

Library M. Com Sem II 28/5/19 Regular
 Time: 2 Hours Choice based Total Marks: 60

- N. B.:** (1) All questions are compulsory carrying equal marks.
 (2) Support your answer with required working notes.
 (3) Round off upto two decimal points.
 (4) Use of simple calculator is allowed.

Q.1: Complete the following Balance Sheet from the information given below: [15 Marks]

Balance Sheet as on 31st March, 2018

Liabilities	Amount(Rs.)	Assets	Amount(Rs.)
Equity Share Capital (of Rs.100 each)	?	Fixed Assets	?
Reserves and Surplus	?	Current Assets:	
10% Debentures	4,00,000	Stock	?
Current Liabilities:		Debtors	?
Sundry Creditors	?	Other Current Assets	?
Other Current Liabilities	2,00,000		
	?		?

Following information is available:

- Sales for the year Rs.48,00,000
- Gross Profit Ratio is 25%
- Net Profit after tax Rs.2,00,000
- Purchases and Sales are on credit basis
- Debtors Turnover Ratio (Sales/ Debtors) = 12 times
- Creditors Turnover Ratio (Cost of sales/ Creditors) = 12 times
- Earnings Per Share Rs.20
- Stock Turnover Ratio = 10 times
- Debt Equity Ratio 0.25: 1
- Current Ratio 1.6:1

OR

Q.1: From the following information available for 4 firms, calculate the Earnings Before Interest and Tax (EBIT), Earnings Per Share (EPS), the Operating Leverage and the Financial Leverage. [15 Marks]

Particulars	Firms			
	Rita	Mita	Rishi	Miti
Sales (in units)	20,000	25,000	30,000	40,000
Selling price per unit (Rs.)	15	20	25	30
Variable cost per unit (Rs.)	10	15	20	25
Fixed cost (Rs.)	30,000	40,000	50,000	60,000
Interest (Rs.)	15,000	25,000	35,000	40,000
Tax (%)	40	40	40	40
Number of Equity Shares	5,000	9,000	10,000	12,000

Q.2: The following is the Capital Structure of Simons Company Ltd as on 31st March, 2018:

[15 Marks]

Equity Shares: 10,000 shares (of Rs.100 each)	Rs.10,00,000
10% Preference Shares (of Rs.100 each)	Rs. 4,00,000
12% Debentures	Rs. 6,00,000
TOTAL	Rs.20,00,000

The market price of the company's share is Rs.110 and it is expected that a dividend of Rs.10 per share would be declared for the year 2018.

The dividend growth rate is 6%:

1. If the company is in the 50% tax bracket, compute the Weighted Average Cost of Capital.
2. Assuming that in order to finance an expansion plan, the company intends to borrow a fund of Rs.10,00,000 bearing 14% rate of interest, what will be the company's revised weighted average cost of capital? This financing decision is expected to increase dividend from Rs.10 to Rs.12 per share. However, the market price of equity share is expected to decline from Rs.110 to Rs.105 per share.

OR

Q.2: One-up Ltd has equity share capital of Rs.5, 00,000 divided into shares of Rs.100 each. It wishes to raise further Rs.3, 00,000 for expansion cum-modernisation scheme. [15 Marks]

The company plans the following financing alternatives:

- a. By issuing equity shares only.
- b. Rs.1,00,000 by issuing equity shares and Rs.2,00,000 through debentures or term loan @ 10% per annum.
- c. By raising term loan only at 10% per annum.
- d. Rs.1,00,000 by issuing equity shares and Rs.2,00,000 by issuing 8% preference shares.

You are required to suggest the best alternative, giving your comments assuming that the estimated Earnings Before Interest and Taxes (EBIT) after expansion is Rs.1, 50,000 and corporate rate of tax is 35%.

Q.3: Following are the details regarding three companies A Ltd, B Ltd and C Ltd. [15 Marks]

	A Ltd	B Ltd	C Ltd
Internal Rate of Return	15%	5%	10%
Cost of Equity Capital	10%	10%	10%
Earnings per share	Rs.8	Rs.8	Rs.8

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

- a) 50%
- b) 75% and
- c) 25%

OR

Q.3: A) A project involves cash inflows as given below:

[08 Marks]

Year	Cash Inflow (Rs.)
1	20,000
2	24,000
3	30,000
4	40,000

If the rate of interest is 15%, find out present value of cash inflows. (Consider upto two digits after decimal)

B) Following is the Capital Structure of a firm:

[07 Marks]

	Rs.
Equity Capital	4,50,000
Retained Earnings	1,50,000
Preference Share Capital	1,00,000
Debts	3,00,000
	10,00,000

The firm's after tax component costs 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 Capital of the firm.

Q.4: A) Match the following by rewriting the columns A & B by matching on an overall most appropriate basis:

[08 Marks]

A	B
1. Dividend	a. Cost which has been incurred
2. Liquidity	b. Stream of constant cash flows occurring at regular interval
3. Historical Cost	c. Convertibility into cash
4. Wealth Maximisation	d. Proportion between two figures
5. Annuity	e. 2:1
6. Ratio	f. 1:1
7. Standard Current Ratio	g. Objective of financial management
8. Standard Liquid Ratio	h. Part of profit distributed

B) State whether the following statement are True or False:

[07 Marks]

1. Compounding technique shows present value.
2. All current liabilities are quick liabilities.
3. Dividend to equity shareholders reduces tax liability.
4. An ideal capital structure is one which maximises market value per share.
5. External loan affects the dividend paying ability of the organisation.
6. Trading on Equity is used to increase EPS.
7. The profit maximization goal ignores the timing of returns, does not directly consider cash flows and ignores risk.

OR

Q.4: Write Short Notes on any Three:

[15 Marks]

1. Classification of Cost of Capital
2. Importance of Financial Management
3. Business Risk
4. Factors determining Dividend Policy
5. Modigliani and Miller Theory

Time: 2 Hours

Total Marks: 60

N.B:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.

Q. 1. (a) Explain the term E-Commerce. What are the main activities involved in it? .. (15)

(b) What are the various challenges of E-Commerce?

OR

(c) Briefly describe characteristics of B2G model of E-Commerce. (15)

(d) Write a note on E-Commerce Sales Product Life Cycle (ESLC) Model.

Q.2. (a) Explain the role of website in B2C E-commerce. (15)

(b) What are the related new technologies used in E-Commerce?

OR

(c) Discuss different types of E-CRM. (15)

(d) How Conventional and E-organization are different? Explain.

Q.3. (a) Write a note on web advertisements. (15)

(b) Justify an internet business with suitable examples.

OR

(c) Briefly discuss the SET protocol for credit card payment. (15)

(d) Describe operational and legal risks of E-payment system.

Q.4. A) Fill in the blanks with appropriate options. (05)

1) _____ is an Indian fashion e-commerce company.

a) Myntra

b) Shadi.com

c) Grofers

d) Croma

2) In Ecommerce, B2G stands for _____.

a) Business to Gramin

b) Business to Govern

c) Business to Geographic

d) Business to Government

Library

M. Com Part I Sem II

Regular

23/5/19

Q.P. Code : 39588

[Time: Two 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** Discuss the concept of ASF and ADF. Explain the determination of real income with the help of ASF and ADF. (15)
- OR**
- A) Explain the concept of inflationary gap and bring out its relevance. (07)
 B) Examine the policy trade-off between inflation and unemployment in the short run. (08)
- Q. 2** a) Discuss the equilibrium in goods market. Show how slope of the IS curve affects level of real income and rate of interest (07)
 b) Explain the equilibrium in money market. Show how slope of the LM curve affect level of real income and ratio of interest. (08)
- OR**
- c) Explain determination of real income and rate of interest with the help of IS-LM curves. (07)
 d) Discuss the factors causing shift in IS-LM curves. (08)
- Q. 3** a) Discuss the problem of disequilibrium in BOP in an open economy. (07)
 b) Explain how expenditure switching policies help to reduce deficit in the BOP. (08)
- OR**
- c) Explain the adjustments in BOP with the help of monetary policy in IS-LM frame work. (07)
 d) Discuss the adjustments in BOP with the help of fiscal policy in IS-LM model. (08)
- Q. 4** A) Select the correct answer and rewrite the statements. (07)
- 1) In an open economy GNP is computed by adding _____ in the GDP.
 - a) Net exports and Net factor income from abroad.
 - b) Net exports and NNP
 - c) Net factor income from abroad and NNP
 - d) None of the above
 - 2) GDP deflator is the ratio of _____.
 - a) nominal income to real income
 - b) real income to nominal income
 - c) GDP to GNP
 - d) None of the above
 - 3) Real rate of interest is the difference between _____.
 - a) Nominal rate of interest and rate of inflation
 - b) Nominal rate of interest and rate of deflation
 - c) Nominal rate of interest and rate of depreciation
 - d) None of the above
 - 4) National income is the sum of value of aggregate income produced by the _____.
 - a) Service sector
 - b) Secondary sector
 - c) Primary sector
 - d) all of the above

Q.P. Code : 39588

- 5) NDP is arrived at by deducting _____ from GDP.
 - a) Capital consumption expenditure
 - b) Net indirect taxes
 - c) Net exports
 - d) None of the above
- 6) PPP income helps to compare GNP _____.
 - a) across countries
 - b) across sectors
 - c) across countries and sectors
 - d) None of the above
- 7) If the real rate of interest is positive then _____.
 - a) Net capital inflow will increase
 - b) Net capital inflows will decrease
 - c) Net capital inflows remain constant
 - d) None of the above

B) State precise meaning of the following:

- 1) Capital consumption expenditure
- 2) Inflation
- 3) Aggregate income
- 4) Price Index

(08)

OR

Q. 4 Write short notes on any Three

- 1) Expenditure method of measuring National Income
- 2) Dimensions of HDI
- 3) Long run Phillips Curve
- 4) Crowding out effect
- 5) J-Curve effect

(15)

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** assigned to **each** question.
 3. **Draw neat diagrams** wherever **necessary**.

1. a) Explain Veblen and bandwagon effect in detail. (08)
- b) Discuss the application of elasticity of demand and supply to economic issues (07)

OR

- c) Explain various methods of price control with reference to minimum floor and maximum ceilings. (08)
- d) With the help of income consumption curve, discuss of change in income on consumer's equilibrium. (07)

2. a) Diagrammatically explain least cost factor combination for a given output. (08)
- b) Discuss in detail the cost reduction technique through experience. (07)

OR

- c) Distinguish between internal and external economies of scale. (08)
- d) Amit juice sandwich center at Agra gets their income mainly from tourists. ABCD college comes for industrial visit in Agra and gives an order for ₹ 18,000.

The cost for doing this work is calculated as

Wages	₹	5,000
Raw materials	₹	9,000
Fixed Costs	₹	10,000

Would you advise the firm to accept this order? If so why?

3. a) Explain various methods of measuring monopoly power. (08)
- b) Illustrate the dominant firm price leadership model in oligopoly. (07)

OR

- c) Explain the application of model of prisoner's dilemma in market decision. (08)
- d) MMW Luxury car manufacturing company in India was founded in the year 2006 and the first car was launched in 2007. The company maintained an aggressive stance and launched several vehicles at different price points. (07)

MMW was positioned as an aspirational brand for young entrepreneurs and senior executives and adopted innovative strategies to reach the segment. It also developed exclusive dealerships, which were used as touch points to interact with the customers.

Within three years, MMW went on to become the top luxury car manufacturer in India, surpassing Benz and Porsch, which had been present in the country for more than a decade. The case lists the strategies adopted by MMW on its journey to reach top position and discuss the challenges it is likely to face from existing and new competitors.

- a. Identify the market structure mentioned in the case and justify.

TURN OVER

- b. Discuss the strategies used by MMW to top luxury car market based on the case.
4. a) Choose the right option from the following : (07)
- i) A production function is used by management to know _____
 - a. The amount of input to buy.
 - b. The amount of input to use.
 - c. The amount of output per unit of each input.
 - d. The amount of output using all inputs efficiently.
 - ii) Alternative cost is also known as _____
 - a. Incremental cost.
 - b. Opportunity cost.
 - c. Real cost.
 - d. Money cost.
 - iii) The problem with marginal concept is that _____
 - a. Change in variables may not be in bulk.
 - b. Change in variables may not be in single unit.
 - c. Outflow and inflow of resources may not be equal.
 - d. Outflow and inflow of resources may not be simultaneous.
 - iv) Which of the following is correct for consumer's equilibrium?
 - a. Utility is maximised at the tangency of budget line to an indifference curve.
 - b. At the optimal point slope of indifference curve is equal to the slope of budget line.
 - c. At the point of equilibrium consumer satisfaction is highest.
 - d. All of the above.
 - v) A public good will probably _____
 - a. be expensive in free market.
 - b. be overprovided in free market.
 - c. not to be provided in free market.
 - d. have no opportunity cost.
 - vi) Negative production externality means _____
 - a. Social marginal cost is greater than private marginal cost.
 - b. Social marginal benefit is greater than private marginal cost.
 - c. Social marginal cost is greater than private marginal benefit.
 - d. Social marginal cost is less than private marginal cost.
 - vii) If a firm earn normal profit, _____
 - a. They will try to leave the industry.
 - b. Others will join the industry.
 - c. Total Revenue = Total Cost.
 - d. No profit is made in accounting terms.

TURN OVER

3

- b) Give Precise meaning of the following : (08)
- a. Economic profit.
 - b. Substitution effect.
 - c. Ridgelines.
 - d. Barometric firm.

OR

4. Write short notes on any three of the following : (15)
- a. Incremental and marginal principles.
 - b. Paradox of bumper harvest.
 - c. Public policy towards monopoly power.
 - d. Non-price competition under oligopoly.
 - e. Nash equilibrium.
-

TURN OVER

Library
21/5/19

Sem II M. Com Part I
Choice Based
[Time: Two Hours]

Regular

[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.

- Q.1** What is Research Design? Explain its essentials and various steps in Research Design. **15**
OR
a) Discuss various objectives of research. **08**
b) Explain in brief different types of hypothesis. **07**
- Q.2** What is Questionnaire in Research Process? Explain in brief steps in designing questionnaire. Discuss various types of Questionnaire. **15**
OR
a) Distinguish between Primary Data and Secondary Data. **08**
b) Explain the significance of secondary data. **07**
- Q.3** Explain the meaning of Data Processing. Discuss in detail Graphical Presentation of Data Processing. **15**
OR
a) Explain positional measures of Central Tendency. **08**
b) Discuss in brief different types of Regression Analysis. **07**
- Q.4 a)** State whether the following statements are **True** or **False**: **05**
1) Applied Research is designed to solve practical problems of the modern world.
2) It is not advisable to conduct a pilot study for finalizing the research design.
3) Collection of data from external secondary sources includes data from magazines, internet, books etc.
4) Type II error occurs when the researcher rejects a null hypothesis when it is true.
5) A bibliographic citation is a reference to a book, article, web page or any other published source.
- b)** Fill in the blanks with the help of proper options. **05**
1. _____ is a proposition which can be put for a test to determine its validity.
(Research problem / Research Proposal / Hypothesis)
2. _____ - test is used for proving hypothesis of smaller sample.
(z / f / t)
3. _____ is the difference between maximum and minimum value in a series of data.
(Median / Mode / Range)
4. When there is a long gap between data collection and presentation of final report, the researcher may present _____ report.
(Summary / technical / interim)
5. _____ are some of the ways to avoid plagiarism.
(Quoting / Referencing / Both)

c) Match the following:

Group 'A'

- 1) Descriptive Research
- 2) Hypothesis
- 3) Processing of data
- 4) Decision making
- 5) Footnotes

Group 'B'

- a) Provides definite focus
- b) Editing
- c) Significance of data interpretation
- d) A way of keeping the flow of matter impact.
- e) Statistical Research

05

OR

Q.4 Write short note on **any three** of the following:

- a) Layout of Research Report
- b) Modern Language Association (MLA)
- c) Plagiarism
- d) Data sheet
- e) Role of computers in Research.

15
