



K21P 0264

Reg. No. :

Name :

**IV Semester M.Com. Degree (C.B.S.S. – Reg./Suppl. (Including Mercy
Chance)/Imp.) Examination, April 2021
(2014 Admission Onwards)**

Elective – A : Finance

COM4E01 : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

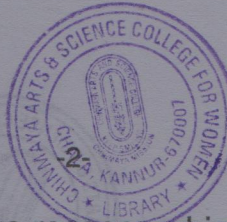
Time : 3 Hours

Max. Marks : 60

Answer **any 4**. Each carries **1** mark for Part **A**, **3** marks for Part **B** and **5** marks for Part **C**.

1. A) List out two examples for high risk and risk free assets.
B) Write the difference between money market and capital market on the basis of participants, expected return, safety and instruments.
C) Explain any five general features of capital market and money market.
2. A) What do you mean by hedging ?
B) Narrate the trading objectives of investors, speculators and arbitrageurs and how they strengthen the stock market.
C) Explain how SEBI protect the interest of investors in Indian capital market.
3. A) What is the Yield To Maturity of a Bond ?
B) What is interest rate risk of a Bond ? Explain how the risk arises.
C) ABC Ltd. has a 14% debenture with a face value of Rs. 100 that matures at par in 15 years. The debenture is callable in 5 years at ₹ 114. It currently sells for ₹ 105. Calculate yield to call of the debenture. (The PV annuity factor 5 years 15% is 3.3522, 5 years 14% is 3.4331 and the PV factor 5 years 15% is 0.4972, 5 years 14% is 0.5194).
4. A) What is intrinsic value of a share ?
B) List out the advantages and drawback of constant growth models for share valuation.
C) Explain the concept of Efficient Market theory and the various forms of market efficiency.

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5. A) What is systematic risk ? List two reasons which brings systematic risk.
 B) What is the Prospect Theory ? What is the relevance of this theory in investment decisions ?
 C) Describe is Capital Asset Pricing Model and its relevance in investment decision, How do you explain R_f and Beta (β) of the model to an investor ?

6. A) What is an aggressive portfolio strategy ?

- B) Mr. Ayaan have the following are information regarding two funds and the market index

Fund	Return (%)	Standard Deviation	Beta
Fund I	7	15	0.72
Fund II	16	35	1.33
Market Index	10	24	1

Assuming the risk free return 6%. Calculate the differential return of the two funds as per Jensen Ratio.

- C) Discuss the factors that should be considered by an investor in portfolio selection process.

7. A) What is NAV ?

- B) What is ADR and GDR and list any two differences ADR and GDR ?

- C) "Investing in securities through mutual fund is a better choice than direct investment". Examine the statement.

8. A) What is risk premium ?

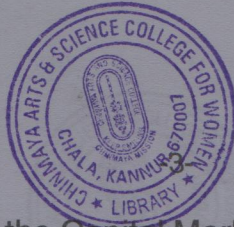
- B) What is secondary market, list out the functions of Secondary Market analysis ?

- C) What is fundamental analysis ? Briefly explain the various factors considered in a industry.

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

9. A) What is technical analysis ? How technical analyses help an investor for predicting the price movements in the financial market ? Briefly explain the various charts and patterns used for technical analysis.

OR



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B) How does SEBI regulate the Capital Market of India ? List out the functions of SEBI.

OR

C) Discuss the need of portfolio revision. Explain, are the various strategies and techniques used for portfolio revision.

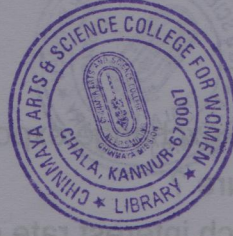
10. A) Explain the objectives and phases of Portfolio management.

OR

B) Explain the role, importance and functions of security market in India.

OR

C) List the various participants and explain their roles in Financial Market.



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(2014 Admission Onwards)
Elective-A : FINANCE
COM 4 E02 : International Financial Management**

Time : 3 Hours

Max. Marks : 60

SECTION – A

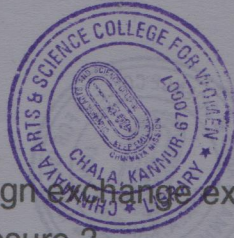
Answer **any four** questions in this Section. **Each** question carries **1** mark for

Part **a)**, **3** marks for Part **b)** and **5** marks for Part **c)**.

1. a) What are cross rates ?
b) The spot exchange rate between INR and USD is 47.13/USD and the one-month forward rate is 47.91/USD. Calculate forward premium or discount.
c) Describe briefly the methods of forecasting exchange rates.
2. a) What is Balance of Payment ?
b) Explain the concept of 'deficit and surplus' in the Balance of Payment.
c) Describe the structure of India's Balance of Payment Account.
3. a) What is meant by SDR ?
b) Describe the various exchange rate systems around the world.
c) Explain the functioning of IBRD.
4. a) What do you mean by foreign portfolio investment ?
b) Differentiate between FDI and FII.
c) Critically evaluate India's foreign investment policy.
5. a) Explain the International Fisher Effect.
b) What do you mean by convertibility of Indian Rupee ?
c) State the Portfolio Balance Model and its assumptions to exchange rate determination.
6. a) Explain the term 'CHIPS AND CHAPS'.
b) Describe how the SWIFT system works in an interbank transaction.
c) What is hedging by invoice currency ?

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7. a) Distinguish between foreign exchange exposure and foreign exchange risk.
b) What is interest rate exposure ?
c) Explain the methods by which interest rate exposure can be managed.
8. a) What do you mean by 'spread' ?
b) ICICI Mumbai quotes Rs. 26.45/65 for Australian Dollar. Compute Bid, Ask and spread. Also show what they would quote if it were an indirect quote.
c) A spot rate is DM = \$ 0.3302-10. Another spot rate is FF = \$ 0.1180-90
Compute direct quote of FF in Germany. (4×9=36)

SECTION - B

Answer the following questions. Each question carries 12 marks.

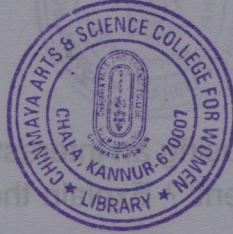
9. a) Describe the role played by IMF in resolving financial crisis in the global economic system.
OR
b) The following are the interest rates and spot rates of exchange;
Spot rate : USD/INR 45.45/50. Interest rates in India: 10 – 10.25% p.a.
interest rates in the US: 07 – 7.25% p.a. If interest rate parity holds, what are the forward quotes ?
OR
c) What is international liquidity ? What are the components of international liquidity ? Discuss the role of IMF in resolving the problem of international liquidity.
10. a) Describe the Purchasing Power Parity (PPP) Theory. Explain the forms of PPP theory.
OR
b) What is international financial market ? Describe the important international money market and capital market instruments.
OR
c) A New York bank is currently offering these spot quotes :
USD/JPY :110.25/111.10;
USD/AUD : 1.6520/1.6530.
At the same time, a bank in Sydney is quoting : AUD/JPY: 68.30/69.00. Is there an arbitrage opportunity ? Consider this sequence of transactions :
a) Sell Yen, buy US dollars and then sell US dollars and buy Australian Dollars.
Do both these transactions in New York and
b) Sell the Australian Dollars for yen in Sydney? (2×12=24)



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**IV Semester M.Com. Degree (CBSS – Reg./Suppl.
(Including Mercy Chance)/Imp.) Examination, April 2021
(2014 Admission Onwards)**

Elective A : Finance

COM4E03 : FINANCIAL MARKETS AND SERVICES

Time : 3 Hours

Max. Marks : 60

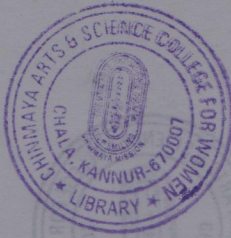
SECTION – A

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) What do you mean by merchant banking ?
b) State the disclosure requirements of Merchant banker to SEBI as per SEBI (Merchant bankers) regulations 1992.
c) Briefly explain the Code of Conduct for merchant bankers as per SEBI (Merchant Bankers) Regulations 1992.
2. a) What is financial market ?
b) Briefly discuss the various types of financial markets.
c) Explain the various capital market instruments.
3. a) What is factoring ?
b) Explain the different types of factoring.
c) Explain the various types of credit rating agencies in India.
4. a) What do you mean by developmental financial institutions ?
b) Briefly explain about different types of national level development financial institutions.
c) Discuss the role and functions of IDBI in the development of industries in India.
5. a) Define a non-banking financial institution.
b) Explain the concept of venture capital.
c) Discuss about different stages of venture capital financing.

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6. a) What is a currency swap ?
b) Explain the rationale behind using an interest rate swap.
c) What is a derivative instrument ? Explain the different types of derivative products.
7. a) What do you mean by term money market ?
b) Explain various features of Treasury Bills.
c) Distinguish between money market and capital market.
8. a) What is a credit card ?
b) Distinguish between a credit card and a debit card.
c) Explain the different types of credit cards in India.

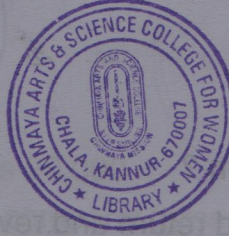
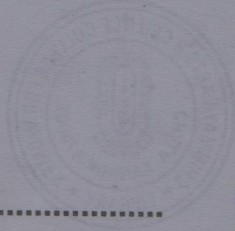
(4×9=36)

SECTION - B

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

9. a) Critically evaluate the role and functions of IRDA.
OR
b) What are mutual funds ? Discuss the various mutual fund schemes operating in India.
OR
c) Discuss the role and function of SIDBI in the development of small and medium scale industries in India.
10. a) The price of a share of AB steel is Rs. 1,470 on January 1 and there is a call option with maturity in January with a maturity date of January 31 and an exercise price of Rs. 1,500. The call option is selling at Rs. 84.75. Calculate the terminal value and payoffs of call option buyer for different price such as Rs. 1,340, Rs. 1,380, Rs. 1,420, Rs. 1,460, Rs. 1,500, Rs. 1,540, Rs. 1,580, Rs. 1,620 and Rs. 1,650.
OR
b) On 1st July, the Cipla share price is Rs. 270 and you are writing a call option with exercise price Rs. 300 and exercise date September 28. The option premium is Rs. 6.40. Calculate the option value and payoff for different terminal stock prices such as Rs. 230, Rs. 250, Rs. 270, Rs. 290, Rs. 310, Rs. 330, Rs. 350 and Rs. 370.
OR
c) The price of Tata Motors is Rs. 490 on January 1 and there is a put option with maturity 90 days and exercise price Rs. 520. The put option is selling at Rs. 78.40. Calculate the option value and payoffs of the put option buyer for different stock price such as Rs. 360, Rs. 380, Rs. 400, Rs. 420, Rs. 440, Rs. 460, Rs. 480, Rs. 500, Rs. 520, Rs. 560 and Rs. 580.

(2×12=24)



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**IV Semester M.Com. Degree (CBSS – Reg./Supple. (Including Mercy
Chance)/Imp.) Examination, April 2021
(2017 Admission Onwards)
Elective – A : FINANCE
COM4E04 : Corporate Tax Management and GST**

Time : 3 Hours

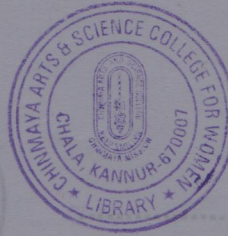
Max. Marks : 60

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 AOP under Income Tax Act ?
b) Distinguish between AOP and BOI.
c) A, B and C are members of an AOP. They share profit or loss equally. During the previous year the income of AOP is 2,20,000 and the income of A, B and C is Rs. 40,000, Rs. 5,10,000 and Rs. 5,20,000 respectively. Compute tax liability of AOP and A, B and C for Assessment Year 2020-21.
2. a) What is co-operative society ?
b) Explain about Section 80P of Income Tax Act.
c) From the following information, compute taxable income of co-operative society.
 - 1) Taxable income from house property 10,000.
 - 2) Dividend on inter co-operative investment (gross) 10,000.
 - 3) Interest on securities (Govt.) 15,000.
 - 4) Profit from cottage industries 40,000.
 - 5) Income from banking business 20,000.
 - 6) Income from hotel business 70,000.
 - 7) Income from sale of agricultural produce grown by its members 15,000.

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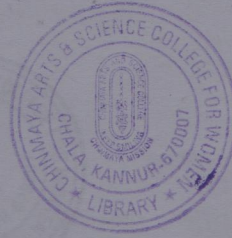


3. a) What is voluntary return ?
 b) Write a note on belated return and revised return.
 c) What are the steps on e-filing of income tax return ?
4. a) What is PAN ?
 b) What are the difference between TDS and Advance tax ?
 c) What are the different types of assessment ?
5. a) What is tax planning ?
 b) Distinguish between tax evasion and tax avoidance.
 c) A company's existing capital is one crore all in equity shares, proposes to raise additional investment of 50 lakh. The entire capital can be raised either by issue of equity or by issue of 10% Debentures. Their expected rate of return is 20% and rate of tax is 30%. Help the management to take decision related with their capital structure.
6. a) What is meant by Indirect tax ?
 b) Distinguish between SGST and CGST.
 c) Define business as provided in CGST ACT.
7. a) Define the term "supply".
 b) How is the value of supply determined in second hand goods ?
 c) Which are the activities not treated as supply of goods and services ?
8. a) What is input tax credit ?
 b) State valuation norms under GST.
 c) Briefly explain the role of GST Council. (4×9=36)

SECTION – B

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

9. a) An Indian company submit the following information
- 1) Profit of business after deduction of donation to approved charitable institution 4,00,000.
 - 2) Donation to charitable institution by cheque 50,000.



- 3) Interest on Govt. securities 20,000.
- 4) Dividend from a domestic company (gross) 60,000.
- 5) Long term capital gain 1,00,000.
- 6) Book profit u/s 115JB 10,00,000.

During the financial year company deposited 50,000 in Industrial Development Bank of India. Compute taxable income.

OR

- b) Which are the modes of recovery of tax ? Explain each of them.

OR

- c) Explain tax planning, tax evasion and tax avoidance with suitable examples.

10. a) What do you mean by capital structure ? What are the different options available for the company to make a capital structure ? Write about the tax implication on capital structure decision.

OR

- b) What are the arguments in support and against the GST system of taxation in India ?

OR

- c) Critically evaluate the new Indirect tax regime in India.