



**AFFILIATED**

**COLLEGES**

**MBA**

**FINAL**

**EXAMINATION**

**PAPERS**

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# MBA – I

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
BUSINESS ECONOMICS; BA (M)-511  
MBA – I

**Date: June 26, 2013**

**Max Time: 3 Hrs**  
**Max Marks: 60**

**Instructions:**

- 1. Attempt any 5 questions. Do not write anything on the question paper.**
- 2. Use of mobile phones 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) Explain the meaning of utility. What is the difference between total utility and marginal utility? Explain the Law of Diminishing Marginal Utility giving a Numerical example.
- (b) Suppose you have diabetes and obesity (over weight) Problem. Your family physician has strictly advised you to follow the prescribed guidelines for daily intake thus reducing your present calories intake to 1800 per day. What is your consumer equilibrium for food consumption?
- Q2 (a) What is the difference between a mixed economy and a market economy?
- (b) Explain the term opportunity cost and discuss why on Increase in spending on police and armed forces may result in an opportunity cost.
- Q3 (a) Explain with the help of a diagram the difference between shift of demand and movement along demand curve.
- (b) Explain the meaning of the words elastic and inelastic as they apply to income elastic city of demand.
- Q4 (a) Perfect competition is a bench mark against which other 'market structures are compared. Briefly describe the characteristics of the competition. How far stock market is perfect and why?
- (b) Give an example of an industry operating under conditions of an oligopolistic market structures. What does it mean for a firm to collude be a profit maximize.
- Q5 (a) Specify the following terms briefly with the help of Illustration:
- i. Production possibility frontier
  - ii. Scarcity
  - iii. Factor of production
  - iv. Monopoly
- (b) Define and draw indifference curve. Explain its characteristics with reason.
- Q6 Write notes on any three of the following:
- i. Why is the concept of price elasticity of demand potentially very useful to a business
  - ii. Importance of micro and macro in economic analysis
  - iii. State and explain five factors that affect a consumer demand schedule
  - iv. What are the assumption underlying imperfect competitions?
  - v. State two features of a firm in long run equilibrium in imperfect competition that would be common to a firm in long run equilibrium under monopoly.

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
ORGANIZATIONAL BEHAVIOR; BA (M)-561  
MBA – I

**Date: June 28, 2013**

**Max. Time: 3 Hrs**

**Max. Marks: 60**

**Instructions:**

- 1. Attempt any 5 questions, all carry equal marks. Do not write anything on the question paper.**
- 2. Use of mobile phones 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. In your own words, identify & summarize the various theoretical frame works for understanding organizational behavior?
- Q2. What factors do you think differentiate good decision makers from poor ones? Relate your answer to the six-step rational model.
- Q3. Briefly describe the traditional theories of leadership, including the trait, group & exchange contingency & path-goal approaches.
- Q4. Differentiate between individual & interactive conflict & briefly explain coping strategies for conflict?
- Q5. Define organizational culture & its characteristics & explain some ways of changing organizational culture?
- Q6. What is meant by the term job satisfaction? What are some of the major factors that influence job satisfaction?
- Q7. Briefly explain the major process theories of work motivation?

**END OF PAPER**



KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
BUSINESS MATHEMATICS; BA (M)-531  
MBA – I

**Date: July 02, 2013**

**Max. Time: 3 Hrs  
Max. Marks: 60**

**Instructions:**

1. Attempt any 5 questions,. Do not write anything on the question paper.
2. Use of mobile phones 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.

Q.1 (a) Determine quadratic function passes through the points (1, -3), (-1, 3), (-2, 12).

(b) Determine domain of the function  $f(x) = \frac{\sqrt{x^2 - 25}}{2x^3 - 3x^2 - 2x}$

Q.2 Solve the system by Gaussian's Method

$$x - 2y + 3z = 6$$

$$2x + y + 2z = 3$$

$$2x + 2y + z = 1$$

(b) Solve  $2x^2 - 3x - 2 \geq 0$

Q.3 A corporate agricultural organization has 3 separate farms which are to be used during the coming year. Following table indicates the crop selected for each farm, the annual cost of planting one acre of the crop, the expected revenue and fixed cost operating each farm. In addition annual fixed cost 75000/- for org. in whole.

Farm	Crops	Cost/acre	Rey/acre	Fixed cost
1	Soybeans	900	1300	150,000
2	Corn	1100	1650	175,000
3	Potatoes	750	1200	125,000

- (i) Determine total cost function      (ii) Determine total revenue function  
(iii) Determine total profit function      (iv) Determine expected total profit if 1000 acre of farm 1, 1600 of farm 2 and 1500 of farm 3 are planted.  
(v) Somehow revenue is reduced 20, 30, 10% resp. at 3 farms, determine now the total profit from previously mentioned planting program.

Q.4 (a) Find inverse of  $\begin{bmatrix} 1 & 1 & -1 \\ 2 & 0 & 3 \\ 0 & -1 & 2 \end{bmatrix}$

(b) Discuss continuity of the function at  $x = 1$ . Draw its graph on  $[-1, 3]$ .

$$f(x) = \begin{cases} 2x + 1 & -3 \leq x < -1 \\ x + 2 & -1 \leq x < 1 \end{cases}$$

Q.5 (a) Find  $f'(2)$  and  $f''(2)$  if  $f(x) = \frac{(3x^2 - 4x + 5)}{e^{3x}}$

(b) Find  $f'(x)$  using limit approach  $f(x) = x^4 - 3x$

Q.6 (a) Integrate (i)  $\int x\sqrt{x-7}dx$  (ii)  $\int x^2 e^x dx$

(b) Integrate  $\int \frac{2x-3}{(x-1)(x+2)} dx$

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
BUSINESS COMMUNICATION-I; BA (M)-501  
MBA – I

**Date: July 04, 2013**

**Max. Time: 3 Hrs**

**Max. Marks: 60**

**Instructions:**

- 1. Attempt ALL questions. Do not write anything on the question paper.**
- 2. Use of mobile phones 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 different cultural variables influencing business communication and resulting in communication breakdown?
- Q2- While writing the business message is it necessary to follow all the steps and what is the significance of each step?
- Q3- How the effective communication is beneficial particularly in business?
- Q4- Briefly state about the different kinds of communication technologies used, also mention how it has affected this whole process of communication.
- Q5- Write a short memo for the following situation:

'your office has sent you to Australia for marketing purposes, state how the trip was and weather you were able to accomplish the assigned task or not.

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
INTRODUCTION TO BUSINESS MANAGEMENT; BA (M)-541  
MBA – I

**Date: July 06, 2013**

**Max. Time: 3 Hrs**

**Max. Marks: 60**

**Instructions:**

- 1. Attempt any SIX questions. Do not write anything on the question paper.**
- 2. Use of mobile phones 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.**

- Q.No.1 Define leadership and compare different styles of leadership. [10 Marks]
- Q.No.2 Which theory includes the component that Employee motivation is influenced by relative as well as reward? [10 Marks]
- Q.No.3 Explain in detail what is meant by self-actualization needs. [10 Marks]
- Q.No.4. (a) A small company has interrelated departments and the decisions of one department are dependent on other department's decision. Give logical reasons to support your answer. [05 Marks]
- (b) A large company that is rapidly growing in terms of more branches in other countries requires continuous and quick innovations in the products. What type of decision making (centralized or decentralized) would you suggest in each case? Give logical reasons to support your answer. [05 Marks]
- Q.No.5. What are the characteristics of an effective team? Summarize the stages of team development. [10 Marks]
- Q.No.6.(a) Is organizing important for all level of managers? Give your opinion. [05 Marks]
- (b) What is business? Discuss the objectives of business also mention the qualities of a successful business man in detail. [05 Marks]
- Q.No.7 Propose different measures for encouraging cohesion in your team? [10 Marks]

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
FUNDAMENTALS OF ACCOUNTING; BA (M)-521  
MBA – I

Date: July 9, 2013

Max Marks: 60

Max Time: 3 hrs

**Instructions:**

**Attempt All questions. Show the necessary computations. Do not write anything on the question paper.**

**Use of mobile phones 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.**

**Q#1:** The following are some of the transactions of Haqqani Stores for the month of January 2012

Jan 01 Haqqani invested Rs. 280,000 Cash for his business.

01 Purchased Shop building for Cash Rs. 100,000.

02 Purchased Shop furniture for Cash Rs. 20,000.

04 Purchased merchandise for Cash Rs. 15,000.

05 Paid transportation expenses Rs. 150.

07 Purchased merchandise on account from Jamali & Sons Rs. 17,800 and paid transport Rs. 160.

10 Sold merchandise for Cash Rs. 14,350.

13 Sold merchandise on account to (Patel & Co. Rs. 8,500).

16 Purchased Shop equipment for Cash Rs. 8,000.

19 Paid for merchandise purchased Rs. 13,600.

22 Received on account for Cash Sales Rs. 4,500

26 Paid for electricity Rs. 1,200.

27 Received Cash from (Patel & Co.) Rs. 5,000

28 Paid Cash to (Jamali & Sons ) Rs. 15,000.

30 Paid Salaries to employees for the month Rs. 4,500.

**Required:** Post entries to relevant 'T' Accounts and prepare Trial balance at the end of Jan 2012.

**Q#2:** The accountant of Abid & Company has extracted the following data from its cash book and its bank statement on Oct 31, 2012.

Balance as per Bank Statement Rs. 29,130.48

Balance as per Cash Book Rs. 29,734.27

1. Bank Service charges not recorded in the cash book Rs. 5.60
2. Cheque of Zulfiquar & Company for Rs. 90.44 was dishonored and returned by the bank.
3. Profit given by bank Rs. 12.60
4. A cheque of Rs. 503 for the purchase of furniture had erroneously charged in the cash book as Rs. 305, although the bank had made the payment of Rs. 503
5. A profit of Rs. 819.35 on Oct. 31 had been made too late to appear on the bank statement.
6. Cheque issued during Oct 2012 but were not presented to the bank for payment Rs. 497.

**Required:** (a) Prepare Bank Reconciliation Statement on Oct 31, 2012.  
(b) Prepare Adjusting entries in General Journal to adjust Bank balance.

**Q#3:** Zamzama Traders provides the following information for March 2102:

March 05 Purchases 100 units @ Rs. 20

07 Purchases 150 units @ Rs. 22

10 Sales 160 units @ Rs. 35

12 Purchases 80 units @ Rs. 23

15 Sales 95 units @ Rs. 35

16 Sales 70 units @ Rs. 35

19 Purchases 210 units @ Rs. 19

22 Purchases 125 units @ Rs. 21

28 Sales 90 units @ Rs. 35

30 Sales 140 units @ Rs. 35

**Assume that company uses Periodic Inventory System and following methods**

(a)FIFO Method (b) LIFO Method (c) Weighted Average Method

- Required:**
- (i) Compute Cost of Merchandise Inventory (ending).
  - (ii) Compute Cost of Goods Sold.
  - (iii) Compute Gross Profit.

**Q#4:** Ahmed Ali & Co. presented the following selected information for the year 2012.

Account Receivable 1, Jan 2012 Rs. 200,000

Allowance for Bad Debt 1, Jan 2012 (Cr) Rs. 20,000

- 1. Total Credit Sales for the year 700,000
- 2. Total Cash Collection from customers 480,000
- 3. Promissory Notes received 30,000
- 4. Overpayment received from customers during the year 18,100.
- 5. Customers accounts written off during the year 3,500
- 6. Sales return and allowance 30,600
- 7. Sales Discount allowed to customers 2,000
- 8. Accounts Receivable previously written off collected during the year 1,500.

Allowance for bad debts on December 31, 2012 should equal to 10% of the Account Receivable year-end balance.

**Required:**

- a) Record above entries in General Journal.
- b) Prepare Account Receivable Account and Allowance for Bad Debt Accounts.
- c) Show computation for Allowance for bad debts at the end of year as per the company policy.
- d) Give adjusting entry for the Allowance for Bad Debt.

**Q#5:** The following balances have been taken from the pre-closing Trial Balance of Peak Company prepared on June 30, 2012.

Debit Balances		Credit Balances	
Cash	10,000	Sales	60,000
Account Receivable	35,000	commission Income	3,000
Office Furniture	10,000	Accounts Payable	13,000
Advertising Expenses	4,000	Capital	43,000
Office Supplies Expense	1,500		
Prepaid Office Rent	6,000		
General Expenses	2,500		
Delivery Expense	600		
Merchandise			
Inventory (opening)	10,000		
Purchases	30,000		
Carriage Inward	400		
Sales Salaries Expense	9,000		
Sales Return and Allowance	500		

**Supplementary data for adjustments on June 30, 2012**

- 1. Prepaid Office Rent Rs. 3,000
- 2. Unused Office Supplies Rs. 500
- 3. Make allowance for deprecation on Office Furniture Rs. 1,000
- 4. Allowance for Bad Debt to be provided Rs. 500
- 5. Outstanding Sales Salaries Rs. 1,000
- 6. Merchandise Inventory (ending) Rs. 9,000

**Required:**

- a) Prepare Income Statement for the year ended 30 June 2012.
- b) Prepare Balance Sheet as on 30 June 2012.

**End of Exam paper**

# MBA – II

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION, JUNE 2013; AFFILIATED COLLEGES  
BUSINESS STATISTICS BA (M)-532  
MBA – II

Date: June 29, 2013

Max Time: 3hrs

Max Marks: 60

**Instructions:**

1. Attempt any FIVE questions. Do not write anything on the question paper.
2. Use of mobile phones 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.

Q.1 (a) Differentiate between Primary and Secondary methods of data collection.

(b) For the following data:

3.1 10.3 3.9 0.5 1.5 11.2 15.6 1.8 12.8 8.2 7.7 2.9  
3.4 11.6 6.4 3.9 8.0 8.4 0.7 7.2 6.8 10.2 0.9 5.5

- (i) Prepare a frequency distribution taking five equal classes.
- (ii) Compute Mean for the raw data and for the prepared frequency distribution and compare the two results.

Q.2 (a) For the following frequency distribution:

Class	401–420	421–440	441–460	461–480	481–500
Frequency	5	12	17	10	6

Compute (i) mean (ii) median and (iii) mode.

- (b) In a class there are 22 girls and 38 boys. The mean score of girls in an examination is 78 and the mean score of boys is 71. What is the mean score of the entire class?

Q.3 (a) For the frequency distribution given below, find the interval  $(\mu \pm \sigma)$  where  $\mu$  is the mean and  $\sigma$  is the standard deviation of the distribution.

C.I	f
8.0 – 8.9	14
9.0 – 9.9	27
10.0 – 10.9	22
11.0 – 11.9	5
12.0 – 12.9	4
13.0 – 13.9	12
14.0 – 14.9	16

(b) The number of machine breakdowns per day is recorded for 7 days in two months:

June	4	10	9	0	0	8	3
August	11	4	3	2	3	0	3

Which month exhibits more variability in terms of coefficient of variation?

**Please Turn Over**

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- Q.4 (a) A coin is tossed four times. Find the probability of one head.
- (b) Two balanced dice are rolled. What is the probability that:  
(i) the sum of dots is at most 8. (ii) the product of dots is at least 12.
- (c) A random committee of size 3 is selected from 4 men and 2 women.  
What is the probability that both women will be selected?
- Q.5 (a) Given that events A and B are independent, and  $P(A) = 0.3$  and  $P(B) = 0.6$ .  
Compute  $P(A \cup B)$ .
- (b) Given the probability function.  
 $P(X) = (5 - X) / 10$  for  $X = 1, 2, 3, 4$   
Calculate the mean and variance of X.
- Q.6 (a) It is known that 6% of the production of a manufacturer is defective. A random sample of 5 items is selected. Number of defective items in the sample is the binomial random variable X.  
Find (i)  $P(X = 2)$  (ii)  $E(X)$  (iii)  $V(X)$
- (b) In a steel industry the average number of fatal accidents per month is 0.5.  
What is the probability that there will be no fatal accident in the next two month?
- Q.7 (a) A sample of paired observations is given as:
- |   |   |   |    |   |    |    |    |
|---|---|---|----|---|----|----|----|
| X | 2 | 3 | 4  | 5 | 6  | 7  | 8  |
| Y | 2 | 8 | 11 | 9 | 19 | 14 | 14 |
- (i) Determine the Regression equation of y on x.  
(ii) Estimate y for x = 12.
- (b) Compute Fisher's index number for 2012.
- | Commodity | 2010  |          | 2012  |          |
|-----------|-------|----------|-------|----------|
|           | Price | Quantity | Price | Quantity |
| A         | 64    | 270      | 102   | 320      |
| B         | 40    | 124      | 70    | 210      |
| C         | 83    | 130      | 95    | 125      |

**END OF PAPER**



KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
INTRODUCTION TO MARKETING; BA (M)-542  
MBA – II

**Date: July 01, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**INSTRUCTION:**

- 1. Attempt any Six Questions. Do not write anything on the question paper.**
- 2. Use of mobile phones 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 strategic planning and marketing process in detail. [10 Marks]
- Q2a) Marketing segmentation and its processes levels. Describe which is best suited to apply in long term benefit. [05 Marks]
- b) Why Market segmenting is important in international market? [05 Marks]
- Q3a) What would a researcher need to know about drawing conclusions about large groups of consumers by studying a small sample of the total population and how many kinds of samples will be studied by research? [05 Marks]
- b) Differentiate between demographic and geographic segmentation. [05 Marks]
- Q4 Strategic market planning needs portfolio diversification explains with suitable examples. [10 Marks]
- Q5 What do you mean by proactive & reactive approach & discuss how companies can react to the marketing managers? [10 Marks]
- Q6 How advertising campaigns are developed & advertising media are selected? [10 Marks]
- Q7 Define the following: [10 Marks]
- (i) Production Concept
  - (ii) The Marketing Concept
  - (iii) Undifferentiated Marketing
  - (iv) The Product Life Cycle Stages
  - (v) Sales Promotion

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
FINANCIAL ACCOUNTING; BA (M)-522  
MBA – II

**Date: July 03, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**INSTRUCTIONS:**

1. **ATTEMPT ANY 4 QUESTIONS. Do not write anything on the question paper.**
2. **Use of mobile phones or any other communicating device is not allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

**Q.#1:** The information presented here represents selected data from the December 31 2007, balance sheets and income statements.

	<b>Firm A</b>	<b>Firm B</b>
Total assets 31/12/12	Rs 435,000	Rs 155,000
Total liabilities 31/12/12	?	75,000
Paid in Capital 31/12/12	59,000	45,000
Retained Earnings 31/12/12	186,000	?
Net Income for 2012	110,000	25,500
Dividends	?	16,500
Retained Earnings 1/1/12	124,000	?

**Required:** Calculate the missing amounts for each firm & prepare Balance Sheet as on end of 2012.

**Q.#2(a):** Faraz Co. acquired a new delivery truck at the beginning of its current fiscal year. The truck cost Rs 52,000 and has an estimated useful life of four years an estimated salvage value of Rs 8,000.

- Required:** (a) Calculate depreciation expense for last three years of the truck's life using:
- i. Straight-line depreciation.
  - ii. Declining-balance depreciation and rate based on the given life of truck.
- (b) Calculate the truck's net book value at the end of its third year of use under each depreciation method.
- (c) Assume the Faraz Co, had no more use for the truck after the end of the third year and that at the beginning of the fourth year it had an offer from a buyer who was willing to pay Rs12,400 for the truck. Show computation and pass entry for the sale of truck at the end of third year.

**Q.#2(b):** Ogilvie Construction traded in a used crane on a similar new one. The original cost of the old crane was Rs 60,000, and in both Ogilvie's accounting records and income tax returns the accumulated depreciation amounted to Rs 48,000. The new crane cost Rs 75,000, but Ogilvie was given a trade-in allowance of Rs 15,000.

- Required:** (a) What amount of cash must Ogilvie pay?
- (b) Compute the gain or loss that would be reported on disposal of the old crane under generally accepted accounting principles.
- (c) Record journal entry for exchange of crane.

**Q.#3 (a):** Selected items from successive annual reports of Hastings Inc. appear as follows:

	<b>2012</b>	<b>2011</b>
Total Assets (40% of which are current)	Rs 400,000	Rs 325,000
Current liabilities	80,000	100,000
Bonds payable 12%	100,000	50,000
Capital stock Rs 5par value	100,000	100,000
Retained Earnings	120,000	75,000

Dividends of Rs 26,000 were declared and paid in 2012.

Compute the following for 2012 and 2011.

- (i) Current ratio (ii) Working Capital (iii) Debt ratio (iv) Earning per share

**Q.#3 (b):** At the end of the year, the following information was obtained from the accounting records of Carleton Office Products:

Sales (all on credit)	Rs 2700,000
Cost of Goods Sold	1755,000
Average Inventory	351,000
Average Account Receivable	300,000
Interest expense	45,000
Income tax	84,000
Average investment in assets	1800,000
Average stockholders' equity	795,000

**Required:** From the information given, compute the following:

(i) Inventory Turnover (ii) Account Receivable Turnover (iii) Total Operating Expenses (iv) Gross Profit Percentage (v) Return on average stockholders' equity (vi) Return on average Assets

**Q.#4:** The following staff of Carolina Craft Inc. has assembled the following information for the year ended December 31, 2012

Cash received from customers	Rs 795,000
Proceeds from sale of plant assets	9,000
Interest paid	19,000
Cash paid to acquire plant assets	21,000
Interest and dividends received	17,000
Income tax paid	71,000
Proceeds from short-term borrowing	10,000
Loans made to borrows	5,000
Collection on loans (excluding interest)	4,000
Dividend paid	65,000
Cash paid to suppliers and employees	635,000
Cash and Cash equivalents, Jan. 1	45,200
Cash and Cash equivalents, Dec 31	64,200

**Required:** Prepare Cash flow Statement under Direct Method.

**Q.#5:** The stockholders' equity section of Rockhurst Corporation's balance sheet appears as follows:

**Stockholders' equity**

Rs 6 preferred stock, Rs 100 par value callable at Rs 102	
Per share, 200,000 shares authorized	Rs 12000,000
Common Stock, Rs 5 par value, 5000,000 share authorized	14000,000
Additional paid-in capital	
Preferred stock	Rs 360,000
Common stock	<u>30800,000</u>
Retained Earnings	31160,000
	2680,000

**Required:**

1. How many shares of preferred stock have been issued?
2. What is the total annual dividend requirement on the outstanding preferred stock?
3. How many shares of common stock have been issued?
4. What was the average price per share received by the corporation for its common stock?
5. What is the total amount of legal capital?
6. What is the total paid-in Capital?
7. What is the book value per share of common stock?

**END OF EXAM PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
COMPUTER APPLICATION TO BUSINESS; BA (M)-512  
MBA – II

**Date: July 05, 2013**

**Max Time: 3 Hrs**

**INSTRUCTION:**

**Max Marks: 60**

- 1. Attempt any 5 Questions. Do not write anything on the question paper.**
- 2. Use of mobile phones 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.**

- Q No: 01      E-Commerce is the buying and selling of products and services over electronic systems. Briefly explain some of its business applications. Also discuss the types of E-Commerce in detail.
- Q No: 02      Describe, How MS EXCEL Software can be used in Financial modeling. Accounting, HRM and Inventory Management. Illustrate at least five potential features of each with examples.
- Q No: 03      Electronic Data Interchange is the business to business exchange of data. What are the advantages of having an EDI in place between two organizations?
- Q No: 04      What is a network? Explain the physical structure of a network in detail. (The physical Structure of a network includes both connections and topologies. Make Diagrams where required.)
- Q No: 05      Explain the following briefly:  
i.      Electronic Fund Transfer  
ii.     Virtual Office System  
iii.    Applications and System Software  
iv.    Decision Support System  
v.     Electronic Store front  
vi.    Virtual and Hybrid Sales  
vii.   Intranet and Extranet  
viii.  Data Communication  
ix.    Database Management System  
x.     E Business
- Q No: 06      Pakistan has witnessed unprecedented growth in its mobile subscriber's base. Till date more than 120 million cellular connections have been issued in Pakistan. Offering Mobile Commerce services to such large base of customers has the potential to become a very effective and widely used channel for the organization. What in your view are the opportunities of M-Commerce available for Organizations in Pakistan and how do you see the future of it by 2020.

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
HUMAN RESOURCE MANAGEMENT; BA (M)-552  
MBA – II

**Date: July 08, 2013**

**Max. Time: 3 Hrs**

**Max. Marks: 60**

**INSTRUCTIONS:**

- 1. Attempt 05 questions, where Q-1 is compulsory. Do not write anything on the question paper.**
- 2. Use of mobile phones 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.**

- Q-1 (a) How can HRM contribute to an organization's overall success? Explain **08**  
legitimately.
- (b) Comment on the statement "All Managers of an organization are in a sense HR **04**  
managers.
- Q-2 (a) Staffing is one the important management functions, how does it relates to **06**  
HRM? Explain.
- (b) There are different types of authority, functional, line and staff authority. What **06**  
type authority a Product manager and an HR manager normally exercise in an  
organization? Justify your answer.
- Q-3 (a) What do you understand by Reactive approach to HRM and Proactive approach **06**  
to HRM? If you are HR manger in an organization which approach you would  
follow? Discuss.
- (b) Discuss the importance of Performance Appraisal in relation to Compensation **06**  
Management.
- Q-4 (a) Provide logical arguments to believe that, for any organization training and **06**  
development is an investment not an expense.
- (b) In what ways Information Technology is affecting the functions of HRM today? **06**  
Discuss.
- Q-5 (a) Discuss the internal factors of an organization which may affect the **06**  
effectiveness of HRM.
- (b) Mostly large organizations have a separate HR Department as compared to the **06**  
smaller ones. Why?
- Q-6 Write short notes on the following (any four) **12**
- i. Employment Function
  - ii. Job Analysis
  - iii. Wages and Salaries
  - iv. Employment test
  - v. Labor Market
  - vi. Personnel Management

**END OF PAPER**

# MBA – III

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
COST ACCOUNTING; BA (M) – 611  
MBA – III

**Date: June 26, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**Instructions:**

ATTEMPT ALL QUESTIONS. Do not write anything on the question paper.

**Use of mobile phones or any other communicating device is not allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

**Q. # 1:** The following job order cost sheets were prepared for three jobs that were in production during January:

	<u>Job 07</u>	<u>Job 08</u>	<u>Job 09</u>
Materials	\$ 80,000	\$ 40,000	\$ 60,000
Labor	140,000	75,000	90,000
Applied factory overhead	70,000	37,500	45,000
Gross profit margin	60,000		

On January 1, Job 07 was 60% complete as to materials, labor and factory overhead and was completed and sold on account during the month. Job 08 was started and completed during January but was not sold, and Job 09 was started but not completed during the month.

**Required:** Prepare the journal entries for January to record job costs in Work in Process and Finished Goods and to record the sale.

**Q. # 2:** Norman Company produces toy plastic boats which require processing in three departments. During May 160,000 units were completed in Department 1 at a total cost of \$ 280,000 and were transferred to the next department. Of these units, Department 2 completed and transferred out 123,000 units. All materials are put into process in Department 1. The May 31 work in process of Department 2 was 34,500 units, ½ completed as to labor and factory overhead. Spoilage in Department 2, a normal amount, occur at the end of processing. Department 2's labor cost for May was \$ 45,680, and applied factory overhead was \$ 22,840.

**Required:** Prepare a cost of production report for Department 2.

**Q.3- (a) Fine** Company had a production run of 10,000 pairs of slacks during the last week of June, at the following costs per pair:

Materials.....	\$ 8
Labor.....	6
Factory overhead (includes \$ 0.85 allowance For spoiled work).....	4

Final inspection revealed 800 pairs as not meeting quality standards, salable as seconds at \$ 6 a pair.

**Required:** Prepare the journal entries to record all related costs if:

- 1) The loss is to be charged to the production run.
- 2) The loss is to be charged to the production of the fiscal period.

**Q.3- (b)** Lasani Fabricators manufactures jacks and other lifting equipment. One order from Athens Supply House for 5,000 jacks showed the following costs per unit: materials \$ 6; labor \$ 2; factory overhead at 140% of direct labor cost(125% in cases in which any defective unit costs are to be charged to a specific order).

Final inspection revealed the 95 of the units were improperly riveted. To correct each defective unit requires \$ 4.50 for materials, \$ 3.50 for labor, and factory overhead at the appropriate rate.

**Required:** Prepare entries to record all cost related to the order when the:

- i. Order is Charged with the cost of defective work.
- ii. Cost of correcting defective work is not charged to a specific order.

**Q. # 4:** Carmel Corporation uses the average process costing method. All spoilage that occurred in Department 2 during August was normal and applicable to all production.

August cost data for Department 2 were as follows:

	Beginning Inventory	August Cost Incurred
Cost transferred from Department 1	\$ 12,000	\$ 89,200
Conversion Cost	6,000	60,400

The Department 2 beginning inventory ( 2/3 converted) was 1,200 units and 8,000 units were transferred from Department 1. The ending inventory was 1,000 units ( ½ converted), and 7,800 units were transferred to Department 3.

**Required:** Prepare the August cost of production report for Department 2.

**Q. # 5:** Normal operating capacity of Warren Inc. is 150,000 machine hours per month; the level used to compute the predetermined factory overhead application rate. At this level of activity, fixed factory overhead estimated to be \$300,000 and variable factory overhead is estimated to be \$ 150,000. During March, actual production required 140,000 machine hours, and actual factory overhead totaled \$435,000.

**Required:**

1. Determined the fixed portion of the factory overhead application rate.
2. Determine the variable portion of the factory overhead application rate.
3. Is factory overhead for March over- or underapplied and by how much?
4. How much is the spending variance and is it favorable or unfavorable?
5. How much is the idle capacity variance, and is it favorable or unfavorable?

**Q. # 6:** Thornton Company manufactures special machines made to customer specifications. The following information was available at the beginning of October:

Material Inventory \$ 16,200  
Work in Process Inventory 3,600

During October, direct material costing \$ 20,000 were purchased, direct labor cost totaled \$ 16,500 and factory overhead was \$ 8,580.

October 31 Inventories were:

Materials inventory \$ 17,000  
Work in Process Inventory 7,120

**Required:** Prepare a cost of goods manufactured statement for October 2012.

**END OF PAPER**



KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
ECONOMICS INDUSTRIAL DEVELOPMENT OF PAKISTAN; BA (M)–641  
MBA – III

**Date: June 28, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**Instruction:**

- 1. Attempt any 5 Questions, all carry equal marks. Do not write anything on the question paper.**
- 2. Use of mobile phones 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 Relationship between growth and development. Discuss the major economic issues facing Pakistan
- Q2 How do you see the role of public sector, Gap–Filler and Catalyst or just regulator?
- Q3 “Export led development is necessary for Economic development”. Discuss with reference to the textile sector contribution to foreign exchange earning
- Q4 Energy crisis dampens the pace of industrialization causing decreasing investment in real sector and making root cause of wide spread unemployment.
- Q5 Reformation of government sector enterprises with especial refer to PIA and Pakistan steel mills.
- Q6 “Economic Growth creates Income Inequalities”. Explain with reference to purchasing power adjustment
- Q7 Benazir income support program, in reference to poverty Alleviation
- Q8 Writes short notes on any two of the following:
- i) MFN status to India
  - ii) Gini–Co Efficient criterion
  - iii) Low tax–to–GDP ratio causes
  - iv) State bank of Pakistan function

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION, JUNE 2013; AFFILIATED COLLEGES  
PRODUCTION MANAGEMENT; BA (M)-631  
MBA – III

**Date: July 02, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**Instructions:**

- 1. Attempt any 5 questions. Do not write anything on the question paper.**
- 2. Use of mobile phones or any other communicating device is not allowed in the examination room. Students must have to remove the batteries of these devices before entering the examination hall.**

- Q.1. Define the following terminologies from an operational perspective:  
(i) Efficiency (ii) Effectiveness (iii) Value (iv) Mass customization (v) KPI  
(vi) Productivity (vii) CPM (viii) CAM
- Q.2. Elaborate the statement: Process performance metrics gives the operation manager a gauge on how productively a process is operating & how productivity is changing over time.
- Q.3. Technological advancements have profoundly impacted organizations and particularly manufacturing firms, this can be categorized into two types (i) Hardware Technology (ii) Software Technology. Illustrate using supportive examples.
- Q.4. Facility location is a critical issue faced by organizations and its solution is critical to a company's eventual success; what criteria might influence a manufacturing plant and a warehouse location.
- Q.5. Define inventory and state why firms need to keep a supply of inventory? Also identify the different inventory costs.
- Q.6. What is SPC (statistical process control) also discuss the importance of control chart in this regard.
- Q.7. The activity of aggregate planning captures the importance of cross-functional work in today's organizations and involves general management, sales, operations, finance and product development. Elaborate this statement.

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
INTRODUCTION TO BUSINESS FINANCE; BA (M)-621  
MBA – III

Date: July 04, 2013

Max Time: 3 Hrs

Max Marks: 60

**INSTRUCTIONS:**

1. **Attempt All Questions.** Do not write anything on the question paper.
2. **Use of mobile phones or any other communicating device is not allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q.1**    **A:** How does stock price maximization benefits society? (2)  
**B:** What three basic factors determine the price of a stock? (2)  
**C:** Is profit maximization an appropriate goal for financial managers? (6)
- Q.2**    **A:** Define the following terms; inventory conversion period, receivables collection period, and payables of deferral period. Give the equation for each term. (4)  
**B:** What should a firm's goal be regarding the cash conversion cycle? Explain your answer. (3)  
**C:** What are some actions a firm can take to shorten its cash conversion Cycle? (3)
- Q.3**    The Nescafe Coffee Company is evaluating the within-plant distribution system for its new roasting, grinding, and packing plant. The two alternatives are (1) a conveyor system with a high initial cost but low annual operating costs and (2) several forklift trucks, which cost less but have considerably higher operating costs. The decision to construct the plant has already been made, and the choice here will have no effect on the overall revenues of the project. The cost of capital for the plant is 9 percent, and the projects' **expected net costs are listed below:**

YEAR	EXPECTED NET CASH COSTS	
	CONVEYOR	FORKLIFT
0	(\$150,000)	(\$60,000)
1	(33,000)	(48,000)
2	(33,000)	(48,000)
3	(33,000)	(48,000)
4	(33,000)	(48,000)
5	(33,000)	(48,000)

- a. What is the IRR of each alternative?  
b. What is the present value of costs of each alternative? Which method should be chosen?
- Q.4**    **A:** What is the difference between an ordinary annuity and an annuity due? (02)  
**B:** Describe how modified IRR (MIRR) is calculated? (04)  
**C:** What condition can cause the MIRR and NPV methods to produce conflicting ranking? (04)
- Q.5**    **A:** Describe the advantages and disadvantages of the capital budgeting methods? (06)  
**B:** Should capital budgeting decisions be made solely on the basis of project's NPV? (04)
- Q.6**    Analysis of Financial Statement: (10)  
Cash \$77,500; Receivable \$336,000; Inventory \$241,500; Fixed Asset \$292,500  
Account Payable \$129,000; Note Payable \$84,000; Other current liabilities \$117,000;  
Long term Debt \$256,500; Common equity \$361,000

**Compute**

- i. Working capital
- ii. Current ratio
- iii. Quick ratio
- iv. Receivable turnover, where credit sales were Rs.1600,000
- v. Inventory turnover where cost of goods sold Rs 1300,000

**END OF EXAM PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
ADVANCE BUSINESS STATISTICS; BA (M)-601  
MBA – III

**Date: July 06, 2013**

**Max Time: 3 Hrs**

**Instruction:**

**Max Marks: 60**

- 1. Attempt any FIVE Questions. Do not write anything on the question paper. (Tables not required)**
- 2. Use of mobile phones 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) Answer the following questions by locating the following them on the normal distribution curve

- a) Relation between Mean, Median and Mode
- b) Normal distribution Point of inflection
- c) Percentage of values lies between  $\mu \pm 2\sigma$
- d) Highest ordinate of normal distribution curve
- e) Normal curve is asymptotic
- f) Relation between three quartiles  $Q_1$ ,  $Q_2$  and  $Q_3$

Q2) The following data represent the running times of films produced by a company, a sample of size 10 was taken from the normal population of films.

120	110	100	125	130	135	150	145	125	130
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

- a) Calculate unbiased estimate of mean and variance
- b) Construct 95 % confidence interval for mean. **(Table value=2.262)**
- c) By using the confidence interval draw conclusion if  $H_0: \mu = 130$  and  $H_1: \mu \neq 130$

Q3) a) Specify under what situation simple random sample, stratified random sample and systematic sampling is preferable.

b) Determine the sample size when  $Z=1.96$ ,  $e=0.5$   $\sigma=2.59$

c) Draw all samples of size 2 without replacement from population 12, 14, 12, 10, 14, and prove that sample mean is an unbiased estimate of population mean.

Q4) a) Define estimate, estimation and estimator with example?

b) Explain the term "Standard Error"?

c) From a random sample of 40 people, 5 people were in favor of increase in tax to settle the foreign debt. Construct 95% confidence interval for the proportion of people in the country who are in favor the increase in tax to settle foreign debt. (Table value=1.96)

Q5) The baggage weight of male and female were noted for the people coming out from airport. The following data were obtained;

Female:  $n_1=10$                        $\text{mean}_1 = 28 \text{ Lbs}$                        $s_1 = 8 \text{ Lbs}$

Male:  $n_2=15$                        $\text{mean}_2 = 20 \text{ Lbs}$                        $s_2 = 3 \text{ Lbs}$

- a) Identify which test statistic could be used
- b) List the underlying assumption for using above test
- c) Test the hypothesis that the difference of mean baggage weight of female and male is at most 10 Lbs. using 5% level of significance **(Table value=1.714)**

Q6) a) The following data represent price of different type of cars in different cities

Cities / Car type	A	B	C	D
Karachi	450	400	600	750
Lahore	500	410	625	725
Islamabad	525	390	680	730

Test the Hypothesis at 5% level of significance that price of cars are independent of cities.

**(Table value=12.592)**

b) Draw four different diagrams with proper labeling of x and y axis on the answer sheet and show the four components of time series graphically. **(Graph paper not required)**

**END OF PAPER**

# MBA – IV

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
MANAGEMENT INFORMATION SYSTEM BA (M) – 632  
MBA – IV

**Date: June 27, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**Instruction:**

- 1. Attempt any 4 questions, all carry equal marks. Do not write anything on the question paper.**
- 2. Use of mobile phones 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.**

Q-1 Enlist potential reasons why Information System are so important for business, also Describe role of Information Technology for innovation and boosting the business

Q-2 What do you meant by quality assurance regarding Information and Information System?

Q-3 Describe why Databases Management System essentially required for automation? Define the elements of Computer-Based Information System (CBIS)

Q-4 Describe purpose of System Analysis and Design methodologies and explain major tasks of System Development Life cycle

Q-5 Write down short note of the following computer related terminologies:

- |                  |                      |
|------------------|----------------------|
| a) Cyberspace    | b) Data Dictionary   |
| c) Expert System | d) ADSL Technologies |

Q-6 Differentiate the distinguishing functionality between the following with relevant examples.

- a) Information and Knowledge
- b) Data communication and Networking
- c) Decision Supporting System & Strategic Information System

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
FINANCIAL MANAGEMENT; BA (M)-622  
MBA – IV

**Date: June 29, 2013**

**Max Time: 3 Hrs**  
**Max Marks: 60**

**INSTRUCTIONS:**

1. **ATTEMPT ALL QUESTIONS.** Do not write anything on the question paper.
2. **Use of mobile phones or any other communicating device is not allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

**Q. #1: (a)** It is now January 2012. You plan to make 6 deposits of \$100 each, one every 6 months, with the first payment being made today. If the bank pays a nominal interest rate of 12 percent but uses semiannual compounding, how much will be in your account after 12 years?

**(b)** You must make a payment of \$ 1,432.02 ten years from today. To prepare for this payment you will make 5 equal deposits, beginning today and for the next 4 quarters, in a bank that pays a nominal interest rate of 12 percent, quarterly compounding. How large must each of the 5 payments be?

**(c)** Which amount is worth more at 14 percent \$ 1,000 in hand today or \$2,000 due in 6 years?

**Q. #2: (a)** The Honey Company's bonds have 4 years remaining to maturity. Interest is paid annually; the bonds have a \$ 1,000 par value; and the coupon interest rate is 9 percent.

- i. What is the yield to maturity at a current market price of (1) \$ 829 or (2) \$ 1,104?
- ii. What you pay \$ 829 for one of these bonds if you thought that the appropriate rate of interest was 12 percent that is, if  $K_d = 12\%$ ? Explain your answer.

**(b)** Six years ago, he Sing-tech Company sold a 20-year bond issue with a 14 percent annual coupon rate and a 9 percent call premium. Today, Sign-tech called the bonds. The bonds originally were sold at their face value of \$ 1,000. Compute the realized rate of return of investor who purchased the bonds when they were issued and who surrender them today in exchange for the call price.

**Q. #3: (a)** You are considering an investment in the common stock of K Corp. The stock is expected to pay a dividend of \$ 2 a share at the end of the year ( $D_1 = \$ 2.00$ ). The stock has a beta equal to 0.9. The risk -free rate is 5.6 percent, and the market risk premium is 6 percent. The stock's dividend is expected to grow at some constant rate  $g$ . The stock currently sells for \$ 25 a share. Assuming the market is in equilibrium, what does the market believe will be the stock price at the end of 3 year? What is  $P_3$ ?

**(b)** Fee Founders has preferred stock outstanding which pays a dividend of \$ 5 at the end year. The preferred stock sells for \$ 60 a share. What is preferred stock's required rate of return?

**Q. #4: (a)** Tunney Industries can issue perpetual preferred stock at a price of \$ 50 a share. The issue is expected to pay a constant annual dividend of \$ 3.80 a share. The flotation cost on the issue is estimated to be 5 percent. What is the company's cost of preferred stock,  $K_{ps}$ ?

**(b)** A company's 6 percent coupon rate, semiannual payment, \$ 1,000 par value bond which matures in 30 years sells at a price of \$ 515.16. The company's corporate tax rate is 40 percent. What is the firm's component cost of debt for purposes of calculating the WACC?

**Q. #5: (a)** Project S has a cost of \$ 10,000 and is expected to produce benefits (cash flows) of \$3,000 per year for 5 year. Project L costs \$ 25,000 and is expected to produce cash flows of \$ 7,400 per year for 5 year. Calculate the two projects' NPVs, IRRs, MIRR, and PIs assuming a cost of capital of 12 percent. Which project would be selected, assuming they are mutually exclusive, using each ranking method? Which should actually be selected?

**(b)** Collins Company is considering on two projects (Project- A and Project- B) both require initial invest of \$ 10,000 each. Cash inflows from these projects are given below:

Year	1	2	3	4	5	6	7
Project- A	\$2,000	2,000	2,000	2,000	2,000	4,000	3,000
Project- B	\$1,000	2,000	3,000	4,000	4,000	3,000	-----

**Required:** Recommend on the basis of Payback and discounted payback period which project is better assume discount rate at 10%.

**END OF EXAM PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
MANAGERIAL ACCOUNTING; BA (M)–602  
MBA – IV

**Date: July 01, 2013**

**Max Time: 3 Hrs  
Max Marks: 60**

**Instructions:**

**Attempt ALL questions. Do not write anything on the question paper.**

**Use of mobile phones or any other communicating device is not allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

**Q. 1:** Hollowell Audio, Inc., manufactures military-specification compact discs. The company uses standards to control its costs. The labor standards that have been set for one disc are as follows:

Standard Hours	Standard Rate per Hour	Standard Cost
24 minutes	\$ 6.00	\$2.40

During July 8,500 hours of direct labor time were recorded to make 20,000 discs. The direct labor cost totalled \$ 49,300 for the month.

**Required:**

- What direct labor cost should have been incurred to make the 20,000 discs? By how much does this differ from the cost that was incurred?
- Break down the difference in cost from (1) above into a labor rate variance and labor efficiency variance.
- The budgeted variable manufacturing overhead rate is \$4 per direct labor-hour. During July the company incurred \$ 39,100 in variable manufacturing overhead cost. Compute the variable overhead spending and efficiency variance for the month.

**Q#2:** Climate-Control, Inc. manufactures a variety of heating and air-conditioning units. The company is currently manufacturing all of its own component parts. An outside supplier has offered to sell a thermostat to Climate-Control for \$20 per unit. To evaluate this offer, Climate-Control, Inc. has gathered the following information relating to its own cost of producing the thermostat internally:

	Per unit	15,000 units per year
Direct Material	\$6	\$90,000
Direct labour	8	120,000
Variable manufacturing overhead	1	15,000
Fixed manufacturing overhead , traceable	5*	75,000
Fixed manufacturing overhead, common, but allocated	<u>10</u>	<u>150,000</u>
	<u>\$30</u>	<u>\$450,000</u>

\*40% supervisory salaried; 60% depreciation of special equipment (no resale value)

**Required:**

- Assuming that the company has no alternative use for the facilities now being used to produce the thermostat, should the outside supplier's offer be accepted? Show all computations.
- Suppose that if the thermostats were purchased, Climate-Control, Inc could use freed capacity to launch a new product. The segment margin of the new product would be \$65,000 per year. Should Climate-Control, Inc. accept the offer to buy the thermostat from the outside supplier for \$20 each? Show computation.

**Q # 3: a-** Chillicothe Meat Company produces one of the best sausage products in southern Ohio. The Company's controller used the account-classification method to compile the following information.

Depreciation schedules revealed that monthly depreciation on buildings and equipment is \$19000

Inspection of several invoices from meat packers indicated that meat costs the company \$1.10 per pound of sausage produced.

Wage records showed that compensation for production employees costs **\$0.70** per pound of sausage produced.

Payroll records showed that supervisory salaries total \$10000 per month.

Utility bills revealed that the company incurs utility costs of \$4000 per month plus **\$0.20** per pound of sausage produced.

**Required: (05 marks)**

- Classify each cost item as variable, fixed, or semi variable.
- Write a cost formula to express the cost behavior of the firm's production costs. Use the form  $Y = a + bX$ , where  $Y$  denotes production cost and  $X$  denotes quantity of sausage produced.



**Q # 3: b-** Rio Bus Tour has incurred the following bus maintenance costs during the recent tourist season.

Month:	November	December	January	February	March	April
Miles Travelled						
by Tour Buses:	8500	10600	12700	15000	20000	8000
Cost:	\$11400	11600	11700	12000	12500	11000

**Required: (05 marks)**

1. Use the high-low method to estimate the variable cost per tour mile travelled and the fixed cost per month.
2. Develop a formula to express the cost behaviour exhibited by the company's maintenance cost.
3. Predict the level of maintenance cost that would be incurred during a month when 22000 tour miles are driven.

**Q# 4:** Engberg Company installs lawn sod in home yards. The company's most recent monthly contribution format income statement follows:

Amount	Percentage of Sales	
Sales	\$ 80,000	100%
Variable expenses	<u>32,000</u>	<u>40%</u>
Contribution margin	48,000	<u>60%</u>
Fixed expenses	<u>38,000</u>	
Net operating income	<u>10,000</u>	

**Required:**

1. Compute the company's degree of operating leverage
2. Using the degree of operating leverage, estimate the impact on net operating income of a 5% increase in sales.
3. Verify your estimate from part (2) above by constructing a new contribution format income statement for the company assuming a 5% increase in sales.

**Q#5:** Harris Company manufactures and sells a single product. A partially completed schedule of the company's total and per unit cost over the relevant range of 30,000 to 50,000 units produced and sold annually is given below:

	Units Produced and Sold		
	30,000	40,000	50,000
Total Costs:			
Variable Costs	\$ 180,000	?	?
Fixed Costs	<u>300,000</u>	?	<u>?</u>
Total Costs	<u>\$ 480,000</u>	<u>?</u>	<u>?</u>
Cost per unit:			
Variable cost	?	?	?
Fixed cost	<u>?</u>	<u>?</u>	<u>?</u>
Total cost per unit	<u>?</u>	<u>?</u>	<u>?</u>

**Required:**

1. Complete the schedule of the company's total and unit costs above.
2. Assume that the company produces and sells 45,000 units during the year at a selling price of \$ 16 per unit. Prepare a contribution format income statement for the year.

**Q # 6:** Micro Products, Inc; has developed a very powerful electronic calculator. Each calculator requires three small "chips" that cost \$ 2 each and are purchased from an overseas supplier. Micro Products has prepared a production budget for the calculator by quarters for Year 2 and for the first quarter of Year 3, as shown below:

	Year 2				Year 3
	First	Second	Third	Fourth	First
Budgeted production, In calculators	60,000	90,000	150,000	100,000	80,000

The chip used in production of the calculator is sometimes hard to get, so it is necessary to carry large inventories as a precaution against stock-outs. For this reason, the inventory of chips at the end of a quarter must be equal to 20% of the following quarter's production needs. Some 36,000 chips will be on hand to start the first quarter of Year 2.

**Required:**

Prepare a materials purchases budget for chips, by quarter and in total, for Year 2. At the bottom of your budget, show the dollar amount of purchases for each quarter and for the year in total.

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
AUDITING; BA (M)–612  
MBA – IV

**Date: July 03, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**Instructions:**

- 1. Attempt any SIX questions. Do not write anything on the question paper.**
- 2. Use of mobile phones or any other communicating device is not allowed in the examination room. Students are required to remove the batteries of these devices before entering the examination hall.**

- Q #1** (a): Define Auditing and why there is a need of external independent audit? (05)  
(b): Are all audits the same in purpose and scope? (05)
- Q#2** (a): What is difference between appointment letter and engagement letter? (06)  
(b): Why does an organization issue an appointment letter to an auditor? (04)
- Q#3** (a): What do you understand by audit approach? (04)  
(b): Why does an auditor acquire complete knowledge of the client's business? (06)
- Q#4** (a): What information about a client is essential in audit planning? (05)  
(b): What is an audit program and how should it be prepared? (05)
- Q #5** (a): What is the difference between permanent and temporary audit working file? Why does an auditor need them? (06)  
(b): List the documents which are filed in these files. (04)
- Q#6** Detail knowledge of control procedure is necessary in obtaining an understanding. Do you agree? Explain. (10)
- Q#7** What is an audit evidence? What are its various techniques which are used by the auditor for obtaining evidence? (10)
- Q#8** Write short notes on any four: (2.5 mark each)
- i. Auditors rights and duties
  - ii. Internal audit
  - iii. Audit Evidence
  - iv. Substantive Procedure
  - v. Test of Control

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
BANKING OPERATIONS & MANAGEMENT; BA (M)-682  
MBA – IV

**Date: July 5, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**Instructions:**

- 1. Attempt ANY 6 questions. Read the questions well before answering. Do not write anything on the question paper.**
- 2. Use of mobile phones or any other communicating device is not allowed in the examination room. Students are required to remove the batteries of these devices before entering the examination hall.**

- Q1 a) Which bank accounts are termed as 'special customers?'  
b) List the documents mandatory for opening & 'operation' of the following accounts:  
(i) 'Partnership Firm' A/C  
(ii) Private Ltd company A/C
- Q2 a) Highlight and discuss the 'Key Areas' of 'commercial banking' operations.  
b) What are the functions/role of the State Bank of Pakistan as a Central Bank .  
Discuss in brief
- Q3 a) What is 'K.Y.C.', discuss its importance for a bank before opening a new account?  
b) What is 'Money laundering'? Discuss in brief.
- Q4 a) Define & discuss the 'fundamental relationship' between a Banker and a customer.  
b) What is banker's duty of 'secrecy'? State the circumstances when a banker is not obliged to maintain 'secrecy' of a account.
- Q5 a) State & briefly discuss the 'Principles of Prudent Lending'  
b) Highlight the various modes of 'commercial lending' in Pakistan.
- Q6 a) What is an 'Irrevocable Letter of Credit'? Discuss its role in promoting International trade.  
b) Distinguish between 'Mortgage' and 'Pledge'.
- Q7 a) Define 'Endorsements' and state the various types with examples  
b) Highlight the importance of 'endorsements' on cheques, for a bank.
- Q8 Write short notes on any **three** of the following:  
(i) N.I.F.T  
(ii) SBP Prudential Regulations.  
(iii) 'Special crossing'.  
(iv) S.M.E. bank

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
GLOBAL MARKETING; BA (M)-642  
MBA – IV

**Date: July 05, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**INSTRUCTIONS:**

- 1. Attempt any Six questions from the following. Do not write anything on the question paper.**
- 2. Use of mobile phones or any other communicating device is not allowed in the examination room. Students are required to remove the batteries of these devices before entering the examination hall.**

- Q1. Global marketing passes through different evolutionary changes, describe all steps in detail.
- Q2. Explain the concept of Exchange including the conditions that must exist in exchange to occur?
- Q3. What marketing conditions might logically lead a company to set a “meeting competition” as a pricing objective?
- Q4. International marketers make strategic alliances to expand business operations. List down entire the benefits that they can gain from strategic alliances.
- Q5. Discuss the statement is it difficult to segment culturally composed countries or culturally diversified.
- Q6. What aspects should be taken into account in order to manage strategic alliance successfully in international markets?
- Q7. Draw a comparison between countries regarding economic status and how such kind of grouping is beneficial for segmentation.

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
PROJECT APPRAISAL; BA (M)-683  
MBA – IV

Date: July 08, 2013

Max Time: 3 hrs

Max marks: 60

**INSTRUCTIONS:**

1. **Attempt all questions, all carry equal marks.** Do not write anything on the question paper.
2. **Use of mobile phones or any other communicating device is not allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q. 1:** (a) How will you define a project? Explain its significance and features.  
(b) Explain clearly the broad features of capital budgeting process.
- Q. 2:** What broad issues of Technical & Engineering are considered in preparing a pre-feasibility study of a project?
- Q. 3:** Describe briefly the aspects of a business environment that need to be monitored as well as the dimensions along which a firm may appraise its strengths and weaknesses for identifying investment opportunities.
- Q. 4:** What are aspects are looked into while conducting financial analysis of a project?
- Q.5:** AAA Company is considering two mutually exclusive investments, Project M and N. the expected cash flows of these projects are as follows:

Year	Project M	Project N
0	Rs (10,000)	Rs (10,000)
1	Rs (22,00)	Rs (22,000)
2	7,000	6,000
3	6,000	9,000
4	10,000	10,000
5	15,000	15,000
6	10,000	10,000

**Required:** What are the IRR and Modified IRR of each project assuming the reinvestment rate of 16% and weight average cost of capital 13%?

- Q.6:** Cash Flow Stream for two alternative investments X & Y are:

Year	Rupees X	Rupees Y
0	(600,000)	(700,000)
1	160,000	150,000
2	130,000	180,000
3	250,000	220,000
4	120,000	190,000
5	180,000	140,000
6	300,000	290,000

**Required:**

- (a) For each Project X & Y, calculate precisely the payback period, net present value, and Benefit cost ratio. Assume a discount rate of 14 percent.
- (b) Which project is to be accepted on the basis of above three criteria?

**END OF PAPER**

KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2013; AFFILIATED COLLEGES  
ADVERTISING & PROMOTION; BA (M)-652  
MBA – IV

**Date: July 07, 2013**

**Max Time: 3 Hrs**

**Max Marks: 60**

**INSTRUCTIONS:**

- 1. Attempt any 6 questions. Do not write anything on the question paper.**
- 2. Use of mobile phones or any other communicating device is not allowed in the examination room. Students are required to remove the batteries of these devices before entering the examination hall.**

- Q1. Define advertising? What are the different functions of advertising?
- Q2. Describe the advantage of print media advertisement and explain the role of magazine advertising to business that sell to other businesses?
- Q3. Describe how marketing and advertising plans are related and explain the difference between objectives & strategies in marketing & advertising plans?
- Q4. Describe the significant role of copywriter in relation to other member of creative process.
- Q5. Define sales promotion and explain the difference between push & pull strategies and give some tactical examples of each in sale promotion.
- Q6. Enlist different element of an advertising plan and an advertising strategy in detail.
- Q7. Define any 5 of the following terms:
- |                      |                           |
|----------------------|---------------------------|
| 1. Advertorial       | 4. 3-D Ads                |
| 2. Implied Consumers | 5. Usage Rate             |
| 3. Opinion Leader    | 6. Subliminal Advertising |

**END OF PAPER**

*June*  
2013

**AFFILIATED**  
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