

SOMAIYA

VIDYAVIHAR UNIVERSITY

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

QUESTION PAPERS

BRANCH: Bachelor of Commerce (Financial Market)	SEM: III
	OCT/NOV-2022

Sr. No.	Subject	Available
1.	131U04C301 – Management Theories & Applications	
2.	131U04V301 – Corporate & Security Laws	
3.	131U04C302 – Equity Market I (A)	
4.	131U04C302 – Equity Market I (B)	
5.	131U04V303 – Corporate Finance	
6.	131U04C303 – Debt Market	
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		



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Semester (June 2022 to October 2022)		
Examination: End Semester Examination October 2022 (UG Programmes)		
Programme code: 05	Class: SY	Semester: III
Programme:		
Name of the Constituent College:		Name of the Department BFM
Course Code: 131U04C301	Name of the Course: Management theories and Applications	
Duration: 2 Hrs.	Maximum Marks: 60	
Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary 3)		

Question No.		Max. Marks
Q.1	<p>Answer the following question:</p> <p>a. Explain bases of departmentation in brief. 8</p> <p>b. State the characteristic of Planning and explain pros and cons 7</p> <p>Or</p> <p>c. Discuss the Henry Fayol's 14 principles 8</p> <p>d. Compare 'Line and Staff organization' v/s. 'Matrix organization'. 7</p>	15
Q.2	<p>Answer the following question</p> <p>a. Virtual Organization is the new structure critically explain. 8</p> <p>b. Discuss Management by objective concept 7</p> <p>Or</p> <p>c. Discuss scientific management principles 8</p> <p>d. Explain Various parties constituting the financial information system 7</p>	15
Q.3	<p>Answer the following question</p> <p>a. Define organizing and state the process of organizing. 8</p> <p>b. Explain the concept of relevant cost and irrelevant cost 7</p> <p>Or</p> <p>c. When should a company go for expand and contract critically examine 8</p> <p>d. Manmohan has four subordinates explain the number of relations he can handle effectively by using Span of control. 7</p>	15

Q.4

a. Match the following

8

15

a	Decentralization	Prepared quarterly or yearly
b	Hawthorne	Grouping of activity
c	Planning	Also known as tall organization
d	Make or buy	Balance sheet
e	Organizing	Delegation of authority
f	Financial statement	Behavioral study
g	Financial report	Produce in house or buy from supplier
h	Line organization	Link between past present and future

B. Multiple choice question:

7

1. Kaizen means _____

- a. Continuous improvement
- c Replace

- b. zero defect
- d quality control

2. The father of modern management _____

- a Taylor
- c Polaris

- b Peter Drucker
- d Henry Fayol

3. A document which help managers to take decision in corporate world _____

- a financial statement
- c financial services
- b financial market
- d financial equities

4. Mechanistic organization is used in which type of organization?

- a technical
- c education
- b Information technology
- d large

5. Delegation of authority of in large organization helps in _____.

- a specialization
- c Loss
- b delay in decision making
- d Quantity

6. Centralization is when executives manage the planning and decision-making responsibilities on _____

- a jointly
- c participative
- b signally
- d ingroup

7. Matrix organization structure divides organization into _____ type

- a one
- c number
- b two
- d salary

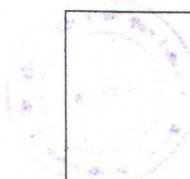


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Semester (June 2022 to October 2022)		
Examination: End Semester Examination October 2022 (UG Programmes)		
Programme code:04 Programme: BFM	Class: SY	Semester: III
Name of the Constituent College: S. K. Somaiya College	Name of the Department: Bachelors in financial Market	
Course Code: 131U04V301	Name of the Course: Corporate and Security Laws	
Duration : 2 Hrs.	Maximum Marks: 60	
Instructions: All the questions are compulsory		

Question No.		Max. Marks
Q. 1	(A) 'An Agreement with enforceable at Law is called as contract' in this statement we can understand 2 features of contract Agreement and Law enforceability. Explain these 2 features and other features of Contract Act with proper examples (8) (B) Define Offer and explain Lapse of Offer (7) OR (C) Mr. A, Mr. B, Mr. C are starting a partnership firm, for which they are entering into an agreement. Mr. A is 13 year old, Mr. B is a lunatic patient, Mr. C is an Insolvent person. Can they enter into an agreement? Explain the capacity of parties to contract (15)	15
Q.2	(A) Acura Co. Pvt Ltd, is a Private company as the name suggests. The directors are forming the AOA of the company. Imagine yourself a solicitor and form an AOA for them. (8) (B) Write difference between Private co and Public co (7) OR (C) Mr. Hariprasad wrote a book on different homemade medicines for Dengue fever. Under which Intellectual Property Right he will get protection? Also state tenure of that right with Registration procedure and remedies for using his right without his permission (15)	15
Q.3	(A) Miss Surekha is a dress designer, and she is starting her own boutique. She has decided the mark for her designer wear which is a Crown. But without registering that mark she started using it. Whether she will get any legal benefit if her mark is not registered, and it got infringed? Explain in detail the provision relating to this (8) (B) The SEBI Act ,1992 provided lots of powers to SEBI, Explain. (7) OR (C) One of the biggest shocks to the Stock market were the scams committed by Harshad Mehta and Ketan Parikh. Before this scam SEBI was there but with few powers. But after SEBI Act 1992 the SEBI got lots of powers. With these powers which functions can be performed by SEBI (15)	15
Q. 4	(A) STATE TRUE OR FALSE (8) 1. Contract is = Promise+Consideration 2. Parents teachers' relationship is example of Coercion	15

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- | | | |
|--|---|--|
| | <ol style="list-style-type: none">3. The company registered in Foreign country is called Holding company4. AOA have 6 clauses5. Trade Design is type of IPR6. Copyright protection is available for the lifetime of a person7. SEBI as an organisation was there before 19928. Chairman of SEBI is appointed by State Government | |
|--|---|--|

(B) MATCH THE FOLLOWING (7)

A

- | | |
|---|--|
| <ol style="list-style-type: none">1. Gift2. Contract3. Agreement4. Alphonso mango5. SEBI Development function6. 2 Directors7. 3 Directors | |
|---|--|

B

- | | |
|--|--|
| <ol style="list-style-type: none">a) Narrow concept contractb) Public companyc) Exception to no consideration nod) Geographical indicatione) Private companyf) E tradingg) Wider concept | |
|--|--|



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Semester (June 2022 to October 2022)		
Examination: End Semester Examination October 2022 (UG Programmes)		
Programme code: 04 Programme: BFM	Class: SYBFM	Semester: III
Name of the Constituent College: S K Somaiya College	Name of the Department: Commerce and Business Studies	
Course Code: 131U04C302	Name of the Course: Equity Market I	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1)All questions are compulsory. 2) Figures to the right indicate full marks		

Question No.		Max. Marks
Q1.	a. Explain the participants in the stock Market. (07 Marks) b. Discuss the functions of the capital market. (08 Marks) OR c. Elaborate the various types of issues in Primary Market. (15 Marks)	15 Marks
Q2.	a. Explain ASBA. State its benefits. (07 Marks) b. Write a note on Indices. (08 Marks) OR c. Explain the trading, clearing and settlement of stocks in India (15 Marks)	15 Marks
Q3.	a. Highlight the role of retail investors in stock markets. (07 Marks) b. Explain NEAT and BOLT. (08 Marks) OR c. Comment on the innovations in Indian Equity Markets in the past one decade. (15 Marks)	15 Marks
Q4.	a. State whether the following statements are True or False: (10 Marks) i. Money Market is a part of capital markets. ii. In book building, price is decided by investors. iii. NSDL is an example for stock exchange. iv. Floor price is the minimum price of the price band. v. ASBA is a process developed to invest only in rights issue. vi. Contract note keeps a record of all transactions done by the stock exchange. vii. Bears are pessimistic about the future prospects of the share market. viii. Insider trading is legal in India. ix. NSE is the oldest stock exchange in India. x. Disinvesting is a strategy popularly used by the government. b. Explain the concepts: (05 Marks) i. Offer for sale ii. Buyback iii. Greenshoe option iv. Prospectus v. RTA	15 Marks



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Semester (June 2022 to October 2022)

Examination: End Semester Examination October 2022 (UG Programmes)

Programme code: 04		Class: SYBFM	Semester: III
Programme: BFM			
Name of the Constituent College: S K Somaiya College		Name of the Department: Commerce and Business Studies	
Course Code: 131U04C302	Name of the Course: Equity Market I		
Duration : 2 Hrs.	Maximum Marks : 60		
Instructions: 1)All questions are compulsory. 2) Figures to the right indicate full marks			

Question No.		Max. Marks
Q1.	a. Discuss the components of Indian financial system. (07 Marks) b. Highlight the role of SEBI in Indian Capital Markets. (08 Marks) OR c. State the different methods of issue pricing. Explain the stages of book building. (15 Marks)	15 Marks
Q2.	a. Explain the categories of investors in an IPO. (07 Marks) b. Outline the role of depositories in the stock market. (08 Marks) OR c. Describe the Indian and Overseas Stock exchanges. (15 Marks)	15 Marks
Q3.	a. Explain the concept of market capitalization in detail. (07 Marks) b. Discuss the benefits and drawbacks of buyback. (08 Marks) OR c. Write a note on NEAT and BOLT. Explain market depth. (15 Marks)	15 Marks
Q4.	a. State whether the following statements are True or False: (07 Marks) <ol style="list-style-type: none"> Bonds are sold in the capital markets India VIX is calculated by BSE ASBA stands for amount supported by blocked applications. Merchant bankers have no role post public issue. QIP is the first time a company issues shares to the public Secondary market involves selling new securities by the companies directly to the investors SEBI is the regulator for capital markets in India b. Multiple Choice Questions: (08 Marks) <ol style="list-style-type: none"> _____ of these is not a function of the stock exchange. (Role of an economic barometer, Mobility of funds, Insider Trading) _____ of the following terms is not related to capital markets. (FPO, KPO, IPO) _____ is the first computerized stock exchange in India. (NSE, BSE, MCX) _____ does not impact volatility of stocks. (Monetary policy, Company's HR Policy, Political Instability) SEBI was established in _____ year. (1991, 1990, 1992) 	15 Marks

	<p>vi. _____ is an unofficial market where financial securities are traded. (Grey market, Black Market, White Market)</p> <p>vii. _____ is a function of RTA. (Deciding share price, marketing of public issues, maintaining investor records)</p> <p>viii. _____ performs the function of underwriting during public issues. (Merchant banks, HNIs, Accountants)</p>	
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Semester (June 2022 to October 2022) Examination: End Semester Examination October 2022 (UG Programmes)		
Programme code: 04 Programme: BFM (Financial Markets)	Class: SY	Semester: III
Name of the Constituent College: S K Somaiya College		Name of the Department Commerce and Business Studies
Course Code: 131U04V303	Name of the Course: Corporate Finance	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: All Questions are Compulsory		

Question No.		Max. Marks														
Q.1	<p>A. Flame Ltd. has the following data for the coming year:</p> <table><tr><td>Fixed Cost (Rs)</td><td>50,000</td></tr><tr><td>Variable cost (Rs)</td><td>Rs. 40000</td></tr><tr><td>Sales (10,000 units)</td><td>Rs. 20</td></tr></table> <p>Find out : PV ratio, Break Even Point (Units) and (Rs), MOS (Units) and (Rs)</p> <p>Evaluate the effect of the following on PVR, BEP and MOS</p> <p>(a) 10% increase in variable cost</p> <p>(b) 5% decrease in selling price</p> <p style="text-align: center;">OR</p> <p>B) Camel Ltd. has the following capital structure as on 31/3/2022</p> <table><tr><td>Particulars</td><td>Rs.</td></tr><tr><td>Ordinary Shares (4,00,000 shares)</td><td>80,00,000</td></tr><tr><td>10% Preference Shares</td><td>20,00,000</td></tr><tr><td>14% debentures</td><td>60,00,000</td></tr></table>	Fixed Cost (Rs)	50,000	Variable cost (Rs)	Rs. 40000	Sales (10,000 units)	Rs. 20	Particulars	Rs.	Ordinary Shares (4,00,000 shares)	80,00,000	10% Preference Shares	20,00,000	14% debentures	60,00,000	15
Fixed Cost (Rs)	50,000															
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	<p>The shares of the company are presently sells to Rs. 20. It is expected that the company will pay next year a dividend of Rs. 2 per share which will grow @ 7 % forever. Assume tax rate of 40 %. You are required to compute:</p> <p>1. Weighted Average Cost of Capital based on existing capital structure.</p> <p>2. New WACC, if the company raises an additional Rs. 40,00,000 debts by issuing 15% debentures. The expected dividend at the year end will be Rs. 3, and the market growth price per share will fall to Rs. 15 per share, the growth rate remains unchanged.</p>																																					
Q.2	<p>A. A company's capital structure consists of the following :</p> <table><tr><th>Particulars</th><th>(Rs.)</th></tr><tr><td>Equity Shares of Rs. 10000</td><td>20 lakhs</td></tr><tr><td>Retained Earnings</td><td>10 lakhs</td></tr><tr><td>9% Preference Shares</td><td>12 lakhs</td></tr><tr><td>7% Debentures</td><td>8 lakhs</td></tr><tr><td>Total</td><td>50 lakhs</td></tr></table> <p>The company earns 12% on capital. The income tax rate is 50%. The company requires a sum of Rs. 25 lakhs to finance expansion programme for which following alternatives are available to it.</p> <p>(i) Issue of 20,000 Equity shares at a premium of Rs. 25 per share.</p> <p>(ii) Issue of 10% Preference shares.</p> <p>(iii) Issue of 8% Debentures.</p> <p>It is estimated that the P/E ratio in the cases of equity, preference and debenture financing would be 21.4,17 and 15.7 respectively.</p> <p>Which of the three-financing alternative would you recommend and why?</p> <p style="text-align: center;">OR</p> <p>B) Calculate the degree of operating leverage, degree of financial leverage and the degree of combined leverage for the following firms :</p> <table><tr><th></th><th>A</th><th>B</th><th>C</th></tr><tr><td>Sales (₹)</td><td>3,60,000</td><td>7,50,000</td><td>1,00,000</td></tr><tr><td>Variable Cost p.u.</td><td>20</td><td>150</td><td>2</td></tr><tr><td>Fixed Cost (₹)</td><td>72,000</td><td>1,40,000</td><td>15,000</td></tr><tr><td>Output (units)</td><td>6,000</td><td>1,500</td><td>10,000</td></tr><tr><td>Interest</td><td>40,000</td><td>80,000</td><td>NIL</td></tr></table>	Particulars	(Rs.)	Equity Shares of Rs. 10000	20 lakhs	Retained Earnings	10 lakhs	9% Preference Shares	12 lakhs	7% Debentures	8 lakhs	Total	50 lakhs		A	B	C	Sales (₹)	3,60,000	7,50,000	1,00,000	Variable Cost p.u.	20	150	2	Fixed Cost (₹)	72,000	1,40,000	15,000	Output (units)	6,000	1,500	10,000	Interest	40,000	80,000	NIL	15
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Interest	40,000	80,000	NIL																																			
Q.3	<p>A. The cash flow streams for two alternatives investments Tata and beta are :</p> <table><tr><th>Year</th><th>Tata (Rs)</th><th>Bata (Rs)</th></tr><tr><td></td><td></td><td></td></tr></table>	Year	Tata (Rs)	Bata (Rs)				15																														
Year	Tata (Rs)	Bata (Rs)																																				



0	(2,00,000)	(2,10,000)
1	50,000	80,000
2	80,000	60,000
3	1,00,000	80,000
4	80,000	60,000
5	60,000	80,000

Calculate the

1. Payback Period

2. Net present value using 12% discount rate and

3. Benefit cost ratio using 12% discount rate for the two alternatives.

Which alternative would you choose for investment and why?

PV factor @12%	0.893	0.797	0.712	0.636	0.567
Year	1	2	3	4	5

OR

B) Explain the concept of Operating and Financial lease as sources of funds along with it also highlight the key point of difference between Leasing and Hire purchase in detail.

Q.4

A) State whether following statements are True or False (8 marks)

- Share capital is a long term source of finance.
- Cost of equity is Zero.
- The ratio of debt and equity must be equal.
- Present value of the rupee is always less than its future value.
- If NPV is greater than zero, then the project has to be rejected.
- The marginal cost of capital is the same as the weighted cost of capital.
- P/E Ratio stands for Preference Equity.
- Preference shares are given a flexible rate of dividend.

B) Match the Following

(7 marks)

Group A		Group B
1 Replacement of Equipment	a	Payback period
2 Capital structure	b	Deployment of funds
3 Capital budgeting	c	Mobilization of funds

15

4	Flotation cost	d	Contribution
5	Financing decision	e	Issue of new securities
6	Investment decision	f	Mix of debt and equity
7	Profit + Fixed Cost	g	Capital budgeting decision



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Semester (June 2022 to October 2022)

Examination: End Semester Examination October 2022 (UG Programmes)

Programme code:4

Programme: BFM

Class: SY

Semester: III

Name of the Constituent College:

S K SOMAIYA

**Name of the Department: Commerce
and Business Studies**

Course Code: 131U04C303

Name of the Course: DEBT MARKET

Duration : 2 Hrs.

Maximum Marks : 60

Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary

Question No.		Max. Marks
Q.1	A. Explain Debt Markets & Features of Debt Market. (8marks) B. Write a Note on State Government Guaranteed Bond. (7marks) OR C. Distinguish Between Primary market & Secondary Market. (8marks) D. Discuss SGL and CSGL in brief. (7marks)	15
Q.2	A. Explain functions of Credit Rating Agency. (8marks) B. Explain Corporate Bond and market segment of Corporate Bond. (7marks) OR C. Define the term Debentures and features of Debentures. (8marks) D. State the importance of Corporate Debt Market. (7marks)	15
Q.3	A. Sita decides to purchase a bond of Rs. 1000 bearing interest rate of 12% is redeemable at par in 8 years. Calculate the value of bond for Sita if required rate of return is 14%. (8marks) B. Mr Rohan after consulting his financial team, decides to purchase the following Bonds with a Face value Rs 200, Maturity 4 years, and coupon 12%. (7marks) i. If Mr Rohan requires an YTM 15% on Bonds, what is the fair market price of Bond? ii. If the bond is selling for the price of Rs. 198.72 what is the YTM. OR C. Describe Duration and Rupee Duration. (8marks) D. Explain the Theories of term structure of interest rates. (7marks)	15

1. Primary Dealers	a. Negotiated Dealing System
2. CCIL	b. No repayments
3. Central and State Governments	c. Feature of Bond
4. Junk Bonds	d. Intermediaries
5. Fixed Maturity Bond	e. Within 1 year
6. Credit risk	f. Clearing Corporation of India
7. NDS	g. Higher Interest rate
8. Treasury Bills	h. Sovereign Bonds

B. State whether the following statements are True or False: (7 Marks)

1. Zero Coupon Bonds, issued at discounted value.
2. Bond Prices and interest rate are inversely related to each other.
3. YTM is used to calculate the required rate of return.
4. Credit rating is an assessment of the creditworthiness of the borrower.
5. Primary Dealers buy Government securities directly from RBI.
6. Flexible rate bond are bonds on which the coupon rate is fixed for the entire life of the bond.
7. Debt securities can be classified as having long term and short term maturity.