

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
BUSINESS MATHEMATICS: BA (M) – 531
MBA – I

Date: January 7, 2017

Max Time: 1.40 Hrs
Max Marks: 30

INSTRUCTIONS:

- 1. Attempt any 3 Questions. Start each new question on a new page. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1 A firm sells a product for Rs 80 per unit. Raw material costs are Rs 12.50 per unit, labor costs are Rs 27.50 per unit, and annual fixed costs are Rs 360,000

- a) Determine the profit function $P(x)$, where x equals the number of units sold.
- b) How many units would have to be sold to earn an annual profit of Rs 250,000?
- c) Compute $(A \times B)^t$ where

$$A = \begin{bmatrix} 0 & 1 & -2 \\ 3 & 2 & 4 \end{bmatrix} \quad B = \begin{bmatrix} 1 & 2 & 5 \\ 3 & 2 & -1 \\ 4 & 3 & 0 \end{bmatrix}$$

Q2 a) Find the inverse of A, and show that $A^{-1}A = I$

$$\begin{bmatrix} 1 & -1 \\ 2 & -3 \end{bmatrix}$$

- b) For the quadratic equation $y = x^2 - 4x + 3$ determine followings:
- i. Which way the parabola opens?
 - ii. The vertex
 - iii. The roots

Q3 Solve the following equations by using (**Gaussian Method**)

$$\begin{aligned} x_1 + x_2 + x_3 &= 6 \\ 2x_1 - x_2 + 3x_3 &= 4 \\ 4x_1 + 5x_2 - 10x_3 &= 13 \end{aligned}$$

Q4 a) Solve the following equations with the help of matrix

$$\begin{aligned} 4x + 3y &= 16 \\ 5x + 4y &= 22 \end{aligned}$$

- b) Find the determinant of matrix B

$$B = \begin{bmatrix} 2 & 3 & 1 \\ 3 & 2 & 4 \\ 4 & 5 & 2 \end{bmatrix}$$

Q5 a) Find the derivative of x $f(x) = (x^3 - 2x^5)(x^4 - 3x^2 + 10)$

- b) Determine the average rate of change in the value of y in moving from $x = -1$ to $x = 2$

$$Y = f(x) = x^2 - 2x + 3$$

END OF SUBJECTIVE PAPER

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Student Name: _____ Seat No: _____

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**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
ORGANIZATIONAL BEHAVIOR: BA (M) – 561
MBA – I**

Date: January 5, 2017

Max Time: 2 Hrs

Max Marks: 40

- 1. Attempt any 4 Questions. Start each new question on a new page. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q1 Define Behavioral, Decision Making & briefly explain the decision making process.
- Q2 What are attitudes & their components? Also describe major job attitudes.
- Q3 What is job design? Explain the various approaches to job design.
- Q4 Define learning & briefly explain the concept of classical & operant conditioning.
- Q5 Explain any two in detail:
- i- Emotional Intelligence
 - ii- Attribute Theory
 - iii- Causes & Consequences of Stress

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
FINANCIAL ACCOUNTING: BA (M) – 522
MBA – II

Date: January 11, 2017

Max Time: 1.5 Hrs
Max Marks: 30

INSTRUCTIONS:

1. Attempt any 3 questions. Do not write anything on question paper.
2. Mobile phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.

- Q1** Xenge Company issued 8%, 9-year bonds with a face value of Rs.20,000 on January 1, 2013. The effective interest rate on the bonds was 10%, and the interest is payable on December 31 each year. Prepare the following:
- a) Journal entries at the time bonds were issued.
 - b) Amortization schedule showing the interest expense for the first three years.
 - c) Journal entries for interest expense for the first two years.

Q2

Arcade Corporation's balance sheet and income statement appear below:

Income Statement

| | |
|-------------------------------------|------------|
| Sales | \$723 |
| Cost of goods sold | <u>453</u> |
| Gross margin | 270 |
| Selling and administrative expenses | <u>163</u> |
| Income before income taxes | 107 |
| Income tax expense | <u>32</u> |
| Net income | \$75 |

Balance Sheet

| | <u>Ending</u> <u>Balance</u> | <u>Beginning</u> <u>Balance</u> |
|--------------------------------|---------------------------------|------------------------------------|
| Cash | \$42 | \$36 |
| Accounts receivable | 77 | 80 |
| Inventories | 54 | 58 |
| Plant and equipment | 581 | 480 |
| less: accumulated depreciation | <u>(318)</u> | <u>(294)</u> |
| Total Assets | \$436 | \$360 |
| Accounts payable | \$23 | \$28 |
| Bonds payable | 293 | 270 |
| Common stock | 61 | 60 |
| Retained earnings | <u>59</u> | <u>2</u> |
| Total liabilities and equity | \$436 | \$360 |

The company did not dispose of any property, plant, and equipment, retire any bonds payable, or repurchase any of its own common stock during the year. The company declared and paid a cash dividend.

Required: Prepare a statement of cash flows using the indirect method.

Q3 Shown below is information relating to the shareholders' equity of Reck Corporation at December 31, 2015:

| | |
|--|------------|
| 8% noncumulative preference share, Rs.100 par, 100,000 shares authorized, 7,000 shares issued | Rs.700,000 |
| Ordinary share, Rs.3 par, 1,000,000 shares authorized, 500,000 shares issued and outstanding | 1,500,000 |
| Share premium: preference share | 400,000 |
| Share premium: ordinary share | 500,000 |
| Retained earnings | 800,000 |

From the above information, compute the following:

1. The total amount of legal capital
2. The total amount of paid capital
3. The average issue price per share of preference share
4. The book value per share of ordinary share (assume current-year preference dividends have been paid)
5. The balance in Retained Earnings at the beginning of the year was Rs.650,000, and there were no dividends in arrears. Profit for 2015 was Rs.475,000. What was the amount of dividend declared on each share of ordinary share during 2015?

Q4 Shown below is the shareholders' equity section of Lara's balance sheet at **December 31, 2015**:

Shareholders' equity:

| | |
|--|---------------------|
| Ordinary share, Rs.2 par value, 500,000 shares authorized, ?? shares issued | Rs. 500,000 |
| Share premium: ordinary share | <u>1,750,000</u> |
| Total paid capital | Rs.2,250,000 |
| Retained earnings | <u>2,400,000</u> |
| Total shareholders' equity | <u>Rs.4,650,000</u> |

In 2016, the following events occurred:

Lara issued 2,500 shares of Rs.2 par ordinary share as payment for legal services. Although Lara's share is not traded on any exchange, the agreed-upon value of the legal services is Rs.80,000.

Lara issued 4,500 shares of 6% noncumulative preference share, Rs.100 par value, for Rs.106 per share.

The board of directors declared a dividend of Rs.1.25 per share on the ordinary share. Lara's profit for 2007 was Rs.675,000.

REQUIRED

- Complete the shareholders' equity section of a balance sheet prepared for Lara at December 31, 2016.

END OF SUBJECTIVE PAPER

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KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
BUSINESS STATISTICS: BA (M) – 532
MBA – II

Date: January 6, 2017

Max Time: 2 Hrs
Max Marks: 30

INSTRUCTIONS:

- 1. Attempt all questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1 a) The following data represents the running times of films produced by two company.

| | | | | | | | | |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Company I | 150 | 160 | 145 | 150 | 140 | 155 | 150 | 155 |
| Company II | 170 | 150 | 145 | 160 | 140 | 165 | 155 | 160 |

Calculate which company is more consistent.

- b) Write two properties of
- i) Standard Deviation ii) Coefficient of Variation iii) Coefficient of Correlation
 - iv) Coefficient of Regression iv) Mode

- Q2 a) i) The number of ways in which letters of the word INFINITY can be arranged.
ii) How many four digit numbers can be formed from the digits 0,5,6,7,8,9. If each digit is used only once.
- b) Calculate the missing values for four examples on the table below

| Sr | Class interval | Mid-point | Class boundary | Width of class |
|-----------|-----------------------|------------------|-----------------------|-----------------------|
| a. | 0.05—0.09 | ? | ? | ? |
| b. | (-2.5)—(-1.5) | ? | ? | ? |
| c. | 1.984—2.872 | ? | ? | ? |
| d. | ? | 5 | ? | 4 |

- Q3 a) The probability that 30% of the people travel by motorcycle wear glasses. From a sample of 8 motor cycle owners, calculate the probability that
- i) Exactly 2 wear glasses
 - ii) At-least 6 wear glasses
 - iii) More than mean number wear glasses

- b) The data shows amount received when Rs 100 is invested in a bank term deposit

| | | | | | | | |
|----------------------------|---|---|----|----|----|----|----|
| Time in years X | 3 | 5 | 8 | 10 | 12 | 15 | 20 |
| Amount received per year Y | 6 | 8 | 12 | 15 | 18 | 25 | 30 |

Data: $\Sigma X=73$ $\Sigma Y=114$ $\Sigma XY=1495$ $\Sigma X^2=967$ $\Sigma Y^2=2318$

- i) Find regression line to estimate amount received when deposited for 6 years.
- ii) Interpret a and b.

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

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**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
INTRODUCTION TO MARKETING; BA (M) – 542
MBA – II**

Date: January 9, 2017

Max Time: 2 Hrs

Max Marks: 40

INSTRUCTIONS:

- 1. Attempt 4 questions, where Q1 is compulsory.**
- 2. Do not write anything on question paper.**
- 3. Mobile phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1 Brady's bread industries launch "Brady's School Bun". It will provide nourishing taste of Scott baking for school going kids. You are appointed as the new Marketing Manager of the company.

- a) Which strategy will you use for segmenting the consumer market?
- b) Which strategy will you use for market targeting?

Q2 a) What are the elements of promotional mix.

- b) Define elements of the marketing mix.

Q3 How are selling concept, product concept and production concept different from marketing concept? Which concept is more practical in the present times? Why? Briefly Explain

Q4 a) Discuss the marketing's role in a company's strategic planning.

- b) All companies need growth in order to compete more effectively with competitors, satisfy their stakeholder's needs and attract top talent. Discuss the various growth strategies which a company can use for its growth.

Q5 What do you understand by the terms: marketing, marketing management, needs, wants and demands? What are the different challenges you think you will face as a marketer when you enter into practical field? Discuss

END OF SUBJECTIVE PAPER

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Student Name: _____ Seat No: _____

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KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
ADVANCE BUSINESS STATISTICS: BA (M) – 601
MBA – III

Date: January 12, 2017

Max Time: 2 Hrs

Max Marks: 30

INSTRUCTIONS

- 1. Attempt all Questions. Do not write anything on the question paper EXCEPT Initials Mentioned Above.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1 Differentiate between the following:

1. Efficiency and Consistency property of good estimate.
2. The standard error and standard deviation.
3. Type I error and type II errors.
4. Test of Significant and Test of Hypothesis.
5. Cyclic Variations and Seasonal variations in a time series data.

Q2 Given that $P(Z < 1) = 0.8413$ & $P(Z < 2) = 0.9772$, by using the symmetric property of normal curve calculate

- a) What proportion of a normal distribution lies within one standard deviation of the mean?
- b) What proportion is more than 2.0 standard deviations from the mean?
- c) The temperature (in degree C) follows normal distribution with mean = 1 and variance=1. Calculate the probability that temperature is positive.

Q3 a) A university constructing a hall for deciding about the height of the main gate, a random sample of 250 students were taken and their height(in cm) were recorded, following results were obtained.

$\Sigma x = 43205$ $\Sigma x^2 = 7469107$. Construct 99% confidence interval of the mean height of students and decide about the height of the main gate. (Table value ± 3.29)

- b) By using the confidence interval test the hypothesis that $\mu = 185$ cm.

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

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KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
COST ACCOUNTING: BA (M) – 611
MBA – III

Date: January 3, 2017**Max Time: 2 Hrs****Max Marks: 40**

- 1. Attempt any 4 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1 Wyoming Company's purchases of materials during June totaled \$25,000, and the cost of goods sold for June was \$130,000. Factory overhead was 200% of direct labor cost. Other information pertaining to Wyoming Company's inventories and production for June is as follows:

| <u>Inventories</u> | <u>Beginning</u> | <u>Ending</u> |
|--------------------|------------------|---------------|
| Finished goods | \$42,500 | \$39,000 |
| Work in process | 15,500 | 17,000 |
| Materials | 5,000 | 8,500 |

Required:

- (1) Prepare a schedule of cost of goods manufactured.
- (2) Compute the prime cost charged to Work in Process.
- (3) Compute the conversion cost charged to Work in Process.

Q2 Carlson Chemical Company produces a chemical in three departments, Mixing, Blending, and Bottling. Mixing, where the compounds are added, is the first department. The powder is then transferred to the second department where water is added to produce a liquid. After water has been added, the chemical is bottled for storage and transported to customers. A process cost system with an average cost flow assumption is used to account for work in process inventories. Data related to operations in the Blending Department during the month of October follow:

| | |
|--|--------|
| Units in beginning inventory | 2,000 |
| Units received from the Mixing Department this period | 4,000 |
| Units added to process in the Blending Department this period | 12,000 |
| Units transferred to Bottling Department this period | 14,000 |
| Units in ending inventory (100% materials, 40% labor and overhead) | 4,000 |

| | <u>Beginning Inventory</u> | <u>Added This Period</u> |
|-------------------------------------|--------------------------------|------------------------------|
| Costs charged to the department: | | |
| Costs from the preceding department | \$2,300 | \$11,200 |
| Materials | 720 | 2,520 |
| Direct labor | 1,150 | 2,750 |
| Factory overhead | 2,100 | 5,700 |

Required: Prepare a cost of production report for the Blending Department.

- Q3** Micro Corp. uses 1,000 units of Chip annually in its production. Order costs consist of \$10 for placing a long-distance call to make the order and \$40 for delivering the order by truck to the company warehouse. Each Chip costs \$100, and the carrying costs are estimated at 15.625% of the inventory cost.

Required:

- (1) Compute the economic order quantity for Chip and the total order costs and carrying costs for the year.
- (2) Determine the best order quantity if Chip is purchased only in multiples of 25 units. (Round answers to the nearest whole dollar.)

- Q4** Teddy Company is to submit a bid on the production of 5,500 vases. It is estimated that the cost of materials will be \$8,500, and the cost of direct labor will be \$12,000. Factory overhead is applied at 50% of direct labor cost in the Molding Department and at \$7.50 per direct labor hour in the Finishing Department. Of the above direct labor, it is estimated that 500 direct labor hours at a cost of \$4,000 will be required in Finishing. The company wishes a markup of 100% of its total production cost.

Required: Determine the following:

- (1) Estimated cost to produce.
- (2) Estimated prime cost.
- (3) Estimated conversion cost.
- (4) Bid price.

- Q5** Data for the past two years for J&J Corp. are:

| | 2015 | 2016 |
|---------------------------|---------|---------|
| Units produced | 10,000 | 11,000 |
| Overhead applied per unit | \$15 | \$18 |
| Actual overhead: | | |
| Fixed | 50,000 | 55,000 |
| Variable | 95,000 | 150,000 |
| Estimated overhead: | | |
| Fixed | 50,000 | 56,000 |
| Variable | 130,000 | 142,000 |

The company determines overhead rates based on estimated units to be produced.

Required:

- (1) Determine the estimated units of production used to obtain the overhead allocation rates in 19A and 19B.
- (2) Determine the over- or underapplied factory overhead for each of the two years.

END OF SUBJECTIVE PAPER

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KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
INTRODUCTION TO BUSINESS FINANCE: BA (M) – 621
MBA – III

Date: January 10, 2017

Max Time: 2 Hrs

Max Marks: 40

- 1. Attempt any 4 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1 Oak Furnishings is considering a project that has an up-front cost and a series of positive cash flows. The project's estimated cash flows are summarized below:

| <u>Year</u> | <u>Project Cash Flow</u> |
|-------------|------------------------------|
| 0 | ? |
| 1 | \$500 million |
| 2 | 300 million |
| 3 | 400 million |
| 4 | 600 million |

The project has a regular payback of 2.25 years. What is the project's internal rate of return (IRR)?

- Q2 a) Company A has sales of \$1,000, assets of \$500, a debt ratio of 30 percent, and an ROE of 15 percent. Company B has the same sales, assets, and net income as Company A, but its ROE is 30 percent. What is B's debt ratio?
- b) Samuels Equipment has \$10 million in sales. Its ROE is 15 percent and its total assets turnover is 3.5 \times . The company is 100 percent equity financed. What is the company's net income?
- Q3 Rachel wants to take a trip to England in 3 years, and she has started a savings account today to pay for the trip. Today (8/1/02) she made an initial deposit of \$1,000. Her plan is to add \$2,000 to the account one year from now (8/1/03) and another \$3,000 to the account two years from now (8/1/04). The account has a nominal interest rate of 7 percent, but the interest is compounded quarterly. How much will Rachel have in the account three years from today (8/1/05)?
- Q4 Jordan Air Inc. has average inventory of \$1,000,000. Its estimated annual sales are \$10 million and the firm estimates its receivables conversion period to be twice as long as its inventory conversion period. The firm pays its trade credit on time; its terms are net 30 days. The firm wants to decrease its cash conversion cycle by 10 days. It believes that it can reduce its average inventory to \$863,000. Assume a 365-day year and that sales will not change. By how much must the firm also reduce its accounts receivable to meet its goal of a 10-day reduction in its cash conversion cycle?
- Q5 Define the following:
- a. Fixed asset turnover
 - b. Return on equity
 - c. Time interest earned
 - d. Time value of money
 - e. Annuity due

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

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**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
PRODUCTION MANAGEMENT: BA (M) – 631
MBA – III**

Date: January 7, 2017

Max Time: 2 Hrs

Max Marks: 40

INSTRUCTIONS:

- 1. Attempt ANY 4 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices**

- Q1 Is a capable process a perfect process? That is, does a capable process generates only output that meets specifications? Explain.
- Q2 How would you differentiate between chase and level production strategies?
- Q3 How can carrying inventory protect against stock outs, balance supply/demand, and protect against uncertainty? What are the consequences of not carrying inventory?
- Q4 Why understanding process is essential to ensuring the competitiveness of a firm? Also discuss single stage and multi stage categorizing process.
- Q5 Explain with an appropriate example that how a materials requirement planning (MRP) system works
- Q6 Describe the following:
1. Product layout and process layout
 2. Taguchi's concept
 3. Different Quality Dimensions involve in PM
 4. Service Gap Analysis

END OF SUBJECTIVE PAPER

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Student Name: _____ Seat No: _____

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KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
ECONOMICS & INDUSTRIAL DEVELOPMENT OF PAKISTAN: BA (M) – 641
MBA – III

Date: January 5, 2017

Max Time: 1.5 Hrs

Max Marks: 30

INSTRUCTIONS:

- 1. Attempt ALL Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1: What are the main causes of Unemployment level in Pakistan and how can promotion of the SME sector can help generate employment?
[05 Marks]

Q2: Define deficit financing? Discuss the advantages and outlining the key reasons to engage in Deficit Financing?
[05 Marks]

Q3: Briefly discuss the impact of Public Sector Enterprises (PSE) in Fiscal Policy and measures that can be taken to cure this adverse impact.
[05 Marks]

Q4: How has the lack of credit hurt the agricultural sector of Pakistan?
[05 Marks]

Q5: Discuss how china-Pakistan economic corridor will help develop the Pakistan economy?
[10 marks]

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

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KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
INTRODUCTION TO RESEARCH METHODS; BA (M)–651
MBA – III

Date: January 14, 2017

Max Time: 2 Hrs

Max Marks: 40

INSTRUCTIONS

- 1. Attempt any 4 Questions. Do not write anything on the question paper EXCEPT Initials Mentioned Above.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q1 What are the steps involved in research design process? Discuss in detail.
- Q2 Briefly define the potential sources of experimental errors.
- Q3 Discuss briefly the potential errors affecting research design. Give examples.
- Q4 a) Mention the hallmarks of scientific research and identify the limitations of these characteristics when applied in Business Management.
b) What the problem of measurements / correlations in social sciences.
- Q5 a) What is a hypothesis?
b) Describe the role of hypothesis in business research.
- Q6 a) What is an expert system? Discuss its core components and how these components helps market researcher to evaluate his/her marketing strategies. Support your answer with some logical arguments and real world example.
b) Discuss the pros and cons of focus group interview.
- Q7 Discuss any 4 of the following
(i) Commercial Survey
(ii) Open-Ended Questions
(iii) Dichotomous Questions
(iv) A Periodic Survey
(v) A Panel Survey

END OF SUBJECTIVE PAPER

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KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGE
MANAGERIAL ACCOUNTING; BA (M)-602 (PART B)
MBA-IV

Date: January 9, 2017

Max Time: 2 Hrs

Max Marks: 40

INSTRUCTIONS:

1. Attempt any 4 Questions. Do not write anything on the question paper.
2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.

- Q1 Brewer & Carr, PSC is an architectural firm that uses activity-based costing. The three activity cost pools used by Brewer & Carr are: Salaries and Wages, Travel Expense, and Plan Reproduction Expense. The firm has provided the following information concerning activity and costs:

| | |
|---------------------------|------------------|
| Salaries and wages | \$360,000 |
| Travel expense | 100,000 |
| Plan reproduction expense | <u>120,000</u> |
| Total | <u>\$580,000</u> |

| | Activity Cost Pools | | |
|---------------------------|-----------------------|-------------------------|-------|
| | Project Assignment | Business Development | Other |
| Salaries and wages | 60% | 30% | 10% |
| Travel expense | 40% | 40% | 20% |
| Plan reproduction expense | 35% | 40% | 25% |

Required

Calculate the total cost to be allocated to the (a) Project Assignment, (b) Business Development, and (c) Other activity cost pools.

- Q2 An investment banker is analyzing two companies that specialize in the production and sale of gourmet cappuccino and chai mixes. Fireside Company uses a labor-intensive approach and Stirring Moments Company uses a mechanized system. Variable costing income statements for the two companies are shown below:

| | <u>Fireside</u> | <u>Stirring Moments</u> |
|---------------------|------------------|-------------------------|
| Sales | \$1,000,000 | \$1,000,000 |
| Variable costs | <u>650,000</u> | <u>300,000</u> |
| Contribution margin | 350,000 | 700,000 |
| Fixed costs | <u>150,000</u> | <u>500,000</u> |
| Net Income | <u>\$200,000</u> | <u>\$200,000</u> |

The investment banker is interested in acquiring one of these companies. However, she is concerned about the impact that each company's cost structure might have on its profitability.

Required

- (a) Calculate each company's degree of operating leverage.
- (b) Determine the effect on each company's net income if sales decrease by 10% and if sales increase by 20%. Do not prepare income statements.

Q3 Forrest Painting Service has budgeted the following time and material for 2008:

| | BUDGETED COSTS FOR 2008 | |
|---------------------------------------|-------------------------|----------------------------|
| | Time <u>Charges</u> | Material <u>Charges</u> |
| Painters' wages and benefits | \$36,000 | |
| Service manager's salary and benefits | | \$21,000 |
| Office employee's salary and benefits | 12,000 | 3,000 |
| Cost of paint | | 50,000 |
| Overhead (supplies, utilities, etc.) | <u>16,000</u> | <u>8,500</u> |
| Total budgeted costs | <u>\$64,000</u> | <u>\$82,500</u> |

Forrest budgets 4,000 hours of paint time in 2008 and will charge a profit of \$12 per hour, in addition to a 30% markup on the cost of paint.

On February 15, 2008, Forrest is asked to prepare a price estimate to paint a building. Forrest estimates that this job will take 12 labor hours and \$600 in paint.

Required

1. Compute the labor rate for 2008.
2. Compute the material loading charge rate for 2008.
3. Prepare a time-and-material price estimate for painting the building.

Q4 Fagan Company uses a flexible budget for manufacturing overhead based on machine hours. Variable manufacturing overhead costs per machine hour are as follows:

| | |
|--------------------|--------|
| Indirect labor | \$5.00 |
| Indirect materials | 2.50 |
| Maintenance | 0.50 |
| Utilities | 0.30 |

Fixed overhead costs per month are:

| | |
|----------------|-------|
| Supervision | \$600 |
| Insurance | 200 |
| Property taxes | 300 |
| Depreciation | 900 |

The company believes it will normally operate in a range of 2,000 to 4,000 machine hours per month.

Required

Prepare a flexible manufacturing overhead budget for the expected range of activity, using increments of 1,000 machine hours.

Q5 Novakovich Inc., a manufacturing company, has provided the following financial data for January:

| | |
|---------------------------------|-----------|
| Sales | \$430,000 |
| Variable production expense | \$84,000 |
| Variable selling expense | \$16,000 |
| Variable administrative expense | \$28,000 |
| Fixed production expense | \$102,000 |
| Fixed selling expense | \$44,000 |
| Fixed administrative expense | \$121,000 |

The company had no beginning or ending inventories.

Required:

1. Prepare an income statement in good form for January using the traditional approach.
2. Prepare an income statement in good form for January using the contribution approach.

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGE
RECRUITMENT & SELECTION; BA (M)–606 (PART B)
MBA–IV**

Date: January 13, 2017

**Max Time: 1.5 Hrs
Max Marks: 30**

INSTRUCTIONS:

- 1. Attempt any 3 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q1 Explain the difference between recruitment and selection. Explain all steps of both processes.
- Q2 What is Human Resource Planning? Explain its relationship with recruitment and selection.
- Q3 Describe and evaluate 3 internal and 3 external recruitment methods.
- Q4 Explain some challenges of selection process.

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGE
AUDITING; BA (M)-612 (PART B)
MBA-IV**

Date: January 11, 2017

Max Time: 2 Hrs

Max Marks: 40

INSTRUCTIONS:

- 1. Attempt any 4 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1 Define auditing and its types.

Q2 Discuss the objectives of an audit engagement letter?

Q3 List the procedures used by an auditor to obtain an understanding of the business and identifying audit risk.

Q4 What are the quality control policies and elaborate quality control review program?

Q5 Discuss the need for working papers in audit documentation.

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
FINANCIAL MANAGEMENT: BA (M) – 622
MBA – IV

Date: January 6, 2017

Max Time: 2 Hrs
Max Marks: 40

INSTRUCTIONS:

- 1. Attempt any 4 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q1 The CFO of Brady Boots has estimated the rates of return to Brady's stock, depending on the state of the economy. He has also compiled analysts' expectations for the economy.

| <u>Economy</u> | <u>Probability</u> | <u>Return</u> |
|----------------|--------------------|---------------|
| Recession | 0.1 | -23% |
| Below average | 0.1 | -8 |
| Average | 0.4 | 6 |
| Above average | 0.2 | 17 |
| Boom | 0.2 | 24 |

Given this data, what is the company's coefficient of variation? (Use the population standard deviation, not the sample standard deviation when calculating the coefficient of variation.)

Q2 Assume that McDonald's and Burger King have similar \$1,000 par value bond issues outstanding. The bonds are equally risky. The Burger King bond has an annual coupon rate of 8 percent and matures 20 years from today. The McDonald's bond has a coupon rate of 8 percent, with interest paid semiannually, and it also matures in 20 years. If the nominal required rate of return, k_d , is 12 percent, semiannual basis, for both bonds, what is the difference in current market prices of the two bonds?

Q3 A stock, which currently does not pay a dividend, is expected to pay its first dividend of \$1.00 per share in five years ($D_5 = \$1.00$). After the dividend is established, it is expected to grow at an annual rate of 25 percent per year for the following three years ($D_8 = \$1.953125$) and then grow at a constant rate of 5 percent per year thereafter. Assume that the risk-free rate is 5.5 percent, the market risk premium is 4 percent, and that the stock's beta is 1.2. What is the expected price of the stock today?

Q4 Vital Construction's CFO wants to estimate the company's WACC. She has collected the following information:

- The company currently has 20-year bonds outstanding. The bonds have an 8.5 percent annual coupon, a face value of \$1,000, and they currently sell for \$945.
- The company's stock has a beta = 1.20.
- The market risk premium, $k_M - k_{RF}$, equals 5 percent.
- The risk-free rate is 6 percent.
- The company has outstanding preferred stock that pays a \$2.00 annual dividend. The preferred stock sells for \$25 a share.
- The company's tax rate is 40 percent.
- The company's capital structure consists of 40 percent long-term debt, 40 percent common stock, and 20 percent preferred stock.

Q5 Hamid.com is considering the following two projects:

| | Project 1 | Project 2 |
|-------------|------------------|------------------|
| <u>Year</u> | <u>Cash Flow</u> | <u>Cash Flow</u> |
| 0 | -\$100 | ? |
| 1 | 30 | 40 |
| 2 | 50 | 80 |
| 3 | 40 | 60 |
| 4 | 50 | 60 |

The two projects have the same payback. What is Project 2's NPV if discount rate is 4%?

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGE
TRAINING & DEVELOPMENT; BA (M)-626 (PART B)
MBA-IV**

Date: January 16, 2017

Max Time: 1.5 Hrs

Max Marks: 30

INSTRUCTIONS:

- 1. Attempt any 3 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q1 What are intangible assets? How do they relate to training and development?
- Q2 What are the advantages and disadvantages of a centralized training function?
- Q3 Should a needs assessment ever be skipped as part of the training design process? Explain your view.
- Q4 If you had to choose between adventure learning and action learning for developing an effective team, which would you choose? Defend your choice.

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGES
MANAGEMENT INFORMATION SYSTEM: BA (M) – 632
MBA – IV

Date: January 4, 2017

Max Time: 1.5 Hrs

Max Marks: 30

- 1. Attempt any 3 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q1 Identify how does an Executive Information System helps problem solving in the organization?
- Q2 a) What is the role of a business expert user in the User Acceptance Testing (UAT) process?
b) Enlist reasons, why System Analysis and Design Methodologies are necessary for software development?
- Q3 a) Write down the modern trend of the Information Technology in the today business environment.
b) Illustrate an overview of computerized tasks in various functional domains of business.
- Q4 a) Describe how does Business Intelligence (BI) is used in business applications.
b) Explain the direct data entry devices that are being used in financial sector.
- Q5 Differentiate the functionality (at-least 05 points each) between the following:
a) OLTP and OLAP
b) Networking and Data Communication

END OF SUBJECTIVE PAPER

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2016; AFFILIATED COLLEGE
BANKING OPERATIONS & MANAGEMENT; BA (M)-682 (PART B)
MBA-IV**

Date: January 13, 2017

Max Time: 2 Hrs

Max Marks: 40

INSTRUCTIONS:

- 1. Attempt any 4 Questions. Do not write anything on the question paper.**
- 2. Mobile Phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q1 a) Define the terms "banker" and "customer".
b) State any three types of relationships that can exist between a "banker" and a "customer".
- Q2 a) What is the concept of right of "set off"?
b) State any four conditions which must be met before the bank can exercise the right of "set off".
- Q3 a) What is "Endorsement"? State its 4 key features.
b) Describe any 4 different types of endorsements used in day to day banking.
- Q4 By exploring answers to certain potential questions relating to the prospective borrower, a lending institution can achieve the main aim of successful lending. List at least five such relevant questions.
- Q5 Bankers very often compute several types of ratios to understand the financial strengths of a prospective borrower.
A. Highlight any 4 reasons/benefits of calculating ratios.
B. What is the difference between profitability ratio and operating ratio? Explain with the help of examples.
C. What 4 ratios would you calculate for a manufacturing concern, as a lender?
D. What 4 ratios would you calculate for a services concern, as a lender?
- Q6 Define the following:
I. Hypothecation
II. Mortgage
III. Lien
IV. Floating charge
V. Pledge agreement
VI. Guarantee
VII. Trust Receipt

END OF SUBJECTIVE PAPER