

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 8

P A R T – A

(Answer Question No.1 which is compulsory and any two of the rest from this part.)

1. Read the following passage and answer the questions given at the end :

Indian Tyre Industry is two tier. Tier-I accounts for over 85% of industry turnover containing a well-diversified product-mix and presence in three main segments, *i.e.*, automobiles manufacturers, replacement market and exports. Tier-II companies are small in size, mainly concentrating on production of small tyres, tubes and flaps and the replacement market. The demand and growth for the industry depend upon primary factors like overall GDP growth, agriculture and industrial production, growth in vehicle demand and secondary factors, like – the infrastructure development, prevailing interest rates and financing options, *etc.*

Rock Hard Tyre Ltd. (RHTL) is a major player in Tier-I and it has maintained successfully the leadership position in the truck and bus market segment and the year 2005-06 witnessed a healthy growth of approximately 8% in this segment. However, steep rise in raw material prices with limited pricing flexibility impacted the profit margins of all the players including RHTL badly in the financial year 2005-06. In fact, the industry has faced consistent rise in major raw materials costs (natural rubber, nylon tyre cord, carbon black, synthetic rubber) in the last few years. All these have resulted in pressure on the bottom-line of the tyre companies despite the impressive

top-line growth. The year ahead still looks tough with no respite in the raw material prices and at the top of it, there is a great threat of increased flow of cheaper tyres from China into India. The cost-push continues unabated and with the industry players reluctant to take large price increase due to threat from China's increased inflow, the challenge on profit margins is going to stay in future as well. The story on the demand front looks good in medium term with the economy continuing to do well.

To meet the future challenges and threats, RHTL has started a number of new strategic initiatives. As per one of such initiatives, the company has decided to change its business model and accordingly, it is trying to go closer to the clients, contact them, get orders from them but delivery will be done through the dealers. And, they will get less commission by 0.5% of the normal commission on such orders. To implement, the company has come out with innovative solution of SMS. Under it, the company will take orders and necessary relevant information from the clients directly through SMS and send SMS to the concerned dealer for necessary action. To provide necessary services, RHTL has tied up with Rainbow Mobile Ltd. a service provider for SMS solutions through 4242; it means that all SMS will be received and sent through 4242. In this way, the management of the company is very hopeful in improving its top-line by getting more orders and also able to reduce commission cost.

Another important strategic initiative taken up by the company is developing a very robust and feature rich 'Intranet Portal' which is expected to enhance efficiencies, electronic workflows and replacement of paper in the system. It is expected to reduce administrative costs in a big way.

It is expected that such strategic initiatives will improve RHTL's turnover and profit in the coming year. As a result, the year 2006-07 is expected to have an impressive financial performance.

Questions --

- (i) State the compelling reasons due to which the company is forced to change its business model.
(2 marks)
- (ii) Why has the company adopted a changed business model mainly concerned with improving the top-line ?
(2 marks)
- (iii) Mention two strategic initiatives taken by the company and making use of IT.
(2 marks)
- (iv) It is mentioned above in the case -- "the company will take order and necessary relevant information from the clients". Assume that you have been assigned the task of designing an effective and efficient database of the clients of the company, then suggest what "necessary relevant information about the clients" you would like to collect from the clients and how will you put them in the proposed clients' database.
(5 marks)
- (v) Company in the recent past has successfully implemented ERP for integrating all managerial functions. Receiving orders from clients and sending them to dealers through SMS will require the integration of the same with the existing ERP. You are required to mention two important challenges the management will face in such integration.
(4 marks)
- (vi) It was observed by the company that employees were not motivated to use intensively 'Intranet Portal' developed in earlier years. Suggest any five features that must be included in the proposed 'Intranet Portal' so that employees are motivated to use it very intensively.
(5 marks)

2. Legacy Ltd. hired GenNext Ltd., an independent database developer, to convert the traditional file system currently used in the company into a database system.
- (i) GenNext Ltd. told Legacy Ltd. that the database is basically a collection of files, but the files in the database will be somewhat different from the files that Legacy Ltd. currently has. Explain how the concept of 'file' in a database differs from that of a file in a traditional file system.
 - (ii) GenNext Ltd. conducted a data analysis using Legacy Ltd.'s current files. Based on the files and input/output forms currently used, GenNext Ltd. felt that it had enough information to proceed to design the database. Do you agree with GenNext Ltd.'s approach? Explain your position, stating three reasons in respect of your position.
 - (iii) GenNext Ltd. designed the database and showed some of the reports to Legacy Ltd. Legacy Ltd. was happy with what it saw. Legacy Ltd. was also impressed with GenNext Ltd.'s ability to design the system without causing much interference in the company's daily operations. It instructed GenNext Ltd. to transfer all the data into database and make a cutover conversion as soon as possible. Identify four problems in this scenario.

(5 marks each)

3. (a) Explain each of the following in about 2-3 lines :
- (i) Web-based chat
 - (ii) Electronic greeting
 - (iii) Browser
 - (iv) Web-based e-mail services.

(2 marks each)

- (b) In anticipation of possibility of holding Board meetings through video conferencing, the chairman of your company wants you to prepare a note on the feasibility mechanics and advantages of video conferencing for consideration of the Board of directors at its next meeting.

(7 marks)

4. (a) State, with reasons, whether the following statements are true or false :
- (i) Management should take the first step in MIS design by formulating problems to be solved.
 - (ii) The most common category of MIS in use today is financial.
 - (iii) The systems approach is primarily a way of thinking about the process of managing.

(2 marks each)

- (b) Write short notes on *any three* of the following :

- (i) Virtual reality
- (ii) Portals
- (iii) PKI technology
- (iv) Inter-organisational information system.

(3 marks each)

P A R T – B

(Answer Question No.5 which is compulsory and any two of the rest from this part.)

5. (a) State, with reason in brief, whether the following statements are true or false. Attempt *any five* :
- (i) Bio-data and resume mean one and the same thing.
 - (ii) PR is different from propaganda.

- (iii) Every entity has multiple image.
- (iv) Building 'rapport' is a key to progress in all organisations.
- (v) Canvassing is not essential only for politicians, it is equally useful for the business managers.
- (vi) Pseudo listening and self-centred listening are adopted by bad listeners.

(2 marks each)

- (b) A strong corporate image is a valuable asset for any organisation. The factors that make up this image in the eyes of its external and internal public are numerous and vary from organisation to organisation. What are these factors ? How important are they and to what degree can they be influenced ?

(10 marks)

6. Comment briefly on the following statements :

- (i) For a good and effective business correspondence, there must be 'coherence' or 'connection' in the paragraphs.
- (ii) A letter is an ambassador of business, therefore, before it is sent, 'micro editing' is necessary.
- (iii) Beginning and closing of letters must match.
- (iv) A good press release avoids 'puffery'.
- (v) An 'embargo' puts a condition that the story may not be published before a certain date.

(3 marks each)

7. (a) You are the human resources manager at Perfect Accounting, an accounting firm based in Mumbai. You want to implement new health-oriented programmes for employees. One of the ideas you want to pitch is the concept of a fitness centre in your building. You had suggested a similar idea to your

supervisors five year ago, but at that time the firm was not doing well financially, so your idea was rejected. Now, however, Perfect Accounting is in the third year of an economic boom. As a result, you feel that your idea is more likely to be considered seriously. You discussed this idea with your new Vice-President and he has asked you to write a brief memo outlining your idea for his consideration.

Also, you want a comprehensive re-design of your in-house menu that emphasize low-fat, low-cholesterol and organic ingredients.

Write a memo to your Vice-President with relevant materials persuading him to consider these health-related ideas that you feel could be implemented as part of a new employee health programme.

(8 marks)

- (b) "Company was not performing well. Profitability was low. International competition, worldwide recession and a declining home market had eroded competitive advantage. Mr. Do-or-die (Dod), the general manager, worked for all the hours he could, arriving early, staying late, taking work home and rushing from one meeting to another in a frenzy of managerial activity. Each evening he would return home to shuffle more papers and write reports, eventually slumping exhausted in front of the television while dozing over an article in a management journal. Although, he planned holidays with his wife, he almost always cancelled them to cope with another 'crisis'. His wife at first had become angry at the extent of Dod's job commitment but, failing to influence his behaviour, she lapsed into sullen resentment.

Dod's work became increasingly haphazard and he spent endless hours on trivial things. He was pallid and overweight, and he tapped his fingers on any convenient surface. He smoked incessantly and allowed his suits to become stained and worn.

Dod's consuming passion was management and he devoted his few leisure hours to lecturing student groups on management topics. Once he overheard himself being described as a 'workaholic type', but he dismissed the observation as a shallow remark from an irresponsible and weak colleague. One close associate said, "Dod gives too much and he takes no nourishment for himself, I'm afraid that he will crack-up." It came as no surprise to Dod's colleagues when they heard that he was in hospital after a heart attack."

In the light of the above scenario, comment on how Dod should have managed himself and highlight the characteristics that are typical of those who manage stress most effectively.

(7 marks)

8. (a) Distinguish between *any two* of the following :
- (i) 'Breadth' and 'focus'.
 - (ii) 'Launches' and 'road shows'.
 - (iii) 'Active managers' and 'passive managers'.
- (3 marks each)
- (b) "Balanced thinking involving both left brain and right brain activity is crucial for effective decision-making." Argue 'for' or 'against' the proposition.
- (3 marks)
- (c) Write short notes on *any two* of the following :
- (i) The PRICE system
 - (ii) Creative problem solving
 - (iii) Counselling.

(3 marks each)

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