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K – 4997

Reg. No. :

Name :

Third Semester M.Com. Degree Examination, February 2021

**Paper II – CO 232 F : SECURITY ANALYSIS AND
PORTFOLIO MANAGEMENT**

Elective : Finance

(2018 Admission onwards)

Time : 3 Hours

Max. Marks : 75

SECTION - A

Answer all questions. Each question carries 2 marks.

1. Define investment.
2. Define intrinsic value.
3. State the efficient market hypothesis.
4. What do you mean by technical analysis?
5. Define bond.
6. What do you mean by price earnings ratio?
7. Define portfolio.
8. What do you mean by systematic risk?

P.T.O.

9. What is Sharpe's Single Index Model?
10. What do you mean by Fama's decomposition model?

(10 × 2 = 20 Marks)

SECTION - B

Answer any **five** questions. **Each** question carries **5** marks

11. Explain the various sources of investment information.
12. Explain different forms of market efficiency.
13. Explain the different factors affecting valuation of securities.
14. Explain the different techniques involved in the valuation of equity shares.
15. Explain the various steps involved in portfolio construction according to traditional approach.
16. Define CAPM. Explain its assumptions.
17. Explain the process involved in Markowitz portfolio construction.
18. What do you mean by portfolio revision? Explain the needs of portfolio revision.

(5 × 5 = 25 Marks)

SECTION - C

Answer any **two** questions. **Each** question carries **15** marks

19. Explain the dimensions of fundamental analysis.
20. Explain the valuation process of fixed-income securities.



21. Explain the various portfolio theories involved in portfolio construction process.
22. Define portfolio evaluation. Explain various methods of assessing the portfolio

(2 × 15 = 30 Marks)



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Third Semester M.Com. Degree Examination, February 2021.

Paper IV: CO 234 F-STRATEGIC COST AND MANAGEMENT ACCOUNTING

(2018 Admission onwards)

Elective : FINANCE

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. Each question carries 2 marks.

1. What is limiting factor?
2. What is make or buy decision?
3. What is absorption costing?
4. What is process costing?
5. What is variance analysis?
6. What is standard hour?
7. What is Decision support system?
8. Write a short note on EPM.
9. What is meant by ERP?

P.T.O.

10 Calculate the number of units initially introduced in Process I

Output	7,500 units
Normal loss	5% of input
Abnormal loss	100 units

(10 × 2 = 20 Marks)

SECTION B

Answer any **five** questions. Each question carries **5** marks.

- 11 How is marginal costing helpful in decision making?
- 12 What is inter process profit? Why is adjustment of stocks necessary in case of inter process profits?
- 13 Why does abnormal loss arises?
- 14 What are the possible causes of material variances?
- 15 Write short notes on:
 - (a) Business intelligence
 - (b) Strategic map
- 16 What is benchmarking?
- 17 A machine shop in a factory is working to its full capacity and earning a contribution of 500 per hour. The management receives a high priority order which it wants to execute immediately. Material will be supplied by the customer and the special order will take a minimum of 10 hours. Wages payable will be ₹ 150 per hour and variable overhead will be 150% of wages. If the customer is prepared to pay 8,000 for the order, should the order be accepted?
- 18 From the following information, compute fixed overhead variance.
Normal capacity - 6,000 hours
Budgeted fixed overhead rate is ₹ 15 per standard hour.
Actual level of capacity utilised is 5,500 standard hours.
Actual fixed overheads ₹ 50,000.

(5 × 5 = 25 Marks)

SECTION – C

Answer any **two** questions. Each question carries **15** marks.

19. Explain the concept of transfer pricing. Explain different methods of determining transfer prices.
20. What are life cycle costs? How do these costs relate to the production life cycle?
21. The standard mix of a product is:

X- 60 units @ ₹ 15 per unit

Y - 80 units @ ₹ 20 per unit

Z- 100 units @ ₹ 25 per unit

10 units of the finished product should be obtained from this mix.

During the month of June, ten mixes were completed and consumption was as under.

X- 640 units @ ₹ 20 per unit

Y - 960 units @ ₹ 15 per unit

Z- 840 units @ ₹ 30 per unit

Actual output was 90 units. Calculate all appropriate material variances.

22. A product passes through 3 process i.e. X,Y and Z. The following information is available for the year.

	X	Y	Z	Total
Materials	26,000	20,000	10,250	56,250
Direct wages	22,500	36,800	14,000	73,300
Production overheads				73,300

Units introduced into process X is 500 units at Rs.40 per unit. Production overheads are absorbed as a percentage of direct wages.



The actual output and normal loss of the respective processes are given below:

	Output (units)	Normal loss as a percentage of input	Value of scrap per unit
Process I	350	10%	₹ 20
Process II	340	20%	₹ 40
Process III	270	25%	₹ 50

Prepare Accounts for all process and gain or loss accounts.

(2 × 15 = 30 Marks)



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Third Semester M.Com. Degree Examination, February 2021

Elective : Finance

Paper I – CO 231 U — INCOME TAX PLANNING AND MANAGEMENT

(2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. Each question carries **2** marks.

1. What is meant by set off and carry forward of losses?
2. What is meant by rebate of income tax?
3. What would be the consequences if tax is not deducted at source?
4. What is tax avoidance?
5. What is AMT?
6. Describe the limits on allowable remuneration payable to partners of a firm assessed as such.
7. When is a company resident?
8. What are venture capital companies?
9. Explain International Settlement Commission.
10. What is unilateral relief?

(10 × 2 = 20 Marks)

P.T.O.



SECTION – B

Answer any **five** questions. Each question carries **5** marks.

11. What is meant by relief under Income Tax Act?
12. What are the payments on which tax is deducted at source?
13. Explain the tax planning methods under the head house property.
14. What are the tax considerations in setting up of new business?
15. What are the salient features of assessment of joint stock companies?
16. Explain tax audit.
17. Write a short note on Advance Pricing Agreement.
18. Specify whether the following acts can be considered as Tax planning or Tax management or Tax evasion.
 - (a) A pays premium of Rs. 10,000 for health Insurance policy so as to reduce his total income from by claiming deduction u/s 80 D.
 - (b) B is using a motor car for his personal purposes, but charges as business expenditure.
 - (c) C pays advance tax by estimating his total income in previous year to ensure timely compliance.
 - (d) D Ltd remitted EPF contribution on monthly basis before due date
 - (e) E, working partner of GV Associates, a partnership firm, is entitled to a annual salary of Rs. 1,20,000. He claims deduction under section 16.

(5 × 5 = 25 Marks)



SECTION – C

Answer any **two** questions. Each question carries **15** marks.

19. What are the avenues of tax planning for partnership firm and company form of organisation?
20. Evaluate "Tax management is essential, tax planning is desirable, and tax evasion is objectionable."
21. An Indian company is considering to expand its business for which Rs. 15,00,000 is required. Earning before tax estimated as 24% of the capital employed. This entire amount can be raised by issue of equity shares or combination along with borrowing from a bank @12% p.a. and by issuing of debentures @14% p.a

Which of the following three alternatives should it opt for?

- (a) Entire Rs. 15,00,000 to be raised through equity share capital
- (b) Rs. 8,00,000 from equity shares and Rs. 3,50,000 from each other sources available.
- (c) Rs. 5,00,000 from each source available.

The company shall distribute the entire amount of profits as dividend and applicable corporate tax rate is 26%. Dividend distribution tax is 17.47%.

22. Mr. Bimal aged 62 years, is resident in India. The following details are available for the previous year 2019-20.

	Rs.
Income from House property	(-)75,000
Income from business in India	2,50,000
Income from business in a foreign country (India does not have DTA agreement with that country)	6,00,000
Interest on Govt. securities from India	25,000
LIC contribution	10,000
PPF contribution	60,000



Tuition fee paid for daughter studying in India	30,000
Tuition fee paid for son studying in foreign country	1,00,000
Tax levied in foreign county	72,000

Compute the amount of income tax payable in India for the assessment year 2020-21.

(2 × 15 = 30 Marks)



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Third Semester M.Com. Degree Examination, February 2021
Paper III : CO 233 F – INTERNATIONAL FINANCIAL MANAGEMENT
(2018 Admission Onwards)

Elective : Finance

Time : 3 Hours

Max Marks 75

SECTION – A

Answer **all** questions. Each question carries **2** marks

1. What are the goals of MNC?
2. What do you mean by Global Financial Markets?
3. What is an Exchange Rate?
4. Why is balance of payments important?
5. Define foreign exchange derivative?
6. What do you mean by Currency Futures?
7. Define Convertible bonds?
8. What are different types of financial instruments?
9. Write any two theories relating to FDI?
10. What is Inflation Risk?

-(10 × 2 = 20 Marks)

P.T.O.



SECTION – B

Answer **any five** questions. Each question carries **5** marks.

11. What are the functions of International Financial Management?
12. Why study of International financial Management is significant?
13. What are the different types of exchange rate systems?
14. Explain the structure of Foreign exchange market with special reference to Indian Foreign exchange market and its types
15. Explain the various types of SWAP structures. What are the motivations underlying SWAPs?
16. What are the benefits of FDI to host countries and to MNCs?
17. "FDI play a big role in the development of Indian economy " Elucidate?
18. Elucidate various steps involved in international project appraisal?

(5 × 5 = 25 Marks)

SECTION – C

Answer **any two** of the following questions. Each question carries **15** marks.

19. In Globalised era the functions of finance executives of an MNC have become complex" In your view what are the factors responsible for decision making in International Financial Management.
20. What is Foreign Exchange Market? Explain the Characteristics and Functions of foreign exchange market?
21. Briefly discuss Global Equity instruments and Global Debt instruments.
22. What is an international project? Explain various issues and challenges faced in international project appraisal?

(2 × 15 = 30 Marks)

