

Roll No _____

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[Total No. of Pages : 1

PG2S-321-B-23

M.Com. II Semester(CBCS)Degree Examination

COMMERCE

Relationship Marketing

Paper - SC-2.4(C)

Time : 3 Hours

Maximum Marks :80

Instructions to Candidates:

Attempt All the sections

SECTION - A

1. Answer **All** the sub-questions. Each sub-question carries 2 marks. (10×2=20)
- What is strategic relationship marketing?
 - Define customer life cycle.
 - What is the CRM cycle?
 - What is operational CRM?
 - What is customer retention?
 - What is up-selling?
 - What is RFM analysis?
 - What is customer empowerment?
 - What is customization?
 - What is permission marketing?

SECTION - B

- Answer any **Three** questions. Each question carries 5 marks. (3×5=15)
- What are the levels of relationship marketing? Explain.
 - What are the important components of relationship marketing? Explain.
 - What are the stages of relationship marketing? Explain.
 - Why relationship marketing is highly significant in consumer market? Explain.
 - Explain how companies manage customer relationships.

SECTION - C

- Answer any **Three** questions. Each question carries 15 marks. (3×15=45)
- Explain how a distribution channels play role in building customer relationship.
 - Discuss how a company can manage customer satisfaction and Loyalty.
 - Discuss in detail how a company measure customer lifetime value with example.
 - What are the different relationship strategies available to a marketer? Discuss.
 - What is the role of information technology in customer relationship marketing? Discuss.

Roll No _____

058505

[Total No. of Pages : 2

PG2S-322-B-23

M.Com. II Semester (CBCS) Degree Examination

COMMERCE

Derivatives

Paper - SC-2.4(D)

Time : 3 Hours

Maximum Marks :80

Instructions to Candidates:

Attempt All the sections.

SECTION - A

Answer All the sub-questions. Each sub-question carries Two marks.

(10×2=20)

1. a) What is Initial Margin?
- b) What is Contract Size?
- c) Define Forward Contract?
- d) What is Call Option?
- e) What is Unsystematic Risk?
- f) What is Free Float Market Capitalization?
- g) What is Book Building?
- h) What is Cost of Carry Model?
- i) What is Exotic Option?
- j) What is Interest Rate Swap?

SECTION - B

Answer any Three questions. Each question carries Five marks.

(3×5=15)

2. Differentiate between Futures Contract and Forward Contract.
3. What are Secondary Markets? What is the role of Secondary Markets in Derivatives Market?
4. Explain the fundamental features of a range of key financial derivative instruments.
5. Intuitively why American Call or put option worth more than similar European Option?
6. Arun shorts a call option of UGT Ltd at an exercise price of Rs.1020 with a premium of Rs.50. Calculate the profit or loss for Arun if the spot price on expiry is as follows:Rs. 970, Rs.980, Rs. 990, Rs.1000, Rs.1010, Rs.1020, Rs.1030, Rs.1040, Rs.1050, Also draw the payoff diagram for the same.

SECTION - C

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

(3×15=45)

7. "Plain Vanilla Swap in simplest form of interest rate swap contract available in interest rates swaps market". Discuss with suitable examples along with its structure and mechanism.
8. Explain under which circumstances you would advise an investor to acquire each of the below trading strategies.
 - i) Vertical Spread
 - ii) Butterfly Spread
 - iii) Strip
 - iv) Strap
9. Examine the risks in financial derivatives and suggest measures to minimise them.
10. Explain how the stock index futures are used for adjusting the beta value of portfolio.
 - i) Upward and
 - ii) Downward
11. From the following information, calculate call option value and put option value using Black Scholes formula:
 - i) Current Market Price (S): Rs. 100 per Share.
 - ii) Exercise Price (E): Rs. 80 per Share
 - iii) Volatility of share price (σ): 30%
 - iv) Risk Free Rate of Interest (r): 10%
 - v) Time to expiration (T): 3 month.

Roll No _____

060700

[Total No. of Pages : 2

PG2S-320-B-23
M.Com II Semester (CBCS) Degree Examination
COMMERCE
Security Analysis and Portfolio Management
Paper - SC-2.4(B)

Time : 3 Hours

Maximum Marks :80

Instructions to Candidates:

Attempt **All** the sections

SECTION - A

Answer **All** the sub-questions. Each sub-question carries **Two** marks.

(10×2=20)

1. a) Define investment.
- b) What is Capital Market Line?
- c) What is leveraged portfolio'?
- d) What is support level?
- e) What is technical analysis?
- f) What is passive revision strategy?
- g) What are the criteria for evaluating an investment avenue?
- h) Define Jensen Measure.
- i) What is systematic risk?
- j) What is risk premium?

SECTION - B

Answer any **Three** of the following. Each question carries **Five** marks.

(3×5=15)

2. Discuss the key tenets of Warren Buffett's strategy for investing.
3. What are the key economic variables that an investor must monitor as a part of his fundamental analysis?
4. Write a note on Markowitz Model.
5. ABC Ltd. issues a 14%, 10 year bond with face value and maturity value of Rs.1,000. What is the value of the bond if the required rate of return is
 - i) 12% and
 - ii) 16%.
6. A firm is paying a dividend of Rs.1.50 per share. The rate of dividend is expected to grow at 10% for next three years and 5% thereafter indefinitely. Find out the value of the share given that the required rate of return of the investor is 15%.

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SECTION - C

Answer any **Three** of the following. Each question carries **Fifteen** marks. **(3×15=45)**

7. Discuss in detail the various steps involved in the portfolio management process.
8. What is portfolio revision? Explain portfolio revision strategies.
9. Discuss in detail Efficient Market Hypothesis.
10. An investment is currently available for Rs.40. The revenue return and year-end price of this investment depend upon the economic conditions. Three such conditions are likely with equal probabilities. The return and year-end prices are expected as follows:

Condition	Return	Year-end Price
Boom	Rs.2.00	Rs.50.00
Normal	Rs.1.00	Rs.43.00
Recession	Rs.0.50	Rs.34.00

Find out the expected value of return for one year period and the standard deviation of the return.

11. The following data are available to you as portfolio manager:

Security	Estimated Return (%)	Beta	Standard Deviation (%)
A	30	2.00	50
B	25	1.50	40
C	20	1.00	30
D	11.50	0.80	25
E	10.0	0.50	20
Market Index	15	1.00	18
Govt. Security	7	0	0

- a) In terms of the security market line, which of the securities listed above are underpriced?
- b) Assuming that a portfolio is constructed using equal proportions of the five securities listed above, calculate the expected return and risk of such a portfolio.

Roll No _____

061701

[Total No. of Pages : 3

PG2S-319-B-23

M.Com II Semester (CBCS) Degree Examination

COMMERCE

Strategic Cost Management

Paper - SC-2.4(A)

Time : 3 Hours

Maximum Marks :80

Instructions to Candidates:

Attempt **All** the sections

SECTION - A

Answer **All** the sub-questions. Each sub-question carries **Two** marks.

(10×2=20)

1. a) What is Benchmarking?
- b) What is cost based target cost?
- c) What is activity based management.?
- d) What do you mean by cost driver?
- e) Define learning curve model.
- f) Write any two features of target costing.
- g) What is product life cycle costing?
- h) Define the terms cost unit and cost centre.
- i) What is the philosophy of kaizen costing?
- j) What do you mean by value engineering?

SECTION - B

Answer any **Three** of the following. Each question carries **Five** marks.

(3×5=15)

2. What are the limitations of traditional cost management?
3. Explain the Philosophy of JIT approach.
4. Briefly explain the principles of kaizen costing.
5. Explain the various stages of life cycle costing.

6. MST Limited has collected the following data for its two activities. It calculates activity cost rates based on cost driver capacity:

Activity	Cost Driver	Capacity	Cost
(I) Power	Kilowatt hours	50,000 Kilowatt hours	Rs.2,00,000
(II) Quality inspection	Number of inspections	10,000 Inspections	Rs.3,00,000

The company makes three products M,S and T. For the year ended on 31st March 2023, the following consumption of cost driver was reported:

Product	Kilowatt Hours	Number of inspections
M	10,000	3,500
S	20,000	2,500
T	15,000	3,000

Required:

- 1) Compute the overheads allocated to each product from each activity.
- 2) Calculate the cost of unused capacity for each activity.

SECTION - C

Answer any **Three** questions. Each question carries **Fifteen** marks. (3×15=45)

7. What is Strategic cost management? Explain the key themes of SCM.
8. Define quality cost. Explain the broad categories of quality costs.
9. What is BPR? Discuss the process of BPR in detail.
10. A company manufacturing two products furnishes the following data for a year 2022:

Product	Annual output (Units)	Total Machine Hour	Total number of purchase orders	Total number of set-ups
A	5,000	20000	160	20
B	60000	120000	384	44

The annual overheads are as under:

Volume related activity costs:	Rs.5,50,000
Set-up related costs:	Rs.8,20,000
Purchase related costs:	Rs.6,18,000

You are required to calculate the cost per unit of each product A and B based on

- a) Traditional method of charging overheads and
- b) Activity based costing method.

11. Medical instruments uses a manufacturing costing system with one direct cost category (direct materials) and three indirect cost categories viz.,

- a) Setup, production order and materials handling costs that vary with the number of batches.
- b) Manufacturing operation costs that vary with machine hours, and
- c) Costs of engineering changes that vary with the number of engineering changes made.

In response to competitive pressures at the end of 2018, Medical Instruments employed value engineering technique to reduce manufacturing costs. Actual information for 2021 and 2022 are as follows.

Particulars	2021	2022
Setup, production order and materials handling cost per batch	Rs.8,000	Rs.7,500
Total manufacturing operating cost per machine hour	55	50
Cost per engineering change	12,000	10,000

The management of Medical Instruments wants to evaluate whether value engineering has succeeded in reducing the target manufacturing cost per unit of one of its products, HJ6, by 10%. Actual results for 2021 for HJ6 are as follows.

Particulars	Actual results for	
	2021	2022
Units of HJ6 Produced	3,500	4,000
Direct material cost per unit of HJ6	Rs.1,200	Rs.1,100
Total number of batches required to produce HJ6	70	80
Total machine hours required to produce HJ6	21,000	22,000
Number of engineering changes made	14	10

Required:

- a) Calculate the manufacturing cost per unit of HJ6 in 2021 and 2022.
- b) Did medical Instruments achieve the target manufacturing cost per unit for HJ6 in 2022? Explain.
- c) Explain how medical instruments reduce the manufacturing cost per unit of HJ6 in 2022.