

M.B.A DEGREE EXAMINATION

III SEMESTER

CP 401: ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

Time : 3Hours

Max.Marks: 75

Answer any five questions not exceeding ONE Page each.

Section -A ( 5\*4=20 Marks )

1

- A. Define Entrepreneurship
- B. Role of Entrepreneurship
- C. Commercial Banks
- D. Women Entrepreneurship
- E. E-Business
- F. Venture Management
- G. Role of IDBI
- H. Problems of Women Entrepreneurs

(Section-B ( 5\*8=40 Marks)

Answer all questions not exceeding FOUR Pages each

- 2. Explain the need and importance of Entrepreneurship?  
Or  
Explain the significance of Entrepreneurship development in India?
- 3. Explain the role of Government in entrepreneurial development activity?  
Or  
Explain the role of commercial banks in developing entrepreneur?
- 4. State the characteristics of entrepreneurship? Explain the qualities of a good entrepreneur?  
Or  
Explain the importance of Training in inculcating entrepreneurial spirit?
- 5. Ethics and Social responsibility in the present scenario-comment?  
Or  
Write a brief note on Venture capital and new venture management?
- 6. Explain the various sources of finance to start a new business?  
Or  
Explain the role and functions of IDBI and DIC?

Section-C (1\*15= 15 Marks)

- 7. CASE STUDY (Compulsory)

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Case 5

## Determining Market Size

10

# Gymnasium and Health Resort

Mr Dinesh Kapoor recently retired from the armed forces. A fine athlete and physical fitness enthusiast, Mr Kapoor has been leading a vigorous and active life.

Mr Kapoor has been planning to start a business of his own after his retirement for a long time. He had always felt concerned about the low standards of physical fitness and poor quality of food of one average Indian. During his participation in sport meets abroad, he saw that the foreigners were well organized in this field. Mr Kapoor feels that running a gymnasium and a health resort would offer a good business opportunity besides fulfilling an important need of the society at large. He has seen pictures of ultra-modern gymnasiums and read about complete health resort facilities which exist abroad.

Mr Kapoor is planning to establish similar facilities in a large city in India. He is ready to settle anywhere and start this activity in a place which offers a high potential of business success. He would initially cater to the needs of company executives and businessmen. He would later extend the scope of this venture to include housewives and working women too. He is optimistic that with the hectic lifestyle of present day business people and the growing consciousness about good health, he would be able to attract a substantial clientele. He is, however, aware of the heavy financial investment required for this project and would like to be careful before taking any long-term decision in this regard. He would like to estimate the possible demand for this type of service and an indication of the financial returns that he can expect.

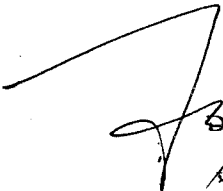
Gymnasium and Health Resort 41

### Question

Suggest a step-by-step procedure to estimate the market demand for this type of activity and also people's attitude towards the idea.

Adopted with minor modifications from Pune University Marketing Management Question Paper.

Maximum time to solve this case study: 35 minutes.

  
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**M.B.A. Degree Examinations  
Third Semester  
CP 302 :VUCA MANAGEMENT**

Time : 3 Hours

Max. Marks:75

**SECTION - A**

**Answer any five questions**      **5 \* 4 = 20**

Question – 1

- a) Digitalization
- b) Social inclusion
- c) Turnaround strategies
- d) Joint ventures
- e) ~~Economic~~ <sup>Triple</sup> bottom line
- f) ~~Options~~ <sup>fy</sup> Market
- g) Agile Leader
- h) Talent management

**SECTION - B**

**Answer all questions**

**5 \* 8 = 40**

Question – 2 (a)


Explain the impact of Globalization on business management? Identify VUCA conditions in light of globalization.

(OR)

Question – 2(b)

What do you mean by VUCA? Explain various approaches to VUCA management?

Question – 3 (a)

  
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Illustrate various methods used for appraisal of capital expenditure proposals under risk and uncertainty?

(OR)

Question – 3(b)

What is a turnaround strategy? Explain various steps involved in such strategies?

Question – 4 (a)

Define the business sustainability? Identify various reasons for failure of Indian firms to maintain sustainable growth over the years?

(OR)

Question – 4(b)

What is the rationale for corporate restructuring? Explain various strategies used for restructuring.

Question – 5 (a)

Can a business effectively manage a crisis situation? Explain the need and importance of crisis management in light of prevailing VUCA conditions?

(OR)

Question – 5(b)

Identify various steps involved in the talent management process?

Question – 6(a)

How do the organisations develop core competency

(OR)

Question – 6(b)

Illustrate various VUCA issues involved in Product pricing, promotion and distribution.

### SECTION – C

Question – 7

### CASE STUDY


  
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Business models designed to take advantage of repeatable, predictable cycles are now too rigid to deal with diverse, rapidly changing and nuanced customer requirements. Altering business models means significantly changing how we work.

Stable, permanent jobs that fit together in a neat hierarchy, which were once the norm, are being replaced with more flexible work arrangements to address the uncertainty inherent in a more complex marketplace.

Workers' expectations are changing, too. Well-educated and connected individuals are not satisfied with being a cog in the machine; they expect to have their views heard and make a difference. As organisations transfer some of the risk and uncertainty of doing business to employees, these same individuals reasonably expect to share in the decision-making process and rewards.

In light of the above discussion you are required to discuss the role of strategic leadership in addressing talent acquisition, retention and management.

  
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M.B.A DEGREE EXAMINATIONS  
III SEMESTER  
~~2020~~ CORPORATE LEGAL FRAMEWORK

Time: 3 hrs

SECTION – A  
Answer any FIVE Questions


Max. Marks: 75  
(5X4=20 Marks)

1. (a) What is meant by Void Agreement?  
(b) When offer is complete.  
(c) Explain "Quantum Merits."  
(d) Distinguish sale and agreement to sell.  
(e) What is unfair trade practice?  
(f) Define Endorsement.  
(g) Write down five important differences between public and private company.  
(h) Liquidated damages.

SECTION – B

(5X8=40 Marks)

2. (a) What is contract? And explain the essential elements of contract.  
(OR)  
(b) "An agreement without consideration is void". Justify the statement and explain the essentials of consideration.
3. (a) What is the Negotiable instrument? What are its characteristics?  
(OR)  
(b) Explain the Rights and Liabilities of Agents, according to Law of Contracts.
4. (a) Illustrate the importance of consumer redressal forums.  
(OR)  
(b) What is the importance of Memorandum of Association in incorporate a company.
5. (a) Explain the rules presentment for payment of Negotiable instruments.  
(OR)  
(b) What are the different kinds of Shares?
6. (a) What are the modes of termination of agency? Explain how the scope of an agent's Authority is determined.  
(OR)  
(b) Under what circumstances is a company wound up?

  
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SECTION - C  
CASE STUDY (Compulsory)

(15 Marks)

After going through the Case Study, answer the questions given at the end. Substantiate your answers with the applicable law, where necessary.

Twenty five year old Rama Krishnan suddenly complained one morning in July at 5.00 a.m. of pain of legs and his inability to move them. His father called a local doctor, and on his advice took him to a private hospital at about 6.30 a.m. By then the patient was complaining of extreme weakness and decreased power in the upper limbs. Even as he was examined by a cardiologist and neurologist, he complained of difficulty in breathing, following which he was moved to intensive Care Unit (ICU) and then to the Intensive Cardio Care Unit (ICCU).

Subsequently, a senior consultant neurologist who examined him at about 9 a.m. said the probable diagnosis was Acute Infective Polyneuritis or Hypopotassemic paralysis or Acute Myasthenia Gravis. He suggested further tests, immediate line of treatment including intubation and also informed the parents that since a new mode of treatment, plasmapheresis was not available at the hospital, it was advisable to move him to a 'Specialty' hospital.

He also gave a letter to the concerned doctor at the 'Specialty' hospital, but the young man died at 12.10 hours before he could be moved there. The nurse on duty also failed to notice that the oxygen tube been pulled out by the patient, who was extremely restless, till it was brought to her notice by the 'Patient's mother'.

**Questions:**

- 1) What is the appropriate law for handling the case?
- 2) Where does Mr. Rama Krishnan's remedy lie?
- 3) Is there any negligence on the part of the doctors?
- 4) Was the Hospital staff that was required to carry out the directions of the doctors, negligent?



RR - 30104

MBA DEGREE EXAMINATION  
III semester  
Elective : Finance  
FM 304 FINANCIAL MARKETS AND SERVICES

Time: 3 Hours

Max. Marks 75

Section - A ( 5 X 4 = 20 Marks)

Answer any FIVE questions

1. a) Financial Lease
- b) Money market V/s capital market
- c) CRISIL
- d) Factoring
- e) Functions of Financial systems
- f) Venture capital
- g) Merchant Banking
- h) Mutual Funds

Section - B ( 5 X 8 = 40 )

Answer all questions

2. a) Explaining the connection between the economic development and the Development of the financial system in a country?

OR

b) what is capital market ? explain briefly the role of capital markets in economic development of a nation.

3 a)critically evaluate the growth of financial services in India? Identify the steps to be taken to improve the share of financial services in GDP?

OR

b)What do you mean by merchant banking? Explain the role of merchant bankers in Indian context?

4 a) What is factoring? Discuss in detail the various services rendered by factoring intermediaries?

OR

b) Explain the need for credit rating by agencies? Illustrate the CRISIL style of debt rating.

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5 a) Elucidate the organization and management of Mutual funds in Indian context? what is the need for mutual funds in a country like India.

OR

b) What is debt securitization? Illustrate the process using the suitable diagram?

6 a) Define Micro finance? and explain it's role in poverty elimination?

OR

b) Distinguish between financial lease and operating lease? List various step in evaluation of a financial lease?

**SECTION - C (15 MARKS)**

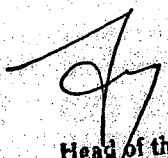
**(CASE STUDY)**

7. A study report on examining the impact of financial and other incentives to Small Scale Industries (SSI) has made the following observations:

Though there exists a lot of incentives for small units offered by the Central and State Governments, about half of the entrepreneurs were found to be unaware of the same. It appears that adequate efforts have not been put in to give publicity to these incentives and concessions. It was also found that due to the lack of higher education and backwardness, the prospective entrepreneurs are shy of approaching the concerned officials for help. Besides, the procedures and formalities appeared to be complicated and cumbersome for a man of rural areas. It frightens the entrepreneurs and renders them dependent on middlemen. Another disappointing feature is the time-lag between the date of application and the actual benefits emerging from the efforts. The general impression developed in the rural areas is that it is not possible to avail of these incentives without the help of local and influential leadership. The official red-tapism and harassments are beyond common man's capacity to bear.

You are assigned to comments about the above observations. Suggest measure for the official and institutional agencies to overcome the lacunae in the incentive schemes.

What steps should be taken to create awareness about the financial and other incentive schemes among the rural youth?

  
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**RR-30105**

[ ANU - MBA - R 30103 ]

M.B.A. Degree Examination October - 2011

Third Semester

Specialisation : Finance

FM 305 :  
Paper - II: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT  
(For 2010 Admitted Batch)

Max. Marks : 75

Time : 3 Hours

SECTION - A (5 x 4 = 20 Marks)

Answer any FIVE questions.

1. a) Investment process
- b) Stock market Indices
- c) Measurement of systematic risk
- d) Intrinsic value of approach to valuation of Bond
- e) Economic analysis
- f) Random-walk theory
- g) Security market Line
- h) Diversification of Risk

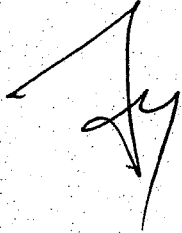
SECTION - B (5 x 8 = 40 Marks)

Answer ALL questions.

2. a) Distinguish between investment and speculation.

OR

- b) Describe about the securities in Indian Capital market.

  
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3. a) What is risk ? State the types of risks involved in investment.

OR

b) Explain the method for valuing the debenture that is compulsorily convertible (partially or fully) into equity share.

4. a) What are the basic premises of technical analysis ? Explain the differences between technical analysis and fundamental analysis.

OR

b) What is an efficient frontier ? How does it establish an optimum portfolio ?

5. a) Discuss in detail Sharpe's Single Index model.

OR

b) What do you understand by 'Arbitrage Pricing Theory' ? What are the assumptions underlying it ?

6. a) Distinguish between Treynor's model and Jensen's model for portfolio performance evaluation.

OR

b) Critically evaluate the performance of Mutual Fund industry in India.

7.

SECTION - C (1 x 15 = 15 Marks)

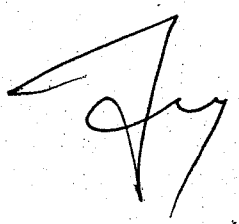
Case Study (Compulsory)

Consider the following information for three mutual funds P, Q and R in the market.

	Mean return	Standard deviation	Beta
P	15%	20%	0.90
Q	17%	24%	1.10
R	19%	27%	1.20
Market Index	16%	20%	1.00

The mean risk free rate was 10 per cent. Calculate the Sharpe measure and Jensen measure for the three mutual funds and the market index.

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RR - 30106

M.B.A. Degree Examinations  
III Semester

MM204: Consumer Behaviour and Customer Relationship Management

Time: 3 Hours

Max Marks: 75

SECTION - A (5\*4 = 20 Marks)

1.

- Consumer Decision Making
- Customer loyalty
- Attitude
- AIDA'S theory
- Industrial Buying behavior
- Reference groups
- Family decision Making
- Culture and social status
- JND Applications

SECTION - B (5\*8 = 40 Marks)

Answer ALL questions not exceeding FIVE pages each.

- Explain various factors effecting Consumer Behaviour?  
OR
  - Explain the need and significance of Consumer Behaviour?
- State the impact of Referece Groups on Consumer Decision Making?  
OR
  - What is role Family in Buying Behaviour?
- What is Attitude? Explain about attitude change strategies?  
OR
  - Explain the importance of Perception in Consumer Behaviour?
- Explain briefly any one Model of Consumer Behaviour?  
OR
  - Describe how culture affects Consumer Behaviour?
- Explain the importance of CRM in the present day business? State few CRM Strategies?  
OR
  - Explain the interdependence of Motivation and Consumer Decision Making?

SECTION-C (15 Marks)

- Case Study

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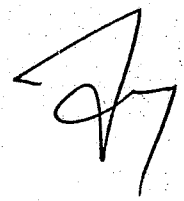
SECTION - C (1 x 15 = 15 Marks)

7. Case Study (Compulsory)

Amway corporation is a US \$5 billion company based at Michigan USA. Established in 1995 Amway India is a wholly owned subsidiary of Amway Corporation. Amway has a distributor base of 3,00,000 and growing rapidly. Distribution network spreads across 26 cities serving more than 306 locations. Amway India has emerged as the largest selling company of country. Amway manufacturers 450 products. Flagship product lines are personal care with 8 products, home care with 10 products, nutrition with 3 herbal product, and soft tops with 2 products.

Mr Stephen Beddøe, GM-Distribution and Marketing of Amway India is planning to run a advertisement campaign, Advertisement agency Rediffusion is handling this account. What factors Mr Beddøe should suggest to rediffusion to take into consideration while using group appeal for its advertisement as a part of promotional strategy ?

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**M.B.A Degree Examination**  
**III ~~Year~~ Semester**  
**Elective: Marketing**  
**~~MM-402~~ SERVICES MARKETING**

**Time:3 hours**

**Max.Marks:75**

**Section-A(5\*4=20Marks)**  
**Answer any FIVE questions**

- 1.a. Heterogeneity
- b. Service Blue Print
- c. Service quality Audit
- d. Moments of truth
- e. Interactive Marketing
- f. External Marketing
- g. Services Positioning
- h. Functional Quality

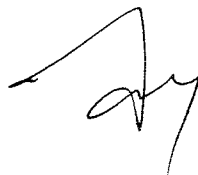
**Section -B (5\*8=40Marks)**

Answer all questions

- 2.(a) Services can only be defined in the minds of consumers". What is meant by this statement and to what extent is this unique characteristic of service rather than goods  
Or  
(b) Explain the role of Service sector in Indian economy?
- 3.(a) What is Service Blue Print? Explain the concept of Service Blue print with reference to a hospital?  
Or  
(b) Discuss the need for study of Consumer Behaviour in Services Marketing?
4. (a) Describe the Gap model of Service quality?  
Or  
(b) What are the approaches to pricing of services? Explain the pricing strategies linked to value perceptions?
5. (a) What are the various challenges that arise in the distribution of Services? Explain the strategies for effective Channel Management  
Or  
(b) Define the concept of Servicescape ? How does Servicescape influence human behavior explain with examples?
6. (a) Briefly explain about Consumer Grievance Redressal Strategies?  
Or  
(b) Examine the importance of Interactive Marketing in Services Marketing?

**Section-C (15Marks)**

**7. CASE STUDY (Compulsory)**



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**SECTION-C (15 Marks)**

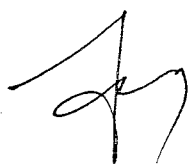
**(CASE STUDY)**

**(Compulsory)**

**Tata Sky - Modular service pricing and Service Tie ring**

Tata Sky Ltd, the joint venture from TATA and STAR, follows the modular pricing where in the basic and value added services are identified as building blocks for determining the price according to customer's preference mix. The company offers three service packages namely, Starter Pack (35 channels), the Family pack (71 channels) and the Western pack (67 all English channels) in addition to the existing Super Saver Pack (94 channels).

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The Starter Pack, available for Rs. 160 PM, comprises 35 channels including ESPN and STAR sports along with two interactive services (Active TM Wiz kids and Active TM Games). The family pack, available for Rs. 250 pm, comprises 71 channels including all popular Hindi, Regional and Sports channels along with four interactive services (Active TM Khabar, Active TM Star News, Active TM wiz kids and Active TM Games). The Western pack is priced at Rs. 250 PM and spans over 67 channels all English, Regional and sports channels along with three interactive services (Active TM Newsroom, Active TM wiz kids and Active TM Games).

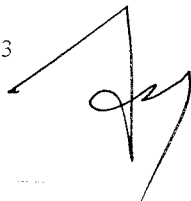
In May, 2007, Tata Sky came out with a special promotional offer '1 pe 3 and 2pe 5' across India. The offer entails 3 months free subscription on the purchase of one connection and 5 months free subscription per connection, on the purchase of two or more connections. Existing Tata Sky subscribers could also avail this offer. The top end package, Jumbo Super Saver pack, comprises 99 Hindi, English, Regional and Sports channels along with six interactive services (Active TM sports, Active TM games, Active TM Wiz kids, Active TM Newsroom, Active TM Khabar and Active TM Star News) and is priced at Rs. 300 pm.

**Questions :**

1. Why did Tata Sky resort to the above mentioned product and pricing strategy? Consider the scenario of cable network while answering this question.
2. Segment the TV viewers based on the different packages offered by Tata Sky.
3. Analyze the outcome of this pricing strategy on the growth and expansion of Tata Sky.

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RR - 30108

M.B.A. DEGREE EXAMINATION  
II ~~III~~ SEMESTER  
(Elective)  
HRM 304 – INDUSTRIAL RELATIONS

Time: 3 Hrs

Max. Marks: 75  
(5X4=20 Marks)

SECTION – A  
Answer any FIVE Questions

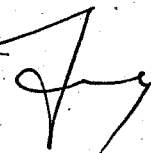
- 1.
- Define the term Industrial Relations.
  - Explain the causes of Industrial Relations.
  - Liberalization
  - Arbitration
  - Indiscipline
  - Grievance
  - Collective Bargaining.
  - Trade unions.

SECTION – B  
Answer all questions

(5X8=40 Marks)

2. (a) Define elaborately the concept of industrial relations and its importance in the global era?  
(OR)  
(b) Discuss the current trends and practices in industrials especially in India
3. (a) Explain the Trade Union Structure and Trade Union Movement in India ?  
(OR)  
(b) Discuss the changing role of trade unions in the context of liberalization?
4. (a) Briefly analyze the Machinery for Prevention and Settlement of Industrial Disputes in India?  
(OR)  
(b) Explain in detail about the Code of Discipline in promoting healthy industrial relations?
5. (a) Explain about the Grievances Redressal Machinery in Indian industries?  
(OR)  
(b) How the arbitration will be done in the in the industries and also explain the process of arbitration?
6. (a) Briefly discuss about the collective bargaining practices in India?  
(OR)  
(b) Explain various Schemes of Workers' Participation in Management in India?

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[ ANU - MBA - 40108 (N) ]

SECTION - C (15 Marks)

CASE STUDY (Compulsory)

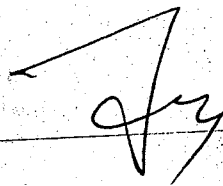
7. Ken Hartman's firm, Blahna, Inc., is using diversity management strategies to head off conflict and reduced turnover among employees it can ill afford to lose.

Several years ago, Blahna formed a 20 member committee for work place diversity chaired by a Vice-President. The committee was chartered to consider why women and minorities were not better represented at all levels of the organisations. Although the company has a good record of hiring women and minorities, the committee discovered that the turnover was 2 to 3 times higher for these groups than it was for white males.

Sample exit interviews revealed that women and minorities left for culture related reasons - for instance, because they did not feel valued in their Day-to-day work, did not have effective working relationships, or did not sense that the work they were being given to do would lead to the fulfillment of their career goals. White males, on the other hand, left for business - related reasons, such as limited opportunities for future advancement.

As a result of this initial investigation, Blahna formed a 25-person Diversity Advisory Committee. The committee determined to take a two-step approach to dealing with diversity issues. The first step was to increase the awareness; the second was to build skills for dealing with diversity - related challenges. Both steps involved training conducted by diversity consultants, Hope & Associates.

To date, 60% of Blahna's 11,000 employees have gone through a 2-day diversity seminar. Forty percent have gone through a core extensive 6-day training program as well. 'The premise of the training is that the more different you are, the more barriers there can be working well together', explains Blahna's diversity



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development director. Training sessions do not offer advice on how to get along with Asian Americans, women or other specific groups. Rather, the emphasis is learning in skills that will make easier to related to and communicate with others.

A key part of the training offered by Hope & Associates is the implementation of a 'consulting pairs' process. The consulting pairs approach is designed to help trainees take what they have learned in training and apply it on the job. When a conflict - which may or may not be related to diversity - , first arises between two peers or a manager and employee, a consulting pair is called-in to facilitate discussion and problem solving. The unique feature of this approach is that consulting pair is selected to match as closely as possible the backgrounds of the individuals who are involved in the conflict. Of course, all proceedings are strictly confidential.

The result ? Ken Hartman is a happier guy these days. As president of one Blahna's divisions, the 48 year old executive is a step away from joining the ranks of senior management. Life has changed for him since Blahna 'stopped talking about values like diversity and began behaving that away'.

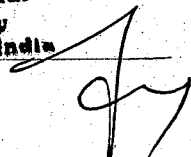
**Questions :**

- 1) Why do many companies find increasing and managing diversity to be difficult challenges ?
- 2) What were the key elements in Blahna's successful diversity strategy ?
- 3) Under what circumstances might the consulting pairs approach be most useful ?
- 4) What steps should management take to ensure that the consulting pairs approach is working ?

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RR-30109

M.B.A. DEGREE EXAMINATION

IV SEMESTER

(Elective)

HRM 305: COMPENSATION AND WELFARE MANAGEMENT

Time: 3 Hrs

Max. Marks: 75

(5X4=20 Marks)

SECTION - A

Answer any FIVE Questions

1.

- (a) Define the terms Wage and Salary
- (b) Explain the objectives of compensation management.
- (c) Job Evaluation
- (d) Explain about the External Equity?
- (e) Discuss about Dearness Allowance
- (f) Deferred Benefits
- (g) Discuss Role of Welfare policy?
- (h) Merit pay

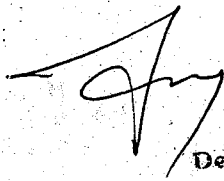
SECTION - B

Answer all questions

(5X8=40 Marks)

2. (a) Define elaborately the concept of Compensation and its Objectives.  
(OR)  
(b) Discuss the current trends on Compensation with reference to Multi National Companies (MNCs).
3. (a) What do you mean by Perks? And explain its significance in wage and salary administration.  
(OR)  
(b) Explain the important components of Wage structures.
4. (a) Define the concept of pay for performance and critically evaluate its advantages and disadvantages.  
(OR)  
(b) Explain in detail about the individual based performance plans.
5. (a) Briefly discuss the practices of executive compensation of any reputed Indian Organization.  
(OR)  
(b) Analyze the role of labour welfare officer and also discuss what are the functions he has to perform?
6. (a) What is job evaluation and explain "Point Rating" and "Factors Comparison" methods of job evaluation.  
(OR)

*contd. ... 2*

  
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(b) Critically evaluate the role of Government in regulating compensation.

SECTION - C

(15 Marks)

CASE STUDY (Compulsory)

Air Nuigini- national carrier of Papua New Guinea used to pay more than double the salaries to expatriate pilots compared to that of national pilots. In fact national pilots are in no way inferior to expatriate pilots in skills and in performance in safety, regularly and punctuality. The salary discrimination was necessitated to attract foreign pilots due to shortage of national pilots. This practice was along with policies and practices of compensation management in other public and private organizations in Papua New Guinea.

These practices resulted in the dissatisfaction among national pilots that prompted them to look for opportunities in other countries. The fast growth of airlines industry in various countries led to shortage of pilots resulting in higher salaries for pilots across the countries. Majority of the pilots of Papua New Guinea (PNG) who are dissatisfied with the salaries in Air Nuigini based on skills levels and performance records procured jobs in various airline companies particularly in the middle-east with triple the salary levels of their previous jobs in Air Nuigini. In fact, one of the former national pilot of Papua New Guinea got the job of the Deputy CEO of one of the middle-east airline company.

The migration of PNG pilots reached the peak level in April 2010 and ultimately Air Nuigini did not have required number of pilots to operate their flights and Air Nuigini had to cancel some of its domestic flights and delay the operation of international flights, resulting in halting the wings of Air Nuigini flights.

Consequently, Air Nuigini modified its compensation policy and offered equal salary levels to its national pilots along with that of expatriate pilots to combat the situation. However, it could not attract those pilots who left the company, but could halt the further migration of pilots to other companies.

Questions:

1. Do you think the compensation discrimination based on the nationality is desirable?
2. Why did the management of Air Nuigini failed to foresee the situation?
3. Suggest the strategies to prevent such situations in future and in other organizations in various countries that differentiated the salaries of expatriates from that of nationals consequent upon shortage of human resources of certain categories.

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