

PGDM-IB (2013-15)

BUSINESS COMMUNICATION I

Sub. Code: IB-108

Trimester – I, End-Term Examination: September 2013

Time allowed: 2 hours 30 minutes

Max Marks: 50

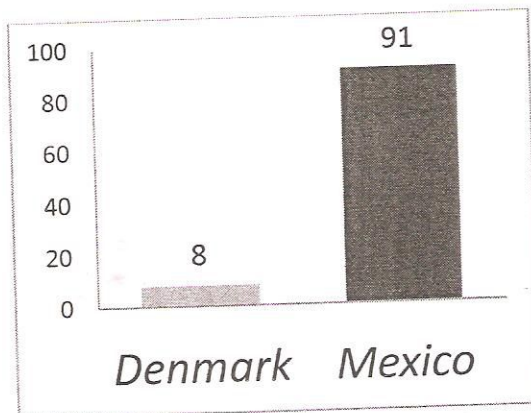
**Instruction:** Students are required to write Roll. No. on every page of the question paper, writing anything except the Roll No. will be treated as **Unfair Means**. In case of rough work please use answer sheet.

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**Section A****(15 Marks)**

Attempt any 3 questions. Each question carries 5 marks.

**A1.** A company from **Denmark** ( low masculinity) is considering investing in **Mexico** (high masculinity). What **Communication tips** would you like to offer to the Danish manager ?



**A2.** What is chromatics in non-verbal communication ?

**A3.** What is cultural intelligence and why do we need cultural intelligence ?

**A4.** Describe what the following body movements suggest when someone exhibits them during a conversation. How do such movements influence your interpretation of spoken words ?

- a) Shifting one's body continuously while seated.
- b) Twirling and playing with one's hair.
- c) Extending a weak handshake.
- d) Rolling one's eyes.
- e) Sitting in a sprawled position.

**A5. Instructions:** Newberry Heating & Cooling is having a one-hour customer service meeting on November 1, 2013 at 9:00 am in the conference room.

Joanne will start the meeting by discussing the meeting ground rules for about five minutes.

Stacy will report on the successes of the customer service team during the last week. She will also ask anyone at the meeting to share their successes. Joanne estimates 15 minutes for this part of the meeting.

Next, Michael will give a presentation to train customer service team members on how to handle difficult customers on the phone. Joanne has allowed 20 minutes for this part of the meeting.

The team as a whole will discuss the presentation for about 10 minutes.

During the last 10 minutes, they will have a guest speaker—Alison Townes, an expert on identity theft, who will talk about how to protect customer information.

- **Prepare the agenda for the meeting**

### Section B

(20 Marks)

Attempt any 2 questions. Each question carries 10 marks.

**B1. Resume** : Read the resume given on the next page and point at least **10 errors or weaknesses** in it. Also **suggest ways** of correcting the errors.

Aaaaa Bbbbbb

aaabcc@gmail.com

Aaaaa Bbbbbb

aaabbbb@gmail.com

**Career Objective:** To work as a Management Trainee in a successful organization.

**Academic Qualifications:**

- Pursuing PGDM(Marketing) from BIMTECH
- Completed B.Tech (CSE) with a CGPA of 7.98.
- Completed 12<sup>th</sup> standard with 68.67%
- Completed 10<sup>th</sup> standard with 81.67%

**Summer Internship Details:**

**Project Title:** A study on the potential of the emerging channel in the biscuit trade in Mumbai for McVitie's a brand of United Biscuits. This project aims to study the potential of a distribution channel which is in the process of being set up by the company to cater to institutions like hospitals, amusement park, corporate houses, colleges and schools.

**Certifications:**

- British English Communication Vantage Level certification.
- Business Analyst and Business Intelligence Certification (Presently doing)

**Key Projects and Training Undertaken:**

- **Video Library Management System** -Prepared using Core JAVA.
- **Infosys Campus Connect**-Training in different software languages.
- Study on the 4 p's of Maruti Suzuki India Ltd as well as a comparative market study.
- Detailed study on the **HRM policies of TCS Limited.**
- **Short term project with Hyundai on CSR.**

**Organizing Skills:**

- I organized Seminar on Artificial intelligence and computing.
- I organized events of Eco Chamber club in BIMTECH.
- I organized various events of Sports Conduit in BIMTECH.

**Computer Efficiency:** MS-Office, SPSS, Java, C,SQL.

**Personal Details:** D.O.B- April 18, 19....

Gender: Male

Category: Open

**Reference:** XYZ, United Biscuits Pvt. Ltd., Area Sales Manager.

*I hereby declare the above information to be true to the best of me knowledge.*

Aaaaa Bbbbbb

**B2. Transactional Analysis:** Identify the probable ego states in each of the instances described. Give reasons to support your answer :

- a) **Manager** to a new recruit: Can you please repeat the instructions that I just gave you ? Have you understood what I am saying ? Is there anything you don't understand ? I want the instructions to be followed exactly as I have dictated.
- b) **A:** Why didn't you tell me earlier that you will not be able to do the work assigned to you ?  
**B:** I told you that this work is difficult for me.  
**A:** See, Bhaskar , you have to do whatever you are told to do.  
**B:** In that case you can go to hell ! You are not my senior in any case.  
**C to A & B :** Why don't we seriously resolve this issue ? Apparently there is some misunderstanding.

**B3. Read the letter given below which has been written by an angry customer. Rewrite and improve the style and tone of the letter.**

Dear Tech Star Computing:

I am writing to you because of my disappointment with my new multimedia PC display. The display pare works all right , but the audio volume knob is set too high and the volume knob does not turn it down. It is driving us crazy. The volume knob doesn't seem to be connected to anything but simply turns around. I can't believe you would put out a product like this without testing it first.

I depend on my computer to run my small business and want to know what you are going to do about it. This reminds me of every time I buy electronic equipment from what seems like any company. Something is always wrong. I thought quality was supposed to be important, but i guess not.

Anyway, I need this fixed right away. Please tell me what you want me to do.

**Section C (Compulsory)**

(15 Marks)

Read the following case and answer the questions that follow.

**ENRON'S INDIAN NEGOTIATION DEBACLE**

In the early 1990s, the US energy giant Enron, decided it needed to diversify by expanding its growth abroad in emerging countries. In June of 1992, Enron engaged in negotiations with the government of India. Enron had identified the state of Maharashtra, the third largest state in India with a population of roughly 79 million, and containing India's commercial capital - Mumbai, to negotiate a major energy project. Maharashtra was then governed by the Congress Party.

Negotiations began with both the state government and with the Maharashtra State Electricity Board (MSEB). Enron's mega project proposal was for the construction of a US\$3 billion, 2015-megawatt power plant. As a great deal of liquefied natural gas would be required to power the plant, Enron decided it would import this gas from a joint venture that Enron had with Qatar which was 1200 miles away. Being the largest project ever undertaken in India, Enron proposed that the project be broken down into 2 phases. Initially, in phase one, they proposed to produce 695 megawatts and would use locally produced natural gas. Phase two would produce 1,320 megawatts and for this they would use the natural gas imported from Qatar. Enron chose the town Dabhol, situated on the Indian Ocean as the project site.

The most important element of the deal was to secure a long term purchaser of electricity to lock in long term debt financing and to generate a sufficient return to investors in the project. In order to realise the project, MSEB, the only potential buyer available, would have to enter into a long term contract with the Dabhol Power Project Company. In less than five days a memorandum of agreement was signed. It was agreed that the Dabhol project would charge no more than 2,40 rupees (7.3 cents US) per kilowatt hour to MSEB.

Three problems immediately emerged:

- I. First, the World Bank, acting as a consultant to the Indian government said that the project would produce an excess capacity of electricity for years and would be too costly in comparison to the more traditional sources of fuel, such as coal, already in use. Enron responded by launching a successful campaign by promoting the positive environmental impact of its project.
- II. The second problem entailed the Enron's projected 26.52 rate of return to its shareholders. India's central government and the government of Maharashtra disagreed and countered with a 20% return as being more reasonable. Ultimately they agreed on 25.22 %.
- III. The third major hurdle was mounting public opposition to the project and concerns raised over the electricity tariff, government official bribery, and about the project not being open to competitive bidding.

Despite this mounting opposition, negotiations continued.

Enron joined with two other US firms, General Electric and Bechtel, each holding 10% as junior partners. In December, of 1993, MSEB signed the power purchase agreement with Enron thereby inaugurating the Dabhol Power Project.

As the project commenced, public opposition to the project swelled as activists and an assortment of differing organizations challenging the legitimacy of the project filed suit against the project in the Indian High Court. As elections loomed in Maharashtra in March of 1995, the opposition parties, the Shiv Sena Party and the Bharatiya Janata Party (BJP) used their opposition to the project as a primary election issue. Focusing on a nationalistic viewpoint they alleged that the proposed electricity tariff was excessive and

would hurt the poor. As a consequence, the Shiv Sena and BJP coalition won the elections and tossed the incumbent government. An investigation was carried out into the overall project in May which subsequently resulted in MSEB cancelling the power purchase agreement with the Dabhol Power Company. At this point in the project, US\$300 million had already been invested and Enron and its partners were facing a daily loss of US\$250,000 each day the project was delayed.

As per the terms of the original agreement, Dabhol and its partners initiated arbitration proceeding against MSEB and the Maharashtra government. The government in turn launched legal action to invalidate the arbitration action alleging that illegal means had been employed to secure the contract. Maharashtra government officials responsible for the investigation also stated firmly they had no wish to consider renegotiation. In the fall of 1995, Enron managed to persuade the government of Maharashtra to reopen negotiations which would take place in the fall. Subsequently, chief Minister Joshi announced that a review panel would carry out a review of the project. The review panel not only began to discuss the restructuring with Enron executives, they also heard the major opponents of the deal. The major issues entailed the electricity tariff, the capital costs of the project, the payment plan and also the environment.

In terms of the renegotiation, MSEB gained a 30% partnership with Enron and its interest reduced from 80% to 50%. The original electricity the plant would produce was actually increased from the initial proposed outage of 2,015 megawatts to 2,410 after the completion of phase 2. Capital cost was reduced from US\$2.85 billion to US\$2.5 billion and the tariff was lowered from 7.03US cents to 6.03US cents subject to the cost of fuel and inflation.

In January of 1996, the Maharashtra Government agreed to the renegotiation the proposal submitted by the review panel. After much internal debate, the Indian government gave their approval and extended their guarantee of Maharashtra's obligations. Enron dropped their arbitration proceedings and Maharashtra dropped its counter suit. Despite these agreements, the project still could not continue because a host of various groups including unions, activists and her public interest groups filed 24 legal actions in the courts in an effort to stop the project. The courts ruled that the project could not proceed until all these suits were heard. Eventually the courts dismissed the last suit in December of 1996. In May of 1999, phase one of the project was corn-Bed and the plant began to operate while Enron sought and obtained financing of US\$1.87 billion for phase 2 which they expected to complete toward the end of 2001. Not long after the phase one of the plant began to operate however, MSEB was no longer able to pay for the electricity it had negotiated. By 2001, MSEB had accumulated a debt of US\$45 million forcing the Dabhol Power Company to close down and file suit against MSEB, the central government and the government of Maharashtra. That same year Enron's collapse was total. After a string of financial setbacks, Enron declared bankruptcy.

*Source: www.negotiatiotis.com. Reprinted with permission of Calum Caburn.*

## Questions

- C1. What were the main concerns of the major stakeholders?
- C2. Why did the negotiations fail to yield any result?
- C3. What was the role of the MSEB and Enron in the entire negotiation?