

SYB FM

Done

M.L.DAHANUKAR COLLEGE COMMERCE
EXTERNAL FINAL EXAMINATION

Class: S.Y.B.Com.(Financial Management)

Semester: IV

Subject: Personal Financial Planning

Time: 2.5 hours

Total: 75 marks

Date: 8/03/25

Time: 8 to 10:30 am

Q 1.A.	Choose the correct option from the following: (any 8)	8 marks
1.	Parameters for deciding on Investment Options is _____. (Reputation of the Company, Diversified Portfolio, Post tax return, None of these)	
2.	Net Worth = Assets - _____ (Liabilities, Current Liabilities, Capital Employed, Quick Liabilities)	
3.	Don't keep all eggs in same basket is an example of _____. (Live healthy life, Diversified portfolio, Earn profit, None of these)	
4.	The purpose financial planning is to provide road map for client to achieve overall _____. (Financial Goals, Financial Assets, Investment opportunities, None of these)	
5.	A Statement of _____ Shows the movement of cash account of the company (Cashflow Statement, Profit and Loss Statement, Balance Sheet, Revenue Statement)	
6.	The _____ of the investment is the underlying Compound interest rate that equals the end value of investment with its beginning value (Compound Annual Growth Rate, Nominal, Real, Total)	
7.	Fixed Deposits with SBI _____. (Moderate Risk, low Risk, Diversifies, High Risk)	
8.	Personal Finance is the _____ which an individual or a family unit may perform to budget, save, and spend monetary resources overtime. (Retirement Planning, Financial Management, Personal Finance, Financing)	
9.	Capital Gains = Sales Price - _____. (Purchase Price, Interest, Dividend, Market Value)	
10.	A _____ rate of return is the amount of money Generated by an Investment before factoring in expenses such as taxes. Investment fees and inflation. (Nominal, Real, Incremental, Total)	
Q 1.B.	State whether the following statements are True or False. (any 7)	7 marks
1.	High price earning ratio is the most commonly used matrix in value investing	
2.	Only salaried individuals can invest in PPF account	
3.	Evaluation of alternatives is not important step in a personal financial planning	

4.	The financial planner cannot determine to what degree and in what time the personal goals can be accomplished for determining financial position																																																								
5.	Income and expenditure statements do have opening balances of the previous year.																																																								
6.	Forecasting helps organisation to understand what needs to be provided to their customers to fulfil their demand.																																																								
7.	Cash controlling becomes essential as it increases the availability of usable cash.																																																								
8.	Gross profit ratio is an example of profitability ratio.																																																								
9.	Budget monitoring meeting, it is important to stick to an important issues																																																								
10.	Behavioural Finance studies the psychology of financial decision making																																																								
Q.2(A)	What is Personal Financial Planning? Explain its Principles.	8 marks																																																							
Q.2(B)	Why it is important to develop Financial Goals to Create Financial Plan	7 marks																																																							
OR																																																									
Q.2 (P)	Manas Industries Ltd has an investment proposed of Rs.50 lakh. The expected cash inflow as under <table border="1"><thead><tr><th>Year</th><th>Cash Inflow</th></tr></thead><tbody><tr><td>1</td><td>7,00,000</td></tr><tr><td>2</td><td>7,00,000</td></tr><tr><td>3</td><td>9,00,000</td></tr><tr><td>4</td><td>9,00,000</td></tr><tr><td>5</td><td>10,00,000</td></tr><tr><td>6</td><td>10,00,000</td></tr><tr><td>7</td><td>6,00,000</td></tr><tr><td>8</td><td>6,00,000</td></tr><tr><td>9</td><td>4,00,000</td></tr><tr><td>10</td><td>4,00,000</td></tr></tbody></table> Calculate internal rate of return with help of 10% Discounting factor and 15% Discounting factor <table border="1"><thead><tr><th>Year</th><th>PV Factor @10%</th><th>PV Factor @15%</th></tr></thead><tbody><tr><td>1</td><td>0.909</td><td>0.869</td></tr><tr><td>2</td><td>0.826</td><td>0.756</td></tr><tr><td>3</td><td>0.751</td><td>0.657</td></tr><tr><td>4</td><td>0.683</td><td>0.571</td></tr><tr><td>5</td><td>0.621</td><td>0.497</td></tr><tr><td>6</td><td>0.564</td><td>0.432</td></tr><tr><td>7</td><td>0.513</td><td>0.375</td></tr><tr><td>8</td><td>0.467</td><td>0.326</td></tr><tr><td>9</td><td>0.424</td><td>0.284</td></tr><tr><td>10</td><td>0.386</td><td>0.247</td></tr></tbody></table>	Year	Cash Inflow	1	7,00,000	2	7,00,000	3	9,00,000	4	9,00,000	5	10,00,000	6	10,00,000	7	6,00,000	8	6,00,000	9	4,00,000	10	4,00,000	Year	PV Factor @10%	PV Factor @15%	1	0.909	0.869	2	0.826	0.756	3	0.751	0.657	4	0.683	0.571	5	0.621	0.497	6	0.564	0.432	7	0.513	0.375	8	0.467	0.326	9	0.424	0.284	10	0.386	0.247	15 marks
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Q.3(A)	State principles of Cash Management	8 marks																											
Q.3(B)	What are the Characteristics of Income and Expenditure Statement?	7marks																											
	OR																												
Q.3(P)	<p>Animation India Private Ltd. gives you the following information for the year 31st March 2017.</p> <p>Profit Before Interest and tax (EBIT) = 16,00,000</p> <p>Tax = @50%</p> <p>Proposed Equity Dividend = @25%</p> <p><u>Capital Employed</u></p> <p>90,000 Equity Share of 10 each = 9,00,000</p> <p>10% Preference Share Capital = 20,00,000</p> <p>15% Debenture of 100 each = 7,00,000</p> <p>Reserve and surplus = 15,00,000</p> <p>Total Capital Employed = 51,00,000</p> <p>Current Market price per Equity Share is Rs. 50 per share</p> <p>You are required to calculate. (a) EPS (b) P/E Ratio (c) Dividend Payout Ratio (d) Dividend Yield Ratio (e) Return on capital employed (f) Return of Equity Fund</p>	8 marks																											
Q.3(Q)	<p>Prepare an amortization Schedule from the following information, assuming that the amount is an equated annual installment</p> <p>Amount Borrowed Rs. 12,00,000</p> <p>Compound Annual Interest @12%</p> <p>Repayment Period 8 Years</p>	7 marks																											
	OR																												
Q.4(A)	State the Objectives of Investment.	8 marks																											
Q.4(B)	What are the process of Portfolio Management?	7 marks																											
	OR																												
Q.4(P)	What is Forecasting? Explain its Advantages.	8 marks																											
Q.4(Q)	What is Compounded Annual Growth rate? State its uses and Limitation.	7 marks																											
	OR																												
Q.5. 1)	<p>Prepare a Cash Budget from the data given below for a period of 6 Month (July to December)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Month</th><th>Sales</th><th>Raw Material</th></tr> </thead> <tbody> <tr> <td>May</td><td>75,000</td><td>37,500</td></tr> <tr> <td>June</td><td>75,000</td><td>37,500</td></tr> <tr> <td>July</td><td>1,50,000</td><td>52,500</td></tr> <tr> <td>August</td><td>2,25,000</td><td>3,67,500</td></tr> <tr> <td>September</td><td>3,00,000</td><td>1,27,500</td></tr> <tr> <td>October</td><td>1,50,000</td><td>97,500</td></tr> <tr> <td>November</td><td>1,50,000</td><td>67,500</td></tr> <tr> <td>December</td><td>1,37,500</td><td>----</td></tr> </tbody> </table>	Month	Sales	Raw Material	May	75,000	37,500	June	75,000	37,500	July	1,50,000	52,500	August	2,25,000	3,67,500	September	3,00,000	1,27,500	October	1,50,000	97,500	November	1,50,000	67,500	December	1,37,500	----	15 marks
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	1. Collection Estimate <ul style="list-style-type: none"> • Within the month of sales 5% • During the following month 80% • During second month following the sales 15% 2. Payment of raw material is made in following month of purchase 3. Salary Rs. 11,250, Lease Payment Rs. 3,750, Misc Exp Rs. 1,150 are paid each month 4. Monthly Depreciation Rs. 15,000. 5. Income tax for the month of September and December is Rs. 26,250. 6. Payment for research in the month of October Rs. 75,000. 7. Opening balance in the month of July is Rs. 55,000	
	OR	
Q.5	Write short notes : (Any 3)	15 marks
1)	IRR	
2)	Income and Expenditure Statement	
3)	Tips for Monitoring Budget	
4)	Benefits of Personal Balancesheet and NetWorth	
5)	Effective Rate of Return	

M.L.DAHANUKAR COLLEGE COMMERCE
EXTERNAL FINAL EXAMINATION – March 2025
SYBFM SEM IV
SUBJECT :Debt Market 2

Marks:75

Date: 11/03/25

Time: 8 to 10:30 am

Q1A)	Multiple Choice Questions (any 8 out of 10)	8 marks
1.	<p>Bonds with higher convexity have _____ price sensitivity to interest rate changes compared to bonds with lower convexity.</p> <p>(A) Higher (B) Lower (C) No (D) Constant</p>	
2.	<p>The price of a callable bond is equal to the price of an option-free bond _____.</p> <p>(A) plus the price of the Call option (B) minus the price of the Call option (C) plus the price of the Put option (D) multiply the price of the Call option</p>	
3.	<p>A _____ shift in the yield curve means that short-term, intermediate-term, and long-term yields change by the same amount.</p> <p>a) Humpedness b) Parallel c) Twisted d) Inverted</p>	
4.	<p>One of the key factors leading to the subprime crisis was the securitization of mortgage-backed securities (MBS) into complex financial instruments called _____.</p> <p>(A) Treasury Bills (B) Collateralized Debt Obligations (CDOs) (C) Government Bonds (D) Preferred Stocks</p>	
5.	<p>The risk that an investor may have to reinvest interim bond payments at a lower rate is known as _____ risk.</p> <p>(A) Inflation (B) Yield curve (C) Reinvestment (D) Default</p>	
6.	<p>If a bond's duration increases as yields increase, the bond is said to have _____.</p> <p>(A) Positive duration</p>	

	(B) Positive convexity (C) Negative duration (D) Negative convexity	
7.	The measure of risk in a bond portfolio relative to a benchmark is called _____. a) Duration b) Tracking error c) Yield curve d) Benchmark deviation	
8.	Fixed income securities are considered _____ investment due to their lower volatility and capital protection. (A) High-risk (B) Defensive (C) Aggressive (D) Speculative	
9.	The Consumer Price Index (CPI) is an economic indicator that primarily measures _____. (A) Industrial growth (B) Inflation (C) Unemployment rates (D) Stock market performance	
10.	If market interest rate volatility increases, the price of a callable bond tends to _____. (A) Increase (B) Decrease (C) Remain the same (D) Become zero	
Q1B) True or False (any 7 out of 10)		7 marks
1.	A bond with a put option allows the issuer to redeem the bond before maturity at a predetermined price.	
2.	A barbell strategy involves investing only in medium-term bonds.	
3.	Convexity is used to measure the second-order change in bond price due to interest rate fluctuations.	
4.	A downgrade in a bond's credit rating generally leads to a price decline in the bond.	
5.	An increase in interest rates will always lead to an increase in bond duration.	
6.	Zero-coupon bonds always have lower duration than vanilla bonds of the same maturity.	
7.	Southern California wildfire is an example of event risk.	
8.	Effective duration can be estimated using modified duration if a bond with embedded options behaves like an option-free bond.	

9.	While valuing callable bond, price at each node is minimum of call price or price as per backward induction process.	
10.	Interest received from corporate bond is tax free.	
Q2 A	How do various features differentiate fixed income securities from other asset classes?	8 Marks
Q2 B	Discuss about hybrid instruments and explain how they can contribute to a well-diversified investment portfolio.	7 Marks
	OR	
Q2 P	Analyse the trade-offs between these callable and putable bond from the perspective of both issuers and investors.	8 Marks
Q2 Q	Discuss the key factors affecting bond duration. Provide examples to illustrate your answer.	7 Marks
Q3 A	What is the binomial interest rate tree framework, and how is it used in the valuation of bonds?	8 Marks
Q3 B	Explain how leading indicators help investors and policymakers predict economic cycles.	7 Marks
	OR	
Q3P	The subprime mortgage crisis was fuelled by multiple factors. Explain multiple causes contributed to the financial collapse.	8 Marks
Q3 Q	Discuss how Passive strategies such as bond indexing is implemented and their role in reducing portfolio risk.	7 Marks
Q4 A	Calculate Modified duration of 17% annual coupon paying bond for the term of 4 years with Rs.750 as face value. Current inflation rate is 9%, with bonds YTM of 9%, redeeming at premium of 10%.	8 Marks
Q4 B	Rs.800 par value bond bearing coupon rate of 8% p.a. for 3 years available at cut off rate of 10 % p.a., calculated PV of the bond, if coupon paid semi annually.	7 Marks
	OR	
Q4P	Rs.1,00,000 face value bond bearing coupon rate of 7% p.a. for 7 years available at cut off rate of 1 % p.a, calculated PV of the bond if bond is redeemed at discount of 10%.	8 Marks
Q4 Q	At the beginning Bond price is Rs.1500, if the yield increases by 150 bps then price of the bond will decline to Rs.1400 & if the yield decreases by 150 bps then price rise to Rs.1700. Calculate duration of the bond.	7 Marks
Q5 A	Explain the differences between leading, coincident, and lagging indicators, and discuss how each type influences investment decisions in the bond market.	8 Marks
Q5 B	How do quality swaps help investors maximize returns while managing risk?	7 Marks
	OR	
Q5	Write Short Notes On (any 3)	15 Marks
1	Macaulay duration	
2	Government deficits and effect on debt market	
3	Fundamental credit analysis	
4	Positive convexity	
5	Active strategy Vs Passive strategy	

M.L.DAHANUKAR COLLEGE COMMERCE
EXTERNAL FINAL EXAMINATION –March/April 2024
SYBFM SEM IV

Marks:75

SUBJECT :EQUITY MARKET II

2.5 Hours

Date: 13/03/2025

Time: 8:00 to 10:30 am

Q1A)

Multiple Choice Questions (any 8 out of 10)

8 marks

1. According to the strong form of the EMH, what information is not reflected in stock prices?
 - a) Publicly available information
 - b) Private information known only to company insiders
 - c) Historical stock prices
 - d) Economic indicators
2. What role does FDI play in India's economic growth?
 - a) FDI has no significant impact on India's economy
 - b) FDI contributes to employment generation and infrastructure development
 - c) FDI leads to inflation and trade deficits
 - d) FDI increases government debt and fiscal deficit
3. What is the significance of SEBI's role in regulating the securities market?
 - a) To ensure transparency and fairness in trading
 - b) To promote speculation and volatility in the market
 - c) To manipulate stock prices for government benefit
 - d) To encourage insider trading for corporate profits
4. Which of the following activities does SEBI regulate?
 - a) Mutual funds
 - b) Stock exchanges
 - c) Merchant banks
 - d) All of the above
5. Which of the following financial statements is NOT typically used in fundamental analysis?
 - a) Income statement
 - b) Balance sheet
 - c) Cash flow statement
 - d) Sales forecast
6. Which of the following penalties can SEBI impose for violations of securities laws?
 - a) Monetary fines
 - b) Suspension of trading activities
 - c) Revocation of registration
 - d) All of the above
7. What is the role of a stockbroker in the stock market?
 - a) To issue new shares of stock
 - b) To regulate the buying and selling of stocks
 - c) To facilitate the buying and selling of stocks on behalf of clients
 - d) To provide investment advice to corporations
8. What does the term "volatility" refer to in the stock market?
 - a) The number of shares traded in a day

- b) The speed at which stock prices change
 c) The likelihood of a stock going bankrupt
 d) The total value of all outstanding shares of a company
9. What does the term "dividend" refer to in the context of stocks?
 a) The price paid to purchase a stock
 b) The portion of a company's profits distributed to shareholders
 c) The interest paid on a bond
 d) The fee charged by a broker for buying or selling a stock
10. Which of the following is NOT a factor considered in fundamental analysis?
 a) Industry trends
 b) Macroeconomic indicators
 c) Technical chart patterns
 d) Company's competitive advantage

Q1B) MATCH THE COLUMN (any 7 out of 10)

7 marks

1	Balance Sheet	A financial statement that shows a company's revenues and expenses during a specific period.
2	Income Statement	A ratio that compares a company's debt to its equity.
3	Cash Flow Statement	An evaluation of a company's management team and their ability to execute strategies.
4	Price-to-Earnings (P/E) Ratio	A financial statement that shows a company's assets, liabilities, and shareholders' equity at a specific point in time.
5	Book Value	A ratio that compares a company's stock price to its earnings per share.
6	Management Analysis	A thorough examination of the industry in which a company operates.
7	Debt-to-Equity Ratio	The actual worth of a company's stock based on its fundamentals.
8	SWOT Analysis	A financial statement that shows the inflow and outflow of cash during a specific period.
9	Industry Analysis	An analysis of a company's strengths, weaknesses, opportunities, and threats.
10	Intrinsic Value	The net value of a company's assets minus its liabilities.

- Q2 A Explain Disinvestment with example? What are the objectives of Disinvestment? 8 Marks
 Q2 B Define Foreign Direct Investment (FDI) and explain its significance in the context of economic development. 7 Marks

OR

- Q2 P What is Online trading? What are the benefits? 8 Marks
 Q2 Q What factors can influence stock prices? Provide examples of each factor. 7 Marks
- Q3 A What are the powers of SEBI? 8 Marks
 Q3 B What is the Efficient Market Hypothesis (EMH)? Discuss its three forms and their implications for investors. 7 Marks

OR

- Q3P Calculate the Gross Profit Margin, Net Profit Margin, Dividend yield and Price/Sales ratios with the help of following information 8 Marks
 Market price of stock – Rs 950
 Dividend– Rs 60
 Total Sales – Rs 250 Cr
 Gross profit – Rs 100Cr
 Outstanding Shares – 10 Cr
 Tax Rate – 33%
- Q3 Q Calculate the total brokerage payable by Investor A on Day 1 and Day 2. 7 Marks
 Day 1: Investor A buys 7000 shares of COAL INDIA @ Rs 545 and Sells 4500 shares @ Rs 535 on the same day. He also buys 50 shares of MRF @ Rs 111,150 and takes delivery for the same.
 Day 2: He sells 2500 shares of COAL INDIA @ Rs 522 and 50 shares of MRF @ Rs.111,352
 Intraday brokerage is 0.1% and Delivery brokerage is 0.5%.
- Q4 A Explain the role of settlement agencies in clearing and settlement of trades. 8 Marks
 Q4 B Explain the process of buying and selling stocks through a stockbroker. Outline the steps involved in placing a trade with a broker 7 Marks
- OR
- Q4P Suppose Paytm just paid a dividend of Rs 21. It is expected to increase its dividend by 4% per year. If the market requires a return of 19% on assets of this risk, how much should the stock be selling for? 8 Marks
- Q4 Q With the help of following Company data. Calculate Z Score and comment on the company Debt stability. 7 Marks
 Balance sheet of JIO as of 31st March 2022
 Working Capital: Rs 300 Cr
 Total Assets: Rs 1000 Cr
 Retained Earnings: Rs 54 Cr
 Earnings before Interest and Taxes: Rs 150 Cr
 Market Value of Equity: Rs 1050 Cr
 Total Liabilities: Rs. 990 Cr
 Sales: Rs. 100 Cr
 Using the below formula

$$Z = 1.2T1 + 1.4T2 + 3.3T3 + .6T4 + .999T5$$
- Q5 A Define the following financial ratios commonly used in fundamental analysis: 8 Marks
 a) Price-to-earnings (P/E) ratio
 b) Return on equity (ROE)
 c) Debt-to-equity ratio
 d) Earnings per share (EPS)
 e) Dividend yield
- Q5 B Describe the three main financial statements used in fundamental analysis: the income statement, balance sheet, and cash flow statement. Explain the key information provided by each statement. 7 Marks
- OR
- Q5 **Write Short Notes On (any 3)** 15 Marks
 1 Pay IN and Pay OUT Day of settlement
 2 Greenfield Investment in FDI
 3 Effect of FII on Indian Economy
 4 Limit and Stop Loss Order
 5 Industry Analysis

	M.L.DAHANUKAR COLLEGE COMMERCE EXTERNAL FINAL EXAMINATION SYBFM SEM IV SUBJECT : CORPORATE FINANCE Date: 17/03/2025 Time : 8:00 am to 10:30 am	Marks:75
Q1A)	Multiple Choice Questions (any 8 out of 10)	8 marks
1.	A company with _____ rating will be able to raise funds at a higher cost. (a) BBB (b) A+ (c) AA+ (d) BB+	
2.	_____ is a long term source of finance (a) Commercial paper (b) Factoring (c) Bank overdraft (d) Debenture	
3.	Capital budgeting is a part of _____ (a) Investment decision (b) Marketing management (c) Capital structure (d) Working Capital Management	
4.	Which is the most expensive source of funds? (a) Equity share capital (b) Preference share capital (c) Debt (d) Retained Earnings	
5.	Which of the following is a tripartite lease? (a) Dry lease (b) Wet lease (c) Leverage lease (d) Operating lease	
6.	Finance function involves: , (a) Procurement of Funds only (b) Utilisation of funds only (c) Safe custody of funds (d) Procurement and Utilisation of fund	
7.	Cost of capital may be defined as: (a) Weighted Average cost of all debts (b) Rate of Return expected by Equity Shareholders (c) Average IRR of the Projects of the firm (d) Minimum Rate of Return that the firm should earn	
8.	Which of the following can improve Break even point ? (a) Increase in variable cost (b) Increase in fixed cost (c) Increase in selling price (d) Increase in sales volume	
9.	Which of the following cost of capital require tax adjustment? (a) Cost of equity shares (b) Cost of preference shares	

	(c) Cost of debt (d) Cost of retained earnings																									
10.	Members of recognised stock exchanges are termed as ____ (a) Brokers (b) Underwriters (c) Shareholders (d) Lead Managers																									
Q1B)	True or False (any 7 out of 10)	7 marks																								
1.	Finance lease is non-cancellable.																									
2.	Under hire purchase, ownership of the asset is immediately transferred to the purchaser on signing the contract.																									
3.	If NPV is less than, the project should be accepted.																									
4.	Factoring is a service in which receivables are converted into cash.																									
5.	Cost of Capital has no impact on capital budgeting decisions.																									
6.	Variable costs are irrelevant in marginal costing.																									
7.	Depreciation is a source of internal finance.																									
8..	Floating cost are the cost incurred for issue of securities.																									
9.	Credit rating is an advice given by the rating agency to invest in a particular security.																									
10.	Unsecured debentures are also called as naked debentures.																									
Q2 A	<p>Ongol Ltd. has the following capital structure</p> <table><tr><td>Particulars</td><td>Rs. In lakhs</td></tr><tr><td>Equity shares</td><td>90</td></tr><tr><td>8% Preference Shares</td><td>30</td></tr><tr><td>10% Debentures</td><td>20</td></tr><tr><td>Total</td><td>140</td></tr><tr><td></td><td></td></tr></table> <p>The market price of the company's equity share is Rs.96. It is expected that the company would pay a dividend of Rs.9 next year with a growth of 7% p.a. Assume corporate tax rate of 30%. You are required to:</p> <p>a) Compute WACC based on existing capital structure</p> <p>b) Compute the new WACC if the company raises additional capital of Rs.60 lakhs as under:</p> <table><tr><td>Particulars</td><td>Rs. In lakhs</td></tr><tr><td>Equity shares</td><td>30</td></tr><tr><td>10% Preference Shares</td><td>10</td></tr><tr><td>8 % Debentures</td><td>20</td></tr><tr><td>Total</td><td>60</td></tr><tr><td></td><td></td></tr></table> <p>This would result in increasing the expected dividend of Rs.9.5 per equity share and leave the growth rate unchanged at 7% and the anticipated market price of the equity shares would fall to Rs.90 per share</p>	Particulars	Rs. In lakhs	Equity shares	90	8% Preference Shares	30	10% Debentures	20	Total	140			Particulars	Rs. In lakhs	Equity shares	30	10% Preference Shares	10	8 % Debentures	20	Total	60			15 Marks
Particulars	Rs. In lakhs																									
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Total	60																									
OR																										
Q2 P	A new project under consideration require a capital outlay of Rs.30 lakhs. The required funds can be raised either fully by equity of Rs.10 each. Or by equity shares of the value of Rs.20 lakhs and by loan of Rs.10 lakhs @15% interest. Assuming a tax rate of 50% Calculate the financial indifference point. Verify your answer by calculating EPS	8 Marks																								
Q2 Q	Calculate the cost of capital in the following cases:	7 Marks																								

	<p>a) Baxi Ltd. issued 5000 12% Redeemable Debentures of Rs.5,00,000 at a discount of 5%. The cost flotation amounted to Rs.15,000. The debentures are redeemable after 5 years. Calculate the cost of debt assuming tax rate of 50%.</p> <p>b) Calculate the cost of equity of a firm whose shares are quoted at Rs.140. Dividend at the end of the year is expected to be Rs.10 per share and growth rate is 8%</p>																												
Q3 A	<p>You are given the following information for next year</p> <table><tr><td>Sales (10000 units)</td><td>Rs.1,20,000</td></tr><tr><td>Variable cost</td><td>Rs.48,000</td></tr><tr><td>Fixed Cost</td><td>Rs.60,000</td></tr></table> <p>1. Calculate PV ratio, Break even point and margin of safety</p> <p>2. Evaluate the effect of the following on P/V ratio and Break even point</p> <p>(a) 10% decrease in fixed cost</p> <p>(b) 5% increase in selling price</p>	Sales (10000 units)	Rs.1,20,000	Variable cost	Rs.48,000	Fixed Cost	Rs.60,000	15 Marks																					
Sales (10000 units)	Rs.1,20,000																												
Variable cost	Rs.48,000																												
Fixed Cost	Rs.60,000																												
	OR																												
Q3P	<p>A company can make either of the two investments. Evaluate the two alternatives based on:</p> <p>a) Payback Period</p> <p>b) Payback Profitability</p> <p>c) ARR (based on original investment)</p> <table><tr><td>Particulars</td><td>Model X</td><td>Model Y</td></tr><tr><td>Cost of Machine</td><td>Rs.60,000</td><td>Rs.1,00,000</td></tr><tr><td>Life of Machine</td><td>4 years</td><td>4 years</td></tr><tr><td>Profit after tax</td><td></td><td></td></tr><tr><td>Year</td><td></td><td></td></tr><tr><td>1</td><td>15,000</td><td>20,000</td></tr><tr><td>2</td><td>25,000</td><td>25,000</td></tr><tr><td>3</td><td>30,000</td><td>30,000</td></tr><tr><td>4</td><td>50,000</td><td>50,000</td></tr></table>	Particulars	Model X	Model Y	Cost of Machine	Rs.60,000	Rs.1,00,000	Life of Machine	4 years	4 years	Profit after tax			Year			1	15,000	20,000	2	25,000	25,000	3	30,000	30,000	4	50,000	50,000	15 Marks
Particulars	Model X	Model Y																											
Cost of Machine	Rs.60,000	Rs.1,00,000																											
Life of Machine	4 years	4 years																											
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Year																													
1	15,000	20,000																											
2	25,000	25,000																											
3	30,000	30,000																											
4	50,000	50,000																											
Q4 A	<p>A company needs Rs.80 lakhs for construction of new plant. It is considering three alternatives.</p> <p>a) Issue Equity capital for Rs.80 lakhs</p> <p>b) Issue Equity Capital for 50% and 10% Debentures for 50%</p> <p>c) Issue Equity Capital for 50% and 12% Preference Capital for 50%</p> <p>You are required to suggest suitable plan to maximise return for equity given that tax rate is 50% and EBIT is Rs.50 Lakhs.</p>	15 Marks																											
	OR																												
Q4P	Explain what is financial break even point.	8 Marks																											
Q4 Q	Explain the factors determining capital structure.	7 Marks																											
Q5 A	Explain the role of finance manager.	8 Marks																											
Q5 B	Explain the various traditional methods of capital budgeting.	7 Marks																											
	OR																												
Q5	Write Short Notes On (any 3)	15 Marks																											

1	Importance of marginal costing	
2	Break even point	
3	Operating lease	
4	Credit Rating	
5	Short term sources of finance	

Semester End Examination March 2025

S.Y.B. M.S./ S.Y.B.F.M./ S.B.B.I.

Semester – IV

Subject: Business Economics - II

Date: 22/03/25

Duration: 2.5 hours

Marks: 75 marks

Instructions for the candidate:

1. This question paper contains _____ pages
2. In all, 5 main questions shall be attempted.
3. Answers to each new question should begin on a fresh page.
4. Figures on the right-hand side indicate full marks.
5. Use of simple calculator is allowed.

Q 1. A True or False (any 8 out of 10)

8 marks

1. National income can be accurately estimated.
2. The value of MPC always varies between zero and one.
3. Monetary policy tools include taxation and government spending.
4. The government provides public goods because private markets may not supply them efficiently.
5. High levels of public debt can lead to solvency issues for a government.
6. The fiscal deficit is the same as the trade deficit.
7. Foreign portfolio investment involves direct control of foreign companies.
8. Speculation in the foreign exchange market can cause exchange rate fluctuations.
9. Depreciation of a currency makes exports cheaper and imports more expensive.
10. Hedging in the foreign exchange market helps businesses protect against currency fluctuations.

Q 1. B Multiple Choice Questions (any 7 out of 10)

7 marks

1. What does Macroeconomics primarily study?
 - a) Individual consumer choices
 - b) Overall economic activity
 - c) Business operations
 - d) Personal finance
2. Which concept explains the increase in total income due to an increase in investment?
 - a) Consumption function
 - b) Investment multiplier
 - c) Fiscal policy
 - d) Trade surplus
3. Keynesian Aggregate Demand is composed of:

- a) Consumption + Investment
 - b) Only Government Spending
 - c) Only Exports
 - d) Consumption + Investment + Government Spending + Net Exports
4. The difference between the fiscal deficit and interest payment is called
- a) Budget deficit
 - b) Primary deficit
 - c) Revenue deficit
 - d) Monetised deficit
5. Demand-Pull Inflation occurs when:
- a) Aggregate demand exceeds supply capacity
 - b) Production costs increase
 - c) Money supply contracts
 - d) Technological innovations reduce costs
6. Net barter terms of trade is expressed as
- a) Export price to import price
 - b) Quantity of imports to exports
 - c) Productivity index of export to import
 - d) None of these
7. MNC corporations _____
- a) Acquire monopoly power
 - b) Reduce inequality of income
 - c) Creates unemployment
 - d) None of these
8. Fixed exchange rate system was
- a) Unstable
 - b) More stable
 - c) Less stable
 - d) None of these
9. The demand for transaction and precautionary motive is interest
- a) Elastic
 - b) Unit elastic
 - c) Inelastic
 - d) None of these
10. Balance of Payments disequilibrium can be corrected through:
- a) Only monetary policy
 - b) Fiscal and monetary policies
 - c) Exchange rate adjustments
 - d) Trade restrictions

Q 2. A Discuss the various concepts of national income.

8 marks

Q 2. B Explain the phases of Trade cycle.

7 marks

OR

Q 2. A Explain the factors influencing Marginal Efficiency of Capital.

8 marks

Q 2. B Distinguish between classicism and Keynesianism.

7 marks

- Q 3. A Explain the quantitative method of credit control. 8 marks
Q 3. B Describe the determinants of money supply. 7 marks

OR

- Q 3. A Explain the criticism of cash balance approach. 8 marks
Q 3. B Explain the demand-pull inflation with diagram. 7 marks

- Q 4. A Explain the factors influencing incidence of taxation. 8 marks
Q 4. B What is sound finance? Explain its features. 7 marks

OR

- Q 4. A Explain FRBM Act in detail. 8 marks
Q 4. B Explain the classification of public debt. 7 marks

- Q 5. A Explain the Heckscher-Ohlin theory of international trade. 8 marks
Q 5. B Explain the various types of disequilibrium in the balance of payments position. 7 marks

OR

- Q 5. C **Short Notes (any 3 out of 5)** 15 marks

1. Consumption function.
2. Inflation targeting.
3. Velocity of circulation of money.
4. Gains from trade.
5. Merits of flexible exchange rate system.

M.L.DAHANUKAR COLLEGE COMMERCE
EXTERNAL FINAL EXAMINATION
SYBFM SEM IV

SUBJECT : Business Law

Marks: 75M

Date: 25/03/25

Time :

Q 1.A. Multiple Choice Questions (any 8 out of 10)

8 marks

1. For private placement, money to be paid in
 - (a) Cash
 - (b) Demand Draft
 - (c) Cheque
 - (d) (b) or (c)
2. Which is not content of AOA
 - (a) Calls on Shares
 - (b) Lien
 - (c) Board of Directors
 - (d) Liability Clause
3. An act of the company which is outside the scope of the object clause of the MOA
 - (a) Constructive Notice
 - (b) Indoor Management
 - (c) Ultra Vires
 - (d) Intra Vires
4. Additional director holds office till :
 - (a) Next AGM
 - (b) BOD desires
 - (c) 2 Years
 - (d) As long as he wants
5. Which is not protected by copyright?
 - (a) Book
 - (b) Drama
 - (c) Music
 - (d) 3D symbols
6. A nominal partner
 - (a) Shares profits
 - (b) Is liable to third party
 - (c) (a) & (b)
 - (d) Neither shares profits nor is he liable
7. Registration of LLP is granted by :
 - (a) Collector of the district
 - (b) Registrar of Cooperative Societies
 - (c) Registrar of Companies
 - (d) Registrar of firms
8. The Head Office of SEBI is located at
 - (a) Mumbai
 - (b) Delhi
 - (c) Chennai
 - (d) Kolkata
9. Share Capital of Producer Company is
 - (a) Preference Shares only
 - (b) Equity Shares only

- (c) Both equity and preference
(d) Does not have share capital
10. Section _____ defines Memorandum of Association
(a) 2(6)
(b) 2(56)
(c) 2(85)
(d) 2(46)

Q 1.B. True or False: (any 7 out of 10)

7 marks

1. Indirectly object clause states what the company cannot do.
2. Trademark is transferable
3. Mutual Agency is one of the key features of partnership.
4. Appeal against SAT can be filed in Supreme Court within 30 days, under SCRA 1956.
5. Every public company having turnover of 1000 crore or more should have atleast 2 independent director.
6. Partnership is a result of status.
7. Corporatisation is recognition of a Stock Exchange as a body corporate.
8. Initial public offer is first sale of stock of a company.
9. A company cannot become member of another company.
10. There are 2 modes of dissolution of partnership firm.

Q 2.A. Explain in detail any 4 types of companies under Companies Act, 2013.

8 marks

Q 2.B. What is Prospectus? Write a note on Red-herring prospectus.

7 marks

OR

Q 2.A. Explain in detail Alteration of Clauses in the Memorandum of Association.

8 marks

Q 2.B. Define Member. Who can become Member under Companies Act, 2013.

7 marks

Q 3.A. Write a note on Independent Director.

8 marks

Q 3.B. Explain in detail different types of Voting.

7 marks

OR

Q 3.A. What is Intellectual Property Rights. What kinds of rights are included under IPR?

8 marks

Q 3.B. What is Annual General Meeting under Companies Act, 2013.

7 marks

Q 4.A. Define Partnership. What are the essentials of Partnership?

8 marks

Q 4.B. Explain in detail, procedure of voluntary winding up of LLP.

7 marks

OR

Q 4.A. What are the circumstances where sharing of profits is there, yet no relation of partnership.

8 marks

Q 4.B. Distinguish between LLP and Company.

7 marks

Q 5.A. What is the procedure for registration and cancellation of Asset Reconstruction Company?

8 marks

Q 5.B. What are the pre-issue requirements of Public Issue under ICDR Regulations, 2009.

7 marks

OR

Q 5.C. Short Notes (any 3 out of 5)

15 marks

1. Small Company
2. Indoor Management
3. Patent
4. Right Issue
5. Designated Partners

M.L.DAHANUKAR COLLEGE COMMERCE
EXTERNAL FINAL EXAMINATION

Class: 5 Y.B.Com.(Financial Management)

Semester: IV

Subject: Foundation Course IV

Time: 2.5 hours

Total: 75 marks

Date: 27/03/25

Time: 8:00 to 10:30 am

Instructions:

1. This question paper contains 4 pages
2. In all, 5 main questions shall be attempted.
3. Answers to each new question should begin on a fresh page.
4. Figures on the right hand side indicate full marks.
5. Use of simple calculator is allowed.

Q 1.A.	Choose the correct option from the following: (any 8)	8 marks
1.	When a country adopts another country's currency, it typically loses control of its: a) Fiscal policy. b) Monetary policy. c) Trade policy. d) Foreign policy.	
2.	A crawling peg exchange rate regime is characterized by: a) A completely fixed exchange rate. b) A completely floating exchange rate. c) A fixed exchange rate that is periodically adjusted in small increments. d) A random fluctuation of exchange rates.	
3.	A currency board arrangement is characterized by: a) A freely floating exchange rate. b) A fixed exchange rate backed by foreign currency reserves. c) A managed float with occasional interventions. d) A system where the central bank prints money at will.	
4.	Currency baskets are often used by central banks to: a) Allow completely free-floating exchange rates. b) Peg their currency's value to a weighted average of other currencies. c) Eliminate the need for foreign exchange reserves. d) Maximize volatility in the foreign exchange market.	
5.	Central banks participate in the Forex market primarily to: a) Maximize profits. b) Influence their currency's value and manage reserves. c) Speculate on currency fluctuations. d) Provide brokerage services.	

6.	Which of the following institutions was created as a result of the Bretton Woods Agreement? a) The World Trade Organization (WTO) b) The United Nations (UN) c) The International Monetary Fund (IMF) d) The European Union (EU)	
7.	Under the Bretton Woods system, the U.S. dollar was pegged to: a) The Euro. b) Gold. c) A basket of currencies. d) The British pound.	
8.	Forex brokers act as: a) Market makers. b) Intermediaries between retail traders and the market. c) Central bank agents. d) Government regulators.	
9.	The Eurozone is an example of: a) A fixed exchange rate system. b) A currency union with no separate legal tender for its member states. c) A floating exchange rate system. d) A gold standard.	
10.	The weighting of currencies in a basket is typically determined by: a) Random selection. b) The volume of trade and financial flows between countries. c) Political preferences. d) The color of the currency notes.	
Q 1.B. State whether the following statements are True or False. (any 7)		7 marks
1.	A positive balance of payment shows that a country is importing for spending more on foreign trade rather than exporting or earning from abroad	
2.	Forward contract is majorly used eliminate currency risk	
3.	Holgate principal states that premium on base currency implies discount on variable currency	
4.	Speculation is a type of financial strategy that involves a significant amount of risk	
5.	In free floating system, the exchange rate of currency remains same or stable	
6.	Globalisation does not had impact on finance system of India	
7.	The main objective of FEMA was to facilitate external trade and payments for promoting towards the orderly development.	
8.	An exchange rate is the price of one currency in terms of another	

9.	In forward quotation, it is not necessary to mention amount of currency to be bought or sold at future date				
10.	A price of national currency in terms of foreign currency is known as indirect quotation				
Q.2(A)	Write a note on Participants of Foreign Exchange Market?				8 marks
Q.2(B)	Explain the reasons for the failure of Bretton Wood System.				7 marks
	OR				
Q.2 (P)	Calculate Inverse quote				8 marks
	Base Currency	Variable Currency	Bid Rate	Ask Rate	
	USD	INR	89.1636	89.1739	
	USD	JPY	150.1110	150.1200	
	GBP	AUD	1.9820	1.9850	
	EUR	USD	1.0430	1.0460	
Q.2 (Q)	Calculate the rate of the following currency against Indian National Rupee if USD/INR = 85/85.1000 USD/GBP = 0.80/0.81 JPY/USD = 0.0066/0.0069 ZAR/USD = 0.0530/0.0520 0.0520/0.0530 USD/SEK = 10.7600/10.7900				7 marks
Q.3(A)	Interbank spot dollar rate is Rs. 51.1000/51.7000 a. One month Swap Points 1000/1100 b. Two month Swap Points 1200/1300 c. Three Month Swap Points 1400/1500 d. Four Month Swap Points 1550/1600 Calculate the outright forward rate for the given period				8 marks
Q.3(B)	The following Quote is given from Mumbai. 1 USD = Rs.89.9000 /90.1000 Find out the above Direct Quote or Indirect Quote. Find the mean rate, spread & spread % and Find inverse quote.				7marks
	OR				
Q.3(P)	What is Currency Board Arrangement? Explain its features.				8 marks
Q.3(Q)	Explain in detail different types of Currency Exchange System.				7 marks
Q.4(A)	Base Currency	Variable Currency	Bid Rate	Ask Rate	8 marks
	USD	INR	79.8910	79.9110	
	USD	CAD	1.3121	1.3132	

	GBP	USD	1.6011	1.6021	
	Calculate Mid Rate, Spread and Spread %				
Q.4(B)	Three different Traders are quoting as follows Trader A = 1.5800 Trader B = 0.9520 Trader C = 1.5100 Workout the arbitrage possibilities				7 marks
	OR				
Q.4(P)	What are the Advantage and Disadvantage of Future Contract				8 marks
Q.4(Q)	What is Capital Account Convertibility? State its Advantages and Disadvantages				7 marks
Q.5. 1)	State causes for fluctuation in foreign currency				8 marks
2)	State internal and external Hedging strategies				7 marks
	OR				
Q.5	Write short notes : (Any 3)				15 marks
1)	Need of Forex Market				
2)	Adjustment Peg				
3)	Currency Basket System				
4)	Nonconvertible Currency				
5)	Objectives of FERA				
