Jan-2025

Date:
Day:

Business Administration

Q no:- 03

1. Introduction:-

The Marketing mix is the integrated process company uses for influence the customers purchasing behavior. Marketing mix are basically the elements which helps in increasing sales of a company. The marketing mix are usually consist of four p's: product, pricing, place and promotion - by keeping in mind these four the company gets most out of it for its customers. However, of the passage of time there is an addition of three more p's which are people, process and physical evidence. These elements increase the sales by making it more customer centric and differentiation create market penetration.

2. Marketing Mix:-

Marketing mix are the controllable elements used by companies to influence the consumer purchasing and achieve its business objective. It traditionally consist of 4p's model that used widely, but now the framework has expand into some additional p's. They are discussed below.

Scanned with CamScanner

Date: ______
Day: ______

2.1 Product (P):-

It refers to the product or service offered by a Company. A well designed product create demand by meeting the needs and preference of the custome. Companies can enhance product appeal by innovation, custo-mization.

Example:-

Coca-Cola offers seasonal flavour and innovative designs to keep its portfolio exciting.

2.2 Price: Perceived Value:-

It is amount company charged for the product or service. Price influence how consumer perceives the value of a product. Strategies can be included to leverage the product by penetration pricing or psychological pricing.

Example:-

Retail stores like WALMART, or Airlines adjusting prices of tickets during low sales.

2.3 Place: Ensuring Accessibility:-

Refers to how and where the product is available for the custome. It includes distribution channels (e.g:- Online platform, retail stores, supermart)

Date: ____________
Day: ____________

logistic and geographic reach.

Examples:-
Starbucks opens stores in emerging markets to increase global sales.

4) Promotion: Capturing attention:-

Promotion creates awareness and urge customers to buy the product. Effective promotional strategies used are digital advertising, sales promotion or influencer marketing.

Examples:-
Amazon prime day generate significant sales by offering discount and fashion brands collaborate with influencer.

5) People: Building Trust:-

Customers usually buy from the brands they trust. The trust and human element is crucial. It can be increased by staff training or enhancing customer support.

Example:
policy of keeping smile on counter and be attentive attract people and urge them to buy.

Scanned with CamScanner

Date: ________
Day: ________

2.6 Process:-

It is the system or workflow that is used to define the product/services. It can be ensured through smooth interaction by user friendly website and feedback loops to create a connection.

Example:-

Tesla's Service model reassure customer of long-term support.

2.7 Physical Evidence: Reinforcing Brand Image:-

Tangible elements create a lasting impression that influence buying behavior. Companies should put an extra attention on store-layout design or the if the packaging of the product is eye-catching or not.

Example:-

High Brands like Channel used high quality minimalist packaging to emphasis elegance.

3 How Marketing Mix increases Sales Volume:-

The effective and efficient use of marketing mix increase the

Scanned with CamScanner

Date:
Day:

Volume of Sales in many aspect. Some of them are discussed below.

3.1) **Integrated Strategy:-**
A coherent and well-balanced marketing mix ensures all elements are aligned together with the marketing planing. The effective Strategy resulted in success when all the element work together.

3.2) **Customer Centric- Approach:-**
Marketing is all about customers, by efficently utilizing the elements of marketing mix it ensures they are based on customer needs. It helps in better engagement, Satisfication and loyalty to the product.

3.3) **Competitive Edge:-**
By differentiating through product, pricing and promotion by Strategic planing increase the Competitive edge for the company. The Competitive edge is necessary for the companies Sales increases.

Scanned with CamScanner

3.4 Market penteration:-

Strategic distribution and promotion enhance the market penteration. It makes easier for more customers to access the product more frequently and easily.

3.5 Dynamic Adjustment increase the Sales Volume:-

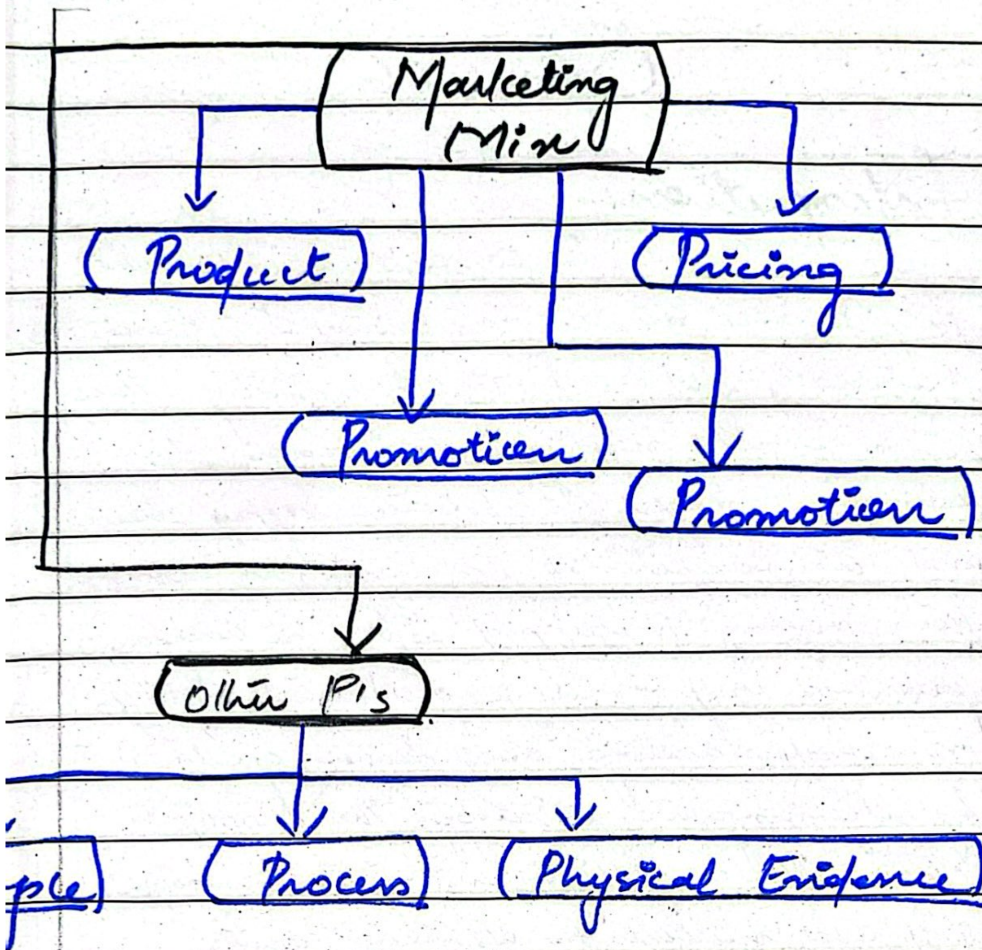
Through efficient use of marketing mix and adjusting them on the basis of market trends, competitor's strategy activity and customer feedback keeps the brand relevant and up-to-date in the market.

3.6 Customer loyalty increase the Sales:-

The constant loop of feedback and keeping in touch by letting them know about the new product and service, especially to the customers who generate 80% of the sales volume will eventually increase the customer loyalty and sales.

Scanned with CamScanner

Date: ____________
Day: ____________



) Conclusion:-

The marketing mix are used widely for creating product awareness to increase the sales revenue. The marketing mix are essential for generating the required sales through strategic planning of 4p's : price, product promotion and place. The marketing mix has added three more p's for more effectiveness and generating the maximum sales and revenue for the company.

Scanned with CamScanner

Date: ______
Day: ______

Qno:- 06

(1) Introduction:-

The company runs for the profit and growth to expand its operation regionally and eventually to globally. There is a crucial need for companies to achieve Strategic fit between supply chain and its Competitive Strategy. This ensure the company is alligned with the company's planing and strategic position. It helps in Understanding the customer needs by defining the strategy. The supply chain should allign with the company's goal and mission for efficiency and effectiveness. It also helps in identifying the problem and bridging the gap between the strategic planing and supply chain. Lastly, the usage of key performance indicator are vital for company's growth. Hence its necessary to allign the supply chain with the competitive strategy of a company.

(2) Understanding Strategic fit and Competitive Strategy:-

The strategic

Date: ____________
Day: ____________

fit of a company measures business term that highlight how well company's resources and capabilities are allign with the external environment. On the other hand, the Competitive Strategy of a company ensure the strategies of a company are competent enough for internal as well as external to achieve a competitive edge.

Why there is a need for a Company to achieve Strategic fit between Supply chain and Competitive Strategy:-

Achieving Strategic fit between a company's supply chain strategy and its competitive strategy is essential for ensuring alligment between customer needs, operational activities. Here are some of the ways company need to do in order to allign with its strategic fit.

1) Understanding Customer needs:-

Define and understands the customer the company

Date: ______
Day: ______

Serves and understand their requirements such as products variety, response time, price sensitivity and service level expectation.
Assess demand patterns such as seasonal variation, predictability and product life cycle.

Example:- Tesla emphasizes on customer customization through quality, while WALMART emphasizes on low cost and high availability.

(3.2) Define the Competitive Strategy:-

A company's competitive strategy defines its strategy of how it aims to create value and differentiation itself and in the market.

Example:-

- Cost:- companies like (IKEA, WALMART)
- Differentiation:- (Apple, Channel, Nike)
- Focus:- Serving specific market (Rolls Royce)

(3.3) Assess Supply Chain Capabilities:-

The supply chain of the company should allign with the company's goals in terms of efficiency and responsiveness.

Example:-

- Efficient supply chain:- Prioritizing low

Date:
Day:

cost by optimizing inventory, transportation and production (Unilever)
Responsiveness :- focus on adaptibility, change of trends and speed of the consumer behavior (Zara defines fashion every week)

Identify and Bridge Gaps :-

If the supply chain is not able to meet the demands, then there is a need to identify the misalignment of the strategy. After identifying the possible problem, bridging the gap through successful implementation of new strategy is required to achieve the strategic fit.

Tailor Supply chain demands to products type :-

Using the Fishers Model of supply chain to classify product as either functional or innovative and design the supply chain accordingly.

Functional product :-
Stable demand, low margins and long product life cycle (household)
These require efficient supply chain

Scanned with CamScanner

Date: ______
Day: ______

- Innovative Products:-
  Unpredictable demands, high margins, short product lifecycle (fashion, electronics, technology).

3.6 Build Agility and Flexibility:-

The well aligned effective strategy sometime require to respond to the market change, disruption or shift in customer needs.

- Adopt technology:- Artificial Intelligence (AI) has been utilizing in businesses for growth and flexibility.

- Diversify Suppliers:-
  Diversifying suppliers will create a competitive edge buyers needs to have a competitive strategy.

3.7 Measuring performance and Continuous Improvement:-

The competitive strategy and strategic fit require continuous evaluation to keep the strategy aligned with changing trends. Along with it, after measuring the performance the improvement through innovation, techno

Scanned with CamScanner

Date:
Day:

or market learning is the need for the successful strategic fit.

Conclusion:-

The strategic fit is needed for company's growth and alignment of its operation. The company's need to achieve strategic fit between the supply chain and competitive strategy is needed, because it helps in identifying customer needs, meeting competitive edge and strive for bridging the gap. To achieve a strategic fit innovation and building flexibility are required for company's operation. Hence, there is a dire need for achieving strategic fit through supply chain.

///

Q no:- 07
(A)

What are Financial Ratios:-

Financial ratios are numerical comparisons between company's different figures in a company's financial statement. They are helpful and used to evaluate the company's financial

Scanned with CamScanner

health, performance and growth. They are of different types: liquidity, profitability, efficiency and leverage ratios.

(A)

A Bankers considering the financing of Seasonal Inventory:-

Banker would focus on liquidity ratios and working capital ratios for seasonal Inventory.

i) **Liquidity Ratios:-**

$$\frac{\text{Current Assets}}{\text{current liability}}$$

- indicate firms ability to cover its short-term obligation.

ii) **Inventory Turn-Over Ratio:-**

Cost of goods sold / Average Inventory

- Shows how efficiently the firms manage inventory. High inventory converted to cash quickly reduces the risk for banker.

Scanned with CamScanner

Date: ________
Day: ________

Debt to Equity Ratio:

$$\frac{\text{Total Debt}}{\text{Total Equity}}$$

Focus firm is not only leverage with debt.

(B)

A Wealthy Equity Investor

A wealthy equity investors seeks profitability growth and return on investment.

Return on Equity:-

$$\frac{\text{Net Income}}{\text{Shareholder's equity}}$$

how quickly company generates profit from shareholder's investment.

Earning per Share (EPS):-

$$\frac{\text{Net Income}}{\text{Number of outstanding share}}$$

Reflect profitability on per-share basis.

Price to Earning Ratio (P/E):-

$$\frac{\text{Market price per share}}{\text{Earning per share}}$$

Date:
Day:

- Help understands if the company's share overvalued or undervalued.

(C)

Manager of a pension fund considering the purchase of Firm's bonds:-

Pension funds managers prioritize safety and stability of returns. They would analyze solvency and coverage ratios.

i) Debt to Equity Ratio:-

$$\frac{\text{Total Debt}}{\text{Total Equity}}$$

- High leverage signals high risk, which made sceptical the bondholder.

ii) Interest coverage Ratios:

$$\frac{\text{EBIT}}{\text{Interest Expense}}$$

- measure company's ability to cover interest payment before earning before income and taxes.

(D)

President of Consumer product fund:-

The president of consumer product

Date:
Day:

firm should acw, operational, profitability and Efficiency ratios.

Gross profit Margin :-

$$\frac{\text{Revenue} - \text{COGS}}{\text{Revenue}}$$

Indicate efficiency of production and pricing in generating profit from sales.

Net profit Margin :-

$$\frac{\text{Net Income}}{\text{Sales}}$$

Reflect the overall profitability of the firm.

Inventory turn Over Ratio :-

$$\frac{\text{COGS}}{\text{Average Inventory}}$$

Key Indicator ensuring the Inventory in managing and handling efficiently.

Date: ____________
Day: ____________

(B)

1) Working Capital:-

Current Assets − Current Liabilities.

* lets calculate first the current asset and current liabilities

Current Assets:- Cash + Marketable Securi + Ending A/R + Ending Merchandise Inventor

Current Assets = 108000 + 142,000 + 350,000
150,000

Current Asset = 750,000

Current liabilities:- Account payable + Bills pay

" = 200,000 + 50,000

" = 250,000

Working Capital: Current Assets − Current Liab

working capital = 750,000 − 250,000

Working capital = 500,000.

Scanned with CamScanner

Date: ____________
Day: ____________

Current Ratio:- $\frac{\text{Current Assets}}{\text{Current liabilities}}$

Current Ratio:- $\frac{750,000}{250,000} = 3$

Quick Ratio:- $\frac{\text{Quick Assets}}{\text{Current liabilities}}$

Quick Assets = Current Assets - Inventory
" = 750,000 - 150,000
Quick Assets = 600,000.

Quick Ratio = $\frac{600,000}{250,000}$.

Quick Ratio = $\frac{2}{4}$

Inventory Turnover:- $\frac{\text{COGS}}{\text{Average Inventory}}$

Average Inventory = $\frac{\text{Beg Inventory + End Inventory}}{2}$

" = $\frac{120,000 + 150,000}{2}$ = 135,000

Inventory Turnover Ratio = $\frac{540,000}{135,000}$.

Inventory Turnover Ratio = 4

SAAIM PRODUCTS

Scanned with CamScanner

Date: ______
Day: ______

5) Account Recievable Turnover :- $\frac{\text{Net credit}}{\text{Avg A/R}}$

Average Account Receivable = $\frac{\text{Beg AR} + \text{Ending A/R}}{2}$

" = $\frac{380,000 + 350,000}{2}$

Average Account Receivable = 365,000

Account Recievable Turnover = $\frac{1825,000}{365,000}$

Account Receivable Turnover = 5

6) Gross profit percentage :-
$\frac{\text{Net sales} - \text{COGS}}{} \times 100$.

Gross profit = 1825000 − 540,000

Gross profit = 1285,000

now calculate gross profit percentage
$\frac{\text{Gross profit}}{\text{Net sales}} \times 100$

Gross profit percentage = $\frac{1285,000}{1825000} \times 100$.

Gross profit percentage = 0.704×100

Gross profit percentage = 70.4

Scanned with CamScanner

Date: ________
Day: ________

Net profit percentage = $\frac{\text{Net profit}}{\text{Total sales}} \times 100$.

first calculate Net profit = gross profit - operating expense,

" = 1,285,000 - 600,000 = 685,000

Net profit percentage = $\frac{685,000}{1,825,000} \times 100$

Net profit percentage = 0.37 × 100

" = 37.5

Qno:- 08

Introduction:-

Financial management is the strategic and important tool to control, plan and direct the financial resources of the firm. Financial magent helps in utilizing the firm resources to achieve the company's goal and mission to counter. It helps in capital budgeting, risk management and divend decision. on the other hand the financial markets are

Date:
Day:

essential for Investment and generating revenue and Investment for the firm.

(2) Financial Management :-

Financial management refer to the Strategic planing, organizing, directing and controlling of financial resources to achieve an Organization objectives. It encompasses wide range of activity including capital allocation and investment decision and financial analysis.

Key components of financial Management :-

i) **Investment Management :-** Focusing on the selecting the most profitable project for the long term and less market return.
e.g: NPV, IRR, Payback period.

ii) **Financing Structure :-** Deals with optimizing the debt and equity to finance firms operations by maximizing capital.

iii) **Dividend Decision :-** Involves deciding how

Scanned with CamScanner

Date: ____________
Day: ____________

of the profit should be distributed among the stockholders as dividends and how much to retain for investment.

Working capital management:-

Ensure efficient management of short-term assets and liabilities to maintain liquidity and operational activity.

Types of Financial Markets:-

Financial markets are the platform where financial assets and securities are traded.

Money Market:-

It is a most liquidity market, where assets and securities are sold for short-term (less than year). It can be in a form of treasury bills, commercial paper, certificate of deposits. Its participants are corporate, firms and government to obtain a quick investment from lenders.

Capital Market:-

Capital markets are the widely used market where long terms securities

Date: ______
Day: ______

are traded for long-term investment. It comprises of primary and secondary markets. The former consist of new securities issues, while the latter is where existing securities are traded on existing price (stock exchange). They are in the form of bonds and debentures.

3.3 Derivative Market:-

It is a bit complex market, because it focus lies on trading financial instrument whose value is derived from underlying assets like stocks, currencies, or indices.

3.4 Spot Market:-

This market is high liquid in nature, its name derived because the instruments are sell on the spot with current pricing. It called a spot or cash market because of its high dealing in cash on the spot. It is also known for big gains or losses and not suitable for new buyers.

3.5 Commodity Market:-

In this market the commodities including (gold, silver, oil,

Date:
Day:

or agricultural products). It is further divided on Spot and future markets. The main objective of this market is price discovery and risk hedging.

(B)

Data:-

Initial Investment = 700,000
Year 1 Additional Investment = 1000,000
After cash inflows
year 2 = 250,000
year 3 = 300,000
year 4 = 350,000
year 5 to 10 = Rs. 400,000 annually.
Required rate of return = 15%
NPV = ?
IRR = ?

Sol:- (a) Net present Value (NPV)

Year 0 = Cash Flow = −700,000

Year 1 = cash flow = −1000,000

$$PV = \frac{\text{Cash Flow}}{(1+r)^t} - \text{Initial Investment}$$

$$PV = \frac{-1000,000}{(1+0.15)^1} = -869,565$$

Scanned with CamScanner

Year 2 = Cash flow = 250,000

$$PV = \frac{250,000}{(1+0.15)^2} = 189,035$$

Year 3 : Cash flow = 300,000

$$PV = \frac{300,000}{(1+0.15)^3} = 197,368$$

Year 4 = Cash flow = 350,000

$$PV = \frac{350,000}{(1+0.15)^4} = 201149.4$$

Year 5 to 10

Cash flow = 400,000

$$PV\ of\ annuity = 400,000 \times \frac{1-(1+0.15)^6}{0.15} \times \frac{1}{(1+0.15)^4}$$

$$PV\ of\ annuity = 400,000 \times -8.733 \times 0.57175$$
$$= -1996000$$

$$NPV = -700,000 + (-869,565) + 189035 + 197368 + 201149 + (-1996000)$$

$$NPV = -2978013$$

Scanned with CamScanner

Date: ____________

Day: ____________

(B) Internal Rate of return.

$$= \frac{C_n}{(1+r)^n} = 0$$

$$IRR = -700{,}000 + \frac{1000{,}000}{(1+r)^1} + \frac{250{,}000}{(1+r)^2} +$$

$$\frac{300{,}000}{(1+r)^3} + \frac{350{,}000}{(1+r)^4} + \frac{4000{,}000 \times \left(1 - \frac{(1+r)^6}{r}\right)}{(1+r)^4} = 0.$$

$$IRR = -700{,}000 + 869565 + 189035 + 197368 + 200113$$
$$+ \frac{400000 * -1.313}{1.749}$$

$IRR = 12\%$

less than the required rate of return (15%) hence project should not be accepted.