

Subject Code: SBB101/Oct.2024

SY-BBI Sem-3
Subject: Financial Management I

NB: (a) All questions are compulsory and carry equal marks
(b) Figures to the right

Marks: 75
Time: 2.5 Hours

Q. 1 Answer the following:

A) State Whether the Following Statement Are True or False (Any 8)

[8M]

1. Credit Purchases can be a good Source of Short-Term Finance.
2. Commercial paper can be issued only if minimum credit rating is procured by the issuer Company.
3. Same considerations are applicable to Short Term Source as well as long term Source of Funds.
4. A Financial Analyst is Responsible for Maintaining and Controlling the Firm's Daily Cash Balances. Frequently Manages the Firm's Short-Term Investments and Coordinates Short-Term Borrowing and Banking Relationships.
5. To achieve the goal of profit maximization for each alternative being considered. the Financial Manager Would Select the One that is expected to result in the highest monetary return.
6. As Bank Overdraft is available by business frames on a regular basis it may be considered as a Long-Term Source of funds.
7. Bill Discounting is a good source of Short-Term Finance to all firms.
8. For availing funds for Short Term Sources Credit Rating of Borrowers Generally Not Required.
9. In India Commercial paper can be issued for any amount and for any duration.
10. A Firm should always arrange the funds by delaying the payment to the creditor and payables.

B) Match the Column (Any 7)

[7M]

1. The appropriate objective of an enterprise is _____
- | | |
|----------------------------------|--------------------------------------|
| a. Maximization of Sales | c. Maximization of Own Share Capital |
| b. Maximization of Owners Wealth | d. None of these |

2. Shareholder Wealth in a Firm is represented by _____.
 - a. The Number of people employed in the firm
 - b. The book value of the firm's assets less the book Value of Its Liabilities
 - c. The Amount of Salary Paid to Its Employees
 - d. The Market Price Per Share of the Firms Common Stock
3. The Goal of Profit Maximization Would Result in Priority For
 - a. Cash Flows Available to Stockholders
 - b. Risk of The Investment
 - c. Earnings Per Share
 - d. Timing of The Returns
4. Cost of 12% preference shares issued at per assuming tax rate to be 30% will be _____.
 - a. 10%
 - b. 8.4%
 - c. 12%
 - d. 15.6%
5. The method uses trial and error.
 - a. Net present value
 - b. Profitability index
 - c. Internal rate of return"
 - d. None of the above
6. _____ a modern approach to financial management.
 - a. Profit maximization
 - b. Zero risk
 - c. Cost minimisation
 - d. Wealth maximization
7. Commercial Paper is a type of _____.
 - a. Fixed Coupon Bond
 - b. Unsecured Short-Term Debt
 - c. Equity Share Capital
 - d. Government Bond
8. Profit Maximization does not take into consideration _____.
 - a. Risk and Cash Flow
 - b. Cash Flow and Stock Price
 - c. Risk and Earnings per share
 - d. Earnings per share and Stock Price
9. Management of all matters related to an organization's finance is Called _____.
 - a. Cash Inflows and Outflows
 - b. Allocation of Resources
 - c. Financial Management
 - d. Finance
10. Payback period for a project costing of 10,00,000 with an annual cash inflow of 2,50,000 will be
 - a. 4 years
 - b. 6 years
 - c. 5 years
 - d. 8 years

Q.2. (a) Find the effective rate of 15% if the interest is compounded

[15M]

- (a) Yearly
- (b) Half yearly
- (c) Quarterly
- (d) Monthly

OR

Q.2 (b) Calculate the Economic Value added (EVA).

[15M]

Equity share capital	₹ 5, 00,000
13% Preference share capital	₹ 2, 00,000
Reserve & Surplus	₹ 6, 00,000
Non trade investment (Face value 1, 00,000) Rate of interest	10%
20% Debentures	₹ 3, 00,000
Profit before Tax	₹2, 00,000
Tax Rate	40%
WACC	13%

Q.3. Reliance Power Ltd. provides you the following information:

₹12, 00,000 [15M]

Purchase Price of Each Machine

₹6, 00,000

Working Capital

5 Years

Life Of Machine

₹2, 00,000

Estimated salvage value realized at the end of Life

₹2, 40,000

Method of Depreciation

Straight Line

Tax Rate

30%

Cost Of Capital

40%

Earnings before Depreciation and Tax

Year	Machine A (₹)	Machine B (₹)	P.V. @ 10%
1	6,00,000	3,00,000	0.909
2	6,00,000	2,00,000	0.826
3	6,00,000	4,00,000	0.751
4	6,00,000	6,00,000	0.683
5	6,00,000	24,00,000	0.621

Calculate Net Present Value and Select the most Profitable Machine.

OR

Q.3 Chetan Ltd. is considering purchase of a Machine Two Machine – LPX Machine and GPX Machine are available, each costing ₹5,00,000. In Comparing Profitability of Machines, a discounted rate of 10% is to be considered.

Expected Profits after Tax and before Depreciation are follows:

Year	1	2	3	4	5
LPX Machine Profit	1,60,000	2,00,000	2,50,000	1,50,000	2,00,000
GPX Machine Profit	60,000	1,50,000	2,00,000	3,00,000	2,00,000

Indicate which Machine Would Be More Profitable Under Following Methods:

- 1) Payback Period Method 2) Net Present Value Method 3) Pay Back Profitability

The Net Present Value of 1 @10% Discounting Factor is as Follows:

Year	1	2	3	4	5
Present Value Factor	0.909	0.826	0.751	0.683	0.621

Q.4 (a) PQR Ltd. has the following capital structure on 31/3/2014

Particulars	Amount
Equity share capital (200000 shares of Rs.10 each)	20,00,000
Reserve and surplus	20,00,000
12% Preference share capital	10,00,000
9% Debentures	30,00,000
Total	80,00,000

The market price of equity share at Rs. 30 It is expected that the company will pay next year a dividend of Rs. 3 per share, which will grow at 7% forever. Assume 40% income tax rate you are required to compute weighted average cost of capital using book value.

OR

Q.4 (b) Mayuri Ltd. has equity share capital of ₹25 lakh, divided into shares of 100 each. It wishes to raise further ₹10, 00,000 for expansion programme. The company plans to the following financing alternatives.

- 1) By issuing equity shares capital only
- 2) ₹5, 00,000 by issuing equity shares and ₹5, 00,000 by 10% Debentures.
- 3) ₹5,00,000 equity shares , ₹3,00,000 . 8% preference share capital and ₹2,00,000 . 10% debentures .
- 4) ₹5, 00,000 . 10% debentures and ₹5, 00,000 . 8% preference share capital.

You are required to suggest the best alternative giving your comments. assuming that the estimated EBIT after expansion is ₹5, 00,000 and corporate tax rate is 30%.

Q.5: (a) What is venture capital? What are its characteristics?

[8M]

(b) Explain different types of Preference shares.

[7M]

OR

Q.5 Write a short note on (Any three)

[15M]

- (a) Dividend Policy
- (b) Weighted Average Cost of capital
- (c) Walter's Model
- (d) Seed Financing
- (e) Any five types of Risk

ALL THE BEST.

**NB: (a) All questions are compulsory and carry equal marks
(b) Figures to the right**

Marks: 75

Time: 2.5 Hours

Q.1.A. Choose the correct option: (Any Eight) (08)

1. People with _____ self esteem perceive themselves to be more capable.
(high, low, average)
2. _____ communication is flow of information among peers.
(Lateral, Upward, Downward)
3. _____ creates a win-lose situation.
(Distributive bargaining, Integrative bargaining, Avoiding intention)
4. _____ helps quick and accurate decision making in banks and insurance companies.
(Globalization, Organizational changes, Technological Developments)
5. _____ organization is a hybrid structure.
(Bureaucratic, Simple, Matrix)
6. A person with _____ power is able to exercise control over others who admire, respect and like him.
(coercive, legitimate, referent)
7. Moods are feelings that tend to be _____ intense than emotions.
(more, less, not)
8. _____ is the overall experience of the employees in the organization.
(QWL, Organizational culture, Frustration)
9. An organization that is characterized by _____ trust encourages politics.
(low, high, balanced)
10. Perception can be improved by _____.
(distortion, stereotyping, empathy)

Q.1. B. State whether True or False: (Any Seven) (07)

1. Job enrichment helps to improve quality of work life.
2. Organizational politics is positively related to job satisfaction.
3. Quality of work gets hampered because of technological developments.
4. Workplace diversity can create high conflict potential within groups.
5. Frustration is a healthy habit for employees.
6. Resistance to change is considered as an asset of a strong culture.
7. OB is the study of what people think, feel and do in and around organizations.
8. Knowing right and wrong conduct is ethical dilemma.
9. Life positions originate from a combination of two versions.

Q. 2. A. What is personality trait? Explain in brief the major personality trait influencing OB (08)

Q. 2. B. Explain various types of decisions taken in an organization. (07)

OR

- Q. 2. C. Explain Geert Hofstede's model with respect to value across cultures. (08)
Q. 2. D. How managers can apply the concept of emotions and moods at the workplace? (07)
- Q. 3. A. Explain in brief the Transactional Analysis. (08)
Q. 3. B. Explain in brief the communication through grapevine in organization. (07)

OR

- Q. 3. C. Define Communication. Explain the process of Communication. (08)
Q. 3. D. Discuss the advantages and disadvantages of group decision making. (07)
- Q. 4. A. Explain the meaning and factors determining the span of control. (08)
Q. 4. B. What is Matrix Structure. Explain its features (07)

OR

- Q. 4. C. What are the ways to improve QWL? (08)
Q. 4. D. What are the effects of Job frustration and explain the ways to overcome job frustration? (07)
- Q. 5. A. Explain personality and its importance in an organization. (08)
Q. 5. B. Explain strategies to manage issues of organization behaviour in insurance companies. (07)

OR

- Q. 5. C. Write Short Notes on: (Any 3) (15)
- a. Johari Window
 - b. Importance of corporate communication
 - c. Bureaucratic Structure
 - d. Impact of Rewards
 - e. Life Positions

**NB: (a) All questions are compulsory and carry equal marks
(b) Figures to the right**

Marks: 75**Time: 2.5 Hours**

Q 1 A. Choose the correct option: (Any 8)**(08)**

1. Standard deduction is deducted from:

- A. Net. Annual Value B. Gross Annual Value
C. Reasonable Rateables Value D. Municipal Rateable Value

2. MRV is Rs.50000 and FR is Rs.100,000 then What is the RLV=?

- A. RLV= Rs.50000 B. RLV= Rs.100,000
C. RLV= Rs.10000 D. RLV= Rs.900,000

3. Exempted Income come under which section.....

- A. U/s10 B. U/s16 C. U/s24 D. U/s56

4. NAV of Self Occupied House Property is always.....

- A. Nil B. Actual Rent
C. RLV D. Municipal Value

5. Agricultural income from a place outside India is.....

- A. Exempt from tax B. taxable only in case of a non-resident
C. Taxable as income from business D. Taxable as income from other sources

6. Payment received by a college lecturer from University for setting question papers

- A. income from Salary B. income from other sources
C. Income from business D. exempt income

7. In Income from House Property Standard Deduction is Calculated on the basis of.....

- A. 30% of NAV B. 30% of GAV
C. 20% of NAV D. 20% of GAV

8. Commuted pension received by a government employee is.....

- A. Exempt B. Taxable C. 1/3 is exempt D. 1/2 is exempt

9. Deduction from Income from House Property is come U/S.....

- A. 16 B. 24 C. 10 D. 56

10. RNOR stands for.....

- A. Resident and ordinary resident B. Resident but not ordinary resident
C. Resident and overseas resident C. Resident

Q 1. B. State whether True or False: (Any 7)

(07)

1. Income which accrues or arises outside India from a business controlled from India is taxable in case of only ordinarily resident.
2. Total income of a person is determined on the basis of his citizenship in India.
3. Gratuity on retirement shall be fully exempt in the case of employees of Government.
4. Income from agricultural land situated in urban area is fully exempt.
5. Charging section 22 is applicable on income from salary.
6. Uncommuted pension received is fully exempt in case of Government.
7. R.L.V stands for reasonable let out value.
8. In case of Children Education Allowance Rs.100 for two children's are exempt.
9. In case of Children Hostel Allowance Rs.100 for two children's are exempt.
10. Dearness Allowance is fully exempt.

Q2. A. Mr. Dalmia is employed with Cyber Ltd. Ltd. He provides the following information for the Assessment year. (15)

- 1) Net Salary per month Rs. 9,000.
 - 2) Income tax deducted at source Rs. 900 per month.
 - 3) Professional tax deducted at source Rs. 100 per month.
 - 4) He has been employed since 1st April, 1983 and received entertainment allowance of Rs. 750 per month, since that date.
 - 5) Perquisite Value of Water, Gas and Electricity Rs. 10,000.
 - 6) Received bonus during the year in respect of earlier year Rs. 6,000.
 - 7) Received arrear of salary for 2009-10 Rs. 6,000.
 - 8) The employer paid L.I.C. Premium of Mr. Dalmia amounting to Rs. 5,000.
 - 9) Took advance salary of Rs. 10,000 on account of marriage of his son and loan of Rs. 6,000.
 - 10) Mr. Dalmia, who is also a director in the company received Rs. 2,000 as directors' sitting fees during the year.
 - 11) Mediclaim Premium paid by the company Rs. 2,500.
 - 12) He incurred the expenses incidental to employment, such as purchase of books, car expenses etc. amounting to Rs. 12,000.
 - 13) He received Rs. 16,000 as salary from M/s. Reema Perfumes (a partnership firm), where he is a partner.
 - 14) He also received an amount of Rs. 8,000 from betting in a club.
 - 15) Repayment of loan from SBI for pursuing higher education of his son amounting to Rs. 50,000, interest paid on such loan Rs. 9,000.
- Compute his Total Taxable income for the assessment year.

OR

Q. 2. B. Mr. Nikunj who is totally blind is employed within BXL Ltd. The details of his salary for the previous year. (15)

- (a) Basic Salary Rs. 8,000 p.m.
- (b) D.A @ 75% Basic.
- (c) H.R.A. @ 20% Basic (Exempt amount Rs. 400 p.m. U/S 10 (13A))
- (d) Entertainment allowance Rs. 2,000 p.m.
- (e) Arrears of Salary Rs. 5,000
- (f) Advance Against Salary Rs. 6,000.
- (g) Contribution of Employer to Recognized Provision Fund is excess of Prescribed limits Rs. 2,300 (Actual matching contributing Rs. 22,460)
- (h) Interest on Recognized provident Fund (Actual Rs. 9,780) in excess of Prescribed limit Rs. 780.
- (i) Bonus equal to 2 months basic was declared.
- (j) Amount spent by him on entertainment @ Rs. 600 p.m.
- (k) Education Allowance (exempt U/S 10 (14) Rs. 1,200) @ Rs. 600 p.m.
- (l) Perquisite value of vehicle provided for employer for personal use Rs. 4,000.
- (m) Professional tax deducted from salary Rs. 200 p.m.
- (n) He paid medical Insurance premium for himself and his wife Rs. 7,000 by cheque.

Compute the Net Taxable Income for A.Y.

Q. 3. A. Mr. Jitendra is the proprietor of a business. Following is the P & L A/c for the year ended 31st march. 2024. (15)

Particulars	Rs.	Particulars	Rs.
To Office Salary	24,000	By Gross Profit	2,51,200
To Proprietor Salary	12,000	By Interest on Govt. Securities	12,000
To General Expenses	11,000	By Dividend from Indian Com	3,850
To Bad Debts	3,000	By Int. on Post Office S/B A/C	2,950
To Advertisement	8,400	By Dividend from UTI	20,000
To Fire Insurance Premium	3,600	By Winning from Camel Races	4,000
To Depreciation	7,800		
To Motor Car Expenses	3,000		
To Donation	5,000		
To Sales Tax	29,000		
To Interest on Prop. Capital	2,800		
To Provision for	10,000		
To Income Tax	8,800		
To Life Insurance Premium	8,000		
To Net Profit	1,57,600		
Total	2,94,000		2,94,000

- (a) Donation is made to Indian Olympic Association
- (b) General Expenses include personal expenses of Rs. 2,000.
- (c) Depreciation is found to be in excess by Rs. 3,000 as per Income Tax.
- (d) Advertising Expenses include Rs. 1,500 for sponsoring sports activities amongst his employees.

- (e) Out of the Sales Tax debited to Profit & Loss A/c an amount of Rs. 4,500 is not paid till the date of filing of Income Tax return.
- (f) Winning from Camel Races is after TDS of Rs. 6,000.

OR

Q. 3. B. Mr. Gharwala is the owner of various house properties. The details of which for the previous year are as follows: **(15)**

- (a) Property – I is let out on a monthly rent at Rs. 7,500. The fair rent of the property is Rs. 85,000 and municipal valuation is Rs. 80,000. Municipal Tax paid amounted Rs. 8,000 p.a. of which 50% of the tax is borne by tenant. The house remained vacant for 2 months during the year. Mr. Gharwala had taken loan for construction of this property on which interest paid amounted to Rs. 35,000. An amount of Rs. 30,000 was paid towards loan balance.
- (b) Property – II is occupied by himself for the own residence. The municipal valuation of the property is Rs. 1,20,000 and fair rent Rs. 1,50,000. The municipal taxes of Rs. 12,000 were paid by him on 29th March 2023. He had constructed this property after 1st April 2003. The construction started on 1-4-2005 was completed on 31st March 2008. Loan of Rs. 20,00,000 @ 12% p.a. was taken on 1st April 2005 and is still outstanding. Interest is paid regularly.
- (c) He also owns an open plot of land which is given on rent during the year for Rs. 20,000.
- (e) He had taken a room on rent for his office work at the rent of Rs. 1,500 p.m. However instead of himself using the room he sub-letted this room to another person at the rate of Rs. 2,000 p.m. during the whole of previous year. Compute his Gross Total Income for the Assessment year.

Q. 4. A. Mr. Sambhaji, a citizen of France give you the following information for the year ended 31st March 2024. **(15)**

- (1) Interest on fixed deposits with banks received in India Rs. 10,000.
- (2) Income from house property in India Rs. 15,000.
- (3) Income from business in Singapore controlled from India Rs. 50,000.
- (4) Income from business in India earned in India but received in France Rs. 1,00,000.
- (5) Dividend from American Company received in India Rs. 22,000.
- (6) Interest on bank accounts in France Rs. 25,000.
- (7) Salary earned and received in France Rs. 1,50,000.
- (8) Income from agriculture in Bhutan Rs. 10,000.
- (9) Income from agriculture in India Rs. 25,000.

Compute his total income for the Assessment Year 2024-25 if he is alternatively

- (i) Resident and Ordinarily Resident
- (ii) Non Resident.

Class : SYBBI

Subject Code: 588104 Oct 24

Subject: IT In Banking and Insurance-1

Time : 2 hours 30 minutes

75 Marks

Note : All the questions are compulsory.

Figures to the right indicate full marks

Q.1A: Choose the correct Option. (Any 8)

8 Marks

1. Which of the following describes E-Commerce?
 - a) Doing business electronically
 - b) Doing business
 - c) Sale of goods
 - d) All of the above
2. EDI stands for _____.
 - a) Electronic Data Interchange.
 - b) Electronic Data Interlink.
 - c) Electronic data Interface
 - d) All of the above
3. MICR stands for _____.
 - a) Magnetic ink character reader
 - b) Core banking solutions
 - c) Centralized banking server
 - d) None of them
4. In MS Word one can insert table using the following tab _____.
 - a) Home
 - b) Page layout
 - c) Insert
 - d) View
5. _____ is intersection of rows and columns.
 - a) Spreadsheet
 - b) Document
 - c) PPT
 - d) Slide
6. _____ is known as unauthorized use of computer and network resources.
 - a) Firewall
 - b) Hacking
 - c) Virus
 - d) Phishing
7. _____ is a protocol that browser and server use to converse with each other.
 - a) SMTP
 - b) HTTP

- c) FTP
 - d) TCP
8. _____ Shortcut key is used to copy the data in MS Word.
- a) Ctrl + z
 - b) Ctrl +v
 - c) Ctrl + c
 - d) Ctrl +x
9. _____ Are consider legal.
- a) Grey hat
 - b) Black hat
 - c) White hat
 - d) All of these.
10. Major issues were the development of cyber space paves the way for _____.
- a) cyber crime
 - b) security making
 - c) problem solving
 - d) new idea shack

Q1. B. State whether true or false

(Any 7)

7 marks

1. a spoofed email misrepresents its origin.
2. If you change the data ,the chart will change simultaneously.
3. It is possible to protect MS Word using password.
4. HTML is a hypertext markup language.
5. Peer 2 peer system is based on C2C.
6. PV stands for perfect value
7. Encryption is not part of cryptography
8. E-Commerce will force the middle man to disappear.
9. B2B is a type of E-Commerce.
10. It is not possible to insert excel sheet in a word document.

Q2.

- A. What is E-Commerce? Explain the disadvantages of E-Commerce
- B. Discus in detail the concept of LAN

8 marks

7 marks

OR

- C. What is e-commerce website/ explain the different types of E-Commerce Websites.

15 marks

Q3.

- A. What is E-Payment? Explain how to design an Electronic Payment System
- B. Explain the various types of E-commerce

8 marks

7 marks

OR

- C. Explain in detail the concept of E- Banking also explain the advantages and disadvantages of E Banking 15 marks

Q4.

- A. Explain some important points about graphs 8 marks
B. Discuss in detail about MS PowerPoint. 8 marks

OR

- C. Discuss in detail about PowerPoint presentation and the various views used in MS PowerPoint 15 marks

Q5.

- A. Explain the need of Cyber law in india 8 marks
B. Elaborate the concept of hacking 7 marks

OR

- C. Write Short Notes on (Any 3) 15 marks
- I. Electronic Payment System
 - II. Page layout
 - III. Phishing
 - IV. E Security
 - V. Internet

(3)

NB: (a) All questions are compulsory and carry equal marks
(b) Figures to the right

Marks: 75

Duration: 2.5 Hours

Q.1.A. Match the columns.

[8M]

A	B
1. Financial Accounting	a) Public deposit
2. Management Accounting	b) Technique of management
3. Reports of Management	c) Function of management A/c
4. Reports of Financial A/c	d) Mandatory
5. Collection of data	e) Optional
6. Budgetary Control	f) Historical data
7. Standard Costing	g) Future oriented
8. Unsecured Loans	h) Technique of management A/c
9. Preliminary Expenses	i) Payment to auditors
10. Audit fees	j) Profit and Loss A/c

Q.1.B. Write True or False:

[7M]

- Management Accounting is future oriented.
- Operational information is qualitative.
- The company final account should be prepared in the form prescribed under companies Act.
- Goodwill is not depreciated.
- Public deposits are disclosed under Unsecured Loans.
- Dividend can be paid out of capital.
- Calls in arrears are added back to authorized capital.
- Immovable property can be included as investment.
- Companies must prepare their financial statements in vertical format only.
- The cost and WDV of each class of fixed assets is to be disclosed.

Q.2. A. Following are the Profit and Loss account and Balance sheet of L& T Ltd.

[15M]

Profit and Loss Account for the year ended 31st March 2023

Particulars	Amount	Amount	Particulars	Amount	Amount
To cost of sales			By Sales		4,00,000
Opening Stock	30000				
Add: Purchases	300000				
	3,30,000				
Less: Closing Stock	50000	280000			

To Gross Profit c/d	1,20,000		
TOTAL	4,00,000	TOTAL	4,00,000
To Expenses	20000	By Gross Profit b/d	1,20,000
To Net Profit	100000		
TOTAL	1,20,000	TOTAL	1,20,000
To Provision for Tax	40,000	By Net Profit	100000
To Dividend	20,000		
To Net Profit	40,000		
TOTAL	1,00,000	TOTAL	1,00,000

Balance Sheet as on 31 March 2023

Liabilities		Amount	Assets		Amount
Share Capital [RS. 10 Each]	2,00,000		Plant and Machinery	80000	
Reserve	10,000		Land and Building	20000	
Profit and Loss	30,000		Stock	50000	
Creditors	50,000		Debtors	80000	
			Cash at Bank	60000	
Total	2,90,000		Total	2,90,000	

Calculate: (Any Five)

- Return on Capital Employed
- Stock Turnover Ratio
- Debtor Turnover Ratio
- Gross Profit Ratio
- Return on Proprietor's Fund
- Creditor Turnover Ratio
- Net profit Ratio

OR

Q.2.B. The following Trading and Profit and Loss Account of Fantasy Ltd. for the year 31/3/2020 is given below: [15M]

Profit and Loss Account for the year ended 31st March 2020

Particulars	Amount	Particulars	Amount
To Opening Stock	76250	By Sales	5,00,000
To Purchases	315250	By Closing Stock	98500
To Carriage	2000		
To Wages	5000		
To Gross Profit b/d	200000		
TOTAL	5,98,500	TOTAL	5,98,500
To Administrative Expenses	101000	By Gross Profit b/d	2,00,000
To selling and distribution expenses	12000	To non Operating incomes	
To non Operating expenses	2000	To Interest on securities	1,500
To financial Expenses	7,000	To Dividend on shares	3750
To Net Profit	84,000	To Profit on sale of shares	750
To Net Profit	2,06,000		206000

Calculate: (Any Five)

- a. Gross Profit Ratio
- b. Net profit Ratio
- c. Expenses Ratio
- d. Operating Ratio
- e. Stock Turnover Ratio
- f. Operating Net Profit Ratio

Q.3. A. From the following data provided by M/s. Alpha Ltd. estimate capital requirements for the year ended 31st March 2019. [15M]

1. Estimated activity/operations for the year 2,60,000 units (52 weeks)
2. Raw material remains in stock for 2 weeks and production cycle takes 2 weeks.
3. Finished goods remaining in stock for 2 weeks.
4. 2 weeks credit is allowed by suppliers.
5. 4 weeks credit is allowed to debtors.
6. Time lag in payment of wages and overheads is 2 weeks each.
7. Cash & bank balance to be maintained Rs. 25000
8. Selling price per unit Rs. 15
9. Analysis of cost per unit as follows:
 - a) Raw material 33 1/3 of sales.
 - b) Labour and overheads in the ratio of 6: 4 per unit.
 - c) Profit is at Rs. 5 per unit.

Assume that operations are evenly spread throughout the year; wages and overheads accrue similarly. Manufacturing process required feeding of material fully at the beginning. Degree of work in progress is 50%. Debtors are to be estimated at selling price.

OR

Q.3.B. The following information is prepared by Data and Sons Ltd. for the year 2019-2020. [15M]
Estimated yearly production 30000 units

Estimated cost sheet per unit

Raw material	₹5
Wages	₹3
Overheads	₹2
Selling price	₹12

Further information:

- a) The company extend two months credit to the customer.
- b) The company maintains one month's stock of raw materials.
- c) The company maintains two months stock of finished goods.
- d) The processing period is half a month.
- e) The company is allowed one month credit by supplier.
- f) Wages and overhead are paid one month in arrears.
- g) The cash and bank balance is expected to be ₹ 8,125.
- h) There is regular purchases production and sales cycle.
- i) During production process wages and overheads accrue evenly.

j) Debtors are to be calculated on sale price basis.

Prepare an estimate of working capital.

Q.4.A. The details regarding three companies are given below:

[15M]

	X Ltd.	Y Ltd.	Z Ltd.
\bar{Y}	12%	6%	8%
K_e	8%	8%	8%
E	₹10	₹10	₹10

Compute value of their equity shares using Walter's Model when dividend Pay-out Ratio is

A. 10%

B. 20%

C. 60%

D. 100%

OR

Q.4. B. The MNC Ltd. available information is:

[15M]

$K_e = 15%$, $E = \text{Rs.}30$, $r =$ (i) 14% (ii) 15% and (iii) 16%

You are required to calculate market price of a share of the MNC Ltd. as per Gordon Model.

(a) $b = 40%$ (b) $b = 60%$ (c) $b = 80%$

Q.5 A. What is Management Accounting? Explain its importance.

[8M]

Q.5.B. Distinguish between Horizontal & Vertical financial statement.

[7M]

OR

Q. 5 Write a Short Note: [Any Three]

[15M]

1. Important of Managerial Control
2. Operating cycle
3. Qualities of Management Accountant
4. Debt service Ratio
5. Operating Profit

:**

NB: (a) All questions are compulsory and carry equal marks
(b) Figures to the right

Marks: 75

Time: 2.5 Hours

Q.1.A. Choose the correct option: (Any Eight) (08)

1. SBI Act was passed to take over the _____.
(Imperial Bank of India, The Bank of Bengal, Central Bank of India)
2. Which is one of the services of virtual banking?
(Smart card, Safe locker, Deposits)
3. Section _____ of Banking Regulations Act explains about opening of new branches.
(35, 22, 23)
4. Project finance is one of the product of _____ banking.
(Corporate, Semi- corporate, Private)
5. Co-operative banks have a _____ tire setup in India.
(one, two, three)
6. Merchant bank is a _____ based service.
(fund, non- fund, remittance)
7. NEFT was introduced in _____.
(2000, 2005, 2015)
8. Which one is included in priority sector?
(Corporate, Agriculture, Education)
9. Sukanya Shiksha is a welfare scheme for the _____.
(Child, Girl child, Boy child)
10. Bancassurance encourages customers of _____ to purchase insurance policy.
(bank, insurance company, investment company)

Q.1. B. State whether True or False: (Any Seven) (07)

1. The organized sector consists of commercial banks, co-operative banks and RRBs.
2. IDBI is one of the industrial banks operating in India.
3. Chain banking and group banking are completely different.
4. There are three parties in Bill of Exchange.
5. Overdraft facility is given on savings account.
6. Portfolio manager has to register with SEBI.
7. Without KYC, account cannot be opened in bank.
8. NGO is one of the intermediaries in micro finance.
9. PMJDY is applicable only to rural areas.

Q. 2. A. Define Banking and Explain its principles. (08)

Q. 2. B. Briefly explain RBI's guidelines for licensing of payment bank. (07)

OR

Q. 2. C. Explain the emerging trends in banking sector. (08)
Q. 2. D. What are the causes of bank failures in India. (07)

Q. 3. A. Elaborate the functions of Commercial banking in detail. (08)
Q. 3. B. Define Retail banking. Explain its Significance. (07)

OR

Q. 3. C. Explain in detail about Cheque and Crossing. (08)
Q. 3. D. Elaborate about the Basel III Capital Regulations. (07)

Q. 4. A. What are the products and services offered by Universal Banking? (08)
Q. 4. B. What is Bancassurance? Explain its advantages. (07)

OR

Q. 4. C. What is E-Banking? Explain its features. (08)
Q. 4. D. Explain mobile banking and its advantages. (07)

Q 5. A. Explain the role of SIDBI in micro finance sector. (08)
Q 5. B. What are the advantages of financial inclusion? (07)

OR

Q 5. C. Write Short Notes on: (Any 3) (15)
a. Six Pillars of PMJDY
b. Self Help Group 2
c. POS Terminal
d. Depository Services
e. Bills of Exchange

Note- (a) All questions are compulsory**(b) Give examples and draw charts wherever necessary**

Marks: 75 marks

Time: 2.5 Hours

- Q1(A) Choose the correct answer and rewrite the statement attempt any 8 (8)
- 1) The Banking system were analyzed extensively by the committee (1991) on financial sector by _____
 (a) Mr. Narasimhan (b) Mr. Vaghul
 (c) Mr. Chakravorty (d) Mr. Raghuram Rajan
 - 2) _____ are types of securities where ownership in a company can be represented
 (a) Bonds (b) Derivatives
 (c) Equities (d) Deposit
 - 3) The objective of forward contract is _____
 (a) Hedging (b) Speculation
 (c) Arbitraging (c) All of the above
 - 4) The DFHI was set up by the RBI jointly with _____ banks
 (a) Private sector (b) Foreign
 (c) Public sector (d) Regional rural
 - 5) The National Stock exchange is located in _____
 (a) Mumbai (b) Madras
 (c) Calcutta (d) Chennai
 - 6) Bank rate is the interest charged by _____
 (a) Commercial Bank (b) Central Bank
 (c) Co-operative Bank (d) none of the above
 - 7) _____ is currently serving as 25th Governor of RBI
 (a) Urjit Patel (b) Raghuram Rajan
 (c) Nirmala Sitharaman (d) Shakti Kanta Das
 - 8) Instrument which are created by combining the features of two or more instruments are called as _____
 (a) Mixed instrument (b) Hybrid instrument
 (c) Combined instrument (d) Second Instrument
 - 9) There are _____ types of participants in a commodity market
 (a) Three (b) two
 (c) Four (d) five
 - 10) _____ is an contract, represented by a policy in which an individual or an entity receives financial protection or reimbursement against losses
 (a) Insurance (b) Forfaiting
 (c) Derivative (d) Factoring

Q1(B) State true or false for the following (Any 7) (7)

- 1) Bonds are issued by both private and government entities for raising working capital
- 2) NPA has helped in managing liquidity in the financial sector
- 3) Merchant banking is a type of fee based financial service
- 4) The demand in a money market is seasonal
- 5) A government security is tradable instrument issued by Central or State Government
- 6) The forward contract Regulation Act was passed by Government of India in the year 1952
- 7) Commodities are broadly classified as soft and hard commodities

- 8) A call option gives the right to the holder to buy an asset at a specified date and specified time
- 9) Future contract is not a standardized contracts
- 10) Arbitrage demands the simultaneous sale and purchase of same commodities in different markets

Q2 Answer any one(a and b) or (c and d) of the following (15)

- a) What is Financial system? State the functions financial system in India
- b) Explain the banking system in India

OR

- c) Discuss the functions of RBI
- d) State the role of SEBI

Q3) Answer any one(a and b) or (c and d) of the following. (15)

- a) What do you mean by Money market? State the functions of Money market
- b) Explain organized and unorganized sector of money market in detail

OR

- c) State the features of capital market
- d) What are the various instruments of Capital market

Q4 Answer any one(a and b) or (c and d) question from the following (15)

- (a) What do you mean by commodities market and commodity exchange explain with some example
- (b) Discuss the Structure of Commodity market in India

OR

- (c) Which are the various participants in commodity markets
- (d) State the types of commodities traded in the world

Q5) Attempt A and B or Write short notes on the following. (15)

- A) Write about the meaning and advantages of Derivative market
- B) State the explain the various types of derivative contracts

OR

Q5) Write short notes on any three of the following (15)

- 1) Types of Mutual funds
- 2) Debt market
- 3) BSE
- 4) Credit rating agencies
- 5) MCX