

**PGDM (RM), 2020-22**  
**Mall Management**  
**RM-305**  
**Trimester – III, End-Term Examination: April 2021**

Time allowed: 2 Hrs 30 Min  
Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No on every page of the Answer Sheet. All other instructions on the question paper / notifications should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*10  Or 6*5	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			<b>50</b>

**Section A**

Q1. Compare the mall tenancy between GIP, Noida and DLF Mall of India using the following  
(a) Indian Apparel brands (b) Brands in the food court (c) International brands (d) Anchor tenants  
(CILO1, 4X2.5 marks)

Or

Ansals Plaza Mall, Greater Noida is an example of a mall being out of sync with the current trends. Comment.  
(CILO1, 10 marks)

Q2. What are the financing options available to develop a mall. In what scenario REIT funding option is used?  
(CILO2, 2X5 marks)

Or

### CAM calculation numerical

Maintenance expenses				
Activity	Frequency	Number/s	Cost(Rs)/ unit for the given time period*	Comment
Water supply pump cleaning	Quarterly	4	700	
Storage water tank cleaning	Monthly	3	400	
Transformer maintenance	Half yearly	3	300	
LT panel and bus duct	Annually	10	500	
Maintenance of 1500 KVA DG set				DG set was in operation for 6301 hrs over 12 months
B check	After 300 hrs		5000	
C check	After 1500 hrs		50000	
D check	After 6000 hrs		200000	

Operating expenses				
	Description	No's	Expense(Rs)/ tanker	Direct consumption(KL) through municipality
Water supply	Through tankers	11	700	60
Municipality water charges				
Water monthly consumption(KL)	Service Charge (Rs)	Volumetric charge(Rs) per KL		
0-6	140	16		
6-15	280	23		
15-25	560	30		
25-50	1075	74		
50-100	1200	118		
>100	1300	177		
Sewer maintenance charges are 65% of volumetric water charges				

Category	Fixed charges(Rs)/KVA/month	Energy charges(Rs)/KWH
Non- domestic high tension(NDHT) for supply at 11KV and above ( for load greater than 100KW/108KVA)	130	8.1

The Single Point Delivery Supplier shall charge the NDHT tariff to its LT consumers and in addition shall be entitled to charge an extra up to 5% of the bill amount at NDHT tariff to cover losses and all its expenses

Load for fixed electricity charges	Energy consumption	Total diesel consumption(Rs)/month	
1.2 MVA	1.4 MVAH	130000	1MVA= 1000 KVA 1MVAH=1000KVAH

Description	No's	Salary(Rs)/month
Guards	50	9000
Supervisors	4	18500
Housekeeping staff	30	8000
Housekeeping supervisor	3	15000

Total Mall area = 900000 sq.ft

Calculate maintenance expenses in (Rs/sq.ft/month). What is the payout for an outlet having a super area of 30000 sq.ft in the above mall? (Note: No assumptions need to be made in the question. All information is given in the question itself.) (CILO2, 10 marks)

Q3. Take the example of a mall in NCR and explain all possible sources of revenue.(CILO2, 10 marks)

Or

What is the difference in Regulatory compliances between planning stage and operational life of a mall ? (CILO2, 10 marks)

Section B

## Has the decline set in for the Indian malls?

Malls came to India a decade back and immediately found an intense following. They drew a mad rush of shoppers. In cases like Crossroads, the first modern mall in India, the mall management found it difficult to handle the crowd. So it imposed a condition that only those carrying either a mobile phone or a credit card (both novelties at that time!) would be allowed entry. But as mobile phones and credit cards ceased to be novelties for Indians, same is the case with shopping malls. The year 2008 saw 9.6 million square feet of mall space coming up in India, an 18 per cent increase over the previous year, but the economic slowdown pulled wind out of the sails for malls. Across the country, malls that did not cater to consumer needs are looking deserted as consumers are walking out of them.

Malls that do not stand on sound, fundamental research are fast losing faith of the tenants as well. It is not only the vanilla stores that are walking out. There are instances where the anchor stores have terminated their lease agreements prematurely, leaving the mall nothing more than a skeleton. Such malls are plagued by problems like lack of professional management, multiple floors, high vacancy rates, unviable location and poor commercialization.

These vices are not confined to only a few malls. Many practitioners believe that out of 200 odd malls operating in India at present, only a handful, may be a dozen, are actually successful. There may be a difference of opinion on the absolute number of successful malls, but nobody denies the fact that most of the shopping malls in India are struggling to survive.

During the heydays of mall business, there was a mad race among developers to develop shopping malls. This blind race exposed them to astronomical costs, unviable locations, head-on competition and unreceptive geographies. Consequently, many had to shut shop before they could even take off. Skeletons of unfinished projects are a testimony to this. Others converted them into commercial spaces.

A multitude of reasons are cited for this state of affairs. Malls are a suitable platform to sell luxury brands. Luxury brands leave decent margins with the retailers that justify high investments. But luxury retailing did not take off that fast. On the contrary, Indians have shown a marked preference for value-for-money offers through modern retail. Globally, such malls (discount malls) are situated outside the city, but the Indian consumer wants value-for-money offers at a convenient location and distance. Such locations are available at a premium, but margins are meagre. In a developing economy like India, the major proportion of income is spent on food and grocery items for which unorganized retailers are generally preferred. Preference for local kiranawala is stronger in smaller towns and cities where malls have been developed by some of the more adventurous mall developers.

Many people believe that the current phase is not the decline phase of the mall life-cycle. It is simply market correction that would take supply and pricing to realistic levels. It may also

Q1. Malls in India are set for a decline because of a plethora of reasons. Which are the important reasons for the decline? (CILO 3, 10 marks)

Q2. Success of malls is linked to luxury retailing taking off. Indian consumers want value for money at convenient location and distance. Which of these is the primary reason for decline of Indian malls? (CILO 3, 10 marks)

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