

Exam. Code : 121605
Subject Code : 502506

B.Com. (Financial Services) 5th Semester

(Batch 2023-26) (CBGS)

FINANCIAL MANAGEMENT

Paper-BCS05001T

Time Allowed—3 Hours] [Maximum Marks—100

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. Define Financial Management. Explain the interrelationship between financing decision, investment decision, and dividend decision. 20
2. A company is considering an investment proposal to purchase a machine costing Rs. 2,50,000. The machine has a life expectancy of 5 years and no salvage value. The company's tax rate is 40%. The firm uses the straight-line method for providing depreciation. The estimated cash flows before depreciation and tax (CFBDT) from the machine are as follows:

Year	CFBDT (Rs.)
1	60,000
2	70,000

3	90,000
4	1,00,000
5	1,50,000

Calculate: (a) Payback period, (b) Average rate of return, (c) Net present value and profitability index at 10% discount rate, and (d) Internal rate of return.

4×5=20

SECTION—B

3. The following details are available relating to X Ltd:

Sales	Rs. 6,00,000
Variable Cost	Rs. 4,20,000
Fixed Cost	Rs. 80,000
Outstanding Debt	Rs. 4,00,000 @ 10% rate of interest

(a) Calculate Operating, Financial, and Combined Leverages for the company.

(b) If the company wants to increase its earnings to two times its present earnings (EBIT), how much of a rise in sales would be needed on a percentage basis?

15+5=20

4. Write short notes on:

(a) Financial Break-even point

(b) Capital Gearing Ratio

(c) Net Operating Income Approach

(d) Indifference Point

4×5=20

SECTION—C

5. M/s Albert & Co. has the following capital structure as on 31st March 2001:

10% Debentures	Rs. 3,00,000
9% Preference Shares	Rs. 2,00,000
Equity - 5,000 shares of Rs. 100 each	Rs. 5,00,000
Total	<u>Rs. 10,00,000</u>

The equity shares of the company are quoted at Rs. 102 and the company is expected to declare a dividend of Rs. 9 per share for 2001. Growth rate is 5%.

- (a) Assuming the tax rate applicable to the company @ 50%. Calculate the weighted average cost of capital.
- (b) Assuming that the company can raise an additional term loan @ 12% for Rs. 5,00,000 to finance an expansion, calculate the revised weighted cost of capital. The company's assessment is that it will be in a position to increase the dividend from Rs. 9 per share to Rs. 10 per share but the business risk associated with new financing may bring down the market price from Rs. 102 per share to Rs. 96 per share. 10+10=20
6. What do you understand by over capitalization? How does it differ from under capitalization? Critically discuss the causes and disadvantages of over capitalization. How would you correct over capitalization in the concern? 20

SECTION—D

7. From the following information presented by a manufacturing company, prepare a working capital requirement forecast statement for the coming year:

Expected monthly sales of 32,000 units at Rs. 10 per unit. The anticipated ratios of cost of selling price are:

Raw Materials: 40%

Labour: 30%

Budgeted overhead: Rs. 16,000 per week.

Planned stock will include raw materials for Rs. 96,000 and 16,000 units of finished goods.

Materials will stay in process for 2 weeks.

Credits allowed to debtors = 5 weeks.

Credit allowed by creditors is 1 month.

Lag in payment of overheads is 2 weeks.

Wages will be paid at the beginning of the week following the week of work.

Cash in hand is expected to be 10% of Net Working Capital.

Assume that production is carried on evenly throughout the year, overheads accrue similarly, and a time period of 4 weeks is equivalent to a month. 20

8. Critically discuss Walter's dividend Model using a suitable example. 20

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B.Com. (Financial Services) 5th Sem.

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INCOME TAX LAW-I

Paper : BCS05003T

Time Allowed—3 Hours]

[Maximum Marks—100

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. What is the treatment of Agriculture Income while computing Tax Liability if a person has both Agriculture and Non-Agriculture income?
2. Ram provides the following details of income. Calculate the income which is liable to be taxed in India for the A.Y. 2025-26 assuming that :
 - (a) He is an ordinarily resident
 - (b) He is not an ordinarily resident
 - (c) He is a non-resident

Particulars	Amount
Salary received in India from a former employer of UK	1,40,000
Income from tea business in Nepal being controlled from India	10,000
Interest on company deposit in Canada (1/3rd received in India)	30,000
Profit from a business in Mumbai controlled from UK	1,00,000
Profit for the year 2022-23 from a business in Tokyo remitted to India	2,00,000
Income from a property in India but received in USA	45,000
Income from a property in London but received in Delhi	1,50,000
Income from a property in London but received in Canada	2,50,000
Income from a business in Zambia but controlled from Turkey	10,000

SECTION—B

3. Mr. Narinder owned four houses; the municipal valuations are Rs. 10,000, Rs. 15,000, Rs. 20,000, and Rs. 25,000 respectively. The municipal taxes are 20%. The first house is for his residence. The second house is let out for a monthly rent of Rs. 1,000. The third house is let out for a business at an annual rent of Rs. 25,000. In the fourth house, Narinder is carrying out his own business. He claims the following deductions: Interest on mortgage of the first house is Rs. 900 and Rs. 1,000 is paid as wages to a gardener in respect of the third house. Compute taxable income of four house properties of Mr. Narinder for the A.Y. 2024-25.
4. Explain various Allowances and Perquisites.

SECTION—C

5. Solve the following :

Profit and Loss Account of M/s Raju & Company

Particulars	Amount	Particulars	Amount
General Expenses	1,07,000	Gross Profit	5,40,000
Fire Insurance			
Premium	2,000	Bad debts,	
Bad debts	1,000	recovered but	
		disallowed	
		earlier	4,000

Particulars	Amount	Particulars	Amount
Salaries	1,65,000	Interest from	
		Govt. Securities	4,000
Advertisement		Rent received	
(in cash)	22,250	from employees	12,000
Proprietor's salary	1,12,500	Interest from	
		debtors for	
Interest on capital	2,000	delayed	
		payment	6,000
Income-tax	1,000		
Depreciation	2,000		
GST (due)	5,000		
Advance income-tax			
paid	1,000		
Donations	500		
Motor car expenses	750		
Municipal taxes of			
quarters let to			
employees	5,000		
Net profit	1,39,000		
Total	5,66,000	Total	5,66,000

General expenses include Rs. 4,000 paid as compensation to an old employee whose services were terminated in the interest of the business and Rs. 2,200 by way of help to a poor student. Depreciation calculated according to the rates comes to Rs. 2,900. GST was paid on 1-5-2025. Date of filing of return is 31-7-2025.

50% of Motor-car expenses are for proprietor's personal use.

Compute business income.

6. How do you compute income from the Capital Gain? What are short-term and long-term capital assets? Discuss various exemptions available for the individuals under capital gains.

SECTION—D

7. Mr. Rishab gives the following particulars of previous year 2024-25 :

Family Pension received Rs. 2,500 per month

Winning from lotteries Rs. 35,000 (Net)

Interest received on investment of Rs. 22,000 in 10% Tax-free Debentures of AB Ltd. (Listed)

Interest received on investment of Rs. 59,000 in 10% Debentures of XY Ltd. (Unlisted)

Interest from Maharashtra Government Bonds Rs. 8,500

Interest from Tax-free Punjab Government bonds
Rs. 6,200

His expenses were: Rs. 500 charged by his banker as commission on interest realized and 2% brokerage to buy and sell securities. Interest paid on loan taken to buy XY Ltd. debentures Rs. 1,000. Expenses on purchasing lottery tickets were Rs. 1,000.

Compute income from other sources for the A.Y. 2025-26.

8. What do you mean by the term deduction? Briefly discuss various deductions that are allowed while computing total income of an individual.

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B.Com. (Financial Services) 5th Semester
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FOREIGN TRADE
Paper : BCS05006T

Time Allowed—3 Hours] **[Maximum Marks—100**

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. 'Foreign Trade is very important especially in a developing Country like India' - Comment.
2. Write a detailed note on the Composition of India's Foreign Trade.

SECTION—B

3. Define Globalisation & what are the various ways in which a Business can enter into International Business.
4. What are the Foreign Trade Promotion measures taken by the Indian Government?

SECTION—C

5. What is WTO? Explain its Objectives & Principles.
6. Write a detailed note on the Functioning of WTO.

SECTION—D

7. (1) Explain Free Trade. 10
(2) Explain Protectionism. 10
8. Define the rate of exchange and explain how they are determined.

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Subject Code : 502510

B.Com. (Financial Services) 5th Semester
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MARKETING OF FINANCIAL SERVICES
Paper–BCS05005T

Time Allowed—3 Hours] **[Maximum Marks—100**

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. What do you understand about Marketing and Financial Services? Differentiate between Services and Products in detail.
2. What do you mean by Product Mix Strategy? Explain in detail.

SECTION—B

3. Write a note on Pricing of Financial Products and Services in detail.
4. Explain the Factors influencing the Pricing decisions in detail.

SECTION—C

5. Discuss the meaning and types of Channels.
6. Write a detailed note on Channel Management.

SECTION—D

7. Discuss the Marketing Information System in detail.
8. Explain the following terms:
 - (a) Personal loans
 - (b) Mutual Funds.

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Subject Code : 502509

B.Com. (Financial Services) 5th Semester
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E-COMMERCE & E-REPORTING

Paper–BCS05004T

Time Allowed—3 Hours] [Maximum Marks—100

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. Define E-Commerce and explain its important features of e-Commerce. Discuss the goals and advantages of E-Commerce.
2. Explain the framework of E-Commerce and differentiate between Electronic Commerce and Electronic Business.

SECTION—B

3. Explain the different business models of e-Commerce with respect to customers and vendors.

4. Define electronic payment system and explain its advantages and disadvantages. Discuss the online-payment mechanism.

SECTION—C

5. What is the objective of Information Technology Act, 2000? Discuss in detail the penalties and adjudication under the Information Technology Act, 2000.
6. Explain the concept and significance of Corporate Reporting. What are the qualitative characteristics of corporate information?

SECTION—D

7. Discuss the concept of Corporate Reporting through Web. Explain the stages of Web-based Corporate Reporting.
8. What are the various formats of digital annual report? What are the potential benefits and limitations of Digital Annual Reports?

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Subject Code : 502507

B.Com. (Financial Services) 5th Semester
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OPERATIONS RESEARCH

Paper : BCS05002T

Time Allowed—3 Hours] [Maximum Marks—100

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. What do you understand by Operations Research? Discuss the scope and limitations of Operations Research.
2. (a) Discuss the usefulness of sequencing in the manufacturing industry.
(b) Solve the following LPP by the Simplex Method:

$$\text{Maximize } Z = 10x_1 + 5x_2$$

Subject to:

$$4x_1 + 5x_2 \leq 100$$

$$5x_1 + 2x_2 \leq 80$$

Where $x_1, x_2 \geq 0$

SECTION—B

3. Akshit Ltd. has three factories, F_1 , F_2 , and F_3 which supply at warehouses W_1 , W_2 , and W_3 . Monthly factory capacities are 120 units, 80 units, and 80 units, respectively. Monthly warehouse requirements are 150 units, 80 units, and 50 units, respectively. Unit transportation costs (in Rs.) are as follows:

		Warehouse			Capacity
		W_1	W_2	W_3	
Factory	F_1	8	8	15	120
	F_2	15	10	17	80
	F_3	3	9	10	80
Requirement		150	80	50	280

Determine the optimum distribution for Akshit Ltd. to minimize the transportation cost.

4. A manufacturing company has five machines with which to do four jobs. Each job can be assigned to only one

machine. The cost of each job on each machine is given below:

		Machines				
		1	2	3	4	5
Jobs	I	40	45	55	57	62
	II	30	40	48	51	60
	III	28	20	41	48	53
	IV	35	40	42	48	61

What are the job assignments that will minimize the cost?

SECTION—C

5. (a) Discuss various types of inventories in industries.
- (b) Mahavir Paints Ltd. wants to improve its management policy. Annual demand for their paint is 50,000 litres, and the cost is Rs. 20 per litre. The carrying cost is 15% of the paint's value. Ordering cost is Rs. 80.
Determine:
 - (i) How much paint should be ordered each time?
 - (ii) How often should paint be ordered?
 - (iii) What is the total annual cost?

6. The pay-off matrix shown in the following table describes the increase in market share for firm A and the decrease in market share of firm B.

		Firm B			
		B ₁	B ₂	B ₃	B ₄
Firm A	A ₁	15	35	25	5
	A ₂	10	20	5	0
	A ₃	20	50	10	5
	A ₄	25	55	15	20

Determine the optimum strategies of each firm and find the value of the game.

SECTION—D

7. (a) Differentiate between PERT and CPM.
- (b) At a certain petrol pump, customers arrive in a Poisson process with an average time of 5 minutes between arrivals. The time interval between services at the petrol pump follows an exponential distribution, and as such, the mean time taken to service a unit is 2 minutes. Based on this information, you are required to answer the following questions:
- (i) What would be the expected average queue length?

(ii) What would be the average number of customers in the queuing system?

(iii) How long, on average, does a customer wait in the queue?

8. A project consists of eight activities with the following estimates:

Activity	Optimistic Time	Most Likely Time	Pessimistic Time
1-2	1	2	3
2-3	1	4	7
2-7	2	3	4
3-4	1	3	5
3-5	0	0	0
4-6	0	0	0
5-6	3	5	13
7-8	4	8	12
6-9	4	6	14
8-9	1	2	3

(i) Draw a PERT network.

(ii) Determine the critical path and its duration.

(iii) Determine the earliest expected and latest expected time for each event.

(iv) Determine scheduling of activities and compute various floats.