APRIL 2026

TYBFM Sem VI

Duration: 2½ Hours **Total Marks: 75**

N.B.: (1) All questions are compulsory.
(2) Working Notes should form part of your answer.
(3) Figure to the right indicates full marks.

Q1 (A) Select the correct alternatives and rewrite the sentence (Any 8): (08)

1. The definition of goods under section 2(52) of the CGST Act does not include ____.
   (a) Grass (c) Money and securities
   (b) Actionable claims (d) Growing crops
2. Ms. Rajal booked a Rajdhani train ticket, which includes meal. It is _____
   (a) Composite supply (c) Principal supply
   (b) Mixed supply (d) Both (a) and (b) above
3. Aggregate turnover does not include _____
   (a) Inward supplies on which tax is payable on reverse charge basis
   (b) Exempt supplies
   (c) Export of goods or services or both
   (d) Inter-State supplies of persons having the same PAN number
4. The first 2 digits of GSTIN represent _____ code.
   (a) State (b) Entity (c) Country (d) Company
5. An _____ is an instrument containing all the necessary details of transaction of supply of goods / services.
   (a) E-Way Bill (b) Voucher (c) Challan (d) Invoice
6. Place of supply when goods are exported from India is _____.
   (a) Location of importer (c) Location outside India
   (b) Location of supplier (d) Location of exporter
7. GST is charged on_____ of goods and services
   (a) Manufacture or provision (c) Consumption
   (b) Supply (d) Demand
8. Where goods are assembled or installed at site, place of supply is the place where they are _____
   (a) Sold (b) Installed (c) Stored (d) All of the above
9. For telecommunication services, place of supply is _____
   (a) Location where telecommunication line is installed for receipt of services
   (b) Location of recipient for registered persons
   (c) Location of supplier in any other case
   (d) Either (b) or (c)
10. Transaction value of supply excludes _____.
    (a) Taxes, Duties, Cess
    (b) Incidental charges
    (c) Subsidies linked to price
    (d) None of these

Q1. (B) State whether the following statement are TRUE or FALSE (Any 7) **(07)**

(a) Speed Post services are subject to RCM.
(b) CGST is applicable to imports.
(c) Location of supplier of services is always location of usual residence of supplier.
(d) Manufacturer of ice cream and pan masala is not eligible for composition scheme.
(e) Aggregate turnover excludes Inward supplies taxed under RCM.
(f) TDS certificate is to be furnished in form GSTR 7.
(g) The electronic liability register is maintained in FORM GST PMT 01.
(h) Services to reserve bank of India are exempt.
(i) An agriculturist is not liable to obtain registration under GST act only to the extent of supply of produce out of cultivation of land.
(j) Invoice is Instrument Containing all the necessary detail of transaction of supply of goods/services.

Q2. (A) Explain the salient features of the Goods and Services Tax (GST). **(07)**

Q2. (B) Discuss the taxability of the Import of Services when made for a consideration. **(08)**

OR

Q2 (C) From the following information given to you of Mr. Dinesh, compute the value of Taxable Services and the Goods and Service Tax payable for the month of February 2026. All amounts given are excluding Goods and Service Tax. GST rate for all the supplies may be assumed to be 18%. **(15)**

Particulars	Rs.
Commission from acting as Clearing & Forwarding Agent	21,000
Commission from acting as commission agent of agricultural produce	18,000
A building was let out for Vidya Vikas School	12,000
Royalty from permanent transfer of trademark	25,000
Renting of property to a charitable educational body	6,000
Pension Payment Services	15,000
Services by way of conduct of religious ceremony as Pandit	5,000
Services of transport of passengers by roadway	40,000
Fees received for investment consultancy services	70,000
Operation of Saving Bank Account	3,000
Acting as a business facilitator of a banking company	30,000
House let out to an individual for residential purpose	15,000
	270,000

Q3 (A) Determine the time of supply of goods as per the provisions of GST in the following independent cases: **(07)**

Sr. No.	Date of Invoice	Date of Statement of Account	Date of Receipt of Payment
1	15-11-25	06-11-25	10-11-25
2	04-10-25	04-10-25	16-10-25
3	16-12-25	20-12-25	28-12-25
4	26-10-25	25-01-26	25-01-26
5	15-12-25	11-12-25	12-01-26
6	22-10-25	25-11-25	12-11-25
7	16-12-25	06-12-25	10-12-25

Q3 (B) M/s Nilam Enterprises having place of business in the state of Meghalaya (Special Category State) entered into certain transactions which are as follows: **(08)**

Date	Particular's	□
05-12-25	Taxable supply of services within state	1,50,000
10-12-25	Supply of exempt goods to Mumbai	2,00,000
18-12-25	Supply of exempt services within state	2,10,000
24-12-25	Supply of taxable goods to Delhi	2,20,000
27-12-25	Supply of taxable goods within state	2,40,000

Advice M/s Nilam Enterprises whether it is required to get registered under GST. If yes, when should it get registered?

OR

Q3. (C) From the following details calculate the value of supply: **(07)**

Particulars	**Rs.**
Contracted value of supply of goods by Ms. Kiran to Mr. Kumar	300,000
The following expenses were incurred by Mr. Kumar on behalf of Ms. Kiran:	
1. Cost of Packing	15,000
2. Loading Charges	18,000
Other Information:	
(a) Delivery Charges paid to Mr. Kishor by Mr. Kumar on instruction of Ms. Kiran	12,000
(b) Additional packing charges paid by Ms. Kiran on behalf of Mr. Kumar	10,000

Q3. (D) Find the time of supply under Reverse Charge Mechanism in the following cases of M/s. Vilas & Co cost accountant firm as per the provisions of CGST ACT. **(08)**

Sr no	Date of Provision of Services	Date of Invoice	Date of Entry of Payment	Date o debit in Bank A/c
1	26-11-2024	16-11-2024	16-01-2025	11-01-2025
2	13-11-2024	16-11-2024	11-01-2025	10-01-2025
3	12-02-2025	16-02-2025	11-02-2025	17-02-2025
4	27-12-2025	26-01-2025	27-02-2025	26-02-2025
5	03-02-2025	04-02-2025	23-04-2025	02-04-2025
6	05-02-2026	08-02-2026	17-02-2026	18-01-2026
7	06-01-2026	05-02-2026	18-02-2026	17-01-2026

Q4. (A) Mr. Kamal, a dealer in Nagaland provides the following details of his business: **(07)**

Sr. No.	Particulars	Amount
1	Taxable goods supplied within state	8,00,000
2	Taxable services availed within the state	3,00,000
3	Goods supplied to Singapore	5,00,000
4	Inward supply from Kanpur	2,00,000
5	Exempt supply to Chandigarh	4,00,000

Is Mr. Kamal required to get registered under GST?

Q4. (B) Ms. Snehal a registered manufacturer in the state of Maharashtra provides the following particulars for the period of February, 2026: **(08)**

Particulars
(i) Inputs purchased within state Rs. 3,15,000 (Including GST @ 5%)
(ii) Other expenses Rs. 30,000 and profit Rs. 50,000
(iii)Goods produced were sold in Gujarat with IGST @ 18% on sales.

Calculate the amount of Tax payable after utilizing input tax credit for the month of February 2026 assuming no opening balance of input tax credit available.

OR

Q4. (C) Mr. Rahul registered in state of Gujarat provides the following details for the month of February 2026. Calculate his Net tax liability. **(15)**

Opening balance in Electronic Credit Ledger as on 1st February, 2026:
IGST: Rs. 35,000
CGST: Rs. 6,000
SGST: Rs. 5,000

Transactions during the month	Rs.
Sold Goods @ 18% to Dharmesh in Rajkot	40,000
Sold Goods @ 28% to Mehul in Hyderabad	60,000
Provided services @ 18% GST to Reshma in Lucknow	80,000
Provided services @ 28% GST to Darshan in Vapi	90,000
Purchased goods @ 28% GST from Meerut	68,000
Availed services @ 12% GST from Agra	20,000
Availed services @ 18% GST from Vadodara	25,000

Q5. (A) Examine the statutory provisions for furnishing details of returns by a taxable person under the CGST Act. **(07)**

Q5. (B) Define Supply in the context of the CGST Act. Explain the significance of Consideration as an element of supply. **(08)**

OR

Q5. (C) Write Short Notes On (Any 3): **(15)**

(a) Debit Note
(b) Reverse Charge
(c) Electronic way bill
(d) Composite and Mixed Supply
(e) Tax Invoice for supply of goods

****

Time: 2.30 Hrs **Marks: 75**

Q1. A. State whether true of false. (Any 8) **(8)**

1. Planning is thinking before the action takes place
2. Management's most important mission is to maximize shareholders wealth
3. Merger is not a strategy
4. Mission is developed by lower level management
5. Investments are trading assets
6. Yield value depends on net assets
7. Arbitrage is hedging strategy
8. EVA is the difference between the net operating profits after tax and cost of capital employed.
9. Shareholders wealth is measure by the product of number of share owned and the current MPS.
10. EVA ignores inflation.

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

1.	MBO	A	Quality of earnings
2.	MBI	B	Consideration for declining capital structure
3.	Financial due diligence includes	C	Ko remains constant for all DOL
4.	Diversification	D	Modern method
5.	NOI approach	E	Outside Management Team
6.	Philosophy	F	Existing Management Team
7.	Debt-Equity ratio	G	Worst loss
8.	Strategy	H	Additional unit
9.	Credit war	I	Shows solvency
10.	Marginal costing	J	Values and beliefs

Q2.A. What is wealth maximization? How it is different from profit maximization? **(8)**
Q2.B. Explain financing decision of strategic corporate finance manager **(7)**

OR

Q2.C. Distinguish between traditional costing and activity based costing. **(8)**
Q2.D. Distinguish between strategy and planning. **(7)**

Q3.A. What are the factors affecting the capital structure decision? **(8)**
Q3.B. Explain operating income approach of capital structure theory. **(7)**

OR

Q3.C. What are the factors affecting the capital structure decision? **(8)**
Q3.D. Explain operating income approach of capital structure theory. **(7)**

Q4.A. Explain financial due diligence. **(8)**
Q4.B. Write a note on advantages of MBO **(7)**

OR

Q4.C. Calculate the value of business from the following **(8)**

Particulars	**Amount in Rs.**
Share capital (100 each)	60,00,000
Cash	12,00,000
Debtors	4,00,000
Stock	5,00,00
B/P	2,00,000
Creditors	3,00,000
Expenses payable	80,000
Market value per share	100

Q4.D. Calculate EPS from the following **(7)**

EBIT	Rs. 4,00,000
Debentures 6%	Rs. 6,00,000
Preference 8%	Rs. 2,00,000
Equity shares capital (100 each)	Rs.4,00,000
Tax Rate	40%

Q5.A. What is value at risk explain methods of calculating VaR **(15)**

OR

Q5.B. Answer the following (any 3) **(15)**

1. Target costing
2. PPP
3. Value addition
4. Dividend policy
5. Unexpected loss

****

Time : 2.5 hours **Marks: 75**

Note : ***All questions are compulsory***
Figures to the right indicate full marks

Q1 (A). Fill in the blanks (Any 8) **08 Marks**

Q1.The _____ means changing the structure of an organization such as reducing the hierarchical levels.
(A) Financial Restructuring
(B) Organizational Restructuring
(C) Corporate Restructuring
(D) All of the above

Q2._____ merger involves firm engaged in unrelated types of activities.
(A) Vertical
(B) Horizontal
(C) Conglomerate
(D) Demerger

Q3.When existing company is dissolved to form new companies is called as_____.
(A) Spin off
(B) Spilt off
(C) Split up
(D) All of the above

Q4.The_____ may take place due to a drastic fall in the sales because of the adverse economic conditions.
(A) Financial Restructuring
(B) Organisational Restructuring
(C) Compromise
(D) Operational Restructuring

Q5.The risks of investors can be_____ through adequate transparency an disclosures
(A) Enhance
(B) Increased
(C) Minimized
(D) Omitted

Q6._____ growth is through enhanced customer base, higher sales, increased revenue, money material, machinery etc.
(A) Organised
(B) Unorganised
(C) Systematic
(D) Unsystematic

Q7._____ has laid down the guidelines for takeovers in order to protect the interests of the small investors.
(A) SEBI
(B) RBI
(C) ROC
(D) IRDA

Q8.The_____ of the merged company determines its success or failure.
(A) Earning
(B) Net profit
(C) Capitalisation
(D) Depreciation

Q9.Constant innovation and adaptation is critical for the_____ survival of an organisation.
(A) Long-Term
(B) Short-Term
(C) Medium-Term
(D) Interim

Q10._____is an incredibly challenging process that senior executive are required to undertake in parallel to managing their core business operations.
(A) Post-merger integration
(B) Pre-merger integration
(C) Target merger
(D) Pre-deal evaluation

Q1 (B) State whether True or False (Any 7) **07 Marks**

1. Global takeovers involve basic and simple processes.
2. LPG paved way to a strong corporate restructuring in India.
3. No permission of RBI is required for the issue of any security to a person resident outside India.
4. Amalgamation helps in enhancing market leadership of the company.
5. Cross border transaction consist of cross order sales only.
6. When debenture is used as a source of financing, the company has to be committed to wars payment of interest.
7. Upon a merger, the acquiring business does not become responsible for all operations of the acquired firm.
8. Every Merger is not successful.
9. Post merger requires High quality management.
10. Restructuring is only required for sick companies.

Q2 (A) What is Corporate Restructuring? Explain its Scope. 08 Marks
(B) Explain the expanding role of professionals. 07 Marks

OR

Q2 (C) Explain the different types of Restructuring strategies. 08 Marks
(D) Describe the historical background of Corporate Restructuring 07 Marks

Q3 (A) State the reasons for failure of Mergers and Acquisitions. 08 Marks
(B) Explain Bailout takeover and Takeover of sick units. 07 Marks

OR

Q3 (C) Discuss the types of Takeover defences in business? 08 Marks
(D) Write a note on Cross border takeover 07 Marks

Q4 (A) What is Financial Alternatives? Explain its Demerits. 08 Marks
(B) Write a note on Rehabilitation Finance. 07 Marks

OR

Q4 (C) Explain the Buyback of shares and its importance. 08 Marks
(D) What is the procedure of Buy back of shares for listed company 07 Marks

Q5 (A) Discuss any 5 factors involved in Post Merger Reorganisation. 08 Marks
(B) Explain Post Merger Integration of Business and Operations. 07 Marks

OR

Q5 (C) Write Short Notes (**Any 3**) 15 Marks

1. Franchising
2. Management Buyout
3. Reverse Merger
4. Joint Venture
5. Post Merger Success

****

Duration: 2½ Hours **Max. Marks: 75**

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

Q.1 (A) State whether the following statements are True or False (Any Eight) **(08)**

a) Emotional intelligence helps individuals understand and manage their emotions effectively.
b) Job satisfaction refers to the positive feelings employees have toward their job.
c) Perception is the process by which individuals interpret and organize sensory information.
d) Organizational culture influences employee behavior and attitudes.
e) Counselling can help employees deal with personal and work-related problems.
f) Conflict can sometimes lead to improved decision-making and innovation.
g) Stress can arise due to excessive workload or role conflict.
h) Learning involves acquiring new knowledge, skills, and attitudes.
i) Group norms help regulate the behavior of group members.
j) Job satisfaction has no relationship with employee productivity.

(B) Match the column (Any Seven) **(07)**

Column A	Column B
1. Social loafing	a. Resistance to change
2. Motivation	b. Drive to achieve goals
3. Team synergy	c. Leader makes decisions alone
4. Autocratic leadership	d. Combined team effort
5. Conflicts	e. Formed through personal relationships
6. Informal group	f. Disagreement between individuals
7.Multidsiciplinary approach	g. Psychology, Sociology, Anthropology
8. Disruption of established routines	h. Reduced effort in group work
9. Time-conscious and driven. Highly competitive behavior	i. Type A personality
10. Relaxed and easy-going behavior	j. Type B personality

Q.2 (A) Examine the key characteristics and scope of Organizational Behavior. **(08)**
(B) Discuss the factors that influence perception in individuals. **(07)**

OR

Q.2 (C) Explain Herzberg's Two-Factor Theory of Motivation. **(08)**
(D) Discuss the importance of Organizational Behavior in modern organizations. **(07)**

Q.3 (A) Explain the different sources of conflict. (08)

(B) Explain the conflict resolution process with its outcomes. (07)

OR

Q.3 (C) Explain the concept of leadership and describe the different leadership styles. (08)

(D) Define power and explain the various types of power. (07)

Q.4 (A) Discuss the advantages and disadvantages of teamwork in organizations. (08)

(B) Explain the different types of resistance to change. (07)

OR

Q.4 (C) Discuss the characteristics of high-performance teams. (08)

(D) Discuss strategies to overcome resistance to change. (07)

Q.5 (A) Describe the organizational stressors in brief. (08)

(B) Explain the major factors required for an effective team. (07)

OR

Q.5 Write short note on **any three** of the following: (15)

a) Informal groups
b) Maslow's Need Hierarchy theory
c) Stress Management Techniques
d) Job Stress
e) Organizational Commitment

****

Total marks: 75

Duration: 2 ½ Hours

N.B.:

1. All questions are compulsory.
2. Figures to right indicate full marks.
3. Use of Simple Calculator is allowed.

Q 1) A) Match the columns. (Any 8 out of 10) (08)

Column A	Column B
i. SWP	a. Sells mutual fund schemes
ii. US'64	b. SEBI
iii. Passively Managed Funds	c. Systematic Transfer Plan
iv. HPR	d. Quant Fund
v. Total Assets – Total Liabilities	e. Beta
vi. Distributor	f. First mutual fund scheme
vii. Treynor Ratio	g. NAV
viii. Periodical transfer from one scheme to another scheme	h. Follows market index
ix. Algorithmic buy and sell decision	i. Regular Withdrawal
x. Mutual fund regulator	j. Absolute Return

Q 1) B) State whether True or False. (Any 7 out of 10) (07)

i. Mutual fund provides diversification benefits.
ii. NFO is first time subscription of new scheme.
iii. ETFs are normally traded on stock exchange.
iv. Mutual funds are risky investments.
v. Close ended funds have maturity date.
vi. AR means annualized returns.
vii. Value averaging means investing fixed amount periodically.
viii. Index funds continuously buy and sell securities.
ix. Thematic funds are risky.
x. Beta of market is 1.

Q 2) A) Explain in detail structure of mutual fund in India. (08)
Q 2) B) What is AMFI? What are the objectives of AMFI? (07)

OR

Q 2) C) What are characteristics of investing in mutual funds? (08)
Q 2) D) Explain Liquid funds in detail. (07)

Q 3) A) Explain in detail equity mutual funds. (08)
Q 3) B) Explain in detail Bonus and Dividend stripping. (07)

OR

Q 3) C) What is the role of SEBI in mutual funds. (08)
Q 3) D) Explain in detail taxation of mutual funds in India. (07)

Q 4) A) Calculate HPR and AR for both funds & analyze which fund is better. **(08)**

	Fund P	Fund Q
NAV on 1/6/2023	250	360
NAV on 1/12/2025	345	462
Dividend for period	5	8

Q 4) B) Calculate closing units and closing NAV. **(07)**

Opening NAV = Rs. 12/-
Units Outstanding = 40,000
Appreciation in portfolio = Rs. 18,000/-
Units Subscribed = 4500 units
Units redeemed = 2500 units
Dividend received = Rs 1500/-
Expenses = Rs. 800/-
Assume Sales and repurchases NAV = Rs 13/-

OR

Q 4) C) Scheme HDFC gives 14% p.a. returns and Scheme SBI gives returns 13% p.a. Risk free rate is 6% p.a. Standard Deviation of HDFC and SBI is 9% and 7% respectively and Beta of HDFC and SBI is 0.7 and 0.5 respectively. Find Sharpe Ratio and Treynor Ratio for both the funds and suggest which investment is better. **(08)**

Q 4) D) Calculate CAGR for both funds & decide which fund performed better. **(07)**

	Fund X	Fund Y
NAV on 1/11/2021	280	240
NAV on 1/11/2023	350	320

Q 5) A) Explain in detail history of mutual funds in India. **(08)**
Q 5) B) Explain in detail various expenses & fees charged by mutual funds. **(07)**

OR

Q 5) C) Write short notes. (any 3 out of 5) **(15)**

a) SIP
b) NFO
c) Standard Deviation & Beta as measures of Risk
d) Gold ETF
e) Valuation of Securities

****

Time: 2 ½ Hours **75 Marks**

NB: 1) All questions are compulsory.

2) Figures to the right indicate the full marks.

Q.1 A) **Match the following (Any 8)** **08**

A	B
1. IPO	a) Statistical measurement of Risk
2. Angel investor	b) Considers the starting and exit time on investment
3. Hedge fund	c) Mauritius
4. Standard deviation	d) Measurement of risk from a behavioral point of view
5. High – Yield Debt	e) Category III (SEBI AIFs)
6. DTAA	f) Nurturing of business
7. Secondary sale	g) HNIs who invest in early sates of business
8. Business incubators	h) Junior unsecured debt
9.Conventional venture Capitalist Valuation Method	i) sales of stake by a PE frim to another PE firm
10. Sensitivity analysis	j) Long Process
	k) Right of First Refusal

B) State whether following statements are True or False. (Any 7) **07**

1. Venture capital funds fall under Category II of SEBI's AIFs -
2. VC and PE investment in the portfolio companies are usually staged -
3. VC and PE fund are usually managed by the limited partner -
4. Risk is Stable for institutional Investor.
5. Growth fund focus on companies that require fund for entering new markets.
6. Investors in PE fund contribute the entire capital that they have committed at one time.
7. Bridge financing refer to use of debt by PE firms to acquire a company.
8. IPO is a quicker mode of exit as compared to a secondary sale.
9. The buyers in a strategic sales usually have financial objective.
10. EBIT means earnings before interest and tax.

Q.2 A) What are the exit related challenges faced by PE Firm? 08

B) Explain the IPO process in brief. 07

OR

C) What is the Replacement cost approach? Explain with Example 08

D) Explain the advantages of Limited Liability Partnership. 07

Q.3 A) Explain the Risk faced by PE Fund managers 08

B) Explain the challenges of IPO 07

OR

Q.3 A) Advantages of Mezzanine Financing 08

B) Explain the process of Buyback by Promoters 07

Q.4 A) What is the Advantages of Promoter Buyback? 08

B) Difference between growth capital and venture capital 07

OR

Q.4) A) what are the Risk and Return in Private Equity? 08

B) What are the Important of successful PE Exits 07

Q.5 A) What is the joint venture explain with example 08

B) Explain the Type of Risk 07

OR

Q.5 C) Write a short note (any 3) 15

1. Mezzanine Capital.
2. Merger & Acquisition.
3. Investor Equity.
4. Leverage Buyout.
5. Promoter Buyback.

****

Time: 2 Hours **Marks: 75**

Q1.A. Select the correct alternative (Any 8) (8 marks)

1. _____ risk arises due to mismatch between assets and liabilities.
   a) Credit Risk
   b) Term Structure Risk
   c) Liquidity Risk
   d) Operational Risk

2. DSCR is used to measure:
   a) Profitability
   b) Ability to repay debt
   c) Liquidity
   d) Market value

3. Convexity refers to:
   a) Linear relationship
   b) Non-linear relationship between bond price and yield
   c) Risk-free return
   d) Coupon payment

4. Which of the following is NOT a 5C of credit analysis?
   a) Character
   b) Capital
   c) Capacity
   d) Caution

5. In an inverted yield curve:
   a) Long-term rates are higher
   b) Short-term rates are higher
   c) Rates are equal
   d) Rates are random

6. Translation exposure arises due to:
   a) Operational failure
   b) Exchange rate changes in financial statements
   c) Interest rate changes
   d) Credit default

7. Currency swap involves:
   a) Only interest exchange
   b) Exchange of principal and interest
   c) No exchange of cash flows
   d) Equity exchange

8. Spread refers to:
   a) Bond maturity
   b) Difference between two interest rates
   c) Market price
   d) Risk level

9. Treasury Bills are considered:
   a) Highly risky
   b) Risk-free
   c) Speculative
   d) Illiquid

10. CAPM is used to determine:
    a) Market price
    b) Expected return
    c) Coupon rate
    d) Dividend yield

Q1.B. State whether True / False (Any 7) (7 marks)

1. Risk and uncertainty are the same.
2. Hedge funds are complex investment instruments with complex investment strategies.
3. Interest rate risk arises due to changes in interest rates.
4. Zero coupon bonds do not pay periodic interest.
5. Gold ETFs represent physical gold in dematerialised form.
6. Transaction exposure arises from exchange rate fluctuations.
7. Portfolio risk can be reduced by investing in diversified assets.
8. Beta of the market portfolio is equal to 1.
9. Bonds with high duration are less risky compared to low duration ones.
10. Operational risk arises due to failure of systems or processes.

Q2. A. What is Financial Risk? What are its types? (8 marks)
B. What is Credit Risk? What are the techniques to hedge credit risk? (7 marks)

OR

C. What are the different types of risk? (8 marks)
D. What is Risk Identification faced by an Organisation. (7 marks)

Q3.A. Solve: (8 marks)
Mr. Rao is comparing investment in Tata Consultancy Services and HCL Technologies. The returns and probabilities are given below:

TCS		HCL Tech	
Return %	Probability	Return %	Probability
12	0.1	10	0.1
14	0.2	12	0.2
16	0.4	14	0.4
18	0.2	16	0.2
20	0.1	18	0.1

Calculate expected return and risk and suggest the better investment option.

B. Solve (7 marks)
Based on the following information, identify whether the stocks are correctly priced:

Stock	Actual Return (%)	Beta
Zomato	21	1.5
Nykaa	17	0.9
Paytm	25	1.3
Avenue Supermarts	15	0.8

Market Return = 18%
Risk-free Rate = 10%

OR

Q3.C. Solve: (8 marks)
Tata Motors issues bonds carrying an annual coupon rate of 10.50%, payable semi-annually for 5 years. The required rate of return is 12%. The face value of the bond is Rs. 100,000. Calculate the present value of the bond.

Q3.D. Solve: (7 marks)
A bond issued by Infosys is currently trading at Rs. 51,100 and has a face value of Rs. 50,000. The bond has a maturity of 5 years and a coupon rate of 9% (paid semi-annually). Find the Yield to Maturity (YTM).

Q4.A. What is Capital Account Convertibility? What are its advantages? (8 marks)
B. Explain the different methods of managing risk in forex markets. (7 marks)

OR

Q4.C. Explain Private Equity and its categories. (8 marks)
D. Discuss the concept of Futures & Options in managing risk. (7 marks)

Q5. A. What is a bond? What are the different types of bonds? (8 marks)
B. What is a yield curve? What are the different types of yield curve? (7 marks)

OR

Q5. Write short notes: (any three) (15 marks)
a. Strategic Risk
b. REITs
c. 5 Cs of Credit
d. Bond Duration
e. Risk Measurement

****