

PART - II

Q:02

INTRODUCTION:-

Planning is the very first and foremost step in management of any business. There are a lot of factors like micro and macro environment that affect any business. The managers need to effectively analyze the business environment also, identifying the key financial and human resources to effectively plan in dynamic and changing business environment.

good

CONTINGENCY FACTORS THAT AFFECT PLANNING :-

- 1- Political or legal factors
- 2- Financial availability
- 3- Human resource of the company
- 4- Requirement of customers
- 5- Capacity of the business

good

1- POLITICAL OR LEGAL FACTORS:-

The managers need to analyze the governmental laws, regulations and the policies of the government during planning phase.

For example: Government have imposed additional 5% taxes on (Fast moving consumer goods) FMCG's, as a company would decide what would be the price of good.

2- FINANCIAL AVAILABILITY:-

The managers would compare the availability of finances with the the company goals and objectives.

Goal: Introduce a new product

Company would analyze its financial position. This would help them in gaining a fair view.

3- HUMAN RESOURCE OF COMPANY:-

while setting a goal, a company must decide whether they have the required employees and research team for the product.
 plz be specific

for example, Company X wants to introduce a shampoo in market. The company is already making soaps. so, the planning would require the evaluation of the skilled human resource.

4- REQUIREMENT OF BEST CUSTOMER:-

Analyzing the demands of customer is foremost in planning. It entails the company about whether the project is ~~feasible~~ feasible. good

Case Study: Suzuki who is famous for small automobiles. The company launched "CIAZ" which failed in the automobile sector. The failure was due to the improper forecasting of customer demands.

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5- CAPACITY OF BUSINESS:-

The capacity of business must be analyzed during planning phase. It helps a company in gaining the maximum potential of it, except this evaluation, any company with good business model can fail. **good**

Case Study: Aishti was a very successful startup in Pakistan. However, when the demand increased, the company was unable to fulfill the required demand which resultantly bankrupt the company.

HOW MANAGERS CAN EFFECTIVELY PLAN:-

In today's changing world, the managers need to effectively analyze the micro and macro environment of the company.

MICRO ENVIRONMENT:-

The micro environment refers to the company specific environment.

- Employees
- Finances
- Suppliers
- Competitors
- Changing customer needs
- ~~Com~~ Rules regarding industry

MACRO ENVIRONMENT:-

plz improve presentation

The macro environment refers to the long term shifts in the business environment which affect every business and industry.

- Inflation
- Interest rate
- Tariffs on imports
- Political Instability

It basically entails all the political, economic, social, environmental and technological factors.

TOOL FOR ASSESSING THE ENVIRONMENT:-

SWOT ANALYSIS:-

Strength

- Market reputation
- Effective R & D

Weaknesses

- low finances

Opportunity

- increasing demand

Threat

- Disaster
- COVID-19

Internal

External

PESTEL

PESTAL ANALYSIS:-

Analyzing political, economic, social, environmental and technological environment.

why it is important to mention these tools

It would help in analyzing the environment of business.

CONCLUSION:-

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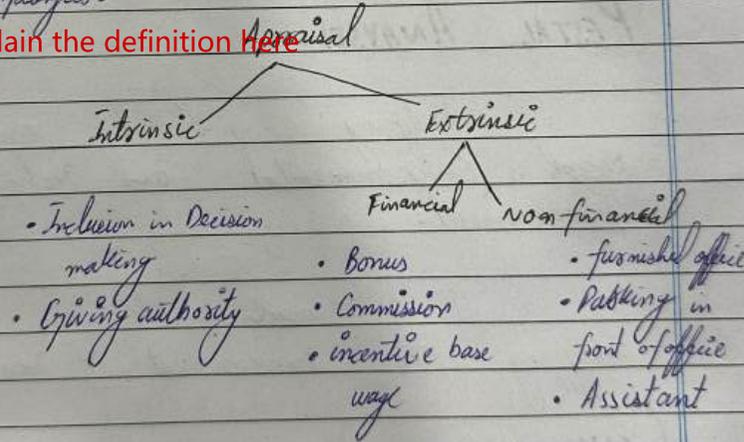
The environment of business is analyzed rigorously during the planning phase because it can help a company in getting profits or being bankrupt.

Q: 04

INTRODUCTION:-

The appraisal is one of the major component to keep the employee motivated. There are a lot of techniques to appraise the employees. There are two basic types of appraisal techniques for the appraisal of employees.

plz explain the definition Here



These are the types of appraisal managers use for keeping their employee motivated. The every level of employee require different

appraisal.

INTRINSIC APPRAISAL:-

This type of appraisal is used for upper management employees.

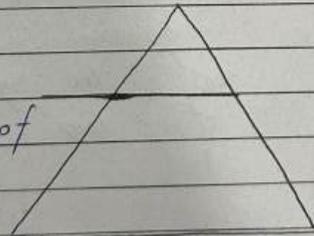
The basic needs of these employees are already fulfilled that why they need ego satisfaction.

According to Maslow Hierarchy of need:

"A person has five needs."

good

These needs of high level managers are fulfilled.



Self ~~ful~~ satisfaction
 ego
 socialize
 security
 Basic needs

or They resultantly need the ego the need for regard.

Example of intrinsic appraisal.

- Inclusion in decision making
- Providing key responsibilities

EXTRINSIC APPRAISAL:-

The type of appraisal which is in any physical form. So, managers need to use the technique which is most appropriate for that respective employee.

FINANCIAL:-

The financial or incentive type appraisal is widely used for the employees which are at low level.

- Bonus
- Commission
- Extra salary
- Voucher gift
- Tips

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As the ^{the most dominant basic need as} low managers level employees have the most dominant need. So, the financial incentive is appropriate for them.

NON-FINANCIAL:-

The non-financial needs are basically fit for the middle managers.

According to McClelland:

Every one has three needs:

plz add more details

- need for power
- need for appraise
- need for affiliation

The non-financial need must be fit for the respective employee.

Example:

- 1- Posting space of choice
- 2- Assistant

3- Furniture

~~4-~~

CONCLUSION:-

The appraisal for any employee must be in accordance with the needs of employee. The managers use various techniques like financial and non financial appraisals to keep their employees motivated.

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A

USE OF RATIO ANALYSIS:-

FOR SUPPLIERS:-

why it is imp?

The ratio they use is Current ratio. The purpose is to find out whether the company is able to pay off its liabilities on time.

FOR INVESTERS:-

"Profit margin" and dividend
The investors identify that the company is able to provide sustainable profits against their investment.

good

FOR BANKS:-

Debt to equity ratio, Asset to Debt ratio

The banks analyze these ratios to make sure that whether the company would be able to pay off its debts.

FOR EMPLOYEES:-

The employees need to know whether the company has a potential to operate in foreseeable future. As their employment is at stake. good

FOR REGULATORY AUTHORITIES:-

The regulatory authorities need to make sure whether the company has the potential to pay off their debts with operation or it would be bankrupt.

(B)

Data:

$$\text{long term debt to equity} = \frac{0.5}{1}$$

$$\text{Total asset turnover} = 2.5 \text{ times}$$

$$\text{Average collection period} = \frac{18}{360 \text{ days}}$$

$$\text{Inventory turnover} = 9 \text{ times}$$

$$\text{Gross profit margin} = 10\%$$

$$\text{Acid test ratio} = 1.6:1$$

Additional

$$\text{Notes payable} = 100,000$$

$$\text{Common stock} = 100,000$$

$$\text{Retained earnings} = 100,000$$

$$\text{long term debt} = ??$$

$$\text{long term debt to equity} = 0.5:1$$

$$x : 200,000 = 0.5:1$$

$$x = 200,000 \times 0.5$$

$$\boxed{\text{long term debt} = 100,000}$$

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$$\begin{aligned} \therefore \text{Total liabilities and owner equity} &= 400,000 \\ \therefore \boxed{\text{Total assets}} &= 400,000 \end{aligned}$$

$$\text{Assets} = \text{Liabilities} + \text{Owner equity}$$

Acid test ratio
formula 1 =
$$\text{Inventory turnover} = \frac{\text{COGS}}{\text{Avg inv.}}$$

Average collection period + Days in inventory =

formula 2

$$\text{Days in inventory} = \frac{360}{\text{Acc receivable turnover}}$$

$$18 = \frac{360}{\text{Acc receivable turnover}}$$

$$\boxed{\text{Acc receivable turnover} = \frac{360 \cdot 20}{18}}$$

$$\begin{aligned} \text{Acc receivable turnover} &= \frac{\text{Net Credit Sales}}{\text{Avg. net account receivable}} \\ 20 &= \frac{1000,000}{\text{Acc receivable}} \end{aligned}$$

$$\text{Acc. receivable} = \frac{1000,000}{20} = 50,000$$

$$\boxed{\text{Acc receivable} = 50,000}$$

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(5)

Calculation for Net Sales :-

$$\text{Total Assets Turnover} = \frac{\text{Net Sales}}{\text{Total Assets}}$$

$$2.5 = \frac{\text{Net Sales}}{400,000}$$

$$2.5 \times 400,000 = \text{Net Sales}$$

$$\boxed{1000,000 = \text{Net Sales}}$$

Net Sales	100%	= 1000,000
- COGS	90%	900,000
Gross profit	10%	100,000

$$\boxed{\text{GCOGS} = 900,000}$$

$$\text{Acid test ratio} = \frac{\text{Cash} + \text{Acc receivable}}{\text{Current liabilities}}$$

$$\frac{1}{1} = \frac{\text{Cash} + 50,000}{100,000}$$

$$100,000 = \text{Cash} + 50,000$$

$$\text{Cash} = 100,000 - 50,000$$

$$\boxed{\text{Cash} = 50,000}$$

$$\text{Inventory turnover} = \frac{\text{COGS}}{\text{Avg inv}}$$

$$9 = \frac{900,000}{\text{inv}}$$

$$\text{inv} = \frac{900,000}{9}$$

$$\boxed{\text{Inventory} = 100,000}$$

Cash	50,000
Acc receivable	50,000
Inv	100,000
Plant and equipment	200,000
Total assets	400,000

very good attempt but improve presentation

Answer

Cash	50,000	Notes payable	100,000
Acc receivable	50,000	Long term debt	100,000
Inventory	100,000	Common stock	100,000
Plant and equipment	200,000	Retained earnings	100,000
Total assets	400,000	Total	400,000

Q: 06

INTRODUCTION:-

Supply chain is a process of interconnectedness between customers, suppliers, and manufacturing. The key components of supply chain are warehousing, inventory level and managing demand effectively. There are a lot of steps a company can take to create a balance between competitive strategy and supply chain.

good start

COMPETITIVE STRATEGY: AN OVERVIEW:-

A competitive strategy is a business related specific strategy by which a company can gain a competitive edge in the market.

2) The strategies a company can use

plz add examples

- i) Just in time inventory
ii) Make to order strategy

In Just in time inventory company don't hold high levels of inventory, the inventory is ordered on need basis.

Make to order strategy is for making the products according to the specific demands of ~~each~~ customer.

STRATEGIC FIT BETWEEN SUPPLY CHAIN AND COMPETITIVE STRATEGY:-

INCREASING VISIBILITY IN VALUE CHAIN:-

The information must be shared across the chain with visibility. The changes in

inventory levels and latest demand must be communicated to suppliers for timely actions. This creates a fit between supply chain and competitive strategy.

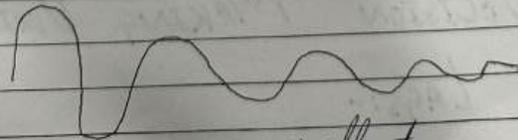
MINIMUM LEAD TIMES THROUGH

EFFECTIVE TRANSPORTATION:-

The transportation networks must be efficiently utilized as to gain create the best most output. The lead time is the most decisive factor in fulfilling the demands of customers timely. Hence, an effective network of transport is required.

ENCOURAGING COMMUNICATIONS

FOR REDUCING BULLWHIP EFFECT:-



Bull-whip effect

Changes in one part of supply chain would affect the whole supply chain.

Demand increased by 5 units would make a very big impact on manufacturing because of accessing mistake at each level.

INTEGRATING SUPPLIERS:-

The suppliers must be integrated in every level. A framework for their effective communication must be established.

Case study:

Dell uses just-in-time inventory. So, their suppliers are integrated for effective fulfillment of demand.

QUICK DECISION MAKING DURING LAGS:-

An effective decision making is required during the laps for integrating the strategy with supply chain.

Case Study:

Apple Inc. took a quick decision by taking all its stock from China to US within a day. The decision came when the president Donald Trump imposed tariffs on the imported goods.

Its an example of quick decision making

CONCLUSION:-

The supply chain need to be integrated with visibility and communication for effective fulfillment of the competitive strategy. This is the core requirement for effective demand management.

improve quality and presentation