

## Business Ethics

QP Code : 24114

(2 ½ Hours)

[ Total Marks : 75 ]

- N.B. : (1) All questions are compulsory  
(2) All questions carry equal marks.

1. Attempt the following (any two) 15

- Explain in detail about various kinds of features that should constitute the ethical Bedrock of any organisation.
- Explain in detail the various responsibilities of business organisation towards its various stockholders.
- State in detail the concept of Dharmic leadership with suitable examples.

2. Attempt the following (any two) 15

- Explain the importance of Ethics in Global Marketing and Advertising.
- What is Corporate Governance? Explain the need and significance of corporate Governance.
- State various models of Corporate Governance in detail.

3. Attempt the following (any two) 15

- Explain the various types and role of Board of Directors in the business organisations.
- Write a note on Audit Committee.
- State in detail the recommendations of Kumar Mangalam Committee.

4. Attempt the following (any two) 15

- Explain in brief the relevance of Corporate Social Responsibility in contemporary society.
- Write a brief note on Safety Standards with its primary issues.
- Explain in detail the relationship of CSR and Triple Bottom Line.

5. Case study :-

Dr. Amol Salunke had just paid a hefty capitation fee, legally approved by the authorities for the admission of his son in a private Medical College. He being a Doctor, was keen to see that his son too should become a doctor. He was of the opinion that medical profession as such is a noble profession and should not be subjected to market forces purely as a commercial enterprise. So professionally, as a Student of Business Ethics answer the questions given below.

- Discuss about morality and capitation fee. 7
- Discuss the Ethics of the above activity of various individuals in the case. 8



## Financial Management

QP Code : 24109

(2½ Hours)

[ Total Marks : 75

- N. B. : (1) All questions are compulsory subject to internal choice.  
 (2) Figures to the right indicate full marks.  
 (3) Use of simple calculators is allowed.

1. Attempt any two questions.

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- (a) You are supplied with following information in respect of MRF Ltd. for the ensuing year.

Production for the year	- 69,000 units
Finished goods in stores	- 3 months
Raw material in stores	- 2 months consumption
Production process	- 1 month
Credit allowed by customer	- 2 months
Credit allowed to Debtors	- 3 months
Selling price per unit	- Rs. 50
Raw material cost	- 50% of selling price
Direct wages cost	- 10% of selling price
Overheads cost	- 20% of selling price

There is regular production and sales cycle and wages & overheads accrue evenly. Wages are paid in the next month of accrual. You are required to estimate its working capital requirement.

- (b) M. Ltd has at present sales level of 10,000 units at Rs.300 per unit. The variable cost is Rs.200 per unit and fixed cost amount to Rs.3,00,000 per annum. The present credit period allowed by the company is 1 month. The company is considering a proposal to increase the credit period to 2 months or 3 months and has made the following estimates:

Particulars	Existing	Proposal I	Proposal II
Credit Period (month)	1	2	3
Increase in Sales(%)	—	15	30
Bad Debts (%)	1	3	5

There will be increase in fixed cost by Rs.50,000 on account of increase in sales beyond 25% of present level. The company plans a pre-tax return of 20% on investment in receivable. You are required to calculate the most paying credit policy for the company.

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- (c) From the following details you are required to prepare cash budget for the period April to June 2015:

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Overheads (Rs.)
January	1,20,000	80,000	10,000	7,000
February	1,35,000	75,000	11,000	8,000
March	1,38,000	78,000	12,000	8,500
April	1,42,000	81,000	11,500	7,500
May	1,40,000	82,000	11,000	6,500
June	1,36,000	80,000	10,500	6,800

Other Information:

- (i) 10% sales is on cash basis.
- (ii) 50% of the credit sales amount is collected after one month and balance after two months.
- (iii) Suppliers are paid after one month.
- (iv) Delay in payment of wages and overheads is one month.
- (v) Machinery costing Rs.2,00,000 purchased in March. 40% of the payment to be made in April and balance in June
- (vi) Income from Investment Rs.30,000 received in June.
- (vii) Cash balance on 1st April Rs.60,000.

2. Attempt any two questions.

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- (a) (i) What is Cost of Retained Earning.
- (ii) From the following information, prepare Income Statement for Jaipur and Agra Ltd.

Particulars	Jaipur Ltd	Agra Ltd.
Degree of Combined Leverage	4 times	5 times
Degree of operating Leverage	3 times	2 times
Tax Rate	40%	40%
Profit/Volume Ratio	40%	45%
No. of Equity Shares of Rs 10 each	8,00,000	14,00,000
Earning per share (EPS)	Rs. 3.20	Rs 1.90

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- (b) Zest Ltd. is a large scale paper mill and is planning to finance expansion of its production capacity and developed the following 4 financial plans. The capital employed is Rs.75, 00,000. The rate of returns on capital employed is 40%. The corporate rate of tax is 25%. Face value of each equity share is Rs. 10. Which alternative would you choose based on Earning per Share (EPS).

Particulars	Plan I	Plan II	Plan III
Equity Share Capital (Rs.)	75,00,000	30,00,000	15,00,000
10% Debentures (Rs.)	—	30,00,000	22,50,000
Long Term loans @ 15%	—	15,00,000	37,50,000
Tax(%)	35	35	35

- (c) Following is the capital structure of Red Ltd:

Particulars	Rs.
Equity Shares (Rs.100 each)	20,00,000
10% Preference Shares (Rs.100 each)	8,00,000
12% Debentures	12,00,000
	40,00,000

The market price of the company's share is Rs.130 and it is expected that a dividend of Rs. 10 per share would be paid next year. The dividend growth rate is 8%. Assume tax rate at 50%. Calculate the Weighted Average Cost of Capital for the above capital structure.

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3. Attempt any two questions.

- (a) A Company is contemplating to purchase a machine. Two machines A and B are available each costing Rs.5 lakhs. The machine is to be written off in 5 years by straight line method of depreciation with nil residual value. Cash inflows after tax are expected as follows:

Year	Machine A (amount in Lakhs)	Machine B (Amount in Lakhs)
1	1.5	0.5
2	2.0	1.5
3	2.5	2.0
4	1.5	3.0
5	1.0	2.0

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Indicate which machine would be profitable using ARR (based on Original Investment).

- (b) Delta Ltd purchased a machine 5 years ago. A proposal is under consideration to replace it by a new machine. The life of both the machines is estimated to be 10 years.

	Existing Machine	New Machine
Initial Cost	Rs. 25,00,000	Rs. 30,00,000
Machine hours per annum	2000	2000
Wages per running hour	Rs. 12	Rs. 12.50
Power per hours	Rs. 5	Rs. 20.00
Indirect Material per annum	Rs. 30,000	Rs. 50,000
Other Expenses per annum	Rs. 1,20,000	Rs. 1,50,000
Cost of Materials per unit	Rs. 10	Rs. 10
Number of units per hour	120	180
Selling Price per unit	Rs. 20	Rs. 20
Tax Rate	50%	50%

You are required to calculate the Pay Back Period and advise the company on same.

- (c) Explain : (i) Net Present Value (ii) Capital Rationing (iii) Benefit/Cost Ratio

4. Attempt any two questions.

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- (a) Creta Ltd. is intending to acquire Zeta Ltd by way of merger. The intended Merger will take place through exchange of Equity shares, valuation to be based on Market price per share (MPS). Following information is extracted from the books of Creta Ltd. and Zeta Ltd.

Particulars	Creta Ltd.	Zeta Ltd.
Earnings after Tax	1000 lakhs	200 lakhs
No of Shares	100 lakhs	50 lakhs
P/E ratio	10	5

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Required:

- (i) Calculate MPS for both the companies.
- (ii) What is present EPS of both the companies.
- (iii) Calculate EPS of Creta Ltd. after the merger.
- (b) What is Business Restructuring? What are the reasons for a company to go for Restructuring.
- (c) Explain in brief various short term sources of finance available to a mid size business unit.

5. Case Study :

Following is the data regarding two projects being considered -

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	Project A	Project B
Initial Outlay	100000	140000
Salvage value	-	20000
Earnings before depreciation and taxes		
Year 1	25000	40000
Year 2	25000	40000
Year 3	20000	40000
Year 4	20000	40000
Year 5	25000	40000
Expected Life	5 years	5 Years

The tax rate is 50% and depreciation is charges on a straight line basis.  
Evaluate the projects on following basis-

- (a) Net present value of @ of 10%
- (b) Profitability Index at 10%
- (c) Accounting Rate of return

The present value of Re. 1 at 10% is given below

Year	1	2	3	4	5
PV at 10%	0.909	0.826	0.751	0.683	0.621



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Q.P. Code : 24101

(2½ Hours)

[ Total Marks : 75

- N.B. : (1) All questions are compulsory.  
 (2) Figures to the right indicate full marks.

1. Attempt any two of the following :- 15
  - (a) Discuss the role of Human Resource Manager in today's world.
  - (b) What are the characteristics of today's workforce that the HR manager needs to understand ?
  - (c) Explain the concepts :
    - (i) Downsizing
    - (ii) Outsourcing
    - (iii) Human Resource Information System.
  
2. Attempt any two of the following :- 15
  - (a) Explain in detail, the process of job analysis.
  - (b) What do you mean by orientation ? Discuss the methods of orientation.
  - (c) Explain the on-the-job training methods used in organizations.
  
3. Attempt any two of the following :- 15
  - (a) Discuss the procedure of Career Planning of employees.
  - (b) What do you mean by succession planning ? Explain its process.
  - (c) Define fringe benefits. Explain the types of Fringe benefits.
  
4. Attempt any two of the following :- 15
  - (a) Define participative management and discuss the factors essential for successful participative management.
  - (b) What do you mean by Industrial Relations ? Discuss its features.
  - (c) Enumerate the various problems faced by Trade Unions in India.
  
5. Analyse the case and answer the following questions. 15

The HR manager at Pego Organization rates its managers on a 5 point rating scale. The parameters used for rating are quality of work, Quantity of work, Reliability, Co-operativeness and Community Service.

Ratings of each year are maintained in employees file in the HR department and used as a basis of promotion and increments. However the employees feelings about the system range from indifference to hostility. Most feel that community service is not a part of their job and should not influence rating,

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while important criteria like leadership potential which indeed should be a part is left out.

The current system seems to be causing much dissatisfaction among employees. The managing director, Mr Kamath feels that performance appraisal is becoming a dangerous source of friction and should be done away with altogether.

**Questions :-**

1. List the important facts and issues in the above case.
2. What methods of performance appraisal would you suggest for managers in Pego organisation.
3. Do you agree with Mr. Kamath that the performance appraisal system should be discontinued. Justify.

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QP Code : 24112

(2½ Hours)

[ Total Marks :75

- N.B. : (1) Answer all the questions.  
(2) The marks are assigned on the R.H.S.  
(3) Draw illustrations, diagrams and schedules wherever necessary.  
(4) Use of simple calculator is allowed.

1. Answer any two of the following:-

- (a) How can one improve effectiveness of Logistical Organisation?  
(b) "You are appointed as a Logistics Manager, at Shubham Textile Pvt. Ltd. Direct Shubham Textile to achieve "PERFECT ORDER" through 7R Principle."  
(c) You are given the following information about demand of books:

Mouth	1	2	3	4	5	6	7	8	9	10
Demand	220	224	215	212	232	240	248	252	262	274

Calculate forecasted values using 3PMA and 5PMA? (Period Moving averages)  
Also estimate the forecast for 11<sup>th</sup> month?

2. Answer any two of the following:-

- (a) Draw a flow-chart of a Matrix Organisation and state its Merits and Demerits.  
(b) List various factors influencing transportation cost and pricing.  
(c) Explain the functions of Warehousing.

3. Answer any two of the following:-

- (a) Describe principles of logistics information system.  
(b) "Domino's prefers JIT inventory system for Quick delivery". Give reasons.  
(c) What is meant by Re-order level? Solve the following problem:-  
Daily consumption of a raw material in the production process is 400 units.  
Lead time for delivery is 5 days. Company's policy is to keep a safety stock equal to 3 days consumption. Calculate Re-order level (ROL).

4. Answer any two of the following:-

- (a) What are the areas covered by External performance measurement in Logistics.  
(b) Explain Activity Based Costing.  
(c) Write short notes on :- (i) Milk runs. (ii) RoRo

5. Read the following case carefully and answer the questions given below:-

**MARUTI- USING THE SUPPLY CHAIN TO SUPPLY COST BENEFITS.**

Supply Chain Management(SCM) is all about better relationships, collaborating with vendors with a problem solving attitude and an underlying trust in them is the key to its success, said A.R. Halasyam, Director(Finance), Maruti udyog ltd (MUL).

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Addressing a session titled, "Inter-organisational cost Management through integrated Supply Chain Management" at the cost congress 2000 organised by the confederation of India industry (Southern region), he presented a detailed account of the SCM practices of MUL which enabled it to achieve cost management. The key points were:

\* Delight customers: By providing better price value offering. This can be achieved by reengineering and reconfiguring processes that reduce costs. At Maruti, this has been successfully achieved by adhering to the kaizen principles diligently.

\* SCM strategies: It encompasses all processes from "Mother earth to point of sale" seamless flow of material and information is the key for supply chain. This helps in reducing inventory which in turn leads to low costs and increases flexibility, improving price-value offerings. This resulted in reducing the indigenous inventory level at MUL to 2.9 days in 1998-99 from nine days in 1995-96.

\* Integrated SCM: MUL has achieved this by developing long term relationships with the vendor by better information management resulting in real time information exchange, modularization, tiers and vendor consolidation and vendor proximity.

\* Extended enterprise: MUL developed a long term relationship with the vendors by looking at them as extended enterprises. It trusted its vendors to the extent of asking them to do self-inspection of parts supplied by them and by not going in for a second quality check at the factory point. This has resulted in minimizing duplication of work and thus avoid performance of non-value adding activities.

\* Vendor selection: Much attention has been paid by MUL in the selection of its vendors as most of them have been identified as OEM's avoiding Tier-I-Category. This has led to an effective percolation of all SCM practices across the organisation.

\* Material transportation: This is the most tangible form of logistic cost and this has been achieved by a milk run-system. This unique method of pooling supplies of various vendors of one area in a truck has resulted in a drastic cut in this cost. MUL identified the vendors located in a particular area, classified their production pattern and achieved transportation of supplies from them at one go.

\* Material handling and storage : This is being effectively managed by using recyclable packaging with plastic bins and metal trolleys. This has done away the Job of unpacking the supplies at the factory unit. It also aids decentralised unloading near the assembly line and uses gravity conveyors using no electric power or manpower.

Questions:

- (1) What do you mean by Supply-Chain relationships? Why is it important for the success of SCM. 5
- (2) What strategies Maruti Udyog followed to develop relations in its supply chain? 5
- (3) What innovative steps can Maruti take to strengthen supply chain relationship? 5



QP Code : 24119

(2½ Hours)

[ Total Marks : 75

- N. B. : (1) All questions are compulsory.  
(2) Each questions carries 15 marks.

1. Answer the following (any two) :-

- (a) From the following information for Falcon Ltd. for the year ended 31/3/2015, calculate Deferred Tax Asset/Liability as per AS-22. Also calculate amount of tax to be debited to Profit and Loss A/c for the year ended 31/3/2015.

MAT Rate	18%
Tax Rate	30%
Accounting Profit	₹ 2,00,000
Book profit as per (MAT)	₹ 16,00,000
Profit as per Income Tax Act	₹ 20,00,000

- (b) Following is the data regarding six segments of Hawk Ltd.

(₹ in Lakhs)

Segment Assets	Segment Results	Segment Revenue	Segment
U	500	100	80
W	840	(300)	160
X	100	20	20
Y	130	(40)	60
Z	120	80	40

Identify the reportable segments and advise the management of Hawk Ltd. (keeping in view the provisions of AS-17.

- (c) Calculate EVA for Seagull Ltd.

Financial leverage = 1.40 times

Cost of Equity = 17.50%

Income Tax Rate = 30%

Cost of Debentures = 10%

(Before Tax)

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Capital Structure	
(1) Equity Capital	₹ 340 Lakhs
(2) Retained Earnings	₹ 260 Lakhs
(3) 10% Debenture	₹ 800 Lakhs
Note : Financial Leverage =	$\frac{EBIT}{EBT}$

2. Answer the following (any two) :-

- (a) Prepare an Amortisation schedule for Sandpiper Ltd. from following information
- Amount Borrowed ₹ 5,00,000  
 Principa instalment p.a. ₹ 1,00,000  
 Interest Rate 12% p.a.  
 Repayment period 5 years
- (b) Flamingo Ltd. is considering the following two investment proposals proposal 'L' and proposal 'G' requiring a net cash outflow of ₹ 1,50,000 and ₹ 2,00,000 respectively. The cash inflows are tabulated below

Year	Proposal L	Proposal G	PV of ₹ 1 @ 12% D.F.
1	12,000	45,000	0.893
2	25,000	55,000	0.797
3	35,000	65,000	0.712
4	45,000	75,000	0.636
5	55,000	85,000	0.568

Rank the above proposal in order of their profitability according to

- (1) Net Present Value method  
 (2) Profitability Index method

Assume that companies cost of capital is 12% p.a.

- (c) Explain following concepts (2.5 marks each)
- (i) Pledge  
 (ii) Lien  
 (iii) Market Appraisal

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3. Answer the following (any two):-

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- (a) Barbet Ltd. imported goods from Albatross Inc a company based in US; worth US\$ 10,00,000 on 10th September 2014 when exchange rate was US\$ 1 = ₹ 62.90

Barbet Ltd agreed to pay 4 instalments as below:

Date	Installment (US\$)	Rate of Exchange (₹)
10/10/2014	3,50,000	63.00
10/01/2015	2,00,000	63.25
10/04/2015	2,50,000	62.75
10/07/2015	2,00,000	62.80

The rate of exchange on 31-3-2015 was ₹ 62.95. Pass Journal entries in the books of Barbet Ltd. in accordance with AS-11.

- (b) Ibis Ltd. imported goods worth pounds 8,00,000 to M/s. Kite and Co. of London on 10/10/2014 when exchange rate was ₹ 91 / pound. Ibis Ltd agreed to pay amount in four equal instalments as under :

Date	Exchange Rate (₹)
10/12/2014	92
10/2/2015	93
10/3/2015	90
10/4/2015	91

You are required to prepare FEF A/c in the books of Ibis Ltd.

- (c) Explain the following concepts (2.5 marks each)

- Integral Foreign operations
- Non-Integral Foreign operations
- Spot role

4. Answer the following (any two):-

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- (a) Stork Ltd. purchased from Eagle Ltd on 1/4/2015 a machinery on hire purchase system. ₹ 7,50,000 being paid on delivery and the balance in 5 equal instalments of ₹ 11,25,000 each payable half yearly on 30th September and 31st March.

The Eagle Ltd. charged interest @ 10 p.a.

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The cash price of the machinery was ₹ 56,25,000.

The depreciation rate is 10% p.a. on W.D.U. method.

You are required to show :

- (1) Machinery Account
- (2) Eagle Ltd's Account

In the books of Stork Ltd. for the year ended 31/3/2016 and 31/3/2017 only.

- (b) Explain different types of Mutual Funds.
- (c) Explain various functions of Merchant Banking.

5. Solve the following case study

The following data is available in respect of Crow Ltd.

- (i) The company as incorporated in 1985 with the promoters having experience of more than 30 years in the Rubber Field and is a band leader in 'Latex 55' (A special type at Rubber)
- (ii) The company proposes to borrow the term loan under Tech in India Funds Scheme.
- (iii) The present installed capacity is 10 machines or 6000 Rolls of rubber.
- (iv) The additional investment will increase the installed capacity by 3600 Rolls of rubber.
- (v) The present and proposed setup is at 'Rann of Kutch' a backward area and enjoy income tax holiday for 5 years. Tax Rate is 40%.
- (vi) A present unit is financed by HSBC and SBI.
- (vii) The project will result in to benefits of large scale, reduced cost of production, higher production due to latest technology, best quality due to modern machine.
- (viii) The expected ROI is 20%.
- (ix) Depreciation of the project is 350 Lakhs each year.

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- (x) The cost of proposed project and sources of finance are as follows :

Proposed Project

Cost of project	₹ in lakhs
Land and Site Development	127
Factory Building	355
Plant and Machinery	1,400
Electrical equipments	118
<b>Total</b>	<b>2,000</b>
<b>Sources of Finance</b>	
Additional Equity Capital	400
Internal Cash Accrual	400
Term Loan	1,200
<b>Total</b>	<b>2,000</b>

- (xi) The term lending institution has interest rate of 14% for similar risk project and the term loan is repayable in 5 years with instalment and interest repayable at the end of each year manager of the term lending institution has requested you to:
- (1) Prepare Flash Report
  - (2) Evaluate project profitability for 5 years.
  - (3) Calculate debt service coverage ratio for the term loan.



QP Code : 24116

(2½ Hours)

[ Total Marks : 75

- N.B. (1) Attempt all questions.  
(2) Figures to the right indicate full marks.

1. Answer the following (any two) 15  
(a) Define Consumer behaviour. Explain the role of family members in the decision-making.  
(b) Discuss the types of buying behaviour with relevant examples.  
(c) Write a note on diffusion of innovation.
2. Answer the following (any two) 15  
(a) Define communication and explain the process of marketing communication.  
(b) Explain any three methods of preparing advertising budget.  
(c) Explain any three components of IMC.
3. Answer the following (any two) 15  
(a) Explain the merits and demerits of radio advertising.  
(b) Explain the following concepts:-  
i) GRP ii) Coverage iii) Bursting  
(c) Write a note on the post-testing method of measuring the effectiveness of advertisements.
4. Answer the following (any two) 15  
(a) Explain the concept of Brand. Write the characteristics of a good brand name.  
(b) Explain any three brand positioning strategies.  
(c) Write a note on USP - Unique Selling Proposition.
5. Case Study:- 15  
Maruti Udyog Ltd brought out its first car on Indian roads in 1983. They offered fuel efficient and trouble-free cars and set up service network all over India. Starting with 800cc model for small car segment, Maruti Udyog Ltd introduced different models to suit different segments. Earlier Omni, Gypsy, Zen, Esteem etc were launched. Since 1991, the scenario completely changed with the global car giants entering India, GM, Ford, Hyundai, Honda and the list seems never ending. As a counter strategy Maruti Udyog Ltd reduced the prices of certain models and started providing improved service network. Yet, they still face challenges from competitors especially in the compact car segment. Now Maruti Suzuki Nexa recently launched its new 'S-Cross' and they going to launch 'Baleno' its new premium car.  
Questions:-  
i) Suggest a brand ambassador for 'S-Cross' and 'Baleno' Justify your answer.  
ii) Explain a sales promotion plan for the above.



Q.P. Code : 24105

(2½ Hours)

[ Total Marks :75

- N.B. :**
- (1) All Questions are compulsory.
  - (2) Figures to the right indicate full marks.

1. Answer the following (any two) 15
  - (a) What are the most commonly used methods of classification of services? Evaluate how classification helps the marketers in developing marketing mix.
  - (b) What is service marketing Triangle and explain the concept of moment of truth.
  - (c) What are services? Distinguish between the challenges involved in marketing of physical goods and services.
  
2. Answer the following (any two) 15
  - (a) "Supplementary services form an integral part of designing a service product.' With the help of the service flower explain facilitating & enhancing services.
  - (b) Discuss the various element of physical evidence with reference to Airlines industry.
  - (c) What are the bases of market segmentation for services? Exemplify Segmentation for an Insurance sector
  
3. Answer the following (any two) 15
  - (a) Explain the service Quality GAP model and state in brief the ways to close the GAP.
  - (b) Define Productivity. State the various methods that can be adopted by organizations in improving productivity.
  - (c) Give suggestions to improve service Quality for the banking sector using the SERVQUAL model.
  
4. Answer the following (any two) 15
  - (a) What is service leadership and state the three Imperatives of service leadership.
  - (b) 'Service mapping (Blueprint) is an important tool in designing a service process.' Explain and state the different components of service mapping (Blueprinting)
  - (c) Write a note on Vision-Mission strategy.

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Q.P. Code : 24105

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5. Read the case and answer the following questions.

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Mr Rajat shah was celebrating his 40th birthday. He wanted to treat his friends at his favourite restaurant 'Tulip star' which he frequented for the past 10 years. He booked a table for 10 people and wanted his friends to enjoy the experience. Moreover the patron of the restaurant was known to him, thus he was assured of quality service.

But to his surprise he had a disastrous experience on his most important day i.e

- (a) The table allotted had only 8 seats.
- (b) Rajat had requested for a particular area which had a view but that was not provided.
- (c) In spite of booking in advance he had to wait for 15 min.

The manager was Unable to handle the situation and attributed his failure to cope with the situation to capacity constraint and it being a busy day. Rajat Shah cut a very sorry figure among his friends and went back disappointed. In the process the restaurant lost a loyal customer.

**Questions:**

- (a) As a manager how would you handle the situation? What steps would you take for effective service recovery? 8
- (b) 'Capacity constraint is a major issue in a service industry'. What strategies would you suggest to manage capacity constraint to Demand? 7

**HE-Con. 4380-15.**

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