

## FOURTH SEMESTER M.Com. DEGREE EXAMINATION, JUNE 2019

(CUCSS)

M.Com.

MC 4E (F) 03—STRATEGIC FINANCIAL MANAGEMENT

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

## Part A

*Answer all questions.  
Each question carries 1 weightage.*

1. What is NPV ?
2. Define financial lease.
3. What are the different types of takeovers ?
4. Define market value added.
5. What is Sustainable growth rate ?
6. Explain the term Leverage.

(6 × 1 = 6 weightage)

## Part B

*Answer any six questions.  
Each question carries 3 weightage.*

7. What do you mean by strategic financial management ? Discuss the objectives and importance of strategic financial management.
8. What do you mean by merger ? Explain the theories of Merger.
9. Distinguish between operating lease and financial lease.
10. How does synergy arise through Mergers and explain financial synergy ?
11. Explain strategic management process.
12. From the following data, calculate the cost of merger :

Particulars	Firm A	Firm B
Market price per share	Rs. 60	Rs. 15
Number of shares	1,00,000	50,000

Firm A intends to pay Rs. 10, 00,000 cash for acquisition of Firm B.

Turn over

13. What is meant by Working capital ? How is it calculated ? Explain the determinants of working capital requirements.
14. Mr. A purchased a 3-month call option for 100 shares in XYZ Ltd. at a premium of Rs. 30 per shares, with an exercise price of Rs. 550. He also purchased a 3 month put option for 100 shares of the same company at a premium of Rs. 5 per share with an exercise price of Rs. 450. The market price of the share on the date of Mr. A's purchase of options, is Rs. 500. Calculate the profit or loss that Mr. A would make assuming that the market price falls to Rs. 350 at the end of 3 months.
- (6 × 3 = 18 weightage)

### Part C

*Answer any two questions.  
Each question carries 6 weightage.*

15. A Ltd is planning to acquire T Ltd. The relevant financial details of the two firms prior to merger announcement are as follows :

<i>Particulars</i>	A Ltd.	T Ltd.
Market price per share	Rs. 150	Rs. 60
Number of shares	1 lakh	50,000

The merger is expected to yield gains with present value of Rs. 20 lakh. A Ltd offers 25,000 shares in exchange of 50,000 shares of T Ltd. You are required to determine :

- (i) Total value of combined firm (AT Ltd) after merger.
  - (ii) Gains to the shareholders of A Ltd and T Ltd.
  - (iii) True cost of acquiring T Ltd. and
  - (iv) NPV of the merger for shareholders of T Ltd.
16. XY Ltd. has under its consideration a project with an initial investment of Rs. 1,00,000. Three probable cash inflow scenarios with their probabilities of occurrence have been estimated as below :

Annual cash inflow (Rs.) . . .	20,000	30,000	40,000
Probability . . .	0.1	0.7	0.2

The project life is 5 years and the desired rate of return is 20%. The estimated terminal values for the project assets under the three probability alternatives, respectively, are Rs.0, 20,000 and 30,000.

You are required to :

- (i) Find the probable NPV;
  - (ii) Find the worst-case NPV and the best-case NPV; and
  - (iii) State the probability occurrence of the worst case, if the cash flows are perfectly positively correlated over time.
17. What are the different type of mergers and the reasons why companies merge ?

(2 × 6 = 12 weightage)

## FOURTH SEMESTER M.Com. DEGREE EXAMINATION, JUNE 2019

(CUCSS—PG)

M.Com.

MC 4E (F) (03)—STRATEGIC FINANCIAL MANAGEMENT

Time : Three Hours

Maximum : 36 Weightage

## Part A

*Answer all questions.  
Each question carries 1 weightage.*

1. Explain Wealth maximization.
2. What is EVA ?
3. What is Time value of money ?
4. Explain financial leverage.
5. What is IRR?
6. What are the Relevance model and Irrelevance model ?

(6 × 1 = 6 weightage)

## Part B

*Answer any six questions.  
Each question carries 3 weightage.*

7. Wealth maximization is a superior and more refined objective of financial management, explain.
8. How does synergy arise through Mergers and explain financial synergy ?
9. What are the defensive strategy against tender offer and hostile takeover ?
10. What is capital budgeting explain the relevance and significance of capital budgeting ?
11. The current market price of an equity share of the company is Rs. 70. The current dividend per share is Rs. 5. Dividends are expected to grow at 7 percentages. Calculate the cost of capital ?
12. Explain the concept of working capital.
13. The annual demand for a product is Rs. 40,000 units. Cost of carrying inventory is 20 per cent. Cost per order is Rs. 10. Calculate the economic order quantity.
14. A project requires an investment of Rs. 20,00,000 with a life of 10 years which yields expected annual cash flows of Rs. 50,000. Compute the payback period.

(6 × 3 = 18 weightage)

Turn over

## Part C

*Answer any two questions.  
Each question carries 6 weightage.*

15. Explain the concept of Divestment ? Mention the different reasons and avenues of divestments.
16. What is Merger ? Explain the different types and styles of Mergers ?
17. Gopal Ltd. wants to purchase a machine. Two machines viz., A and B, are available in market. The cost of each machine is Rs. 2,00,000. The expected lives of these machines are 5 years . Net profit before tax during the expected lives of these machines is given below :

<i>Year</i>	<i>Machine A</i>	<i>Machine B</i>
1	20,000	14,000
2	30,000	26,000
3	26,000	30,000
4	40,000	50,000
5	34,000	40,000
Total	1,50,000	1,60,000

The average rate of tax is 50 per cent. Calculate which machine is more profitable ?

(2 × 6 = 12 weightage)

**FOURTH SEMESTER P.G. DEGREE EXAMINATION, APRIL 2021**

(CCSS)

M.Com.

MCIF 4E 04/MCM 4E 04—TAX PLANNING AND MANAGEMENT

(2018 and 2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all the questions.  
Each question carries 2 marks.*

1. What is tax avoidance ?
2. What is Relief under section 89 ?
3. What is venture capital ?
4. Define carry forward losses.
5. Mr. X, a non-resident, received dividend from an Spanish company in Japan on 15/12/2020. On 27/12/2020, he remitted such income in India. Whether such income is taxable in India ?

(5 × 2 = 10 marks)

**Part B**

*Answer any four questions.  
Each question carries 5 marks.*

6. What is Marginal Relief ?
7. Explain the factors affecting tax planning.
8. What is book profit ?
9. State whether true or false :
  - a) Income arising from the accretion of transferred property shall not be clubbed.
  - b) Loss on account of owning and maintaining race horses can be carried forward upto 8 assessment years.
  - c) For adjusting brought forward business loss with current year business income, one of the conditions is that such business must be continued during the current year.
  - d) Leave encashment received while in service is taxable.
  - e) Reasonable expected rent cannot exceed standard rent.

**Turn over**

10. Mr. X had acquired a building for Rs. 5,00,000 on 1.1.1995. Mr X had built two additional floors, one on 01.01.1999 at a cost of Rs. 25,000 and the other on 01-01-2004 at a cost of Rs. 40,000. He has also incurred expenses on repairing the building on 1-10-2010 of Rs. 10,000. The Building is sold on 1-1-2021 for Rs. 30,00,000. Selling expenses incurred Rs. 15,000. Determine Capital Gains assuming Fair market value as on 1-4-2001 is Rs. 3,00,000 ;
11. Mr. PQR receives the gift from previous year 2020-21. Calculate his taxable income from other sources :
- He gets Rs. 80,000 from a notified public charitable institution
  - He gets a gift of Rs. 26,000 from C, who is cousin of his father.
  - He gets a gift of Rs. 5,000 from D, who is elder brother of his grandfather.
  - He gets gift of Rs. 41,000 from his grandmother.
  - On the occasion of Marriage of X, he gets Rs. 1,90,000 as gift (out of which Rs. 1,00,000 is received from relatives and remaining amount is received from friends of Mr. PQR & Mrs.PQR)

(4 × 5 = 20 marks)

### Part C

*Answer any two questions.*

*Each question carries 10 marks.*

12. What are the steps to calculate the taxable income and tax liability of individuals ?
13. Specify whether the following acts can be considered as tax planning, tax management or tax evasion. Also validate your statement.
- AAA pays premium of Rs. 15,000 for LIC premium and so to reduce his total income.
  - HHH using the motor car for his personal purpose, but is recorded as business expenses.
  - GGG pays advance tax by estimating his income in the previous year to ensure timely compliance.
  - JJJ remitted EPF contribution on monthly basis before the due date.
  - KKK working partner of GV associates, a partnership firm, is entitled to a annual salary of Rs. 24,00,000. He claims deduction under section 16.

14. Smart has computed his tax liability as under :

Particulars	Details	Amount
Income from business A		4,50,000
Long term capital gain	20,000	
Less : Income from business B u/s 71 (10,000)		10,000
Income from other sources		50,000
Gross Total Income		5,10,000

Less : Deduction u/s 80C to 80U - Total Income 5,10,000 Tax liability 15,080.

Comment on the above computation.

(2 × 10 = 20 marks)

#### Part D

*Answer any two questions.*

*Each question carries 15 marks.*

15. Discuss the tax planning areas considered while setting a business
16. Discuss the identification of residential status of persons like Individuals, Companies, HUF and its tax implications.
17. An Indian company is considering to expand its business for which Rs. 15,00,000 is required. Earning before estimated as 24% of capital employed. This entire amount can be raised by the issue of equity shares or combination with borrowing from bank @12%pa and by issue of debentures @14 pa. Which of the three alternatives can be opted ?
- Entire 15,00,000 can be raised by equity share capital
  - Rs. 8,00,000 from equity and Rs. 3,50,000 from each other sources available.
  - Rs. 5,00,000 from each source available.

The company shall distribute the entire profits as dividend and applicable corporate tax rate is 26%. Dividend distribution tax is 17.47%.

(2 × 15 = 30 marks)

**FOURTH SEMESTER P.G. DEGREE EXAMINATION, APRIL 2021**

(CCSS)

M.Com.

MCIF 4E 03/MCM 4E 03—RISK MANAGEMENT

(2018 and 2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A***Answer all questions.**Each question carries 2 marks.*

1. Mention the content of Risk register.
2. Write notes on quantification of risk exposure.
3. What do you mean by performance target setting ?
4. Narrate the perceptions behind fraud investigation.
5. Describe the role of money market hedges.

(5 × 2 =10 marks)

**Part B***Answer any four questions.**Each question carries 5 marks*

6. Discuss the importance of capital investment decisions. Also specify how you will manage the risk associated with capital investment.
7. Explain the risk arising from international operations.
8. How can you manage the risk of unethical behaviour in an organisation?
9. Describe the technique of assessment of audit risk.
10. Examine and verify the economic factors affecting future cash flows from international operations.
11. Narrate the features of post completion audit

(4 × 5 = 20 marks)



**Part C**

*Answer any two questions.*

*Each question carries 10 marks.*

12. Discuss the risk associated with poor governance structures.
13. Elucidate the internal controls to manage risk.
14. Define financial risk. Also discuss the sources of financial risk.

(2 × 10 = 20 marks)

**Part D**

*Answer any two questions.*

*Each question carries 15 marks.*

15. What is risk management ? Discuss the technology associated with managing various risks that could adversely affect the implementation of the organisation strategy.
16. Discuss the techniques that can be used for analysing and evaluating risk in the investment proposal of a corporate organisation using assumed figures wherever possible.
17. Mr. Krishna Moorthy a depositor in the stock market has studied a stock for one year holding period.
  - (a) There is a 60 % chance that the stock, currently selling at Rs. 93, will sell for Rs. 62 or Rs. 105 by the year end.
  - (b) Mr. Krishna Moorthi can borrow 50% margin from his bank at 11.5 % per annum..

Determine the following :

- (a) Mr. Krishna Moorthy's yielding period yield and risk if he buys 150 shares and does not borrow.
- (b) Mr. Krishna Moorthy's expected yield and risk if he buys 200 shares paying 75% of the cost with borrowed fund.

(2 × 15 = 30 marks)

**FOURTH SEMESTER P.G. DEGREE EXAMINATION, APRIL 2021**

(CCSS)

M.Com.

MCIF 4C 15/MCM 4C 02—STRATEGIC MANAGEMENT

(2018 and 2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.  
Each question carries 2 marks.*

1. What do you mean by "Value Chain Analysis" ?
2. Narrate the concept of Strategic Management.
3. Write notes on "Porter's generic strategies.
4. Mention the connotation of "Shareholder value added".
5. Describe the purpose of "Balance score card".

(5 × 2 = 10 marks)

**Part B**

*Answer any four questions.  
Each question carries 5 marks.*

6. Explain the usage of Ansoff's product/market matrix.
7. Pronounce the methodology of management of product portfolio with reference to organisation strategy.
8. Describe the role and effect of digitization in knowledge.
9. Illustrate performance pyramid as a strategic evaluation tool.
10. Compare the strategy of organic and inorganic growth of company.
11. Explain briefly the role of change leader in implementing strategy.

(4 × 5 = 20 marks)

**Part C**

*Answer any two questions.  
Each question carries 10 marks.*

12. Discuss the models of measuring strategic performance.
13. How will you develop strategies for knowledge management ?

**Turn over**

14. Elucidate the approaches to develop business, government and societal relations as a part of strategic management in your organisation.

(2 × 10 = 20 marks)

### Part D

*Answer any two questions.*

*Each question carries 15 marks.*

15. Define strategy. Mention the importance of strategy for an organisation. Also discuss the process of strategic formation and tools to analyse strategies.
16. Discuss the impact of organisational change in a business. As a front-line manager, explain the technique you will adopt in the management of change process.
17. List out the components of key economic factors that influences an organisation strategy. Also discuss ethical issues arising from organisation's interaction with external environment.

(2 × 15 = 30 marks)

**FOURTH SEMESTER P.G. DEGREE EXAMINATION, APRIL 2021**

(CCSS)

M.Com.

MC IF 4C 14/MCM 4C 01—MANAGEMENT SCIENCE

(2018 and 2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*( Answer all questions.  
Each question carries 2 marks.*

1. Describe the merits of Management Science.
2. Illustrate the steps for solving a graphical Linear Programme Model.
3. Write notes on CPM.
4. What do you mean by Least cost Method ?
5. How Operation research differ from Management Science ?

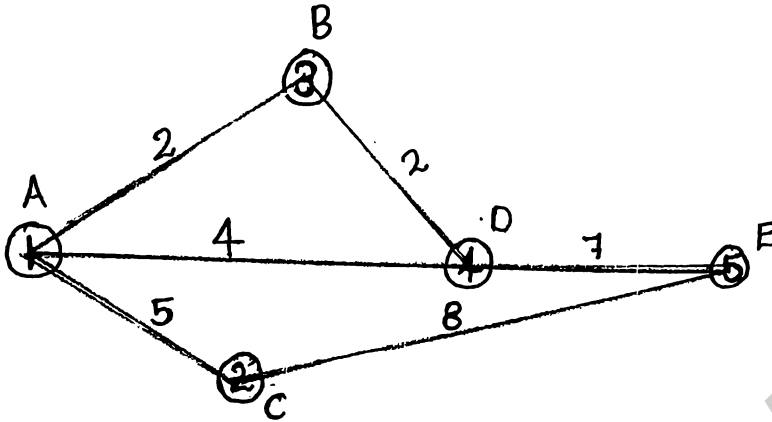
(5 × 2 = 10 marks)

**Part B**

*Answer any four questions.  
Each question carries 5 marks.*

6. Give the concept of Network Analysis. Also mention the application of Network analysis in business.
7. Define Management science. Discuss the importance of Management science.
8. Explain the perceptions behind the Vogel's approximations method.
9. Are the following statements true or false ? "The single phase, single channel model with Poisson arrivals and under fined service times will always have larger (i.e. greater) operating characteristics values (i.e.  $W$ ,  $W_q$ ,  $L$ ,  $L_q$ ) than the same model with exponentially distributed service times". Explain your answer.
10. The ticket booth on the Tech campus is operated by one person, who is selling tickets for the annual Tech versus State football game on Saturday. The ticket seller can serve an average of 12 customers per hour; on average, 10 customers arrive to purchase tickets each hour. Determine the average time a ticket buyer must wait and the portion of time the ticket seller is busy.

11. Find the shortest path between A and G in the following network (distance in Km) :



(4 × 5 = 20 marks)

### Part C

Answer any **two** questions.  
Each question carries 10 marks.

12. An electronic firm produces electronic components, which it supplies to various electrical manufacturers. Quality control records indicate that different employees produce different numbers of defective items. The average number of defects produced by each employee for each of the components is given in the following table :

Components

Employee	A	B	C	D	E	F
1	30	24	16	26	30	22
2	22	28	14	30	20	13
3	18	16	25	14	12	22
4	14	22	18	23	21	30
5	25	18	14	16	16	28
6	32	14	10	14	18	20

Determine the optimal assignment that will maximise the total average number of defects produced by the firm per month.

13. A transportation problem involves the following Costs, Supply and demand :

From	Cost				Supply
	1	2	3	4	
1	500	750	300	450	12
2	650	800	400	600	17
3	400	700	500	550	11
Demand	10	10	10	10	

Formulate this problem as a linear programming model and solve it.

14. The resource requirements, unit cost and profit per dozen for each type of shirt are shown in the following table :

Particulars	Processing Time (hr) Per Dozen	Cost Per Dozen	Profit Per Dozen
Sweatshirt -F	0.10	36	90
Sweatshirt -B/F	0.25	48	125
T-Shirt -F	0.08	25	45
T-Shirt -B/F	0.21	35	65

The company wants to know how many dozen (boxes) of each type of shirt to produce in order to maximise profit.

(2 × 10 = 20 marks)

#### Part D

*Answer any two questions.  
Each question carries 15 marks.*

15. A doctor tells a sick man to add bananas and oranges to his diet for Vitamin A Vitamin B and Vitamin C. A pound of bananas contributes 8 grams of Vitamin A, 6 grams of Vitamin B and 2 grams of Vitamin C, while a pound of oranges contributes 2 grams of Vitamin A and 6 grams of Vitamin B. A pound of bananas costs 35 Rs and a pound of oranges costs 54 Rs. The patient has to meet a minimum requirements 23 grams of Vitamin A 37 grams of Vitamin B and 6 grams of Vitamin C. He should avoid taking more than 50 grams of Vitamin A and 70 grams of Vitamin B to avoid side effects such as Naussia. Formulate a Linear Programming programme to help the poor man. Choose the ideal fruit mix for recovery.

16. A farm owner is going to erect a maintenance building with a non-renewable electrical generator and water tank. The activities, activity descriptions and minimal durations are given in the following table:

Activity	Activity Descriptions	Activity Predecessors	Activity Duration (Weeks)
A	Excavate		4
B	Erect Building	A	4
C	Install Generator	A	4
D	Install Tank	A	4
E	Install maintenance equipment	A	4
F	Connect generator and tank to building	A, C, D	4
G	Paint finish	B	4
H	Check out facility	E, F	4

Construct the network for this project, identify the critical path and determine the project start/finish time.

Note: The activities are defined not by node numbers but by activity descriptions. The alternative form of expressing activities and precedence relationships is often used in CPM/PERT.

17. Solve the following Linear Programming Model graphically:

$$\text{Minimize } Z = 8x_1 + 6x_2$$

$$\text{subject to } 8x_1 + 2x_2 \leq 16$$

$$x_1 + x_2 \leq 6$$

$$x_1 \leq 4$$

$$x_2 \leq 7$$

$$x_2/x_1 \leq 7/8$$

$$x_1, x_2 \geq 0.$$

Also illustrate, what would be the effect on the solution if the constraint  $x_2 = 7$ .

**FOURTH SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION****MARCH 2021**

(CBCSS)

M.Com.

MCM 4E (M) 04—SERVICE MARKETING

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

**General Instructions**

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

**Part A***Answer any four questions.**Each question carries 2 weightage.*

1. What do you mean by Service marketing ?
2. Define the term Business Environment ?
3. Explain the term Marketing Mix ?
4. Briefly explain the term Service Mapping ?
5. Explain the term Market Segmentation ?
6. What do you mean by Hospitality Service ?
7. What do you mean by SERVQUAL Model ?

(4 × 2 = 8 weightage)

**Part B***Answer any four questions from the following.**Each question carries 3 weightage.*

8. What is the importance of Marketing ?
9. Explain briefly the scope of Advertisement in Marketing ?

**Turn over**



10. What are the objectives of Service Marketing ?
11. What are the key points on Green Marketing ?
12. Briefly narrate the classification of Service ?
13. Briefly explain the key issues in Customer Service ?
14. What is Service Triangle Management Model ?

(4 × 3 = 12 weightage)

### Part C

*Answer any two questions.  
Each question carries 5 weightage.*

15. Briefly discuss the Market Segmentation ?
16. Explain in details the dimensions of the Service Quality ?
17. Briefly explain the Service Marketing Mix ?
18. "We don't want to push our ideas on to customers ; we simply want to make what they want".  
Narrate your view points with appropriate examples ?

(2 × 5 = 10 weightage)

**FOURTH SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION  
MARCH 2021**

(CBCSS)

M.Com.

MCM 4E(M) 03—SUPPLY CHAIN AND LOGISTIC MANAGEMENT

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

**General Instructions**

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

**Part A**

*Answer any four questions.*

*Each question carries a weightage of 2.*

1. What do you mean by Logistic Management ?
2. Define the term Value Chain.
3. Explain the term Business Strategy.
4. Briefly explain the term Bullwhip Effect.
5. Explain the term Inventory Control.
6. What do you mean by Warehouse Management ?
7. What do you mean by Value-added Network ?

(4 × 2 = 8 weightage)

**Part B**

*Answer any four questions from the following.*

*Each question carries a weightage of 3.*

8. Explain briefly the components Supply Chain.
9. What are the basic considerations for establishing effective Logistic Management ?

**Turn over**

10. What are the merits of Logistic Management ?
11. Why Store Management is indispensable in an organisation ?
12. Briefly explain the Logistic Management Strategies.
13. What are the roles of Store Keeper in the Inventory Control ?
14. Briefly explain the importance of Supply Chain in present market condition.

(4 × 3 = 12 weightage)

### **Part C**

*Answer any two questions.*

*Each question carries a weightage of 5.*

15. Briefly discuss the SCOR Model.
16. Explain in details the types of Inventory Control.
17. Briefly explain the Recent Trends in Logistics Management.
18. Discuss briefly the challenges of Logistic Management Industry.

(2 × 5 = 10 weightage)

**FOURTH SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION  
MARCH 2021**

(CBCSS)

M.Com.

**MCM 4E (FT) 04—INTERNATIONAL MARKETING AND LOGISTIC MANAGEMENT  
(2019 Admissions)**

Time : Three Hours

Maximum : 30 Weightage

**General Instructions**

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

**Part A**

*Answer any four questions.*

*Each question carries 2 weightage.*

1. What do you mean by International Logistics ?
2. What do you mean by Packaging ?
3. What do you mean by Cross Boarder Transaction ?
4. Briefly explain the term Export Management ?
5. Explain the term Marketing Myopia ?
6. What do you mean by Marketing Ethics ?
7. What do you mean by Tramp Operations ?

(4 × 2 = 8 weightage)

**Part B**

*Answer any four questions from the following.*

*Each question carries 3 weightage.*

8. Why International Logistics matters ?
9. What are the advantages of International Trade ?

**Turn over**

10. Discuss the problem of Price standardisation in International Trade.
11. What is International Marketing Decisions ?
12. Briefly narrate the problems of International Trade.
13. Briefly explain the ways of International Promotion Campaign.
14. Discuss how the pricing plays a key role in the International Marketing.

(4 × 3 = 12 weightage)

### **Part C**

*Answer any two questions.  
Each question carries 5 weightage.*

15. Briefly explain International Marketing Information System.
16. Explain in details the importance of International Marketing.
17. Briefly explain the general structure and characteristics of Shipping Company.
18. Narrate in details about the International Marketing Channels.

(2 × 5 = 10 weightage)

**FOURTH SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION  
MARCH 2021**

(CBCSS)

M.Com.

MCM 4E (F) 04—ADVANCED STRATEGIC FINANCIAL MANAGEMENT

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

**General Instructions**

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

**Part A**

*Answer any four questions.*

*Each question carries 2 weightage.*

1. What do you mean by IRR Method ? And explain the decision rules of IRR.
2. What is EPS ? And how it is calculated ?
3. Compare Economic Value Added (EVA) and Market Value Added (MVA).
4. Describe the financial evaluation of Leasing.
5. Explain Merger Procedure of firms.
6. Explain Leverage effect on shareholders risk.
7. Differentiate Horizontal Merger and Vertical Merger.

(4 × 2 = 8 weightage)

**Part B**

*Answer any four questions.*

*Each question carries 3 weightage.*

8. Compare Net Present Value (NPV) and Internal Rate of Return Methods (IRR).

**Turn over**

9. Consider a firm that has existing assets in which it has capital invested of ₹ 100 crores. The after-tax operating income on assets-in-place is ₹ 15 crore. The return on capital employed of 15% is expected to be sustained to perpetuity, and company has a cost of capital of 10%. Estimate the present value of economic value added (EVA) of the firm from its assets-in-place.
10. What do you mean Takeover of a firm ? And explain Take over Procedures of Firms.
11. The earnings per share of a company is ₹ 8 and the rate of capitalisation applicable is 10%. The company has before it an option of adopting (i) 50 % ; and (ii) 75% dividend payout ratio.  
Compute the market price of the company's quoted shares as per Walter's model if it can earn a return of (i) 15 % ; (ii) 10 % ; and (iii) 5 % on its retained earnings.
12. Z Ltd. has two projects under consideration A and B, each costing ₹ 60 lakhs. The projects are mutually exclusive. Life for project A is 4 years and project B is 3 years. Salvage value NIL for both the projects. Tax Rate 33.99%. Cost of Capital is 15%. Net Cash Inflow (in Lakhs) :

At the end of the year	Project A	Project B	P.V. @ 15%
1	60	100	0.870
2	110	130	0.756
3	120	50	0.685
4	50	—	0.572

Calculate NPV.

13. Explain the financial impact of Merger of two different organisations.

(4 × 3 = 12 weightage)

### Part C

Answer any two questions.

Each question carries 5 weightage.

14. What is Dividend Policy ? And explain the factors that influence the dividend policy of a Company.
15. A Ltd. is considering takeover of B Ltd. and C Ltd. The financial data for the three companies are as follows :

Particulars	A Ltd.	B Ltd.	C Ltd.
Equity Share Capital of Rs. 10 each (Rs. crores)	450	180	90
Earnings (Rs. crores)	90	18	18
Market price of each share (Rs.)	60	37	46

Calculate :

- (i) Price earnings ratios.
- (ii) Earnings per share of A Ltd. after the acquisition of B Ltd. and C Ltd. separately. Will you recommend the merger of either/both of the companies ? Justify your answer.

16. Company X is considering the purchase of company Y. The following are the financial data of the two companies :

		<i>Company X</i>	<i>Company Y</i>
Number of Share	...	₹ 4,00,000	₹ 1,00,000
Earnings per share (EPS)		₹ 6	₹ 4.50
Market value per share		₹ 30	₹ 20

Assuming that the management of the two companies has agreed to exchange shares in proportion to :

- (i) The relative earnings per share of the two firms ;
- (ii) 4 share of company X for every 5 shares held in company Y.

You are required to illustrate and comment on the impact of merger on the impact of merger on the EPS.

17. Write a detailed critical note on Financial Leverage and Financial Decision.

(2 × 5 = 10 weightage)



**FOURTH SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION  
MARCH 2021**

(CBCSS)

M.Com.

MCM 4E(F) 03/MCM 4E(FT) 03—INTERNATIONAL FINANCE

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

**General Instructions**

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section/Part shall remain the same.*
3. *There will be an overall ceiling for each Section/Part that is equivalent to the maximum weightage of the Section/Part.*

**Part A**

*Answer any four questions.*

*Each question carries 2 weightage.*

1. What is International Financial Environment ?
2. What do you mean Exchange Rate Equilibrium ?
3. What is Long Term Asset Liability Management ?
4. What is International capital market ?
5. What is International Cash Management ?
6. What do you understand by convertibility of Indian rupee ?
7. What is Portfolio balancing Model ?

(4 × 2 = 8 weightage)

**Part B**

*Answer any four questions.*

*Each question carries 3 weightage.*

8. Explain International Money Market.
9. What are the functions of IBRD ?

**Turn over**

10. Distinguish between fixed and flexible exchange rate systems.
11. Differentiate between Forward Market and Futures Market.
12. What are the basic objectives of IMF ?
13. Explain foreign exchange risk Management.
14. Explain the factors affecting International Investment.

(4 × 3 = 12 weightage)

### Part C

*Answer any two questions.  
Each question carries 5 weightage.*

15. Discuss the role of IMF and World Bank in fostering International Liquidity.
16. Discuss the role of Asian Development Bank as a development finance institution.
17. Write short note on :
  - a) International Monetary System.
  - b) International Liquidity.
  - c) International Trade Centre.
18. What do you mean by Exchange Rate Theories ? And explain different types of Theories of Exchange Rate.

(2 × 5 = 10 weightage)

**C 1953**

(Pages : 4)

Name.....

Reg. No.....

**FOURTH SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION  
MARCH 2021**

(CBCSS)

M.Com.

**MCM 4C 15—INCOME TAX LAW, PRACTICE AND TAX PLANNING—II**

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

**General Instructions**

1. In cases where choices are provided, students can attend all questions in each section.
2. The minimum number of questions to be attended from the section/part shall remain the same.
3. There will be an overall ceiling for each section/part that is equivalent to the maximum weightage of the section/part.

**Part A**

*Answer any four questions.*

*Each question carries 2 weightage.*

1. Explain tax planning regarding assessment of AOP/BOI.
2. What are the deductions available to corporate assesseees ?
3. Explain the Tax planning in relation to Make or Buy.
4. Describe the Assessment of Limited Liability Partnership (LLP).
5. What is MAT and explain the basic provisions of MAT.
6. Explain different types of companies according to taxation point of view.
7. From the following information, compute net tax payable by an Association of Person's for the assessment year 2019-20 if X, a member, is liable to pay tax on his other income :
  - i) Long term capital gain (computed) - Rs. 75,000
  - ii) Lottery winning (gross) - Rs. 80,000
  - iii) Income from House property - Rs. 60,000

(4 × 2 = 8 weightage)

**Turn over**

**Part B**

*Answer any four questions.  
Each question carries 3 weightage.*

8. Explain the special provisions applicable to assessment of total income of Companies.
9. Describe the conditions of qualifying ship under Tonnage Tax.
10. Explain the Tax Planning to Shut Down or Continue Decisions.
11. From the following, compute the total income of the firm and tax payable by it for the A. Y. 2019-20 :
  - i) Profit from small scale industrial undertaking ₹ 4,50,000.
  - ii) Profit from poultry breeding business ₹ 3,20,000.
  - iii) Short- term capital loss ₹ 1,50,000.
  - iv) Long-term capital gains ₹ 3,50,000.
  - v) Interest from Bank ₹ 70,000.
  - vi) Donation to charitable institution (approved) by cheque ₹ 1,20,000.
12. For the A.Y. 2019-20 the Jodhpur Co-operative Society derived total income from the following :
  - i) Income from processing with the aid of power ₹ 10,000.
  - ii) Income from collective disposal of labour of its members ₹ 15,000.
  - iii) Interest from another Co-operative Society (Gross) ₹ 30,000.
  - iv) Income from House Property ₹ 20,000.
  - v) Income from other business ₹ 10,000.

Determine its taxable income and calculate tax.
13. From the following information compute the tax payable by a tonnage tax company for the A.Y. 2019-20 :
  - i) The company has two qualifying ships. The net tonnage of Ship I is 27,749 ton 400 kg and Ship II 16,750 ton and 500 kg.
  - ii) Ship I runs for 365 days during the previous year and Ship II for 150 days during the previous year.
  - iii) Turnover of core activities ₹ 20 crore.
  - iv) Profit from incidental activities ₹ 5.5 lakh.

14. From the following particulars, compute the total income of Z Ltd. An Indian company for the A.Y. 2019-20 :
- i) Interest on Securities ₹ 2,000 (Gross)
  - ii) Business Income ₹ 3,00,000.
  - iii) Interest on debentures of an Indian Paper Mill Ltd ₹ 50,000 (Gross)
  - iv) Dividend from an Indian Company ₹ 20,000 (Gross)

It has distributed dividend of ₹ 50,000 on 1.9.2018.

(4 × 3 = 12 weightage)

### Part C

*Answer any two questions.  
Each question carries 5 weightage.*

15. Explain Tax Planning in relation to setting up of a new business with relation to Location, Nature and form of organization.
16. The directors of a domestic company whose existing capital is ₹ 1 crore all in Equity shares, proposes to expand its business for which an additional investment of ₹ 50 lakhs would be needed. The entire money can be raised either by issue of Equity shares or by issue of 10% Debentures. They decide in favour of issue of Equity shares.
- As a Tax consultant do you approve the proposal ? Assume that the rate return is 20% and rate of income tax is 30%.
17. Suhas Company Ltd. is a widely held domestic company. The following are the particulars of its income in respect of the previous year 2018-2019 :
- a) Income from business ₹ 1,10,00,000.
  - b) Interest from Govt. Securities ₹ 20,000.
  - c) Short term capital gains u/s 111A ₹ 30,000.
  - d) Long term capital gains ₹ 66,000.
  - e) Dividend from domestic company (gross) ₹ 20,000.
  - f) Dividend from foreign company ₹ 20,000.
  - g) Book Profit u/s 115JB ₹ 1,05,00,000.

During the Previous Year the company donated by cheque ₹ 50,000 to National Defence Fund. Compute company's total income and tax payable for the A.Y. 2019-20.

**Turn over**

18. A, B and C are partners in a firm, sharing profits and losses in the proportions of  $\frac{2}{5}$ th,  $\frac{2}{5}$ th and  $\frac{1}{5}$ th respectively. The Profit and Loss Account for the year ended 31st March, 2019 is as follows :

Items	Amount	Items	Amount
To Sundry Trade Expenses	1,02,000	By Gross Profit b/d	4,78,200
To Interest on Capital @ 13% :		By Interest on Securities Gross	10,000
A 13,000			
B 6,500			
C 6,500	26,000		
To Rent to B	30,000		
To Salary to B	72,000		
To Commission to C	36,000		
To Net Profit	2,22,200		
<b>Total</b>	<b>4,88,200</b>	<b>Total</b>	<b>4,88,200</b>

Compute the total income of the firm.

(2 × 5 = 10 weightage)

**FOURTH SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION  
MARCH 2021**

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M.Com.

MCM 4C 14—FINANCIAL DERIVATIVES AND RISK MANAGEMENT

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

**General Instructions**

1. In cases where choices are provided, students can attend all questions in each section.
2. The minimum number of questions to be attended from the section/part shall remain the same.
3. There will be an overall ceiling for each section/part that is equivalent to the maximum weightage of the section/part.

**Part A**

*Answer any four questions.*

*Each question carries 2 weightage.*

1. What do you mean by Derivative markets ?
2. Explain VAR.
3. What are the different types of SWAPS ?
4. What do you mean by Currency Futures ?
5. What is a call option ?
6. What is Hedging Risk ?
7. What do you mean by Double Option ?

(4 × 2 = 8 weightage)

**Turn over**

**Part B**

*Answer any four questions.*

*Each question carries 3 weightage.*

8. Explain the following terms :
  - (a) Strike Price.
  - (b) Expiration date.
  - (c) Option premium.
9. Describe the common types of swaps.
10. "Forward contracts are part of everyday life". Explain.
11. How is a future contract different from forward contract ?
12. What is margin system ? Explain different kinds of margin system.
13. Distinguish between straddle and strangle.
14. What do you mean by option contract ? Explain its types.

(4 × 3 = 12 weightage)

**Part C**

*Answer any two questions.*

*Each question carries 5 weightage.*

15. Explain Black Scholes option strategy.
16. Explain the various factors affecting Pricing of Option Trading.
17. Explain the regulatory framework of derivative trading in India.
18. Explain the hedging strategies using in Futures Trading.

(2 × 5 = 10 weightage)