

K20P 0143

Reg. No. : .....

Name : .....

IV Semester M.Com. Degree (CBSS-Reg./Suppl./Imp.) Examination, April 2020  
(2014 Admission Onwards)  
Elective – A : FINANCE  
COM4E01 : Security Analysis and Portfolio 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.

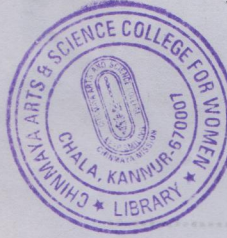
1. A) Define a financial asset.  
B) What is new issue market ?  
C) What are the methods of floating new issues ?
2. A) Define a portfolio.  
B) What is an efficient portfolio ?  
C) Explain various portfolio revision strategies.
3. A) What is CAPM ?  
B) Explain SML and CML.  
C) A security pays a dividend of Rs. 3.85 and sells currently at Rs. 83. The security is expected to sell at Rs. 90 at the end of the year. The security has a beta of 1.15 and risk free rate is 5% and expected return on market index is 12%. Calculate expected return and estimated return of the security as per CAPM formula.

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4. A) What is Random walk theory ?

B) Explain Elliot wave theory.

C) Explain efficient market hypothesis.

5. A) What is listing of securities ?

B) What is stock market indices ?

C) What are the functions of a stock exchange ?

6. A) Define the term Bond.

B) What are the components of Bond returns ?

C) An investor purchases for Rs. 5,555, a zero coupon bond whose face value is Rs. 7,000 and maturity period is 3 years. Calculate the spot interest rate of the Bond. **(4×9=36)**

#### SECTION – B

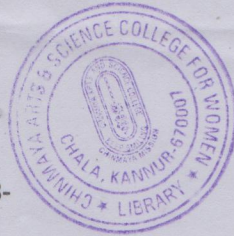
Answer the following questions. **Each** question carries **12** marks.

7. A) You have decided to purchase 500 shares of an IT company with the intention of selling out at the end of 5 years. You estimate that the company will pay Rs. 3.50 per share as dividends for the first two years and Rs. 4.50 per share for the next three years. You further estimate that, at the end of the 5 year holding period; the shares can be sold for Rs. 85. What would you be willing to pay today for these shares if your required rate of return is 12% ?

OR

B) Define fundamental analysis. What are the economic variables to be considered by an investor as part of fundamental analysis ?





8. A) Given the following information :

	Portfolios			
	A	B	C	D
Beta	1.10	0.8	1.8	1.4
Return (percent)	14.5	11.25	19.75	18.5
Standard deviation (percent)	20.0	17.5	26.3	24.5

Risk free rate of return = 6%

Market return = 12%

Calculate :

- a) Sharpe ratio
- b) Treynor ratio
- c) Jensen ratio.

OR

B) What is technical analysis ? What are price charts ? Describe different types of price charts used by technical analysts.

(2×12=24)

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**IV Semester M.Com. Degree (CBSS – Reg./Suppl./Imp.)**

**Examination, April 2020**

**(2014 Admission Onwards)**

**Elective – A : FINANCE**

**COM4E 02 – International Financial Management**

Time : 3 Hours

Max. Marks : 60

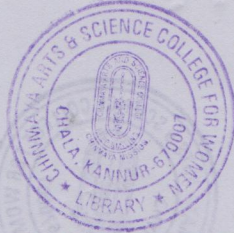
**SECTION – A**

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 a Exchange Rate ?  
B) Differentiate spot market and future market.  
C) Explain the importance of International financial management.
2. A) What is a Portfolio ?  
B) List out any three features of Purchasing Power Parity Theory.  
C) Write a short note on exchange rate determination.
3. A) What is the abbreviation for IBRD ?  
B) Give a brief description of present exchange rate system.  
C) Discuss the role of international financial institutions in International Monetary System.
4. A) Define Balance of Payment.  
B) What is Interbank Clearance ?  
C) Explain the macro economic factors affecting exchange rate.
5. A) Define FII.  
B) Distinguish FII and FDI.  
C) How does foreign investment affect our economy ?

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6. A) Name any 2 international market instruments.

B) Explain the major functions of ADB.

C) What are the recent trends in exchange rate determination ?

(4×9=36)

SECTION - B

Answer the following questions. Each carries 12 marks.

7. A) Give an overview of India's Foreign Investment Policy.

OR

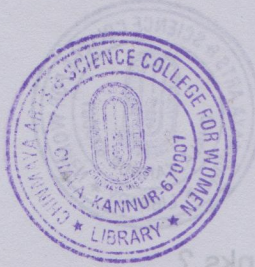
B) What is IMF ? How does it help in creating International Liquidity ?

8. A) Explain in detail the problems affecting International Financial Market.

OR

B) What are the major reforms of International Monetary System ? (2×12=24)





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IV Semester M.Com. Degree (CBSS-Reg/Suppl./Imp.) Examination, April 2020  
(2014 Admission Onwards)

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) Define SIDBI.

B) What are the latest Mutual Fund Schemes in India ?

C) Explain in detail how financial services contribute to the growth of the Economy.

2. A) What are credit cards ?

B) Explain briefly the working of factoring service.

C) What are the merits of using credit cards and who are the main users ?

3. A) Define Options.

B) What are the major limitations of Indian Money Market ?

C) What are Swaps ? Explain the different types of Swaps.

4. A) Define Financial Derivatives.

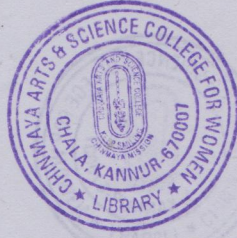
B) What do you mean by Derivatives trading ?

C) Explain in detail Capital Market.

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5. A) What are Development Banks ?

B) What is the role of UTI in industrial finance ?

C) Give a short view about the functions of Merchant Banker.

6. A) Define Call Money.

B) Difference between Options and Swaps.

C) What is the role played by Development Banks ?

(4×9=36)

SECTION - B

Answer **all** the questions. **Each** carries **12** marks.

7. A) Define Money Market. Explain its functions.

OR

B) Explain IRDA and its major functions.

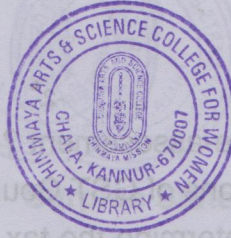
8. A) What are Mutual Funds ? Explain its types.

OR

B) What is SEBI ? Why it is called as the watch dog of securities market.

(2×12=24)





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**IV Semester M.Com. Degree (CBSS-Reg./Suppl./Imp.) Examination, April 2020**  
**Elective A : Finance**  
**(2017 Admission Onwards)**

**COM4E04 : CORPORATE TAX MANAGEMENT AND GST**

Time : 3 Hours

Max. Marks : 60

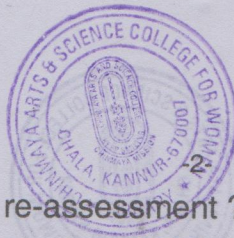
**SECTION – A**

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 are services as per GST ?  
b) What will be the time of supply under Reverse Charge Mechanism ?  
c) Differentiate between SGST, CGST and IGST.
2. a) What is tax management ?  
b) What are the limitations of tax planning ?  
c) Trapti Limited wants to raise capital of Rs. 20,00,000 for a project where earnings before tax shall be 40% of the capital employed. The company can raise debt fund @ 18% p.a. Suggest, which of the following 3 alternatives should it opt for :
  - 1) Rs. 20,00,000 to be raised by Equity Capital.
  - 2) Rs. 16,00,000 by Equity and Rs. 4,00,000 by loans.
  - 3) Rs. 4,00,000 by Equity Capital and Rs. 16,00,000 by loans.Assume the company shall distribute the entire amount of profit as dividend and tax rate is 27.82% and dividend tax is 17.472%.
3. a) Define the word 'charitable purpose'.  
b) What are the different types of trust ?  
c) The income of a Co-operative Society for the previous year is as under  
Income from business – 5,000  
Income from processing the agriculture produce to its members (without the aid of power) – 6,000  
Income from fishing and allied activities – 4,000  
Income from interest of securities (Gross) – 2,500  
Income from house property (Computed) – 2,300  
Compute the total income of the society and tax payable by it for the Assessment Year 2019-20.

P.T.O.





4. a) What do you mean by re-assessment ?  
 b) Explain any three functions 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. 3,00,000 on 10/11/2018.  
 2) It distributed dividend Rs. 28,00,000 on 15/12/2018 to its shareholders. Out of Rs. 28,00,000 the company paid dividend Rs. 5,00,000 to a person on behalf of the New Pension System Trust.
5. a) How a company became resident in India ?  
 b) Estimated Total Income of a domestic company for the financial year 2019-20 is Rs. 1,02,00,000. Determine the amount of advance tax payable.  
 c) Explain the general principles of imposing penalty. (4×9=36)

## SECTION – B

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

6. a) Explain any 12 payments on which Tax is Deducted at Source.

OR

- b) The Statement of Profit and Loss of X Ltd., a domestic company, for the year ended 31<sup>st</sup> March 2019 is given below.

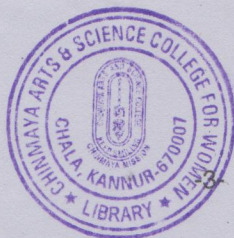
Statement of Profit and Loss (for the year ended 31<sup>st</sup> March, 2019)

Particulars	Note No.	Figures as the end of current accounting period
I. Revenue from operations		30,50,000
II. Other Income LTCG		5,70,000
III. <b>Total Revenue (I + II)</b>		<b>36,20,000</b>
IV. Expenses :		
Cost of materials consumed		10,00,000
Purchases of stock in trade		—
Changes in inventories		—
Employee benefit expenses		—
Other expenses :		
Expenses related to sale of other goods		8,20,000
Provision for unascertained liabilities		40,000
<b>Total Expenses</b>		<b>18,60,000</b>
V. Profit before tax (III – IV)		17,60,000
VI. Tax expenses :		
Income tax paid		75,000
VII. Profit for the period (V-VI)		<b>16,85,000</b>





Notes to Accounts



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### Surplus Statement

Profit or Loss as per Balance Sheet			—
Current Year Profit			16,85,000
Add: Transfer from General Reserve			20,000
			<b>17,05,000</b>
Less : Appropriations :			
Proposed dividend	8,05,000		
Transfer to General Reserve	60,000	8,65,000	
Balance of Profit carried to Balance Sheet			<b>8,40,000</b>

Other relevant information are as follows :

- An outstanding liability related to VAT for 2016-17 paid during 2018-19 Rs. 50,000 which was not charged to above Statement of Profit and Loss.
  - Brought forward loss as per books of account is Rs. 60,000 while brought forward depreciation as per books of account is Rs. 80,000.
  - Brought forward unabsorbed depreciation is Rs. 4,60,000.
  - Brought forward loss under the head capital gains Rs. 3,50,000.
- Compute the tax liability of X Ltd. for the Assessment Year 2019-20.

7. a) Explain in detail about general powers of Income Tax Authorities.

OR

- b) During the previous year 2018-19 there was a profit of Rs. 60,000 to an AOP after charging salary, bonus and interest on capitals to its members. Taxable income of an AOP for the same period from house property and long term capital gain was Rs. 1,40,000 and 12,000 respectively. There are three members A, B and C sharing profits and losses in 5 : 3 : 2 ratio and their income from business and profession for the Assessment Year 2019-20 is Rs. 1,35,000, Rs. 1,86,000 and Rs. 1,70,000 respectively.

In addition to it AOP paid Rs. 6,000, Rs. 10,000, Rs. 14,000 as interest on capital to A, B and C respectively. Salary paid to A was Rs. 16,000 and bonus paid to B was Rs. 5,000 in this period. Find total income and tax liability of AOP and members.

(2×12=24)