

## Model Question

Master of Business Studies / First Semester  
Subject: Managerial Economics  
Code No.: Eco 512

Time: 04.00 hrs.  
Credit Hours: 3  
Full Marks: 100

*Candidates are required to give their answers in their own words as far as practicable. The figures in margin indicate full marks.*

### Group A

#### *Case Study/ Situation Analysis Questions*

[ 2\*15=30 ]

1. Carefully read the case given below, critically analyze it, and answer the questions that follow:

In a free enterprise market economy, excess demand for a commodity is automatically eliminated by price rise and excess supply is eliminated by price decline. Markets clear by quantity responses to price changes resulting from a disequilibrium. Some real-world markets, however, do not clear and do not seem to move toward clearing. Financial markets (especially credit markets) often do not clear.

We often observe excessive demand or excessive supply of credit that persists over time. A non-clearing market may also exist in labour, commodities, and other markets. For example, ticket prices for concerts by a superstar, such as Amrit Gurung or Jennifer Lopez, are often deliberately set below the equilibrium price so as to create a shortage (i.e., excess demand) for tickets. Long lines in front of ticket booths long before tickets go on sale, and all available tickets are quickly sold out as soon as they do go on sale. The news media report on the long lines to get tickets and interview some of the people camped outside ticket booths days before the tickets go on sale, fans talk about the hot concert coming up, and an aura of anticipation and success is created. Promoters play this price game in expectation that such type of sensational act and skillfully campaigned publicity will lead to much greater sales of the star's recordings, and that these spillovers will more than make up for the loss of revenue by pricing concert tickets below the equilibrium level.

The same occurs in pricing admission tickets to Disneyland or meals in an exclusive restaurant. Lines in front of new restaurant and mouth publicity is the best and cheapest forms of advertising that the restaurant could have. Most people believe that if it is difficult to get into the restaurant, it must be great.

These and other examples of non-clearing markets do not mean that the traditional theory of clearing markets examined is wrong, but only the traditional theory is not applicable in some cases where shortages or surpluses are deliberately created and tend to persist over time. The theory of non-clearing markets acknowledges this fact and tries to explain it. In the ticket example above, it is clear that excess demand for tickets is fully and eagerly planned by the price-maker or promoter as a way to increase overall or combined revenues from the concert and the sales of the star's recordings.

#### **Questions:**

- Why would a firm set a price for the product or service it sells below equilibrium with reference to the content in the case?
- What determines if the event organizers such as that of the concert or any other firms offering similar services gain to set the price below the equilibrium? If firms playing the game of

The students should not limit themselves to the chapters mentioned in this Model Questions as questions can be asked from any chapter (within the syllabus) in the examination.

setting price below the equilibrium level anticipating future benefit, why would your firm or any firm also adopt this strategy to earn a higher profit?

- c) If your firm could set the price of the product below the equilibrium price and increases its profit, would you, as a CEO of the firm, adopt this strategy? What should be the role of government in such practices? [ 5+5+5 ]

2. The demand and supply functions of wheat grain are depicted by the following equations.  $Q_d = 1500 - 25P$ ,  $Q_s = -750 + 25P$

The government announces a program to support a price increase of Rs 10 per kg of this grain, which imposes a price floor of Rs 55.

- What are the equilibrium price and the quantity of wheat before price support policy?
- What quantity of wheat is purchased by the consumers, supplied by the producers and purchased by the government under the price support policy?
- What is the change in consumer surplus, producer surplus and total surplus? What is the cost of government to implement the price support policy?
- As per the suggestions of economic advisors, the government changes the price support policy and provides subsidy of Rs 4.50 per kg sold. What is the price paid by consumer, price received by sellers, change in consumer surplus, change in producer surplus and government cost?
- Interpret the results obtained from both policies. [2+2+4+4+3]

### Group B

#### **Problem Solving/ Critical Analysis Oriented Questions.**

(Attempt any **THREE** questions)

[3×15 = 45]

3. Demand function of a firm is given by  $Q_d = 400 - 4P_x + 0.5Y + 5P_y - 3P_z$ .

Where,  $Q_d$  = Quantity demand for X good.

$P_x$  = Price of X good

$Y$  = Consumer's income

$P_y$  = Price of Y good

$P_z$  = Price of Z good

- Find the quantity demanded if  $P_x = Rs 15$ ,  $Y = Rs 3000$ ,  $P_y = Rs 10$  and  $P_z = Rs 20$ .
- Using elasticities, estimated demand when price of X good decreases by 20%, income increases by 25%, price of Y good increases by 12% and price of Z good decreases by 18%.
- Explain the significance of demand forecasting in business decision making.
- What types of pricing policy would you suggest to increase the revenue for elastic and inelastic products? Give reasons. [2+5+5+3]

4. Consider the following total revenue and total cost functions for a biscuit factory.

$$P = 30 - 0.3Q, C = 210 + 6Q$$

- Compute profit maximizing output, price, TR and maximum profit.
- Compute sales maximizing output, price, profit and maximum total revenue.
- Compute sales maximizing output, price and TR under profit constraint of Rs 255 thousands.
- Which objective will be more effective to achieve business growth with stability? Give your critical comments. [ 4+3 +4 +4 ]

5. a).What is production function? How does it help in the business decision making? [ 4+4 ]

b) Let, production function,  $Q=100\sqrt{LK}$ ,  $C = Rs 2000$ ,  $r = Rs 100$ ,  $w = Rs 80$ ,  $P = Rs 4$ . Compute optimal employment of two variable inputs, maximum output and profit. What will be the optimal employment of inputs, maximum output and profits when total cost outlay increases to Rs 4000? [ 4 + 3 ]

The students should not limit themselves to the chapters mentioned in this Model Questions as questions can be asked from any chapter (within the syllabus) in the examination.

6. Describe the process of measuring demand interrelationships for a multi-product firm. How can a firm determine the best level of output and price for products that are jointly produced in fixed proportions? [ 3 + (6+6) ]

**Group “C”**

**Concept Based Short Answer Questions**

*(Attempt any FIVE Questions)*

(5 × 5 = 25)

7. What is the basic difference between using a subsidy to induce producers to install antipollution equipment and a tax on producers who pollute?
8. Differentiate economic profit and business profit with suitable examples.
9. Describe the scope of managerial economics.
10. How can demand be forecasted by moving average method? Explain with suitable examples.
11. Consider the following demand and cost functions for the oligopolist. (3+2)  
 $Q_1 = 210 - 30P_1$ ,  $Q_2 = 90 - 10P_2$  and  $TC = 3.5Q + Q^2/60$ 
  - a. Compute equilibrium price, output and profit at the point of kink.
  - b. Is this model applied in Nepalese market? Give Examples.
12. Explain the behavior of consumer towards risk and uncertainty with suitable example.

\*\*\*\*

Model Question 2019

The students should not limit themselves  
to the chapters mentioned in this Model Questions  
as questions can be asked from any chapter (within the syllabus) in the examination.

**TRIBHUVAN UNIVERSITY**  
**Faculty of Management**  
**Model Question**  
**MKT 511: Marketing Management**  
**(MBS: Marketing) 1<sup>st</sup> Semester**

**Full Marks: 100**

**Pass Marks: 50**

**Time: 4 hrs**

**Candidates are required to answer the questions in their own words as far as practicable. Figures in brackets indicate full marks.**

**Group “A”**

**Case/ Situational Analysis Questions**

**1. Read the following case carefully and answer the questions that follow: (30)**

Surya Nepal Private Limited (SNPL) is an Indo-Nepal-UK joint venture, which started operations in Nepal in 1986. Surya Nepal is now the largest private sector enterprise in Nepal and a subsidiary of ITC Limited, India, the balance shares are held by 20 Nepalese individual & corporate shareholders and British American Tobacco (Investment) Limited, UK.

Surya Nepal's business includes manufacture and marketing of cigarettes and readymade garments in Nepal as well as exports of ready-made garments with a total turnover of over US \$100 million.

Surya Nepal's commitment to its corporate vision “enduring value for all stakeholders” has been uncompromising through the years and is reflected in every product, process and service provided by the company.

The company was awarded the prestigious FNCCI National Excellence Award during 2007 for being the best-managed corporation in Nepal. The company is also the recipient of various national safety and environmental awards and with the constant focus on systemic work processes, both cigarette and garment factories are ISO- 9001:2000 certified.

Surya Nepal is planning to open a new cigarette plant in Tanahu to expand its business, Indian news agency PTI reported Friday. The company is preparing to install the cigarette production plant in the western hilly district within two years at the cost of IRs 150 million.

Surya Nepal's decision to establish the cigarette plant in Tanahu comes with ITC's plan to expand its international market. The new plant will create an additional employment for about 100 people.

The students should not limit themselves  
to the chapters mentioned in this Model Questions  
as questions can be asked from any chapter (within the syllabus) in the examination.

Surya Nepal, the highest tax payer among Indian joint ventures, produces 15 brands of cigarettes and enjoys about 90 percent market share in Nepal.

**Questions:**

- a. Why do you think Surya Nepal is focusing in Nepal's hilly area than in Terai?
- b. Identify and analyze the growth model of Surya Nepal.
- c. What could be the economic and social impact of the new factory in Tanahu?

**Group "B"**

**Problem Solving/ Critical Analysis Oriented Questions**

**Attempt any THREE questions:**

**(3X15 = 45)**

2. What is marketing concepts? Discuss the major principles of the marketing concept and compare it with the holistic marketing concept.
3. "Customer retention and winning back lost customers are the key strategy in relationship marketing." Discuss.
4. "The marketing environmental forces are normally uncontrollable. Marketing managers have to design their marketing activities according to the influence of environmental forces." Discuss with example.
5. What is demand Measurement? Explain the methods of measuring current and future demand.

**Group "C"**

**Concept Based Short Answer Questions**

**Answer any FIVE questions:**

**(5x5=25)**

6. Explain the major characteristics of consumer market.
7. What is marketing planning? Why is marketing planning important?
8. Describe the methods of measuring current market demand.
9. How do you classify the reaction patterns of competitors?
10. What is product positioning? Describe the major types of positioning.
11. Discuss the factors influencing the distributions decisions.

The students should not limit themselves to the chapters mentioned in this Model Questions as questions can be asked from any chapter (within the syllabus) in the examination.

**TRIBHUVAN UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
Office of the Dean  
**Model Question**  
**2019**

**Full Marks: 100**  
**Time: 4 Hrs**

<b>MBS / First Semester / MSC 514: Statistical Methods</b>
--

*Candidates are required to answer all the questions in their own words as far as practicable. Figures in brackets indicate full marks.*

**Group "A"**

**Case / Extended Problem Analysis Question :**

**Attempt all questions:**

( 30 )

1. (a) The manager of a particular sales store in Kathmandu has realized that the sales of product depend entirely on advertising and pricing. The manager of the store has collected the following data:

<b>Daily Sales (in 000 unit sold)</b>	25	30	25	32	20	21
<b>Advertising( Rs 000)</b>	5	6	3	6	2	2
<b>Price (Rs)</b>	10	12	14	15	10	11

- (i) Develop the multiple regression equation that best fits the data.  
(ii) Compute the standard error of estimate.  
(iii) How much variation in sales is explained by advertising cost and price of product? Justify with appropriate statistical tool. ( 9 + 2 + 4 = 15)

1. (b) The following table shows the yield of the crops of five different types of land in which three different types of fertilizer was used.

<b>Types of fertilizer</b>	<b>Types of Land</b>				
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>I</b>	20	18	16	23	13
<b>II</b>	30	25	22	15	28
<b>III</b>	25	28	18	22	17

Test at 5% level of significance whether there is significant difference in average yield of crop due to (i) five different types of land (ii) three different types of fertilizer. ( 7.5 + 7.5 = 15)

The students should not limit themselves  
to the chapters mentioned in this Model Questions  
as questions can be asked from any chapter (within the syllabus) in the examination.

**Group "B"**

**Problem Solving/ Critical Analysis Oriented Answer Questions**

**Attempt Any Three questions:**

**( 3 × 15 = 45 )**

2. (a) A factory has three plants  $P_1$ ,  $P_2$ , and  $P_3$ . Plant  $P_1$  produces 25% of its products, plant  $P_2$  produces 25% and plant  $P_3$  produces 50% products. If the percentage of defective products produced by three plants  $P_1, P_2$  and  $P_3$  are 1%, 2% and 3% respectively, and a product selected at random from the total production of the factory is found to be defective. From which plant the defective product is expected to be produced? Justify your result.
2. (b) From the following data test whether there is any association between the income level and morning walk habit of the people in a certain community. Use  $\alpha = 10\%$ .

Morning Walk	Income level		
	Low	Middle	High
Never	27	48	15
Occasional	25	64	14
Regular	22	74	12

3. (a) A machine produced 20 defective articles in a batch of 400. After overhauling the machine, it produced 10 defectives in a batch of 300. Has the machine improved? Test at 5% level of significance.
3. (b) Fit a binomial distribution to the following data:

<b>x</b>	0	1	2	3	4
<b>f</b>	10	25	30	20	15

Also calculate the mean, standard deviation and variance of binomial distribution from the data.

- 4.(a) A product is assembled from the three components  $C_1$ ,  $C_2$  and  $C_3$ . The probabilities of these components being defectives are 0.01, 0.02 and 0.05 respectively. What is the probability that the assembled product (i) will be defective (ii) will not be defective?
4. (b) The product knowledge score of 8 sales executives before and after training is given below.

Executive	A	B	C	D	E	F	G	H
Score before training	60	64	62	63	68	61	63	64
Score after training	64	67	64	65	62	66	66	65

Do you agree that training program has benefitted to the executives? Test the appropriate hypothesis at 5% level of significance.

- 5.(a) In an intelligent test administered to 1.000 students, the average score was 42 and standard deviation 24. Find the (i) number of students exceeding a score 50 (ii) lowest score of top 100 students (iii) highest score of lowest 100 students.
- 5.(b) Samples of the two types of electric bulbs were tested for length of life and following results were obtained.

	Sample size	Sample mean (hrs)	Sample standard deviation (hrs)
<b>Type I</b>	50	1234	36
<b>Type II</b>	50	1215	40

Find the standard error of difference of means. Also, test whether the type I bulb is superior than the type II bulb regarding to their length of life.

The students should not limit themselves  
to the chapters mentioned in this Model Questions  
as questions can be asked from any chapter (within the syllabus) in the examination.

**Group "C"**

**Concept Based Short Answer Questions:**

**Answer any Five questions:**

**( 5 × 5 = 25 )**

6. In a tri-variate distribution, it is found that  $r_{12} = 0.863$ ,  $r_{13} = 0.648$  and  $r_{23} = 0.709$ . Find the values of  $r_{12.3}$ ,  $r_{23.1}$  and  $r_{13.2}$ .
7. A sample of 40 light bulbs from a manufacturing lot had average life of 1416 hours with standard deviation of 30 hours. Construct 90% and 99% confidence intervals for true population mean.
8. A salesperson of Kathmandu Mall has a 70% chance of making a sale to each customer. The behavior of successive customer is assumed to be independent. If two customers A and B enter, what is the probability that the salesperson will make a sale to (i) none (ii) at least one?
9. In a certain town, the average number of road accident per day follows the Poisson distribution, find the probability that there will be (i) no accident in a day (ii) at most 2 accidents in a day (iii) at least 2 accidents in a day.
10. A random sample of size 20 from a normal population gives a sample mean of 42 and sample standard deviation of 6. Test the hypothesis that the population mean is 44.
11. Write short notes:
  - (i) Properties of binomial distribution
  - (ii) Hypothesis testing.

**THE END**

The students should not limit themselves to the chapters mentioned in this Model Questions as questions can be asked from any chapter (within the syllabus) in the examination.

**TRIBHUVAN UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
Office of the Dean  
**Model Question 2019**

<b>MBS / First Semester / MGT 519: Managerial Communication</b>
---

**Time: 4 hrs.**

**Full Marks: 100**

**Pass Marks: 50**

Attempt all the questions.

**Group "A"**

**Case Analysis Question**

**1. Read the following case and answer the questions asked below. [30]**

Taking classes with a skilled teacher and getting real-life practice while living in another country are proven ways to learn a new language, but what if neither of these options is available to you? Thanks to the growth of social networking technology and other Web 2.0 communication tools, independent language learners now have a multitude of online learning options.

Palabea ([www.palabea.net](http://www.palabea.net)) is a great example of the possibilities of the Web 2.0 approach to learning. By adapting social networking concepts for the unique demands of language learning, this service offers numerous helpful features:

- Online chat with other language learners. No matter what language you're trying to learn, someone somewhere in the world speaks it—and is trying to learn your language. Palabea lets you connect and help each other with text, audio, or video chat.
- Connections to native speakers in your local area. Palabea can connect you with nearby native speakers of the language you're trying to learn.
- User-generated content. Palabea offers a growing collection of podcasts, video lectures, documents, and other learning tools, all contributed by members.
- Virtual classrooms. Just as online meeting systems let business colleagues collaborate in real time on reports and other documents, Palabea's virtual classrooms let members meet online to review and correct translations and other projects.

Palabea is just one of many online resources that can help language learners. For example, the Free Language website (<http://freelanguage.org>) offers links to free resources for several dozen languages.

The students should not limit themselves  
to the chapters mentioned in this Model Questions  
as questions can be asked from any chapter (within the syllabus) in the examination.

## Questions

- a. How could a multinational company such as IBM benefit from the capabilities offered by Palabea and similar websites?
- b. As a manager, would you be comfortable having employees use a free service such as Palabea before sending them on important overseas assignments?
- c. What is the revolution brought by the web 2.0 or social communication module? What are the challenges for businesses in Nepal that totally depend online?

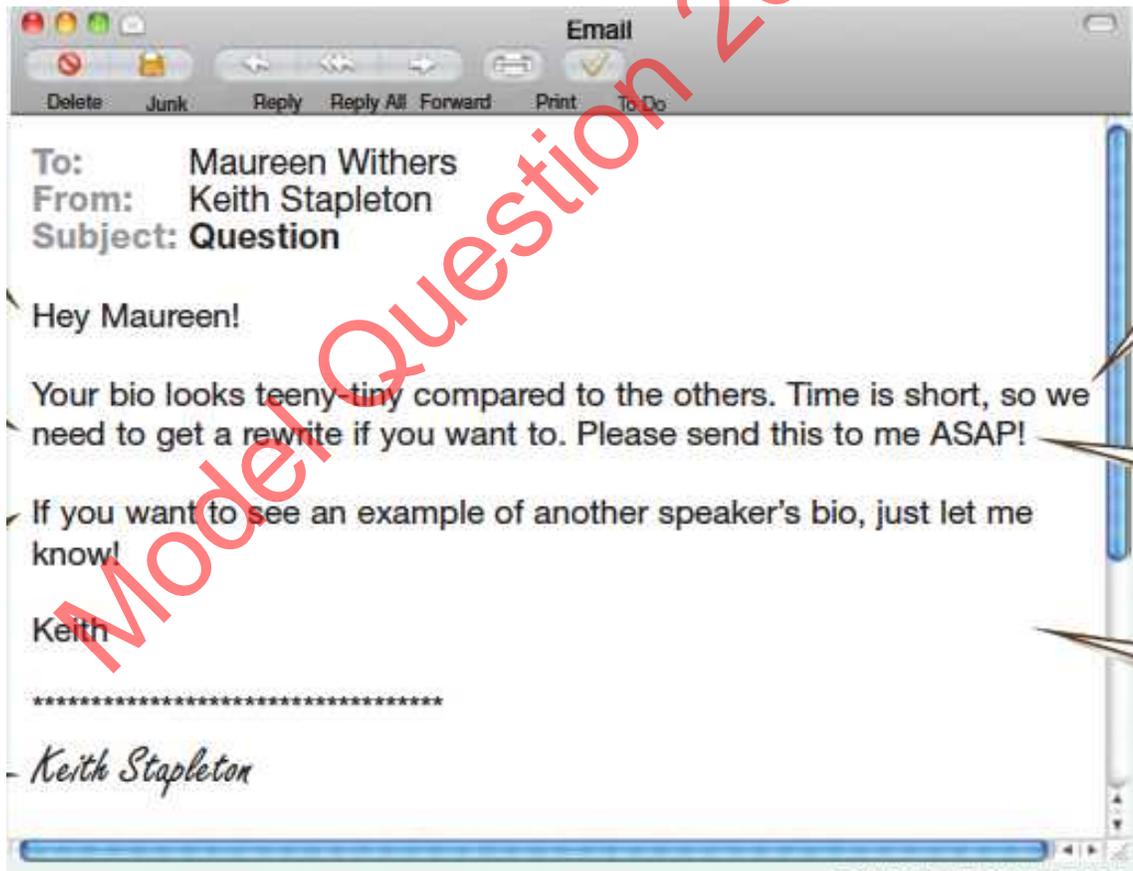
### Group "B"

#### Problem and Application of Concepts

[3x15=45]

#### Answer ANY THREE of the following questions

2. Read the following email about resending the revised bio of a speaker for the ALP conference and answer the following.
  - a. enumerate the weaknesses of the email.
  - b. rewrite the email effectively following the three steps writing process.



The students should not limit themselves to the chapters mentioned in this Model Questions as questions can be asked from any chapter (within the syllabus) in the examination.

3. South by Southwest (SXSW) is a family of conferences and festivals in Kathmandu, Nepal that showcase some of the world's most creative talents in music, interactive media, and film. In addition to being a major entertainment venue for a week every March, SXSW is also an increasingly important trade show, an opportunity for companies to present products and services to potential customers and business partners. You work for a company that makes music training equipment, such as an electronic keyboard with an integrated computer screen that guides learners through every step of learning to play the keyboard. Your manager has asked you to look into whether the company should rent an exhibition booth at SXSW next year. Prepare a work plan for an analytical report that will assess the promotional opportunities at SXSW and make a recommendation on exhibiting. Include the statement of purpose, a problem statement for any research you will conduct, a description of what will result from your investigation, the sources and methods of data collection, and a preliminary outline.
4. Xtremity Plus is known for its outlandish extreme sports products, and the Looney Launch is no exception. Fulfilling the dream of every childhood daredevil, the Looney Launch is an aluminum and fiberglass contraption that quickly unfolds to create the ultimate bicycle jump. The product has been selling as fast as you can make it, even though it comes plastered with warning labels proclaiming that its use is inherently dangerous. As Xtremity Plus's CEO, you were nervous about introducing this product, and your fears were just confirmed: You've been notified of the first lawsuit by a parent whose child broke several bones after crash-landing off a Looney Launch. Write a post for your internal blog, explaining that the Looney Launch is being removed from the market immediately. Tell your employees to expect some negative reactions from enthusiastic customers and retailers but explain that (a) the company can't afford the risk of additional lawsuits; and (b) even for Xtremity Plus, the Looney Launch pushes the envelope a bit too far. The product is simply too dangerous to sell in good conscience.
5. Your new company, World Connect Language Services, started well and is going strong. However, to expand beyond your home market, you need a one-time infusion of cash to open branch offices in other cities all over the country. At the Entrepreneur's Lunch Forum you attended yesterday, you learned about several angels, as they are called in the investment community—private individuals who invest money in small companies in exchange for a share of ownership. One such angel, Muna Khanal, told the audience that she is looking for investment opportunities outside of high technology, where angels often invest their money. She also indicated that she looks for entrepreneurs who know their industries and markets well, who are passionate about the value they bring to the marketplace, who are committed to growing their businesses, and

The students should not limit themselves  
to the chapters mentioned in this Model Questions  
as questions can be asked from any chapter (within the syllabus) in the examination.

who have a solid plan for how they will spend an investor's money. Fortunately, you meet all of her criteria. Now write a letter to Ms Khanal, introducing yourself and your business and asking for a meeting at which you can present your business plan in more detail. Explain that your office was booked to capacity within two months of opening, thanks to the growing number of international business professionals looking for translators and interpreters. You've researched in all the states and identified at least 4 other cities that could support a language services office such as yours. Making up whatever other information you need, write a four-paragraph (or more if required) message following the AIDA model, ending with a request for a meeting within the next four weeks.

### Group "C"

#### Concept Based Answer Questions

Answer any FIVE questions.

5X5=25

6. Why business communication is important to your career?
7. Explain the importance of business etiquette in business communication.
8. Explain the purpose of application letters, and describe how to apply the AIDA organizational approach to them.
9. Explain the role of primary research in report writing.
10. Highlight the importance of presentation in your business career.
11. What are the major types of interviews and what employers look for during the interviews?

\*\*\*

The students should not limit themselves to the chapters mentioned in this Model Questions as questions can be asked from any chapter (within the syllabus) in the examination.

TRIBHUVAN UNIVERSITY  
**Faculty of Management**  
Model question, 2076

**Program:** Master of Business Studies/I semester  
**Course:** MGT. 515 Organizational Behavior

**Full Marks: 100**

**Time: 4 Hours**

*Candidates are required to answer the questions in their own words as far as practicable. The figures in brackets indicate full marks.*

**Section 'A': Case Analysis**

**1. Carefully read and analyze the case given below and answer the questions that follow: (3x10=30)**

Good people – valuable employees – quit their jobs every day. Usually, they leave for better positions elsewhere. Take Anup, an experienced banker in a reputed bank, who scribbled the following remarks on his exit interview questionnaire:

*“This job isn’t right for me. I like to have more input on decisions that affect me- more of a chance to show what I can do. I don’t get enough feedback to tell if I’m doing a good job or not, and the company keeps people in the dark about where it’s headed. Basically, I feel like an interchangeable part most of the time”.*

In answer to the question about whether the company could have done anything to keep him, Anup replied simply, “Probably not.” Why do so many promising employees leave their jobs? And why do so many others stay on but perform at minimal levels for lack of better alternatives? One of the main reasons – Anup’s reason – can be all but invisible, because it’s so common in many organizations; a system wide failure to keep good people.

Companies should be concerned about employees like Anup. By investing in human capital, they may actually help reduce turnover, protect training investments, increase productivity, improve quality, and reap the benefits of innovative thinking and teamwork.

Human resource professionals and managers can contribute to corporate success by encouraging employees’ empowerment, security, identity, connectedness, and competence. How? By recognizing the essential components of keeping their best people and by understanding what enhances and diminishes those components.

Anup doubts that his company will ever change, but other organizations are taking positive steps to focus on and enhance employee retention. As a result, they are reducing turnover, improving quality, increasing productivity, and protecting their training investments.

The students should not limit themselves  
to the chapters mentioned in this Model Questions  
as questions can be asked from any chapter (within the syllabus) in the examination.

**Questions:**

- a. Sketch the landscape of the above case.
- b. How significance is the remarks made by Anup with regard to his decision to quit the job and attitude of the company?
- c. What lesson can this company learn from the case of Anup? What can and should it now do?

**Section 'B': Critical Analysis Questions**

**Attempt any *three* questions.**

**(3x15 = 45)**

2. Critically examine the theoretical frameworks of organizational behavior (OB).
3. What is personality? Discuss the different elements of personality profiling using DISC methodology.
4. What is organizational commitment? Discuss the different dimensions of organizational commitment.
5. Discuss the application of Path Goal Leadership theory in organization.

**Section 'C': Concept-based Short Answer Questions**

**Attempt any *five* questions.**

**(5 x 5 = 25)**

6. What are the models of individual behavior? Explain
7. State and explain the linkage between perception and decision making in organization.
8. Describe the implications of self – efficacy in the work place.
9. What are the individual strategies to manage the stress? Explain
10. State and explain any five conflict resolution strategies.
11. Distinguish between organization development intervention at individual level and organizational level.

The students should not limit themselves to the chapters mentioned in this Model Questions as questions can be asked from any chapter (within the syllabus) in the examination.