using sales force promotion and trade promotion is using "Pull" strategy.

**Indicate the correct answer out of the following:**

- (a) While statements (1) and (2) are true, (3) and (4) are not.
- (b) While statements (1) and (3) are true, rest are not.
- (c) While statement (2) is true, others are not.
- (d) All the statements are true.

28. The price setting method that closely corresponds to the concept of product positioning -

- (a) Cost-plus pricing
- (b) Psychological pricing
- (c) Going-rate pricing
- (d) Perceived-value pricing

29. Marginal Costing technique is useful for-

- A. Make or Buy decisions
- B. Profit planning
- C. Shut-down decisions
- D. All of the above

30. Match the two sets of concepts:

**List – I**

- i Evaluation of Alternatives
- ii Post-purchase behaviour
- iii Selective distortion
- iv Psychographic segmentation

**List – II**

- a Perception
- b Cognitive Dissonance
- c Life style
- d Expectancy value model

**Codes:**

- |     | a   | b   | c   | d  |
|-----|-----|-----|-----|----|
| (a) | i   | ii  | iii | iv |
| (b) | ii  | iii | iv  | i  |
| (c) | iii | ii  | iv  | i  |
| (d) | iv  | iii | ii  | i  |

31. Which of the following techniques permits the complainant to remain anonymous?

- (a) The exit interviews
- (b) The gripe-box system
- (c) The opinion surveys
- (d) None of the above

32. Which of the following codes represent the full form of the term “BARS” in performance management systems?

- (a) Business Appraisal and Rating Systems
- (b) Balanced Assessment Reviewing Scorecard
- (c) Behaviourally Anchored Rating Scale
- (d) Benchmarking Appraisal Reviewing Strategy

33. Which of the following is an example for unsystematic risk?

- (a) Interest rate risk
- (b) Exchange rate risk
- (c) International risk
- (d) Operating risk

34. Cost-plus pricing is not suitable for -

- (a) Monopoly Pricing
- (b) Product Tailoring
- (c) Refusal Pricing
- (d) Monopsony Pricing

35. Match the items of List - I with those in List - II

List – I		List – II	
(a)	Resorting to New Technology	i	Cost reduction through output expansion
(b)	Excess Capacity of the Plant	ii	Constant cost despite output expansion
(c)	Employees’ Training Centres	iii	Internal Economies
(d)	Reserve Capacity of the Plant	iv	External Economies

**Codes:**

	(a)	(b)	(c)	(d)
(a)	i	iii	ii	iv
(b)	iii	i	iv	ii
(c)	iv	ii	i	iii
(d)	ii	iv	iii	i



36. Examine the Assertion and Reason given below and choose the correct answer from the given codes:

**Assertion (A):** Vertical integration is considered as a growth strategy because the firms operations are expanded beyond primary business.

**Reasoning (R):** Vertical integration is a mixed empirical result to ascertain whether the strategy helps or hinders the performances.

**Codes:**

- (a) Both (A) and (R) are correct, and (R) is the right explanation of (A).
- (b) Both (A) and (R) are correct, but (R) is not the right explanation of (A).
- (c) (A) is correct, but (R) is not correct.
- (d) (R) is correct, but (A) is not correct.

37. Match the items of List - I that of List - II and select the code of correct matching.

<u>List - I</u>	<u>List - II</u>
(a) Andragogy	i Strategies or styles of instructions
(b) Pedagogy	ii Ultimate knowledge level with which trainee leaves the training sessions
(c) Terminal behaviour	iii Lack of commitment of management and scarcity of resources in training
(d) Training impediments	iv Art and Science of training the adults

**Codes:**

- |     |       |       |       |
|-----|-------|-------|-------|
| (a) | (b)   | (c)   | (d)   |
| (a) | (i)   | (iv)  | (iii) |
| (b) | (ii)  | (iii) | (i)   |
| (c) | (iv)  | (i)   | (ii)  |
| (d) | (iii) | (ii)  | (iv)  |

38. Which of the following is the main function of State Financial Corporations?

- (a) Provide short-term finance to large-sized industrial units
- (b) Provide long-term finance to small and medium sized industrial units.
- (c) Undertake variety of promotional activities, like preparation of feasibility reports, conducting industrial potential surveys etc.
- (d) Develop industrial estates for providing land to a building Entrepreneurs.

39. Which of the following items is not included in project cost estimation of a new business?

- (a) Preference Dividend
- (b) Margin money for working capital
- (c) Anticipated initial losses
- (d) Pre-operative expenses

40. What does 'Green Washing' refer to?
- Transforming products to be more ethical
  - Making a product appear more ethical than it really is
  - Converting the company to green production methods
  - Convincing customers to buy ethically
41. Selling the products only through a single wholesaler or retailer is termed as -
- Extensive distribution strategy
  - Exclusive distribution strategy
  - Selective distribution strategy
  - Mass merchandise strategy
42. The term "workforce diversity" refers to differences in race, age, gender, ethnicity and \_\_\_\_\_ among people at work.
- social status
  - personal wealth
  - able-bodiedness
  - political preference
43. In terms of the increasing competition among the MNCs, rank the following in ascending order :
- Mobile Technology
  - Business Intelligence
  - Cloud Computing
  - Social Media
- Codes:**
- i, ii, iii and iv
  - iv, iii, ii and i
  - iv, i, ii and iii
  - i, ii, iv and iii
44. Examine the following statements and choose the correct answer from the given codes:
- Statement I : 'Trade Creation' and 'Trade Diversion', both, have welfare implications
- Statement II : Regional partners should be competitive and not complementary, for the purpose of the most efficient use of economic resources within a Customs Union.
- Codes :**
- Statement I is true, but statement II is false.
  - Statement II is true, but statement I is false.
  - Both the statements I and II are true.
  - Both the statements I and II are false.
45. An \_\_\_\_\_ is a high-ranking organizational official who is expected to provide strategies for ensuring ethical conduct throughout the organization.
- Ethics Manager
  - Ethics Officer
  - Ethics Controller
  - Ethics Counsellor

46. The 'Rege Committee' is related to-
- Working conditions in Indian Industry
  - Social security in Indian Industry
  - Individual differences in Indian Industry
  - None of the above
47. Who among the following has *not* given a model on Corporate Social Responsibility?
- Walker
  - Friedman
  - Ackerman
  - Carroll
48. Market risk is also known as-
- Systematic risk or diversifiable risk
  - Unsystematic risk or diversifiable risk
  - Systematic risk or non-diversifiable risk
  - Unsystematic risk or non-diversifiable risk
49. Examine the following statements and choose the correct answer from the given codes:  
 Statement (I): In an organization - we pay for jobs; we do not pay for men.  
 Statement (II): The compensation must be as per the job assigned.  
**Codes:**
- Statement (I) is correct but (II) is false.
  - Statement (II) is correct but (I) is false.
  - Both statement (I) and (II) are correct.
  - Both statement (I) and (II) are false.
50. Match List - I with List- II with the help of the given codes:

	<u><b>List-I</b></u>	<b>List-II</b>
(a)	Attacking the weak spots of the competitor	1 Flank attack
(b)	Avoiding the main competitor and attacking easier ones.	2 Frontal attack
(c)	Attacking the leader on several areas.	3 Encirclement attack
(d)	Attacking the leader on its strong area.	4 By Pass attack

**Codes:**

	a	b	c	d
(a)	1	4	3	2
(b)	1	3	2	4
(c)	2	3	1	4
(d)	3	1	2	4

**PART - II**  
**(Short Answer-type Questions)**

**Instructions for Questions 51 to 63:**

- Write the answers in short for any 10 (TEN) out of the thirteen questions.
- Each question carries 5 marks. [5x10=50]

51. The neo-classical theory suggests that the organizational structure should be developed in such a way that it helps in achieving the basic propositions of the theory. What are the elements an organization should have according to the theory?
52. What are the different methods of stimulating functional conflict for organizational effectiveness?
53. Name the conflicts that may arise due to cultural differences in organizations?
54. 'Though, leadership and management are different in meaning, they are interlinked, and complementary to each other.' Discuss.
55. What is the relevance of traditional retail format such as *kirana* and small independent stores in the entire value chain in the backdrop of Indian Industry?
56. M/Lakshmi Electrical Appliances furnishes the following information - Calculate net cash flow from financing activities: -

Particulars	31.12.2022	31.12.2023
Equity share capital	2,00,000	4,50,000
10% debentures	1,00,000	.....
6% preference shares	.....	3,00,000

Additional information – (a) Interest paid on debentures Rs. 5,000/-. (b) Dividend paid on equity shares Rs. 40,000/-. (c) Bonus shares were issued to existing shareholders in the ratio of 4:1 during the year.

57. Briefly explain the “trade-off” theory of capital structure and state how does it differs from MM proposition with taxes.
58. State the advantages and disadvantages of the matrix model.
59. Discuss the impact of the changing age structure of the population on consumer spending and buying behavior.
60. Compare the institutional and government markets. Explain how institutional and government buyers make their buying decisions.

61. The following information is available in relation to Britannia Baby Company. The Company has profit before taxes of Rs 50 lacs.
- Classify and give reasons for the cash flows falling under the operating activities
  - Classify and give reasons for the cash flows falling under the investing activities

Particulars	Amount Rs in (Lacs)
Tangible assets purchased during the year	75
Depreciation charged on these tangible assets for the year @ 10%	?
Stock sold for the year	95
Loan given to Big Boy Company	150
Interest received from Big Boy company for the said loan @11.5%	?
Shares purchased of a company called as Arvind Mills	10
Dividend Received from Arvind Mills	1
Taxes paid for the year @ 30%	?

62. ABC Ltd. is well-known IT Company in India since 2002. Recently, the company has decided to revise the compensation structure for which it is important to conduct the job analysis exercise. As an HR Head of the company, it is your responsibility to conduct the same. Discuss the steps that you will follow in the process of job analysis?
63. Following are the details regarding the capital structure of a company:

Type of Capital	Book Value	Market Value	Specific Value Cost:
Debentures	40,000	38,000	5%
Preference Capital	10,000	11,000	8%
Equity Capital	60,000	1,20,000	13%
Retained Earnings	20,000	-	9%
	130,000	1,69,000	

Determine the weighted average cost of capital using:

- book value as weights
- market value as weights.

Do you think, there can be situation where weighted average cost of capital would be the same irrespective of the weights used?



**PART - III**  
**(Long Answer-type Questions)**

*Instructions for Questions 64 to 71:*

- *Answer any 5 (FIVE) out of the eight questions.*
- *Each question carries 10 marks.*

**[10x5=50]**

64. Discuss 'pay for person' and 'pay for position' in the light of Compensation and Reward Management of employees.
65. List the influences of organizational constraints on decision making. How do unethical decisions influence individual decision makers and organizational work environment?
66. Differentiate between lateral thinking and vertical thinking. How does lateral thinking generate organizational creativity?
67. Why does variable costing provide more useful information than absorption costing for decision making? What are the income relationships between absorption and variable costing when production volume differs from sales volume? What causes these relationships to occur?
68. How does money market differ from capital market? Is primary market a subset of secondary market? How are they alike? Explain the concept of Initial Public Offering (IPO).
69. Describe in detail customer loyalty strategies used in e-Commerce. How do they ensure customer satisfaction? Consider an e-Commerce platform being sold to another. How will it affect the customer relations for the parent firm?
70. Why is 'Employee Stock Option' shown as a part of equity in the balance sheet when it does not bring in cash to the firm? Explain the benefits of stock options.
71. Mr. Amish has written a self-help book "Happy Happy" which can be read by people from all walks of life. The book revolves around a core idea of being happy in all stages of life. The publisher doesn't have any distribution network of its own. Mr. Amish delivers session in many management schools on the topic "Happiness". He is very popular among students and corporates. He also delivers sessions as a key note speaker in many management conclaves and seminars. Mr. Amish has no online and social media presence. He doesn't write blogs or articles. Mr. Amish is a good author but has no idea about marketing and distribution of books. He hires you as a Marketing consultant for overall marketing and distribution of books.
- a. What are the distribution channels that you will use to distribute the product across Indian market? Explain the same with reason.
  - b. Suggest the geographic, demographic and behavioural segmentation for the book "Happy Happy."

**PART - IV**  
**(Essay-type Questions)**

*Instructions for Questions 72 to 75:*

- *Answer any 2 (TWO) out of the four questions.*
- *Each question carries 25 marks.*

**[25x2= 50]**

72. An FMCG company G & P Ltd. is in the business of making and selling diapers through its supply chain. It is facing a serious problem of huge inventory in one period followed by a large number of stock-outs in the next period. The pattern is getting repeated again and again. On analyzing the problem, the company found that as demand information moves upstream in the supply chain, the demand variability is getting amplified. A supply chain consultant was approached by G & P Ltd. who suggested that this problem is due to Bullwhip Effect.

- (i) What are the possible reasons of Bullwhip Effect? How can Bullwhip Effect be contained? What is the role of Point of Sales (PoS) information on the Bullwhip Effect?
- (ii) How would you apply the principles of value analysis to reduce cost overruns in Indian projects?
- (iii) What are the phases that you will follow in the process of value analysis?

73. A company had the following balance sheet as on 31<sup>st</sup> March 2021:

Liabilities	(Rs in crores)	Assets	(Rs in crores)
Equity Share Capital (50 lakhs shares of 7 10 each)	5	Fixed Assets (Net)	12.5
Reserves and Surplus	1	Current Assets	7.5
15% Debentures	10		
Current Liabilities	4		
	20		20

The additional information given is as under:

Fixed cost per annum (excluding interest)	Rs. 4.00 crores
Variable operating cost ratio	65%
Total assets turnover ratio	2.5
Income Tax rate	30%

**Calculate the following and comment:**

- Earnings per share
- Operating leverage
- Financial leverage
- Combined leverage
- Differentiate between business risks and financial risks.

74. There are two parts to this question. You are required to attempt both parts.

- Describe the purpose of industry/target market feasibility analysis. Identify the two primary issues that should be considered. What is the difference between a firm's industry and its target market?
- What is a business model? Why is it important for a firm to have a business model? Provide and discuss an example of a specific company's business model to illustrate your answer.

75. A research project is being conducted jointly between two business schools and a collaborating company. The project is co-ordinated by a project manager from the company. You are the principal investigator at your institution and have a colleague in a corresponding position at the other institution. The funder has issued each institution with a separate research contract. You feel the project manager is pursuing their own agenda, is focused on hitting delivery dates without thinking for the quality of work being produced and has lost sight of expertise, your research group brings to the project. Furthermore, the post-Docs in your research group and at the business school are battling against each other and the project manager.
- (a) Identify and comment on the type of conflict in the case.
  - (b) Being a principal investigator, how do you resolve this conflict?