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</table>
Date: June 27, 2012

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.

Q.No.1. Define Marginal rate of substitution between defense and nondefense good and Budget Line. Also explain how does consumer attain maximum satisfaction?

Q.No.2. Explain three determinants of Demand and Supply.

Q.No.3. Define Economics and relate it to Business Economics with special reference to Business Administration. Also define Perfect Competition and Monopoly.

Q.No.4. Calculate price elasticity and income elasticity of demand.

<table>
<thead>
<tr>
<th>Price (P)</th>
<th>Quantity Demand (Q)</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>120</td>
<td>100</td>
<td>10,000</td>
</tr>
<tr>
<td>112</td>
<td>200</td>
<td>15,000</td>
</tr>
<tr>
<td>103</td>
<td>270</td>
<td>18,000</td>
</tr>
<tr>
<td>92</td>
<td>330</td>
<td>20,000</td>
</tr>
<tr>
<td>80</td>
<td>370</td>
<td>22,000</td>
</tr>
<tr>
<td>72</td>
<td>400</td>
<td>23,000</td>
</tr>
</tbody>
</table>

Q.No.5. Suppose monopolist demand schedule and total cost functions are as follow:

<table>
<thead>
<tr>
<th>Price (P)</th>
<th>Quantity Demand (Q)</th>
<th>Total Cost (TC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>12,000</td>
<td>210,000</td>
</tr>
<tr>
<td>28</td>
<td>14,000</td>
<td>220,000</td>
</tr>
<tr>
<td>26</td>
<td>16,000</td>
<td>226,000</td>
</tr>
<tr>
<td>24</td>
<td>18,000</td>
<td>232,000</td>
</tr>
<tr>
<td>22</td>
<td>20,000</td>
<td>249,000</td>
</tr>
<tr>
<td>20</td>
<td>21,000</td>
<td>261,000</td>
</tr>
</tbody>
</table>

What price should the monopolist charge in order to maximize profits?

Q.No.6. Complete the following table. Assume that the cost of unit of fixed input is $10 and that the cost of unit of variable input is $20.

<table>
<thead>
<tr>
<th>Units of Fixed Input</th>
<th>Units of Variable Input</th>
<th>Quantity Of Output</th>
<th>MP</th>
<th>AP</th>
<th>TFC</th>
<th>TVC</th>
<th>TC</th>
<th>AFC</th>
<th>AVC</th>
<th>ATC</th>
<th>AVERAGE MC</th>
<th>MC</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>20</td>
<td>600</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>40</td>
<td>1500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>60</td>
<td>2000</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>80</td>
<td>2200</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>100</td>
<td>2300</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

END OF PAPER
Organizational Behavior; BA (M) – 561
MBA – I

Date: June 29, 2012
Max Time: 3 hrs
Max Marks: 60

Instruction:
1. Attempt any FIVE questions only. 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.

Question no. 1
A. Discuss briefly need for Organizational Behavior as a distinct discipline. 6 Marks
B. Briefly explain the contribution of Hawthorne Studies in the development of Organizational Behavior. 6 Marks

Question no. 2
A. Define Need and Discuss the Cycle of Need. 5 Marks
B. Explain Briefly the ‘Need Theories of Motivation’.
   7 Marks

Question no. 3
A. Define Perception and explain perception formation process. 6 Marks
B. What is role perception in attitude formation? 6 Marks

Question no. 4
Explain and sketch Path-Goal theory of leadership. 12 Marks
OR
Explain and sketch Feildler’s Contingency Model of leadership. 12 Marks

Question no. 5
A. Discuss the role of Decision Making in organization. 6 Marks
B. Explain the different types and kinds of Decision Making 6 Marks

Question no. 6 (Short Note on any two only) 6 Marks Each
A. Organizational Conflict Management tools
B. Life Cycle theory of leadership
C. Equity Formation Process
D. Studies conducted at Hawthorne (Hawthorne Studies)

END OF PAPER
KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION JUNE 2012; AFFILIATED COLLEGES
BUSINESS MATHEMATICS: BA (M) – 531
MBA – I

Date: July 2, 2012       Max Time: 3 Hrs
Instruction:         Max Marks: 60
1. Attempt any FIVE (5) Questions. Do not write anything on 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(a). Solve  \( 3 + \frac{x}{2} = \frac{x}{3} + 2 \)

(b). Solve  \( 2x^2 - x - 10 \leq 0 \)

Q.No.2(a). Find equation of line passes through the point \((10, -20)\) and is perpendicular to the line \(4x + 2y = -18\).

(b). Determine domain of the function \(f(x) = \frac{\sqrt{x-4}}{x^2-6x-16}\)

Q.No.3 (a). Solve graphically  \(3x + 2y = 8\)
\(x - y = 1\)

(b). Find inverse of the matrix \[ \begin{bmatrix} 1 & 2 & 2 \\ 2 & 1 & 2 \end{bmatrix} \] by any method.

Q.No.4(a) A publisher has a fixed cost of Rs. 1,250,000/= associated with the publication of mathematics book. The contribution to profit and fixed cost from the sale of each book is Rs. 25.

(i) Determine the number of books must be sold in order to break even.
(ii) What is the expected profit if 50,000 book are sold.

(b) An investment of Rs. 2,000,000 is made at the interest rate of 12% per year. Determine the total amount after 6 years if interest is Compounded continuously, and find when amount becomes 5 times.

Q.No.5(a) Determine the derivative of the function, using limit approach.
\(f(x) = x^3 + x\)

(b)Find \(f'(1)\) and \(f''(1)\) if \(f(x) = \frac{x^2 - 7x}{e^x}\)

Q.No.6(a) Solve  \(\ln x^3 - \ln x = 2\)

(b) Integrate  \(\int x^2(2x^3 + 3)^\frac{1}{5} dx\) .

END OF PAPER
Date: July 04, 2012
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.

Q6- You are the planner of a training seminar, write a letter selling this training seminar program and summarize its key points.

END OF PAPER
Q1  (a) Are strategies and policies as important in a non business enterprise as they are in a business? Why and how?  
    (b) Why are contingency strategies important?  

Q2  Define SWOT Analysis. Begin an owner of a new Garment business in Pakistan; Identify the various Strengths and Opportunities of your Garment business. 

Q3  (a) Explain Herzberg’s 2-factor theory of motivation. Is this theory applicable to all individuals all of the time? Why or why not?  
    (b) Explain the concept or re-engineering. 

Q4  What is the difference between Authority and Power? 

Q5  (a) Explain how turnover can be good for a company or bad for a company.  
    (b) What is the quantitative approach to management? 

Q6  (a) Explain “Management by objectives”.  
    (b) Objective can be qualitative or quantitative. Give two examples of each. 

Q7  Explain the Managerial Decision Making Process in detail. 

BEST OF LUCK
INSTRUCTIONS:

1. Attempt all question. Do not write anything on 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- During an employment interview, what kind of verbal and nonverbal messages should be exhibited? (06)

Q2- An effective presentation is the one that adapts to its audience. Discuss how. (07)

Q3- During oral communication, what are the problems a speaker and a listener could face? (07)

Q4- Design a C.V for the following post. (10)

An international leather company is looking for an assistant manager for their sales department. The applicant should be an MBA degree holder, aged above 30, with at least 5 years working experience of the same post.

END OF PAPER
Q1) Give reason why
i. Frequency increases when length of class interval increases and vice versa.
ii. Histogram cannot be used to describe the qualitative data
iii. Geometric mean is useful for calculating average growth rate
iv. Coefficient of variation is used for comparison of different type of data.
v. Weights are used in calculating index number.
vi. Coefficient of correlation has no units.

Q2) a) For the following data calculate mean, median and mode.

<table>
<thead>
<tr>
<th>Share values</th>
<th>No of share sold in an hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>50–99</td>
<td>25</td>
</tr>
<tr>
<td>100–149</td>
<td>80</td>
</tr>
<tr>
<td>150–199</td>
<td>70</td>
</tr>
<tr>
<td>200–249</td>
<td>90</td>
</tr>
<tr>
<td>250–299</td>
<td>100</td>
</tr>
<tr>
<td>300–349</td>
<td>110</td>
</tr>
<tr>
<td>350–399</td>
<td>200</td>
</tr>
<tr>
<td>400–449</td>
<td>230</td>
</tr>
</tbody>
</table>

b) Show graphical position of mean median and mode in case of positive skewed, negative skewed and symmetric distribution.

Q3) a) Discuss the properties of variance.
b) An investor wants to invest in foreign currency. By finding coefficient of variation suggest with reason which currency is more consistent and good for investment US dollar or Euro.

<table>
<thead>
<tr>
<th>Week</th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
<th>5th</th>
<th>6th</th>
<th>7th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollar</td>
<td>95.5</td>
<td>95</td>
<td>95.8</td>
<td>95.2</td>
<td>95.5</td>
<td>95.6</td>
<td>93.8</td>
</tr>
<tr>
<td>Euro</td>
<td>119.8</td>
<td>119.3</td>
<td>119.7</td>
<td>119.0</td>
<td>120.6</td>
<td>120.5</td>
<td>119.1</td>
</tr>
</tbody>
</table>

Q4 a) State Additive and Multiplicative law of probability.
b) Three coins red, blue and green are tossed simultaneously. List the sample space and find the probability of obtaining
i) Exactly one head
ii) At least one tail
iii) Exactly one head given that green coin shows head
iv) Exactly two heads given that red coin shows head
v) Exactly two coins show the same face.

Q5 a) Write any three properties of Regression coefficient and correlation coefficient.
b) For the data given below obtain regression coefficient of X on Y AND Y on X, and comment which one is more steep.

<table>
<thead>
<tr>
<th>Dollar</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.5</td>
<td></td>
</tr>
<tr>
<td>95.0</td>
<td></td>
</tr>
<tr>
<td>95.8</td>
<td></td>
</tr>
<tr>
<td>95.2</td>
<td></td>
</tr>
<tr>
<td>95.5</td>
<td></td>
</tr>
<tr>
<td>95.6</td>
<td></td>
</tr>
<tr>
<td>93.8</td>
<td></td>
</tr>
<tr>
<td>Euro</td>
<td>Y</td>
</tr>
<tr>
<td>119.8</td>
<td></td>
</tr>
<tr>
<td>119.3</td>
<td></td>
</tr>
<tr>
<td>119.7</td>
<td></td>
</tr>
<tr>
<td>119.0</td>
<td></td>
</tr>
<tr>
<td>120.6</td>
<td></td>
</tr>
<tr>
<td>120.5</td>
<td></td>
</tr>
<tr>
<td>119.1</td>
<td></td>
</tr>
</tbody>
</table>

c) Draw scatter diagram for the following cases
i) r=1
ii) r=−1
iii) r=0

Q6 a) Define weighted aggregate Index Number.
b) A biscuit packing machine breaks 10% of the biscuits in a packet. A pack contains 10 biscuits. By using binomial distribution calculate the probability that randomly chosen packet will contain
i) Exactly two broken biscuits
ii) At least 3 broken biscuits

If a packet contains at least three broken biscuit the customer will return that packet to the shopkeeper. A shopkeeper purchases 100 packets, how many would you expect will be returned by the customer due to broken biscuits?
Q-1(a) Comment on the statement “marketing means advertising and selling products only”.

(b) Identify and briefly explain the factors which can lead to failure of marketing efforts of a firm.

Q-2(a) How can marketing of services be different from marketing of tangible products? Briefly explain.

(b) Differentiate between business and consumer markets.

Q-3(a) Write a note on controllable and uncontrollable elements of marketing environment.

(b) Give examples of the following: (any six)

   (i) Unsought goods  (ii) durable goods  (iii) non-durable goods
   (iv) staples  (v) negative demand  (vi) derived demand  (vii) shopping goods

Q-4(a) Identify and describe the various stages of “product life cycle”. How the profits and revenue generally behaves in each of the stage.

(b) What is meant by “product positioning” why it is important?

Q-5(a) Briefly explain the concept of market segmentation and discuss the factors which a marketer can use to evaluate and select segment(s) to serve.

(b) Give at least one example of the following:

   (i) niche marketing  (ii) undifferentiated marketing

Q-6 Write notes on the following (any four)

   - Branding
   - Marketing communication mix
   - Marketing mix
   - Push and pull strategies
   - Market penetration and market development strategies
   - Green marketing

Good Luck
Q.1: Trador Company’s 2010 income statement showed the following: Net Income $ 728,000; Depreciation Expense $ 90,000; Amortization Expense $ 16,400; Gain on Sale of Plant Assets $ 14,000; Loss on Sale of Furniture $ 5,000. An examination of the company’s current assets and current liabilities showed that the following changes occurred because of operating activities: Accounts Receivable decreased $ 36,200; Merchandise Inventory decreased $ 104,000; Prepaid expenses increased $ 7,400; Accounts Payable decreased $ 18,400; other payable increased $ 2,800.

Required:
Use the indirect method to calculate the cash flow from operating activities.

Q. 2: At the beginning of the year, Exotic Adventures Inc. has total stockholder’s equity of $ 840,000 and 40,000 outstanding shares of a single class of capital stock. During the year, the corporation completes the following transactions affecting its stockholders’ equity accounts:

Jan 10: A 5% stock dividend is declared and distributed. (Market price $ 20 per share)
March 15: The corporation acquires 2,000 shares of its own capital stock at a cost of $ 21.00 per share.
May 30: All 2,000 shares of the treasury stock are reissued at a price of $ 31.50 per share.
July 31: The capital stock is split 2 for 1.
Dec 15: The board of directors declares a cash dividend of $ 1.10 per share, payable on January 15.
Dec 31: Net Income of $ 260,400 (equal to $ 3.10 per share) is reported for the year ended December 31.

Required:
Compute the amount of total stockholders’ equity, the number of shares of capital stock outstanding, and the book value per share following each successive transaction. Organize your solution as a three-column schedule with these separate column headings: (1) Total Stockholders’ Equity, (2) Number of Shares Outstanding, and (3) Book value per share.

Q. 3: Gemini Fitness Club used a Straight-line depreciation for a machine that cost $43,500, under the assumption it would have a four-year life and a $4,500 trade-in value. After two years, Gemini determined that the machine still had three more years of remaining useful life, after which it would have an estimated $3,600 trade-in value.

Required:
1. Calculate the machine’s book value at the end of its second year.
2. Calculate the amount of depreciation to be charged during each of the remaining years in the machine’s revised useful life.
Q. 4: A condensed balance sheet for Durham Corporation prepared at the end of the year appears as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities and Stockholders’ Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Notes payable(due in 6 months)</td>
</tr>
<tr>
<td>$55000</td>
<td>$40000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>Accounts payable</td>
</tr>
<tr>
<td>155000</td>
<td>110000</td>
</tr>
<tr>
<td>Inventory</td>
<td>Long-term liabilities</td>
</tr>
<tr>
<td>270000</td>
<td>330000</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>Capital Stock, $5 par</td>
</tr>
<tr>
<td>60000</td>
<td>300000</td>
</tr>
<tr>
<td>Plant &amp; equipment (net)</td>
<td>Retained earnings</td>
</tr>
<tr>
<td>570000</td>
<td>420000</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
</tr>
<tr>
<td>90000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Required: Compute the following;
(i) Current ratio (ii) Quick ratio (iii) Working Capital (iv) EPS (v) Return on shareholders’ equity (vi) Return on Assets (vii) Debt ratio (viii) Book value per share of capital stock (ix) Account Receivable turnover (x) Inventory turnover

Q. 5: Early in the year Roger Gordon and several friends organized a corporation called Mobile Communications, Inc. The corporation was authorised to issue 50,000 shares of $ 100 par value, 10% cumulative preferred stock and 400,000 shares of $ 2 par value common stock. The following transactions (among others) occurred during the year:

Jan 6: Issued for Cash 20,000 Shares of common stock at $ 14 per share. The shares were issued to Gordon and 10 other investors.

Jan. 7: Issued an Additional 500 Shares of common stock to Gordon in exchange for his services in organizing the corporation. The stockholders agreed that these services were worth $ 7,000.

Jan 12: Issued 2,500 shares of preferred stock for cash of $ 250,000.

June 4: Acquired land as a building site in exchange for 15,000 shares of common stock. In view of the appraised value of the land and the progress of the company, the directors agree that the common stock was to be valued for purposes of this transaction at $ 15 per share.

Nov. 15: The first annual dividend of $ 10 per share was declared on the preferred stock to be paid December 20.

Dec. 20: Paid the cash dividend declared on November 15.

Dec. 31: After the revenue and expenses were closed into the Income Summary account, that account indicated a net income of $ 106,500.

Required:
(a) Prepare journal entries in general journal form to record the above transactions. Include entries at December 31 to close the Income Summary account and the Dividends Account.
(b) Prepare the stockholders’ equity section of the Mobile Communications, Inc. balance sheet at December 31.
Q-1 Explain how computer technology supports in operational and tactical activities to improve the productivity of the business organizations.

Q-2 What is meant by Electronic Data Interchange (EDI), illustrate how EDI can restructure business relationships among Organizations. Give its competitive advantages.

Q-3 List down key functions & features of the following Application Software used in Financial Modeling, Accounting, HRM and Inventory Management with examples.

(a) MS-Excel (Illustrate at-least five potential functions)
(b) Peachtree Accounting
(c) MS-Power Point Presentation

Q-4 Explain Transaction Process System (TPS), illustrate how it is used in data warehousing for MIS purpose.

Q-5 Define term the Cyberspace, how it supports business.

Q-6 Write down short notes on the followings, with examples

a) Electronic Marketing
b) Models of e-Commerce
c) Electronic Fund Transfer Process

END OF PAPER
Q.1 The following Job Order cost detail pertains to the three jobs that were in process at Dandy Machine Company during January:

<table>
<thead>
<tr>
<th>Job</th>
<th>Job 06</th>
<th>Job 07</th>
<th>Job 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Charged in prior period</td>
<td>$36,000</td>
<td>$18,000</td>
<td>-----</td>
</tr>
<tr>
<td>Costs added in January:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Materials</td>
<td>44,000</td>
<td>34,000</td>
<td>32,000</td>
</tr>
<tr>
<td>Direct Labor</td>
<td>40,000</td>
<td>48,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Factory Overhead (60% of direct labor)</td>
<td>24,000</td>
<td>28,800</td>
<td>25,200</td>
</tr>
</tbody>
</table>

Required: Prepare the appropriate journal entries in General Journal to record each of the following transactions:
1. Direct materials were issued from the materials storeroom to work in process.
2. The payroll was distributed to work in process.
3. Factory overhead was applied to production for the period.
4. Jobs 06 and 07 were completed and transferred to the finished goods storeroom.

Q.2 A Schedule of cost of goods manufactured shows:

Material used $300,000
Direct Labor 800,000
Overhead costs 640,000
Work in process, ending inventory 140,000

Required: Calculate the rate of factory overhead to direct labor cost.
Determine the cost of direct materials included in the work in process ending inventory, assuming that the direct labor cost included in the inventory of work in process is $50,000.

Q.3 During February, the Assembly Department received 60,000 units from the Cutting Department at a unit cost of $3.54. Cost added in the Assembly Department were: materials, $41,650; labor, $101,700; and factory overhead $56,000. There were no beginning inventory. Of the 60,000 units received 50,000 were transferred out; 9,000 units were in process at the end of the month (all material, 2/3 converted); 1,000 lost units were ½ complete as to materials and conversion costs. The entire loss is considered abnormal and is to be charged to factory overhead.

Required: Prepare a cost of production report.

Q.4 The normal capacity of Department 3 is 16,000 direct labor hours per month. At normal capacity the standard factory overhead rate is $10.40 per direct labor hour based on $64,000 of budgeted fixed expenses per month and a variable expense rate of $6.40 per direct labor hour. During November the department operated at 15,000 direct labor hours, with actual factory overhead of $157,000. The number of standard labor hours allowed for the production actually attained if 15,300.

Required: Compute the overall factory overhead variance and analyze it using the three-variance method A. Indicate whether the variances are favourable or unfavourable.
Q.5 Escott Corporation is a manufacturer that uses average costing to account for costs of production. Escott manufactures a product that is produced in three separate departments: Molding, Assembling, and Finishing. The following information was obtained by the Assembling Department for June:

<table>
<thead>
<tr>
<th>Work in process, June 1; 2,000 units, composed of</th>
<th>Amount</th>
<th>Degree of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transferred in from the Molding Department</td>
<td>32,000</td>
<td>100%</td>
</tr>
<tr>
<td>Cost added by the Assembling Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct materials</td>
<td>20,000</td>
<td>100</td>
</tr>
<tr>
<td>Direct labor</td>
<td>7,200</td>
<td>60</td>
</tr>
<tr>
<td>Factory overhead</td>
<td>5,500</td>
<td>50</td>
</tr>
</tbody>
</table>

The following activity occurred during June.

a. 10,000 units were transferred in from the Molding Department at a cost of $160,000.
b. $150,000 of cost were added by the Assembling Department: direct materials $96,000, direct labor $36,000, and factory overhead $18,000.
c. 8,000 units were completed and transferred to the Finishing Department.

At June 30, 40,000 units were still in work in process with the following degrees of completion: direct material 90%, direct labor 70%, and factory overhead 35%.

**Required:** Prepare the June cost of production report for the Assembling Department.

Q.6 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 is 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 totalled $435,000.

**Required:**

1. Determine 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 under applied and by how much?
4. How much is the spending variance, and is it factorable or un-factorable?
5. How much is the idle capacity variance, and is it favourable or unfavourable?
KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION JUNE 2012; AFFILIATED COLLEGES
ECONOMICS INDUSTRIAL AND DEVELOPMENT OF PAKISTAN; BA (M) – 641
MBA – III

Date: June 29, 2012           Max Time: 3 Hrs
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 is not allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.

Q.No.1. Explain the relationship between Foreign Direct Investment and Economic Growth with special reference to Pakistan.

Q.No.2. “Export led development is necessary for Economic Development.” Discuss.

Q.No.3. Present an overview of the Industrial Strategies for the development of Pakistan’s Economy.

Q.No.4. Discuss the role of Private Sector as the Engine of Economic Growth.

Q.No.5. “Economic Growth creates Income Inequalities.” Explain with reference to Purchasing Power Adjustment.

Q.No.6. Which one is the better Measure of Economic Development?

Q.No.7. “Government can play a better role towards Economic Development.” Discuss.

Q.No.8. Write short notes on any two of the following:
   a. Public Debt
   b. Basic needs approach for Economic Development
   c. Poverty Alleviation

END OF PAPER
Q.1 (a) Operations are not glamorous but successful deals are is what perceived by business students; what do you suggest why operations processes are important for managers to understand.
(b) Is operation strategy a part of the planning process that co-ordinates operational goal with those of the larger organizations; elaborate the statement.

Q.2 (a) Why understanding processes is essential to ensuring the competitiveness of a firm? Also discuss single stage and multi stage categorizing process.
(b) The determination of the size of a facility is dependent upon demand; discuss the managerial implication of demand management in case when demand exceeds the capacity and vice versa.

Q.3 (a) What is the objective of a process control system, how control charts are helpful in identifying process variation.
(b) Discuss the significance and implications of layout decisions for organizations also differentiate between process layout and product layout.

Q.4 (a) Differentiate between PERT and CPM and its importance to project managers.
(b) Discuss the associated costs that must be considered in making inventory related decisions.

Q.5 Define the following terms:
   i. Lean Production
   ii. Six Sigma
   iii. Aggregate Planning

END OF PAPER
Q.1 A: Project S has a cost of $ 10,000 and is expected to produce benefits (cash flows) of $ 3,000 per year for 5 years. Project L cost $ 25,000 and is expected to produce cash flows of $ 7,400 per year for 5 years. Calculate the two projects' NPV and IRR, assuming a cost of capital of 12 percent for NPV.

B: Are there conditions under which a firm might be better off if it were to choose a machine with a rapid payback rather than one with a larger NPV?

C: Explain why the NPV of a relatively long-term project, defined as one for which a high percentage of its cash flows are expected in the distant future, is more sensitive to changes in the cost of capital than is the NPV of a short-term project.

Q.2 A: The present value of $ 1552.90 due in 10 years at a 12 percent discount rate and at a 6 percent rate.

B: Kangaroo Autos is offering free credit on a $ 10,000 car. You pay $ 4,000 down and then the balance at the end of 2 years. Turtle Motors next door does not offer free credit but will give you $ 500 off the list price. If the interest rate is 10 percent, which company is offering the better deal?

C: An initial $ 500 compounded for 10 years at (i) 6 and (ii) 12 percent.

D: The present value of $ 500 due in 10 years at 6 percent discount rate.

Q.3 A: How does stock price maximization benefits society?

B: What three basic factors determine the price of a stock?

C: Is profit maximization an appropriate goal for financial managers?

Q.4 A: Define the following terms; inventory conversion period, receivables collection period, and payables of deferral period. Give the equation for each term.

B: What should a firm’s goal be regarding the cash conversion cycle? Explain your answer.

C: What are some actions a firm can take to shorten its cash conversion Cycle?

Q.5 Analysis of Financial Statement:
Cash $ 50,000; Receivable (opening) $ 100,000; Inventory (opening) $ 150,000;
Fixed Asset $ 200,000; Account Payable $ 25,000; Note Payable $ 35,000;
Other Current Liabilities $ 90,000; Long-term Debt $ 100,000;
Common Equity $ 250,000.

Compute
1. Working Capital
2. Current Ratio
3. Receivable Turnover, where Credit Sales were $ 600,000 and Receivable (ending) $ 80,000.
4. Inventory Turnover, where Cost of Goods Sold $ 800,000 and Inventory (ending) $ 120,000.
5. Debt to Equity Rate.

END OF PAPER
KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION JUNE 2012; AFFILIATED COLLEGES
ADVANCE BUSINESS STATISTICS BA (M) – 601
MBA – III

Date: July 6, 2012        Max Time: 3 Hrs
Max Marks: 60

Instruction:         Max Marks: 60
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.

Q1) Describe briefly the following
   i. The relation between mean median and mode in case of Normal distribution
   ii. The position of point of inflection in case of normal distribution
   iii. The percentage of values lies within 2 standard deviation from the mean in case of normal distribution.
   iv. The two basic purpose of sampling.
   v. The condition under which an estimator said to be an unbiased estimator.
   vi. The sampling distribution of the mean when sample size is large.

Q2) a) Define continuous probability distribution.
    b) The weight of cabbages follows normal distribution with mean 300 gm and standard deviation 20 gm. calculate the probability that a randomly chosen cabbage will weighs
       i) Less than 344 gm  ii ) Between 250 and 350 gm
       iii) A random sample of 25 cabbages is taken. Calculate the probability that the mean weight is more than 310 gm

Q3) a) A manufacturer of cigarette claims that 20% of the cigarette smokers prefer brand X. To test this claim 40 smokers are selected. If 10 out of 40 smokers preferred brand X. what conclusion would you draw? Use 0.05 level of significance.
    b) Suggest the most appropriate sampling technique which could be used in each of the following case.
       Case 1: A sample is drawn from all the employees working in the steel mill to obtain their views about job satisfaction.
       Case 2: A sample is drawn from all the lecturers working in the government colleges to obtain their views about job satisfaction.
       Case 3: A sample is drawn from the sales man working in the shops at Tariq road to obtain their views about job satisfaction.

Q4) The age, x years of each women of the giving birth at maternity hospital in the year 2000 was recorded. In random sample of 120 cases it was found that Σx=3468 and Σx²=110151.
Calculate
   i. An unbiased estimate of μ and σ²
   ii. Construct 95% confidence interval for μ ( table value 1.96)
   iii. By using Confidence interval would you accept the hypothesis that μ=28 years.
   iv. Carry out a significance test at 5% level of significance that μ=30.0 against the alternative μ<30.0 (table value – 1.645)
Q5) a) Describe the steps of testing hypothesis concerning difference of means.
   b) A study was made to determine if subject matter in a physics course is better understood when lab constitutes part of the course. The following data was obtained

<table>
<thead>
<tr>
<th>Students with lab</th>
<th>Students without lab</th>
</tr>
</thead>
<tbody>
<tr>
<td>n=40</td>
<td>n=35</td>
</tr>
<tr>
<td>Mean = 85</td>
<td>Mean=79</td>
</tr>
<tr>
<td>Standard Dev=4.7</td>
<td>Standard Dev=6.1</td>
</tr>
</tbody>
</table>

Would you say that laboratory course increases the average grade by more than 5 points—use 0.01 level of significance? (Table value = −1.645)

Q6) a) Define Degree of freedom and level of significance.
   b) Students from business school were asked to identify their preferred learning style. The following data was obtained from three business school

<table>
<thead>
<tr>
<th>Learning style</th>
<th>Business school 1</th>
<th>Business school 2</th>
<th>Business school 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecture method</td>
<td>20</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Simulation</td>
<td>25</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Project method</td>
<td>30</td>
<td>25</td>
<td>20</td>
</tr>
</tbody>
</table>

Test the hypothesis that preferred learning style is independent of the business school at 0.05 level of significance (Table value = 9.488)

Standard Normal distribution Table value

<table>
<thead>
<tr>
<th>z</th>
<th>0.00</th>
<th>0.01</th>
<th>0.02</th>
<th>0.03</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2.5</td>
<td>0.0062</td>
<td>0.0060</td>
<td>0.0058</td>
<td>0.0057</td>
</tr>
<tr>
<td>2.2</td>
<td>0.9861</td>
<td>0.9864</td>
<td>0.9868</td>
<td>0.9871</td>
</tr>
<tr>
<td>2.5</td>
<td>0.9938</td>
<td>0.9940</td>
<td>0.9942</td>
<td>0.9943</td>
</tr>
<tr>
<td>1.9</td>
<td>0.9713</td>
<td>0.9719</td>
<td>0.9725</td>
<td>0.9732</td>
</tr>
</tbody>
</table>

END OF PAPER
KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION JUNE 2012; AFFILIATED COLLEGES
INTRODUCTION TO RESEARCH METHODS BA (M) – 651
MBA – III

Date: July 09, 2012
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. What is meant by measurement? Explain the four types of scales of measurement.

Q2. What are the main differences between a marketing information system and a decision support system? What are the components of an MDSS? Describe each.

Q3: What is research report? Explain the prefatory parts, body, and supplemental parts of the formal research report.

Q4: What are the steps involved in research design process? Discuss in detail.

Q5: Differentiate primary and secondary data. Describe the advantages and disadvantages of telephone interviews.

Q6. (a) In what types of situations is conducting a census more appropriate than sampling? When is sampling more appropriate than taking a census? (b) What distinguishes a probability sample from a non probability sample? (c) What are the distinguishing features of a simple random sample?

Q7. Write notes on any TWO of the following:
   1. Mailing Survey
   2. Expert System
   3. Field Experiments

END OF PAPER
KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION JUNE 2012; AFFILIATED COLLEGES
MANAGEMENT INFORMATION SYSTEM: BA (M) – 632
MBA – IV
Date: June 28, 2012      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 Express the key functions and features of Management Information System
   (MIS) also enlist the present challenges during implementation of MIS

Q-2
(a) Write down potential reasons, why RDBMS is integrated part of automation?
(b) Discuss how database maintain the data integrity

Q-3 Briefly explain following tools used in Analytical Information Technologies with
   suitable examples
   a) Expert System(ES)
   b) Business Intelligence(BI)
   c) Data Mining(DMT)
   d) On-Line Analytical Process(OLAP)

Q-4 Define strategic role can Information technology play in business re-engineering
   process and quality assurance management?

Q-5 Distinguish the key points between the following with suitable examples
   a) Information and Knowledge
   b) Distributed System and Centralized System
   c) Executive Information System and Decision Supporting System

END OF PAPER
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.

Q1 (a): Health Food’s bonds have 7 year remaining to maturity. The bonds have a face value of $1,000 and a yield to maturity of 8 percent. They pay interest annually and have a 9 percent coupon rate. What is their current yield?
(b): Nungesser Corporation has issued bonds that have a 9 percent coupon rate, payable semi-annually. The bond mature in 8 years, have a face value of $1,000, and a yield to maturity of 8.5%. What is the price of the bonds?

Q2 (a): If you deposit $10,000 in a bank account that pays 10 percent interest annually, how much money will be in your account after 5 years?
(b): What is the present value of a security that promises to pay you $5,000 in 20 years? Assume that you can earn 7 percent if you were to invest in other securities of equal risk.
(c): What is the future value of a 5-year ordinary annuity that promises to pay you $300 each year? The rate of interest is 7 percent.

Q3: Following are the two projects X & Y have a cost of $10,000 each and the cost of capital for each project is 12 percent. The project’s expected net cash flows are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Project X</th>
<th>Project Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>($10,000)</td>
<td>($10,000)</td>
</tr>
<tr>
<td>1</td>
<td>6,500</td>
<td>3,500</td>
</tr>
<tr>
<td>2</td>
<td>3,000</td>
<td>3,500</td>
</tr>
<tr>
<td>3</td>
<td>3,000</td>
<td>3,500</td>
</tr>
<tr>
<td>4</td>
<td>1,000</td>
<td>3,500</td>
</tr>
</tbody>
</table>

Required:
Compute (i) Payback, (ii) Discounted Payback, (iii) NP, (iv) IRR and (v) MIRR for each of the above projects.

Q4: A company currently pays a dividend of $2 per share, \(D_0=2\). It is estimated that the company’s dividend will grow at a rate of 20 percent per year for the next 2 years, and then the dividend will grow at a constant rate of 7 percent thereafter. The company’s stock has a beta equal of 1.2, the risk free rate is 7.5%, and the market risk premium is 4%. What would you estimate is the stock’s current price?

Q5: Define following terms in context to Current Asset Management:
2. Seasonal Dating.
3. Just in Time system.
5. Restricted Current Asset Investment Policy.
6. Red Line Method and Two Bin Method.

END OF PAPER
Date: July 03, 2012       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): Resort Inns. Inc. has a total of 2,000 rooms in its nationwide chain of motels. On average, 70% of the rooms are occupied each day. The company's operating costs are $21 per occupied room per day at this occupancy level, assuming a 30-day month. This $21 figure contains both variable and fixed cost elements. During October, the occupancy rate dropped to only 45%. A total of $792,000 in operating cost was incurred during October.

Required:
1. Estimate the variable cost per occupied room per day.
2. Estimate the total fixed operating costs per month.
3. Assume that the occupancy rate increase to 60% during November. What total operating costs would you expect the company to incur during November?

Q. 2: Reveen Products sells camping equipment. One of the company's products, a camp lantern, sells for $90 per unit. Variable expenses are $63 per lantern, and fixed expenses associated with the lantern total $135,000 per month.

Required:
1. Compute the company's break-even point in number of lanterns and in total sales dollars.
2. If the variable expenses per lantern increase as a percentage of the selling price, will it result in a higher or lower break-even point? Why? (Assume that the fixed expenses remain unchanged.)
3. At present the company is selling 8,000 lanterns per month. The sales manager is convinced that a 10% reduction in the selling price will result in a 25% increase in the number of lanterns sold each month. Prepare two contribution income statements, one under present operating conditions, and one as operations would appear after the proposed changes. Show both total and per unit data on your statements.
4. Refer to the data in (3) above. How many lanterns would have to be sold at the new selling price to yield a minimum net operating income of $72,000 per month?

Q. 3: The production Department of the Riverside Plant of Junnen Corporation has submitted the following forecast of units to be produced at the plant for each quarter of the upcoming fiscal year. The plant produced high-end outdoor barbecue grills.

<table>
<thead>
<tr>
<th>Units to be produced</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,000</td>
<td>4,400</td>
<td>4,500</td>
<td>4,900</td>
</tr>
</tbody>
</table>

Each unit requires 0.40 direct labor-hours and direct labor-hour workers are paid $11 per hour.

Required:
1. Construct the company’s direct labor budget for the upcoming fiscal year, assuming that the direct labor work force is adjusted each quarter to match the number of hours required to produce the forecasted number of units produced.
2. Construct the company’s direct labor budget for the upcoming fiscal year, assuming that the direct labor work force is not adjusted each quarter. Instead, assume that the company’s direct labor work force consists of permanent employees who are guaranteed to be paid for at least 1,800 hours of work each quarter. If the number of required direct labor-hours is less than this number, the workers are paid for 1,800 workers are paid for 1,800 hours any way. Any hours worked in excess of 1,800 hours in a quarter are paid at the rate of 1.5 times the normal hourly rate for direct labor.
Q. 4: Sonne Company produces a perfume called Whim. The direct materials and direct labor standards for one bottle of Whim are given below:

<table>
<thead>
<tr>
<th></th>
<th>Standard Quantity</th>
<th>Standard Price or Rate</th>
<th>Standard Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct materials</td>
<td>7.2 ounces</td>
<td>$2.50 per ounce</td>
<td>$18</td>
</tr>
<tr>
<td>Direct labor</td>
<td>0.4 hours</td>
<td>$10.00 per hour</td>
<td>$4</td>
</tr>
</tbody>
</table>

During the most recent month, the following activity was recorded:

a) Twenty thousand ounces of material were purchased at a cost of $2.40 per ounce.
b) All of the material was used to produce 2,500 bottles of Whim.
c) Nine hundred hours of direct labor time were recorded at a total labor cost of $10,800.

Required:
1. Compute the direct material price and quantity variance for the month.
2. Compute the direct labor rate and efficiency variance for the month.

Q. 5: Miyamoto Jewelers 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 $389.95 and its unit product cost is $264.00 as shown below:

<table>
<thead>
<tr>
<th></th>
<th>Units Product cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td>$143.00</td>
</tr>
<tr>
<td>Direct labor</td>
<td>86.00</td>
</tr>
<tr>
<td>Manufacturing overhead</td>
<td>35.00</td>
</tr>
</tbody>
</table>

Most of the manufacturing overhead is fixed and unaffected by variations in how much jewelry is produced in any given period. However, $7 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 $6 per bracelet and would also require acquisition of a special tool costing $465 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 cost.

Required:
What effect would accepting this order have on the company’s net operating income if a special price of $349.95 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 JUNE 2012; AFFILIATED COLLEGES
AUDITING BA (M) – 612
MBA – IV

Date: July 05, 2012  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 is not allowed in
   the examination room. Students will have to remove the batteries of these
devices before entering the examination hall.

Q.1: What is final audit? Give its advantages and disadvantages. (10)

Q.2: (a): What is difference between appointment letter and engagement letter? (5)
(b): Why does an organization issue an appointment letter to an auditor? (5)

Q.3: (a): What information about a client is essential in audit planning? (5)
(b): Identify the components of audit planning in the sequence in which they are
   performed. (5)

Q.4: What matters should be contained in the permanent audit file relative to a particular
   client? (10)

Q.5: (a): Discuss the extent to which “Confirmation” and “Verification” are similar. (5)
(b): Discuss the extent to which scanning and vouching are
   (i) similar,   (ii) different. (5)

Q.6: An auditor is expected to have an absolute basis for the expression of an opinion. Do
   you agree? Why or why not? (10)

Q.7: Write short note on following: (10)
   i.  Vouching
   ii.  Internal Control System
   iii. Sampling methods in auditing
   iv.  Working papers
   v.  Audit evidence

END OF PAPER
KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION JUNE 2012; AFFILIATED COLLEGES
BANKING OPERATIONS & MANAGEMENT BA (M) – 682
MBA – IV

Date: July 07, 2012       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 will have to remove the batteries of these devices before entering the examination hall.

Q1 a) Discuss briefly the features & objectives of the State Banks Prudential regulations on K.Y.C which is mandatory for banks before opening new accounts.
b) What is C.D.D.?

Q2 a) Briefly highlight & discuss the accounts termed as “Special customers”/ accounts.
b) List the documents, required /essential for opening each account.

Q3 a) What are the “Core” functions of a commercial bank?
b) Define and discuss the various relationships between a Banker and Customer.

Q4 a) Highlight & discuss the Principles of Prudent lending.
b) Briefly discuss the various Modes/Forms of lending practiced in Pakistan

Q5 A bank has a right to refuse payments of a customer’s cheque. Highlight the various reasons on account of which a cheque of a customer when presented for payment can be dishonored.

Q6 a) Define ‘Primary’ Securities’. What are ‘Tangible’ & Intangible securities?
b) Briefly discuss ‘Hypothecation’ as a Prime Security for working capital finance.

Q7 a) Define ‘Endorsement’ on negotiable instruments. Highlight the various types of endorsements.
b) What precautions a ‘collecting banker’ must take to avail protections under the Negotiable Instruments Act.

Q8 Write short notes on any three of the following:
   i. Interbank Clearing.
   ii. On Line banking.
   iii. Promissory Note.
   iv. Revolving Letter of Credit

END OF PAPER
Instructions:
1. Attempt ANY 5 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 will have to remove the batteries of these devices before entering the examination hall.

Q1 (a) Discuss the impact of import restrictions on consumers. [6 marks]
(b) Does foreign direct investment (FDI) have an effect on trade? Explain. [6 marks]

Q2 (a) Why would a firm collect primary data in its international marketing research? [6 marks]
(b) How is international market research affected by differences in language? [6 marks]

Q3 What is the job of an export intermediary and how an export intermediary avoid circumvention by client or customer? [12 marks]

Q4 Comment on this statement: “Licensing is really not a form of international involvement because it requires no substantial additional effort on the part of the licensor.” [12 marks]

Q5 How does the international sale of services differ from the sale of goods? Discuss. [12 marks]

Q6 Which elements of pricing can be standardized? [12 marks]

OR

Clearly define the concept of countertrade. What are the types of countertrade? Explain. [12 marks]

GOOD LUCK
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.

Question: 1
a. How will you define a project? Explain its significance and features.

b. Explain clearly the broad features of capital budgeting process.

Question: 2
a. How the financial institutions calculate the cost of the capital and its means of financing?

b. While considering the means of financing a project, what analysis is carried out for formulation of its capital structure?

Question: 3
What issues are covered under Technical and Engineering aspects while appraising an industrial project?

Question: 4
a. Cash Streams associated with the following two A and B projects are given below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Project A</th>
<th>Project B</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>(Rs 300,000)</td>
<td>(Rs 300,000)</td>
</tr>
<tr>
<td>1</td>
<td>50,000</td>
<td>70,000</td>
</tr>
<tr>
<td>2</td>
<td>70,000</td>
<td>80,000</td>
</tr>
<tr>
<td>3</td>
<td>75,000</td>
<td>90,000</td>
</tr>
<tr>
<td>4</td>
<td>100,000</td>
<td>120,000</td>
</tr>
<tr>
<td>5</td>
<td>130,000</td>
<td>150,000</td>
</tr>
<tr>
<td>6</td>
<td>140,000</td>
<td>180,000</td>
</tr>
<tr>
<td>7</td>
<td>150,000</td>
<td>200,000</td>
</tr>
<tr>
<td>8</td>
<td>200,000</td>
<td>250,000</td>
</tr>
</tbody>
</table>

Required:

a. For each of these projects A and B calculate the present value, net present value and cost benefit ratio.

b. On the basis of the above analysis which project do you think is preferable? Assume a discount rate of 14%.
Question: 5
a. Derive the formulae for the following:
   i. Present value of an annuity
   ii. Future Value of an Annuity
   iii. Compound Interest formula
   iv. Formula for Perpetuity
b. What is the present value of an income stream which provides an income of Rs.6000/- a year for the first five years and the Rs.8000 for ever thereafter if the discounted rate is 12%.

Question: 6
National Company Ltd. is planning to establish two mutually exclusive projects for Investment. Cash Flow of these X and Y Projects is given as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>X Rs.</th>
<th>Y Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>(250,000)</td>
<td>(250,000)</td>
</tr>
<tr>
<td>1</td>
<td>(150,000)</td>
<td>(140,000)</td>
</tr>
<tr>
<td>2</td>
<td>50,000</td>
<td>60,000</td>
</tr>
<tr>
<td>3</td>
<td>180,000</td>
<td>100,000</td>
</tr>
<tr>
<td>4</td>
<td>100,000</td>
<td>160,000</td>
</tr>
<tr>
<td>5</td>
<td>160,000</td>
<td>190,000</td>
</tr>
<tr>
<td>6</td>
<td>140,000</td>
<td>150,000</td>
</tr>
<tr>
<td>7</td>
<td>150,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

Required:
a. Calculate the modified Internal Rate of Return of each project assuming the Cost of the project is 13%
b. Which project should be selected for investment on the above basis?

END OF PAPER
Q1. Define any **FIVE** of the following:
1. Communication barrier
2. Advertising of new products
3. Branding
4. Transit media
5. Print media
6. Sales promotion
7. Ethics in advertising

Q2. (a) List and describe the elements of promotional mix.
(b) Discuss the similarities and dissimilarities between broadcast and print media.

Q3. Briefly explain the concept of “Integrated Marketing Communication”

Q4. Advertising is wasteful expenditure for any business. Comment

Q5. Discuss the role of creativity in advertising.

Q6. What are the sales promotion strategies and tactics?

Q7. Explain the consumer decision making process.

**END OF PAPER**