

Date: 07/10/24

S.Y.B. Com (BBI) Semester - III  
Subject: IT in Banking & Insurance  
Duration: 2.5 hours

Marks: 75 marks

**Instructions for the candidate:**

1. This question paper contains 2 pages
2. Answers to each new question should begin on a fresh page.
3. Figures on the right-hand side indicate full marks.
4. Use of simple calculator is allowed.

**Q1A) Multiple Choice Questions (any 8 out of 10)**

8 marks

1. Which of the following describe e-commerce \_\_\_\_\_.  
a) Doing Business Electronically b) Doing Business offline  
c) sale of goods d) None of above
2. \_\_\_\_\_ is simply refers to the merging of different types of mass media such as Traditional Media, Print Media, Broadcast Media, New Media and Internet media.  
a) Firewall b) Business to Customer  
c) E-Commerce d) Media Convergence
3. HTTP Stands for \_\_\_\_\_.  
a) Hypertext Markup Language b) Hypertext Middle Language  
c) Hyperlink Markup Language d) None of above
4. \_\_\_\_\_ short key used to copy text/value.  
a) Ctrl + P b) Ctrl + A  
c) Ctrl + C d) Ctrl + D
5. \_\_\_\_\_ is a computer network made up of thousands of networks sharing resources worldwide.  
a) Intranet b) Internet  
c) Extranet d) VPN
6. \_\_\_\_\_ supplies networking capability to a group to computers in close proximity.  
a) PAN b) LAN c) WAN d) VPN
7. \_\_\_\_\_ is customization toolbar that contains commands that you want to use.  
a) PMT b) Open  
c) Quick Access Toolbar d) None of above
8. \_\_\_\_\_ provide customers access to general information about the Bank and its products or services.  
a) E-Commerce b) Informational Website  
c) Transactional Website d) EPS
9. \_\_\_\_\_ function can be used when you want to add the values in a range if the specific criteria is meet.  
a) Sum b) Add  
c) Sumif d) Max
10. \_\_\_\_\_ at first glance will appear to be useful software but will actually do damage once installed or run on your computer.  
a) Virus b) Worm  
c) Linux d) Trojan Horse

- Q1B) True or False(any 7 out of 10)** **7 marks**
1. Getting a series of number automatically is call AUTOSUM.
  2. E- Commerce permits customers, consumers, and companies to form relationship that would not be possible without technology.
  3. Amazon is an example of G to G site.
  4. EDI stands for Electronic Disk interchange.
  5. E-Banking is supporting to e-commerce.
  6. Star topology is the central node and all other noes are connected to the central node as client.
  7. SMS banking and Mobile baking is part of E-banking.
  - 8.. Getting the total of values automatically is called as Auto Sum.
  9. Ctrl + X is use to Save file.
  10. Digital Signature is Like Electronic Signature.

- Q2 A What is E-Commerce? Advantages of E-commerce? 8 Marks  
 Q2 B Explain Network Access Equipment's? 7 Marks

**OR**

- Q2 P What is LAN, WAN? Advantages and disadvantages? 8 Marks  
 Q2 Q What is Communication software? Example of Communication Software? 7 Marks

- Q3 A What is E-banking? Explain Advantages and Limitation of E-banking? 8 Marks  
 Q3 B What is legal framework of E-banking? 7 Marks

**OR**

- Q3P What is EPS? Explain Smart Card and UPI in brief? 8 Marks  
 Q3 Q Explain E-banking? Explain E-Banking support Services? 7 Marks

- Q4 A Explain the Mail merge? Steps to create mail merge? 8 Marks  
 Q4 B Explain the importance of formatting techniques in MS Word and Provide examples of key formatting techniques? 7 Marks

**OR**

- Q4P Explain Page orientation, Title page, Page border, Format painter. 8 Marks  
 Q4 Q What is Network? Explain Various Networking devices? 7 Marks

- Q5 A Explain various categories of cyber-crimes. 8 Marks  
 Q5 B What is Cryptography? Four Objectives of Cryptography? 7 Marks

**OR**

- Q5 Write Short Notes On ( any 3)** **15 Marks**
- 1 Risk Management
  - 2 Firewall
  - 3 Trojan Horse
  - 4 Cell Reference & its Types.
  - 5 Home Tab Three Option

S.Y.B. Com (BBI) Semester - III

Subject: DIRECT TAX

Duration: 2.5 hours

Date: 8<sup>th</sup> Oct, 2024

Marks: 75 marks

**Instructions for the candidate:**

1. This question paper contains 6 pages
2. Answers to each new question should begin on a fresh page.
3. Figures on the right-hand side indicate full marks.
4. Use of simple calculator is allowed.

**Q 1.A. True or False (8 out of 10)**

8 M

1. Mr. Anuj Is physically handicapped person (85%) as certified by medical authorities. He can claim Rs. 1,25,000 as deduction u/s. 80DD.
2. Vinay received gift from his father which is Taxable in Vinay's hands.
3. Net Annual Value of Self occupied property is NIL
4. Past untaxed profit brought forward into India is always taxable.
5. Medical Premium paid by Assessee for himself and spouse who are not a senior citizen can claim 50,000 as deduction u/s. 80D
6. Gratuity received by government employee is fully taxable.
7. Previous year can be of less than 12 months.
8. Short term capital gain arise on transfer of listed shares and units when the holding period is less than 24 months.
9. There are 4 types of House property.
10. The CII of 2001-2002 is 100.

**Q 1.B. Match the Column (any 7 out of 10)**

7 M

- |     | A                       | B                            |
|-----|-------------------------|------------------------------|
| 1.  | Sec. 16 deductions      | a. No indexation             |
| 2.  | SO House property       | b. Above 5 years of service  |
| 3.  | Sec. 80TTA              | c. Non taxable               |
| 4.  | 348                     | d. Assessment year           |
| 5.  | Resident                | e. Exempted Income           |
| 6.  | Scholarship             | f. Satisfies Basic Condition |
| 7.  | 2024-25                 | g. CII for 2023-24           |
| 8.  | Remittance In India     | h. Deduction of SB Interest  |
| 9.  | Gratuity                | i. GAV is NIL                |
| 10. | Short Term capital Gain | j. Salary                    |

Q 2.A.

1. Shri Dhansukh has prepared the following Profit and Loss Account for the year ended 31<sup>st</sup> March, 2024, Mr. Dhansukh has incurred the expenses on medical treatment etc. of his father who is totally blind (Severely disable) and depending on him only Rs. 38,000. He paid Rs. 3,550 as Mediclaim Insurance Premium for himself. You are required to ascertain his total taxable income for the year ended on that date :
2. He has 2 houses. House property 1 where he is staying and MV of that property is 20,000 and Fair Rent is 22,000. Interest on borrowed capital of this house is Rs. 4,000.

15 M

Particulars	Rs.	Particulars	Rs.
To Salaries	43,000	By Gross Profit	
To Rent	22,400	By Rent from	2,50,000
To Loss due to theft	2,000	House property 2	
To Discount	1,000	(Tenant bearing	
To LIC Premium Paid	500	the municipal	
To Reserve for Bad Debts		Taxes amounting	
To Gift and Presents	1,000	to Rs. 1,500	
To Interest on Loan	500	yearly)	
To Interest on Capital	2,000	By Amount	
To Repairs to House	3,000	received from	
Property		LIC under	
To Income Tax	500	Keyman	6,000
To Net Profit	2,000	Insurance Policy	
	2,28,100		
			50,000
	<u>3,06,000</u>		<u>3,06,000</u>

OR

Q 2.A.

For the assessment year 2024-25 Mr. Prabhakar submits the following information :  
He is Government employee

15 M

Salary Rs. 1,63,000, Dearness allowance 50% of Salary, Bonus Rs. 3,000, Other taxable perquisites Rs. 8,000, Entertainment Allowance 5,000. He owns two houses (outside the jurisdiction of Rent Control Act) from which has has the following income:

Particulars	House I Rs.	House II Rs.
Fair Rent	20,000	60,000
Municipal Valuation (Gross)	25,000	50,000
Rent Received	22,000	-----
Municipal Tax :		
Paid by tenant	1,000	
Paid by Mr. Prabhakar	1,500	5,000
Interest on capital borrowed (Due but not paid) For the purpose of construction of house property		
Principal repayment of loan	2,000	13,000

Nature of occupation	500	3,150
	Let out for residence	Self-occupied For residence

Mr. Prabhakar is physically handicapped person as certified by medical authority with 75% of disability.

Mr. Prabhakar received the interest during the previous year as follows:

- Interest on NSC VIIIth issue Rs. 23,800.
- Interest on Fixed Deposits with S.B.I. Rs. 1,17,800.
- Income from units of UTI Rs. 15,000/-

Calculate his taxable income for the assessment year 2025-26.

Q 3.A. Mr. Harihar from Sri Lanka came to India for the first time on 1<sup>st</sup> November 2021. He was in India up to 31<sup>st</sup> October, 2023 on which day he left for Japan and returned back to India on 25<sup>th</sup> March, 2024. What is his residential status for Assessment Year 2024-25 8 M

Q 3.B. Explain Person as per Income Tax Act. 7 M

**OR**

Q 3.A. Mr. Jayant, an Indian Citizen, furnishes the following particulars of his income earned during the previous year relevant to assessment year 2024-25. 8 M

Rs.

-Interest on Nepal Development Bond (1/3 received in India)	21,000
-Income from Agriculture in Bangladesh	40,000
-Rent from Property in Japan received outside India	10,000
-Income earned from Business in London which is -Controlled from Delhi (Rs.15,000/receive in India)	35,000
-Interest paid by an Indian Company But received outside India.	9,000
-Past untaxed profit brought to India	33,000
-Profit from a Business in Thane and Managed from outside India	50,000
-Profit on Sale of Building in Mumbai But received in Sri Lanka	40,000
- Pension from an Indian employer in India Received in Rangoon	30,000

Find out his gross total income if he is (i) Resident and ordinarily resident; (ii) Resident but not ordinarily resident in India for the assessment year 2024-25.

Q 3.B. Explain Deductions under chapter VIA 7 M

Q 4.A. Mr. Sushil Kumar who was working as Commissioner of Income Tax, retired on 31<sup>st</sup> December 2023. 8 M

Following are particulars of his income relating to the year ending on 31<sup>st</sup> March, 2024

- Salary received Rs. 9,000/- per month.
- Entertainment Allowance received Rs. 500/- p.m. He spent on entertainment Rs. 350/- p.m. on an average.
- During the month of January, 2024 he received gratuity amounting to Rs. 95,000/-
- He received Rs. 70,000/- the value of commuted Pension on 15<sup>th</sup> January 2024.

- e) He received uncommuted Pension from Government with effect 1<sup>st</sup> January, 2024 which becomes due on every last day of the month at the rate of Rs. 3,200.p.m.  
 f) He received arrears of salary Rs. 9,400/- on 29<sup>th</sup> March, 2024.  
 g) He incurred the expenses incidental to Employment such as purchase of books, car expenses etc. amounting to Rs. 15,280/-

You are required to compute his taxable income for the assessment year 2024-25.

Q 4.B.

Mr. Indrajeet is the owner of two house properties, Ashokvan and Ramdarshan of which Ashokvan has been self-occupied and other has been let out. Particulars of these properties are as follows:

7 M

Particulars	Ashokvan Rs.	Ramdarshan Rs.
Actual Rent received (10 Months)	NIL	84,000
Municipal Valuation	80,000	80,000
Fair Rent	90,000	88,000
Municipal taxes paid	8,000	8,000
Interest on borrowed funds	17,860	NIL
Fire Insurance	900	1,900
Ground Rent	750	1,800
Land Revenue	3,850	3,900

Determine income from house property of Mr. Indrajeet for the assessment year 2024-25 assuming that the loan was taken prior to 1<sup>st</sup> April, 1999.

OR

Q 4.A.

Mr. Jagjit is the owner of Jafjit Industries particulars of which for the year ended 31<sup>st</sup> march, 2024 is given below :

8 M

**Profit & Loss A/c  
For the year ended 31<sup>st</sup> March, 2024**

Particulars			Particulars		
To	Salary to Staff	3,60,000	By	Gross Profit	10,00,000
"	Rent	60,000	"	L.I.C	5,00,000
"	Commission to Dealers	1,00,000		(Amount received under Keyman Insurance)	
"	Reserve for Bad Debts	80,000			
"	Depreciation on Machinery	1,25,000			
"	Entertainment Expenses	1,75,000			
"	Advertisement	47,500			
"	Bonus to Staff	22,500			
"	L.I.C. Premium on Own life				
	30,000				
	Staff (accident)				
	30,000	60,000			
	Vehicle Running Exps.	70,000			
"	Net Profit	4,00,000			
"		-----			-----
		15,00,000			15,00,000

Following additional information has been provided:

- a) Commission to dealers include Rs. 15,000 paid for medical expenses incurred by the proprietor for himself.  
 b) Depreciation allowable on machinery as per Income Tax Rs. 1,50,000/-

- c) Rs. 15,000 include in advertisement has been incurred for advertisement in souvenir published by a political party.  
d) Entertainment Expenses amounting Rs. 30,000/- was not related for business purpose.  
Compute his income from business for the assessment year 2024-25.

Q 4.B. Mr. Dhavda purchased a commercial property for starting a retain shop, in 1985 for Rs. 1,50,000. He converted it into a departmental store by making further construction in Aug-Dec, 1998, at cost of Rs. 51,000. After his death on 14<sup>th</sup> August 1989, his son became the owner of the property as per will. He made certain renovation in 2000-01 at a cost of Rs. 60,000 and again in 2006-07 at a cost of Rs.3,90,000. He sold of the property during the previous year at Rs. 40,00,000. The brokerage to the selling agent was 1.25% The FMV of the property as on 1-4-2001 was Rs. 2,00,000. Compute the capital gain for the Assy year 2024-25. (CII for 2006-07 is 122) **7 M**

Q 5.A. Explain different types of House properties with example. **8 M**

Q 5.B. Explain What is not Capital Asset for calculation of Capital Gain. **7 M**

**OR**

Q 5.C. **Short Notes (any 3 out of 5)** **15 M**

1. Explain who is taxable under Salary ?
2. What is GAV and how do we derive it ?
3. Deduction expressly allowed under Income from Business and Profession.
4. Explain Sec. 54, 54F and 54EC of Income from Capital Gain
5. Explain Residential Status and its importance under Income Tax

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**S.Y.B.Com (B&I) Semester - III**  
**Subject: FC III (An Overview of Banking Sector)**  
**Duration: 2.5 hours**

Date: 9<sup>th</sup> Oct, 2024

Marks: 75 marks

**Instructions for the candidate:**

1. This question paper contains 2 pages
2. Answers to each new question should begin on a fresh page.
3. Figures on the right-hand side indicate full marks.
4. Use of simple calculator is allowed.

**Q 1.A. True or False (any 8 out of 10)**

8 marks

1. The Reserve Bank of India (RBI) is headquartered in Mumbai.
2. Liquidity refers to the ease with which an asset can be converted into cash in a short period.
3. Non-Banking Financial Companies (NBFCs) provide banking services without holding a banking license.
4. Mobile banking allows customers to conduct financial transactions using their mobile devices.
5. The difference between the lending rate and the deposit rate is known as the interest rate spread, which contributes to a bank's profitability.
6. A lack of capital is not the sole reason for bank failures.
7. A strong banking network is not always necessary for digital financial inclusion.
8. Core Banking Solutions (CBS) allow customers to manage their accounts and conduct financial transactions from any branch of the bank.
9. Internet banking enables customers to perform banking transactions online through the bank's website.
10. Private sector banks have a higher proportion of Non-Performing Assets (NPAs).

**Q 1.B. Match the Column (any 7 out of 10)**

7 marks

Column A	Column B
1. Fixed deposit	a. Plastic money
2. Smart card	b. Girl child education
3. Development bank	c. 7 days to 10 years
4. Sukanya sikhsha	d. IndusInd Bank
5. First private bank	e. Trade finance
6. Universal banking	f. EXIM bank
7. KYC	g. Bank obtain customer information
8. E-banking	h. Note issuing authority
9. Traditional RBI function	i. Access to financial products
10. Financial inclusion	j. Internet banking

- Q 2.A. What are the functions of RBI? **8 marks**  
Q 2.B. Elaborate the causes for bank failure. **7 marks**  
**OR**  
Q 2.P. Explain Basel Norm I, II and III **8 marks**  
Q 2.Q. Discuss Banking regulation Act, 1949. **7 marks**  
Q 3.A. What are the features of Retail bank? **8 marks**  
Q 3.B. Explain the function of commercial bank. **7 marks**  
**OR**  
Q 3.P. What are the features of rural banks? **8 marks**  
Q 3.Q. List the services and products of corporate bank. **7 marks**  
Q 4.A. What is Universal bank? Elaborate the advantage of Universal banking. **8 marks**  
Q 4.B. Discuss the online opening process of current account. **7 marks**  
**OR**  
Q 4.P. What are ATM? Elaborate the ATM for rural customers. **8 marks**  
Q 4.Q. Note on KYC. **7 marks**  
Q 5.A. Write a note on Pradhan Mantri Mudra Yojana **8 marks**  
Q 5.B. Elaborate the priority sector and its classification. **7 marks**  
**OR**  
Q 5.C. **Short Notes (any 3 out of 5)** **15 marks**  
1. Bills of exchange  
2. Banking ombudsman  
3. IMPS  
4. Digital Financial Literacy  
5. NRLM

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Date: 10<sup>th</sup> Oct, 2024

Marks: 75 marks

**Instructions for the candidate:**

1. This question paper contains \_\_\_\_\_ pages
2. Answers to each new question should begin on a fresh page.
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**Q 1A Choose the correct alternative (any 8 out of 10)**

8 M

1. Showroom rent is classified as \_\_\_\_\_ expense.  
a) Office and Administration  
b) Finance  
c) Selling and Distribution  
d) Factory
2. Legal fees are classified as \_\_\_\_\_ expenses.  
a) Office and Administration  
b) Finance  
c) Selling and Distribution  
d) Factory
3. Return on capital employed is expressed in terms of \_\_\_\_\_.  
a) Rupees  
b) Percentage  
c) Times  
d) Pure form
4. Rights shares are issued to \_\_\_\_\_.  
a) Equity Shareholders  
b) Preference Shareholders  
c) Bond Holders  
d) Debenture Holders
5. Creditors turnover shows the number of days taken by the organisation to make payment \_\_\_\_\_.  
a) Bills Payable  
b) Creditors  
c) Investors  
d) Debtors
6. On the Basis of \_\_\_\_\_ ratios are classified as Balance Sheet, Revenue statement ratio and Composite ratio.  
a) Location  
b) Functions  
c) Expression  
d) Percentage
7. Dividend paid after the finalisation of accounts is called as \_\_\_\_\_.  
a) Cash Dividend  
b) Bonus Dividend  
c) Interim Dividend  
d) Final Dividend
8. Calculate debtors velocity if debtors turnover ratio is 4 times.  
a) 2 months  
b) 3 months  
c) 4 months  
d) 8 months
9. Quick liabilities is equal to \_\_\_\_\_.  
a) Current Liabilities - Bank Overdraft  
b) Current Liabilities + Bank Overdraft  
c) Current Assets + Current Liabilities  
d) Current Assets - Liquid Assets
10. \_\_\_\_\_ working capital remains locked in business as long as the business continues.  
a) Permanent  
b) Temporary  
c) Gross  
d) Net

**Q 1B. State whether True or False.**

(any 7 out of 10)

7 M

1. The ideal Debt Service Coverage Ratio is 1.33
2. Management accounting is not dynamic in nature.
3. Working capital is nothing more than the capital needed to run day to day operation of a firm.
4. The dividend discount model values the stock based on a forecast of the future dividends paid to shareholders.
5. Stock Velocity can be expressed in only in days, months and weeks.
6. Temporary working capital is also called as circulating working capital.
7. The capital gain is the difference between the expected sale price and the purchase price of the stock.
8. Proprietary ratio should be between 65% - 75%.
9. Special Working Capital is required during the unforeseen contingencies like Olympic, World Cup.
10. Net working capital can be defined as the portion of the firms' current assets financed with long term funds.

Q 2A. From the following income Statement of XYZ Ltd, you are required to prepare the common size Income statement is a vertical form.

15 M

Particulars	2013	Particulars	2013
To Opening Stock	44,000	By Sales	1,90,000
To Purchases	84,000	By Closing Stock	46,000
To Wages	40,000	By Interest Received	20,000
To Factory Expenses	32,000		
To Factory Rent	8,000		
To office Expenses	2,000		
To Selling Expenses	6,000		
To Interest on LT borrowing	6,000		
To Income Tax	22,000		
To Loss by fire	2,000		
To NP	10,000		
	2,56,000		2,56,000

Q 2 B

Liabilities		Assets	
Equity Share Capital	50,000	Fixed Assets	1,25,000
Reserves	50,000	Stock	1,25,000
10% Debentures	1,00,000	Debtors	50,000
Creditors	50,000	Bank	25,000
8% Preference Share Capital	50,000		
Bills payable	25,000		
	3,25,000		3,25,000

Calculate the following ratios:

1. Current Ratio
2. Liquid Ratio
3. Proprietary Ratio
4. Debt Equity Ratio
5. Capital Gearing ratio

OR

Q 2P.

Particulars	₹	Particulars	₹
Equity share capital	40,000	Land	40,000
10% Preference share capital	20,000	Building	16,000
Capital Reserves	8,000	Machinery	24,000
12% Debentures	32,000	Bills Receivable	4,000
Creditors	16,000	Stock	12,000
Bank Overdraft	4,000	Debtors	12,000
		Cash	12,000
	1,20,000		1,20,000

8 M

Prepare vertical Balance Sheet from the following

Q2 Q

Particulars	2012	Particulars	2012
To Opening Stock	40,000	By Sales	2,00,000
To Purchases	72,000	By Closing Stock	44,000
To Wages	36,000	By Interest Received	nil
To Factory Expenses	28,000		
To Factory Rent	6,000		
To Management Expenses	2,000		
To Selling Expenses	10,000		
To Interest	8,000		
To Income Tax	24,000		
To Loss on Sale of Bonds	2,000		
To NP	16,000		
	2,44,000		2,44,000

7 M

Calculate the following ratios:

1. Gross Profit Ratio
2. Net Profit Ratio
3. Operating Ratio
4. Operating Profit Ratio
5. Expenses Ratio
6. Stock Turnover Ratio

Q 3A. Short Fin furnishes the following details and request you to ascertain the estimated requirement of working capital. The sales are estimated to be Rs 33,80,000 from sale of 65,000 units. 15 M

The cost structure is as follows:

	Per Unit
Raw Material	18

Wages	12
Overheads	12
<b>TOTAL</b>	<b>42</b>

- Material remain in store for 7 weeks.
- Processing time: 6 weeks
- Goods remain in warehouse for 4 weeks.
- 20% of sales and 10% purchases are on cash basis.
- Out of credit sales : 50% is sold to the wholesalers on 6 weeks and 50% to distributors on 4 weeks credit.
- Creditors offer 4 weeks credit.
- Wages are paid fortnightly ( 15days - 2 weeks).
- Overhead expenses are paid within a time gap of one month.
- Minimum cash balance to be maintained of Rs 30,000
- Safety Margin to be provided @5% .

**OR**

Q 3P. From the following calculate Return on Capital employed, Return on Proprietors Funds and Return on Equity Capital. 8 M

Particulars	₹
Equity Share Capital	7,00,000
10% Preference share Capital	3,00,000
Reserves and Surplus	1,50,000
Preliminary Expenses written off	5,000
5% Debentures	7,00,000
2.5% Term Loan	35,000

Net Profit After tax is ₹ 2,50,000. Taxation Amount is ₹ 50,000.

Q 3Q. Paradise Ltd. presents following information for 2021-22. Estimated yearly production and sales 60,000 units. 7 M

Cost elements	per unit
Raw materials	Rs. 5
Wages	Rs. 3
Overheads	Rs. 2
Selling Price	Rs. 12

Further information

- The company extends 2 months credit to debtors.
- The company maintains one month's stock of raw materials,
- The company maintains one month's stock of finished goods.
- The processing period is one month
- The company is allowed two months credit by suppliers
- Wages and overheads are paid one month in arrears.
- Cash Balance is expected to be Rs. 25,000

Prepare statement showing an estimate of working capital

Q 4A. Earnings of the company - ₹ 5,00,000

Dividend Payout Ratio - 50 %

7 M

No. of shares outstanding - 1,00,000

ROI - 15 %

Equity Capitalization Rate - 12 %

g - 7 %

Calculate market value per share as per Walter's Model and Gordon Model.

Q 4 B Following are the details of XYZ Ltd.

8 M

Particulars	XYZ Ltd.
Internal Rate of Return	10 %
Cost of Equity Capital	8 %
Earnings per Share	₹ 5

Calculate value of an equity share of each of these companies as per Walter's Model when the dividend payout ratio is :

- a) 50 %    b) 75 %    c) 0 %    d) 100%

OR

Q 4P. Encore Ltd. has 50,000 equity shares outstanding at the beginning of the year. The current market price of the shares is ₹ 150 each. The Board of Directors of the company has recommended ₹ 10 per share as dividend. The rate of capitalization is 12 %.

15 M

1. Based on M.M. approach, calculate the market price of the share of the company when the recommended dividend is :

- a) declared  
b) not declared.

2. How many new shares are to be issued by the company at the end of the accounting year on the assumption that the net income for the year is ₹ 10,00,000 and investment budget is ₹ 20,00,000.

when :

- a) the above dividends are distributed  
b) dividends are not declared.

Q 5A. Explain the factors determining the working capital requirement

8 M

Q 5B. Explain the types of dividends

7 M

OR

Q 5P. Short Notes (any 3 out of 5)

15 M

1. Operating Cycle.
2. Steps involved in financial statement analysis.
3. Limitations of ratio analysis.
4. Permanent Working Capital.
5. Solvency Ratios

S.Y.B.Com (B&I) Semester - III

Subject: Financial Management

Date: 11<sup>th</sup> Oct, 2024

Duration: 2.5 hours

Marks: 75 marks

Q1A) True or False (any 8 out of 10)

8 marks

1. The policy in which less dividend is paid is called liberal dividend policy
2. Change in capital structure does not affect the value of the firm.
3. Cost of debt is lower than cost of equity.
4. ARR method of capital budgeting considers time value of money.
5. Stable dividend policy will have positive impact on the market price of shares.
6. As per MM theory, capital structure has not impact on the value of firm.
7. IRR and ARR is one and the same.
8. The bank balance and the reserves account of a company will increase when cash dividend is paid.
9. All sources of capital have the same cost.
10. Bonus shares are issued to existing shareholders.

Q1B) Match the column (any 7 out of 10)

7 marks

	Column A		Column B
1	Venture Capital	A	Perpetual
2	IRR	B	Fixed rate of dividend
3	Irredeemable debentures	C	EPS is equal
4	WACC	D	NPV is zero
5	Preference share capital	E	Risky Capital
6	Financial indifference point	F	To calculate future value
7	Discounting technique	G	Term loan
8	Long term source of finance	H	Composite cost of capital
9	Compounding technique	I	Short term source of finance
10	Overdraft	J	To calculate present value

- Q2 A A project requires an initial cash outflow of Rs.10,00,000. It will generate cash inflow as under: 15 Marks

Year	1	2	3	4	5
Cash flow (Rs.in lakhs)	6	3	2	5	5

Calculate: Pay back period; Net Present Value and Profitability Index

Cost of Capital is 10%. PV factor @ 10% is given below

Year 1	Year 2	Year 3	Year 4	Year 5
0.9090	0.8264	0.7513	0.6830	0.6209

OR

- Q2 P Aatishi Ltd is considering an investment proposal of Rs.6,00,000 having no scrap value and having an estimated life of 6 years. The earnings before depreciation and taxation are assumed to be Rs.1,80,000 per annum constantly for 6 years. 8 Marks

Calculate pay-back period and ARR. Tax rate 40%.

- Q2 Q A company is considering investment in a project having cost of Rs.2,00,000 and cost of capital 9%. Calculate IRR. The projected cash inflows are given below 7 Marks

Year	Cash inflow (Rs)
1	40,000
2	72,000
3	90,000
4	75,000
5	32,000

PV factor @ 9% and 20% are given below

Year	1	2	3	4	5
PV factor @ 9%	0.92	0.84	0.77	0.71	0.65
20%	0.83	0.69	0.58	0.48	0.41

Q3 A Given below is the capital structure of Gold Coin Ltd

15 Marks

Equity share capital	Rs.4,00,000
12% Debentures	Rs.1,00,000
12% Preference share capital	Rs.2,00,000
	Rs.7,00,000

The current market price of the shares is Rs.15. According to investor's expectation, the company will pay next year a dividend of Rs.2 per share and the growth rate will be 7% forever. Tax rate 40%. Please compute for the company.

- (1) Weighted Average cost of capital based on existing capital structure
- (2) The new WACC if the company raises an additional Rs.2,00,000 by taking 12% Term Loan. This would result in increase in expected dividend to Rs.3 per share and leave the growth rate unchanged but price of the share will fall to Rs.12.

OR

Q3P Calculate the market price of share as per walter's model if dividend payout ratio is 40%, 0% and 100%

8 Marks

IRR = 12%; Cost of capital = 16% Earning per share Rs.10

Q3 Q Forex Ltd paid a dividend of Rs.5 per share last year. It is expected to grow at 15% for the next two years and then at 8% indefinitely. The required rate of return is 15%. Calculate the price per equity share using Gordon's dividend growth model. The present value factor at 15% for year 1 = 0.8696 and year 2 = 0.7561

7 Marks

Q4 A SK Ltd capital structure consisting of the following

15 Marks

Equity shares of Rs.100 each	Rs.30,00,000
10% Preference Shares	Rs.12,00,000
8% Debentures	Rs.8,00,000
	Rs.50,00,000

The company requires a sum of Rs.25,00,000 to finance expansion programme. EBIT after expansion will be Rs.9,00,000. Tax rate is 50%. The following alternatives are available.

1. Issue equity shares
  2. Issue 10% Preference Shares
  3. Issue 7% Debentures
- You are required to suggest the best alternative

**OR**

Q4P Calculate EVA from the following information:

8 Marks

Gross Sales	Rs.16,50,000
Operating Expenses	Rs.4,50,000
Depreciation	Rs.1,20,000
Equity Share Capital	16,00,000
Debentures	4,00,000
WACC	11%
Tax rate	30%

Q4Q Solve the following:

7 Marks

1. Mr. Alok wants to go on a world tour with his wife after 4 years which would cost him Rs.14,00,000 at that time. How much should he invest today if the offered rate of interest is 9%.
2. Nisha has invested Rs. 30,000 in Fixed Deposit of a bank for 5 years at 10% interest rate. How much will she receive at maturity?

Q5 A Explain the modern techniques of capital budgeting.

8 Marks

Q5 B Explain weighted average cost of capital.

7 Marks

**OR**

Q5 Write Short Notes On ( any 3)

15 Marks

- 1 Gordon's model
- 2 Net Income Approach of Capital Structure Theory
- 3 Bonus shares
- 4 Short term sources of finance.
- 5 Features of Debentures

**Instructions for the candidate:**

1. This question paper contains 3 pages
2. Answers to each new question should begin on a fresh page.
3. Figures on the right-hand side indicate full marks.
4. Use of simple calculator is allowed.

**Q 1.A. Match the Column (any 8 out of 10)**

8 M

	Group 1		Group 2
A	Transaction Exposure and Translation Exposure	1	Call and Put
B	Arbitrage	2	Futures
C	Options	3	Currency Risk
D	Standardized exchange traded contracts	4	Exchange of cash flows between two parties
E	Forwards	5	Higher risk higher returns
F	Swaps	6	1999
G	India adopted Basel I	7	Less Risky stock
H	Risk return trade-off	8	Profit from price difference in two markets
I	Beta less than 1	9	Credit Risk
J	Default Risk	10	No standardized contract

**Q 1.B. State whether True or False (any 7 out of 10)**

7 M

1. Exercise price is a price at which the option buyer is eligible to buy or sell the underlying asset.
2. At the money Option leads to zero cash flows to the holder if it were exercised immediately
3. Enterprise Risk Management has multi-dimensional assessment. (potential impact)
4. Beta measures volatility or risk.
5. Transaction exposure in Exchange rate risk impacts the future cash flows of a firm.
6. Risk Measurement is the collective responsibility of different people in the organization.
7. Business risk that arises due to the board of directors decision about product or services that the organisation deals in.
8. Future expires on last Friday of every month.
9. Corporate Bond's returns are risk free.
10. Government Treasury bill matures in less than 1 year.

Q 2.A. Write different terminologies used in Option Market. Any 4

8 M

Q 2.B. Which are the stepping stones for Equity Market in India?

7 M

OR

Q 2.A. Ms. Sheetal is considering an investment in Stock A or Stock B. Find expected returns and Standard deviation. Suggest whether to invest or not.

15 M

Year	Probability	Returns on stock A %	Returns on stock B %
1	25	15	18
2	10	20	17
3	35	25	16
4	20	10	15
5	10	22	14

Q 3.A. Explain 3 Basel guidelines given for Banking regulations.

8 M

Q 3.B. Who are major players in Derivative Market?

7 M

OR

Q 3.A. Calculate Beta for both the stocks from the given information.

15 M

Year	HUL %	P&G %	Market Portfolio (%)
1	30	29	28
2	31	31	30
3	32	33	28
4	33	35	32
5	34	30	30

Q 4.A. Give an overview of Commodities Market in India.

8 M

Q 4.B. Explain briefly about "The OPEC oil price shock of 1973".

7 M

OR

Q 4.A. Explain the purpose of hedging.

8 M

Q 4.B. Calculate capital adequacy ratio for SBI Bank.

7 M

	Exposure Rs. (in 000's)	Risk weight %
Government treasury held as asset	4500	0
Loans to small business	900	30
Loans to corporates	2100	20
Cash balance with RBI	980	10
Non funded exposures to real estate	3000	100
Bank Tier 1 capital Rs. 1550 Lakhs and Tier 2 capital Rs. 850 Lakhs respectively.		

Q 5.A. Explain bond, its features and types.

8 M

Q 5.B. Explain the market risk and foreign exchange risk.

7 M

OR

Q 5.C. Short Notes (any 3 out of 5)

15 M

1. Loan Review Mechanism

2. Credit Life Cycle
3. Future contract
4. Enterprise risk management
5. Moneyness of Call option

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**S.Y.B. Com (B&I) Semester - III**

**Subject: Financial Markets**

Date: 15/10/2024

Duration: 2.5 hours

Marks: 75 marks

**Instructions for the candidate:**

1. This question paper contains 2 pages
2. Answers to each new question should begin on a fresh page.
3. Figures on the right-hand side indicate full marks.
4. Use of simple calculator is allowed.

<b>Q 1.A. True or False (any 8 out of 10)</b>		<b>8 marks</b>	
1.	Fund based and fee based are types of financial services.		
2.	A mutual fund is a way of reducing your potential financial loss of hardship.		
3.	SEBI is a regulator of the Indian Mutual fund industry.		
4.	The primary market deals in new financial claim; therefore, it is called new issue market.		
5.	A scheduled bank means a bank included in the second schedule of the Reserve Bank of India Act, 1934.		
6.	Capital and Money market are the same.		
7.	NSE launched screen-based trading in the year 1994.		
8.	In the primary market, the security is purchased directly from the issuer.		
9.	If a person is a "BEAR", then they expect prices to rise.		
10.	Private sector companies issue commercial papers and corporate debenture.		
<b>Q 1.B. Match the Column (any 7 out of 10)</b>		<b>7 marks</b>	
<b>Group A</b>		<b>Group B</b>	
1.	Merchant Banking	(a)	Promissory Note
2.	T-bills	(b)	Fall in share price
3.	Commercial Paper	(c)	The market for purchase & sale of securities.
4.	Bear	(d)	Fee based services
5.	Stock Exchange	(e)	Money Market
6.	BSE Sensex	(f)	Employee Stock Option Plan
7.	ESOP	(g)	OTC Market
8.	NCDEX	(h)	Gold
9.	Forward	(i)	Index
10.	Hard Commodity	(j)	National Commodity and Derivatives Exchange Ltd.

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Q 2.A.	Describe components of Indian financial system.	8 marks
Q 2.B.	Explain the types of Fees Based Services.	7 marks
<b>OR</b>		
Q 2.C.	What is Money Market? Explain the instruments of Money Market.	8 marks
Q 2.D.	Explain the functions of RBI.	7 marks
<b>OR</b>		
Q 3.A.	Explain the key players of Money Market.	8 marks
Q 3.B.	What is Capital Market? Explain the instruments of Capital Market.	7 marks
<b>OR</b>		
Q 3.C.	What is Stock Market? Explain the functions of Stock Market.	8 marks
Q 3.D.	What is IPO? Explain the procedure of Initial Public Offer.	7 marks
<b>OR</b>		
Q 4.A.	What is derivative? Explain elements of a derivative contract.	8 marks
Q 4.B.	Explain the participants in derivatives market.	7 marks
<b>OR</b>		
Q 4.C.	Discuss the advantages of Derivatives Market.	8 marks
Q 4.D.	Define forward contract. Explain its features.	7 marks
<b>OR</b>		
Q 5.A.	Define Commodity Market. Explain the types of commodity traded in the market.	8 marks
Q 5.B.	What are the reasons for investing in commodities.	7 marks
<b>OR</b>		
Q 5.C.	<b>Short Notes (any 3 out of 5)</b>	<b>15 marks</b>
1.	Multi Commodity Exchange	
2.	NCDEX	
3.	SEBI	
4.	Employee Stock Option Plan	
5.	Sweat Equity	

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