

Bangladesh Open University

BBA Program

Semester: 162 (6th Level)**Course Title: Financial Market and Institution****Due on: 04 August, 2017****Instructions**

- Answer the all questions in your own handwriting on A4 size white paper.
- Fill-in the cover page of your assignment with care.
- Enclose the photocopy of your ID Card with the assignment (next to the cover page).
- Don't make spiral binding. Instead, make soft binding.
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Questions

1. (a) What is financial market? Distinguish between primary and secondary markets.
(b) Explain the meaning of efficient markets. Why might we expect markets to be efficient most of the time?
2. (a) Explain the most relevant factors that affect interest rate movements.
(b) What is the difference between the nominal interest rate and the real interest rate? Explain with example.
3. (a) Phil purchased on NCD a year ago in the secondary market for Tk. 7,80,000. The NCD matures today at a price of Tk. 1 million and Phil received Tk. 45,000 in interest. What is Phil's return on the NCD?
(b) The Treasury is selling 91-days T-bills with a Tk. 10,000 for Tk. 8,800. If the investor holds them until maturity. What is the yield?
(c) Explain how money markets can accommodate the desired cash position of institutions.
4. (a) What is bond. Classify and explain the different types of bond in context of ownership structure.
(b) Why can convertible bonds be issued by firms at a higher price than other bonds?

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Semester: 162 (6th Level)**Course Title: Financial Market and Institution****Due on: 15 September, 2017**

1. (a) What are the two effects on the firm for going public? How does investor's decision affect stock prices? Explain.
(b) What is the meaning of "flipping" shares? Why would investors want to flip shares?
2. (a) What is meant by finance companies? Describe the different types of finance companies.
(b) Is the cost of funds obtained by finance companies very sensitive to interest rate movements? Explain.
3. (a) Explain the different types of mutual funds.
(b) How can mutual funds generate returns for their shareholders? Explain.
4. Write short notes on following terms:
 - (a) Repurchase Agreements (Repo)
 - (b) Book Building
 - (c) Derivative Securities
 - (d) Municipal Bonds
 - (e) Debentures
 - (f) Market efficiency
 - (g) Equilibrium interest rate
 - (h) Initial Public Offering (IPO)
 - (i) Hedge funds
 - (j) Call provisions

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Semester: 162 (6th Level)**Course Title: Human Resource Management****Due on: 04 August, 2017****Instructions**

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Questions

1. (a) What is human resources management? Why is human resource management so importance for all managers.
(b) Discuss the functions of human resource management.
2. (a) What do you mean by human resources planning and forecasting? What role does judgment play in making forecasts of future human resources demand and supply? Explain.
(b) What do you mean by recruitment? Explain the sources of recruitment of employees.
3. (a) Define job analysis. Explain the purposes of job analysis.
(b) Discuss the methods of job analysis.

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Semester: 162 (6th Level)

Course Title: Human Resource Management

Due on: 15 September, 2017

1. (a) What is selection? Explain the selection methods of employee.
(b) What do you mean by test? Explain the various methods of test.
2. (a) What can undermine an interview's usefulness? Describe the features of interview.
(b) What are the essentials of effective interview? Explain.
3. What do you mean by training? Discuss the employee training process.
4. (a) What is performance appraisal? Distinguish between performance appraisal and performance management.
(b) Discuss the steps performance appraisal.

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BBA Program

Semester: 162 (6th Level)**Course Title: Marketing Promotion****Due on: 04 August, 2017****Instructions**

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Questions

1. (a) What is IMC? Define Promotional Management and describe how it works.
(b) How is the IMC Planning Process structured? How does each of the elements in the process perform?
2. (a) Who are the participants of the integrated marketing activity? What responsibilities are endowed on them?
(b) Identify and discuss the client's role in organizing for advertising and promotion in the firm.
(c) What are the ways of compensating advertising agencies? On what basis are these agencies evaluated?
3. (a) Design a basic model of communication and elaborate on how it works.
(b) Write in detail about the response process of the communication process.

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Semester: 162 (6th Level)

Course Title: Marketing Promotion

Due on: 15 September, 2017

1. (a) How would you plan for a creative strategy?
(b) How does the creative process work?
2. (a) As a marketer how would you develop a media plan for a new consumer goods company that wants to sell potato chips for adults?
(b) What actions would you take in developing and implementing media strategies for the above mentioned situation?
3. (a) What arguments can be put forward against the measuring of effectiveness of the promotional programs designed by and advertising agency?
(b) Explain how can the effectiveness of other programs be measured?
(c) Write in detail about the types of criticisms are there of advertising.

Bangladesh Open University

BBA Program

Semester: 162 (6th Level)

Course Title: Cost and Management Accounting

Due on: 04 August, 2017

Instructions

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Questions

1. (a) “The variable cost per unit varies with output, whereas the fixed cost per unit is constant.” Do you agree? Explain.
- (b) Fortuna Company was organized on March 1 of the current year. After five months of start-up losses, management had expected to earn a profit during August. Management was disappointed, however, when the income statement for August also showed a loss. August's income statement follows:

Fortuna Company		
Income Statement		
For the Month Ended August 31		
Sales		Tk. 450,000
Less operating expenses:		
Direct labor cost	Tk. 70,000	
Raw materials purchased	165,000	
Manufacturing overhead	85,000	
Selling and administrative expenses	<u>142,000</u>	<u>462,000</u>
Net operating loss		<u>Tk.(12,000)</u>

After seeing the Tk.12,000 loss for August, Fortuna's president stated, “I was sure we'd be profitable within six months, but our six months are up and this loss for August is even worse than July's. I think it's time to start looking for someone to buy out the company's assets—if we don't, within a few months there won't be any assets to sell. By the way, I don't see any reason to look for a new controller. We'll just limp along with Shamim for the time being.”

The company's controller resigned a month ago. Shamim, a new assistant in the controller's office, prepared the income statement above. Shamim has had little experience in manufacturing operations. Inventory balances at the beginning and end of August were:

	<u>August 1</u>	<u>August 31</u>
Raw materials	Tk.8,000	Tk.13,000
Work in process	Tk.16,000	Tk.21,000
Finished goods	Tk.40,000	Tk.60,000

The president has asked you to check over the income statement and make a recommendation as to whether the company should look for a buyer for its assets.

Required:

- (i) As one step in gathering data for a recommendation to the president, prepare a schedule of cost of goods manufactured for August.
- (ii) As a second step, prepare a new income statement for August.
- (iii) Based on your statements prepared in (i) and (ii) above, would you recommend that the company look for a buyer?

2. Padma Containers, Ltd, of the Chittagonj experiences wide variation in demand for the 200-liter steel drums it fabricates. The leakproof, rustproof steel drums have a variety of uses from storing liquids and bulk materials to serving as makeshift musical instruments. The drums are made to order and are painted according to the customer's specifications—often in bright patterns and designs. The company is well known for the artwork that appears on its drums. Unit product costs are computed on a quarterly basis by dividing each quarter's manufacturing costs (materials, labor, and overhead) by the quarter's production in units. The company's estimated costs, by quarter, for the coming year follow:

	<u>Quarter</u>			
	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>
Direct materials	Tk.240,000	Tk.120,000	Tk.60,000	Tk.180,000
Direct labor	128,000	64,000	32,000	96,000
Manufacturing overhead	<u>300,000</u>	<u>220,000</u>	<u>180,000</u>	<u>260,000</u>
Total manufacturing costs	<u>Tk.668,000</u>	<u>Tk.404,000</u>	<u>Tk.272,000</u>	<u>Tk.536,000</u>
Number of units to be produced	80,000	40,000	20,000	60,000
Estimated unit product cost	Tk.8.35	Tk.10.10	Tk.13.60	Tk.8.93

Management finds the variation in unit costs confusing and difficult to work with. It has been suggested that the problem lies with manufacturing overhead because it is the largest element of cost. Accordingly, you have been asked to find a more appropriate way of assigning manufacturing overhead cost to units of product. After some analysis, you have determined that the company's overhead costs are mostly fixed and therefore show little sensitivity to changes in the level of production.

Required:

- (i) The company uses a job-order costing system. How would you recommend that manufacturing overhead cost be assigned to production? Be specific, and show computations.
 - (ii) Recompute the company's unit product costs in accordance with your recommendations in (i) above.
3. (a) What is meant by the term *sales mix*? What assumption is usually made concerning sales mix in CVP analysis?
- (b) Menlo Company distributes a single product. The company's sales and expenses for last month follow:

	<u>Total</u>	<u>Per Unit</u>
Sales	Tk.450,000	Tk.30
Variable expenses	<u>180,000</u>	<u>12</u>
Contribution margin	270,000	<u>Tk.18</u>
Fixed expenses	<u>216,000</u>	
Net operating income	<u>Tk.54,000</u>	

Required:

- (i) What is the monthly break-even point in units sold and in sales taka?
- (ii) Without resorting to computations, what is the total contribution margin at the break-even point?
- (iii) How many units would have to be sold each month to earn a target profit of Tk.90,000? Use the formula method. Verify your answer by preparing a contribution format income statement at the target sales level.
- (iv) Refer to the original data. Compute the company's margin of safety in both taka and percentage terms.
- (v) What is the company's CM ratio? If sales increase by Tk.50,000 per month and there is no change in fixed expenses, by how much would you expect monthly net operating income to increase?

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Semester: 162 (6th Level)

Course Title: Cost and Management Accounting

Due on: 15 September, 2017

- 1 (a) If the units produced and unit sales are equal, which method would you expect to show the higher net operating income, variable costing or absorption costing? Why?
- (b) During Walton Company's first two years of operations, the company reported absorption costing net operating income as follows:

	<u>Year 1</u>	<u>Year 2</u>
Sales (@ Tk.25 per unit)	Tk.1,000,000	Tk.1,250,000
Cost of goods sold (@ Tk.18 per unit)	720,000	900,000
Gross margin	280,000	350,000
Selling and administrative expenses*	210,000	230,000
Net operating income	Tk.70,000	Tk.120,000

*Tk.2 per unit variable; Tk.130,000 fixed each year.

The company's Tk.18 unit product cost is computed as follows:

Direct materials	Tk.4
Direct labor	7
Variable manufacturing overhead	1
Fixed manufacturing overhead (Tk.270,000 ÷ 45,000 units)	<u>6</u>
Absorption costing unit product cost	<u>Tk.18</u>

Forty percent of fixed manufacturing overhead consists of wages and salaries; the remainder consists of depreciation charges on production equipment and buildings.

Production and cost data for the two years are:

	<u>Year 1</u>	<u>Year 2</u>
Units produced	45,000	45,000
Units sold	40,000	50,000

Required:

- (i) Prepare a variable costing contribution format income statement for each year.
- (ii) Reconcile the absorption costing and the variable costing net operating income figures for each year.

2. (a) What is master budget? Briefly describe its contents.
- (b) Garden Depot is a retailer that is preparing its budget for the upcoming fiscal year. Management has prepared the following summary of its budgeted cash flows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Total cash receipts	Tk.180,000	Tk.330,000	Tk.210,000	Tk.230,000
Total cash disbursements	Tk.260,000	Tk.230,000	Tk.220,000	Tk.240,000

The company's beginning cash balance for the upcoming fiscal year will be Tk.20,000. The company requires a minimum cash balance of Tk.10,000 and may borrow any amount needed from a local bank at a quarterly interest rate of 3%. The company may borrow any amount at the beginning of any quarter and may repay its loans, or any part of its loans, at the end of any quarter. Interest payments are due on any principal at the time it is repaid. For simplicity, assume that interest is not compounded.

Required:

Prepare the company's cash budget for the upcoming fiscal year.

3. Huron Company produces a commercial cleaning compound known as Zoom. The direct materials and direct labor standards for one unit of Zoom are given below:

	<u>Standard Quantity</u> <u>or Hours</u>	<u>Standard Price</u> <u>or Rate</u>	<u>Standard</u> <u>Cost</u>
Direct materials	4.6 pounds	Tk.2.50 per pound	Tk.11.50
Direct labor	0.2 hours	Tk.12.00 per hour	Tk.2.40

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

- Twenty thousand pounds of material were purchased at a cost of Tk.2.35 per pound.
- All of the material purchased was used to produce 4,000 units of Zoom.
- 750 hours of direct labor time were recorded at a total labor cost of Tk.10,425.

Required:

- Compute the direct materials price and quantity variances for the month.
- Compute the direct labor rate and efficiency variances for the month.

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Course Title: Taxation and Public Finance

Due on: 04 August, 2017

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Questions

1. What are the main features of public finance? How is an economy influenced by the public finance? Explain with examples.
2. What is tax? What are its objectives? Discuss the role of tax in economic development of a developing country.
3. Discuss in brief the history of growth and development of income tax in Bangladesh.
4. Give a brief description of income tax authorities.

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Course Title: Taxation and Public Finance

Due on: 15 September, 2017

1. What is Value Added Tax (VAT)? Discuss the characteristics of VAT in Bangladesh. Who is VAT payer?
2. How would you classify the various kinds of public debts? Describe each type and mention their advantages.
3. What are the sources of public revenue? Why government wants to increase the public revenue?
4. Define public debt. Explain the reasons on which a government might raise public debt.
5. Explain the issues that should be considered in debt management.