

*HBcfm*

Done

Duration : 2.5 hours

Marks : 75

- All questions are compulsory

Q1. A. Select the correct alternative: (Any 8)

8M

- \_\_\_\_\_ involves unknown probabilities and unpredictable outcomes.  
a) Risk      b) Uncertainty      c) Certainty      d) Security
- Financial leverage is associated with \_\_\_\_\_.  
a) Business risk      b) Financial risk      c) Market risk      d) Strategic risk
- Risk arising due to failure of a business plan is called \_\_\_\_\_.  
a) Credit risk      b) Financial risk      c) Strategic risk      d) Market risk
- \_\_\_\_\_ measures the ability of a firm to pay its loan.  
a) Current Ratio      b) Quick Ratio      c) DSCR      d) Debt-to-Equity Ratio
- Zero Coupon Bonds are issued at \_\_\_\_\_ and redeemed at par.  
a) Par      b) Premium      c) Discount      d) Market price
- Conditions in a loan agreement are known as \_\_\_\_\_.  
a) Covenants      b) Promissory Notes      c) Pledges      d) Guarantees
- \_\_\_\_\_ are sophisticated investment options.  
a) Conservative funds      b) Mutual Funds      c) Hedge Funds      d) Fixed Deposits
- \_\_\_\_\_ refers to the uncertainty associated with investing or conducting business in a particular country due to economic, political, or social factors.  
a) Country Risk      b) Market Risk      c) Exchange Rate Risk      d) Credit Risk
- A normal yield curve is \_\_\_\_\_ sloped.  
a) Negatively      b) Flat      c) Positively      d) Inverted
- \_\_\_\_\_ refers to the ease with which a country's currency can be converted into another currency or gold, relating to both capital and current account.  
a) Exchange Rate      b) Balance of Payment      c) Currency Convertibility      d) Liquidity

Q1. B. Match the following: (Any 7)

(7 Marks)

Sr no	Column A	Sr No	Column B
1	Future events are not known	A	Relates Current and capital account
2	Financial leverage	B	Gold & Silver
3	Risk due to failure of Business Plan	C	Conditions in a loan agreement
4	DSCR	D	Sophisticated and complex investment
5	Zero Coupon Bond	E	Business or strategic risk
6	Covenants	F	Measures ability to pay the loan

7	Hedge funds	G	Issued at discount redeemed at par
8	Precious Metals	H	Financial Risk
9	Normal Yield Curve	I	positively sloped
10	Convertibility	J	Uncertainty

Q2. A. Explain the concept of Risk and Uncertainty. What is the process of risk management? (8 marks)

B. What is Financial Risk? What are the types of Financial Risk? (7 marks)

OR

C. Explain the concept of Country Risk and Technological Risk with examples. (8 marks)

D. Explain the concept of credit risk and methods to manage the same. (7 marks)

Q3. Solve: (8 marks)

A. Ms. Kapoor wants to invest in either Reliance Industries Ltd or HDFC Bank Ltd. The returns and probabilities for the two stocks are given below:

Reliance Industries Ltd		HDFC Bank Ltd	
Return (%)	Probability	Return (%)	Probability
12	0.15	10	0.10
14	0.25	12	0.20
16	0.30	14	0.40
18	0.20	16	0.20
20	0.10	18	0.10

Calculate the expected return and standard deviation for both Reliance Industries Ltd and HDFC Bank Ltd. Based on your calculations, advise Ms. Kapoor whether she should invest in Reliance Industries Ltd or HDFC Bank Ltd. Justify your answer.

B. Solve: (7 marks)

With the help of the following information, determine which stocks are overvalued and which are undervalued. Use the Capital Asset Pricing Model (CAPM) for your calculations.

Stock	Actual Returns (%)	Beta
Tata Motors Ltd.	18	1.4
Hindustan Unilever Ltd.	12	0.7
Bajaj Finance Ltd.	22	1.1
Adani Ports Ltd.	16	0.9

**Additional Information:**

- Return on Market Portfolio (R<sub>m</sub>): 18%
- Risk-free Rate of Return (R<sub>f</sub>): 12%

OR

C. Solve: (8 marks)

Microsoft Inc. issues bonds with an annual interest rate of 5%, making semi-annual interest payments for 5 years, after which the bond matures and the principal is repaid. Investors' expected rate of return on similar instruments is 7%. The face value of the bond is \$1,000. Find the value of these bonds.

D.Solve:

(7 marks)

A bond issued by TechNova Ltd. is currently trading at Rs. 1,250 and has a face value of Rs. 1,000. The maturity of the bond is 8 years, and the coupon rate is 15% (paid annually). What should be the Yield to Maturity (YTM) of this bond?

Q4. A. Explain currency convertibility and its advantages..

(8 marks)

B. Explain Private Equity and its categories.

(7 marks)

OR

C. Explain the different types of risks in the forex markets.

(8 marks)

D. Explain REITs and investment strategies used by them.

(7 marks)

Q5. A. What is a bond? What are the different types of bonds?

(8 marks)

B. What is a yield curve? What are the different types of yield curve?

(7 marks)

OR

Q5. Write short notes: (any three)

(15 marks)

a. Chief Risk Officer

b. Exchange Rate Swap

c. Strategic Risk

d. Bond Duration

e. Participants in the debt market

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Duration: 2½ Hours

Total Marks: 75

N.B.: (1) All questions are compulsory.

(2) Working Notes should form part of your answer.

(3) Figure to the right indicates full marks.

**Q.1. (A) Select the most appropriate option and rewrite the full sentences: (Any 8/10) (8)**

1. Which of the following is an example of an indirect tax?

- a) Income Tax
- b) Wealth Tax
- c) Goods and Services Tax (GST)
- d) Corporate Tax

2. Under GST, what is the full form of IGST?

- a) Integrated Goods and Service Tax
- b) Indian Goods and Service Tax
- c) Interstate Goods and Service Tax
- d) Internal Goods and Service Tax

3. What is the current rate of GST on essential goods like milk and fresh vegetables? \*\*

- a) 5%
- b) 12%
- c) 0%
- d) 18%

4. Who is responsible for collecting GST in case of interstate supply of goods?

- a) State Government
- b) Central Government
- c) Both State and Central Government
- d) Local Government

5. Which of the following is NOT a component of GST?

- a) CGST
- b) SGST
- c) IGST
- d) VAT

6. Under the GST regime, Input Tax Credit (ITC) can be claimed on which of the following?

- a) Personal expenses
- b) Business purchases related to taxable supply
- c) Exempt goods
- d) Petrol and diesel

7. The authority responsible for administering and implementing GST in India is?
- Reserve Bank of India (RBI)
  - Goods and Services Tax Council
  - Securities and Exchange Board of India (SEBI)
  - Ministry of Finance
8. What is the threshold limit of annual turnover for GST registration in most states for goods?
- ₹10 lakh
  - ₹20 lakh
  - ₹40 lakh
  - ₹50 lakh
9. What type of tax is levied on the final consumer in an indirect tax system?
- Direct Tax
  - Consumption-Based Tax
  - Capital Gains Tax
  - Income Tax
10. Which of the following items is outside the scope of GST?
- Gold
  - Alcohol for human consumption
  - Packaged food
  - Mobile phones

**Q.1. (B) Match the following columns: (Any 7 / 10): (7)**

Column A (Concepts)	Column B (Descriptions)
1. CGST	A. Tax levied by the state government
2. SGST	B. Tax levied by the central government
3. IGST	C. Tax applicable on inter-state transactions
4. Input Tax Credit (ITC)	D. Credit for tax paid on purchases
5. Reverse Charge Mechanism (RCM)	E. Tax paid by the recipient instead of the supplier
6. GSTIN	F. Unique identification number for taxpayers
7. Composition Scheme	G. Simplified tax scheme for small businesses
8. HSN Code	H. Classification system for goods under GST
9. E-Way Bill	I. Document required for transporting goods above a threshold limit
10. GSTR-1	J. Return for outward supplies

Q.2. (A) From the following information given to you of Ms. Rama compute the value of taxable services and the goods and services tax payable for the month @18%. Ignore threshold limit and all amounts given are excluding Goods and services tax. (15)

Sr.no	Particulars	Amount (₹)
1	Interest earned on Loan	5,00,000
2	Penal interest charged for delay in repayment of loans by customers	2,00,000
3	Training & Coaching in different games	6,00,000
4	Postal Coaching receipts	4,00,000
5	Royalty received for permanent transfer of trademark	5,00,000
6	Programming of software	6,00,000
7	Renting of Agricultural Vacant Land for Rearing Horses	7,00,000
8	Storage and Warehousing of Agricultural produce	4,00,000
9	Acted as coach for U-19 Cricket Tournament organised by MCA	1,00,000
10	Receipts on Diagnostic centre	30,00,000
11	Aerial Advertising	5,00,000
12	Commission charges for canvassing advertisement	25,00,000

OR

Q.2. (B) Write a note on GST Council and its recommendations. (8)

Q.2. (C) Mr. Ankit sold machinery worth ₹ 6,72,000 inclusive of GST at 12% to Mr. Arav. Installation charges of ₹ 10,000 were charged separately. A subsidy of ₹ 75,000/- from Association of Traders and a subsidy of ₹ 50,000 from Maharashtra Government was received. Further, Mr. Ankit charged interest of ₹ 7,500/- for delay in payment by Mr. Arav. Calculate the value of supply as per the provisions of section 15 of CGST Act, 2017. (7)

Q.3. (A) Determine the Place of supply in each of the following import of Goods: (8)

Case	Location of Supplier	Location of Goods Before Supply	Goods Supplied to	Location of recipient
1.	Thailand	Thailand	Assam	Assam
2.	China	China	Kashmir	Haryana
3.	Sri Lanka	Sri Lanka	Kerala	Kerala
4.	Karnataka	Iran	Dubai	Karnataka

Q.3. (B) Determine the Time of Supply in each of the following cases of continuous supply of services as per the provisions of GST Act. (7)

No.	Date of Invoice	Date of Statement of Accounts	Date of receipt of Payment
1	15.11.2024	06.11.2024	10.11.2024
2	04.10.2024	04.10.2024	06.10.2024
3	16.12.2024	20.12.2024	28.12.2024
4	26.10.2024	25.01.2025	25.01.2025
5	15.12.2024	11.12.2024	12.01.2025
6	22.10.2024	25.11.2024	12.11.2024
7	16.12.2024	06.12.2024	10.12.2024

OR

Q.3. (C) Determine the Place of Supply in each of the following independent cases: (8)

- A company in Maharashtra sells goods to a buyer in Karnataka, and the goods are shipped from Maharashtra to Karnataka. What will be the place of supply?
- A marketing consultant based in Delhi provides services to a client in the USA. What will be the place of supply for this service?
- A hotel in Goa provides accommodation to a tourist from Punjab. What will be the place of supply?
- A passenger books a meal while traveling on a flight from Mumbai to Chennai. The invoice is issued in Mumbai. What will be the place of supply?

Q.3. (D) Calculate Aggregate Turnover of Mr. Ibrahim based on the details given below: (7)

Sr. No.	Particulars	Amount (₹)
1	Exempt Supplies	2,90,000
2	Inter- state supplies excluding GST @5%	7,00,000
3	Taxable supplies including GST @28%	8,00,000
4	Export of goods	1,50,000
5	Inward supplies on which tax is payable under reverse charge	60,000
6	Export of services	3,50,000

Q.4. (A) Mr. Amit is a new dealer from the following information. Find out on which day he will be liable to register under GST. Give reason for your answer: (8)

Date	Purchases (₹)		Sales (₹)	
	Tax Free	Taxable	Tax Free	Taxable
02.04.2024	1,00,000	15,000	-	-
04.04.2024	-	-	16,00,000	1,40,000
11.04.2024	2,00,000	40,000	5,00,000	11,00,000
20.04.2024	-	-	1,00,000	4,00,000
30.04.2024	4,00,000	6,00,000	-	-
02.05.2024	-	-	5,00,000	1,50,000
11.05.2024	5,000	20,000	1,00,000	3,00,000
20.05.2024	1,00,000	1,00,000	50,000	15,000

Q.4. (B) Siya a registered manufacturer in state of Maharashtra provides the following particulars for period of February, 2025. (7)

i) Inputs purchased within state ₹ 2,10,000 (includes GST @5%)

ii) Other expenses ₹ 25,000 and Profit ₹ 25,000.

iii) Goods Produced were sold in Gujarat with GST @18% on sales.

Calculate the amount of Tax payable after utilizing input tax credit for the month of February, 2025 assuming no opening balance of input tax credit available.

OR

Q.4. (C) From the following details calculate Net GST Liability. (15)

Mr. Kalpesh, registered in state of Maharashtra, provides following details for the month of July.

Calculate net tax Liability for the month of July.

IGST - ₹ 3,78,000/-

CGST - ₹ 4,72,070/-

SGST - ₹ 5,68,020/-

Transactions during the month	₹
Sold Goods @28% GST to Anil in Pune	14,00,000
Sold Goods @5% GST to Asha in Nagpur	16,00,000
Sold Goods @12% GST to Rakesh in Surat	17,00,000
Sold Goods @18% GST to Meena in Chennai	23,00,000
Provided Services @18% GST to Vimal in Chandigarh	21,00,000
Provided Services 5% GST to Bimal in Patna	18,50,000
Provided Services @12% GST to Komal in Kolkata	17,80,000
Provided Services @28% GST to kamal in Jalna, Maharashtra	22,00,000
Inward Supplies @ 12% GST from Akola	15,70,000
Inward Supplies @ 18% GST from Bangalore	19,40,000
Inward Supplies @ 28% GST from Ranchi	6,80,000
Inward Supplies @ 5% GST from Amravati	20,30,000

Q.5. (A) Explain the advantages of Goods & Services Tax.

(8)

Q.5. (B) List 5 Taxable & Non-Taxable Services.

(7)

OR

Q.5. (C) Write Short Note on (Any 3)

(15)

- a) Supply under GST
- b) Procedure for Registration under GST
- c) Levy of late fees as per sec 47.
- d) Electronic Credit Ledger
- e) Aggregate Turnover.

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Duration: 2 ½ Hours

Total Marks : 75

Note: All Questions are compulsory, Figures to right indicate marks.

Q 1) A) Match the Columns. (Any 8)

08

Column A	Column B
(i) Tax Saving fund	a) First mutual fund scheme
(ii) NAV	b) Systematic risk
(iii) SEBI	c) Offer for new scheme
(iv) US'64	d) Withdrawal at fixed interval
(v) Traded on exchange	e) Total Assets – Total Liabilities
(vi) NFO	f) Actual return – Expected return
(vii) Beta	g) Sells mutual fund schemes
(viii) SWP	h) ETF
(ix) Distributor	i) Mutual Fund regulator
(x) Jensen measure	j) ELSS

Q 1) B) State whether True or false. (Any 7)

07

1. A mutual fund offers the advantage of diversification.
2. Beta of Market is always 1.
3. Expense ratio is the annual fee charged to unit holders.
4. The primary goal of growth funds is short-term capital appreciation.
5. Mutual funds are risky investments.
6. Index funds continuously buy and sell securities.
7. Trustees are appointed by AMC.
8. Close ended funds have maturity date.
9. Gilt funds invest in corporate securities.
10. Low NAV fund is cheaper than high NAV fund.

Q 2 A) Explain in detail role of Sponsor, AMC, Custodian, RTA in mutual fund in India. 08

Q 2 B) Explain history of mutual fund in India. 07

OR

Q 2 C) Explain Open ended, Close ended & actively managed, passively managed fund. 08

Q 2 D) Explain objectives of AMFI in Mutual Fund industry. 07

Q 3 A) Explain in detail Debt mutual funds. 08

Q 3 B) Describe in details Gold ETF. 07

OR

Q 3 C) What are Equity funds? Explain its types. 08

Q 3 D) Explain in detail the Liquid mutual funds. 07

**Q 4 A) Calculate HPR and AR for both funds & analyze which fund is better. 08**

	Fund X	Fund Y
NAV on 1/3/2021	200	450
NAV on 1/3/2023	340	650
Dividend for period	10	25

**Q 4 B) Calculate closing units & closing NAV assuming sales & repurchases NAV = 11/-**

Opening NAV = Rs. 12/-

Outstanding Units = 45,000

Appreciation in portfolio = Rs. 8,000/-

Units subscribed = 3500 units

Units sold/redeemed = 2100 units

Dividend received = Rs. 700/-

Expenses = Rs. 550/-

**07**

**OR**

**Q 4 C) Scheme HDFC gives 14% p.a. returns and Scheme Axis gives returns 9% p.a. Risk free rate is 5% p.a. Standard Deviation of HDFC and Axis is 11% and 8% respectively and Beta of HDFC and Axis is 0.9 and 0.6 respectively. Find Sharpe Ratio and Treynor Ratio for both the funds and suggest which investment is better. 08**

**Q 4 D) Investment in HDFC mutual fund scheme on 1/9/2022 at an NAV of Rs 140.**

On 1/9/2024 the NAV was Rs 210.

Investment in SBI mutual fund scheme on 1/9/2022 at an NAV of Rs 240. On 1/9/2024 the NAV was Rs 320. Calculate CAGR for both the funds. 07

**Q 5 A) What are Mutual Funds? What are advantages of Mutual fund investments? 08**

**Q 5 B) Explain in detail Taxation for Mutual fund Unitholders & dividend stripping. 07**

**OR**

**Q 5 C) Write Short notes on: (Any 3 out of 5) 15**

1. Types of risk associated in mutual fund investment
2. SIP & STP
3. Offer Document
4. Principles of Valuation
5. Disadvantages of mutual fund

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Time: 2.5 hr

Marks: 75

**Note: 1. All the questions are compulsory and carry equal marks.**

**2. Figures to the right indicate marks.**

**Q.1. (A) Multiple Choice Questions:- (any eight) (8)**

1. The term \_\_\_\_\_ refers to financial investment in a highly risky and growth-oriented venture to earn a high rate of return.

(a) Merchant Banking (b) Venture Capital (c) Leasing (d) Mezzanine

2. \_\_\_\_\_ is the most preferred exit option among PE firms

(a) Trade Sale (b) Strategic Sale (c) Liquidation (d) IPO

3. Discounted Cash Flow is a \_\_\_\_\_ approach of valuation.

(a) Income (b) Market (c) Goodwill (d) Cost

4. \_\_\_\_\_ possesses professional expertise and play a promotional role in organizing a perfect match between the supply and demand for capital in the market.

(a) Issuers (b) Investors (c) Intermediaries (d) Venture Capitalist

5. Private equity is a \_\_\_\_\_ investment fund, as its current market price cannot be easily determined and cannot be transferred for a certain period.

(a) Close-ended (b) Open-ended (c) Active (d) Fund

6. \_\_\_\_\_ capital is raised to buy equity stakes in high-potential companies.

(a) Venture Capital (b) Growth Capital (c) Private Equity (d) Mezzanine Capital

7. \_\_\_\_\_ is needed for developing a product in the initial stages.

(a) Seed Capital (b) Second round financing (c) Leasing (d) Share capital

8. \_\_\_\_\_ multiple is commonly based on an assumption as to the 'normalized' level of earnings that can be generated from that revenue.

(a) Income (b) Revenue (c) Sponsor (d) Profit

9. In \_\_\_\_\_ option of LBO, shareholders simply sell their stock and all interest in the target company to the buying group, and then the two firms may be merged.

(a) Asset purchase (b) Stock purchase (c) Venture capital (d) Special investing

10. LBO involves use of \_\_\_\_\_ to finance the acquisition of a company

(a) Equity (b) Cash (c) Leverage (d) payment

Q.1. (B) Match the Pairs :- (any seven)

(7)

	Group A		Group B
1	Limited Partner	a	Sale to Other PE firm
2	Start-up Financing	b	Pooling of Funds
3	Hedge Fund	c	Private Equity Fund
4	Co-Investment Structure	d	Domestic Investment
5	Unified Structure	e	Expansion Capital
6	Credit Risk	f	Launch phase
7	Secondary Sale	g	Combination of offshore & domestic investment
8	Mezzanine Financing	h	Human Error
9	Growth Capital	i	Hybrid of Debt and Equity Financing
10	Operational Risk	j	Default in Payment

Q.2. (a) Present the structure of venture capital / Private equity funds in India? (8)

(b) Define venture capital and state its features? (7)

OR

(c) What are the characteristics of private equity? (8)

(d) Discuss the Various Valuation approach and techniques in Venture capital / Private equity? (7)

Q.3. (a) Explain the stages of obtaining venture capital? (8)

(b) Explain various players in private equity Market? (7)

OR

(c) Explain the advantages and disadvantages of IPO exit? (8)

(d) Enumerate on the advantages of Mezzanine Financing? (7)

Q.4. (a) Explain various types of risk? (8)

(b) What are the important factors of successful PE Exits? (7)

OR

(c) Explain the Stages of due diligence process. (8)

(d) Explain Exit Strategies - Sale to Other Strategic Investor. (7)

Q. 5. Distinguish between Private equity, Venture capital and Hedge Funds? (15)

OR

Q.5. Write Short Notes (any three) (15)

1. Growth Capital
2. General partner
3. Seed financing
4. Promoter Buyback
5. Risk return Trade-off

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Duration : 2.30 Hours

Maximum Marks: 75

N.B.: 1) All the questions are compulsory.

2) Figures to the right indicate the marks.

- Q.1 A) Complete the following statements by choosing the appropriate answer. (Any 8) (8)
- 1 The ----- model is an extension of the supportive model.  
a. Autocratic      b. Custodial      c. Supportive      d. Collegial
  - 2 ----- is the extent to which a person acts in the same way when he is in the same situation.  
a. Repetitiveness      b. Consistency      c. Consensus      d. Distinctiveness
  - 3 ----- is the active- destructive response of job satisfaction.  
a. Exit      b. Voice      c. Loyalty      d. Neglect
  - 4 ----- is defined as the process that account for an individual's intensity, direction and persistence of effort attaining a goal.  
a. Attitudes      b. Motivation      c. Job satisfaction      d. Leadership
  - 5 Fredrick Herzberg proposed the ----- theory.  
a. Hierarchy of needs      b. Two factor      c. Theory X and theory Y      d. Theory of needs
  - 6 The negotiation strategy that seeks to divide up a fixed amount of resources is known as ---- bargaining.  
a. Distributive      b. Integrative      c. Non distributive      d. Constructive
  - 7 Sharing of information is ----- in distributive bargaining.  
a. Low      b. high      c. moderate      d. equal
  - 8 ----- is the degree to which members are attracted to each other and are motivated to stay in the group.  
a. Cohesiveness      b. Social loafing      c. Status      d. Norms
  - 9 The teams established for a specific project and are disbursed once the job is done are called as ----- teams.  
a. Permanent      b. self managed      c. temporary      d. cross functional
  - 10 ----- Counseling is neither wholly client-centered nor wholly counselor-centered.  
a. Directive      b. non directive      c. participative      d. non participative

B) State True or False.(Any 7)

(07)

- 1 When organizations engage in ethical actions and practices the result is a triple Reward system.
- 2 We tend to be more attentive to novel stimuli.
- 3 People with high self-esteem have overall high self-evaluation.
- 4 Job satisfaction is negatively related to employee turnover.
- 5 Advancement opportunity is an hygiene factor.
- 6 Intra personal conflict means conflict within an individual.
- 7 Machiavellian personalities are not very comfortable playing politics

- 8 Interest groups are formal groups.  
9 Individuals experience high stress when there is cohesiveness in the group.  
10 Resistance to change is always bad.

- Q.2(A) Describe the various errors in perception. (08)  
(B) What are the basic dimensions of "The Big Five Model"? (07)

OR

- Q.2(C) Explain the various personal factors affecting the job satisfaction. (08)  
(D) Describe the Equity Theory of motivation in brief. (07)

- Q.3(A) Explain the conflict resolution process with its outcomes. (08)  
(B) Define power and explain the various types of power. (07)

OR

- Q.3(C) Describe the factors within the organization which promote political behavior. (08)  
(D) What are the various characteristics of distributive bargaining and integrative bargaining respectively? (07)

- Q.4(A) State the positive and negative impact of informal groups. (08)  
(B) What are the important elements of building high performance teams? (07)

OR

- Q. 4(C) Define social loafing and explain why social loafing occurs? (08)  
(D) State the difference between Teams and groups. (07)

- Q.5(A) Describe the organizational stressors in brief. (08)  
(B) Suggest some ways in which you can build support to change (07)

OR

- Q.5(C) Write Short Notes – ( Any 3) (15)  
1) Challenges for organizational behavior  
2) Functions of attitude  
3) Benefits of counseling  
4) Types of resistance to change  
5) Escalation of Commitment

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Time Allowed – 2 ½ hours

Total Marks - 75

N.B. 1. All Questions are compulsory.

2. Use of Simple Calculator is allowed

Q.1. (A) Match the following (Attempt eight) (8)

	Group A		Group B
1	Planning	A	External analysis
2	Strategies	B	Worst loss
3	Analysis of competitors	C	Thinking ahead
4	Maturity	D	Outsider buys business
5	Prevention cost	E	Dynamic
6	Credit Var	F	Quality cost
7	Super profit	G	Outsider buys business
8	MBI	H	Consists of one or more directors and employees
9	Management team	I	At micro level
10	Unsystematic risk	J	Excess of FMP over normal profit

(B) State whether the following statements are True or False: (Attempt any seven) (7)

- 1) Strategy drives action.
- 2) Strategic financial management covers valuation of a firm.
- 3) Cost control and cost reduction improve utilization of resources.
- 4) Relevant cost is incurred after making business decisions.
- 5) An organization need not compete in the areas of quality.
- 6) Target costing fosters continuous improvement.
- 7) According to MM approach optimum capital structure does not exist.
- 8) Capital structure is organization structure of a company.
- 9) 'Z' score model is for prediction of bankruptcy.
- 10) Mission is developed by lower level management.

Q.2. (A) What is Strategic Financial Management? Explain its features. (8)

(B) Explain difference between Traditional Cost Management and Strategic Cost Management. (7)

OR

(C) Explain elements of Target Costing. (8)

(D) Explain characteristics of TQM (7)

Q.3. (A) Explain factors affecting capital structure. (8)

(B) Explain features of Venture capital (7)

OR

(C) Crystal Ltd. Has the following structure and after tax cost for different sources of funds: (7)

Sources of Funds	Amount (Rs.)	Proportion (%)	After tax cost (%)
Debts	15,00,000	25	5
Preference share capital	12,00,000	20	10
Equity share capital	18,00,000	30	12
Retained Earnings	15,00,000	25	11
Total	60,00,000	100	

Calculate weighted average cost of capital.

(D) Determine Weighted Average Cost of Capital using: (8)

- Book value
- Market value

Sources	Book value (Rs.)	Market value (Rs.)	Cost (%)
Debt	6,00,000	4,60,000	6
Preference	3,00,000	2,50,000	10
Equity	8,00,000	10,00,000	12

Q.4. (A) From the following calculate Earnings per share (EPS) for both the companies. (7)

Particulars	Alpha Ltd.	Omega Ltd.
Equity share capital (Rs. 10 each)	4,00,000	6,00,000
10% Preference share capital (Rs. 10 each)	3,00,000	3,50,000
8% Debentures	2,00,000	2,50,000
EBIT	3,10,000	3,42,000
Tax Bracket	50%	50%

(B) Define 'Risk'. Explain its importance. (8)

Q.5. (A) Explain the components of feasibility of Buy-out. (8)

(B) Explain the importance of PPP. (7)

OR

Q.5. Short Notes: (15)

- Wealth maximization
- Value Based Management
- Types of Risk
- Hedging
- Public Sector Bond

Note : All questions are compulsory

Figures to the right indicate full marks

Q1 (A). Match the columns (Any 8)

08 Marks

	Group A		Group B
A	Leveraged Buyout	1	Merging of Sick companies with healthy companies
B	Buyback of shares	2	Using mainly debt to finance
C	Financial instrument	3	Return the excess cash to shareholders
D	Lack of training	4	Reframing
E	Crown Jewel	5	Get access to bigger market
F	Merger	6	Merger failure
G	Golden Parachute	7	Defence for conglomerate companies
H	Reverse Merger	8	Combination of two or more companies
I	Market extension Merger	9	Special compensation agreement
J	Restructuring	10	Using public company as shell

Q1 (B) State whether True or False (Any 7)

07 Marks

1. Section 230 and 240 of companies act, 2013 contains provisions on compromise, arrangement and amalgamation.
2. When debenture is used as a source of financing, the company has to be committed towards payment of interest.
3. Medium term foreign currency denominated ECB with minimum average of 1 to 3 years.
4. Rehabilitation finance refers to merging of sick companies with healthy companies.
5. Financial, accounting and tax related matters inspire cross border takeover.
6. Global takeovers are simple processes.
7. Vertical merger is a merger of two firms operating and competing in the same business activity.
8. Cross border transaction consist of cross border purchases only.
9. LPG paved way to strong corporate restructuring in India.
10. A consolidation is a combination of two or more companies into a new company.

Q2 (A) What is Corporate Restructuring? Explain its Need?

08 Marks

(B) Explain Planning, formulation and execution of various Corporate Restructuring strategies

07 Marks

OR

Q2 (C) Explain the various Corporate Restructuring strategies?

08 Marks

(D) State the expanding role of professionals in Corporate Restructuring?

07 Marks

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- Q3 (A) What is Demerger? Explain modes of Demerger? 08 Marks
- (B) State the Procedural Aspects and tax implication in reverse Merger? 07 Marks
- OR
- Q3 (C) Explain different types of takeover in business? 08 Marks
- (D) Explain Horizontal and Vertical merger with example 07 Marks
- Q4 (A) Explain the procedure for Buy Back of shares by Listed Companies? 08 Marks
- (B) Write a note on Reorganisation of Share Capital? 07 Marks
- OR
- Q4 (C) What are Financial Alternatives? Explain its Merits and Demerits in detail? 15 Marks
- Q5 (A) Enumerate the factors in Post Merger Success and Valuation 08 Marks
- (B) State the factors involved in Post Merger Reorganisation. 07 Marks
- OR
- Q5 (C) Write Short Notes (Any 3) 15 Marks
1. Franchising
  2. Management Buyout
  3. Cross border takeover
  4. Reasons for failure of Merger
  5. Joint Venture