

PGIS-N 1278 B-14
M.F.C. Ist Semester(CBCS) Degree Examination
Commerce
(Management Theory and Organisational Behaviour)
Paper - HC-101
(New)

Time : 3 Hours

Maximum Marks : 80

Instructions to candidates:*Attempt all sections***Section-A**

1. Answer all the sub-questions each sub-question carries 2 marks (5x2=10)
- a) Define management
 - b) What is Inter-individual conflict
 - c) what is meant by short-run decision making
 - d) Define perception
 - e) State the stages of group formation

Section-B

Answer any **three** questions each question carries 5 marks (3×5=15)

- 2. Explain the various types of planning
- 3. List and briefly explain the functions of management
- 4. What are the Managerial skills? Explain
- 5. What are the reasons for group formation
- 6. Explain the level of intra individual conflict.

Section-C

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

(3×5=45)

7. Discuss various schools of management thoughts
8. What is group decision-making? Explain the various methods and techniques of group decision making in modern management
9. Define organizational behavior. Explain the fundamental concepts used in organizational behavior
10. What is learning? Discuss the classical conditioning theory of learning
11. What are the barriers of quality of work life? Explain the strategies for improvement of quality of work life.

Section-D

12. Analyze the following case and answer the questions given at the end of the case

(1×10=10)

PMTC in the business of metal cutting tools and metal forming tools in engulfed in competition with national as well as international players. PMTCs produces are used by capital good and other engineering industries. The business is cyclical in nature, dependent on capacity utilization levels in user industries.

Gyan Chand, the MD of PMTC had been urged by the distributors in a recent meeting, to introduce high tech metal cutting tools and new models using the latest technology. They felt that this would help them fight the dumping of cheap second hand machinery and increase the domestic as well as export market share. Gyan chand realized the implications of the distributors suggestions. This would increase the R&D budget tremendously. A fully automated production line would put pressure on finances. A greater variety of tools. Models etc. would require inventory space. Mechanics need to be trained again, especially in running the latest, fully automated robots and gadgets.

Reflecting on previous staff meetings, gyan chand realized that marketing people always wanted a greater variety of models but never appreciated the huge financial burden such a decision would imply. PMTC after all carried through in operations all along with just a few models quite successfully. In such a scenario, gyan chand felt that there is no need to go in for new models. Instead he thought the focus should be on improving

existing models and reducing the cost and price the customer now a days is me interested in getting value for money. However to be on safe side he sought the opinion of a consulting firm in this regard

- a) What do you think is the mission of the enterprise
 - b) What kind of opportunities and threats exist in the firms external environment
 - c) How would you go about evaluating the strengths and weakness of the firm? What factors are critical for success or failure.
 - d) To be successful, an organization must be an open system. What does this mean and how does it apply in this case?
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PGIS 1280 B-14
M.F.C Ist Semester (CBCS) Degree Examination
Commerce
(Managerial Economics)
Paper - HC-102

Time : 3 Hours

Maximum Marks : 80

*Instructions to candidates:**Attempt all questions***Section-A**

I Answer all the subquestions each subquestion carries 2 marks **(5x2=10)**

- a) Why managerial economics is called as applied economics
- b) What is meant by equi managerial principle
- c) State the difference between economic and accounting profit
- d) What is business cycle
- e) What is kinked demand curve

Section-B

Answer any three questions each question carries 5 marks **(3x5=15)**

- 2. Explain in brief the role of managerial economist
- 3. Describe in brief the price elasticity of demand
- 4. Explain the cost -output relationship in the long-run
- 5. Explain the merits and demerits of marginal cost pricing
- 6. Explain in brief the objectives of monetary policy

Section-C

Answer any three questions. Each question carries 15 marks

7. "Marginal economics is the integration of economic theory with business practice for the purpose of facilitating decision-making and forward planning by Management"
Discuss
8. State the law of variable proportions and explain how does it operates when factor proportion varies by keeping one of the factors constant.
9. What do you mean by equilibrium? When does the firm attain equilibrium in the short-run under perfect competition? Explain
10. What is demand forecasting? Discuss in detail the various methods of demand forecasting
11. What are the causes for business cycles what measures a firm can take to overcome the ill-effects of business cycles

Section-D

12. What are the determinants of market demand for consumption goods in general? Identify the major influences factors to the market demand for
 - i) Ice cream
 - ii) sugar
 - iii) Ball pen
 - iv) Designer jeans
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PGIS - 1282 B - 14
M.F.C.Ist Semester Degree Examination
COMMERCE
(Corporate Financial Accounting)
Paper : HC 103

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates :Attempt **all** Sections**Section - A**Attempt **all** sub-questions. Each sub-questions carries 2 marks.

1. a) What is Matching concept? (5x2=10)
b) What is Directors report?
c) What is forfeiture of shares?
d) Why valuation of inventory is important?
e) What do you mean by subsidiary company?

Section - BAnswer any **Three** questions. Each question carries 5 marks

(3x5=15)

2. Define "Inventory" why proper valuation of inventory is important?
3. Explain the objective of Financial Reporting
4. Venkateshwar Co. having an issued capital of Rs. 5,00,000 in Rs. 20 shares on which Rs. 15 per shares is paid up. It declares a bonus out of profits & general reserve at the rate of $33\frac{1}{3}\%$ on paid up capital with the object of making all the above shares fully paid up. Calculate the amount of bonus declared.
5. Shiva Co. Ltd. Issued 1000 shares of Rs. 10 each at a discount of 10%. The amount is payable on application Rs. 2, on allotment Rs. 3, and on first & final call Rs. 4. The applications received were for 900 shares and all of these shares were allotted by the company. All the sums due were received except the final call on 50 shares. Pass the journal Entries to record the above transaction.
6. A plant is purchased for Rs. 20,000. It is depreciated at 5% per annum on reducing balance for five years when it becomes absolute due to new method of production and is scrapped. The scrap produces Rs. 5,385. Show the plant account in the ledger.

Section - C

Answer any Three questions. Each question carries 15 marks.

7. Explain the benefits of accounting standards. (3x15=45)
 8. From the following information calculate value of inventory using LIFO method. On March 2012.

March 1. 100 units @ Rs. 10
 12. 100 units @ Rs. 9.80
 15. 50 units @ Rs. 9.60
 20. 100 units @ Rs. 9.40

Units sold during the month were as follows :

March 10. 80 units
 14. 100 units
 30. 90 units

No. opening inventories.

9. The following is the balance sheet of Kartik. Ltd. as on 31-12-2008

<u>Liabilities</u>	<u>Amount</u>	<u>Assets</u>	<u>Amount</u>
Share capital		Land & Buildings	30000
1000 shares of Rs.			
100 each. Rs. 75 paid	75000	Machinery	40000
Securities premium	10000	Debtor's	27500
General Reserve	15000	Stock	50000
Profit & Loss a/c	20000	Bank	2500
Creditors	30000		
	1,50,000		1,50,000

On the above date, the company decided to capitalize its reserves and profits by issuing bonus to shareholders as follows :

- To make their partly paid shares fully paid
- To issue one fully paid bonus share of Rs. 100 for every 10 shares already held in the company.

For this purpose the company decided to utilize the entire amount of securities premium and general reserves and the balance of profit & loss account to the required Extent.

Pass the journal Entries & redraft the balance sheet of the Company.

10. A company purchased a 3 year's lease on January 1st, 2005 for Rs. 25000. It is decided to provide for the replacement of lease at the end of 3 years by selecting up a depreciation fund. It is Expected the investments will fetch interest at 5%. Sinking fund tables shows that to provide the requisites sum @ 5% at the end of 3 years an investment of Rs. 7,932 is required every year. Investments are made to the nearest rupees.

On 31st Dec. 2007 the investments were sold for Rs. 15,250. On 1st January. 2008 the same lease was renewed for a further period of 3 years by payment of Rs. 30,000

Prepare depreciation fund account, Depreciation fund investment a/c & New lease a/c.

11. From the following information prepare consolidated balance sheet of Shiva Ltd. and Parvati Ltd. as at 31-03-2011

<u>Liabilities</u>	<u>Shiva Ltd.</u>	<u>Parvati Ltd.</u>	<u>Assets</u>	<u>Shiva Ltd.</u>	<u>Parvati Ltd.</u>
Share capital			Good will	2,40,000	80,000
Shares of					
Rs.10 each	12,00,000	8,00,000	Plant &		
			Machinery	2,60,000	1,68,000
Reserve fund	2,60,000	---	Buildings	4,80,000	3,40,000
<u>Profit & loss</u>					
<u>a/c: on</u>					
01-04-2010	40,000	---	Investments		
for the year	3,20,000	---	Share in Parvati		
			Ltd.	6,00,000	---
Debentures	4,00,000	---	Govt. Securities	---	40,000
Deposits	---	5,20,000	Stock	3,40,000	1,60,000
Creditors	40,000	1,40,000	Debtors	2,40,000	2,88,000
B/P	---	60,000	Bills Receivable	40,000	---
			Cash	60,000	44,000
			Profit & loss a/c		4,00,000
	<u>22,60,000</u>	<u>15,20,000</u>		<u>22,60,000</u>	<u>15,20,000</u>

Adjustments :

- Shiva Ltd. purchased 48,000 shares of Parvati Ltd. on 01-10-2010
- The profit & loss account of Parvati Ltd. Showed a debit balance of Rs. 6,00,000 on 01-04-2010.
- Creditors of Parvati Ltd. included Rs. 40,000 for goods supplied by Shiva Ltd. on which Shiva Ltd. made a profit of Rs. 8,000. Half of the goods were still in stock of Parvati Ltd.
- Bills payable of Parvati Ltd. are all drawn by Shiva Ltd.

Section - D

12. Following is the Trial Balance of Prasad Co. as on 31st March 2012, prepare Trading & Profit & loss a/c and a Balance sheet as on that date. (1×10=10)

Trial balance as on 31-03-2012

	Dr. balance	Cr. balance
Opening stock as on 1-04-2011	1500	---
Purchases	25000	---
Sales	---	78,000
Sundry Debtors	6,000	---
Capital account	---	20,000
Drawings account	5,000	---
Returns	800	1000
Plant & machinery	15,000	---
B/R	2500	---
Land & Buildings	30,000	---
B/P	---	4,000
Salaries & wages	12,000	---
Trade Expenses	7,000	---
Rent, Rates & Insurance	12,00	---
Stationery	700	---
Sundry creditors	---	6,600
Provision for Bad & Doubtful debts	---	1400
Bad debts	300	---
Furniture	3,500	---
Cash balance	500	---
	<u>1,11,000</u>	<u>1,11,000</u>

Additional Information :

- 1) Closing stock as on 31st March 2012 is Rs. 1200/-
- 2) Accrued Expenses : Wages Rs. 400/- Rent Rs. 50/-
- 3) Provision for Bad and Doubtful Debts should be mainted at 15% on debtors
- 4) Provision for depreciation at 10% on plant & machinery and 8% on land & Buildings.

PGIS 1288 B - 14
M.F.C. Ist Semester (CBCS) Degree Examination
Commerce
(Group B : International Financial Management)
Paper : SC - 105(B)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Answer all the Sections

Section - A

1. Answer the following questions. Each question carries 2 Marks (5×2=10)
- a) What is the difference between spot rate and forward rate?
 - b) What is Global Deposit Receipt (GDR)?
 - c) What is option Break Even option price?
 - d) What is netting?

Section - BAnswer any **Three** questions. Each question carries 5 marks (3×5=15)

- 2. Write a brief note on the purchasing Power Parity with suitable example
- 3. What are the techniques of foreign exchange risk management?
- 4. Explain in brief the calculation of Adjusted present value (Apv)
- 5. A pound option call contract has a strike price of Rs. 102820 with the premium of 0.08 pound spot rate on maturity is 1.920 pound Rs. You are required to compute gain or Loss of buyer assuming 62500 units of contract
- 6. Determine the Future value of American Dollar
Spot value of Dollar = Rs. 60 - 00
Rinefree interest Rate
Continuity compounded = 8%
Time to future contract = 3 months

Section - C

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

(3×15=45)

7. What are the basic features of international Financial management
8. Compare and contrast transaction exposure with economic exposure. Why would an MNC consider examining why its “net cash flows” in each currency when assessing its transaction?
9. What are the types of option contracts? Explain
10. Use the following data to determine the value of call under Black sholes Model
Spot Rate of \$ = Rs. 60
Exercise price of \$ = Rs. 59
C C Risk free Rate of Return = 8%
Time to maturity = 3 months
Volatility of \$ = 0.25
11. Consider the following information
Spot rate : VSD/INR = 60
6 - months forward Rate VSD/INR = 61
6 - months interest Rate (p.a) INR = 8%
6 - months interest Rate (p.a) VSD = 5%
Compute arbiters gain or Loss from the above transactions assuming an initial investment of 1000 units.

Section - D

(Compulsory)

(10)

12. Using the following information you are required to advise the importer about the best hedging strategy to adopt
Spot rate Rs. 60/\$
90 - Day forward rates Rs. 59.50/\$
Interest rate on deposit is 5% p.a
Interest rate on borrowing in India and VSA is 6% p.a
A - 90 day call option is having a strike price of Rs. 59.60 and a premium of Rs. 0.05 per dollar
A - 90 day put option is having exercise price of Rs. 59 - 80 of a Premium of Rs. 0.05 per dollar
spot rate on the 90th day is Rs. 59 - 80/\$

PGIS 1284 B - 14
M.F.C. Ist Semester (CBCS) Degree Examination
COMMERCE
(Financial Management)
Paper : HC 104

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates :Attempt **all** Sections**Section - A**Answer **all** the sub-questions. Each sub-questions carries **2** marks.

1. a) What do you mean by operating leverage (5×2=10)
b) Define risk
c) What is networking capital
d) Define CFAT
e) What is meant by cost of debt.

Section - BAnswer any **Three** questions. Each question carries **5** marks**(3×5=15)**

2. Explain the importance of combined leverage
3. Describe in brief the objectives and scope of financial management
4. Describe the factors affecting capital structure
5. Explain the process of calculating accounting rate of return
6. Explain the concept theory of relevance in dividend policy

Section - CAnswer any **Three** questions. Each question carries **15** marks.

7. Discuss the different functional areas of financial Management (3×15=45)
8. Discuss the various factors having an impact on capital structure of an organization
9. Discuss the different types of working capital
10. A company has to select one of two alternative projects whose particulars are as follows

Project

		A	B
Initial outlay		1,18,720	1,00,760
Net cash flow at the end of the year	1	1,00,000	10,000
	2	20,000	10,000
	3	10,000	20,000
	4	10,000	1,00,000

The company can arrange required fund at 8%. Compute NDV and IRR of each project and comment on the results

	P v F @			
	8%	10%	12%	14%
1	.926	.909	.893	.877
2	.857	.826	.797	.770
3	.794	.751	.712	.675
4	.735	.683	.636	.592

11. A firm has a capital structure exclusively comprising of ordinary shares amounting to Rs. 10,00,000 the firm new wishes to raise additional Rs. 10,00,000 for expansion. The firm has four alternatives financial plans

A It can raise the entire amount in the form of equity capital

B. It can raise 50% as equity capital and 50% as 5% debentures

C it can raise the entire amount as 6% debentures

D it can raise 50% as equity capital and 50% as 5% preference share capital Further assume that the existing EBIT is Rs.120,000 the tax rate is 50%, outstanding ordinary shares 10,000 and the market price per share Rs. 100 Under all the four alternatives. Advise the firm which financial plan the firm should select

Section - D
(Compulsory)

(1×10=10)

12. A company has the following capital structure

	Book value	Market value
Debentures	3,00,000	3,00,000
Pref. shares capital	2,00,000	2,00,000
Equity shares capital	4,00,000	7,00,000
Retained earnings	1,00,000	---

The after tax cost of capital of specific source is as under

Cost of debentures	4.77%
Cost of Pref. share capital	10.53%
Cost of equity capital	14.59%
Cost of Retained earnings	14.00%

Calculate the weighted average cost of capital using

- Book value weights
- Market value weights