



www.ranapk.com

Rana Abubakar Khan

If you want to learn computer programming then contact with me

truefriendlion@gmail.com

JOIN FB GROUP FOR VU HELP

www.facebook.com/groups/vu1234/

MGT601 SUBJECTIVE FINAL TERM

BY: USMAN ATTARI

MBA FINANCE (5TH)

CURRENT FINAL TERM PAPERS SPRING 2012 DATE: 16-JULY-2012 TO 27-JULY-2012

Total Marks: 88 {(56 MCQs) + 4 Questions (3 Marks) + 4 Questions (5 Marks)}

How entrepreneur of Small and large industries respond differently when change occur in the industry?

An entrepreneur's role lies in introducing the following five broad types of changes:

- a) Initial launching, i.e., original production of goods.
- b) Subsequent expansions i.e. increase in quantity.
- c) Factor innovation, i.e., increase in the supply or the productivity of the factors mentioned below:
 - ¾ Financial (procuring capital from a new source or in a new form)
 - ¾ Labor (upgrading existing labor)
 - ¾ Material (procuring old material from new source or use of new material)
- d) Production innovation i.e., hinges in the production process.



e) Market innovation comprising changes in the size or composition of the market, e.g., production of new goods, change in the quality or cost of existing goods, discovery of new markets etc.

Essentially, the entrepreneur always searches for change, responds to it and exploits it as an opportunity.

The entrepreneurship played a very vital role in the small and medium sized industries. The new innovations, courage to face the risk of uncertainties and qualities of entrepreneur to act as a leader gave rise to more than seventy percent of new innovations and new combination of skills like Microsoft, Yahoo, and Linux etc. The major developments in the computer industry, bio- informatics, medicine, electronics, telecommunications and hundreds of other things are the result of such entrepreneurships in the medium and small industrial sector.

During the change process the role performed by the manager is “forced evolution”

- **The roles are**

Leaders are people, who are enthusiastic to take possibilities and tremble the whole or part of the system for the accomplishment of target.

Leaders identify a new opportunity to constrain through with initiative, bravery, and inspiration.

They are also able to make visualization for preferred outcomes and make such passionate environment of work for followers.

Leaders must also practice what they want to discourse, and lead by example or model.

Leader’s proceedings and activities should be reliable with their viewpoints and norms, and their efforts should be pursuing tracking down towards their aims achievements.

Leaders must acknowledged individual and group efforts and celebrated every milestone toward accomplishment of the vision or goal.

- **Michael L. Jones highlighted during his research** the role of managers in change management.

The discussion focused on two distinct areas.

Firstly the leaders must revise the applicable literature concentrating on empirical works, which endeavored to figure out what change managers do.



www.ranapk.com

Export promotion in Pakistan is not an easy task

Today, export promotion in general by most of the developing countries and particularly by SMEs is not easy. This is true for a variety of reasons. Some of which are listed below.

1. **First**, the products available in most developing countries are generally known in international markets and discovery new product capabilities is not likely to be as regular and frequent as before.
2. **Second**, international marketing techniques are well disseminated in most developing countries, though they are not equally well known in the interior of the countries.
3. **Third**, as more developing countries penetrate in world markets, path to other developing countries will be that much harder and competition correspondingly greater.
4. **Finally**, international markets are tending to become less open to manufactured products from developing countries

Why SMEs of Pakistan reluctant to submit anti-dumping case

Agreement on Anti-dumping provides the right to the contracting parties to apply anti-dumping measures, i.e. measures against imports of a product at an export price below its "normal value" if such dumped imports caused injury to a domestic industry

Describe three objectives of advertising.

Trial: the companies which are in their introduction stage generally work for this objective. The trial objective is the one which involves convincing the customers to buy the new product introduced in the market. Here, the advertisers use flashy and attractive ads to make customers take a look on the products and purchase for trials.

Continuity: this objective is concerned about keeping the existing customers to stick on to the product. The advertisers here generally keep on bringing something new in the product and the advertisement so that the existing customers keep buying their products.

Brand switch: this objective is basically for those companies who want to attract the customers of the competitors. Here, the advertisers try to convince the customers to switch from the existing brand they are using to their product.



Switching back: this objective is for the companies who want their previous customers back, who have switched to their competitors. The advertisers use different ways to attract the customers back like discount sale, new advertise, some reworking done on packaging, etc.

Basically, advertising is a very artistic way of communicating with the customers. The main characteristics one should have to get on their objectives are great communication skills and very good convincing power.

Basic and vital constrain in development policy of making for SMEs.....

Pakistan's economy is an economy of SME's. Policies in the past have given a general perspective, direction and defining broad parameters of activity within the macro economic framework, but efforts have focused on the large enterprises, neglecting SMEs which are at the heart of our economy while SME's are being mentioned in some of our socio-economic strategies and policy documents, measures are not sufficiently specified and prioritized for us to be able to speak of any coherent SME policy or approach. SME promotion is an important issue for many government departments and central offices. However, there is an existing lack of coordination and regular information exchange mechanism among institutions that constrains their collective ability to deliver in the SME development process.

Name the institutions helping SMEs and why there is lack of coordination between them....(3 Marks)

Premier institution of the Govt. of Pakistan under Ministry of Industries, Production & Special initiative, SMEDA was established in October 1998 to take on the challenge of developing Small & Medium Enterprises (SMEs) in Pakistan. With a futuristic approach and professional management structure it has focus on providing an enabling environment and business development services to small and medium enterprises. SMEDA is not only an SME policy-advisory body for the government of Pakistan but also facilitates other stakeholders in addressing their SME development agendas. Growth of globally competitive SME sector through a conducive and facilitating environment and support services as an engine of growth and sustainability to national economy.

Mission Statement

To function as the promoter & facilitator of SME sector in Pakistan by creating a conducive and facilitating environment as well as providing and facilitating service delivery to SMEs for enhancing their capacities and competitiveness.

SMEDA Objectives



www.ranapk.com

1. Policy formulate to encourage the growth of SMEs in the country and to advise the Government on fiscal and monetary issues related to SMEs.
2. Facilitation of Business Development Services to SMEs.
3. Facilitate the development and strengthening of SME representative bodies' associations/chambers.
4. Set up and manage a service provider's database including machinery and supplier for SMEs.
5. Conducting sector studies and analysis for sector development strategies.
6. Facilitation of SMEs in securing financing.
7. Strengthening of SMEs by conducting and facilitating seminars, workshops and training programs.
8. Donor assistances for SME development of SMEs through programs and projects.
9. Assist SMEs in getting international certifications (such as UL, CE, DIN, JIS, ASME, KS, etc.) for their products and processes.
10. Identification of service opportunities based on supply/demand gap.

What circumstances stimulate the entrepreneurs for training in small organizations... (3 Marks)

Conditions Facilitating Training and Development in Small Company

1. Existence of a board that insist on management succession program and its follow up.
2. Steady growth of company which stimulates the need to prepare staff for foreseeable change.
3. Recognition of need for training by the entrepreneur who devotes his time and energy towards it.
4. Freedom given by entrepreneur to young executive to new experiment with new ideas and accept risk connected with it.
5. Degree of delegation of responsibilities

TBTs Agreement....(3 Marks)



www.ranapk.com

The TBT & SPS Agreements The TBT and SPS Agreements do not question the right of governments to use technical regulation, standards and sanitary and phytosanitary measures for health and safety reasons. The SPS Agreement also requires that SPS measures be based on scientific justification.

No appraisal results in absolute.....why.... (5 Marks)

Performance Appraisal It is a form of counseling and coaching. It is used for detecting and correcting errors. It is the process by which owner gathers information about each employee's performance, effectiveness and communicates the same to employee. It includes

- a Establishment of Standards.
- b Recording of Performance.
- c Reviewing of Performance in accordance with Standards.
- d Taking Corrective Action.

Purpose of Performance Appraisal

- a To evaluate performance over a specific time.
- b To motivate employees through performance feedback.
- c To evaluate individual employee's potential for growth and development.
- d To collect information for decision making.
- e To evaluate effectiveness of training program.

Limitations of Performance Appraisal

1. Limitation of Job Description

People are unique. The same job may be performed differently by different people. The same is true of conditions within the organization. While framing position description, the managers attempt to find some congruence between the job description and their knowledge of requirements. No wonder, the position description may not be totally correct.



www.ranapk.com

2. Inadequacy of Appraisal and Problem of Reliability

Many of the items that are included in appraisal such as initiative, quality of work, cooperation, adaptability etc. are subject to personal standards of the appraiser. Bias and prejudice are common failings of every individual. Therefore no appraisal can be considered as absolute. Due to these defects, ratings tend to vary widely and raise doubts about their reliability.

3. Impediments in Communication

Managers insist on fair criticism, based on performance appraisal. The employees, however, regard it as censure and tend to adopt a defensive mechanism against it. Therefore, there arise conflicts which make the goal of appraisal selfdefeating.

4. Failure to Motivate

Appraisal procedures are not designed to provide motivation impact. The urge to change must come from within the individual. There is too long a gap between the act and its consequence and hence its failure to play any significant role in motivating the employee

How SAARC and ECO helps in implementing the WTO agreements? (5 Marks)

In this era of globalization, regionalism has assumed great importance. It is high time that we make SAARC and ECO more proactive to spur up intra-regional trade to ward off the risk of being marginalized. The core WTO related issues are discussed and debated in the technical committees, where our participation is not effective, as it is not backed by background research for submission of technical papers.

This underscores the need for meaningful coordination of efforts at government level and industry level under the aegis of SAARC to ensure effective participation in the meetings. We still do not possess the institutional and technical capabilities to develop, advocate and formulate the standards and legislations to meet the WTO requirements, while WTO, in principle, offers technical assistance to developing countries to develop the capabilities to implement obligations and to benefit from its membership rights; Pakistan has not tapped into these opportunities well.

It is time that we take full advantage of technical assistance and capacity building programs of WTO and other multilateral agencies. There is urgent need for capacity building of private sector institutions for dissemination of information on WTO and provide research feedback to government for policy formulation and for their on going negotiations with WTO under Doha round.



1. Due to the enlargement of European Union from 15 to 20 countries.
2. Due to bilateral agreements in which countries of our interest are also

GoP should take up studies to ascertain the impact on trade of Pakistan involved accession of china to WTO.

Why there is a difference in definitions of SMEs in Pakistan.(5 Marks)

The definitions of “small” and “medium” sized enterprises differ from one country to another. Each country has adopted different criteria for defining SMEs, such as the number of workers employed the, volume of output or sales, the value of assets, etc. As far as the case of Pakistan is concerned no concentrated efforts are observed at a macro level to define SME’s.

Numerous efforts have been made to formulate basic policy guidelines limited to the small-scale industry while ignoring a vital component, the medium sized enterprises.

As a result, inconsistent policies have been formed from time to time without taking into considerations the overall importance of SME sector. The need for a uniform definition is crucial for the successful development of this sector. Various organizations follow different definitions of SME’s according to their needs. Mainly these definitions are based on one variable, the fixed assets; key motive is to cater the credit requirements of the small-scale sector.

Job analysis, job description, Requirement, role of marketing in SME,

It is the process of investigation and collection of pertinent information about each task in terms of skill, abilities, duties and responsibilities. It covers;

- a) Job title,
- b) Department to which it relates,
- c) Line of supervision,
- d) Description of job including major and minor duties
- e) Relationship with other jobs i.e. promotional avenues. Transfer, possibilities, experience required etc.
- f) Unique job characteristics (location, physical setting),



www.ranapk.com

www.ranapk.com

- g) Type of material and equipment used,
- h) Educational qualifications,
- i) Experience,
- j) Mental and manual dexterity,
- k) Physical requirements,
- l) Working conditions

Job Description

It consists of a written statement of the major and minor duties involved in each task along with a description of responsibilities, work conditions and task requirements e.g. hazards, time involvement etc. The job description, therefore, focuses on what, why, when and how tasks are to be performed

Recruitment- Engaging the Employee

It is the translation of job specifications into actual recruitment of the employee by exploring main sources of supply. The major sources of supply could be;

1. **Current employees or references** i.e. asking friends and acquaintances to provide a good person.
2. **Newspaper advertisement** specifying the requirements of the position to attract individual with appropriate qualification.
3. **Drop-in applicants** i.e. individuals who occasionally drop in to inquire if any job is available. It is better to take down some information relating to them.
4. **Unsolicited application** i.e. those who may have applied in anticipation of vacancy. Maintenance of record of them could be advantageous.
5. **Technical journals** to look up to candidates with specific technical qualifications and background.
6. **Universities, colleges and technical institutes.**
7. **Employment agencies** – public and private.
8. **Former employees** who may have voluntarily quit.



Q1. GATT code of custom valuation.

The emergence of World Trade Organization (WTO) in 1995, as a result of Uruguay Round of negotiations of GATT, marks a watershed in the history of international trade. GATT, the predecessor of WTO, was established by 23 countries in 1948, which liberalized the trade and created an environment that enabled the evolution of WTO is much wider as compared to GATT. It encompasses areas like textile, agriculture, services and intellectual property etc. that were excluded in the GATT.

The Agreement on Custom Valuation The agreement on Customs Valuation intends to provide greater uniformity and certainty in the application of customs valuation rules and procedures. It provides for a fair, uniform and neutral system for the valuation of goods for customs purposes and precludes the use of arbitrary or fictitious customs values.

Transaction value is the principal basis and method of value.

Q2. Scenario given how to make better position of new product when old one is loosing its market.

Positioning is the development of the image of a product directly against to the competitor products and other products produced by the company's own. The purpose is management's attention by the recipient to a certain product and to differ that product in favor of the company, compared with similar products is link pay getting into mind of consumer <http://www.quickmba.com/marketing/ries-trout/positioning/>

Q3.horizontal commitment & sector -specific commitment difference?

How to record commitments

Horizontal commitments

A horizontal commitment applies to trade in services in all scheduled services sectors unless otherwise specified. It is in effect a binding, either of a measure which constitutes a limitation on market access or national treatment or of a situation in which there are no such limitations. Where measures constituting limitations are referred to, the commitment should describe the measure concisely, indicating the elements which make it inconsistent with Articles XVI or XVII. In order to avoid repetition, it is desirable to enter these commitments in a separate section at the beginning of the schedule according to the four modes of supply. Such a section could be entitled: "Horizontal



www.ranapk.com

commitments applicable to sectors listed in the sectoral part of the schedule". Some horizontal measures may be specific to only one mode of supply:

Example: Legislation may refer to foreign investment, formation of corporate structures or land acquisition regulations. Such measures affect above all commercial presence.

Adopted by the Council for Trade in Services on 23 March 2001

Sector- Specific Commitments

The Sector- Specific Commitments cover 47 activities within the business, communications, construction/engineering, health, financial and tourism/travel services. The GATS agreement recognizes 12 main sectors for the purpose of classification of services are as follows.

1. Communication.
2. Financial.
3. Construction/Engineering.
4. Health.
5. Tourism/travel.
6. Distribution.
7. Education.
8. Environment.
9. Recreation/culture.
10. Sporting.
11. Transport.
12. Others.

Environment post operative problems (5 marks)



?? Environmental Causes:

?? Changes in government policy;

?? Changes in social or political conditions;

?? Inflationary pressures leading to increases in the input cost.

The benefits that SME enjoy in environmental issues (5 marks)

1. Effectiveness of the technology
2. Stabilization
3. Capabilities to manage
4. Generate
5. Technological change

The benefits that SME not enjoy (2 marks)

?? Ineffectively exploit available

?? Technology options

?? Inefficiently utilize the transferred technologies

“A drain having polluted water from one factory may be used to some other industry and suffer bad effects of pollution” This is an example of ‘externality’ what do you understand by term “externality”? Do you think externalities are positive or negative or both. Explain with examples. (3 marks)

Definition: An externality is an effect of a purchase or use decision by one set of parties on others who did not have a choice and whose interests were not taken into account.



Classic example of a negative externality: pollution, generated by some productive enterprise, and affecting others who had no choice and was probably not taken into account.

Example of a positive externality: Purchase a car of a certain model increases demand and thus availability for mechanics who know that kind of car, which improves the situation for others owning that model.

When you plan a new business, you create a contingency fund to guard against unforeseen natural calamities. Write different natural calamities that are constant threat for your business. 3 marks

Natural calamities such as burglaries, earthquakes, fire etc.

How will you overcome you lack of experience to avoid the failure of you SME venture? 5 marks

The key ingredient-the crucial element-to avoiding the failure of a new business knows the business.

Due to inadequate study of SME sector, our entrepreneur failed to sustain their new business. Provide different reasons which may cause the failure of a new business? 5 marks

??Inadequate R&D facilities

??Lack of skills & experience

??insufficient information on technological cooperation

Question About entrepreneur?

An **entrepreneur** is “a person who organizes and manages a business undertaking, assuming the risk for the sake of the profit.” However, there is much more to entrepreneurship than this simple definition.

Author and successful entrepreneur Michael Gerber once wrote, “The entrepreneur is our visionary, the creator in each of us. We're born with that quality and it defines our lives as we respond to what we see, hear, feel, and experience. It is developed, nurtured, and given space to flourish or is squelched, thwarted, without air or stimulation, and dies.”



An entrepreneur's age, educational background, and previous business-related experience isn't nearly as important as his or her desire to learn and willingness to bounce back from the obstacles associated with creating a new business endeavor.

Entrepreneurs are passionate about the products and services their businesses sell, but their efforts benefit the economy in other ways as well

You are a manger of Fan Company, your sales volume is low, and how do you improve your sales volume

(5)

??Improvement of product

??Marketing

??Ads in news papers and professional journals, TV advertisements

??Free samples with your product

??Low prices

Market myopia (5)

A shortsighted approach of concentrating on production rather than on marketability could lead to avoidable disaster. An entrepreneur may fail to properly assess the market acceptability of his product. He may not appreciate that no product can become instantaneously profitable or could have an enduring success. Selection of the right time for introducing the product is important for its success. If actions are taken too soon or too late, it will result in failure.

State the reasons that why SME doesn't flourish in Pakistan (5)

SINCE PAK IS DEVELOPING COUNTRY SO

Problems faced by SMEs in developing countries typically include:



- ?? Scarcity of capital.
- ?? Limited and unequal access to institutional credit markets.
- ?? Irregular access to domestic and imported inputs coupled with higher cost.
- ?? Inadequate infrastructure facilities.
- ?? Weak managerial and technical skills.

How industrial and technological developments are together in SMEs... (3 Marks)

How National and International policies implement the technology change? (5 Marks)