

MGT601-SMEs Mangement Lecture Wise Questions and Answers

For Final Term Exam Preparation by Virtualians Social Network

Lecture No. 23

Topic : Types of Collaterals /guarantees /assets and pledge techniques for security

Collateral Security.

Collateral Security is a form of secondary protection sometimes required by a bank and intended to guarantee a borrower's performance on a debt obligation. The primary security on a substantial business loan is typically the thing that is being financed, such as a factory, company car or shipment, but secondary or collateral security might also be requested by a bank to help assure that the loan will be repaid.

Characteristics of A+ insurance company.

A+ is a rating scale which represents insurance company is secure and superior in the financial strength and issuing of credit ratings of other insurance companies. The characteristics of A+ insurance company are financial strength and issuing of credit in which companies are superior, secure very strong. The examples of a+ insurance company are Companion Life Insurance Co. - Affiliate of Mutual of Omaha (only available to residents of NYS), First MetLife Inv. IC - Affiliate of MetLife Investors (only available to residents of NYS), North American Co. for Life and Health (NACOLAH) - Affiliate of Sammons Financial etc. You can also visit the following link where insurance companies' ratings are available.

Is that right that the initial equity capital is used to start a new venture or business?

Yes, it is right that the initial equity capital is used to start a new venture or business. Equity capital is invested money that, in contrast of debt capital, is not repaid to the investors in the normal course of business.

Explain me a borrower give refrence Only for lender's satisfaction or for verification of assets that borrower present.

Yes, lender or bank officials ask from referee for verification and also for satisfaction of assets.

Defferntiate b/w franchise, enterprise, Branch and firm with example..

Franchise is a business method that involves licensing of trademarks and methods of doing business. A franchise is privately owned. A fee is paid for the "franchise" and usually all supplies are purchased from the original franchiser. You could buy and own a franchise, such as pizza, chicken, or burgers. It's your business that you are successful or not. Such as: McDonalds, KFC, etc. Branch is part of the original organization. Such as banks (HBL, ABL etc) and these are branches and part of the original bank Enterprise is an organization/company engaged in the trade of goods, services provide customers. In an enterprise owners can be one, two or more. Enterprises 100% owned by owners and their self they are responsible for profit or loss.

Lecture No. 24

Topic : Aspects of Financial Management-I

Explain Aspects of Financial Management:

- i) Winning the Cash Flow War.
- ii) Understanding the Nature of Profit.
- iii) Breaking Even.
- iv) Working Capital Management.

Differentiate between Business Plan and Feasibility Study.

Between business plan and feasibility study **Business plan** is a written and orderly description of the plans and decisions of a business entity and covering all important aspects of the enterprise. **Feasibility study** aims to objectively and rationally uncover the strengths and weaknesses of the existing business, opportunities and threats as presented by the environment, the resources required to carry through, and ultimately the prospects for success. Or **feasibility study** is an analytical tool that is used to determine if a particular business concept is viable and is heavily weighted towards market research and analysis. A feasibility study is not a business plan. The **business plan** provides a planning function that outlines the actions needed to take the proposal from "idea" to "reality." The **feasibility study** outlines and analyzes several alternatives or methods of achieving business success. So the **feasibility study** helps to narrow the scope of the project to identify the best business model. The **business plan** deals with only one alternative or model. The **feasibility study** must narrow the scope of the project to identify and define two or three scenarios or alternatives. The consultant conducting the feasibility study may work with the group to identify the "best" alternative for their situation. This becomes the basis of the business plan. In second question you have pointed out business plan and feasibility study

use simultaneously or individually and in third one where business plan and feasibility study use. I have defined your both questions in an answer, the **feasibility studies** are conducted before the business plan. A **business plan** is prepared only after the business venture has been deemed to be feasible. If a proposed business venture is considered to be feasible, then a business plan constructed that provides a “roadmap” of how the business will be created and developed. The business plan provides the “blueprint” for project implementation. If the venture is believed not to be feasible, efforts may be made to correct its deficiencies, other alternatives may be explored, or the idea is dropped.

Explain what is mean by blue chip.

Blue-chip (other name of Blue-chip is **stock market**) is stock or capital stock (represents the original capital paid into or invested in the business by its founders. It serves as a security for the creditors of a business since it cannot be withdrawn to the detriment of the creditors. Stock is different from the property and the assets of a business which may fluctuate in quantity and value) in a corporation/company/firm with a national reputation for quality, reliability and the ability to operate profitably in good times and bad.

Formula:

Stock used over a period = Opening stock + purchases – Ending Stock.

Breakeven Point formula.

Fixed Costs = Selling Price–Unit Variable Cost
Breakeven Point = Fixed Costs / (Selling Price–Unit Variable Cost)
Breakeven Point = 10,000 / (5-3)
= 5,000 units.

Breakeven Profit Point Formula = Fixed costs + Profit Objective / Selling Price Unit variable Cost

Lecture No. 25

Topic : Aspects of Financial Management-II

Working capital.

Working capital is the cash or amount of funds which is available for day to day operations of a business/organisation. For example; net income, raw material, funds provided by owners are sources of working capital. Working capital is also called circulating capital and equals to working assets.

Define Net Working Capital.

It represents excess of current assets over current liabilities. Current assets include cash, debtors, stock, and bills receivable, Current liabilities include bills payable, accounts payable, expenses payable. It indicates the liquidity position of an enterprise i.e. the soundness or otherwise of the current financial position. The ratio of 2:1 between current assets and current liabilities is considered sound. The concept of net working capital is quantitative concept indicating firm's capacity to meet operating expenses and current liabilities. Net working capital is increased only when there is an increase in current assets without corresponding increase in current liabilities.

Net Working Capital = Current assets – Current liabilities.

Explain Gross Working Capital.

It represents total value of current assets. In other words, it is the sum total of net working capital and current liabilities. It is a quantities concept showing the total amount available for financing the current assets. It cannot reveal the true position of the company. For instance, every increase in borrowings will increase the gross working capital but net working capital will remain the same.

Different Senses of “Working Capital”

The term working capital is usually used in two different senses namely.

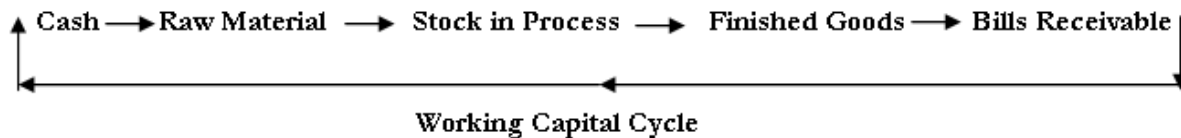
- 1) Gross Working Capital
- 2) Net Working Capital

Total working capital is composed of two parts.

- 1) Regular Capital
- 2) Variable Capital

Regular Working capital is required for permanent investment in any business for holding certain minimum quantity of raw material, finished product or cash. Such investment is irreducible minimum and remains permanently sunk into business.

The remaining portion of working capital is variable. The variable portion first gets tied up into raw materials which are then converted into finished goods. On the sale of goods it gets converted into account receivables or cash and circle is then completed. It is depicted in following figure.



Lecture No. 26

Topic : Recruitment, Selection and Training in SMEs-I

Defining Job Requirement.

The pre-requisite to efficient selection is the systematic defining of requirements of each task. The identification process has three phases;

- Conducting job analysis,
- Developing job descriptions, and
- Preparing job specifications.

Define job Description.

It consists of a written statement of the major and minor duties involved in each task along with a description of responsibilities, work conditions and task requirements e.g. hazards, time involvement etc.

The job description, therefore, focuses on what, why, when and how tasks are to be performed.

Explain Job Specification.

It describes the salient features of the person expected to fit in the job. It enumerates qualities, knowledge, skills and abilities an individual should possess to perform satisfactorily along with

such other characteristics as planning, leadership and decision-making abilities, experience, education etc. It provides a standard against which to measure how well an applicant matches the job.

Lecture No. 27

Topic : Recruitment, Selection and Training in SMEs-II

What is Application Blank.

It contains a written record of candidates qualifications, name, experience, references etc. from a perusal of the record, a broad idea can be formed about the applicant's potential.

Define Personal Interview.

The purpose of this interview is to ascertain technical competence of the candidate and his capacity to meet the requirements of the position. The fundamental mistakes committed in interviewing are;

- 1) Not spending enough time analyzing the requirements of the job to be filled.
- 2) Failing to ask right questions to test strengths and weaknesses of the candidate,
- 3) Relying too much on gut reaction instead of making an objective analysis.

Explain Checking References.

References listed by the applicant should be cross – checked through telephone and preferably through a written letter.

What are Employment Tests.

Though not a sole criterion of selection, these tests are making the employee selection more efficient. These are;-

- 1) Aptitude test to measure mechanical, electrical, manual dexterity and other potential talent.
- 2) Achievement test to measure performance (skill proficiency)
- 3) Intelligence test to measure general mental abilities e.g. verbal ability, reasoning, comprehension etc.

4) Personality test to select managers.

Explain Wage and Salary Administration .

Principal object of a compensation plan is to motivate employees to achieve higher levels of performance. Following are the elements of wage and salary administration.

1. Wage & Salary Level.
2. Wage & Salary Structure.
3. Individual Wage Determination.
4. Method of Payment.
5. Individual Compensation or fringe benefits.
6. Management Control.

Lecture No. 28

Topic : Recruitment, Selection and Training in SMEs-I

Explain Objectives of Training.

1. To improve job performance.
2. To develop employees for new responsibilities.
3. To prepare employees for promotion.
4. To reduce accidents and wastage.
5. To instruct in the operation of new equipment.
6. To ensure management succession.

Before initiating a training Programme, the owner/manager should ascertain as to what training would induct change. Change herein implies the attainment of improved ability. The change should benefit both individual and organization. The change should occur in the following five areas:-

1.Knowledge.

It refers to the storage of information by an individual for use in problem-solving and decisionmaking.

Greater the amount of knowledge, better equipped shall be a person to accomplish a job.

2. Attitude.

It is a state of mind which creates an urge to work for personal and organizational growth.

3. Ability.

It is the proficiency in performance of a given task.

4. Job Performance.

It measures how well the individual meets the requirements of a position.

5. Operational Results.

These indicate how well the organization has been able to achieve its objectives and goals.

What Conditions Facilitating Training and Development in Small Company?

1. Existence of a board that insist on management succession program and its follow up.
2. Steady growth of company which stimulates the need to prepare staff for foreseeable change.
3. Recognition of need for training by the entrepreneur who devotes his time and energy towards it.
4. Freedom given by entrepreneur to young executive to new experiment with new ideas and accept risk connected with it.
5. Degree of delegation of responsibilities.

What Evaluating Training Needs in Small Business?

The evaluation of training needs in a small business can be done by asking the following.

1. What are the objectives of training?
2. What do employees need to learn?
3. How much will the program cost?
4. What will be the method of instruction?
5. What kind of physical facilities would be needed?
6. What shall be the duration of training?
7. Who will conduct training?
8. How will effectiveness of program be measured?

Lecture No. 29

Topic: LEARNING IN AN ORGANIZATION

What are the limitations of Performance Appraisal ?

1. Limitation of Job Description
2. Inadequacy of Appraisal and Problem of Reliability
3. Impediments in Communication
4. Failure to Motivate

Define Indirect Techniques to Measure the Morale !!

One such technique is "survey" in it employees are asked to check how they feel in a particular factors in a company. Another method of collecting morale data is "descriptive" survey wherein employees are asked to provide descriptive answer to question.

- 1) Indicators of employee morale:
- 2) High employee turnover ratio.
- 3) Higher number of accidents.
- 4) Lower productivity.
- 5) Increased number of defective output.

Define Performance Appraisal.

It is a form of counseling and coaching. It is used for detecting and correcting errors. It is the process by which owner gathers information about each employee's performance, effectiveness and communicates the same to employee. It includes

- a Establishment of Standards.
- b Recording of Performance.
- c Reviewing of Performance in accordance with Standards.
- d Taking Corrective Action.

Explain Purpose of Performance Appraisal.

- a To evaluate performance over a specific time.
- b To motivate employees through performance feedback.
- c To evaluate individual employee's potential for growth and development.
- d To collect information for decision making.
- e To evaluate effectiveness of training program.

Explain Types of Discipline.

Progressive Discipline.

It consists of minimum disciplinary action for first offence. The degree of punishment increases for subsequent violations. It may be in the form of oral warning, reprimand, written warning stating consequences of future violation, disciplinary lay off, demotion, discharge etc. It should have following ingredients:

- a) A forewarning
- b) Immediate action
- c) Consistent
- d) Impersonal administration

Positive Discipline.

1) It is the most effective type of discipline since it corrects and strengthens an individual.

Guidelines in this behalf are:

- 2) Disciplining should be done in private and never in front of fellow employees.
- 3) Concentrate on mistakes than on individual.
- 4) Listen to the employees so as to get complete facts and clarify misunderstanding.
- 5) Explain not only that something is being done incorrectly but also on as to why employee should be doing it the other way.
- 6) There must be no favorites and privileged.
- 7) Provide for appeal against decision considered unfair.

Lecture No. 30

Topic: QUALITY CONTROL – I

What is Quality?

Quality is Conformance to Given Requirement or Specifications on a Product or Service. The term quality by itself does not necessarily mean high quality. It means uniformity, consistency and conformity to what user wants.

Define aspects of Quality.

Two Aspects of Quality:

- i) Design Quality
- ii) Manufactured Quality

Design Quality.

Design Quality Covers (materials, form, appearance, functions)

When Reference is made to “high cost of quality” such Reference is Almost Associated with Design Quality.

Manufactured Quality.

Manufacturing is the transformation of raw materials into finished goods for sale, or intermediate processes involving the production or finishing of semi-manufactures. It is a large branch of industry and of secondary production. Some industries, like semiconductor and steel manufacturers use the term fabrication.

*After Designing Product has been placed to Manufacture. Defects in Material, Parts, and Subassemblies May Arise.

*Poor Quality is the Result of Poorly Controlled Manufacturing Process.

What is Quality Control?

In engineering and manufacturing, quality control or quality engineering is a set of measures taken to ensure that defective products or services are not produced, and that the design meets performance requirements.

Quality Control Principles and Methods have been developed and have Proved Effective in Bringing about Cost Reduction & Improved Quality.

What are Two Important Aspects of Quality Control ?

Important Aspects of Quality Control
Control of Quality.
Improvement in Quality.

Is there any registration required for small business (10 employees) under law?

Different countries and various institutes have categorized small business definition into different groups. So, there isn't any registration or restriction required for small business (10 employees) under any law. But for standardized format a general definition of small business has

been defined “a business runs with 10 or more than 10 employees which fall under the category of small business”.

Define and differentiate formal group and informal group?

Difference between the formal and informal group. A group consist of two or more individuals who have come together to form an interactive and interdependent relationship to achieve a particular group objective. Such groups may be formed as per the formal requirements of organizations such as businesses or other institutions. Such groups are defined by organizations structure and often characterized by designated role in the group work and nature of relationships between the group members. Such groups are called **formal groups**.

In contrast, **informal groups** are the groups that are neither formed in response to any organizational requirement nor have a formally defined structure of relationship between the group members. When an informal group adopts a formally defined structure and group processes, it no longer remains an informal group.

Lecture No. 31

Topic: QUALITY CONTROL – II

Define Five Documents of ISO 9000.

ISO 9000 actually consists of five documents;

1. ISO 9000
2. ISO 9001
3. ISO 9002
4. ISO 9003
5. ISO 9004

1.ISO 9000:

ISO 9000 is an overview Document, Which Provide Guideline for use and selection of other standards.

2. ISO 9001:

ISO 9001 is a Standard that focuses on various aspects of design, produce, install and service products. It also includes management responsibility, quality System, purchasing, product design, and inspection, training & Corrective action.

3. ISO 9002 :

ISO 9002 covers same area as 9001 for companies that produce to customer's design or have their design and service activities.

4. ISO 9003:

ISO 9003 is most limited in scope and addresses only production process.

5. ISO 9004:

ISO 9004 contains Guidelines interpreting other standard.

Explain Quality Control Programs in Developing Countries.

- Establish Strong National Leadership & Q.C Society.
- Create Govt. & Commercial Compulsion for Reasonable levels of Quality.
- Establish a Media For Exchange.
- Establish an Extensive Program for Training.
- National Standardization Efforts.
- Public Awareness.

Define International Quality Standards.

If each country had its own set of standards, companies in selling in international markets would have difficulty in quality documentation standards in the countries where they did business.

Explain Role of Marketing.

Improved marketing is central to a small firm's industrial strategy. Unfortunately, many small firms assume that the only requirement for success is to open and wait for customers. Perhaps, it is due to severe limits on their resources. It is seldom recognized that marketing is a complex process affected by internal external factors. Internal variable includes firm's financial position, management capability personnel resources, products offered. External variable includes general economic conditions, characteristics of population, social and cultural factors, competition, government regulations etc. Small firms success depends on the ability to plan organize staff and control marketing activity in relation to internal and external environment.

Marketing is the performance of business activities that direct the flow of goods and services from the producer to consumer.

Lecture No. 32

Topic: ROLE OF MARKETING IN SME – I

Explain Pinpointing the real customers.

The potential customers must not only be recognized but placed into proper categories as follows:

- i. Users. (who consume the product/service);
- ii. Buyers. (who actually purchase);
- iii. Deciders. (who decided what should be purchased);
- iv. Influencer. (who has some influence on the purchase process);
- v. Informer. (who controls the flow of information to the decision groups)

What is Market segmentation?

It is the grouping of customers into segments so that each segment has similar needs, characteristics and requirements. It helps a firm to relate its products to those requirements of the target group. A small firm may focus on a segment that may not be found attractive by a large firm. Segmentation could be on demographics (i.e. age, sex, religion), geographic, psychographic or social basis. Good segmentation must meet the following criteria

- a) Needs of customs must be both identifiable and measurable.
- b) Firm must have the capacity to develop products that will satisfy the customer's choice in the particular segment.
- c) The segment must be economically worthwhile.

What is Concept of Marketing?

Marketing is the process of integrating and coordinating the following.

Identifying and measuring the needs of customers for the type of products or services that the firm is equipped to provide.

Translating the perceived needs into products or services development.

Developing and activating a plan for availability of product or service available.

Informing perspective customers about availability of the product/service and stimulating their demand at a price that generates satisfactory profits for the firm.

Lecture No. 33

Topic: ROLE OF MARKETING IN SME – II

Define Marketing Functions.

The functions that must be performed in the marketing process are as follows:

1. Buying And Selling :

Exchange process involves buying in anticipation of customer demand and searching for materials that will satisfy those needs. Selling function includes determination of potential customers and using a combination of sales techniques to stimulate demand for those goods or services.

2. Transportation And Storage :

It involves the movement and handling of goods. Not all goods are sold at the same time they are manufactured. Storage is done so that goods are available at the time and place they are needed.

3. Risk-Taking, Standardization And Grading :

Stored goods are subject to several types of risks. They may undergo spoilage, obsolescence, destruction. Consumer preferences may change leaving the business owner with a large quantity of unsold goods. Some of the risks can be shifted through insurance coverage. But the most effective means of dealing with risks is the adoption of good management practices. Standardization and grading enable consumers to make a comparison of the products.

Standardization establishes uniformity of specifications in the matter of color, weight, composition etc. grading is done in the case of products that cannot be produced uniformly e.g. fruit, egg.

Marketing Decision Variables.

1. Marketing Controllable Variable

a) Target Market Segment

Location
Target customers
Timing

b) Products offered

Type of product
Range of product
Design features
Quality

c) Price

Price level
Price variables (discount)
Maintenance

d) Advertisement & Promotion

Advertising level
Advertising media
Sales promotion

e) Distribution. i

Channels
Number of sales outlets
Warehousing facility

Product Life Cycle.

Product Life Cycle is equally helpful in deciding about appropriate marketing strategy to be adopted.

- i) Product Development
- ii) Introduction
- iii) Late Growth

- iv) Maturity
- v) Decline

Define Marketing Mix.

It is the integration of the four elements noted below to service the needs of target market.

- a) Product Mix: Correct combination of product and service. It will cover product depth (i.e. model, size, style, and color) and product breadth (i.e. number of product lines carried).
- b) Promotional Strategy: Promotional Strategy to inform customer about firm, products/.service etc. through personal selling, sales promotion etc.
- c) Physical Distribution: Physical Distribution i.e. the chain of distribution to be adopted. It forms the subject matter of a separate chapter.
- d) Pricing.

What do you mean by taken for granted?

Taken for granted is a phrase mean when someone values someone or something too lightly and assumes that it will always be available whenever required. For example one can say that we are not taking care of our natural resources and taking them for granted.

Lecture No. 34

Topic: ROLE OF MARKETING IN SME – III

Define Product Mix.

It refers to number of products offered by a company. It is not uncommon to find small firms selling multiple products. Product mix is done to optimize profits.

What are Advantages of product mix

1. It enables the firm to serve different segments of the market.
2. It gives steady sales & profits to the firm.
3. The firm can keep all its bases covered.

Explain Demerits of Product Mix.

1. It makes greater demand on firm's resources in the form of increased investment in production facilities and inventory.

2. Marketing Problems:

The firm should weigh the pros and cons of a wider versus narrow product mix. The ultimate decision would rest on such considerations as the available resources, existing and future market opportunities and strategies of competitors. Phillips kotler has suggested the following indicators of firm's sub optional product mix:

1. Disproportionately high percentage of total profits from a few products;
2. Insufficient product breadth to exploit sales force;
3. Excessive productive capacity on a chronic or seasonal basis;
4. Steadily declining sales or profits.

What steps are involved in Development of New Product?

Small firms should consider the frequent introduction of new or improved product as part of their market strategy. The procedure for generating new product ideas and implementing them is described below:

1. Making creative Search for new product ideas
2. Scrutiny of ideas for their worthwhile ness
3. Evaluating whether the idea is compatible with firm's objectives
4. Establishing technical and market feasibility
5. Reviewing internal resources and capabilities
6. Product development and product testing
7. Test Marketing
8. Commercial sales

What is Optimize profit?

Optimization of profit means gaining maximum profit by utilizing available opportunities.
Define SMEDA (Marketing Services Division)

Internal support
External support
Marketing support to SME
Packaging support
Advertisement and media support

Define Marketing Facts (A World Bank Survey).

Most small enterprise work for domestic center.
Only 8% work in export sector
4% work for govt. sector
Tough bargaining on price 36%
Credit customer 34%
28% are optimistic to grow in the next 2 years while the real number is 30%

Lecture No. 35

Topic: ROLE OF TECHNOLOGY – I

What is meant by isolation? And why Technology not applied in isolation?

Isolation means separate from others it also means living or acting alone. To get positive results it is essential to consider other factors before applying technology such as level of skills of employees, Finance, place etc.

Technology is in fact not applied in isolation Explain.

Technology is in fact not applied in isolation but as part of the performance of one economic activity or another which contributes to development. In such activity, say industrial development, technology is again applied, not alone, but matching with investment, skills,

resources and other related factors, in other words, the application of industrial technology cannot be divorced from the total context of industrial development. When considering industrial technology, and for that matter any technology a balance has therefore to be struck between considering it is the abstract and treating it as totally indistinguishable from the economic activity itself. To strike such a balance between these two trends, either of which by itself is likely to be misleading. There is a close interrelationship between industry & technology in general. Perhaps no other single branch of economic activity influences or gets influenced by technology more than industry.

Define The Development & Transfer of Technology.

The Development & Transfer of Technology has several aspects – policy aspects, institutional aspects, enterprise level considerations, skills, training, investment, feasibility studies etc. Sometime activities relating to the development and transfer of technology can be carried out as distinct and separate activities e.g. assisting in the establishment of a research institute or a national office for transfer of technology.

Define Publications in this lecture.

Publication on ways and means to promote technological and industrial co-operation among developed and developing countries, identification of projects that can be implemented with the technical resources of those countries. The intensification of courses on technological and industrial management, including industrial technological information in accordance with needs of each country.

Lecture No. 36

Topic: ROLE OF TECHNOLOGY – I

What is the Role of ICT?

ICT means information and communication technology. ICT plays a vital role in small and medium enterprises.

Define Industrial & Technological Information Bank.

Since in its design and operation the industrial and technological information bank will rely heavily on its effective links with the suppliers and users of technological information, its

operation could well mark the beginning of a new phase of international co-operation in the exchange of technological information. This will be particularly so, since the INTIB is not expected to physically store all available technological information.

Question is from multiplexing the signal using DS service .i understand the whole procedure but i cant understad how "overhead" bits are added .

i.e.DS-1 is 1.544 Mbps services= $24 \times 64\text{Kbps} + 8\text{Kbps}$

DS-2 is 6.312Mbps services= $96 \times 64\text{Kbps} + 168\text{Kbps}$

DS-2 is 44.376Mbps services= $672 \times 64\text{Kbps} + 1.368\text{Mbps}$

How way 8Kbps,168Kbps,1.368Mbps are added??

Overhead refers to data about data that includes control information (timing and synchronization bits, information regarding Guards Bands to separate channels etc). The amount of overhead depends upon the rate, number of channels according to the service.

So, overhead is added according to situation / environment of the service.

What is meaning of TX?

Typically, Tx is used to refer Twisted Pair Cable that is a mostly used transmission medium but in your course handouts, at some points Tx has been used to refer “transmission” only.

If we are sending data at 1Kbps, a noise of 1/100 seconds can affect 10 bits.

If we are sending data at 1Mbps, the same noise can affect 10,000 bits.

How these are calculated? explain their calculation steps.

To find the total number of affected bits by noise, you need to multiply the total bits with the duration of noise as follow:

As we have 1 Kbps which is equal to 1000 bits per second

To calculate the number of affected bits we need to multiply it with 1/100

Total number of affected bits = $1000 \times 1/100 = 10$ bits.

**24 voice channels are in DS1, and 96 channels are in DS2
if 50 channels are there, does it will be DS2? also, tell me, DS2 having 96 channels has
overhead 168Kbps, DS2 having 50 channels have same overhead of 168Kbps?**

Firstly this question is related to your assignment, so, you need to solve it at your own end by proper research.

Secondly, the amount of overhead depends upon the rate, number of channels according to the service. It is added according to situation / environment.

But if your question is regarding assignment then there is no need to include any overhead. You are required to select the T or E line on the basis of calculated data rate with optimal usage.

Explain about overhead. is it same for DS1 having 24 channels and DS1 having 25 channels?

Calculate it for DS2, DS3 and DS4

Overhead refers to data about data that includes control information (timing and synchronization bits, information regarding Guards Bands to separate channels etc). The amount of overhead depends upon the rate and number of channels according to the service.

So, it according to situation / environment.

But if your question is regarding assignment then there is no need to include any overhead. You are required to select the T or E line on the basis of calculated data rate with optimal usage.

Lecture No. 37

Topic: EXPORT POTENTIAL OF SME IN DEVELOPING COUNTRIES

Explain WTO, describe its formation and why feel need of it existence in the world.

WTO is the abbreviation of The World Trade Organization and the organization officially commenced on January 1, 1995 and headquarters in GENEVA, Switzerland and under the Marrakech Agreement, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948 and currently, 157 countries are members of this organization. WTO is an organization that intends to supervise and liberalize international trade and deals with regulation of trade between participating countries; it provides a framework for negotiating and formalizing trade agreements, and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements which are signed by representatives of member governments and ratified by their parliaments.

Explain relationship b/w WTO and Pakistan in past and currently.

Pakistan is the founding member of GATT, the predecessor of WTO, accepted all the Uruguay Round agreements and is in the process of implementing them. It is modifying its domestic legal and administrative rules so as to make them consistent with WTO rules. Under these agreements Pakistan has to open up its market for full blown foreign competition, must have stringent enforcement of Intellectual property laws and maintain international quality standards. Pakistan has done well by undertaking liberalization measures relating to communication and financial sectors under General Agreement on Trade in Services (GATS). As a member of the WTO, Pakistan is committed to fulfilling Trade Related aspects of Intellectual Property Rights (TRIPs) obligations. Copyrights piracy is considered very high, affecting imported computer software, videos, films and textile designs.

Differentiate b/w copyright, trademark, patent, brand, commerce, and trade with suitable example.

Copyright is the ownership of an intellectual property within the limits prescribed by a nation's or international law. Copyright is provided automatically to the author of any original work covered by the law as soon as the work is created. The author does not have to formally register the work, although registration makes the copyright more visible. The example, the copyright law provides that the owner of a property has the exclusive right to print, distribute, and copy the work, and permission must be obtained by anyone else to use again the work in these ways. Trademark is a distinctive word, phrase, symbol, or design that identifies a product and is legally owned by its manufacturer or inventor. Trade Marks Registry (TMR) is premier body of Intellectual Property Organization working for the registration of trade and services marks under the Trade Marks Ordinance. A patent for an invention is grant of exclusive rights to make, use and sell the invention for a limited period of 20 years. The patent grant excludes others from making, using, or selling the invention. Patent protection does not start until the actual grant of a

patent. Brand is a "Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. Commerce means the whole system of an economy that constitutes an environment for business. The system includes legal, economic, political, social, cultural, and technological systems that are in operation in any country. Thus, commerce is a system or an environment that affects the business prospects of an economy or a nation-state. Trade is the transfer of ownership of goods and services from one person or country to another. Such as; trade of mangoes between India and Pakistan.

Definition and Role in Economy.

The small and medium-sized sector is a varied one and plays a predominant role in the economies of most developing countries. It comprises factories, workshops, traders and other service facilities. It ranges from the most modern and up-to-date to the simple and traditional, from independent enterprises to ancillaries and subcontractors, and from units mainly catering to the domestic market to exporters.

Small and medium-sized enterprises (SMEs) are a key component in economic life, not only because of their number and variety but because of their involvement in every aspect of the economy, their contribution to regional development, the complementary role they play in support of the large sector, and their role as proving ground for innovations and adaptations. They can be seen as a kind of breeding ground, a source of constant renewal of industry and commerce, and a wellspring of competition and dynamism.

Lecture No. 38

Topic: EXPORT POTENTIAL OF SME IN DEVELOPING COUNTRIES

What are the types of collateral ?

Collateral refers to assets that you are willing to put up to secure credit, such as a small business loan. Your house (if you own it outright), your car, property, or equipment are all examples of tangible assets that you may be able to use as collateral. Loans that use tangible assets as collateral are called secured loans (as opposed to unsecured loans). The advantage of secured loans is that they often have lower interest rates than unsecured loans.

Define the terms undertaker Placement company underwriter.

Underwriting refers to the process that a financial service/company provider (bank, insurer) uses to assess the eligibility of a customer to receive their products (equity capital, insurance, or credit).

Purpose of initiating a training program ?

Initial Training commonly known as Basic Training. It is the initial indoctrination and instruction given to new employees, personnel, enlisted and officers. Officer trainees undergo more detailed programs, which may either precede or follow the common training, taking place either in training academy, training institute or within organization.

Define and differentiate two term Aptitude Test intelligence Test.

Aptitude Test A standardized test designed to measure the ability of a person to develop skills or acquire knowledge. Such as (Business/HR Terms) a test designed to assess a person's ability to do a particular type of work.

Intelligence Test is a standardized test used to establish an intelligence level rating by measuring a subject's ability to form concepts, solve problems, acquire information, reason, and perform other intellectual operations. Intelligence test is also based (Psychology) any of a number of tests designed to measure a person's mental skills.

Lecture No. 39

Topic: WORLD TRADE ORGANIZATION (WTO)

What are WTO Agreements: Salient Features

1. Trade in Services
2. Agreement on Textile and Clothing
3. Agreement on Subsidies and Countervailing Measures
4. Agreement on Anti-dumping
5. Agreement on Safeguards
6. TRIMs Agreement
7. The Agreement on Custom Valuation
8. The TBT & SPS Agreements
9. Agreement on TRIPs
10. General Agreement on Trade in Services
11. The Dispute Settlement Mechanism
12. Trade Policy Review Body

Lecture No. 40

Topic: WTO MINISTERIAL CONFERENCES

What is MFA and what does it mean by its phasing out in 10 years.

Under Textile and Clothing Agreement MFA to be phased out in 10 years and it is supposed to be completed in 2005.

Up to the end of the Uruguay Round, textile and clothing quotas were negotiated bilaterally and governed by the rules of the Multifibre Arrangement (MFA) from 1974 through 2004. Phased out in 10 years means that it will be discontinued in 10 years. The act of discontinuation is planned. Can we say that Tariff is the duties applied by Government on Goods imported and the duties are applied as percentage on invoice value of goods.

The words *duty* and *tariff* both refer to taxes due to the government on imported goods.

“How much duty did you have to pay?”

“The minister spoke about the economic effect of tariffs.”

As these examples show, when we talk about the **system** of government-imposed duties or the list of such duties, the word *tariff* is more appropriate, but we use *duty* or *customs duty* when we mention specific amounts.

Are there conferences held after 2001 at Doha, when and where?

Yes, Ministerial Conferences were held after the Doha conference in Cancun, Mexico and Hong Kong in the years 2003 and 2005 respectively.

Can we say that Geneva was held in 1998 and Seattle in 2000 as they have to be held at least once every two years.

The conference in Geneva was held in the year 1998 and in Seattle in 1999.

Is GATT completely replaced by WTO or does GATT still exist in some form with some rules and regulations.

The General Agreement on Tariffs and Trade or GATT was created in 1947 and provides the basis for most multilateral trade negotiations for reducing trade barriers. It is an agreement while

World Trade Organization (WTO) established in 1995 is an organization It completely replaces GATT and has a very different character. The major difference between the two is The GATT had no status whereas the WTO has a legal status.

Lecture No. 41

Topic: WORLD TRADE ORGANIZATION (WTO) PAKISTAN & WTO

What are the basic physical infrastructure in sme?

Physical infrastructure refers to any physical means of production or operation which can be found either directly in nature. It may include tools, clothing, dam, roads or any physical improvement made to nature. So infrastructure has been seen as the basic requirement for business establishment and survival. However, in Pakistan the cost of acquiring infrastructure is significantly enormous for SMEs to bear.

What is Cost-volume Relationship in feasibility study?

Cost volume profit analysis expands the use of information provided by breakeven analysis and it illustrates the relationship among the activity volume, total revenue, total costs and profits. While project feasibility studies use cost volume profit relationship as a preliminary analysis for exploring the potential profit based on cost strategies and pricing decisions.

What are the examples of small business?

Businesses which require small investments and capital are called small scale businesses. For example it can be a garment business, pharmaceutical, bakery, automobile and transport etc.

What is most suitable basis to define SMEs in Pakistan ?

According to State bank of Pakistan small and medium enterprise means an entity, not a public limited company which has less than 250 employees (for manufacturing concern) and 50 employees (for trading/service concern). Unfortunately, the small and medium entrepreneurs in Pakistan are facing number of problems like lack of a sound collateral & bankable business plan, energy crises, high inflation rate, weak marketing links, etc.

Lecture No. 42

Topic: WORLD TRADE ORGANIZATION (WTO) PAKISTAN & WTO

Pakistan is not fully availing of investment subsidies generally available to agriculture and other input subsidies admissible under AOA besides provision on S&DO treatment permit developing

What does AOA stands for and also tell what S&DO stands for.

AoA stands for Agreement on Agriculture is an international treaty of the World Trade Organization. It was negotiated during the Uruguay Round of the General Agreement on Tariffs and Trade, and entered into force with the establishment of the WTO on January 1, 1995. S&DO stands for special and differential treatment (S&D, SDT) Special treatment given to developing countries in WTO agreements. It can include longer periods to phase in obligations, more lenient obligations, etc.

What does ITP stands for?

ITP stands for Import Trade Price. The import prices are created by compiling the prices of goods purchased in country but produced out of country (imports).

Lecture No. 43

Topic: WORLD TRADE ORGANIZATION (WTO) PAKISTAN & WTO

Pakistan in collaboration with other LDCs needs to stress for further progress on the issue of movement of Natural Persons, which is an unfinished agenda of gates."

What LDC stands for?

LDC stands for Least Developed Country

What do we mean by Natural Persons?

Natural person is living human being, apart from legal people, which is a group of people acting in a unified, often commercial enterprise but are considered by law to be acting as a single fictional or virtual individual. Legal persons are also known by the terms artificial and juristic persons.

How is it described in GATS agenda?

Natural person means human beings and it is written in GAT as natural persons can't freely move like capital.

Whether PNAC is accredited by any International Accreditation Agency.

Has PNAC accredited any local intitution or laboratory so far for certification based on International Standards.

Pakistan National Accreditation Council (PNAC) has achieved a milestone of Mutual Recognition Arrangements (MRAs) with International Laboratory Accreditation Cooperation (ILAC) and Asia Pacific Laboratory Accreditation Cooperation (APLAC). Now Pakistan is included in the list of countries having equivalence status for accreditation of testing and calibration laboratories all over the world.

The Conformity Assessment Body (CAB) working in accordance with the relevant ISO guides/standards and accredited by PNAC is authorized to issue certificates in the applicable disciplines using PNAC's logo.

Textile caters for 67% of our total export and vision 2005 focusses on adding value to our products to be internationally competitive but the apprehension on phasing out of MFA is that it will start another era of **Non Tariff Barriers.**

Non Tariff Barriers examples:

1. Quality standards
2. Restriction of using raw material of a particular origin
3. Child labor allegations
4. Environmental violations
5. Anti-dumping measures and countervailing duties.
6. Quotas, levies, embargoes, sanctions and other restrictions.

How challenging is achieving ISO 17025 for Paksitan and what is benefits of achieving it and is there any certification achievd so far?

ISO 17025 is the main standard used by testing and calibration laboratories. Originally known as ISO/IEC Guide 25, ISO 17025 was initially issued by the International Organization for Standardization in 1999. There are many commonalities with the ISO 9000 standard, but ISO 17025 adds in the concept of competence to the equation. And it applies directly to those organizations that produce testing and calibration results. Laboratories use ISO 17025 to implement a quality system aimed at improving their ability to consistently produce valid results. It is also the basis for accreditation from an Accreditation Body. Since the standard is about competence, accreditation is simply formal recognition of a demonstration of that competence. A prerequisite for a laboratory to become accredited is to have a documented quality management system. The usual contents of the quality manual follow the outline of the ISO 17025 standard.

Lecture No. 44

Topic: WORLD TRADE ORGANIZATION (WTO) CONCLUSIONS AND RECOMMENDATIONS

What is abbreviation WIPO?

WIPO stands for World Intellectual Property Organisation.

The following abbreviations stand for

SBP: State Bank of Pakistan

MOIP: Ministry of Industries and Production

S&D: Special and Differential

ECO: Economic Cooperation Organization

GNP: Gross National Product

LDC's: Least-Developed Country

PNAC: Pakistan National Accreditation Council

OECD: Organisation for Economic Co-operation and Development

ITP: Import Trade Price

ADB: Asian Development Bank

CBR: Central Board of Revenue

BMR: Below Market Rate

MFA: Multi Fiber Agreement (*textile trade*)

ATC: Agreement on Textiles and Clothing

DSB: Dispute Settlement Body (*World Trade Organization*)

Lecture No. 45

Topic: SUMMARY & CONCLUSIONS

Small & Medium Enterprises Development Authority (SMEDA)

SMEDA is a specialized organization created to formulate Policy to encourage the growth of SMEs in the country. A partnership was inked through an MOU with SMEDA and a dedicated cell was created in FDA with the objective to:

- Identify potential SMEs in FATA.
- Help developed a FATA specific SME lending package.
- Educate potential SME applicants in preparation and furnishing of loan documents.

SMEDA is helping FATA DA in establishing linkages with organizations which are engaged in providing support and training to communities in FATA. SMEDA is also providing assistance in establishing linkages with industries and service organizations for placement of FATA youth through our field internship programme.









