

SyBFM

Sem:-III

Oct-2019

**QUESTION PAPER**

**S.Y.B.F.M**

**SEM-III**

**OCT. - 2019**

**M. L. DAHANUKAR COLLEGE OF COMMERCE**  
**SEMESTER III EXAMINATION OCTOBER 2019**

**Class: S.Y.B.F.M.**

**Subject: MANAGEMENT ACCOUNTING**

**Duration: 2hrs 30mins**

**Total: 75 Marks**

**Date:-04-10-2019**

**Time: 10.00am to 12.30pm**

**Note:** All questions are compulsory.

**Q.1. (A) Multiple Choice questions (any 8)**

**(8)**

- 1) Operating cost includes \_\_\_\_\_ (a) Operating expenses only (b) Cost of goods only  
(c) Non operating expenses (d) both (a) & (b)
- 2) In cash flow statement, reduction in Creditors balance is \_\_\_\_\_ (a) Inflow  
(b) Outflow (c) No effect on cashflow (d) Multiplying effect on cashflow
- 3) Quick Assets are equal to \_\_\_\_\_ (a) Current assets  
(b) Current assets less stock (c) Stock (d) None of these
- 4) Interest is \_\_\_\_\_ element of cost. (a) Tax deductible (b) Appropriation  
(c) Dividend (d) None of these
- 5) Debtor is an element of \_\_\_\_\_ (a) Current Asset (b) Current Liability  
(c) Debt (d) CRR
- 6) Outstanding expenses are part of \_\_\_\_\_ (a) Current Asset  
(b) Current Liability (c) Debt (d) CRR
- 7) Depreciation is \_\_\_\_\_ (a) Non cash expenditure (b) Non cash income  
(c) Current Liabilities (d) None of these
- 8) If Sales for the 2018 is Rs.2,00,000 and sales for 2017 is 1,00,000; the company is said to be grown by \_\_\_\_\_% over previous year.  
(a) + 100% (b) - 100% (c) + 50% (d) +200 %
- 9) Redemption of debentures is a cash flow from \_\_\_\_\_ (a) Operating activities  
(b) Financing activities (c) Investing activities (d) None of the above
- 10) Long term loan taken are shown in vertical financial statements as \_\_\_\_\_  
a)current assets b)investments c)loan funds d) current liabilities

**Q.1 (B) True / False (any 7)**

**(7)**

- 1) Acid Test ratio is calculated to find out the efficiency of collection department.
- 2) Working capital is a cycle within which term loans taken from Bank are repaid.
- 3) Capital employed is calculated as Fixed asset assets plus Working capital.
- 4) In Common size Income statement Sales is considered as 100%
- 5) Interest coverage ratio indicates firm's ability to meet the interest obligation.
- 6) Excess of sales over cost of goods sold is gross profit.
- 7) Inventory is a Non quick current asset
- 8) Low risk borrower gets MPBF as 0.75 (CA-CL)
- 9) Gross Working capital is same as Current assets.
- 10) Negative working capital is when Current Liabilities are more than Current Assets.

Q. 2 Prepare COMMON SIZE statement of SP Ltd. for the year 2019 & 2018 and Offer your comments.

(15)

Particulars	2019	2018
Sales	10,00,000	8,00,000
Less: Cost of Goods Sold	3,30,000	3,00,000
<b>Gross Profit</b>	<b>6,70,000</b>	<b>5,00,000</b>
Less: Operating Expenses		
Administrative Overheads	1,00,000	90,000
Selling Overheads	1,20,000	1,10,000
Distribution Overheads	1,40,000	1,30,000
<b>Total Operating Expenses</b>	<b>3,60,000</b>	<b>3,30,000</b>
<b>Operating Profit</b>	<b>3,10,000</b>	<b>1,70,000</b>
Add: Non-Operating Income	24,000	16,000
Less: Non-Operating Expenses	16,000	24,000
<b>Earning Before Interest &amp; Tax</b>	<b>3,18,000</b>	<b>1,62,000</b>
Less: Interest	44,000	50,000
<b>Earning Before Tax</b>	<b>2,74,000</b>	<b>1,12,000</b>
Less: Tax	68,500	28,000
<b>Earning After Tax</b>	<b>2,05,500</b>	<b>84,000</b>
Less: Preference Dividend	30,000	34,000
<b>Retained Earnings</b>	<b>1,75,500</b>	<b>50,000</b>

OR

Q.2 Based on the following information related to SV Limited, prepare Vertical Balance sheet and convert it into COMPARATIVE statement. Comments are NOT required. (15)

Liabilities	2018 (Rs.)	2019(Rs.)	Assets	2018 (Rs.)	2019(Rs.)
Share Capital	1,05,000	1,20,000	Building	82,500	1,20,000
P&L A/c	30,000	30,000	Machinery	64,500	75,000
Debentures	30,000	45,000	Stock	37,500	7,500
Other Secured Loans	15,000	30,000	Debtors	22,500	15,000
Creditors	15,000	4,500	Cash	3,000	22,500
Bank Overdraft	12,000	6,000			
Outstanding expenses	3,000	4,500			
	<b>2,10,000</b>	<b>2,40,000</b>		<b>2,10,000</b>	<b>2,40,000</b>

Q.3 CSL Ltd has provided you with the following information..

(15)

Balance sheet			
Liabilities	Rs.	Assets	Rs.
Share Capital	1,80,000	Fixed Assets	1,80,000
Reserves	60,000	Current Assets	2,40,000
10% Debentures	60,000		
Current Liabilities	1,20,000		
	<b>4,20,000</b>		<b>4,20,000</b>

Income Statement	
Sales	8,00,000
Less: Cost of Goods sold	4,40,000
Gross Profit	3,60,000
Less: Operating expenses	2,40,000
Earning Before Tax	1,20,000
Less: Tax	60,000
Earning After Tax	60,000
Less: Dividend	32,000
Retained Earnings	28,000

Calculate, Current Ratio, Proprietary Ratio, Capital Gearing Ratio, Gross Profit Ratio & Net Profit Ratio. Vertical Statements are NOT required to be prepared. Offer Your Comments on each ratio.

OR

Q.3 Extract from financial accounts of MMJC Ltd. are given below for Year I & Year II (15)

Particulars	Year I		Year II	
	Assets (Rs.)	Liabilities (Rs.)	Assets (Rs.)	Liabilities (Rs.)
Stock	20,000	-	40,000	-
Debtors	60,000	-	60,000	-
Bills Receivable	4,000	-	-	-
Cash in Hand	40,000	-	30,000	-
Creditors	-	50,000	-	60,000
Bills Payable	-	30,000	-	34,000
	<b>1,24,000</b>	<b>80,000</b>	<b>1,30,000</b>	<b>94,000</b>

Particulars	Year I	Year II
Credit Sales	7,00,000	6,00,000

Calculate Current Ratio, Quick Ratio, Debtors collection period for Year I & Year II and comment on the solvency position of the company. Vertical Statements are NOT required.

Q.4 The following is cost sheet of GlenM limited producing 48,000 similar types of products.

(15)

Particulars	Rs. per Units
Raw Materials	80
Labour	40
Factory overheads	30
Selling cost	20
Net Profit	30
Selling Price	200

The following further information is provided to you:

- 1) Raw materials remain in stock for 2 months while finished goods stock is carried for 3 months.
- 2) Credit allowed to customers is 3 months while credit allowed by suppliers of materials is 2 months.
- 3) Factory overheads are paid at the end of the month.

- 4) Company has a policy to have bank balance of at least Rs.1,50,000 on cash balance worth equal to 3 months of factory overheads.  
5) 20% of the total sale is for cash.

You are required to prepare a statement of Working Capital Requirement.

**OR**

Q.4 Following are the summarised Balance sheets of CIPL limited as on 31<sup>st</sup> December 2004 and 2005. You are required to prepare cashflow statement using Indirect Method. (15)

Balance sheet					
Liabilities	2004 (Rs.)	2005 (Rs.)	Assets	2004 (Rs.)	2005 (Rs.)
Equity Share Capital	4,00,000	5,00,000	Bank	70,000	32,000
12% Debentures	2,00,000	1,60,000	Stock	80,000	1,50,000
10% Preference shares	1,00,000	1,60,000	Debtors	1,80,000	3,00,000
Bank Loan	1,40,000	2,20,000	Machinery	1,50,000	1,20,000
Reserves	40,000	50,000	Furniture	20,000	16,000
P&L Account	1,00,000	1,20,000	Land	3,40,000	5,60,000
Creditors	1,20,000	1,50,000	Buildings	2,80,000	1,98,000
Bills Payable	80,000	66,000	Goodwill	60,000	50,000
	<b>11,80,000</b>	<b>14,26,000</b>		<b>11,80,000</b>	<b>14,26,000</b>

- Depreciation on Furniture during 2005 Rs.8,000  
Depreciation on Machinery during 2005 Rs.24,000  
Depreciation on Building during 2005 Rs.40,000  
Machinery sold for Rs.30,000  
Loss on sale of machinery Rs.8,000  
During 2005, Interim dividend paid Rs.20,000  
During 2005, Income tax paid Rs.10,000  
During the year, part of the building was sold at book value

Q.5 (A) What are the different modes of expressing ratios? (8)

(B) What factors determine Working Capital requirement? (7)

**OR**

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

1. Cash Flow Statement
2. Working Capital Cycle
3. Debtors Turnover Ratio
4. Creditors Turnover Ratio
5. Concept of Management Accounting

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**M. L. DAHANUKAR COLLEGE OF COMMERCE**  
**SEMESTER III EXAMINATION OCTOBER 2019**

**Class: S.Y.B.F.M.**

**Subject: PORTFOLIO MANAGEMENT**

**Duration: 2hrs 30mins**

**Total: 75 Marks**

**Date:-05-10-2019**

**Time: 10.00am to 12.30pm**

**Note:** All questions are compulsory.

**Q . 1 (A) State True or False**

**(Any 8)**

**(8)**

- a) Risk is the most important principal of investment .
- b) Factors to be considered for asset allocation are age , income , time horizon , risk appetite etc.
- c) All investments are speculative in nature .
- d) Higher the variance of security , higher is its total risk .
- e) Unsystematic risk is not diversifiable risk .
- f) Sharp measure return relative to total risk .
- g) The basic assumption in technical analysis is that stock price movement are random.
- h) Young Couple planning for children's higher education is a short term high priority objective .
- i) Capital asset pricing model helps in estimating the expected return of security .
- j) REIT's is an additional investment avenue that is available for Indian investors from 2019 .

**(B) Match the columns**

**(Any 7)**

**(7)**

1.	Principal of portfolio construction	a)	Performance evaluation measure
2.	CAPM	b)	Fixed percentage relationship
3.	Liquidity	c)	Variance
4.	Beta	d)	Constraints in portfolio revision
5.	Tax saving investment	f)	Safety
6.	Risk	h)	Jensen's measure
7.	Transaction cost	i)	Ability to convert investment into cash
8.	Standard deviation	j)	PPF
9.	Treynor's Ratio	k)	Related to movement of markets
10.	Constant Ratio Plan	l)	Change of loss

**Q2 . (A)**

Calculate the standard deviation of return on stock A and stock B.

The rate of return on stock A and Stock B under different state of economy are given below :

**(15)**

State of Economy	Probabillity	Stock A (%)	Stock b (%)
Boom	0.3	20	40
Normal	0.5	30	30
Recession	0.2	40	20

**OR**

**Q2.(B)** Calculate Treynor Measures from the following portfolios: **(15)**

	Average Return (%)	Standard Deviation	Beta
Portfolio A	14%	0.25	1.25
Portfolio B	10%	0.15	1.10
Market Index	12%	0.25	1.20

The risk – free rate of return is 8% .

**Q3 (A).** Compare the following portfolio according to Jensen's measures of portfolio evaluation and rank them. **(15)**

Portfolio	Return of Portfolio %	Beta
XYZ	30%	1.5
PQR	24%	0.9
ABC	20%	1.2
Market Index	24%	1.00

Risk Free Rate of return is 8%

**OR**

**Q3.(B)** The details about Mutual fund and Market Portfolio are as follows : **(15)**

	Mutual Fund	Market
Average Rate of Return	22%	20%
Standard Deviation of Return	16%	14%
Beta	1.20	1.00
Risk free Return	12%	12%

Compare the portfolio performance of Mutual fund as well as market using Sharpe and Treynor's Index.

**Q4(A)** Compute the Beta factor

(15)

Year	T Ltd. %	Market %
1	15	17
2	16	18
3	15	15
4	14	13
5	15	17

**OR**

**Q4.(B)** Mr. Abraham has a portfolio of five stocks . The expected return and amount invested in each stock is given below :

(15)

Stocks	Expected return	Amount invested
A	0.14	10,000
B	0.08	20,000
C	0.15	30,000
D	0.09	15,000
E	0.12	25,000
Portfolio value		1,00,000

Compute the expected return on Mr. Abraham's portfolio .

**Q5 (A)** Explain the different portfolio management strategies.

(8)

**(B)** Explain the objectives of Investment.

(7)

**OR**

**Q5. (C)** Write Short notes on (Any 3)

(15)

- a) Portfolio Strategy
- b) Assets Allocation
- c) Portfolio Diversification
- d) Modern portfolio theory
- e) Portfolio Rebalancing



**M. L. DAHANUKAR COLLEGE OF COMMERCE**  
**SEMESTER III EXAMINATION OCTOBER 2019**

**Class: S.Y.B.F.M.**  
**Duration: 2hrs 30mins**  
**Date:-07-10-2019**

**Subject: DEBT MARKET-I**  
**Total: 75 Marks**  
**Time: 10.00am to 12.30pm**

**Note:** All questions are compulsory.

**Q.1. (A) Match the columns (any 8)**

**(8)**

1	Face Value	a	Funds for 2-14 days
2	NDS-OM	b	Minimum denomination is Rs.10000
3	BBB rating	c	Electronic order matching platform
4	Tax'-saving bonds	d	Collaterals and Funds Management
5	Notice Money	e	Bills of exchange
6	CCIL	f.	Central Bank
7	Commercial Bills	g	Tax exemption
8	RBI	h	Generally, Rs.1 or Rs.100 or Rs.1000
9	Humped Yield Curve	i	Moderate Safety
10	Central Government Securities	j	Slightly elevated in the middle term.

**Q.1 (B) True / False (any 7)**

**(7)**

- (1) Yield curve is also called as "Term Structure of Interest Rates".
- (2) long term bonds mature in ten years or more.
- (3) Premium bonds are bonds that are priced lower than their face value.
- (4) Corporates issues Certificate of Deposits (CDs).
- (5) High yield bonds are debt securities that are issued by low credit quality organizations.
- (6) The option tender bonds are bonds with put option which give the bond holders the right to sell back their bonds to the issuers normally at par.
- (7) Yield curve is relationship between yield and maturity.
- (8) Reverse Repo means buying a security on a spot basis with a commitment to resell on a forward basis.
- (9) Prepayment risk is the risk that the issuer may exercise the contractual right to retire all or part of the issue before the maturity date.
- (10) Indigenous bankers are regulated by RBI.

**Q.2**

**(a) Explain the structure of money markets in India.** **(8)**

**(b) What are different types of new debt instruments?** **(7)**

**OR**

**Q.2**

- (c) What are H.R. Khan committee recommendations for corporate debt market? (8)
- (d) What are the Disadvantages of Money market instruments? (7)

**Q.3**

- (a) What is SEBI (Issue & Listing of Debt Securities) Regulations, 2008? (8)
- (b) Explain the role of RBI in primary & secondary debt market. (7)

**OR**

**Q.3**

- (c) What are Open market operations? Explain the key features of Open market operation. (8)
- (d) Explain the key features & participants in government securities. (7)

**Q.4**

- (a) Mr. Hussain holds investment in RBI Bond worth Rs.10,00,000 for 7 years. RBI offering annual coupon of 6% and expected discount rate is 4 %. Advise Mr. Hussain about his investment if in addition RBI also offering premium of 1% on principal at the time of redemption. (8)
- (b) What are the advantages of Credit rating to Corporate borrowers? (7)

**OR**

**Q.4**

- (c) Calculate the intrinsic value of a bond if Face value is Rs.1,00,000, coupon rate is 6 % p.a., discount rate is 8 % p.a, maturity is 5 years and interest is paid semi-annually. (8)
- (d) Rajiv bought Rs.100 face value bond at Rs.90. Calculate the YTM of the bond if it is redeeming at par with annual coupon rate of 11% within 3 years. (7)

**Q.5**

- (a) Explain Credit rating methodology of CRISIL. (8)
- (b) What is Interest rate risk? State relationship between Coupon, Current yield and YTM. (7)

**OR**

**Q.5 (c) Short Notes (any 3)**

- 1) Government Securities (15)
- 2) Normal Yield Curve
- 3) SGL Account
- 4) Primary Dealers' Association of India
- 5) Competitive bidding

**M. L. DAHANUKAR COLLEGE OF COMMERCE**  
**SEMESTER III EXAMINATION OCTOBER 2019**

**Class: S.Y.B.F.M.**

**Subject: COMPUTER SKILLS II**

**Duration: 2hrs 30mins**

**Total: 75 Marks**

**Date:-09-10-2019**

**Time: 10.00am to 12.30pm**

**Note:** All questions are compulsory.

**Q1. A. State whether the following statements are true or false (Any 8) (8)**

1. Current() function of MS Excel displays current system date.
2. Conditional formatting has rules limited to only numerical data
3. Database is defined as collection of related data that when put together communicate meaningful and useful message to a recipient who uses it.
4. VLOOKUP searches for a value in a column of a table.
5. Implementation of DBMS is Expensive.
6. Develop is the last phase of SCM
7. Marketing Automation is a feature of CRM Software
8. Debit Card is like a pre-paid service.
9. E-Banking is not secure at all.
10. EDI improves accuracy in transactions.

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

1.	Average()	a.	Text based function of MS Excel
2.	Left()	b.	Real Time Gross Settlement System
3.	Year()	c.	Can be dragged to generate series in MS Excel
4.	IPMT()	d.	Type of Database Management System
5.	Fill Handle	e.	Basic Mathematical Function of MS Excel
6.	RDBMS	f.	Net Effective fund token
7.	Report	g.	Date time function used in MS Excel
8.	ECS	h.	Object of a Database Management System
9.	RTGS	i.	Financial Function of MS Excel
10.	NEFT	j.	Electronic Calculation Software
		k.	National Electronic Fund Transfer
		l.	Electronic Clearing System

**Q2. A. Explain the following functions in spreadsheet with syntax and example (15)**  
 1. COUNT()                      2. RIGHT()                      3. PMT()  
 4. VLOOKUP()                      5. AVERAGE()

**OR**

- B. Write steps to create a Pivot table and Pivot chart from sales data. (8)**  
 (Assume data of your choice)
- C. How to create and format a bar chart in MS Excel? (7)**

**Q3. A. State the Characteristics of Primary Key and Foreign Key. (8)**  
**B. Define the following terms of DBMS – Table, Field, Record (7)**

**OR**

- C. List the Advantages and Disadvantages of DBMS. (8)**  
**D. What are the features-of CRM system. (7)**

- Q4. A. What is SCM ? Explain the five stages of SCM and benefits of SCM? (15)  
OR  
C. What is ECS? Explain its variants. (8)  
D. What are the benefits of EDI? (7)
- Q5. A. List the advantages and disadvantages of Online Trading (15)  
OR  
C. Write short notes on: (Any 3) (15)  
1. Conditional Formatting MS Excel  
2. Composite Key in RDBMS  
3. Date functions in MS Excel  
4. NEFT  
5. Smart Cards

**M. L. DAHANUKAR COLLEGE OF COMMERCE**  
**SEMESTER III EXAMINATION OCTOBER 2019**

Class: S.Y.B.F.M.

Subject: FC III- MONEY MARKET

Duration: 2hrs 30mins

Total: 75 Marks

Date:-10-10-2019

Time: 10.00am to 12.30pm

**Note:** All questions are compulsory.

**Q1. A. State whether following statements are True or False: Answer any 8 (8)**

1. Treasury bill is issued for 91/184/364 days.
2. Money Market deals with the short term instruments.
3. Capital market creates long term availability of funds
4. Minimum lock in period for money market mutual fund is 15 Days
5. SLR is the minimum amount of liquid investment to be maintained by RBI with bank.
6. Demand bills are payable immediately upon presented
7. Treasury bills are issued at discount and redeemed at a face value
8. Mutual Funds are regulated by SEBI.
9. Diversification is possible for money market mutual funds.
10. No scheme of mutual fund can be launched by AMC unless approved by trustee

**Q 1 B Match the column: Answer any 7 (7)**

Column A	Column B
1. Open Market Operations	a. Guaranteed by commercial Bank
2. FIMMDA	b. Recently introduced security
3. Commercial Paper	c. RBI Finance to Bank
4. FEDAI	d. Issued by banks
5. Bank rate	e. Mutual fund entity
6. Repo	f. Issued by corporates
7. Banker's Acceptance	g. 1958
8. Cash Management	h. Ready forward Market
9. Certificate of Deposit	i. Purchase and Sale of Government Securities
10. DSP Black Rock	j. Voluntary body for money market

**Q2. A. State and explain various Conventional Money Market Instruments (15)**

**OR**

**Q2. B. State and Explain various Modern money market instruments (15)**

**Q3. A. State and Explain disadvantages of Money market Mutual fund (15)**

**OR**

**Q3.B. State and Explain the structure of Mutual fund in India (15)**

**Q4. A. What functions central bank carry out in order to control banking system? (15)**

**OR**

**Q4. B. Explain features of Money Market (15)**

**Q5. A. Explain Various types of Commercial Bills (8)**

**B. State and explain Treasury Bill (7)**

**OR**

**C. Write short Notes on: Any Three out of Five (15)**

1. Commercial Bill
2. Foreign Exchange Dealers Association
3. Money market mutual fund
4. DFHI
5. Repo Market

**M. L. DAHANUKAR COLLEGE OF COMMERCE**  
**SEMESTER III EXAMINATION OCTOBER 2019**

**Class: S.Y.B.F.M.**  
**Duration: 2hrs 30mins**  
**Date:-11-10-2019**

**Subject: EQUITY MARKET-I**  
**Total: 75 Marks**  
**Time: 10.00am to 12.30pm**

**Note: All questions are compulsory.**

- Q:1**
- A. Multiple Choice Questions – Attempt any 8**
1. **Fundamental analysis is a \_\_\_\_\_ methodology.**  
(i) Inflation Valuation                      (ii) Volume valuation                      (iii) stock valuation  
(iv) Money valuation
  2. **ADR's are listed on**  
(i) American Stock Exchange                      (ii) London Stock Exchange  
(iii) Indian Stock Exchange                      (iv) Singapore stock exchange
  3. **ASBA stands for**  
(i) Application supported by Blocked Amount                      (ii) Application supported by Bulk Amount                      (iii) Application supported by Bonus Amount                      (iv) none of these
  4. **Capital which is a company is authorized by the registrar of companies to raise by selling shares is called...**  
(i) Issued capital (ii) Authorized capital (iii) subscribed capital (iv) Paid up capital
  5. **.....preferred stock, which has a conversion price named at its issuance so that it can be converted to a company's common stock at the set rate.**  
(i) Convertible                      (ii) Participating                      (iii) Adjustable                      (iv) Redeemable
  6. **..... is that market in which the buying and selling of the new issued securities is done.**  
(i) Primary                      (ii) secondary                      (iii) Wholesale market                      (iv) OTC
  7. **Shares that tend to remain stable under difficult economic conditions are known as**  
(i) Growth                      (ii) Defensive                      (iii) Blue-chip                      (iv) Speculative
  8. **Which of these is a product of secondary market?**  
(i) Stocks                      (ii) IPO                      (iii) Fixed deposits                      (iv) None of these
  9. **Drawbacks of IPO's are**  
(i) Loss of Control                      (ii) Loss of Privacy                      (iii) Excess Capital                      (iv) All of these
  10. **.....markets do not have physical locations**  
(i) OTC                      (ii) BSE                      (iii) NSE                      (iv) MCX

- B. State True or False (Any 7)**
1. IDR are listed on london stock exchange
  2. Increase in capital is the merit of IPO.
  3. Green Shoe option means an option of allocating shares in over subscription
  4. New issue is part of secondary market
  5. Right issue means issue of shares to existing shareholders.
  6. ESOP's is the method to issue shares to employees.
  7. OTC is market of Dealers.
  8. Bear market means stock prices are decreasing
  9. Stocks is a secondary market product
  10. Sweat Equity have 3 years lock in period.

08

07

- Q:2 A. What is preferred stock? What are types of preferred stock? 08  
B. What are the voting rights of equity and preference shareholders? 07

OR

- Q:2 P. Define ADR and State advantages and disadvantages of ADR 08  
Q. Explain Employee stock ownership scheme with example 07

- Q:3 A. What is a Stock Split and Bonus shares? Explain with example 08  
B. Write a note on fundamental analysis 07

OR

- Q:3 P. What are the characteristics of stock exchange? What are the major challenges of a stock exchange? 08  
Q. What is Index? Give example of different types of index along with the example. 07

- Q:4 A. Explain IPO lifecycle with example. 08  
B. What is secondary market? What are the features of secondary market? 07

OR

- Q:4 P. Find out the value of Stock index and Free Float Market Capitalization using data below: 08  
Base Value of Sensex: 100,  
Base Market Capitalization of Sensex: 1000,00  
Current Market Capitalization of Sensex: 6, 5000,000  
Floating Factor: 0.85  
Q. Explain free float methodology for index calculation 07

- Q:5 A. What are the objectives and benefits of Listing? 08  
B. Explain Divorce of ownership and management in companies 07

OR

- Q:5 Write short notes ( Any 3) 15  
1. Classification of equity shares  
2. Types of investor in IPO  
3. Over the counter Market  
4. Price Band  
5. Qualified institutional placement



**M. L. DAHANUKAR COLLEGE OF COMMERCE**  
**SEMESTER III EXAMINATION OCTOBER 2019**

**Class: S.Y.B.F.M.**

**Subject: BUSINESS LAW-I**

**Duration: 2hrs 30mins**

**Total: 75 Marks**

**Date:-12-10-2019**

**Time: 10.00am to 12.30pm**

**Note: All questions are compulsory.**

- Q 1** **A Choose the most appropriate answer (any 8 out of 10)** **08**
- 1 Which of the following is an offer?
    - A. A declaration of intention
    - B. An invitation to offer
    - C. An advertisement offering reward to anyone who finds the lost dog of the advertiser
    - D. An offer made jokingly
  - 2 A wrong representation when made without any intention to deceive the other party amounts to
    - A. Fraud
    - B. Undue Influence
    - C. Misrepresentation
    - D. Coercion
  - 3 Marriage brokerage contracts are
    - A. Void
    - B. Valid
    - C. Legal
    - D. Voidable
  - 4 A letter of acceptance sufficiently stamped and duly addressed is put into a course of transmission. There is
    - A. A contract voidable at the option of the offeror
    - B. No contract at all
    - C. A valid contract
    - D. A void contract
  - 5 Quasi Contracts are created by
    - A. Agreement
    - B. Law
    - C. Personal relations between parties
    - D. Ethics
  - 6 Mr. A gave his old motor car to Mr. B free of cost. This is a case of
    - A. Sale of movable goods
    - B. Transfer of goods
    - C. Agreement to Sell
    - D. Merely a case of gift rather than sale
  - 7 Nemo Dat Quod Non Habet means
    - A. A person who does not have a title to the goods cannot make a valid title
    - B. Delivery is not an essential element of a contract
    - C. Mutual consent of the parties is essential
    - D. No damages can be claimed for breach of contract
  - 8 A places an order with B for supply of 30 bottles of apple juice. B supplied 40 bottles. A has a right to
    - A. Accept the whole
    - B. Reject the whole
    - C. Accept and pay for 30 and return the balance
    - D. All of the above
  - 9 Which of the following is not applicable to negotiable instrument?
    - A. It must be in writing
    - B. It must be transferable
    - C. It must be registered
    - D. It must be signed
  - 10 When during the course of negotiation, the negotiable instrument comes back to the original endorser, it is known as
    - A. Negotiation Back
    - B. Reverse Endorsement
    - C. Facultative Endorsement
    - D. Back recourse Endorsement

Q 1	<b>B</b>	<b>State whether the following statements are true or false (any 7 out of 10)</b>	07
	1	All agreements are contracts but all contracts are not agreements.	
	2	Stranger to a contract cannot sue, while a stranger to a consideration can sue.	
	3	Silence always amounts to fraud.	
	4	All illegal agreements are void.	
	5	Past consideration is no consideration in India.	
	6	Auction sale will be completed on sale of hammer.	
	7	In a concluded sale, if goods are destroyed, loss is to be borne by the buyer.	
	8	Old coins may be treated as goods.	
	9	A bill of exchange cannot be crossed.	
	10	After receiving an uncrossed cheque, its holder can make on it both general crossing and special crossing.	
Q 2	A	What is an offer? What are its essential elements?	08
	B	Elaborate on Coercion and Undue Influence	07
		<b>OR</b>	
Q 2	C	What are the various modes of termination of agency?	08
	D	Distinguish between indemnity and guarantee.	07
Q 3	A	Write a note on passing or transfer of property in case of generic or unascertained goods.	08
	B	Distinguish between sale and hire-purchase agreement.	07
		<b>OR</b>	
Q 3	C	What is a contract of sale? What are the characteristics of a contract of sale?	08
	D	"Let the Buyer Beware." Explain.	07
Q 4	A	Write a note on Dishonour of Cheques.	08
	B	Distinguish between Bills of Exchange and Promissory Note.	07
		<b>OR</b>	
Q 4	C	What are Bills of Exchange? What are its characteristics?	08
	D	Write a note on Noting, Protest, Protest for Better Security and Bills in Sets.	07
Q 5	A	Write a note on minor's ability to contract.	08
	B	Bring out the differences between Agreement and Contract.	07
		<b>OR</b>	
Q 5	C	<b>Write Short Notes on (any 3 out of 5)</b>	15
	1	Mistake	
	2	Contracts without consideration	
	3	Sub-Agent	
	4	Types of Goods	
	5	Crossing of Cheques	