

# AR16

Code:16MBA3006

SET-2

ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)

II MBA III Semester Regular Examinations, November-2017

## Investment Management

Time: 3 Hrs

Max. Marks: 60

Answer Five questions

All questions carry EQUAL marks

Question No. 8 is Compulsory

1. a) Define investment. Explain its objectives 6M  
b) Distinguish between investment and speculation 6M
2. a) Define risk. Explain various types of risks 6M  
b) Explain how financial ratios can be used to determine the strengths and weaknesses of a company. 6M
3. a) Define YTM 6M  
b) Distinguish between YTM and YTC 6M
4. a) Define Intrinsic value. Explain various models in valuation of share. 6M  
b) Define CAPM. Explain its assumptions 6M
5. a) Explain the concept of efficient frontier in the context of portfolio selection 6M  
b) "When an investor is assumed to use risk-less lending and borrowing in his investment activity, the shape of the efficient frontier transforms into a straight line." Illustrate. 6M
6. a) Distinguish between CML and SML 6M  
b) Explain arbitrage pricing theory 6M
7. a) Explain computational procedure of Sensex and Nifty. 6M  
b) "Portfolio evaluation essentially comprises two functions, performance measurement and performance evaluation." Discuss. 6M

**8. CASE STUDY:**

**12**

Consider a portfolio of four securities with the following characteristics:

Security	Weights	Alpha	Beta	Residual variance
1	0.2	2.0	1.2	320
2	0.3	1.7	0.8	450
3	0.1	-0.8	1.6	270
4	0.4	1.2	1.3	180

Calculate the return and risk of the portfolio under Single Index Model, if the return on market index is 16.4% and the standard deviation of return on market index is 14%.

2 of 2

\*\*\*\*

# AR16

**Code:16MBA3008**

**SET-2**

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)**

**II MBA III Semester Regular Examinations, November-2017**

## **Strategic Human Resource Management**

**Time: 3 Hrs**

**Max. Marks: 60**

**Answer Five questions  
All questions carry EQUAL marks  
Question No. 8 is Compulsory**

1. Comment on strategic role of HRM and its functions. Explain the challenges faced by them in the current scenario towards this end.
2. Explain the term 'Employee Return on Investment' along with the procedure to calculate it. Also focus on how it is useful for the organization in planning for HR investment.
3. Explain the linkage between HR and Business Process Reengineering (BPR).
4. What do you mean by 'International Compensation'? Explain in detail factors influencing compensation policy especially issues related with double taxation.
5. Discuss the cultural issues to be handled by the HR professionals in international assignment. What steps are to be taken to minimize the same.
6. What do you mean by 'cross cultural sensitivity'? Explain the importance of developing cross cultural sensitivity in managing global HR.
7. Explain the concept of SHRM and how it is useful in sustaining global competitive advantage.

8.

### CASE STUDY:

#### Integrating Strategy and Human Resource Management

The experiences of several organizations provide good examples of the integration of strategy and human resource management. One such example is provided by the experiences of People's Bank, a financial services company headquartered in Bridgeport, Connecticut. Massive changes began to take place in the business environment of banking with deregulation and relaxation of ceilings on interest. Money markets began to drain off funds that ordinarily went into banks' deposits, forcing them to rely on more expensive sources of funds. Further, the money center banks began to compete in the same middle markets as regional banks. People's, which was a small regional bank, responded by changing its strategy from a product orientation to one directed toward markets. With a product orientation, products are developed and then markets are sought out in which to sell the product. Conversely, a market orientation involves an opposite approach in that market demands are determined and then products developed to serve the market. As a result of these changes, People's transformed itself into a diversified financial services company with 139 branches and a fully integrated banking services and stock trading presence on the Internet. Because of major changes in People's strategy, there was a recognition that new organizational structures would be needed to accommodate the changes. The organization was decentralized, hierarchical levels removed, strategic business units formed, and new senior vice presidencies created within a matrix structure. The bank then conducted a study of the types of employees that would be needed with the new strategy's skill and organizational requirements. Major changes were undertaken as a result of the audit. For example, the performance appraisal system was revised. The revised system emphasized goal setting, linked individual goal accomplishment, and rewards with the attainment of the bank's objectives, and places greater emphasis in performance appraisal and marketing and sales.

Further, human resource planning was more fully integrated with the strategic planning process through synchronization of its scanning processes with the bank's overall environmental scanning process.

The experiences of the U.S. Navy provide another example of the integration of strategy and human resource management. As a result of its linkage of strategic planning with human resource management, the Navy was able to pursue a proactive strategy that provided lower labor costs. In the Navy's case, its human resources planners analyzed the labor cost savings of a strategy involving its civilian employees that would substitute local wage policies for national wage policies. By developing human resource forecasts to determine the labor market reactions to these changes, planners could determine whether sufficient labor supplies would be available with the cost-saving strategy. In this example, the planners also examined the impact of the reduction of private-sector middle management positions and found that higher-quality employees could be hired.

Ingersoll-Rand's experiences with one of its divisions also provide a good example of the outcome of a strong linkage between strategy and human resources management. Ingersoll-Rand's rock-drilling division was experiencing rapid growth and had shortages of labor. It also needed to train its employees to work with new technology and wanted to control labor costs. The outcome of integrating its human resources capabilities with its strategic planning process was that the company implemented a number of programs, including gain sharing and employee involvement teams. It also had employees participate in decisions on the purchase of new technology and made a major commitment to technological training.

A final example of the integration of strategy and human resources is provided by Maid Bess, a manufacturer of uniforms. The company faced intense competition from foreign manufacturers, and control of labor costs became very critical. Because of its labor intensity, the company closely integrated human resource management with the strategic planning process. As an outcome of the integrated strategic planning process, the company's executive vice president designed a compensation program that incorporated bonuses that enhanced productivity, increases employee wages, and reduced turnover.

### Questions

- a) Based on these descriptions of the experiences of People's Bank, Ingersoll-Rand, and Maid Bess, what is the unifying theme of the role played by human resource management?
- b) How does the strategic role of human resource management in the U.S. Navy case differ from the others?
- c) What were the environmental influences stimulating the actions described for each of these organizations?
- d) What managerial trends are indicated in the experiences of these organizations?
- e) The Ingersoll-Rand case indicates that its solutions to the problems it faced were based largely on employee empowerment approaches. Explain how employee empowerment can provide a viable source of competitive advantage to be considered in strategic decision making.

Code: 13 MBA2019

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)**

**II MBA III Semester Supplementary Examinations, November-2017**

**SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

Time: 3 Hours

Max Marks: 60

Answer Five Questions

All questions carry EQUAL marks

Question No: 8 is compulsory

1. Define Investment? Explain investment environment and decision making process of investors?
2. Define Risk? Explain the measurement of securities Risk and Return with examples?
3. Explain the role of Business risk and financial risk in treatment of portfolio management?
4. Illustrate the applicability of capital Asset pricing Model.
5. Explain the Bonds valuation three step process.
6. Hedging against risk in portfolio management through Options and Futures-Explain.
7. Monthly return data (in per cent) for ITC stock and the BSE National index for a 12 month period are presented as follows:

Month	ITC	BSE National Index
1	9.43	7.41
2	0.00	-5.33
3	-4.31	-7.35
4	-18.92	-14.64
5	-6.67	1.58
6	26.57	15.19
7	20.00	5.11
8	2.93	0.76
9	5.25	-0.97
10	21.45	10.44
11	23.13	17.47
12	32.83	20.15

Calculate Alpha of ITC stock by using the regression Method.

8. Consider a portfolio of four securities with the following characteristics.

Security	Weigh	$\alpha_i$	$\beta_i$	Residual variance- $\sigma_{ei}^2$
1	0.2	2.0	1.2	320
2	0.3	1.7	0.8	450
3	0.1	-0.8	1.6	270
4	0.4	1.2	1.3	180

Calculate the return and risk of the portfolio under single index model, if the return on market index is 16.4% and the standard deviation of return on market index is 14%.