



K22P 3343

Reg. No. : .....

Name : .....

**IV Semester M.Com. Degree (C.B.S.S. – Reg./Supple./Imp.)  
Examination, April 2022  
(2018 Admission Onwards)  
Elective – A. Finance  
COM4E01 : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any 4** questions. **Each** question carries **1** mark for Part – **a**, **3** marks for Part – **b** and **5** marks for Part – **c**.

1. a) Distinguish between investment and speculation.  
b) Define Hedging. Explain short and long hedge.  
c) What are the advantages and limitations of mutual funds ?
2. a) What is margin trading ?  
b) What are the methods of floating new issues ?  
c) Describe the functions of Stock Exchanges.
3. a) A company issues a deep discount bond of face value of Rs. 7,000 at an issue price of Rs. 5,555. The maturity period of the bond is 3 years. Determine the spot interest rate of the bond.  
b) Describe the key economic variables that an investor must monitor as part of his fundamental analysis.  
c) What is price charts ? Describe different types of price charts used by technical analysts.
4. a) What are financial derivatives ?  
b) How a futures contract is different from a forward contract ?  
c) What is an Option Contract ? What are its types ?

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5. a) Consider two securities P and Q with expected returns of 15 percent and 24 percent respectively, and standard deviation of 35 percent and 52 percent respectively. Calculate standard deviation of a portfolio weighted equally between the two securities if their correlation is  $-0.9$ .
- b) What is CAPM ? What are its assumptions ?
- c) What is the implication of semi strong form of market efficiency for fundamental analysis ?
6. a) Describe the major constraints in portfolio revision.
- b) What are the different perspectives that can be adopted for evaluation of performance of a portfolio ?
- c) An investor owns a portfolio for the last five years and has produced 16.8 percent annual return and beta value of 1.10. If the risk free return and market return are 7.4 percent and 15.2 percent per year respectively. How would you evaluate the performance of this portfolio ? **(4×9=36)**

### SECTION – B

Answer **any 2** questions, **each** question carries **12** marks.

7. a) Discuss the role and functions of SEBI in regulating stock market in India.

OR

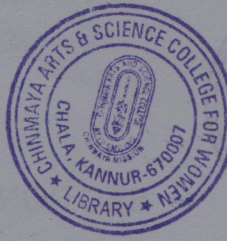
- b) What is Portfolio Management ? Describe the different phases in portfolio management.

8. a) 'Investment in mutual fund is better than investment in stock market' Comment. Also describe different types of mutual funds.

OR

- b) Explain the steps involved in fundamental analysis for rational investment decision making. **(2×12=24)**





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Elective – A.Finance  
COM4E02 : INTERNATIONAL FINANCIAL MANAGEMENT**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any four** questions. **Each** question carries **1** mark for Part (a), **3** marks for Part (b) and **5** marks for Part (c).

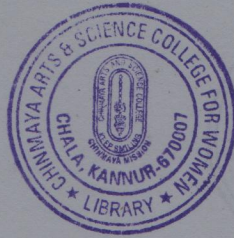
1. a) What is foreign exchange rate ?  
b) How is the exchange rate of a currency is determined ?  
c) Distinguish between spot transactions and forward transactions.
2. a) What is arbitrage ?  
b) Discuss the term two-point arbitrage.  
c) What do you mean by triangular arbitrage ? Explain the concept with example.
3. a) What is international monetary system ?  
b) Discuss the concept of international liquidity.  
c) Describe various monetary systems.
4. a) What is the law of one price ?  
b) Explain the absolute and relative versions of purchasing power parity.  
c) Discuss the implications of deviations from purchasing power parity for exchange rate determination.
5. a) What is currency option ?  
b) Discuss the determinants of currency option price.  
c) Discuss the different forms of options.
6. a) Define FDI.  
b) Distinguish between crowding in and crowding out.  
c) Discuss the factors that influence FDIs.

(4×9=36)

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SECTION – B

Answer the following questions. **Each** question carries **12** marks.

7. a) A firm in England has to make a payment of SGD 1 million to its suppliers in Singapore. The currency quote available are as follows.

GBP 0.0117/0.0119 for INR

SGD 0.03510/0.03520 for INR

What is the amount to be paid in British pound by the importer ?

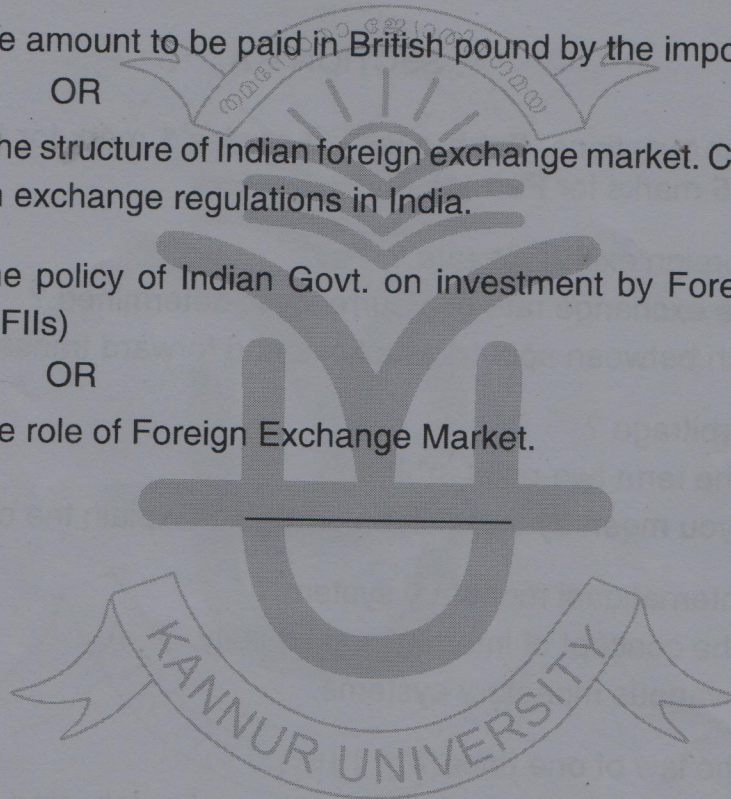
OR

- b) Describe the structure of Indian foreign exchange market. Critically evaluate the foreign exchange regulations in India.
8. a) Discuss the policy of Indian Govt. on investment by Foreign Institutional Investors (FIIs)

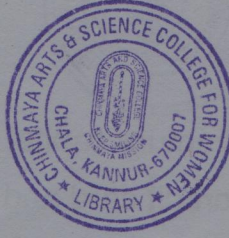
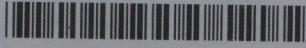
OR

- b) Discuss the role of Foreign Exchange Market.

(2×12=24)







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**Elective – A – Finance**  
**COM4E03 : FINANCIAL MARKETS AND SERVICES**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any four** questions in this Section. **Each** question carries **1** mark for part (a), **3** marks for part (b) and **5** marks for part (c).

1. a) Who are the main participants of a money market ?  
b) What are the features of a developed money market ?  
c) What are the different types of money market instruments ?
2. a) What is gilt edged securities ?  
b) Differentiate between money market and capital market.  
c) What are the functions of primary market ?
3. a) What are derivatives ?  
b) Distinguish between options and futures.  
c) What are the benefits of depository system ?
4. a) What are the defects of Indian money market ?  
b) Explain the major functions of IRDA.  
c) What are the types of mutual fund ?
5. a) What is credit assessment ?  
b) What are SWAPS ? What are their features ?  
c) State the role of CIBIL in modern financial system of India.

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6. a) What do you mean by venture capital ?  
b) What do you mean by credit card and explain its settlement procedures.  
c) Discuss briefly the investment policies of NBFC's. **(4×9=36)**

SECTION – B

Answer the following questions. **Each** question carries **12** marks.

7. a) Explain the main defects of Indian capital market. What are the measures taken by SEBI to protect secondary market ?

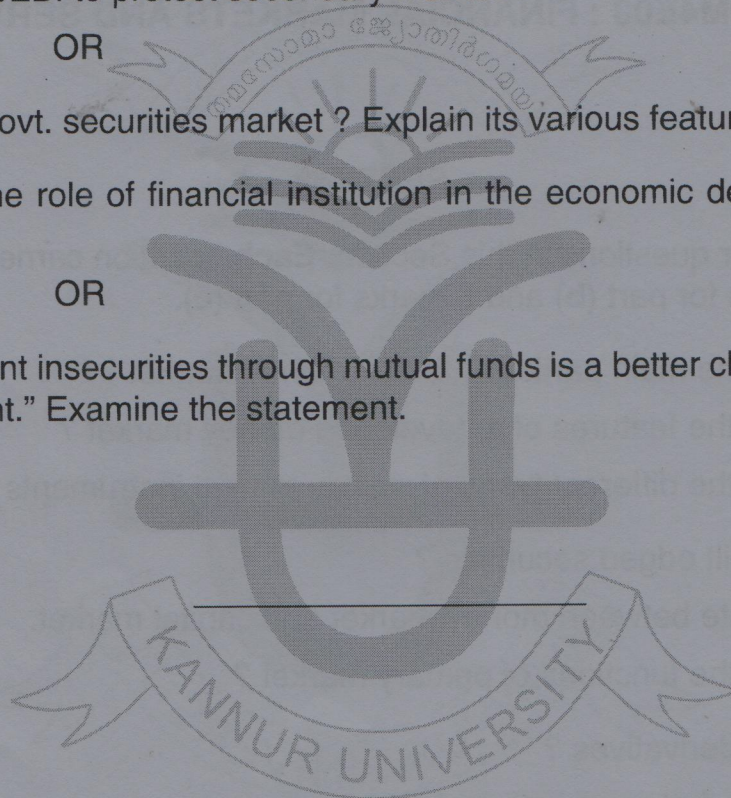
OR

- b) What is Govt. securities market ? Explain its various features.

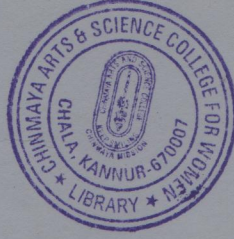
8. a) Discuss the role of financial institution in the economic development of a country.

OR

- b) "Investment insecurities through mutual funds is a better choice than direct investment." Examine the statement. **(12×2=24)**







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**Elective – A. Finance**  
**COM4E04 : CORPORATE TAX MANAGEMENT AND GST**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

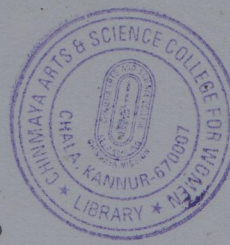
Answer **any four** questions in this Section. **Each** question carries **1** mark for Part **(a)**, **3** marks for Part **(b)** and **5** marks for Part **(c)**.

1. a) What is GST ?  
b) What would be the 'due date of issuance of invoice' with reference to time of supply of goods ?  
c) Under what circumstances registration under GST not required ?
2. a) What is tax planning ?  
b) What are the tax planning based on residential status ?  
c) Out of Rs. 30,00,000 share capital of Rs. 100/- share, the company reduces Rs. 3,00,000 share capital at Rs. 10/- share. The profits of the company were Rs. 1,50,000 after payment of dividend distribution tax. Mr. Ram holds 500 shares of the company. Compute the amount of deemed dividend u/s 2(22)(d).
3. a) What do you mean by urban consumer's co-operative society ?  
b) Explain the deduction under section 80P.  
c) From the following information compute the total income of a charitable trust and its tax liability for the A.Y. 2019-20.

	Rs.
i) Income from trust	– 10,00,000
ii) Donation-corporus	– 5,00,000
iii) Other voluntary donations	– 4,00,000
iv) Anonymous donation	– 5,00,000
v) Spent for charitable purpose in India	– 8,00,000

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4. a) What do you mean by belated return ?  
 b) Who are the members of GST Council ?  
 c) From the information determine the tax payable u/s 115-O by a domestic company on dividend distributed by it :
- 1) It received dividend from its subsidiary company (which paid dividend distribution tax u/s 115-O) Rs. 6,00,000 on 10/11/2018.
  - 2) It distributed dividend Rs. 56,00,000 on 15/12/2018 to its shareholders.
- Out of Rs. 56,00,000 the company paid dividend Rs. 10,00,000 to a person on behalf of the New Pension System Trust.
5. a) What is PAN ?  
 b) The Total Income of Mr. X, resident of India, is Rs. 5,27,000. Calculate Advance Income Tax payable during the financial year 2019-20 and find out installments if TDS is Rs. 180.  
 c) Discuss any five items of penalties imposed by Income Tax Department.

## SECTION – B

Answer **any two** questions in this Section. **Each** question carries **12** marks.

6. a) Explain in detail about different types of assessment.

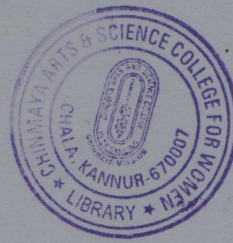
OR

- b) From the following information compute the tax payable by Z and Co. keeping in view the provisions of MAT u/s 115JB for the Assessment Year 2019-20 :

Statement of Profit and Loss (for the year ended 31<sup>st</sup> March 2019)

Particulars	Note No.	Figures as at the end of current reporting period	
		Rs.	Rs.
I Revenue from operations			30,00,000
II Other income :			
LTCG (exempt under Section 10(38))		2,00,000	
Interest on Gov't securities		<u>25,000</u>	2,25,000
III Total Revenue (I + II)			<b>32,25,000</b>





IV Expenses :

Cost of materials consumed	
Purchase of stock in trade	
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	
Employee benefit expenses	
Depreciation and amortisation expenses	1,50,000
Other expenses :	
Expenses related to sales	23,20,000
Securities transaction tax paid relating to LTCG	5,000
<b>Total expenses</b>	<b>24,75,000</b>
V Profit before tax (III-IV)	7,50,000
VI Tax expenses :	
Income tax paid	1,00,000
VII Profit for the period (V-VI)	<b>6,50,000</b>

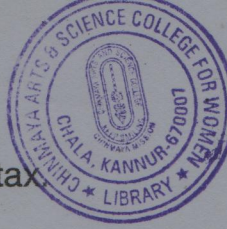
**Surplus Statement**

Profit/Loss as per last Balance Sheet (if any)	
Current year's profit	6,50,000
	<b>6,50,000</b>
Less : Proposed dividend	2,50,000
Balance of profit carried to Balance Sheet	<b>4,00,000</b>

**Additional information :**

- a) The company revalued its assets from Rs. 3,00,000 to Rs. 6,00,000 and provided depreciation on Rs. 6,00,000 @ 25%. The depreciation allowable as per Income Tax Act Rs. 80,000.
- b) B/F loss as per books of account Rs. 2,00,000.
- c) B/F depreciation as per books of account Rs. 50,000.
- d) B/F unabsorbed depreciation Rs. 1,00,000.





7. a) Describe different modes of recovery of tax

OR

b) A, B and C are members of AOP sharing profits and losses in the proportion of 2:2:1 respectively. Profit and Loss A/c for the year is following :

	Rs.		Rs.
Salaries and wages	16,000	Gross profit	50,700
Marketing charges	175	Profit on sale	800
Advertising	325	Profit on sale of investment	400
General charges	11,700		
Legal charges	2,500		
Travelling expenses	1,400		
Interest on bank loan	150		
Discount	70		
Reserve for bad debts	130		
Bad debts	80		
Payment to retiring members	1,000		
Interest on capital			
A – 300			
B – 400			
C – 800	1,500		
Net profit	16,870		
	<b>51,900</b>		<b>51,900</b>

Compute the total income of AOP and allocate it amongst the members considering the following :

- a) Salaries and wages include of Rs. 500 per month to B.
- b) General charges include a sum of Rs. 3,000 paid to save business reputation and
- c) Motor car was used wholly for business purpose. At the time of sale the written down value of the car was Rs. 25,000 while it was sold for Rs. 25,800.