

M.com Sem - II May - 2017
Sub: Corporate Finance Q.P. Code : 13805

[Time : 2 Hours]

[Marks : 60]

Please check whether you have got the right question paper.

- N.B:**
1. All questions are **compulsory**, each question has an **internal option**.
 2. **Figures to the right** indicate **full marks**.
 3. **Use of simple calculator** is **allowed**.
 4. **Working notes** should form **part of the answer**.

1. With the help of following information is supplied by M/S XYZ Ltd. Complete the following Balance Sheet given below : 15

Liabilities	₹.	Assets	₹
Equity Shares Capital	?	Fixed Assets	?
Reserves and Surplus	?	Current Assets	
20% Debentures	5,00,000	Stock	?
Current Liabilities		Debtors	?
Sundry Creditors	?	Cash and Bank Balance	?
Provision for Tax (Current Year)	?		
Total	?	Total	?

Following information is available :

- a) Gross profit ratio is 25% and which is ₹12,00,000.
- b) Operating expenses (including Debenture interest) ₹8,00,000.
- c) Rate of Income Tax is 50 %.
- d) Purchases and Sales are on credit basis.
- e) Debtors Turnover Ratio (Sales / Debtors) = 12 times.
- f) Creditors Turnover Ratio (Cost of Sales / Creditors) = 12 times.
- g) Earning Per Share ₹20.
- h) Stock Turnover Ratio = 10 times.
- i) Debt Equity Ratio 0.25 : 1.
- j) Current Ratio 2 : 1.

OR

1. Given below are income statements of Three firms A, B and C. 15

Particulars	A (₹)	B (₹)	C (₹)
Sales	12,00,000	15,00,000	18,00,000
(-- Variable expenses	?	?	?
Contribution	8,40,000	10,50,000	12,60,000
(-- Fixed Cost	1,40,000	1,50,000	2,60,000
Earnings before Interest and Tax	7,00,000	9,00,000	10,00,000
(-- Interest	1,80,000	2,50,000	2,10,000
Earning before Tax	?	?	?
(-- Tax 30%	1,56,000	1,95,000	2,37,000
Profit after Tax	?	?	?

Calculate :

- 1) Operating Leverage
- 2) Financial Leverages
- 3) Combined Leverages of A, B and C Ltd.

TURN OVER

2. Ultra Ltd. has the following capital structure :

Particulars	₹ in Lakhs
Equity Share	75
10% Preference Shares	40
10% Debentures	65
Total	180

The market of companies Equity share is ₹70. It is expected that the company would next year pay a dividend of ₹8.40 per share on the face value of ₹10. The company's Growth Prospects are 5%; P.a. assuming corporate taxation @ 35%. You are required to :

- 1) Compute weighted average cost of capital based on the existing capital structure.
- 2) Compute the new composite weighted average cost of capital if the company raises additional capital of ₹60 Lakhs as under :

Particulars	₹ in Lakhs
Equity Share	30
12% Preference Shares	10
9% Debentures	20
Total	60

This would result in increasing the expected Dividend to ₹9.10 per Equity Share and Leave the Growth rate unchanged at 5% and the anticipated market price of the Equity shares would fall to ₹75.

OR

2. Aditi Ltd. has Equity share capital of ₹3,00,000 divided in to shares of ₹100 each. It wishes to raise further ₹1,00,000 for Expansion cum moderation scheme. 15

The company plans the following alternatives :

- 1) By issuing Equity shares only.
- 2) ₹20,000 by issuing equity shares and ₹80,000 through debentures or term loan @ 10% p.a.
- 3) By raising term loan only at 10% p.a.
- 4) ₹40,000 by issuing Equity shares and ₹60,000 by issuing 8% Preference Shares.

You are required to suggest the best alternative giving your comments assuming the estimated Earnings Before Interest and Taxes (EBIT) after expansion is ₹50,000 and cooperate rate of tax is 35%.

TURN OVER

3. Venus and Paradise co. gives you the following information. Prepare Trading and Profit & Loss Account for the year ended 31st March 2017 and Balance Sheet as on that date in as much as possible : 15

Opening Stock	₹ 90,000
Stock Turnover Ratio	10 times
Net Profit Ratio on Turnover	15%
Gross Profit Ratio on Turnover	20%
Current Ratio	4:1
Long Term Loan	₹ 2,00,000
Depreciation on Fixed Assets @ 10%	₹ 20,000
Closing Stock	₹ 1,02,000
Credit period allowed by the suppliers	1 month
Average Debt Collection Period	2 months

On 31st March, 2017 Current Assets consisted of Stock, Debtors and Cash only. There was no bank overdraft. All purchases were made on credit. Cash sales were 1/3 of credit sales.

OR

3. a) Find out the compound value of an annuity of ₹1 for 5 years at 5% (Invested at the beginning of the year). 8
- b) Following is the Capital Structure of a firm : 7

	₹	Proportion
Equity Capital	4,50,000	45%
Retained Earnings	1,50,000	15%
Preference Share Capital	1,00,000	10%
Debts	3,00,000	30%
Total	10,00,000	100%

The firm's after Tax component cost of various sources of finance are as follows:

Sources	Cost
Equity capital	14 %
Retained earnings	13 %
Preference capital	10 %
Debts	4.5 %

Calculate weighted average cost of the firm.

TURN OVER

4. a) State whether the following statements are true or false :

8

- 1) Dividend on preference shares is fixed.
- 2) Compounding technique shows present value.
- 3) Equity funds includes Debentures.
- 4) Current ratio is also known as Acid Test Ratio.
- 5) MM approach is essentially Net operating income approach.
- 6) Trading on equity is used to increase EPS.
- 7) Liquidity is convertibility of investment in to cash.
- 8) Combined Leverages should be as low as possible.

4. b) Match the following :

7

Group 'A'	Group 'B'
• Finance	• To get doubling period
• Rule of 72	• Operating Profitability
• Life Insurance	• Life blood of Business organization
• Composite Cost	• Protection Scheme
• Liquidity	• Giltedged Securities
• Net Operating Profit Ratio	• Convertibility into Cash
• Government Securities	• Risk of loss
	• Weighted average cost of capital

OR

4. Write Short notes on (Any 3) :

15

- a) Functions of Financial Management.
- b) Balance Sheet Ratios
- c) Types of Leverages.
- d) Forms of Investments
- e) Classification of Cost of Capital.

2 Hours

Total Marks: 60

- N. B.: 1. All questions are compulsory
2. Figures to the indicate full marks

- Q 1. a) Explain the roadmap of E-commerce in India 15
b) What are the benefits of E-commerce?
OR
c) Explain the characteristics of Business to Business (B 2 B)
d) With help of diagram explain the E-commerce Sales Product Life cycle
- Q 2. a) Elucidate the various reasons for building own website 15
b) Explain the arguments for (pros) Electronic Data Interchange (EDI)
OR
c) Highlight the applications to Customer Relationship Management
d) What are the differences between the Conventional organization and the E-organization? Explain
- Q 3. a) Discuss the various techniques of E-marketing 15
b) Describe the arguments against (cons) online shopping
OR
c) Elaborate the characteristics of E-payment service
d) Explain the operational and credit risks of E-payment system
- Q. 4 A) Fill in the blanks with the help of proper option 05
- The 'Zappos' online shop is famous for -----product
a) Shoe c) cosmetics
b) Medicines d) Jewellery
 - is one of the challenges of E-commerce towards customers
a) Quality Product c) Cost reduction
b) 24 x 7 d) Best price and deals
 - Mr. Giffin and Mr. Riddings discussed ----- type/s of E-CRM in 2002
a) Operational c) Analytical
b) Collaborative d) All of these
 - advertisements are featuring a headline title destination URL and an optional photo
a) Mobile c) AdMob
b) Flash d) Reddit
 - The main object of the encryption is to ----- the secrecy of store digital data
a) Disclose c) Protect
b) Open d) Verify

B) State whether the following statements are True or False

05

1. India first came into commercial interaction with the online E-commerce via the IRCTC.
2. Many of the people just visit the web page but do not necessarily purchase.
3. HTML is stand for Hyper Text Marketing Language
4. Linking objectives business strategies is one of the steps in online marketing.
5. Defacing of website means store data and files in the website

C) Match the Column

05

- | | |
|------------------------------|------------------------------------|
| 1. MILNET | a) New technology in E-commerce |
| 2. Drone delivery | b) Attack on Military Installation |
| 3. Payment Gateway | c) Military part of Network |
| 4. Cyber terrorism | d) Security tools |
| 5. Secure Socket Layer (SSL) | e) Participants in SET Protocol |

OR

Q 4. Short Notes (any Three)

1. Hacking
2. Protection of cyber consumer in India
3. Security Issues in E-commerce
4. New Software security tools
5. Benefits of electronic signature

m.com Sem-II May 2012
Sub: Micro Economics

Q.P. Code :09716

[Time: 2 Hours]

[Marks:60]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. Figures to the right indicate full marks.
 3. Draw neat diagrams wherever necessary.

- Q.1 A. "Equilibrium level of income and output is determined by the interaction of aggregate demand and aggregate supply function". Discuss. 08
B. Examine keynes' concept of inflationary gap. What causes inflationary gap? 07
OR
C. Bring out the relationship between inflation and unemployment in the short run. 07
D. Explain the trade-off between inflation and unemployment in the long run with the help of Phillip's curve. 08
- Q.2 A. Explain goods market equilibrium with the help of IS function. What causes shift in the IS function? 08
B. Explain money market equilibrium and derive LM function. What determines the slope of LM function? 07
OR
C. Examine the effect of increase in government spending and tax rates on income and interest rates in the IS-LM model. 08
D. Bring out the effect of monetary policy on income and interest rates in the IS-LM model. 07
- Q.3 A. Discuss expenditure changing policies to correct disequilibrium in the balance of payments. 08
B. Discuss the right policy mix for correcting internal and external disequilibrium with the help of Mundell- Fleming model. 07
OR
C. Explain meaning of devaluation and revaluation. Examine the elasticity and absorption approaches. 08
D. Examine the J-curve phenomenon following devaluation or depreciation of the currency. 07
- Q.4 A. Select the correct answer and rewrite the following statements: 07
(i) The total money value of goods and services produced by the nationals during a given year is known as _____
a) NDP
b) GNI
c) GDP
d) None of the above
(ii) In developing countries measurement of national income involves problems like _____
a) Prevalence of non-monetized sector
b) Lack of adequate statistical data
c) Lack of proper accounting practices
d) All of the above

- (iii) Gross Domestic Product in an open economy includes _____
- a) $C+I+G+X$
 - b) $C+I+G+(X+M)$
 - c) $C+I+G+(X-M)+(R-P)$
 - d) None of the above
- (iv) GDP deflator indicates _____
- a) Nominal progress in the economy
 - b) Real progress in the economy
 - c) Rate of deflation in the economy
 - d) None of the above.
- (v) Real interest rate explains changes in _____
- a) Purchasing power
 - b) Money income
 - c) Rate of inflation
 - d) None of the above
- (vi) India ranks among _____
- a) Low human development group
 - b) High human development group
 - c) Very high human development group
 - d) Medium human development group
- (vii) GII Measures gender disparities in _____
- a) Reproductive health
 - b) Empowerment
 - c) Labour market participation
 - d) All of the above

B. Validate the following statements:

- (i) GDP includes income earned by nationals living abroad.
- (ii) GDP deflator is used to work out real GDP.
- (iii) Capital inflows are due to high real interest rate in a country.
- (iv) Disempowerment of women will improve GDI of a country.

08

OR

Write Short notes on any three:

- (i) Income and expenditure methods of measuring national income
- (ii) HDI and its limitations
- (iii) Determinants of aggregate demand
- (iv) Applicability of IS-LM in India for the period 1995-96 to 2005-06
- (v) Effect of tight money policy on the balance of payments

15

10/05/2017

M-com - Sem - II
Exam May 2017

11:00
'70
1:00 pm

sub: Research methodology
for Business

Q.P.Code:16359

2 Hours

Total Marks: 60

N. B. : 1. All questions are compulsory
2. Figures to the right indicate full marks

Q 1. Explain the Features and Importance of the Research in the Business 15

OR

- a) Describe the Steps in the formulation of Hypothesis 07
- b) Explain in brief the Methods of Sampling 08

Q 2. Elaborate the Methods of Primary data and Secondary data 15

OR

- a) Explain the Stages in Research Process 07
- b) Describe the Essentials of a good Questionnaire 08

Q 3. Explain in brief the Significance and Stages in Data Processing 15

OR

- a) Describe briefly the Measures of Central Tendency 07
- b) Explain the Precautions to be taken in Data Interpretation 08

Q. 4 A) State whether the following statements are True or False 05

1. Null hypothesis states that there is no relationship between two or more variables
2. Secondary data collection method is a time consuming process
3. t-test is used to test hypothesis when sample size is less than 30
4. Interim report is a complete report covering all aspects of the research study
5. Footnote is usually given at the end of each chapter

B) Fill in the blanks with the help of proper option 05

1. -----research is also called as fundamental research.
 - a) Applied
 - b) Basic
 - c) Empirical
 - d) Analytical
2. -----refers to previous research studies, reference books and other published sources
 - a) Research Report
 - b) Research Design
 - c) Review of Literature
 - d) None of these

Turn Over

3. Research -----is a logical and systematic plan for conducting a research study.
- a) Hypothesis c) Report
b) Design d) Sample
4. -----is used to analyse difference between group means and their associated procedure.
- a) Time series c) t-test
b) ANOVA d) z-test
5. -----is cited in alphabetical order and not in chronological order.
- a) Footnote c) Bibliography
b) References d) Endnotes

C) Match the Following

Group A

Group B

05

- | | |
|-------------------------------|-------------------------------|
| 1. Analytical Research | a) Histogram |
| 2. Census Report | b) Flexible Questionnaire |
| 3. Unstructured Questionnaire | c) Cause-Effect Relationship |
| 4. Graphic Presentation | d) CMS |
| 5. Citation Style | e) Registrar General of India |

OR

Q 4. Write Short Notes on any Three

15

1. Layout of Research Report
2. American Psychological Association (APA)
3. Footnotes and Bibliography
4. Ethical Norms in Research
5. Role of Computers in Research

Turn Over