

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION DECEMBER 2010: AFFILIATED COLLEGES
BUSINESS COMMUNICATION – I BA (M) – 501
MBA – I

Date January 11, 2011

Max Time: 150 Minutes

Max Marks: 40

- 1.a. Why is recognising common barriers to effective communication so important? (02)
- b. Identify one common barrier from each of the following three barrier zones. (03)
Also give an example and provide the solution for each of the common barriers.
- Barriers by surrounding environment
 - Barriers between people
 - Barriers made by words
2. Select a product or service or an idea or image that you wish to promote and design a sales letter that promotes the idea or item to a specific audience. (05)
3. As the Area Manager of Pakistan Food, you have recently received a number of complaints from your customers about the way they have been treated. Some of them have not been served for more than half an hour. Most of the complaints took place during lunch hour which is Pakistan Food's peak time for business. This has been brought to your boss, Saad bin Zafer the general manager's attention. (05)

REQUIRED:

You are told to write a memo to all the floor staff instructing them how they should deal with visitors and customers who visit the outlet. They should take shifts for lunch and maintain at least a certain number of staff at all times. They should also come to work on time and any tardiness will be subject to disciplinary action. They also need to clean up their own area of work before they leave work for the day.

4. As the Executive Director for a local charity, you have received an angry letter from a donor: (10)

According to the Daily Karachi News, 89% of the money you raise goes to administrative expenses. Is that true? I always thought you did good work, but now I wonder.

Sincerely,

Mrs. Ahmed.

The paper had a major misprint: 89% of the money your raise goes to the work you do; only 11% goes to fund-raising administrative costs.

REQUIRED:

- a. Write a letter to Mrs. Ahmed, reassuring her that her donations to your organization indeed go to do good work.
- b. Write a letter to the editor of the Daily Karachi News, correcting the story.
5. Write a Report evaluating the feasibility of any one of the following: (15)
- a. Is it feasible for a local restaurant to open another branch? Where should it be?
- b. Is it feasible to start a monthly newsletter for students in your major?

Note: The report should be complete with the Prefatory and text parts, you are not required to include the complementary part.

KARACHI UNIVERSITY BUSINESS SCHOOL
 University of Karachi
FINAL EXAMINATION JANUARY 2011; AFFILIATED COLLEGES
BUSINESS ECONOMICS: BA (M) – 511
MBA – I

Date: January 7, 2011

Max Marks: 60
 Max Time: 3 hours

Instructions:

1. Attempt any FIVE questions. All questions carry equal marks
2. Programmable calculators are not allowed

Q1.(a) Clearly differentiate between duopoly and oligopoly with real examples

(b) Discuss the short run equilibrium of firm under perfect competition (Total Approach)

Q.2(a) Briefly discuss the factors which affect the Supply curve.

(b) Define Following terms with example wherever necessary:

1. Services
2. Goods
3. Entrepreneurial Ability
4. Land
5. Labor
6. TOP
7. Unemployment
8. Economic Efficiency
9. Laissez faire
10. Complementary goods.

Q.3(a) Define price elasticity of demand also gives an appropriate reason for negative sign in its formulation.

(b) For following data calculate the price elasticity of demand and predict the nature of demand.

| | | | | | | | | |
|---------------------|---|---|---|---|---|---|---|---|
| Q (Quantity) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| P (Price) | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |

- (c) i- A perfectly inelastic demand curve is -----
- ii- Elasticity is another word for -----
- iii- A good that is income inelastic is -----
- iv- If the cross elasticity of demand between two goods is positive, then goods are -----.

Q.4(a) Explain the consumer choices and budget constraint for Cardinal approach.

(b) For given data calculate Marginal Utility (MU), draw graph for TU and MU and comments.

| | | | | | | | | |
|-----------|---|----|----|----|----|----|----|----|
| Q | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| TU | 0 | 10 | 18 | 24 | 28 | 30 | 30 | 28 |

- (c) i – Demand curve for a monopoly is the ----- demand curve.
- ii– When the product of one firm is identical to the product of the other firms in the market, the product is said to be -----

Q.5 Write short note on any three of following

- 1- Engel curve
- 2- Command economy and Capitalist economy.
- 3- ISO cost and ISO quant
- 4- Inferior and normal Goods

Q.6 (a) Suppose that the market demand in a perfectly competitive industry is Given by $QD = 70,000 - 5000 P$ and the market supply function is given as $QS = 40,000 + 2500 P$, with P is in dollars.

i – Find the market equilibrium price.

ii – Find the market demand and market supply schedule at prices of \$9, \$8, \$7, \$6, \$5, \$4, \$3, \$2, \$1.

iii- Draw the market demand curve, the market supply curve and the Demand curve of one of the 100 identical, perfectly competitive firm in this industry.

iv – What is the equation of the demand curve of the firm?

(b) Give salient features of the perfectly competitive market.

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION DECEMBER 2010; AFFILIATED COLLEGES
BUSINESS MATHEMATICS BA (M) – 531
MBA – I

Date: January 17, 2011
 Instruction: attempt all questions

Max Marks: 60
 Max Time: 3 Hrs

Q.1. (a) Using Gaussian method, find A^{-1} if

$$A = \begin{bmatrix} 1 & -1 & 1 \\ 1 & 0 & -1 \\ 2 & 1 & 1 \end{bmatrix}$$

(b) Solve the system Graphically and verify your result algebraically

$$x_1 - 4x_2 = -2$$

$$2x_1 - x_2 = 3$$

$$3x_1 + x_2 = 7$$

Q.2. (a) Solve $8x^2 \ln x - 6x \ln x = 9 \ln x$

(b) A sum of Rs. 100,000/= is invested with the interest rate 12% per year. What will be amount after 10 years if interest is calculated.

- (i) Compound annually
- (ii) Compound semi annually
- (iii) Compound quarterly
- (iv) Compounded continuously

(c) A person's goal is to collect 1.5 million Rs., after 10 years on the interest rate 10% per annum calculated semi annually, what amount should be deposited to achieve his goal

Q.3. (a) Using limit approach determine $f'(x)$ if $f(x) = x^4$

(b) Find $f'(2)$ and $f''(2)$ if $f(x) = \frac{e^{2x}}{(x^2 + 1)}$

Q.4. (a) Determine domain of $f(x) = \frac{\sqrt{6x^2 + x - 12}}{8x^2 - 6x - 9}$

(b) Find critical point if function of $f(x) = \frac{8}{3}x^3 - 3x^2 - 9x + 70$, determine their nature and find maximum and minimum values of the function.

Q.5. Integrate (i) $\int x\sqrt{x-5} dx$ (ii) $\int (\ln x)^2 dx$ (iii) $\int \frac{x-3}{x+5} dx$

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION, DEC 2010: AFFILIATED COLLEGES
FUNDAMENTALS OF ACCOUNTING: BA (M) – 521
MBA-I

Date: 15 Jan 2011
Time Allowed: 3 Hours

Max Marks:60

Instruction: Attempt All Six Questions.

Q# 1: The cash transactions and cash balances in Cash Book and Bank Statement for Al Fouzan Ltd given below:

1. The bank statement for August 2010 shows an ending balance of \$3,490.
2. The company's Cash account at the end of August shows a balance of \$967.
3. On August 31 the bank statement shows charges of \$35 for the service charge for maintaining the checking account.
4. On August 28 the bank statement shows a return item of \$100 plus a related bank fee of \$10. The return item is a customer's check that was returned because of insufficient funds. The check was also marked "do not redeposit.
5. The bank statement shows a charge of \$80 for check printing on August 20.
6. The bank statement shows that \$8 was added to the checking account on August 31 for interest earned by the company during the month of August.
7. The bank statement shows that a note receivable of \$1,000 was collected by the bank on August 29 and was deposited into the company's account. On the same day, the bank withdrew \$40 from the company's account as a fee for collecting the note receivable.
8. During the month of August the company wrote checks totalling more than \$50,000. As of August 31 \$3,021 of the checks written in August had not yet cleared the bank and \$200 of checks written in June had not yet cleared the bank.
9. The \$1,450 of cash received by the company on August 31 was recorded on the company's books as of August 31. However, the \$1,450 of cash receipts was deposited at the bank on the morning of September 1.
10. On August 29 the company's Cash account shows cash sales of \$145. The bank statement shows the amount deposited was actually \$154. The company reviewed the transactions and found that \$154 was the correct amount.

Required:

- a) Prepare Statement of Bank Reconciliation as on 31 August 2010.
- b) Pass necessary adjusting entries in the books of Company.

Q# 2: Following are the Balances in the ledgers of Triad Truck Rental on 1 Dec. 2010:

Account Receivable \$8900; Trucks \$58000; Accounts Payable \$5200; Office Equipment \$3800; Notes Payable \$20000; Billal's Capital \$55000; and Cash \$?.

During the month Triad Truck Rental completed the following transactions:

1. Bought Office Equipment at a Cost of \$ 2700 paid Cash.
2. Collected \$4000 of Accounts Receivable.
3. Paid \$3200 of Accounts Payable.
4. Borrowed \$10000 from a bank. Signed a note payable for that amount.
5. Purchased two trucks for \$30500. Paid \$15000 cash and signed a note payable for the balance.
6. Billal the owner, invested \$20000 Cash in the business.

Required:

- a) Prepare necessary 'T' accounts for each item separately with their opening balances, post the above given transactions thereon and balance the accounts at the end of period.
- b) Prepare a Trial Balance at 31 Dec. 2010.

Q# 3: Audio Shop uses a periodic inventory system. One of the most popular items carried in stock by Audio Shop is an eight-inch speaker unit. The inventory quantities, purchases, and sales of this unit for the most recent year are as follows:

| | Number of units | Cost per unit |
|----------------------------|-----------------|---------------|
| Inventory, Jan 1 | 2700 | \$30.00 |
| First purchase (May 12) | 3540 | 30.60 |
| Second purchase (July 9) | 2400 | 31.05 |
| Third purchase (Oct. 4) | 1860 | 32.10 |
| Fourth purchase (Dec. 18) | 3000 | 32.55 |
| Inventory Ending (Dec. 31) | 3100 | |

Required:

a: Compute cost of inventory ending and cost of goods sold under following methods:

- (i) FIFO (ii) LIFO (iii) Average Cost

b: Which of the three inventory pricing methods provides the most realistic balance sheet valuation of inventory in light of the current replacement cost of the speaker units? Does this same method also produce the most realistic measure of income in light of the cost being incurred by Audio Shop to replace the speaker when they are sold? Explain.

Q# 4: The following is the pre-closing trial balance of Sana's Boutique on 31 Dec. 2010

Cash \$ 21500; Furniture \$15000; Insurance Expense \$ 10500; Accounts Receivable \$72500; Allowance for Depreciation- Furniture \$3000; Accounts Payable \$27000; Sana's Capital \$70000; Sana's Drawings \$8800; Sales \$116800; Rent Revenue \$18000; Office Supplies \$3000; Purchases \$60500; Salaries Expense \$18000; Merchandise Inventory (1st Jan, 2010) \$25000;

Supplementary data for adjustments:

1. Salaries expenses for the year amounted to \$20000.
2. Unexpired Insurance \$3500.
3. Depreciation on Furniture for the year \$1500.
4. Office Supplies and Merchandise Inventory on hand on 31 Dec 2010, were respectively \$850 and \$16000.
5. Rent Revenue includes an amount received in advance \$2500.

Required:

1. Prepare Income Statement for the year ended 31 Dec. 2010.
2. Prepare Balance Sheet as on 31 Dec. 2010.

Q# 5: Maps and Globes, Inc. is a manufacturer that makes all sales on 30-days credit terms. Annual Sales are \$25 million. At the end of 2009, accounts receivable were presented in the company's balance sheet are as follows:

Accounts Receivable from Customers \$2350000

Less: Allowance for Doubtful Accounts 70000

During 2010, \$740000 in accounts receivable were written off as uncollectible. Of these accounts written off, receivables totalling \$24000 were unexpectedly collected. At the end of 2010, an aging of accounts receivable indicated a need for an \$80000 allowance to cover possible failure to collect the accounts currently outstanding.

Maps and Globes make adjusting entries in its accounting records only at year end. Monthly and quarterly financial statements are prepared from work sheet, without any adjusting or closing entries actually being entered in the accounting records. (in short, you may assume the company adjusts its accounts only at year end.)

Required:

- a) Prepare the following in the form of general journal entries.
 1. One entry to summarize all accounts written off against the allowance for doubtful accounts during 2010.
 2. Entries to record the \$24000 in accounts receivable that were unexpectedly collected.
 3. The adjusting entry required at Dec. 31, 2010 to increase the allowance for doubtful accounts to \$80000.
- b) Notice that the allowance for doubtful accounts was only \$70000 at the end of 2009, but uncollectible accounts during 2010 totalled \$716000 (\$740000 less the \$24000 reinstated). Do these relationship appear reasonable, or was the allowance for doubtful accounts greatly understated at the end of 2010? Explain.

Q# 6: The following information is available as a Source for preparing adjusting entries at Dec. 31.

1. Salaries earned by employees but not yet recorded or paid amount to \$7900.
2. As of Dec. 31, Alta Inc. has earned \$11075 rental revenue from current guest who will not be billed until they are ready to check out.
3. On Nov. 1, a suite of rooms was rented to a corporation for six months at a monthly rental of \$3200. The entire six months' rent was collected in advance.
4. A limousine to carry guest to and from the airport had been rented beginning Dec. 19, from Transport Rentals, Inc. at a daily rate of \$120. No rental payment had yet been made.
5. Depreciation on the resort's building is based on estimated useful life of 30 years. The original cost of Building was \$1755000. The company uses straight line method.
6. A one-year fire insurance policy had been purchased on Sep. 1. The premium of \$7200 for the entire life of the policy had been paid on Sep. 1, this year.

Required: Prepare adjusting entries in proper general journal.

End of paper.

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION DECEMBER 2010: AFFILIATED COLLEGES
INTRODUCTION TO BUSINESS MANAGEMENT BA (M) – 541
MBA – I

Date January 13, 2011

Max Time: 150 MINUTES

Max Marks: 40

Attempt all Questions. All questions carry equal marks

- 1.a. Are strategies and policies as important in a nonbusiness enterprise as they are in a business? Why and how?
- b. Why are contingency strategies important?

- 2.a. Why is it important to carry out a SWOT analysis prior to establishing objectives of an organization?
- b. Think of a problem that was creatively solved. Did the solution come from group discussion, or was it the result of an individual effort? Reconstruct the phases of the creative process.

- 3.a. How might a manager deal with making decisions under conditions of uncertainty?
- b. How do managers develop, analyze, select, and implement alternatives and then assess whether the decision was effective?

- 4.a. Could managers use any of the motivation theories or approaches to encourage and support workforce diversity efforts? Explain.
- b. Describe a task you have done recently for which you exerted a high level of effort. Explain your behavior by using any of the motivation approaches you have studied.

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION DECEMBER 2010: AFFILIATED COLLEGES
ORGANIZATIONAL BEHAVIOR BA (M) – 561
MBA - I

Date : January 09,2011

Max Time: 150 minutes

Max Marks: 40

Answer the Following Questions

- 1 (a) In what ways are the trait and behavior approaches to leadership similar?
(b) Can organizations create substitutes for leadership to cut down on the number of managers they need to employ? Why or Why not?
- 2 (a) Why are opportunities such as a job promotion stressful for some people?
(b) Should managers try to eliminate all or most role conflict and ambiguity? Why or why not?
- 3 (a) As a manager how can you encourage desired behavior through positive and negative reinforcement?
(b) What are the main conflict resolution strategies?
- 4 (a) Why might a supervisor be motivated to perceive a subordinate's performance as being poor when it really is not?
(b) Why might a supervisor make internal attributions for a subordinate's poor performance?

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION JANUARY 2011: AFFILIATED COLLEGES
BUSINESS COMMUNICATION – II BA (M) – 502
MBA – II

Date : January 08, 2011

Max Time: 2 hours

Max Marks: 30

ATTEMPT ALL QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS.

1. **Do As Directed**

Make a short (five to twelve minutes) presentation, with six to ten slides, on one of the following Topics:

- i. Role of communication in an organization
- ii. Persuade your college to bring change in administrative policies.

Guidelines:

- You may assume necessary information
- Do not draw graphics, just write down the text that you would use in your slides.
- Do not make more than two slides in one page.
- Do not use colors or fancy font styles. Keep your slides very simple
- You will not be given any extra marks on the beautification of the slides.
- You will strictly be marked on how relevant your slides are to the topic.

2. (a) Revise each of these sentences to improve you-attitude and positive emphasis. You may need to add information.

- i. I am looking for a position that gives me a chance to advance quickly.
- ii. Although short on experience, I am long on effort and enthusiasm.
- iii. Included in my resume are the courses in Finance that earned me a fairly attractive grade average.
- iv. I understand that your company has had problems due to the mistranslation of documents during international ad campaigns.
- v. I have been with the company from its beginning to its present unfortunate state of bankruptcy.

(b) None of the following career objective statements is effective. What is wrong with each statements as it stands? Which statements could be revised to be satisfactory? Which should be dropped?

- i. To use my acquired knowledge of accounting to eventually own my own business.
- ii. A progressively responsible position as a **MARKETING MANAGER** where education and ability would have valuable application and lead to advancement.
- iii. To work with people responsibly and creatively, helping them develop personal and professional skills.
- iv. A position in international marketing which makes use of my specialization in marketing and my knowledge of foreign markets.
- v. To succeed in sales.

3. Write a letter of application in response to the requirement given in the box below; also write a resume for the same.

ABC Company is looking for **sales management trainees** – any major. Candidates will undergo an intensive sales training program leading to sales management. After training successful candidates will have personal selling responsibility for major accounts, and will be given to manage sales plans and presentations, will analyze business results and recommend action.

KARACHI UNIVERSITY BUSINESS SCHOOL
 University of Karachi
FINAL EXAMINATION DECEMBER 2010: AFFILIATED COLLEGES
BUSINESS STATISTICS BA (M) – 532
MBA – II

Date: January 10, 2011

Max Time: 2.5 Hrs

Max Marks: 30

Section – B (Subjective)

Question # 1 **[2]**

A population has $\mu = 100$ and $\sigma = 20$. If you select a single score from this population, on the average, how close would it be to the population mean? Explain your answer by the help of mathematical expression if needed.

Question # 2 **[4]**

The following are the quiz scores for BBA(Hons) class of 18 students:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4 | 5 | 5 | 6 | 4 | 5 | 2 | 6 | 3 |
| 5 | 6 | 5 | 4 | 3 | 6 | 1 | 6 | 5 |

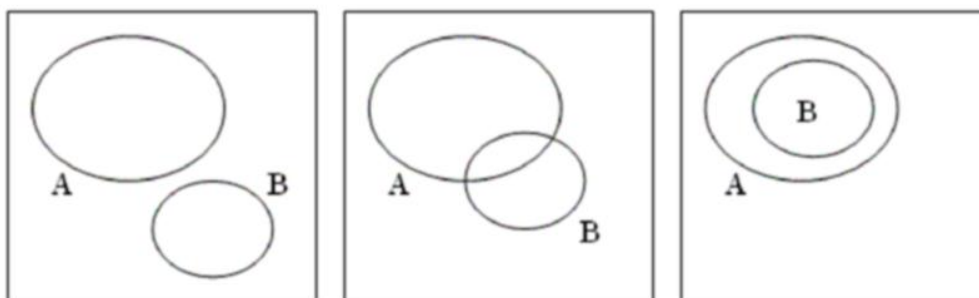
- a. Place the score in a frequency distribution table.
- b. Sketch a histogram showing the distribution. Discuss the difference between a bar graph and a histogram.
- c. Calculate the arithmetic mean and standard deviation of the data.
- d. Using your graph, answer the following questions:
 - I. Comment on the shape of the distribution.
 - II. If a score of $x = 4$ is considered typical for BBA(Hons) students, how would you describe the general level of this class?

Question # 3 **[3]**

Selecting a Sweater At a men’s clothing store, 12 men purchased blue golf sweaters, 8 purchased green sweaters, 4 purchased gray sweaters, and 7 bought black sweaters. If a customer is selected at random, find the probability that he purchased

- a). A blue sweater
- b). A green or gray sweater
- c). A green or black or blue sweater
- d). A sweater that was not black

Question # 4 **[3]**



Discuss the relationship between event A and event B in terms of $P(A \text{ and } B)$ in each of the three Venn diagrams above.

Question # 5 **[4]**

A hospital study compiles data on injuries. A contingency table for injuries by circumstances and sex is as follows. Frequencies are in ten thousands.

| | | Circumstance | | | Total |
|-----|--------------|--------------|------------|-------------|-------|
| | | Work C_1 | Home C_2 | Other C_3 | |
| Sex | Male S_1 | 8.0 | 9.8 | 17.8 | 35.6 |
| | Female S_2 | 1.3 | 11.6 | 12.9 | 25.8 |
| | Total | 9.3 | 21.4 | 30.7 | 61.4 |

- a. Find $P(C_1)$.
- b. Find $P(C_1 | S_2)$.
- c. Are events C_1 and S_2 independent? Why?
- d. Is the event that an injured person is male independent of the event that an injured person was hurt at home? Explain your answer.

Question # 6**[4]**

The quality control manager of a company is inspecting a batch of chocolate-chip cookies that has just been baked. If the production process is in control, the average number of chip parts per cookie is 6.0. What is the probability that in any particular cookie being inspected

- a. fewer than 5 chip parts will be found?
- b. Exactly 5 chip parts will be found?
- c. 5 or more chip parts will be found?
- d. 4 or 5 chip parts will be found?

Question # 7**[2+4]**

- a. What is an index number? Distinguish between fixed base and chain base methods of constructing index numbers.
- b. Construct the following weighted aggregative price index numbers for 2005 and 2006 from the given data. Consider 2004 as base year.
 - a. Laspeyres' index, and b. Paasche's index

| Commodity | Prices (Rs. Per md.) | | | Quantities (tons) | | |
|-----------|----------------------|------|------|-------------------|------|------|
| | 2004 | 2005 | 2006 | 2004 | 2005 | 2006 |
| A | 64 | 75 | 80 | 270 | 276 | 290 |
| B | 40 | 45 | 41 | 124 | 118 | 144 |
| C | 18 | 21 | 20 | 130 | 121 | 137 |
| D | 58 | 68 | 56 | 185 | 267 | 355 |

Question # 8**[4]**

Following table shows the ages X and the systolic blood pressure Y of 12 women.

| | | | | | | | | | | | | |
|--------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Age (X) | 56 | 42 | 72 | 36 | 63 | 47 | 55 | 49 | 38 | 42 | 68 | 60 |
| Blood Pressure (Y) | 147 | 125 | 160 | 118 | 149 | 128 | 150 | 145 | 115 | 140 | 152 | 155 |

- a. Draw a scatter plot between the variables.
- b. Determine the least square regression equation Y on X.
- c. Estimate the blood pressure of a women age is 45 years.

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
COMPUTER APPLICATION TO BUSINESS: BA (M) – 512
MBA – II

Date: January 16, 2011

Max Time: 3 Hrs

Max Marks: 60

Note: Attempt five questions, all carry equal marks

Q-1 What do you understand by computer networking & telecommunication, enlist the advantages & its utilization in today's business.

Q-2

- (a) Enlist the Business Intelligence characteristics of various Expert systems
- (b) State, the phases involves in business system development and designing

Q-3

- (a) Describe the elements of Computer-Based Information System (CBIS)
- (b) How are biometric devices used for human identification? Briefly explain

Q-4 Give reasons, why Multimedia technology is said to be a collection of technologies. Explain the role of multimedia in today's business?

Q-5 Describe the functions carried out by Database Management System (DBMS). Also explain how does data integrity is maintained by DBMS.

Q-6 Write down brief functionality of the following computer related terminologies:

- a) Palm Computer
- b) Bandwidth
- c) Communication software
- d) Special – Purpose Memories

Q-7 Distinguish the key points between the following with suitable examples

- a) Client and Sever
- b) Portal and Web site
- c) Application Software & System Software

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION, DEC 2010: AFFILIATED COLLEGES
FINANCIAL ACCOUNTING: BA (M) – 522

MBA-II

Date: 14 Jan 2011
Time Allowed: 2.5 Hours

Max Marks:40

Instruction: Attempt all questions.

Q# 1: Public Image, a firm specializing in marketing and publicity services, uses the balance sheet approach to estimate uncollectible accounts expenses. At year-end an aging of the accounts receivable produced the following classification:

| | |
|-----------------------|-----------------|
| Not yet due | \$333000 |
| 1 – 30 days past due | 135000 |
| 31-60 days past due | 58500 |
| 61-90 days past due | 13500 |
| Over 90 days past due | <u>22500</u> |
| Total | <u>\$562500</u> |

On this basis of past experience, the company estimated the percentages probably uncollectible for the above five age groups to be as follows: Group 1, 1%; Group 2, 3%; Group 3, 10%; Group 4, 20% and Group 5, 50%.

The Allowance for Doubtful Accounts before adjustment at December 31 showed a credit balance of \$ 8,100.

Required:

- 1) Compute the estimated amount of uncollectible accounts based on the above classification by age groups.
- 2) Prepare the adjusting entry needed to bring the Allowance for Doubtful Accounts to the proper amount.
- 3) Assume that on January 10 of the following year, Public Image learned that an account receivable that had originated on September 1 in the amount of \$8550 was worthless because the bankruptcy of the customer, Cranston Manufacturing. Prepare the journal entry required on January 10 to write off this account.
- 4) The Company is considering the adoption of a policy whereby customers whose outstanding accounts become more than 60 days past due will be required to sign an interest-bearing note for the full amount of their outstanding balance. What advantages would such a policy offer?

Q# 2: Grain Products uses straight-line depreciation on all its depreciable assets. The accounts are adjusted and closed at the end calendar year. On January 4, 1999, the corporation purchased machinery for cash at a cost of \$80000. Its useful life was estimated to be 10 years with a residual value of \$12000. Depreciation for partial years is recorded to the nearest full month.

In 2001, after almost 3 years of experience with the equipment, management decided that the estimated life of the equipment should be revised from 10 years to 6 years. No change was made in the estimated of residual value. The revised estimate of useful life was decided on prior to recording depreciation for the period ended December 31, 2001.

Required:

- a. Prepare journal entries in chronological order for the above events, beginning with the purchase of the machinery on January 4, 1999. Show separately the depreciation for 1999, 2000 and 2001.
- b. What factors may have caused the company to revise its estimate of the equipment's useful life?

Q# 3: The year-end sheet of Maui Corporation includes the following stockholders' equity section (with certain details omitted):

Stockholders' equity:

Capital Stock:

| | |
|---|------------|
| 7% cumulative preferred stock, \$ 100 par value, callable at \$105 | \$15000000 |
| Common stock, \$5 par value, 5000000 shares authorized, 4000000 shares issued | 20000000 |

Additional paid-in capital:

| | |
|----------------------------|------------------|
| Preferred Stock | 300000 |
| Common Stock | 44000000 |
| Retained earnings | <u>64450000</u> |
| Total stockholders' equity | <u>143750000</u> |

Required: From this information, compute answers to the following questions:

- How many shares of preferred stock have been issued?
- What is the total amount of the annual dividends paid to preferred stockholders?
- What was the average issuance price per share of common stock?
- What is the amount of legal capital and the amount of total paid-in capital?
- What is the book value per share of common stock?
- It is possible to determine the fair market value per share of common stock from the stockholders' equity section above? Explain.

Q# 4:The accounting staff of Carolina Crafts, Ins., has assembled the following information for the year ended December 31, 2001.

| | | | |
|--|---------|--------------------------------------|--------|
| Cash and cash equivalents, Jan. 1 | \$45200 | Proceeds from sales of plant assets | 9000 |
| Cash and cash equivalent, Dec. 31 | 64200 | Dividend paid | 65000 |
| Cash paid to acquire plant assets | 21000 | Cash paid to suppliers and employees | 635000 |
| Proceeds from short-term borrowing | 10000 | Interest paid | 19000 |
| Loans made to borrowers | 5000 | Income taxes paid | 71000 |
| Collections on loans(excluding interest) | 4000 | Cash received from customers | 795000 |
| Interest and dividends received | 17000 | | |

Required: Prepare a statement of cash flows. Include a proper classification of categories of operating activities, investing activities, and financing activities. Use direct method for net cash flow from operating activities.

Q# 5: A condensed balance sheet for Durham Corporation prepared at the end of the year appears as follows:

| Assets | | Liabilities and Stockholders' Equity | |
|-------------------------|---------|---|---------|
| Cash | \$55000 | Notes payable(due in 6 months) | \$40000 |
| Accounts receivable | 155000 | Accounts payable | 110000 |
| Inventory | 270000 | | |
| Prepaid expenses | 60000 | Long-term liabilities | 330000 |
| Plant & equipment (net) | 570000 | Capital Stock, \$5 par | 300000 |
| Other assets | 90000 | Retained earnings | 420000 |

During the year the company earned a gross profits of \$1116000 on sales of \$2790000. Accounts receivable, inventory, and plant assets remained almost constant in amount throughout the year. Retained earning opening Bal. \$300000.

Required: Compute the following;

- Current ratio
- Quick ratio
- Working Capital
- EPS
- Return on shareholders' equity
- Return on Assets
- Debt ratio
- Book value per share of capital stock
- Account Receivable turnover
- Inventory turnover

End of paper

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION JANUARY 2011: AFFILIATED COLLEGES
INTRODUCTION TO MARKETING BA (M) – 542
MBA – II

Date: January 12, 2011

Max Time: 3 Hrs

Max Marks: 60

Instruction: Attempt 5 Questions. All Questions Carry Equal Marks.

1. a. Identify the alternative distribution channels open to a company. Also discuss the role and importance of the third-party logistics in bringing a product to the market.
b. What are the stages of new product development? What happens at each stage.
2. a. Explain how can companies use product positioning to gain maximum competitive advantage?
b. What responses to price competition may be available? How may they be successfully employed?
3. a. What general factors may affect consumer buying behavior?
b. What are the main stages of the marketing research process?
4. a. Explain the marketing process and the forces that influence it.
b. Discuss branding, packaging, labeling and product support services
5. a. Interpret the changes that take place in the marketing strategies during the different stages of product life cycle.
b. How is competitive pricing different from market-based pricing?
6. a. Differentiate between business market and consumer market.
b. What are the differences between market segmentation, market targeting and brand positioning? How does each work?

KARACHI UNIVERSITY BUSINESS SCHOOL
 University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
ADVANCE BUSINESS STATISTICS BA (M) – 601
MBA – III

Date: January 14, 2011
Attempt all questions.

Max Time: 3 Hrs
Max Marks: 60

Time 3hrs. Max. marks 60

1. A sample of 25 energy savers from Philips found to light for 550 hours on the average with a standard deviation of 60 hours, another sample of 27 energy savers from Hitachi found to light for 505 hours on the average with a standard deviation of 65 hours.
 - a) Test at 2% , whether the population variances are equal.
 - b) As a consequence of the result obtain in (a) above,
 - i) Test at 1% whether Philips savers are better on the average.
 - ii) construct a 99% confidence interval for the difference in the mean lives of the two brands of savers.

2. a) A sample of 49 Toshiba dry batteries found to provide a satisfactory service for 28 hours on the average with a standard deviation of 6 hours. Construct 99% confidence intervals for the population
 - i) Mean
 - ii) Variance.

b) A community's I.Q is assumed to be normally distributed with a mean of 88 and a standard deviation of 18. It is believed that about 10% of the Population is genius, while 12% is retarded. What are the limits of I.Q for normal intelligence?

3. A survey of 600 heart patients revealed the following information regarding smoking habit and the level of blood pressure. Test whether there exist any dependency between smoking and blood pressure at 1% level of significance.

| | <u>Non-Smoker</u> | <u>Moderate Smoker</u> | <u>Chain Smoker</u> |
|-----------|-------------------|------------------------|---------------------|
| High B.P | 65 | 100 | 165 |
| Norm. B.P | 45 | 55 | 93 |
| Low B.P | 12 | 29 | 36 |

4. a) Distinguish between the following.
 - i) Parameter and Statistic
 - ii) Type I and Type II errors.
 - iii) Null and the alternative hypothesis

b) Define and explain.

 - i) critical region.
 - ii) P value
 - iii) level of significance

5. a) In a sample of 800 men and 600 women teachers in the education department, government of Sindh, 360 men and 354 women are found married. Test at 5% whether proportion of married women exceeds the proportion of married men, in the population.

b) A sociologist claims that more than 33% of the population in DHA, Karachi, is addict to some kind of drugs. In a sample of 1000 persons from DHA, 390 are found addict. Test at 5% the validity of the claim by the sociologist.

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
COST ACCOUNTING: BA (M) – 611
MBA- III

Date: 07 Jan 2011
 Time Allowed: 3 Hours

Max Marks: 60

Instruction: Attempt all questions.

Q # 1: The Ideal Manufacturing Company has the following account balances:

| | | | |
|-------------------------------|-------|---|--------|
| Direct Material, Jan. 1 2010 | \$150 | Purchases of Direct Materials | \$3250 |
| Work in process, Jan. 1 2010 | 100 | Direct manufacturing labor | 1000 |
| Finished Good, Jan. 1 2010 | 700 | Depreciation-plant building and equipment | 800 |
| Direct Material, Dec. 31 2010 | 200 | Plant supervisory salaries | 50 |
| Work in process, Dec. 31 2010 | 50 | Miscellaneous plant overhead | 350 |
| Finished Good, Dec. 31 2010 | 550 | Revenue | 9500 |
| | | Marketing, distribution, and customer- | |
| | | Service costs | 2400 |
| | | Plant supplies used | 100 |
| | | Plant utilities | 300 |
| | | Indirect manufacturing labor | 600 |

Required: a- Prepare an income statement for the year ended 31 Dec. 2010.
 b- Prepare a schedule of cost of goods manufactured for the year.

Q # 2: Storey Company provided the following data of their manufacturing operations for the month of June 2010 for Department 3. Company uses Process cost accounting system and weighted average method.

| Units | |
|--|---------------------------|
| Units in beginning inventory, complete as to material, 60% complete as to conversion costs | 6000 |
| Units transferred in from Department 2 | 18000 |
| Units completed and transferred out | 16000 |
| Units in ending inventory, completed as to materials, 50% complete as to conversion | 8000 |
| Costs | |
| <u>Cost of beginning inventory:</u> | |
| Costs transferred in from Department 2 in May | \$12000 |
| Materials added in May in Department 3 | 6000 |
| Conversion costs (labor and overhead) | <u>3000</u> \$21000 |
| Costs transferred in from Department 2 in June | 37200 |
| <u>Costs added in Department 3 in June:</u> | |
| Materials | \$18480 |
| Conversion (equal amounts of labor and overhead) | <u>18000</u> <u>36480</u> |
| Total cost in beginning inventory and placed in production in Department 3 in June | <u>\$94680</u> |

Required: Prepare a Cost of Production report for Department 3 for the month of June.

Q # 3: Midwest Ceramics produces custom-made floor tiles. During Dec. 2010, the following information was obtained relating to operations and production:

1. Direct material purchased on account \$92000
2. Direct material issue to jobs \$ 81900
3. Direct labor hours incurred 1700. All direct factory employees were paid \$20 per hour.
4. Actual factory overhead costs incurred for the month totaled \$ 34350.
5. Overhead is applied to production at the rate of \$14 per direct labor hour.

Beginning balances of Raw Material Inventory, Work in process and Finished Goods Inventory were, respectively \$2150, \$11200 and \$6450. Ending Work in Process Inventory include Material \$1160, Direct labor \$700 and for Factory overhead, assume rate of FOH based on labor. Cost of goods sold were \$150,000.

Required:

- a) Prepare journal entries for transactions 1-5
- b) Determine the balances in Raw Material, Work in Process and Finished Goods Inventory at the end of the month.
- c) Close over/under applied Factory overhead.
- d) Determine the cost of the goods completed during Dec. If 5942 similar units were completed, what was the cost per unit?

Q # 4: The following transactions were completed by the Patterson Company:

- 1) The inventory of materials on the average costing basis was \$4200 and represented a book quantity of 8000 units. An actual count showed 7780 units.
- 2) Materials of \$150 issued to Job 182 should have been charged to the Repair Department.
- 3) Excess materials returned from the factory amounted to \$382 for Job 257.
- 4) Material returned to vendor amounted to \$165. Freight out on this shipment to borne by the Patterson Company, was \$14, paid in Cash.
- 5) Finished goods returned by customers: Cost \$1500; Sales price \$2100.
- 6) Material requisition totaled \$4814, of which \$215 represented supplies used.
- 7) Materials purchased and placed in stockroom \$6150, of which \$500 represented supplies. Freight in paid, applicable to direct materials, was \$70.
- 8) Supplies returned to the storeroom \$150.
- 9) Scrap materials sent to the storeroom valued at sales price (debit Scrap Material):

| | |
|-----------------------|-------|
| From direct materials | \$190 |
| From supplies | 10 |
- 10) Spoiled work received in storeroom; original cost \$60; sales value \$ 420. Loss is charged to total production.
- 11) Scrap was sold for \$250 cash; the book value of the scrap was \$200 (see transaction (9)).

Required: The general ledger entries or adjustments, if any, should be made for each of the above transactions.

Q # 5: Standard production for an employee in the Assembly Department is 20 units per her in an 8 hour day. The hourly wage rate is \$7.50.

Required: The employee's earnings under each of the following conditions (carrying all computations to three decimal places):

1. If an incentive plan is used, with the worker receiving 80% of the time saved each day, and records indicate:

| | <u>Units</u> | <u>Hours</u> |
|-----------|--------------|--------------|
| Monday | 160 | 8 |
| Tuesday | 170 | 8 |
| Wednesday | 175 | 8 |

2. If the 100 Percent Bonus Plan is used and 880 units are produced in a 40-hour week.
3. If an incentive plan is used, providing an hourly rate increase of 5% for all hours worked each day that quota production is achieved, and records indicate:

| | <u>Units</u> | <u>Hours</u> |
|-----------|--------------|--------------|
| Monday | 160 | 8 |
| Tuesday | 168 | 8 |
| Wednesday | 175 | 8 |

Q #6: Normal capacity of the Duro Company is set at 90000 direct labor hours. The expected operating level for the period just completed was 72000 hours. At this expected actual capacity level, the variable expenses were estimated to be \$54000 and the fixed expenses \$36000. Actual results show 75000 hours were worked during the period.

Required:

1. The predetermined overhead rate based on normal capacity.
2. The predetermined overhead rate based on expected actual capacity.
3. The amount of factory overhead applied to production if the company used the expected normal overhead rate.
4. The amount of factory overhead applied to production if the company used the expected actual overhead rate.
5. Variance computations to show whether there would be a favorable idle capacity variance if the normal capacity rate were used.
6. Variance computations to show whether there would be a favorable idle capacity variance if the expected actual rate were used.

End of Paper

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION DECEMBER 2010: AFFILIATED COLLEGES
ECONOMICS & INDUSTRIAL DEVELOPMENT OF PAKISTAN BA (M) – 641
MBA – III

Date: January 9, 2011

Max Time: 2.5 Hrs
Max Marks: 30

Attempt any three question all questions carry equal marks.

Q.3 The industrial financial and agriculture sectors are playing key role in the economic development of Pakistan. Highlights the role of agricultural sectors in the Economic Development of Pakistan.

Q.4 The industrial sector of Pakistan is backward and its progress is not satisfactory.

Discuss at least six remedial measures taken by the Govt. of Pakistan to improve the efficiency of industrial sector.

Q.5 As a result of unequal distribution of wealth and income, the developed countries are becoming richer whereas the developing countries like Pakistan are facing serious problem of poverty.

Define poverty. Discuss the measures taken by the Govt. of Pakistan to reduce the level of poverty.

Q.6 The imposition of tax on the agricultural income will boost up the economic development of Pakistan. Discuss.

OR

How can the public sector in Pakistan be developed with the help of external finance? Discuss.

Q.7 Write short notes on any two of the following.

- 1) Importance of economic planning in Pakistan.
- 2) The role of foreign trade in the economic development of Pakistan
- 3) Role of private sector in the industrial development of Pakistan.
- 4) Main imports and exports of Pakistan.

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
INTRODUCTION TO BUSINESS FINANCE: BA (M) – 621
MBA – III

Date: January 13, 2011

Max Time: 2.5 Hrs

Max Marks: 40

Instruction: Attempt any four questions from Q#2 to Q#7.

- 2.a. What's the difference between stock price maximization and profit maximization? Under what conditions might profit maximization not lead to stock price maximization? (04)
- b. Would the "normal" rate of return on investment be the same in all industries? Would "normal rates of return change over time? Explain. (04)
- c. What are the major factors that affect the stock price? (02)
- 3.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)
- 4.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)
- 5.a. What are the three alternatives current asset financing policies? Is one best? (03)
- b. What is meant by term "permanent current asset" and "temporary current assets." (02)
- c. What are the advantages and disadvantages of short-term financing? (05)
6. Define any five of the following: (10)
- i. Hostile take-over
 - ii. Capital asset pricing model
 - iii. Real risk-free rate of interest
 - iv. Capital market
 - v. Perpetuity
 - vi. Uneven cash flow
 - vii. Du Pont equation
7. 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 PAPER

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION, JANUARY 2011: AFFILIATED COLLEGES
INTRODUCTION TO RESEARCH METHODS: BA (M) – 651
MBA – III

Date: January 17, 2011

Max Time: 2 Hours

Instructions: Attempt ALL questions

Max Marks: 30

Q1. Define the eight types of potential errors that can influence research results.

Q.2 Discuss in detail the four major problems encountered with the secondary data.

Q.3 Briefly define the seven criteria that are relevant for deciding which type of survey to be used in a particular situation.

Q.4 Define any one of the following experimental designs. Illustrate examples to substantiate your understanding

- A. Randomized Blocks Design
- B. Latin Square Designs
- C. Factorial Design

Q.5. Briefly explain the four types of scales of measurement.

OR

Decision concerning question content center on the general nature of the question and the information it is designed to produce, rather than on the form or specific working of the question. Describe the five major issues, or problem areas, that are involved with the question contents.

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION DECEMBER 2010: AFFILIATED COLLEGES
PRODUCTION AND OPERATIONS MANAGEMENT BA (M) – 631
MBA – III

Date: January 11, 2011
Instruction: Attempt any 5 questions

Max. Marks: 60
Max. Time: 3 Hours

- Q.1. Discuss the significance of operation management in business organizations in general and in today's large manufacturing organizations in particular.
- Q.2. Describe the different productivity measurements and also discuss their managerial implications.
- Q.3. Define single stage and multiple stage process also incorporate the aspect of process performance measurement.
- Q.4. Discuss briefly the approach of work methods adopted by large manufacturing organizations.
- Q.5. Differentiate between:
- i. Group technology layout and fixed position layout
 - ii. Total quality management and ISO 9000
 - iii. Outsourcing and logistics
 - iv. Strategic capacity planning and capacity cushion
- Q.6. What is meant by statistical process control also correlate the concept of process control with attribute measurements in business organizations.
- 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.

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
ADVERTISING & PROMOTION: BA (M) – 652
MBA – IV

Date: January 18, 2011

Max Time: 2.5 Hrs

Instructions: Attempt any 4 questions

Max Marks: 50

Q.4 is compulsory. All questions carry 10 marks each except Q.4 which carries 20 marks

Q.1 Create 3 slogans for each of the following products

1) Mobilink 2) Ufone 3) Head & Shoulders
Shampoo 4) Safeguard soap 5) Colgate toothpaste

Q.2 a) What are the differences between National and Local Advertisers?

b) Define Centralized and Decentralized organizations.

Q.3 Discuss Top down and Bottom up marketing approaches. Which of the two you will implement in your business unit being the head of a medicated toothpaste business unit

Q.4 a) Write in short the steps involved in making an advertising plan

b) You are the in charge of advertising for the new '*anti mosquito air freshener*' positioned both as protection from mosquitoes as well as a freshener for the room. What would be your initial advertising objectives for this dual-purpose product keeping in mind the advertising plan

Q.5 Write short notes on any two:

a) Sponsorships b) Target audience c) Advertising agency

BEST OF LUCK

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
AUDITING: BA (M) – 612
MBA – IV

Date: January 14, 2011

Max Time: 2.5 Hrs

Max Marks: 36

Attempt any three question

- 3a What do you mean by Auditing? (04)
- b Distinguish between Internal audit and External audit. (08)
- 4a Define Internal Control? Who is responsible for internal control? (04)
- b How a good and effective control can be used to minimize the chances of frauds in accounts. (08)
- 5a What do you mean by Audit Evidence? (04)
- b How is Audit Evidence different from Audit Techniques? (08)
- 6 What is meant by Qualified Audit report and Unqualified report? What items are included in such audit reports? (12)
- 7 Write short notes of any three of the following. (12)
- 1) Computer Audit
 - 2) Continuous Audit
 - 3) Audit Program
 - 4) Vouching
 - 5) Periodical Audit

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
GLOBAL MARKETING: BA (M) – 642
MBA – IV

Date: January 16, 2011

Max Time: 3 Hrs

Max Marks: 60

Attempt any **FIVE** questions. All questions carry 12 marks

Q.1. A. Define International Marketing and its concept

B. How global awareness can be developed effectively?

Q.2 What changes will be needed in advertising and promotion to develop ad campaigns in a global situation

Q.3. Discuss the role of culture and its elements in assessing global markets. How will the knowledge of culture help in entering global markets?

Q.4. What should be the marketing strategy of Bundoo Khan Chain of Bar B Q, if it decides to go globally?

Q.5. The distribution mechanism available in a foreign market will play a key role in FMCG success. What alternatives for distribution can be utilized in this case?

Q.6. Write short notes on any two:

- 1) Pricing policy for international markets
- 2) Global advertising
- 3) Political risk in Global Business

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION, DEC 2010: AFFILIATED COLLEGES
MANAGERIAL ACCOUNTING: BA (M) – 602
MBA-IV

Date: 12 Jan 2011
Time Allowed: 3 Hours

Max Marks: 60

Instruction: Attempt ALL questions.

Q # 1: a- The results of the Europe Publications, Inc. operations during the prior year are given in the following table. All units produced during the year were sold.

| | | |
|----------------------|--------------|-----------------|
| Sales revenue | | \$2000000 |
| | <u>Fixed</u> | <u>Variable</u> |
| Manufacturing costs | 500000 | 1000000 |
| Selling costs | 50000 | 100000 |
| Administration costs | 120000 | 30000 |

Required: (05 marks)

1. Prepare a traditional income statement and a contribution income statement for the company.
2. What is the firm's operating leverage for the sales volume generated during the prior year?
3. Suppose sales revenue increased by 10 percent. What will be the percentage increase in net income?
4. Which income statement would an operating manager use to answer requirement (3), why?

Q # 1: b- Okabee Enterprises sells two products, Model -A and Model -B, Monthly sales and the contribution margin ratios for the two products follow:

| | Product | | |
|---------------------------|----------|----------|-----------|
| | Model -A | Model- B | Total |
| Sales | \$700000 | \$300000 | \$1000000 |
| Contribution margin ratio | 60% | 70% | ? |

The company's fixed expenses total \$598500 per month.

Required: (05 marks)

1. Prepare an income statement for the company as a whole.
2. Compute the break-even point for the company based on the current sales mix.
3. If sales increase by \$50000 per month, by how much would you expect net operating income to increase? What are your assumptions?

Q # 2: 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.

- a. Depreciation schedules revealed that monthly depreciation on buildings and equipment is \$19000
- b. Inspection of several invoices from meat packers indicated that meat costs the company \$1.10 per pound of sausage produced.
- c. Wage records showed that compensation for production employees costs **\$0.70** per pound of sausage produced.
- d. Payroll records showed that supervisory salaries total \$10000 per month.
- e. Utility bills revealed that the company incurs utility costs of \$4000 per month plus **\$0.20** per pound of sausage produced.

Required: (05 marks)

1. Classify each cost item as variable, fixed, or semi variable.
 2. Write a cost formula to express the cost behaviour 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 # 2: 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 # 3: Amcor, Inc. produces and sells a single product. The following costs relate to its production and sale:

| | Variable cost per unit | Fixed cost per year |
|----------------------------|------------------------|---------------------|
| Direct Material | \$10 | ---- |
| Direct Labour | 5 | ---- |
| Manufacturing overhead | 2 | \$90000 |
| Selling and Administrative | 4 | 300000 |

During the last year, 30000 units were produced and 25000 units were sold. The finished goods inventory account at the end of the year shows a balance of \$ 85000 for the 5000 unsold units.

Required: (10 marks)

1. Is the company using absorption costing or variable costing to cost units in the Finished Goods inventory account? Show computations to support your answer.
2. Assume that the company wishes to prepare financial statements for the year to issue to its stockholders.
3. Is the \$85000 figure for Finished Goods inventory the correct figure to use on these statements for external reporting purposes? Explain
4. At what dollar amount should the 5000 units be carried in inventory for external reporting purposes?

Q # 4: Saskatchewan Can Company manufactures recyclable soft-drink cans. A unit of production is a case of 12 dozen cans. The following standards have been set by the production-engineering staff and the controller.

| <u>Direct labour:</u> | <u>Direct material:</u> |
|-----------------------|----------------------------|
| Quantity, 0.25 hour | Quantity, 4 kilograms |
| Rate, \$16 per hour | Price, \$.080 per kilogram |

Actual material purchases amounted to 240,000 kilograms at \$0.81 per kilogram. Actual costs incurred in the production of 50000 units were as follows:

| | |
|-----------------|-------------------------------|
| Direct labour | \$ 211900 for 13000 hours |
| Direct material | \$170100 for 210000 kilograms |

Required: (05 marks)

Use the variance formulas to compute the direct-material price and quantity variances and the direct-labour rate and efficiency variance. Indicate whether each variance is favourable and un-favourable.

Q # 5: Miyamoto Jewellers is considering a special order for 10 handcrafted gold bracelets to be given as gifts to members of a wedding party. The normal selling price of a gold bracelet is \$780 and its unit product cost is \$528 as shown below:

| | |
|------------------------|---------------|
| Materials | \$ 286 |
| Direct labor | 172 |
| Manufacturing overhead | <u>70</u> |
| Units product cost | <u>\$ 528</u> |

Most of the manufacturing overhead is fixed and unaffected by variations in how much jewellery is produced in any given period. However, \$14 of the overhead is variable with respect to the number of bracelets produced. The customer who is interested in the special bracelet order would like special filigree applied to the bracelets. This filigree would require additional materials costing \$12 per bracelet and would also require acquisition of a special tool costing \$ 930 that would have no other use once the special order is completed. This order would have no effect on the company's regular sales and the order could be fulfilled using the company's existing capacity without affecting any other order.

Required: (15 marks)

What effect would accepting this order have on the company's net operating income if a special price of \$700 is offered per bracelet for this order? Should the special order be accepted at this price?

END OF PAPER

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION JANUARY 2011; AFFILIATED COLLEGES
MANAGEMENT INFORMATION SYSTEM: BA (M) – 632
MBA – IV

Date: January 8, 2011
Instruction: Attempt ANY 4 question

Max Marks: 60
Max Time: 3 hours

Question 1: **(5+5+5=15 marks)**

- a. Compare alternative methodologies of modeling and designing Information Systems?
- b. Identify and describe the core activities of System Development Process?
- c. What are the characteristics of Decision Support System? How do they differ from those of Executive Support System?

Question 2: **(5+5+5=15 marks)**

- a. List and describe the organizational, management and technology dimensions of Information System.
- b. What is the difference between Responsibility, Accountability and Liability?
- c. How is Internet challenging the protection of individual privacy?

Question 3: **(5+5+5=15 marks)**

- a. Describe the features of relational database.
- b. What are the benefits of Transaction Processing Systems (TPS)? How do they enhance Business applications?
- c. What is the role played by Information System in improving the quality of products?

Question 4: **(5+5+5=15 marks)**

- a. How Supply Chain Management Systems coordinate planning, production and logistics with suppliers?
- b. Evaluate the role of m-commerce in business. Also describe TWO applications.
- c. How Executive Support System helps senior managers make better decisions?

Question 5: **(7.5+7.5=15 marks)**

Attempt 2 of the following:

- a. Describe an Information System supporting the major business functions: Sales and marketing, Manufacturing and production, Finance and accounting, and Human Resource.
- b. Write a note on Customer Relationship Management System (CRMS).
- c. Write a note on Business process re-engineering.

KARACHI UNIVERSITY BUSINESS SCHOOL
 University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
PROJECT APPRAISAL: BA (M) – 683
MBA – IV

Date: January 18, 2011

Max Time: 3 Hrs

Instructions: Attempt all questions

Max Marks: 60

- Q1. a.** What do you mean by a Project? Explain the Difficulties and Risk involved in undertaking a project. **4**
- b.** Elaborate the project cycle in detail. **6**
- Q2.** What technical aspects are considered which are envisaged in setting up a project? Explain. **10**
- Q3. a.** Jot down the components of the cost of the Project and its various means of financing. **6**
- b.** Discuss the key business considerations relevant for project financing. **4**
- Q4.** Cash flow streams associated with the following two (A and B) projects are given below:

| Year | Project A Rs. | Project B Rs. |
|------|------------------|------------------|
| 0 | (300,000) | (300,000) |
| 1 | 50,000 | 60,000 |
| 2 | 70,000 | 80,000 |
| 3 | 75,000 | 70,000 |
| 4 | 80,000 | 90,000 |
| 5 | 60,000 | 75,000 |
| 6 | 190,000 | 170,000 |
| 7 | 100,000 | 120,000 |
| 8 | 250,000 | 260,000 |

REQUIRED:

- a) For each of the Projects A and B calculate the pay-back period, Net Present Value and Benefit Cost Ratio assuming the rate of discount 12%. **8**
- b) Which project is to be selected on these basis. Give reasons for your selection **2**
- Q5. a.** Derive the general formulae for the followings: each step to be given in arriving at the formula. **6**
- a Present Value of an Annuity
- b Future Value of an annuity
- c Formula for Perpetuity
- b.** What is the Present and Future values of an income stream which provides an income stream of Rs. 5,000 a year for the first five years and then Rs. 6,000 a year for ever thereof, if the discount rate of 12%. **4**
- Q6.** National Company Ltd. Is planning to establish two mutually exclusive projects for investment. Projected Cash flows of these projects are given below:

| Year | Project X Rs. | Project Y Rs. |
|------|------------------|------------------|
| 0 | (200,000) | (200,000) |
| 1 | (150,000) | (140,000) |
| 2 | 50,000 | 40,000 |
| 3 | 170,000 | 180,000 |
| 4 | 80,000 | 90,000 |
| 5 | 100,000 | 95,000 |
| 6 | 140,000 | 150,000 |
| 7 | 150,000 | 160,000 |

REQUIRED:

- a) Calculate the Modified Rate of Return and Present Value of each Project. Assume the reinvestment rate is 12%. **8**
- b) Which project is suitable for investment and should be accepted of investment? **2**