

UNIVERSITY PAPER

S.Y.B.B.I

SEM-III

OCT.-2018

BBI Semester III

Time: 2:30 hours

Marks: 75

25-10-18

Q1A) choose correct alternatives (any 8) (8mks)

1. One of the feature of Ecommerce _____
a) Local Branding b) Lookup c) Global Reach d) None Of These
2. _____ is an example of Ecommerce Website
a) JABONG.com b) AMAZON.in c) makemytrip.com d) All of these
3. CGI stands for _____
a) Common Graphic Interface b) Common Gateway Interface
c) Common Graphic Integrate d) None Of Them
4. _____ Hackers are consider legal
a) Grey hat b) Black Hat c) White Hat d) All Of These
5. MICR stands for _____
a) Magnetic Ink character Reader b) Core Banking Solutions
c) Centralized Banking Server d) None Of Them
6. Identify what is ABSOLUTE cell reference from the following example : _____
a) A2 b) \$A2 c) \$A\$2 d) None Of Them
7. Any crime done using electronic gadgets is a part of _____
a) Company Act b) Property ACT c) IT ACT 2008 d) All Of These
8. _____ function return the number of loan payment with a constant interest rate
a) PMT b) RATE c) NPER d) All Of These
9. In MS word once can give Bullets and Numbering the data using the following tab _____
a) VIEW b) PAGE LAYOUT c) HOME d) INSERT
10. EDI stand for _____
a) Electric Data Interchange c) Electronic Data Interchange
b) Electronic Data Interlink d) None Of Them

Q1B) State whether statement are true or false (any 7) (7mks)

1. The SUMIF function in excel give you Total of data in Range.
2. Digital signature is like Electronic signature
3. Cross Media Convergence is not a type of Convergence.
4. NIC in networking stands for Network Interface Card
5. Sorting of DATA can be done on Multiple Column in MS EXCEL
6. The OR() function in excel return TRUE if all condition are true and return FALSE if any of the condition is false
7. Using FIND option in MS Word one can one can replace the "Error data" with the "Correct one".
8. Default name of Ms Word document is "DOCUMENT1"
9. Information should be protected from unauthorized internal users and external hackers is done by integrity of ecommerce
10. SSL adds security to the website.

Q2A) Explain any 5 types of Ecommerce and also Explain Advantages and Dis advantage of Ecommerce? (15mks)

OR

Q2B) Explain Architectural framework of E-commerce? (15mks)

Q3A) Explain the following function of Ms-excel with syntax (15 mks)

- a) Hlookup ()
- b) COUNT()
- c) Round()
- d) NOW()
- e) SUMIF()
- f) FV()
- g) AVERAGE()
- h) TIME()

OR

Q3B) Explain the following in MS WORD (15 mks)

- 1) Header and Footer
- 2) Book Mark
- 3) Line Spacing
- 4) inserting Table
- 5) word ART

Q4A) Explain Crime under IT ACT 2000 (types of CYBER-CRIME) and explain each one of them in brief? (15mks)

OR

Q4B) Explain computer security / e-security, importance of computer security and safety preventive measure of computer security. (15mks)

Q5A) What Is EPS and Type of EPS. (15mks)

OR

Q5) Write short note (any 3) (15mks)

- a) FIREWALL and its Type
- b) Challenges in E-banking
- c) Hyperlink and smart art in MS WORD
- d) GOAL SEEK In Excel
- e) HOME TAB any three options

BBI Semester II

26-10-18
Time : 2.30 min.

[Marks :75

Note: All questions are compulsory
Figures to right indicate full marks

- Q.1. A) Fill in the blanks: (Any 8) (08)
- i) In _____ presidency banks were merged to form imperial bank of India.
a) 1935 b) 1921 c) 1911
- ii) In case of public sector bank, at least _____% ownership with government, PSB, SBI, and its subsidiaries.
a) 49 b) 51 c) 75 d) 25
- iii) Who is the authority for payment and settlement system in India?
a) RBI b) Central Government c) Company law board
- iv) _____ Section of Banking Regulations Act explains about opening of new branches.
a) 35 b) 22 c) 23
- v) Letter of credit is important in _____ trade.
a) Inland b) State c) International
- vi) Merchant bank is a _____ based service.
a) Fund b) Non- fund c) Remittance
- vii) In _____ and _____ Banking Ombudsman scheme were revised.
a) 2000 & 2004 b) 2006 & 2009 c) 2009 & 2015
- viii) _____ is an apex refinancing agency for the institutions providing investment and production credit in rural areas.
a) RBI b) GOI c) NABARD
- ix) Full form of JLG is _____
a) Joint Linked Group b) Joint Liability Group c) Joint Linked Group Account
- x) Which is not a valid document as per KYC norms?
a) Passport b) College ID c) Licence
- B) State true or false: (Any 7) (07)
- i) Low literacy level is the demand side barrier for financial inclusion.
- ii) Smart card is one of the delivery channels of bank service.
- iii) Political interference is one of the problems of SHG.
- iv) Online fund transfer are free from any charge.
- v) Discounting of bill of exchange is one of the agency service of bank.
- vi) Mobile banking is possible only through mobile app.
- vii) There are three parties in Bill of Exchange.
- viii) Chain banking & group banking are completely different.
- ix) Portfolio manager has to register with SEBI.
- x) Overdraft facility is given on saving account.
- Q.2. A) Describe the banking system in India. (08)
- B) What are the objectives of Banking Sector Reforms? (07)
- OR

- Q.2. C) Explain the primary functions of banking. (08)
D) Explain Basel III. (07)
- Q.3. A) What is Retail Banking? (08)
B) What are the features of Negotiable Instrument? (07)
- OR
- Q.3. C) List out the powers and duties of Banking Ombudsman. (08)
D) What are the products offered by corporate banks? (07)
- Q.4. A) Brief the need of Universal banking in India. (08)
B) Explain Mobile Banking. (07)
- OR
- Q.4. C) What are the products and services offered by universal banking? (08)
D) What is RTGS? What are the advantages of RTGS? (07)
- Q.5. A) What is the need of microfinance? (08)
B) What are the advantages of Financial Inclusion? (07)
- OR
- Q.5. Write short notes on: (Any 3) (15)
i) Committee on financial inclusion
ii) Depository Services
iii) Challenges in Micro finance
iv) Features of cooperative banks.
v) Local area banking
-

BB1 Semester III

29-10-18

Time : 2.30 Hours

75 Marks

Q1) Fill in the blanks with appropriate options (Any 8) (8)

1. The Reserve Bank of India was established on _____.
(1935, 1938, 1949)
2. There is _____ market in which funds are borrowed and lent for one day
(Call money, money market, notice money)
3. _____ are additional shares given to the current shareholders without any additional cost. (Right issue, ESOP, Bonus share)
4. _____ market where shares, debentures and other securities are sold for the first time.
(Primary, Secondary, Money)
5. _____ comprises of investor like banks, RBI, insurance, Mutual funds and financial institutions. (Wholesale debt market, retail debt market, foreign exchange market)
6. _____ evaluates the financial condition and credit worthiness of the issuer of debt in India (CRISIL, Moody's, SEBI)
7. Diversification can reduce _____. (Risk, uncertainty, probability)
8. T-Bills are issued by _____. (RBI, SEBI, FMC)
9. _____ who is currently serving as 24th Governor of Reserve Bank of India
(Urjit Patel, Raghuram Rajan, Rajnath Singh)
10. _____ is the oldest stock exchange in India (BSE, NSE, OTC)

B) Match the columns (Any 7) (7)

Underwriting	Trade settle in cash
Merchant bank	Uncertainty or chance of loss
Offer for sale	Stock exchange
Loan syndication	group of lender provide loan to single borrower
Risk	who undertakes the risk
Demutualization	Offer to stock brokers
share	Interest
Spot market	believe the price having downward movement
Debenture	dividend
Bear	engage in issue management

Q2) A) Explain in detail about Regulatory bodies in India (8)

B) Elaborates on the Weakness of Indian financial system? (7)

OR

C) Explain the functions of stock Exchanges in India? (8)

D) List down the participants of capital in India (7)

Q3) A) Describe in detail about Book Building (8)

B) Distinguish between Equity Market VS Debt Market (7)

OR

C) Explain the different Methods of raising capital from primary market (8)

D) What are the reforms and development in capital market (7)

Q4) A) Define Commodities market. Explain its features (8)

B) Who are the participants of Derivatives market (7)

OR

C) Explain the instruments of Derivative markets (8)

D) Explain the regulatory framework of commodities market (7)

Q5) Define Money market Advantages and Dis-advantages (15)

OR

Q5) Write short notes (ANY 3) (15)

1) What are the avenues you would prefer for investing your money?

2) Sweat Equity

3) Share

4) MCX

5) BSE

[Time: 2:30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. Figures to right indicate full marks.
 3. Use of simple calculator is allowed.

- Q.1 A) State whether the following statements are true or false. (Any 8 out of 10) 08
1. RL V can be determined in the following way Higher of Municipal Value & Standard Rent.
 2. The amount of interest on borrowed capital allowable as reduction in case of a Self-occupied property is Rs 1,50,000 or Actual amount whichever is lower
 3. The aggregate amount of deductions under chapter-VI-A can not exceed Gross Total Income.
 4. Cost inflation Index is applicable in case of short capital assets.
 5. Total Income of a person is determined on the basis of his. Citizenship.
 6. Entertainment Allowance in case of Non-government employee is fully exempt.
 7. Gift received by Mr. Sachin from Wife Rs.1,00,000 is fully taxable
 8. Total deduction u/s 80CCC cannot exceed Rs.50000.
 9. A person by whom any tax is payable under the act is known as an assessee.
 10. Previous Year can be of less than 12 Months.

- Q.1 B) Match the column (Any 7 out of 10) 07

Sr.No	Column A	Sr.No	Column B
1	Dividend	a	Allowance as business expenses
2	Standard Deduction on Family Pension	b	Income from other sources
3	Housing loan repayment	c	80DD
4	Depreciation	d	Exempt income
5	Pune University	e	Individual
6	Rent received from open plot	f	Residential House
7	Dependent relatives physically handicap	g	33.33% or Rs. 15,000 whichever is less
8	Mr. Shiva	h	Artificial Judicial Person
9	Capital Gain	i	Persortal Car
10	Not a Capital asset	j	Allowance U/s 80C

- Q.2 Mr. Ramesh furnishes you the following information for the year ended 31st March, 2018. He 15
joined on 1st July, 2017.

Particulars	Amount
Basic Salary (per month) (net of professional tax and TDS)	45,000
Professional Tax	2300
Tax Deducted at Source	20,000

Paper / Subject Code: 79708 / Direct Taxation

Bonus	55,000
Travelling allowance	16,000
Dearness Allowances	700 (per month)
House Rent Allowance (exempt Rs 4800)	15,000
Personal Expenses paid by the company	4000
Education Allowance	800 per month
Taxable Car allowance	18,000
Arrears of Salary	35,000
Ex gratia	1,13,000

Compute his Net Taxable Income under the head income from Salary for the Assessment Year 2018-19.

OR

Q.2 Mr Anil has earned the following income during the PY ended 31 st March, 2018

15

Particulars	Amount
Dividend from Sri lankan Company received in India	1,18,000
Profit on sale of plant at Dombivali	1,35,000
Gift from wife	1,85,400
Rent from plot of Land in Canada	1,55,000
Income from business in Mumbai controlled from New York	1,28,000
Dividend from Indian company	82,000
Rent from property in Punjab	89,000
Pension from Indian Employer received in UAE for services rendered in India	1,25,000

Compute his total income assuming: he is resident and ordinary resident, resident but not ordinary resident and non-resident.

Q.3 A) Mr. Mavi is the owner of two houses:

08

Particulars	SOP	LOP
Municipal Value	2,00,000	3,00,000
Fair Rent	2,20,000	3,80,000
Actual rent Received		3,15,000
Municipal taxes (Half paid)	8,000	5,000
Interest on housing loan	25,000	1,35,000

From the above information compute his, income under the head income from house property for the AY 2018-19.

Paper / Subject Code: 79708 / Direct Taxation

Q.3 B) Mr. Baijal who is person of an Indian Origin came first time on a visit to India on 1st July, 2017. He left India on 20th November, 2017. Determine his residential status for the A. Y. 2018-19 07

OR

Q.3 A) Mr. Ronson gives you the following information compute income from other sources for the A.Y: 2018 -19. 07

- 1) Dividend of Rs 90,000 received from an India Company.
- 2) Lease rent of vacant plot of land of Rs. 1,42,100 was received during the year.
- 3) Rs. 1,30,000 received by him from his friends on his wedding anniversary.
- 4) Interest of Rs. 18,000 received on a bank Fixed deposit.
- 5) He wins Rs. 62,000 from card games

Q.3 B) Mr. Zen 'sold residential building at Delhi for Rs. 70,00,000 on September 1, 2017. This building was acquired by him on 1st October 2012 for 5,00,000. He paid brokerage @ 1 % to the real estate agent at the time of sale of building. He purchased a residential building at Bangalore on March 7, 2018 for Rs.35,00,000.Mr X also made some improvement in the year 2013- 14 for Rs. 5,00,000. Compute Income from Capital Gains for the A.Y..2018-19 08

(CII (2012-13) -200, (2017 -18) - 272 and (2013-14) -220)

Q.4 From the following Profit & Loss Account of Mr. Z compute his- total taxable income for the Assessment Year 2018-19. 15

Profit and Loss Account for the year ended 31st March 2018.

Particular	Amount	Particular	Amount
To House hold expenses	6,000	By gross' profit	3,28,000
To Fire Insurance	2,800	By Commission	3,000
To Salary	1,75,000	By Interest form Saving Bank Account	10,000
To Advertisement	10,000		
To Mediclaim Paid for his wife	2,500		
To Postage and Telegram	1,600		
To Income Tax	4,280		
To Depreciation	4,800		
To Salary to Mr. X	2,250		
To Audit Fees	600		
To Staff Welfare expenses	2,500		
To Bonus to Staff	2,050		
To office Expenses	1,280		
To Net Profit	1,28,290		
Total	3,41,000		3,41,000

Additional Information:

- 1) Deprecation as per Income tax rules is Rs.5,000
- 2) Bonus to staff was outstanding.
- 3) He paid tuition fees to a school of Rs. 7 ,500 for his school going daughter

OR

Paper / Subject Code: 79708 / Direct Taxation

Q.4 From the following Profit & Loss Account of Mr. Krishna compute his total taxable income for the 15 Assessment Year 2018-19.

Profit and Loss Account for the year ended 31st March 2018

Particular	Amount	Particular	Amount
To Opening Stock	40,000	By Sales	23,12,600
To Purchases	15,00,000	By Closing Stock	42,400
To Office Salaries	37,000	By dividend from UTI	1,00,000
To Conveyance	31,200	By Gift From Father	24,000
To Stationery and Printing	31,600		
To Salariés	15,200		
To General Expenses	30,400		
To Depreciation	19,600		
To Income Tax	9,600		
To Salary to Mr. Krish	11,200		
To Interest on Capital	7,200		
To Net Profit	7,46,000		
Total	24,79,000		24,79,000

Additional Information:

- 1) Deprecation as per Income tax rules is Rs. 17000.
- 2) Mr. Krishna who is physically handicapped person with 60% disability paid premium for LIC Pension policy Rs.30,000.
- 3) He paid interest of Rs.90,000 on education loan taken from SBI for his son, pursuing postgraduate degree in medicine.

Q.5 A) Deduction from Income from House property
B) List out any 5 Deductions u/s80

08
07

Q.5 Write short notes: (any three)

- a) Long term Capital Gain
- b) Let house property.
- c) Deduction under u/s 16
- d) Person
- e) Basic Condition & Additional condition for determining Residential status

15

Max. Marks: 75

Instructions:

- A. All questions are compulsory subject to internal choice.
B. Figures to the right indicate full marks.

Q.1. (a) State whether the following statements are true or false. (any 8) (08)

1. Debentures represent borrowed capital of a company.
2. Zero coupon Bonds reflect deep discount bonds.
3. GDR is an instrument which is linked to equity.
4. Letter of Credit is issued by exporter's bank.
5. $NPV = \text{Net PAT} - \text{Initial Investment}$.
6. Bonus shares are issued to preference shareholders.
7. NPV method considers time value of money.
8. Capital budgeting decisions are long term decisions.
9. Depreciation is a non cash item.
10. Cost of debt is cheaper than equity.

Q.1. (b) Match the columns. (Any 7) (07)

A	B
a) Payback period	1. Stakeholders
b) Gordon Model	2. Tax saving
c) Debentures	3. Does not consider time value of money.
d) Interest	4. Borrowed capital.
e) Preference share capital	5. Dividend policy.
f) Government	6. Secured loan
g) Turnover	7. Equity shareholders
h) Deep discount bonds	8. Sales
i) Pledge	9. Fixed Dividend
j) Bonus shares	10. Long term bonds

Q.2A. Following is the capital structure of Zeenat company Ltd. (15)

Equity Share capital	- Rs. 20,00,000 (FV 10)
6% Preference share capital	- Rs. 5,00,000 (FV 100)
8% Debentures	- Rs. 15,00,000 (FV 1000)

Equity share of the company sells at price which is 5 times higher than its face value.

Expected dividend @ 50% p.a with constant growth rate to be 7% p.a Assume Tax rate to be 35%.

- (a) Calculate weighted average cost of capital (WACC) in the above situation.
- (b) Calculate revised WACC if the company wants to raise additional capital of Rs. 10,00,000 through 10% debenture. In this situation, expected dividend would be Rs. 6 per share. Market price would fall by Rs 20 per share. Growth rate remains unchanged.
- (c) Compute WACC considering all the facts in situation (b) only if the growth rate changes to 12%.

OR

Q. 2B. From the following capital structure of Aarti Ltd and Varsha Ltd, Calculate WACC of both the companies as per Book Value and Market value method. (15)

(Aarti Ltd)

SOURCE	BOOK VALUE (RS.)	MARKET VALUE (RS.)	AFTER TAX COST OF CAPITAL
Equity Share capital	18,00,000	36,00,000	14%
Retained Earnings	6,00,000	---	13%
Preference capital	4,00,000	4,00,000	10%
Debentures	12,00,000	12,00,000	5%

(Varsha Ltd)

SOURCE	BOOK VALUE (RS.)	MARKET VALUE (RS.)	AFTER TAX COST OF CAPITAL
Equity Share capital	2,40,000	4,80,000	13%
Retained Earnings	80,000	---	9%
Preference capital	40,000	44,000	8%
Debentures	1,60,000	1,52,000	5%

Q.3A. With the help of following information Project PQR and XYZ you are asked to evaluate the same using capital budgeting techniques of Payback period, NPV and Profitability Index. Based on the results choose the most feasible project. (15)

Initial Investment for both the projects = Rs. 4,00,000

Life of both the projects = 5 Years.

Cost of Capital = 10%.p.a

YEAR	CASH INFLOW (PQR) (Rs)	CASH INFLOW (XYZ) (Rs)
5	40,000	26,000
4	1,50,000	28,000
3	1,80,000	80,000
2	1,60,000	1,20,000
1	70,000	2,36,000

OR

Q.3. B. From the following information of Lata company Ltd, calculate (08)

(i) Payback period. (ii) ARR.

Estimated Life = 5 years Initial investment = Rs. 10,00,000

Year	Net profit after tax and depreciation. (Rs.)
1	60,000
2	1,00,000
3	1,40,000
4	1,80,000
5	2,20,000

Depreciation is calculated on SLM basis.

Q.3. C. Mr. Mukesh deposited Rs. 40,000 to earn interest at 12 %. Find out the Future value of his amount if the interest is compounded---

(i) Annually (ii) Half yearly (iii) Quarterly (07)

Q.4A. Following is the existing capital structure of Surbhi Co. Ltd. (15)

Equity Share Capital of Rs. 100 each -	Rs. 80,00,000
Retained Earnings -	Rs. 20,00,000
9% Preference share capital (FV Rs 100) -	Rs. 50,00,000
7% Debentures (FV Rs 1000) -	Rs. 50,00,000

Return on capital Employed is 12%. Tax rate is 50%. Company wants to expand its business for which it requires additional capital of Rs. 50,00,000

It has Following 3 options for the same.

- (i) Issue entirely through 40,000 equity shares of Rs. 125 each.
- (ii) Issue entirely through 10% preference share capital.
- (iii) Issue entirely through 9% Debentures.

Calculate EPS of all the plans and select the best one.

OR

Q.4.B. Following is the information of Shanayaa Co. Ltd. (08)

Rate of return on investment = 10 %

Cost of Capital (Ke) = 10%

Earnings per share = Rs. 10

Calculate the value (market price) of the shares using walter model when dividend payout is----

- (i) 50%
- (ii) 100%

Q.4.C. Calculate EVA from the following. (07)

Average Debt (Rs. In crores) -	200
Average Equity (Rs. In crores) -	11,064
Cost of Debt (Post tax) -	7.72 %
Cost of Equity -	16.54%
Profit after tax (Rs. In crores) -	61.64
Interest (Rs. In crores) -	20

Q.5. (a) Explain sources of funds according to the ownership. (08)

Q.5' (b) Explain types of Preference shares. (07)

OR

Q.5. Short notes (any 3) (15)

- (i) Any 5 types of risks.
- (ii) Capital Rationing
- (iii) Hire Purchase
- (iv) Certificate of Deposits
- (v) Depository Receipts

BBI Semester III

01-11-18

Duration: 2.5 Hours.

Total marks: 75

Figures to the right indicate marks. All Questions are compulsory.

Q.1. Match the Columns (any 8) (08)

- | | | |
|--------------------------|---|--------------------------------------|
| 1. Stock Split up | - | Better future decisions |
| 2. Gordon Model | - | Idle funds |
| 3. Finished goods | - | Reduction in par value of share |
| 4. Window Dressing | - | Dividend policy |
| 5. ROI | - | Valuation of shares |
| 6. Four Part theory | - | Du pont approach |
| 7. Large Working capital | - | Cost of production |
| 8. CAPM | - | Rosy picture of financial statements |
| 9. Amortization | - | Working capital management |
| 10. Historic data | - | Spreading cost of fixed assets |

Q.1(b) State whether the following statements are true or false. (Any 7) (07)

1. Budget contains the plan of management.
2. Information is data that has been processed in some way.
3. Current ratio includes stock and prepaid expenses.
4. Reserves constitute Net worth for a company.
5. Capital gearing ratio compares owned funds and borrowed funds.
6. Bonus shares are issued to equity share holders and preference share holders.
7. Acid test ratio represents quick ability of company to meet urgent monetary needs.
8. When capital employed is low in relation to its turnover it is called as Under-capitalization.
9. Stock velocity represents the capability of a company to convert its average stock into sales.

10. Fluctuating working capital is determined on the basis of activity at a particular period of time.

Q.2. A) From the following information of Tisco Company Ltd, prepare an estimated working capital statement. (15)

Raw material per Unit is Rs. 550 and Direct labour is Rs. 12,00,000 for a month.

Overall annual Overheads amount to Rs. 1,26,00,000. The company has a policy of calculating profit @ 20% on Selling price. Raw materials are maintained for 2 months.

Company processes the products for 1 month. Final Goods are kept for 1.5 months by the company.

Credit Allowed to 50 % customers are on the basis of Acceptance of bills and remaining customers are given 1 month's credit.

25% of overheads are paid one month in advance and balance is paid after a month.

Payment of wages is delayed by 1 month.

Out of total Suppliers 20% are paid in cash and rest provide 1.5 month's credit.

Cash Requirement is 15% of net working capital.

OR

Q.2. B) From the following information of Baleno Ltd, estimate a working capital requirement for the year ending 31st March, 2017. (15)

The company produced 120 Speed Cars annually.

It requires Steel Body of about 1000 kgs per car at Rs. 70 per kg.

It needs 20 Kgs of Spare parts per car at Rs. 60 per Kg.

The car has an Engine costing Rs. 20,000.

Labour work for 50 Hours at Rs. 100 per hour.

Overheads for the company are Rs. 20,000.

Steel Body remains in stock for 2 months, Spare parts are kept for half month and Engine remains in stock for 1 month.

Suppliers of Steel provide credit of 2 months, Suppliers of Spare parts allow us credit for 1 month and Engine is bought at credit for Half month.

Production process is for half month. Time lag in payment of Wages and overheads is 1 month.

Finished goods remain in stock for 1 month.

Q.3A. From the following particulars prepare a vertical Income statement and considering other information, calculate following ratios. (a)ROI (b) Operating profit Ratio. (c) Stock Turnover ratio. (d) Return on Proprietor's fund (e) Selling Expenses ratio. (15)

Particulars	Amount in Rs.
Owned Funds	3,00,000
Borrowed funds	45,000
Sales	4,00,000
Opening stock	45,000
Wages	1,00,000
Office rent	17,000
Interest on debentures	3000
Non-Operating Expenses	2000
Advertisement	6,000
Transport on Sales	4,000
Income tax	20,000
Closing Stock	95,000
Non-operating income	12,000
Purchases	2,20,000
Salaries	40,000

OR

Q.3B. From the following particulars prepare a vertical Balance sheet and income statement and also calculate the following ratios. (a) Debtors Turnover ratio (b) Stock to working capital ratio. (c) Liquid ratio. (d) Return on capital employed (e) Capital gearing ratio.

(15)

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Equity Share capital	2,00,000	Reserves and Surplus	43,000
Preference share capital	1,00,000	Fixed assets	4,78,500
Debentures	1,50,000	Stock	32,500
Debtors	18,000	Provision for tax	35,000
Creditors	15,000	Proposed dividend	10,000
Cash	20,000	Sales	10,00,000
Bills receivable	12,000	COGS	7,50,000
Bank Overdraft	8,000	Operating expenses	1,38,000
Interest paid on debentures	12,000	Income tax paid	35,000

Q.4. (A) Following is the information of Starone Co. Ltd.

(08)

Internal rate of return = 10 %

Cost of Capital = 10%

Earnings per share = Rs. 8

Calculate the value (market price) of the shares using Walter model when dividend payout is-

- (i) 50% (ii) 75%

Q.4 (B) Following is the balance sheet of Moon Ltd as 31st March 2018

(07)

LIABILITES	AMT (Rs.)	ASSETS	AMT (Rs.)
4000 Equity shares of Rs. 200 each,(Rs. 160 paid up)	6,40,000	Fixed Assets	6,00,000
Securities Premium Account	1,20,000	Current Assets	880,000
Capital Reserve	70,000		
General Reserve	1,00,000		
P/L account	3,00,000		
Creditors	2,50,000		
Total	14,80,000	Total	14,80,000

Convert the partly paid up shares as fully paid up. For this purpose, P/L can be utilized for an extent of Rs. 1,00,000 and rest can be generated through Capital Reserve. Pass the required journal entries.

OR

Q4C. Being a Company Secretary you are asked to calculate the revised number of shares and Share capital in for following companies using the information below -

(08)

Sr.no	Company	Existing Total Share Capital (Rs) FV Rs 1000	Bonus Ratio	Stock Split Value Per share
1.	Laxmi Ltd	45,00,000	2:1	Reduced to 500 per share
2.	Saraswati Ltd	2, 25,00,000	4:1	Reduced by 400 per share
3.	Durga Ltd	75,00,000	8:2	Reduced by 800 per share

4.	Radha Ltd	1,50,00,000	1:1	Reduced by 500 per share
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Note – Stock split was initiated after bonus issue.

Q4D. Calculate Dividend Payout Ratio from the following data (07)

Particulars	Manju Ltd
Provision for Tax (25% of Net Profit)	Rs 75,000
No of equity shares	5000
Total Equity Dividend	Rs 100000

The Company also had 10% Preference Share Capital of Rs 250000. (FV Rs 100 each)

Q.5. (A) Explain SEBI Guidelines for issuance of bonus shares (08)

Q.5. (B) Explain functions of treasurer. (07)

OR

Q.5. Write short notes on any 3 out of 5. (15)

1. Controller
2. Parties interested in Financial Statements of the company.
3. Solvency ratio
4. Operating Cycle.
5. M & M approach

BBI Semester III

02-11-18

2Hrs 30Mins

Total Marks: 75

Instructions:

1. All questions are compulsory subject to internal choice.
2. Use of simple calculator is permitted.

Q1A. State whether following statements are true or false (any8) (08)

1. A strong MIS helps to manage risks of an organization effectively.
2. The design of risk management largely depends upon the size and nature of an organization.
3. Every trade in forex market is a currency pair.
4. Futures and Options are type of derivatives.
5. Interest rates offered by CD's are generally lower than government securities.
6. Debt funds offer regular interest payments.
7. Micro finance is a developmental intervention rather than traditional banking activity.
8. Amortization refers to paying off a debt over a scheduled period of time.
9. A measure of bond yield is known as basis point.
10. The LIBOR rates are set fortnightly.

Q1B. Match the Column (any7) (07)

A	B
1. Participatory notes	a. Risk Enhances
2. Bretton Woods	b. Micro finance
3. Portfolio Downgraded	c. Balance Sheet Ratios
4. Bond prices	d. Market Index
5. Credit Worthiness	e. Insurance
6. Sensex	f. Preventive and Defective Control
7. Safety	g. Gold Standard System and Floating System
8. Transfer Risk	h. Offshore instruments
9. Mohammud Yunus	i. Pre requisite for loan sanction
10. Operational Risk	j. Inversely related to Interest Rates

Q2 A. Explain the nexus between Corporate Governance and Risk Management practices. (08)

B. Discuss in brief the causes and impact of collapse of Lehman Brothers in 2008 on world's financial system. (07)

OR

Q2 A. Explain the eight components of COSO ERM Integrated Framework in brief. (08)

B. Calculate capital adequacy ratio i.e. total capital to risk weighted exposures ratio for Kaira Bank using the following information: (07)

	Exposure(in 000's)	Risk Weight
Government Treasury held as asset	7,500	0%
Loans to Corporates	12,000	20%
Loans to Small Businesses	4,000	30%
Guarantees and other non-balance sheet exposures	300	100%

The bank's Tier 1 Capital and Tier 2 Capital are 700 thousand and 1100 thousands respectively.

- Q3 A. Explain the trading mechanism of equity markets in India (08)
 B. Explain the difference between Commodity and Financial Derivatives. (07)

OR

- Q3 A. Discuss the Capital standards under Basel II and Basel III norms. (10)
 B. LSK security has a standard deviation of 0.75 and a 0.8 correlation with the market portfolio. The market portfolio is now expected to have a standard deviation of 0.14. Find out the security beta. (05)

- Q4 A. Explain in brief the steps involved in Monte Carlo Simulation. (08)
 B. Explain the need and importance of Micro finance with special reference to India. (07)

OR

- Q4 A. Calculate the net pay off for the holder of call option in each case with the help of following information - (08)
 The holder has an obligation to pay premium of Rs 500 in each case.

SR.no	Exercise Price	Current Market Price
1.	5200	4520
2.	2486	2495
3.	3890	4200
4.	4780	5150

- Q4 B. Explain the objectives of loan review mechanism in banking sector. (07)

- Q5 A. Critically Evaluate GAP analysis as measure of risk. (08)
 B. Discuss the factors influencing sanction of agricultural loan from bank's perspective. (07)

OR

- Q5 Write Short notes on any 3 (15)
 1. Systematic Risk
 2. Credit Life cycle
 3. VaR
 4. Certificate of Deposit
 5. Collateralized Bond Obligation.
