MK-9 11/10/0

MF 03

Marketing Finance

Roll No.
Total No of Questions - 4
Duration Hours- 2 Hours(Section I & Section II)

Total No or printed pages → 3
Total Maximum Marks→ 30

Note: Section I & Section II to be solved on Separate Answer Books.

Section I (15 Marks).

(Answer **Any** 2 questions out of Four)
All questions carry equal marks.)

Q1) Zee Ltd. Has two plants (Plant I & Plant II) Operating at 100% & 75% of their capacities respectively. The company is considering a proposal to merge the two plants to optimize the available capacity. The following details regarding their present performance /operations are as follows:

Particulars	Plant I	Plant II
Sales (Rs. Crores)	200	75
Variable Cost (Rs. Crores)	140	54
Fixed Cost	30	14

For the decision making you are required to calculate

a) The capacity at which the merged plant will break – even.
b) The profit merged of merged plant working at 80% & 90 % capacity.

Q2) From the following particulars . Find the most profitable product mix and prepare a statement of profitability of that profitability of that product mix:

Particulars	Product A	Product B	Product C
Units budgeted to be produced and sold	1,800	3000	1200
Selling price per unit	60	55	50

Requirement Per unit:

Particulars	Product A	Product B	Product C
Direct Materials	5kg	3kg	4kg
Direct Labour	4hrs	3hrs	2hrs
Variable Overheads	Rs.7	Rs.13	Rs.8
Fixed overheads	Rs.10	Rs.10	Rs.10
Cost of Direct Materials Per.Kg	Rs.4	Rs.4	Rs.4
Direct Labour Hour Rate	Rs.2	Rs.2	Rs.2
Maximum Possible Units of sales	4,000	5,000	1,500

All the three products are produced from the same type of machines & Labour. Direct labour which is the key factor , is limited to 18,600 hours.

Q3) Halon & Co. manufactures and sells two products – 'P' & 'Q' . The following data is available in respect of the products for the month of March. The company operates a budgetory control system.

Product	Budgeted Sales			Actual Sales		
	Qty.	Price	Value	Qty.	Price	Value
P	1,000	10	10,000	800	5	4,000
Q	2,000	5	10,000	1,000	4	4,000
Total			20,000			8,000

The budgeted cost per unit of product was

P – Rs. 6
Q- Rs. 3

Calculate sales variances
1) Sales Value Variance
2) Selling Price Variance
3) Sales Volume Variance
4) Sales Quantity Variance
5) Sales Mix Variance

Q4) A)Explain the Principals , Steps and Requirements of Cost Control.
B) Explain the different types of Budgets

Roll no.

Total No of Questions : 5

Total No of printed pages : 1

Maximum marks : 15

Section II

Notes: 1) All questions carry equal marks.

2)Question no 1 is <u>compulsory</u>. Write any <u>two</u> question from Q. no 2 to Q. no5.

3)Quality of answers will be given due credit.

Q1) The ING group has indicated that it will wait for the terms & conditions of the Government before taking any decision on increasing its stake in the domestic banking and life insurance arms. The group holds 44 per cent stake in ING Vysya Bank and 26 percent stake in the ING Vysya Life Insurance Company. Reacting to the Government's proposal to permit 74 percent foreign stake in private sector banks, Mr Bart Hellemans, MD and CEO said : "we do not know the terms and conditions of this proposal. We will wait till then. I have no specific comment to make on the proposal." Mr. Hellemans was speaking to newspersons on the launch of a common branding of all financial services arms, including the ING Vysya Mutual Fund.

Through common branding, the group plans to project its global reach and prowess in managing money for customers worldwide. "The ING Vysya will offer an integrated financial solutions package to all customers in the country." The corporate campaign will attempt to create grater awareness of ING Vysya, which operates in the country through a 500-branch network in 300 centers. This is the first time that the group is conducting such an integrated campaign throughout the country after it assumed majority control in Vysya Bank and followed it up with a change in the bank's name. So far, the bank has been leveraging on the brand created by the 72-year-old parent. "The campaign will also focus on creating the awareness of the changes in the group and its new image as an international financial services provider."

The bank currently has a customer base of about two million, deposit base of close to Rs. 10,000 crore and investments equivalent to Rs 5,000 crore as of the first half of the current fiscal.

1.a)Comment on the branding strategy of ING Vysya group for all financial services.

Q2)Describe the evaluation of distribution costs?

Q3)Enumerate the Brand Valuation.

Q4)Describe the importance and analysis of costs in Marketing Management.

Q5)Describe the benefits arising out of keeping high and low level of inventory.