



S014 Introduction to Management I (ST 2004) – Final Exam Retake

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You will have 2 hours to solve this exam and be able to make a maximum of 50 points.

There are a few pieces of advice we invite you to consider:

1. Use the theoretical tools and terminology you have learned in class and from the textbook.
2. Make sure there is a clear structure in your argument. (Use some time to sort your ideas before you start writing the version you want to submit.)
3. Use the time you have! If you are ready much earlier than we planned you should wonder if you forgot something.
4. Remember: people have to be able to decipher what you write.
5. Leave a margin for our comments, so we can give you a more detailed feedback than just the number of points.

The following aids can be used: dictionary, non-programmable calculator

Please solve four (4) and only four (4) of the following six (6) problems (maximum of 12.5 points per problem).

Examination questions:

Question 1: Terminology

Define the following terms. Feel free to illustrate your definitions by examples.

- a) Opportunism
- b) Decision-making under constraints
- c) Internal financing
- d) Silent Partnership
- e) Time Value of Money

Question 2: Marketing

Explain the 'Five Forces' framework by M. Porter. Use a figure to illustrate your explanation. Label all the elements (including the arrows) clearly.

Question 3: Personnel

A restaurant is open seven days (p = 1, 2, ..., 7) a week. The daily personnel requirement (PRP) recurs in a weekly rhythm which is shown below:

p	Mon	Tue	Wed	Thu	Fri	Sat	Sun
PRP	4	7	3	5	6	2	6

Your task is to find a roster which covers the daily personnel requirements in compliance with the restriction that each employee works 5 consecutive days and has 2 days in a row off. Use the First Period Principle to solve this problem!

Question 4: Production and Cost

Describe the phases of both a product and a process life cycle and discuss how these life cycles can be interconnected.

Question 5: Incorporation and Taxation

What are the major advantages and disadvantages of a limited partnership in comparison to a company with limited liability? Explain in brief phrases.

Question 6: Operational Financial Plan

A firm had the following accounts receivable at the end of year 2003:

From 3 rd quarter 2003:	\$ 2050
from 2 nd quarter 2003:	\$ 1000
from 1 st quarter 2003:	\$ 500

\$ sales in the current 4th quarter of year 2003: \$ 4000.

The expected payment pattern is as follows:

50% of sales are paid in the same quarter, 60% of 1 quarter old accounts receivable and 80% of two quarters old receivables use to be paid during any quarter. The rest is never paid.

- a) Determine cash inflow from sales in the 4th quarter.
- b) Determine the amount of each age class of receivables that is expected to be paid.
- c) The sum of these amounts enters the balance sheet per end 2003. The rest has to be written off as bad debt. How much of the receivables has to be written off?

Good Luck!