

Bangladesh Open University

BBA Program

Semester: 171 (5th Level)**Course: Industrial & Company Law****Due on: March 02, 2018****Instructions**

- Answer the all questions in your own handwriting on A4 size white paper.
- Fill-in the cover page of your assignment with care.
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Questions

1. (a) What is meant by memorandum of company limited by guarantee?
(b) Discuss the rules regarding the alternation of memorandum.
2. (a) Explain the registration procedure of memorandum of article.
(b) Discuss the disqualification of directors.
(c) Identify and explain the restrictions on appointment or advertisement of directors.
3. (a) Who is managing agent? Mention the main restriction of managing agent's powers of management?
(b) Define prospectus. Describe the rules regarding the interpretation of prospectus.
4. (a) Describe the mode of winding up.
(b) Explain the circumstance in which the company may be wound up by voluntarily.

Bangladesh Open University

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Semester: 171 (5th Level)

Course: Industrial & Company Law

Due on: April 13, 2018

1. (a) State the case in which employment of woman worker is probated. Do you think this is justifiable?
(b) According to Bangladesh Labor Code, 2006 what are the procedures for the payment of maternity benefits.
2. (a) Explain the rights and liabilities for the payment of maternity benefits.
(b) Explain the rules regarding casual leave, sick leave and annual leave with wages.
(c) Discuss the provision regarding deductions for absence and deductions for loss.
3. (a) Distinguish between collective bargaining agent and conciliator.
(b) Explain the conciliation process before and after the notice of strike or lock out.

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BBA Program

Semester: 171 (5th Level)

Course Title: Financial Management and Policy

Due on: March 02, 2018

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Questions

1. (a) Describe the purpose of each of the four major financial statements.
- (b) What is the difference between cross-sectional and time-series ratio analysis? What is benchmarking?
- (c) The new owners of Bluegrass Natural Foods, Inc., have hired you to help them diagnose and cure problems that the company has had in maintaining adequate liquidity. As a first step, you perform a liquidity analysis. You then do an analysis of the company's short-term activity ratios. Your calculations and appropriate industry norms are listed.

Ratio	Bluegrass	Industry norm
Current ratio	4.5	4.0
Quick ratio	2.0	3.1
Inventory turnover	6.0	10.4
Average collection period	73 days	52 days
Average payment period	31 days	40 days

- i. What recommendations relative to the amount and the handling of inventory could you make to the new owners?
- ii. What recommendations relative to the amount and the handling of accounts receivable could you make to the new owners?
- iii. What recommendations relative to the amount and the handling of accounts payable could you make to the new owners?
- iv. What results, overall, would you hope your recommendations would achieve? Why might your recommendations not be effective?

2. (a) Does the assumption concerning the reinvestment of intermediate cash inflow tend to favor NPV or IRR? In practice, which technique is preferred and why?
- (b) Projects A and B, of equal risk, are alternatives for expanding Rosa Company's capacity. The firm's cost of capital is 13%. The cash flows for each project are shown in the following table.
 - i. Calculate each project's *payback period*.
 - ii. Calculate the *net present value (NPV)* for each project.
 - iii. Calculate the *internal rate of return (IRR)* for each project.
 - iv. Draw the *net present value profiles* for both projects on the same set of axes, and discuss any conflict in ranking that may exist between NPV and IRR.
 - v. Summarize the preferences dictated by each measure, and indicate which project you would recommend. Explain why.

Project	Initial investment (CF ₀)	Cash inflows (CF _t), t = 1 to 5				
Project A	\$80,000	\$15,000	20,000	25,000	30,000	35,000
Project B	\$50,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

3. (a) Explain how each of the following inputs is used to calculate the initial investment: (i) cost of new asset, (ii) installation costs, (iii) proceeds from sale of old asset, (iv) tax on sale of old asset, and (v) change in networking capital.
- (b) Given the following list of outlays, indicate whether each is normally considered a capital expenditure or an operating expenditure. Explain your answers.
 - i. An initial lease payment of \$5,000 for electronic point-of-sale cash register systems.
 - ii. An outlay of \$20,000 to purchase patent rights from an inventor.
 - iii. An outlay of \$80,000 for a major research and development program.
 - iv. An \$80,000 investment in a portfolio of marketable securities.
 - v. A \$300 outlay for an office machine.
 - vi. An outlay of \$2,000 for a new machine tool.
 - vii. An outlay of \$240,000 for a new building.
 - viii. An outlay of \$1,000 for a marketing research report.
- (c) Bryson Sciences is planning to purchase a high-powered microscopy machine for \$55,000 and incur an additional \$7,500 in installation expenses. It is replacing similar microscopy equipment that can be sold to net \$35,000, resulting in taxes from a gain on the sale of \$11,250. Because of this transaction, current assets will increase by \$6,000 and current liabilities will increase by \$4,000. Calculate the initial investment in the high-powered microscopy machine.

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Course Title: Financial Management and Policy

Due on: April 13, 2018

1. (a) What are the net proceeds from the sale of a bond? What are flotation costs, and how do they affect a bond's net proceeds?
- (b) Dillon Labs has asked its financial manager to measure the cost of each specific type of capital as well as the weighted average cost of capital. The weighted average cost is to be measured by using the following weights: 40% long-term debt, 10% preferred stock, and 50% common stock equity (retained earnings, new common stock, or both). The firm's tax rate is 40%.

Debt: The firm can sell for \$980 a 10-year, \$1,000-par-value bond paying annual interest at a 10% coupon rate. A flotation cost of 3% of the par value is required in addition to the discount of \$20 per bond.

Preferred stock: Eight percent (annual dividend) preferred stock having a par value of \$100 can be sold for \$65. An additional fee of \$2 per share must be paid to the underwriters.

Common stock: The firm's common stock is currently selling for \$50 per share. The dividend expected to be paid at the end of the coming year (2013) is \$4. Its dividend payments, which have been approximately 60% of earnings per share in each of the past 5 years, were as shown in the following table.

Year	2012	2011	2010	2009	2008
Dividend	\$3.75	3.50	3.30	3.15	2.85

It is expected that to attract buyers, new common stock must be underpriced \$5 per share, and the firm must also pay \$3 per share in flotation costs. Dividend payments are expected to continue at 60% of earnings. (Assume that $r_r = r_s$.)

- i. Calculate the after-tax cost of debt.
 - ii. Calculate the cost of preferred stock.
 - iii. Calculate the cost of common stock.
 - iv. Calculate the WACC for Dillon Labs.
2. (a) What is meant by the term leverage? How are operating leverage, financial leverage, and total leverage related to the income statement?
- (b) What is the general relationship among operating leverage, financial leverage, and the total leverage of the firm? Do these types of leverage complement one another? Why or why not?
- (c) Firm R has sales of 100,000 units at \$2.00 per unit, variable operating costs of \$1.70 per unit, and fixed operating costs of \$6,000. Interest is \$10,000 per year. Firm W has sales of 100,000 units at \$2.50 per unit, variable operating costs of \$1.00 per unit, and fixed operating costs of \$62,500. Interest is \$17,500 per year. Assume that both firms are in the 40% tax bracket.

- i. Compute the degree of operating, financial, and total leverage for firm R.
 - ii. Compute the degree of operating, financial, and total leverage for firm W.
 - iii. Compare the relative risks of the two firms.
 - iv. Discuss the principles of leverage that your answers illustrate.
3.
 - (a) What are the two ways that firms can distribute cash to shareholders? Why do rapidly growing firms generally pay no dividends?
 - (b) Compare a stock split with a stock dividend.
 - (c) Stephanie's Cafes, Inc., has declared a dividend of \$1.30 per share for shareholders of record on Tuesday, May 2. The firm has 200,000 shares outstanding and will pay the dividend on May 24. How much cash will be needed to pay the dividend? When will the stock begin selling *ex dividend*?

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BBA Program

Semester: 171 (5th Level)**Course: Entrepreneurship Development and Small Business Mgt****Due on: March 02, 2018****Instructions**

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Questions

1. (a) What do you mean by entrepreneurship?
(b) State the major functions of an entrepreneur.
(c) Explain the major contributions of entrepreneurship in the economic development of a country like Bangladesh.
2. (a) What do you mean by legitimacy of entrepreneurship, social mobility and marginality?
(b) How do they affect entrepreneurship growth? Explain
(c) Discuss the role of government in entrepreneurship growth in Bangladesh.
3. (a) What is motivation? State the factors that motivate people to go into business?
(b) Explain the Achievement Motivation Theory as propounded by David McClelland.

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BBA Program

Semester: 171 (5th Level)

Course: Entrepreneurship Development and Small Business Mgt Due on: April 13, 2018

1. (a) Explain the three sets of assistance required for developing entrepreneurship in a country.
(b) Discuss the organized sources of assistance in Bangladesh for the development of entrepreneurship in the country.
2. (a) What is small business? State the role of small business in the economic development of a country.
(b) Explain the key to success and responsible for failure of a small business.
3. (a) What are the essentials for starting a new business?
(b) Describe the different phases of starting a new business.

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BBA Program

Semester: 171 (5th Level)**Course: Socio-Economic Profile of Bangladesh****Due on: March 02, 2018****Instructions**

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Questions

1. What are the main vehicles of economic growth in Bangladesh? Mention briefly the trends in economic growth in Bangladesh in last 10 years.
2. Describe the main problems of agriculture in Bangladesh. Mention the role of NGOs in rural development of Bangladesh.
3. What are the causes of industrial backwardness in Bangladesh? What measures may be taken for the industrial development in Bangladesh?
4. What are the pillars of reduction of poverty? Explain the role of GOs and NGOs in reducing poverty in Bangladesh.
5. What is the status of gender equity in Bangladesh? Describe the policies undertaken so far by the government for enhancing women's participation in the development activities in Bangladesh.

Bangladesh Open University

BBA Program

Semester: 171 (5th Level)

Course: Socio-Economic Profile of Bangladesh

Due on: April 13, 2018

1. Explain the role of foreign aid in the development of Bangladesh? Which countries are providing highest supports to the development initiatives taken in Bangladesh?
2. Explain the nature of agricultural credit in Bangladesh. What are the sources of non-institutional credit in Bangladesh?
3. What are the main features of the import and export policies of Bangladesh government? How the South Asian Preferential Trade Agreement (SAPTA) influences the trade pattern of Bangladesh with the SAARC countries?
4. What do you mean by climate change? What are possible effect of environment change on the developing countries like Bangladesh? Mention some causes of environmental problems in Bangladesh.
5. What are the SDGs? What is position of Bangladesh in terms of the achievement of SDGs?

Bangladesh Open University

BBA Program
Semester: 171 (5th Level)

Course: Business Statistics for Decision Making

Due on: March 02, 2018

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Questions

1. (a) What are the difference between the mathematical and statistical definition of probability ?
- (b) The personnel department of a company has records which shows the following analysis of its 800 engineers:

Age	BBA degree	MBA degree	Total
Under 20	360	40	400
20 to 30	80	120	200
Over 30	160	40	200
Total	600	200	800

If one engineer is selected at random from the company: Find:

- (i) The probability he has only a BBA degree,
 - (ii) The probability he has an MBA degree, given that he has over 30,
 - (iii) The probability he is under 20, given that he has only a BBA degree.
3. (a) In the construction of index numbers the advantages of geometric mean are greater than those of arithmetic mean. Comment.
 - (b) Find the price and quantity index number from the following given data by using (i) Fisher's (ii) Marshall Edgeworth's and (iii) Dornish Bowley's method:

Commodity	Base Year		Current Year	
	Price (taka)	Quantity(Kg)	Price (taka)	Quantity(Kg)
A	82	24	90	25
B	120	12	123	17
C	45	13	40	16
D	78	27	80	20
E	1080	18	1920	10
F	420	35	450	29

4. (a) What is time series and forecasting? Describe the different forecasting methods using time series
- (b) Some people consider moving averages and exponential smoothing to be very much alike. Not only are they used as predictors, but also their methodology has similarities. What do you think?
- (c) In a certain industry the production of a certain commodity (in '000 tones) during the years 2003 to 2013 is given in the following table:

Year	Production ('000 of Tones)
2003	6.6
2004	84.9
2005	88.6
2006	78.0
2007	96.8
2008	105.2
2009	93.2
2010	111.6
2011	88.3
2012	117.0
2013	115.2

- (i) Obtain the least square line fitting the data and construct the graph of the trend line,
- (ii) Eliminate the trend ,
- (iii) What is the yearly increase in production of a certain commodity?
- (iv) What is the monthly increase in the production of a certain commodity?
5. A recent marketing survey related consumers' awareness of a new marketing campaign with their rating of the product. Consumers rated their awareness as low, medium, or high, and rated the product as poor, fair, or good. The results are presented below.

		<i>Awareness</i>		
		Low	Medium	High
<i>Rating</i>	Poor	0.10	0.15	0.07
	Fair	0.06	0.11	0.06
	Good	0.07	0.11	0.27

- (a) What is the probability that a consumer had low awareness?
- (b) What is the probability that a consumer who ranked the product as fair had a high awareness of the ad campaign?
- (c) What is the probability that a consumer who had high awareness of the ad campaign ranked the product as good?

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Semester: 171 (5th Level)**Course Title: Business Statistics for Decision Making****Due on: April 13, 2018**

1. (a) Why does the sample size play such an important role in reducing the standard error of the mean? What are the implications of increasing the sample size?
(b) It has been found that 62.1% of all unsolicited third class mail delivered to households goes unread. Over the course of a month, a household receives 100 pieces of unsolicited mail.
 - i. What is the mean of the sample proportion of pieces of unread mail?
 - ii. What is the variance of the proportion?
 - iii. What is the standard error of the sample proportion?
 - iv. What is the probability that the sample proportion is greater than 0.60?
 - (c) You are interested in examining the salaries earned by graduate business school students at the end of the first year after graduation. In particular, you are interested in seeing whether there is a difference between men and women graduates' salaries. From a random sample of 55 women, you find the mean salary to be \$47,520 with a standard deviation of \$5,633. From a sample of 64 men, you find the mean salary to be \$44,304 with a standard deviation of \$4,793. Assume the random sample observations are from normally distributed populations, and that the population variances are assumed to be equal. Develop a 95% confidence interval for the difference between the population mean salary for men and women.
2. (a) Give an account of how a decision is made concerning the null hypothesis.
(b) Explain the relationship between Type I error and Type II error in a hypothesis test.
(c) The supervisor of a production line believes that the average time to assemble an electronic component is 14 minutes. Assume that assembly time is normally distributed with a standard deviation of 3.4 minutes. The supervisor times the assembly of 14 components, and finds that the average time for completion was 11.6 minutes. Is there evidence that the average amount of time required to assemble a component is something other than 14 minutes? Use $\alpha = 0.01$.
(d) A fitness club claims that the average age of its members is 42. Assume that the ages are normally distributed. You believe that the average age is less than 42, therefore, you ask the ages of a few of the fitness club's members and get the following values: 40, 55, 50, 33, 38, 35, 30, and 45. Do you have any reason at the 10 per cent level of significance to think the fitness club's claim is incorrect?

3. (a) Briefly discuss some advantages of nonparametric tests.
- (b) A large department store records the number of returns per day in women's dresses for reasons such as wrong size; husband didn't like it, color, etc. The manager of the women's dresses department recalls from her statistics class in college that the Poisson distribution might describe such events. A random sample of 150 days is taken. The number of returns per day in the sample as well as the observed frequencies is shown in the table below:

Number of Returns Per Day	Observed Frequency
0	21
1	37
2	44
3	30
4	14
> 4	4

She tests the hypothesis that returns per day are Poisson distributed with a population mean equal to 1.90. Her significance level is 0.05

- (i) State the null and alternative hypotheses.
- (ii) What are the appropriate degrees of freedom?
Answer: $df = k - 1 = 5$
- (iii) Identify the critical value.
- (iv) Calculate the probability associated with each category and the expected frequencies.
- (v) Determine the calculated value of the chi-square test statistic.
- (vi) State the appropriate conclusion at the 0.05 significance level.

4. A marketing manager is considering adopting one of three new marketing schemes. He chooses three sales people in each region, and has them try the new schemes. He then records the resulting sales as shown below.

Marketing Schemes	<i>East</i>	<i>South</i>	<i>Midwest</i>	<i>West</i>
A	4	5	7	4
B	7	6	8	9
C	6	7	9	5

- (a) Perform a two-way ANOVA with this data.
- (b) Test at the 10% level of significance the null hypothesis that the population mean sales are the same for the four regions.
- (c) Test at the 10% level of significance the null hypothesis that the population mean sales are the same for the three marketing schemes