

SOMAIYA

VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaiya School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Master of Commerce (Banking & Finance)	SEM: II
	APR-2025

Sr. No.	Subject	Available
1.	231P24C201 – Business Finance	
2.	231P24C202 – Business Ethics & Corporate Social Responsibility	
3.	231P24C204 – Lending & Credit Management	
4.	231P24V301 – Banking Laws & Practice	
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VIDYAVIHAR UNIVERSITY



April 2025

Examination: End Semester Examination April 2025 (PG Programme)

Programme code: 24

Programme: Banking & Finance

Class:
FYMBF

Semester: II

Name of the School: Dr. Shantilal K Somaiya School of Commerce and Business Studies

Name of the Department: Accounting & Finance

Course Code: 231P24C201

Name of the Course: Business Finance

Duration: 2 Hrs.

Maximum Marks: 60

Instructions:

1. All Questions are Compulsory.
2. Use of simple calculators is allowed.
3. Give suitable examples where applicable.

Question No.	Questions	Max. Marks	CO Attainment																		
Q.1	Attempt the following:(5 mark each) (A) Elaborate on the different types of Dividends declared in companies. (B) Explain any 5 Money market Instruments (C) XYZ Ltd. wants to acquire an asset worth ₹20,00,000 through either: Leasing it for 4 years at ₹5,00,000 per year Taking a loan at 8% interest for 4 years Given 30% tax rate, which option is better?	15	CO1,2,4																		
Q.2	(A) Nifty's current level: 20,000 , Lot Size: 50 units , Margin Required: ₹50,000 (5% of contract value),After 1 week, Nifty rises to 20,500 . Calculate return on investment to the investor (B) Discuss the Different Financial intermediaries in the Indian Financial System. OR (C) Discuss the different types of risks involved in project financing. (D) Discuss the different methods and stages of Venture Capital Financing.	05 10 05 10	CO1 CO1 CO2 CO2																		
Q.3	(A) Tango Ltd is considering the following Projects:- <table><tr><th>Project</th><th>Outlays (Rs)</th><th>NPV (Rs)</th></tr><tr><td>A</td><td>15,00,000</td><td>5,00,000</td></tr><tr><td>B</td><td>10,00,000</td><td>4,50,000</td></tr><tr><td>C</td><td>9,00,000</td><td>4,00,000</td></tr><tr><td>D</td><td>8,00,000</td><td>3,50,000</td></tr><tr><td>E</td><td>7,00,000</td><td>2,50,000</td></tr></table> Capital Budget constraint of Rs.25,00,000. Choose the feasible combination on the basis of NPV of projects. Assume that the project are indivisible and there is no alternative use of the money allocated for capital budgeting. (B) Discuss the Net Present Value Method with its advantages and disadvantages	Project	Outlays (Rs)	NPV (Rs)	A	15,00,000	5,00,000	B	10,00,000	4,50,000	C	9,00,000	4,00,000	D	8,00,000	3,50,000	E	7,00,000	2,50,000	08 07	CO3 CO3
Project	Outlays (Rs)	NPV (Rs)																			
A	15,00,000	5,00,000																			
B	10,00,000	4,50,000																			
C	9,00,000	4,00,000																			
D	8,00,000	3,50,000																			
E	7,00,000	2,50,000																			

OR

(C) Calculate IRR if Discounting factor is 8 % and 12 % for the following projects and decide which is most profitable Project. Cash inflows are given below.

Particulars	Project X	Project Y
Initial Investment	8,00,000	10,00,000
Cash inflows		
Year 1	3,50,000	3,50,000
Year 2	1,80,000	4,00,000
Year 3	-	1,50,000
Year 4	3,70,000	2,80,000
Year 5	2,90,000	3,90,000
Year 6	2,10,000	1,90,000

15

CO3

Q.4

(A) From the following details, calculate the market value of equity shares of a firm by using Walter's model:
Earnings per share (E) = Rs.5; Dividend per share (D) = Rs.3;
Rate of return on Investment (r) = 10%; Cost of capital (k) = 10%
Will there be any change in the market value of equity share if the dividend payout ratio is 100% in the place of present rate of 60%?

(B) From the following information Calculate the MPBF as per method 1, 2 and 3 of Tondon Committee.
Following information of ABC Ltd. is available as on 31.3.2018.

Liabilities	Amount ('000)	Assets	Amount ('000)
Creditors	200	Current Assets:	
Other current Liabilities	150	Raw Material	400
Bank Borrowings	250	Work in Progress	60
		Finished Goods	150
		Receivables	60

Core Assets of the company are 80,000.

OR

(C) From the following information prepare a cash requirement using the balance sheet method. The balance sheet as on 1.4.2024 is as following:

Liabilities	Amount	Assets	Amount
Share Capital	2,00,000	Fixed Assets	
Capital Reserve	20,000	Land	1,50,000
Profit and Loss A/c	30,000	Plant & Machinery	80,000
Debentures	35,000	Furniture	20,000
Creditors	88,000	Closing stock	15,000
Outstanding Expenses	500	Debtors	20,000
		Bank	88,500
	3,73,500		3,73,500

5

CO4

10

CO4

5

CO4



<p>The following transactions took place during the year: New shares Issued amounting to 50,000, Balance of profit carried to balance sheet is 45,000, Debentures amounting to 8,000 were issued, Creditors outstanding were 90,000, No expenses are outstanding, Land is to be valued at 165,000, Depreciation provided on Plant is 8,000 and furniture is 3,000, Closing stock at the end is 20,000, Debtors are 15,000.</p> <p style="text-align: center;">AND</p> <p>(D) S Ltd. Currently makes all credit sales with no discount. It is considering a 2% discount on payment within 10 days. Its current sales are 2.5 lakh unit @40 p.u. variable cost is 25 rupees p.u. and average cost per unit is 30 rupees. It is allowing 2 months credit to debtors. IT is expected that change in credit terms will increase sales to 3,00,000 units, decrease debt collection period to 45 days, increased working capital requirement will be 1,20,000. Assuming 50% of sales on cash discount and 20% required investment return, should the proposed discount be offered?</p>	10	CO4
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April 2025

Examination: End Semester Examination April 2025 (UG/PG Programmes)

Programme code: 24			Class: FYMBF	Semester: II
Programme: Banking & Finance				
Name of the School: Dr. Shantilal K Somaiya School of Commerce and Business Studies		Name of the Department: Accounting & Finance		
Course Code: 231P24C202	Name of the Course: Business Ethics and Corporate Social Responsibility			
Duration: 2 Hrs.	Maximum Marks: 60			
Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary				

Question No.		Max. Marks	CO Attainment
Q.1	<p>In 2015, Volkswagen (VW), one of the world's largest automobile manufacturers, was involved in a massive scandal regarding its diesel vehicles. The company was found to have equipped millions of its diesel cars with software designed to cheat emissions tests. This software, referred to as "defeat devices," would detect when a vehicle was undergoing an emissions test and adjust the engine's performance to meet regulatory standards. However, during regular driving conditions, the cars emitted nitrogen oxide pollutants at levels far higher than what was legally allowed.</p> <p>The scandal, known as "Diesel gate," first came to light in the United States after tests revealed discrepancies between reported emissions levels and actual on-road emissions. It was later revealed that Volkswagen had knowingly installed these devices in cars sold in numerous countries, including the United States and European Union, to falsely meet environmental regulations.</p> <p>The scandal had severe consequences for Volkswagen. The company faced billions of dollars in fines, legal settlements, and compensation costs, as well as a massive hit to its reputation. It also led to the resignation of key executives, including the CEO. Moreover, it raised significant questions about corporate governance, the responsibility of businesses to act ethically, and the role of regulatory agencies in ensuring companies comply with environmental standards.</p> <p>The Ethical Dilemma:</p> <p>Volkswagen's actions present a complex ethical dilemma. The company deliberately chose to deceive regulators and consumers for the sake of higher sales and profit, despite knowing that their vehicles were causing significant harm to the environment. This was not a case of accidental non-compliance; it was a premeditated decision made by the company's top management to</p>	15	CO1

	<p>prioritize business success over social and environmental responsibility.</p> <p>While the short-term benefits of avoiding costly compliance with emissions regulations were evident, the long-term damage to the company's reputation, customer trust, and financial stability was severe. The company's actions violated fundamental ethical principles such as honesty, integrity, and environmental stewardship.</p> <p>Questions (5 marks each)</p> <ol style="list-style-type: none"> 1) What are the key ethical issues and impact involved in the Volkswagen emissions scandal? 2) Should the Volkswagen executives and employees be held accountable for the emissions scandal? Discuss their responsibilities in this case. 3) In your opinion, does the Volkswagen case represent a failure of corporate governance? Why or why not? 		
Q.2	<p>a) Define business ethics and explain its importance.</p> <p>b) Elaborate the factors influencing work ethos.</p> <p>OR</p> <p>c) Explain the key principles of Corporate ethical leadership.</p> <p>d) Write a note on whistle blowing.</p>	<p>8</p> <p>7</p> <p>8</p> <p>7</p>	<p>CO 1</p> <p>CO 2</p> <p>CO 2</p> <p>CO 1</p>
Q.3	<p>a) Explain Pyramid and Concentric models of CSR .</p> <p>b) Discuss the factors influencing the implementation of CSR policies.</p> <p>Or</p> <p>a) Describe Frieman's economic theory.</p> <p>b) Explain core Indian values and ethics in Accounting and Finance</p>	<p>8</p> <p>7</p> <p>8</p> <p>7</p>	<p>CO3</p> <p>CO3</p> <p>CO2</p> <p>CO1</p>
Q.4	<p>a) BrightChem Industries, a chemical production company, has recently launched a CSR initiative focused on environmental sustainability. The company has adopted green technologies to reduce carbon emissions and is working towards transitioning to renewable energy sources. However, it continues to face issues with the disposal of chemical effluents that result from its manufacturing processes. These effluents are often dumped into nearby rivers, leading to contamination and affecting local biodiversity. Despite regulatory compliance, the community remains concerned about the potential long-term environmental impact. BrightChem is seeking recommendations on how to improve its waste management practices and prevent further damage to the surrounding environment.</p> <p>What steps would you suggest BrightChem Industries take to improve its chemical effluent disposal process and mitigate the environmental risks associated with its operations?</p> <p>b) Explain CSR policies with regard to companies act 2013</p> <p>Or</p>	<p>8</p> <p>7</p>	<p>CO3, CO4</p> <p>CO3</p>

	<p>c) GreenTech Chemicals, a leading chemical manufacturer with over 25 years of experience, supplies industries such as agriculture, pharmaceuticals, and construction. In response to increasing global demand for sustainable practices, the company has invested heavily in Corporate Social Responsibility (CSR) initiatives, focusing on reducing emissions, improving energy efficiency, and recycling waste. However, it continues to face significant environmental challenges, particularly in managing hazardous chemical waste. Reports suggest that some toxic by-products from its industrial coatings and solvents are not fully neutralized during disposal, leading to soil and water contamination. This has raised concerns among local communities about potential long-term health risks. Additionally, GreenTech's reliance on plastic packaging remains a pressing issue. While it has made strides in adopting biodegradable alternatives, high costs and the lack of viable substitutes for certain chemical products have prevented a complete transition. As plastic waste continues to accumulate globally, environmental groups and local residents have expressed growing concerns over the company's packaging practices.</p> <p>Despite GreenTech's efforts, regulatory bodies and environmental organizations have increased scrutiny of its waste management and packaging practices, placing pressure on the company to comply with stricter environmental standards. Non-compliance could result in fines, lawsuits, and reputational damage, threatening its long-term business sustainability. While GreenTech has made notable progress in reducing its carbon footprint and enhancing operational efficiency, public perception remains mixed. Many local residents and environmental advocates remain skeptical about the effectiveness of its sustainability initiatives, highlighting a gap between the company's CSR commitments and community expectations. Bridging this divide will require GreenTech to take more transparent and proactive measures to align its environmental strategies with stakeholder concerns.</p> <p>How can GreenTech improve hazardous waste disposal and rebuild trust with the community and regulators while meeting environmental standards and CSR goals?</p>	15	CO3,CO 4 
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April 2025		
Examination: End Semester Examination April 2025 (UG/PG Programmes)		
Programme code: 24 Programme: Banking & Finance	Class: FYMBF	Semester: II
Name of the School: Dr. Shantilal K Somaiya School of Commerce and Business Studies	Name of the Department: Accounting & Finance	
Course Code: : 231P24C204	Name of the Course: Lending & Credit Management	
Duration: 2 Hrs.	Maximum Marks: 60	
Instructions: 1) Draw neat diagrams 2) Write Suitable examples as applicable 3) Q.1 is COMPULSORY		

Question No.		Max. Marks	CO Attainment
Q.1	<u>Explain the following Concepts in brief:(5 marks each)</u> a) Loan & Credit b)IRR c)Credit Rating	15	CO 2,3,1
Q.2 A.	Renu has arranged conference for Loan Department staff to discuss the Principles of Lending. You are a speaker for the said subject.	15	CO1
Q.2 B	OR A Bank has arranged a Seminar for customers to Understand in detail and elaborate on Retail & Corporate Loans .You are required to conduct the seminar as a speaker.	15	CO1
Q.3.A	Let us Explain What is credit rating In India , focusing on the types & users of credit ratings with a Company.	8	CO2
Q.3.B	Recommend to a friend about What will u do if u want to keep your credit score healthy.	7	CO2
Q.3.C	OR Distinguish between Secured vs unsecured loans to make it simple to understand to Freshers.	7	CO3
Q.3.D	A Group of businessmen needs to be given presentation about Six common types of mortgages in India .	8	CO3

Q.4.A	Bring out the difference between Equitable and registered mortgage	8	CO3
Q.4 B	Bring out the difference between Gross & Net NPA. OR	7	CO4
Q.4 C.	Recommend the Schemes of NPA settlement to a group of borrowers.	7	CO4
Q.4.D	'Choosing the right kind of Interest rate is the key to save outflow', based on the above statement, defend Floating rate of interest benefits , List the drawbacks and also help us know how to choose the right type of interest rate.	8	CO3



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April 2025

Examination: End Semester Examination April 2025 (PG Programmes)

Programme code: 24		Class:	Semester: II
Programme: Banking & Finance		FYMBF	
Name of the School: Dr. Shantilal K Somaiya School of Commerce and Business Studies		Name of the Department: Accounting & Finance	
Course Code: 231P24V301	Name of the Course: Banking Laws and Practice		
Duration: 2 Hrs.	Maximum Marks: 60		
Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary			

Question No.		Max. Marks	CO Attainment
Q.1	Mr. Jimmy took a loan of Rs. 5 crores from bank. He acquired this loan for the purchase of land. After a few months it was observed that all the documents submitted by Mr. Jimmy is false in nature. Mr. Jimmy also refused to pay further loan money. Answer the following questions. a. Can Mr. Jimmy be declared as NPA by the bank? b. How can bank verify documents before granting any loan? c. Is it advisable that the bank must provide loan with guarantor?	15	CO 3
Q.2	a. Explain the concept of BASEL I, II & III. b. Write a note on powers of the RBI as per RBI Act, 1934. OR c. Write a note on different online payment methods developed by banks in India. d. Write a note on activities which are prohibited by RBI for commercial banks.	08 07 08 07	CO 3 CO 1 CO 4 CO 1
Q.3	a. Define Cheque and write features of cheque. b. Explain the concept of Forgery as per banking rules. OR c. Write a note on PNB scam conducted by Nirav Modi. d. Write a note on Asset and Liabilities management in the banking sector.	08 07 08 07	CO 2 CO 4 CO 2 CO 2
Q.4	a. Write a note on CAMEL in the banking sector. b. Write a note about Information Technology in the banking sector and its benefits. OR c. Write a note on different types of loan offered by RBI. d. Explain Liquidity Risk and Pre payment Risk.	08 07 08 07	CO 3 CO 4 CO 2 CO 3