



PUNJAB PUBLIC SERVICE COMMISSION
COMBINED COMPETITIVE EXAMINATION
FOR RECRUITMENT TO THE POSTS OF
PROVINCIAL MANAGEMENT SERVICE, ETC -2021
CASE NO. 3C2022

SUBJECT: BUSINESS ADMINISTRATION (PAPER-II)

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE:

- i. All the parts (if any) of each Question must be attempted at one place instead of at different places.
- ii. Write Q. No. in the Answer Book in accordance with Q. No. in the Q. Paper.
- iii. No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
- iv. Extra attempt of any question or any part of the question will not be considered.

PART-I MARKETING (50 MARKS)

Note: Attempt any FOUR Questions including Question No. 1 which is compulsory. Attempt in Urdu or English.

- Q. No. 1:** (a): Briefly describe the five different marketing philosophies that can help any Pakistani business organization to drive its marketing strategy. **(10 Marks)**
(b): How can a firm follow marketing management process to create customers value in building customer relationships. **(10 Marks)**
- Q No. 2:** Enlist the micro-environmental factors and explain how changes in the demographic and economic environments affect marketing decisions. **(10 Marks)**
- Q No. 3:** Explain the different advertising objectives and describe the major decisions involved in developing an advertising program. **(10 Marks)**
- Q No. 4:** Discuss how companies working in Pakistan can use social media and mobile marketing to engage consumers and create brand community. **(10 Marks)**
- Q No. 5:** Discuss the three key approaches that can be used by Pakistani domestic companies to enter into the international markets. **(10 Marks)**

PART-II FINANCIAL MANAGEMENT (50 MARKS)

Note: Attempt any FOUR Questions including Question No. 6 which is compulsory. Use of Calculator is allowed. (Not Programmable) Attempt in Urdu or English.

- Q No. 6:** Kohinoor Limited has two investment proposals, which have the following characteristics:

PERIOD	PROJECT A			PROJECT B		
	COST Rupees in '000'	PROFIT AFTER TAXES Rupees in '000'	NET CASH FLOW Rupees in '000'	COST Rupees in '000'	PROFIT AFTER TAXES Rupees in '000'	NET CASH FLOW Rupees in '000'
0	9,000	-	-	12,000	-	-
1		1,000	5,000		1,000	5,000
2		1,000	4,000		1,000	5,000
3		1,000	3,000		4,000	8,000

For each project, compute its payback period, its net present value, and its profitability index using a discount rate of 15 percent. **(10+10 =20 Marks)**

Q No. 7: Seven Star Limited Company currently pays a dividend of Rs. 10 per share and has a share price of Rs. 200.

- If this dividend was expected to grow at a 12 percent rate forever, what is the firm's expected, or required, return on equity using a dividend discount model approach?
- Instead of the situation in Part (a), suppose that the dividend was expected to grow at a 20 percent rate for five years and at 10 percent per year thereafter. Now what is the firm's expected, or required, return on equity?

(5+5=10 Marks)

Q No. 8: (a): Zee Limited is considering a new investment proposal having the following conventional cash flows:

Year - end	0	1	2	3	4	5	6	7
Cash Flows (Rs.)	(28,000)	7,184	8,326	7,108	6,377	6,376	5,828	5,280

Assuming a required rate of return 14%, determine (i) payback period, (ii) net present value, and (iii) profitability index for the proposal. **(2+4+1=7 Marks)**

(b) Using each of the NPV and profitability index criteria, would this proposal be acceptable and why? **(1+1=2 Marks)**

(c) At a hypothetical IRR of 14.75%, what would be your decision? **(1 Mark)**

Q No. 9: P-Tex. Limited has total annual sales (all credit) of Rs. 4,000,000 and a gross profit margin of 20 percent. Its current assets are Rs. 800,000; current liabilities, Rs. 600,000; inventories Rs. 300,000; and cash Rs. 100,000.

- How much average inventory should be carried if management wants the inventory turnover to be 4?
- How rapidly (in how many days) must accounts receivable be collected if management wants to have an average of Rs. 500,000 invested in receivables? (Assume a 360-day year).

(5+5 =10 Marks)

Q No. 10 (a): Differentiate a passive dividend policy from active dividend policy. **(5 Marks)**

(b): Briefly describe according to the pecking order theory that why firms prefer internal financing to external financing. **(5 Marks)**