

**Bangladesh Open University**  
BBA Program  
Semester: 191 (5<sup>th</sup> Level)

**Course: Industrial & Company Law**

**Due on: February 28, 2020**

**Instructions**

- Answer all questions in your own handwriting on A4 size white paper.
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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) Define transfer of share.  
(b) Discuss the rules regarding the condition applicable to managing agents.  
(c) Explain the removal procedure of directors in a public limited company.
3. (a) Define prospectus. What are the interpretations of provision relating to prospectus?  
(b) Explain the circumstances in which the company may be wound up by court.

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**Questions**

1. (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.
2. (a) Distinguish between collecting bargaining agent and conciliator.  
(b) Explain the conciliation process before and after the notice of strike or lock out.
3. (a) Define CBA. Why is CBA important for an organization?  
(b) Discuss the rules regarding time of payment for wages.

**Bangladesh Open University**  
BBA Program  
Semester: 191 (5th Level)

**Course Title: Financial Management and Policy**

**Due on: February 28, 2020**

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**Questions**

1. (a) “Ratio analysis merely directs the analyst to potential areas of concern; it does not provide conclusive evidence as to the existence of a problem.” Do you agree? Explain.
- (b) Given the following balance sheet, income statement, historical ratios and industry averages, calculate the Pulp, Paper, and Paperboard, Inc. financial ratios for the most recent year.

**Income Statement**  
**Pulp, Paper and Paperboard, Inc.**  
**For the Year Ended December 31, 2005**

Sales Revenue	\$2,080,976
Less: Cost of Goods Sold	<u>1,701,000</u>
Gross Profits	\$379,976
Less: Operating Expenses	<u>273,846</u>
Operating Profits	\$106,130
Less: Interest Expense	<u>19,296</u>
Net Profits Before Taxes	\$86,834
Less: Taxes (40%)	<u>34,810</u>
Net Profits After Taxes	<u>\$52,024</u>

**Balance Sheet**  
**Pulp, Paper and Paperboard, Inc.**  
**December 31, 2005**

<u>Assets</u>	
Cash	\$ 95,000
Accounts receivable	237,000
Inventories	<u>243,000</u>
Total current assets	\$ 575,000
Gross fixed assets	500,000
Less: Accumulated depreciation	<u>75,000</u>
Net fixed assets	<u>\$ 425,000</u>
Total assets	<u>\$1,000,000</u>
<u>Liabilities and stockholders' equity</u>	
Current liabilities	
Accounts payable	\$ 89,000
Notes payable	169,000
Accruals	<u>87,000</u>
Total current liabilities	\$ 345,000
Long-term debt	<u>188,000</u>
Total liabilities	\$ 533,000
Stockholders' equity	
Common stock	255,000
Retained earnings	<u>212,000</u>
Total stockholders' equity	<u>\$ 467,000</u>
Total liabilities and stockholders' equity	<u>\$1,000,000</u>

**Historical and Industry Average Ratios**  
**Pulp, Paper and Paperboard, Inc.**

<u>Ratio</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Industry</u> <u>2005</u>
Current Ratio	1.6	1.7	-	1.6
Quick Ratio	0.9	1.0	-	0.9
Inventory Turnover	8.1	9.3	-	8.4
Average Collection Period	33 days	37 days	-	39 days
Total Asset Turnover	2.3	2.2	-	2.2
Debt Ratio	60%	56%	-	58%
Times Interest Earned	2.5	3.5	-	2.3
Gross Profit Margin	21%	19.7%	-	20.4%
Operating Profit Margin	4.7%	4.8%	-	4.7%
Net Profit Margin	1.8%	1.6%	-	1.4%
Return on total assets	4.1%	3.5%	-	3.08%
Return on Equity	10.3%	7.9%	-	7.3%

**Required:**

Analyze its overall financial situation for the most recent year. Analyze its overall financial situation from both a cross-sectional and time-series viewpoint. Break your analysis into an evaluation of the firm's liquidity, activity, debt, and profitability.

2. (a) “Capital budgeting is the process of evaluating and selecting short-term investments consistent with the firm's goal of owner wealth maximization.” Explain.
- (b) A firm must choose from six capital budgeting proposals outlined below. The firm is subject to capital rationing and has a capital budget of \$1,000,000; the firm's cost of capital is 15 percent.

<b>Project</b>	<b>Initial Investment</b>	<b>IRR</b>	<b>NPV</b>
1	\$200,000	19%	\$100,000
2	400,000	17	20,000
3	250,000	16	60,000
4	200,000	12	-5,000
5	150,000	20	50,000
6	400,000	15	150,000

**Required:**

- (i) Using the internal rate of return approach to ranking projects, which projects should the firm accept? (See the above Table )
- (ii) Using the net present value approach to ranking projects, which projects should the firm accept? (See the above Table )
- (iii) When the net present value is negative, the internal rate of return is \_\_\_\_\_ the cost of capital.

**Bangladesh Open University**  
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 Semester: 191 (5th Level)

**Course Title: Financial Management and Policy**

**Due on: April 10, 2020**

1. (a) “The cost of capital can be thought of as the "magic number" that is used to decide whether a proposed corporate investment will increase or decrease the firm's stock price.” Explain.
- (b) A firm has determined its optimal capital structure which is composed of the following sources and target market value proportions.

Source of Capital	Target Market Proportions
Long-term debt	20%
Preferred stock	10
Common stock equity	70

**Debt:** The firm can sell a 12-year, \$1,000 par value, 7 percent bond for \$960. A flotation cost of

2 percent of the face value would be required in addition to the discount of \$40.

**Preferred Stock:** The firm has determined it can issue preferred stock at \$75 per share par value. The stock will pay a \$10 annual dividend. The cost of issuing and selling the stock is \$3 per share.

**Common Stock:** A firm's common stock is currently selling for \$18 per share. The dividend expected to be paid at the end of the coming year is \$1.74. Its dividend payments have been growing at a constant rate for the last four years. Four years ago, the dividend was \$1.50. It is expected that to sell, a new common stock issue must be underpriced \$1 per share in flotation costs. Additionally, the firm's marginal tax rate is 40 percent.

**Required:**

- (i) The firm's before-tax cost of debt is \_\_\_\_\_. (See the above Table)
- (ii) The firm's after-tax cost of debt is \_\_\_\_\_. (See the above Table)
- (iii) The firm's cost of preferred stock is \_\_\_\_\_. (See the above Table )
- (iv) The firm's cost of a new issue of common stock is \_\_\_\_\_. (See the above Table)
- (v) The firm's cost of retained earnings is \_\_\_\_\_. (See the above Table )
- (vi) The weighted average cost of capital up to the point when retained earnings are exhausted is \_\_\_\_\_. (See the above Table )
- (vii) The weighted average cost of capital after all retained earnings are exhausted is \_\_\_\_\_. (See the above Table )

2. (a) “Firm's capital structure is the mix of the short-term debt, long-term debt, and equity maintained by the firm.” Do you agree? Explain.

(b)

<b>Table</b>		
	<b>Plan 1</b>	<b>Plan 2</b>
Interest Expense	\$25,000	\$50,000
Preferred Dividend	\$3,000	\$1,500
Common Shares Outstanding	200,000	100,000

**Required:**

- (i) Assuming a 40 percent tax rate, what is the financial breakeven point for each plan? (See the above Table )
  - (ii) What is the degree of financial leverage at a base level EBIT of \$120,000 for both financing plans? The firm has a 40 percent tax rate. (See the above Table)
  - (iii) What is the EPS under Financing Plan 1, if the firm projects EBIT of \$200,000 and has a tax rate of 40 percent? (See the above Table )
  - (iv) At about what EBIT level should the financial manager be indifferent to either plan? (See the above Table )
  - (v) Which plan has a higher degree of financial leverage and financial risk? (See the above Table )
3. (a) “The dividend decisions can significantly affect the firm's share price and external financing requirements.” Explain.
- (b) Hayley's Optical has a stockholders' equity account as shown below. The firm's common stock currently sells for \$20 per share.

Preferred stock	\$500,000
Common stock (2,000,000 shares @ \$1 par)	2,000,000
Paid-in-capital in excess of par	10,000,000
Retained earnings	<u>11,600,000</u>
Total stockholders' equity	<u>\$24,100,000</u>

**Required:**

- (i) What is the maximum dividend per share Hayley's Optical can pay? (Assume capital includes all paid-in capital.)
- (ii) Recast the partial balance sheet (the stockholders' equity accounts) to show independently
  - (1) a 2 for 1 stock split of the common stock.
  - (2) a cash dividend of \$1.50 per share.
  - (3) a stock dividend of 5% on the common stock.
- (iii) At what price would you expect Hayley's Optical stock to sell after
  - (1) the stock split?
  - (2) the stock dividend?

**Bangladesh Open University**

BBA Program

Semester: 191 (5<sup>th</sup> Level)**Course: Entrepreneurship Development and Small Business Mgt.****Due on: February 28, 2020****Instructions**

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**Questions**

1. (a) Who is an entrepreneur? Discuss in brief the qualities required to become a successful entrepreneur.  
(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 is motivation? Explain the McClelland's achievement motivation theory.  
(b) Describe the Everett Hagen's theory of social change.  
(c) Explain different social factors that lead to the emergence of entrepreneurship in a country.
3. (a) What is small business?  
(b) Describe the structural features of small business.  
(c) Discuss the factors responsible for failure of small business in Bangladesh.



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BBA Program  
Semester: 191 (5<sup>th</sup> Level)

**Course: Entrepreneurship Development and Small Business Mgt      Due on: April 10, 2020**

1. (a) What is small plan? Explain the merits of small business plan.  
(b) Discuss the functions of a business plan.  
(c) Explain the elements of the business plan.
  
2. (a) What is franchising? State the purposes of franchising.  
(b) What obligations the franchisor and franchisee has to each other?  
(c) In what conditions, owing a small business through franchise is not advisable? Discuss.
  
3. (a) Discuss the sources of finance for small busniss firms.  
(b) What is working capital? Describe the determinants of working capital.

**শুন্ম অর বিজনেম**  
**Bangladesh Open University**  
**BBA Program**  
**Semester: 191 (5<sup>th</sup> Level)**

**Course : Socio-Economic Profile of Bangladesh    Due on: February 28, 2020**

(Assignment is to be presented in own handwriting on A4 size white pages)

*Note : Answer all the questions and submit to the coordinator of your tutorial center on or before due date.*

- 1.1. What is the trend in overall economic growth in Bangladesh? Mention briefly the obstacles to economic growth in Bangladesh.
- 1.2. What do you mean by rural development? Mention the initiatives of the government and non-governmental organisations to uplift the economic condition of rural people of Bangladesh. “It is believed that non-governmental organisations’ initiative played greater role in rural development than government initiatives” – do you agree with the statement? Justify your answer.
- 1.3. What is poverty? Describe the nature and dimensions of poverty in Bangladesh? Mention the roles of NGOs in reducing the poverty in rural Bangladesh.
- 1.4. What is women empowerment? Mention three crucial factors that must be addressed to make the women in Bangladesh empowered.

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**Bangladesh Open University**  
**BBA Program**  
**Semester: 191 (5<sup>th</sup> Level)**

**Course : Socio-Economic Profile of Bangladesh      Due on : April 10, 2020**

**(Assignment is to be presented in own handwriting on A4 size white pages)**

*Note : Answer all the questions and submit to the coordinator of your tutorial center on or before due date.*

- 2.1. What do you mean by structural adjustment? What kind of structural adjustment policies undertook by Bangladesh government so far to make the people self-reliant?
- 2.2. What is privatisation? Describe the role of privatisation in the industrial development of Bangladesh.
- 2.3. What is globalisation? Mention its main features of globalisation. Describe the influences of globalisation on Bangladesh economy. In overall sense, does globalisation bring desirable outcomes for Bangladesh or not? Justify with arguments.
- 2.4. What is trend in population growth in Bangladesh? How population growth in Bangladesh threatens the environment of Bangladesh? Mention the steps taken by Bangladesh government so far to reduce the environmental pollution in the country.
- 2.5. Mention the inter-related goals of Bangladesh Vision 2021. Mention briefly the prospects and challenges in meeting the goals by 2021.

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Semester: 191 (5<sup>th</sup> Level)

Course: **Business Statistics for Decision Making**Due on: **February 28, 2020****Instructions**

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**Questions**

1. (a) Explain the various approaches to probability. Are they contradictory?
- (b) Explain with examples the rules of Addition and Multiplication in theory of probability.
- (c) A market survey was conducted in four districts pertained to preference for new Facewash brand Oxy. The responses are shown below:

Districts/ Preferences	Dhaka	Khulna	Cumilla	Chattagram
Yes	50	65	60	75
No	35	45	40	50
No opinion	5	7	6	10

- (i) What is the probability that a consumer selected at random preferred brand Oxy and what is the probability that a consumer selected at random not preferred brand Oxy?
  - (ii) What is the probability that a consumer not preferred brand Oxy and he or she was from Chattagram?
  - (iii) What is the probability that a consumer preferred brand Oxy given that he or she was from Khulna?
  - (iv) Given that a consumer has no opinion of Oxy, what is the probability that he or she was from Dhaka?
2. (a) What is an index number? How are they constructed? Explain the rule of weights in the construction of general price index numbers.
  - (b) From the data gives below, calculate Fisher's Ideals index and show that it satisfies Time Reversal Test:

Commodity	2004		2005	
	Price	Quantity	Price	Quantity
A	12	30	16	35
B	14	15	22	18
C	10	14	17	22
D	6	10	5	10
E	8	5	7	5

3. (a) “A Key assumption in the classical method of time series analysis is that each of the component movements in the time series can be isolated individually from a series”. Do you agree with this statement? Does this assumption create any serious limitation to such analysis?
- (b) “Despite great limitations of statistical forecasting, the forecasting techniques are invaluable to the economist, the businessman and the Government” Explain the statement.
- (c) Below are given figures of production (in tons):

Year	2010	2011	2012	2013	2014	2015	2016
Production(tons)	68	65	69	73	77	82	85

- (i) Fit a straight line by the least square method and calculate the trend values in a graph.
- (ii) Estimate the production of the year 2019 and comment the reliability of the estimate.
- (iii) Interpret the values of  $a$  and  $b$ .
4. A study of job satisfaction was conducted for four occupations. Cabin maker, lawyer, doctor, and systems analyst. Job satisfaction was measured on a scale of 0-100. The data obtained are summarized in the following cross tabulation.

Occupation	Under 50	50-59	60-69	70-79	80-89	90-100	<b>Total</b>
Cabin maker	0	2	4	3	2	4	<b>15</b>
Lawyer	6	3	3	2	0	1	<b>15</b>
Doctor	0	5	3	3	2	2	<b>15</b>
Systems Analyst	2	1	5	4	3	0	<b>15</b>
<b>Total</b>	<b>8</b>	<b>11</b>	<b>15</b>	<b>12</b>	<b>7</b>	<b>7</b>	<b>60</b>

- (a) Develop a joint probability table.
- (b) What is the probability of one of the participants studied had a satisfaction score in the 90's?
- (c) What is the probability of a satisfaction score in the 80's given the study participant was a doctor?
- (d) What is the probability of one of the participant studied was a lawyer?
- (e) What is the probability of one of the participants was a lawyer and received a score under 50?
- (f) What is the probability of a satisfaction score under 50 given a person is a lawyer?
- (g) What is the probability of a satisfaction score of 70 or higher?

## Bangladesh Open University

BBA Program

Semester: 191 (5<sup>th</sup> Level)

Course Title: Business Statistics for Decision Making

Due on: April 10, 2020

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### Questions

1. (a) Define Judgment sampling, Quota sampling and Convenience sampling. Under what conditions, can each of these designs be used of advantage?
- (b) In the Department of Education at Daffodil University, student records suggest that the population of students spends an average of 7.5 hours per week playing organized sports. The population's standard deviation is 2.2 hours per week. Based on a sample of 130 students, Healthy Lifestyles Incorporated (HLI) would like to apply the central limit theorem to make various estimates.
  - (i) Compute the standard error of the sample mean.
  - (ii) What is the chance HLI will find a sample mean between 7 and 8 hours?
  - (iii) Calculate the probability that the sample mean will be between 7.2 and 7.8 hours.
  - (iv) How strange would it be to obtain a sample mean greater than 8.5 hours?

- (c) Samples of two different types of bulbs were tested for length of life, and the following data were obtained.

	Type I	Type II
Sample Size	11	9
Sample Mean	1340 hrs.	1250 hrs.
Sample S.D.	40 hrs.	43 hrs.

Is the difference in mean life of two type of bulbs significant?

2. (a) What is test of hypothesis? Discuss various tests of hypothesis for the cases when the size of sample is large.
- (b) What is the role of standard error in testing of hypothesis?
- (c) Four machines A.B.C and D are used to produce a certain kind of cotton fabrics. Samples of size 4 with each unit as 100 square metres are selected from the outputs of the machines at random, and the number of flaws in each 100 square metres are counted, with the following result.

A	B	C	D
7	7	16	22
9	9	13	24
12	11	19	27
14	3	10	23

- (d) Two brands of TV are quoted at the same price. A buyer tested a random sample of 150 refrigerators of each brand and found the following:

	Mean life (hours)	S.D. (hours)
Brand A	1700	95
Brand B	1420	100

Is there a significant difference in the quality of two brands of bulbs at 5% level of significance?

3. (a) Why would anyone want to do a *Goodness-of-Fit-test*?  
 (b) A sample of parts provided the following table data on quality of parts by production shift:

Shift	Number Good	Number Defective	Total
	First	370	
Second	280	20	300
Third	175	25	200
Total	825	75	900

Use five percent level of significance to test the hypothesis that quality of parts is independent of the production shift.

4. (a) How is analysis of variance technique helpful in solving business problems? Illustrate your answer with suitable examples.  
 (b) The following represent the number of units of production per day turned out by 4 different workers using 5 different type of machines:

MACHINE TYPES

Worker	A	B	C	D	E	Total
1	4	6	3	6	6	25
2	6	8	6	5	4	29
3	7	6	7	8	8	36
4	3	4	4	9	2	22
Total	20	24	20	28	20	112

On the basis of the information, can it be concluded that (a) the mean productivity is the same for different machines, (b) the workers don't differ with regard to productivity?