

- j. The provision in the contract for reduction in contract price, in case the price of cost elements falls below a certain level is called _____
- A. Escalation clause
B. De-escalation clause
C. Cost plus contract
D. Sub contract

SECTION – B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)

- a. State the meaning of Retention money.
- b. Compute the Economic Batch Quantity for a company using batch costing with the following information:
Annual demand -10,000 units
Setting up cost ₹250
Cost of manufacture per unit ₹400
Rate of interest per annum 10%
- c. From the following information, calculate total passenger kilometers of a bus
Number of buses : 5
Days operated in the month : 25
Trips made by each bus : 4
Distance covered : 25 kms each way
Capacity of the bus : 50 passengers
Normal passengers travelling : 90% of the capacity
- d. State any four industries where operating costing is used.
- e. What is meant by Flexible budget?
- f. Give the meaning of Angle of incidence.
- g. If the fixed cost is ₹8,000, profit earned ₹2,000 and break even sales ₹40,000, calculate actual sales.
- h. List any four limitations of Standard costing.
- i. What is Abnormal gain?
- j. State any two differences between Job costing and Batch costing.
- k. What is Notional profit?
- l. Distinguish between Joint-products and By-products.

SECTION – C

- Answer any **THREE** questions in not less than one page each. (3x5=15)

3. A company produces and sells 50,000 units of a product at variable cost of ₹41 each. The fixed costs are ₹2,00,000. The selling price is fixed to make a profit at 25% on sales. You are required to calculate:
a) Contribution b) P/V Ratio c) Break Even Sales
4. If the material cost of a product is ₹ 2,500, labour cost ₹ 2,000, factory overhead is 25% of factory cost, administrative overhead is 20% of cost of production and selling expense is $33\frac{1}{3}\%$ of total cost of sales, calculate the total cost of sales of a product.

5. The information given below has been taken from the records of an engineering work in respect of Job No. 555.

Materials- ₹ 5,020

Wages : Department A- 60 hours @ ₹30 per hour

Department B- 40 hours @ ₹20 per hour

Department C-20 hours @ ₹50 per hour

The works overheads are as follows:

Variable: Department A- ₹5000 for 5000 labour hours

Department B- ₹3000 for 1500 labour hours

Department C- ₹2000 for 500 labour hours

Fixed: ₹20000 for 10,000 working hours

Calculate the cost of Job No. 555 and the price for the job to earn a profit of 25% on the selling price.

6. What is Management Accounting? State the objectives of Management Accounting.

SECTION – D

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Answer any THREE questions.

(3x15=45)

7. Mr. Dheeraj owns a bus which runs from Delhi to Chandigarh and back for 10 days in a month. The distance from Delhi to Chandigarh is 150 kilometers. The bus completes the trip from Delhi to Chandigarh and back on the same day. The bus goes another 10 days in a month towards Agra. The distance from Delhi to Agra is 120 kilometers. This trip is also completed on the same day. For the rest 4 days of its operation in a month, it runs in the local city. The daily distance covered in the local city is 40 kilometers.

Calculate the rate, Mr. Dheeraj should charge a passenger when he wants to earn a profit of 33.33% on his takings. The other information is given below:

Cost of the bus	₹6,00,000
Depreciation rate	20%
Salary of the Driver	₹ 3,500 per month
Salary of the conductor	₹ 3,500 per month
Salary of part-time accountant	₹ 1,600 per month
Insurance	₹ 1,680 per annum
Diesel consumption: 4 kilometres per litre @	₹ 70 per litre
Token tax	₹ 600 per annum
Lubricant oil	₹100 per 100 kilometre
Repairs and maintenance	₹ 500 per month
Permit fee	₹ 800 per month
Normal Capacity	50 persons

The bus is generally 90% of the capacity, when it goes to Chandigarh and 80% when it goes to Agra. It is always full when it runs within the city.

G 401.6

8. The Contract ledger of Manila and Company showed the following on account of a Contract on 31.3.2020

Materials	₹2,10,000
Plant	₹70,000
Wages	₹2,93,000
Sundry expenses	₹15,000
Establishment expenses	₹10,000

The Contract was started on 1st April 2019 and the Contract Price was ₹10,00,000. Cash received to date was ₹4,80,000 representing 80% of work certified. The value of Plant on 31.3.2020 was ₹20,000 and value of material on hand was ₹6,000. The cost of work finished but not certified was ₹50,000.

Some of the materials costing ₹20,000 were found unsuitable and were sold for ₹16,000 and a part of the plant costing ₹5,000 was unsuited to the contract and was sold at a profit of ₹1,000. In order to calculate the profit made on 31st March 2020, the contractor estimated further expenditure that would be incurred in completing the contract.

The estimates were as under:

- That contract would be completed by September 30th 2020.
- That a further sum of ₹30,000 would have to be spent on Plant and the residual value of the Plant on the completion of the contract would be ₹12,000.
- The materials in addition to those on hand on 31st March 2020 would cost ₹1,00,000 and that further sundry expenses ₹7,000 would be incurred.
- The wages would amount to ₹1,69,000.
- That the establishment charges would cost the same amount per month as in the previous year. Total of ₹18,000 would be sufficient to meet the contingencies.

Prepare the Contract Account and a statement of Estimation of profit on contract.

9. The finished product of a factory has to pass through three processes A, B, C for completion. The normal loss of each process is 2% in Process A, 5% in Process B and 10% in Process C, calculated on the input of each process.

The output of each process transferred to next process and the finished products are transferred from Process C into finished stock A/c. The following further information is obtained:

Particulars	Process A (₹)	Process B (₹)	Process C (₹)
Materials used	24,000	12,000	12,000
Direct wages	16,000	10,000	8,000
Manufacturing expenses	5,000	7,000	5,000
Scrap value per 100 units	10	40	20

Establishment expenses amounted to ₹8,500 to be apportioned on the basis of direct wages. 20,000 units have been put into Process A @ a cost of ₹60,000.

The actual output of each process has been- A-19600 units, B- 18,400 units, C-16,700 units. Prepare Process A, B & C Accounts.

10. The Standard labour hours and rate of production per hour on one Article is given below:

	Hours	Rate per hour
Skilled worker	5	300
Unskilled worker	8	100
Semi-skilled worker	4	150

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Actual data: Articles produced: 1,000 units

	Hours	Rate per hour
Skilled worker	4,500	400
Unskilled worker	10,000	90
Semi-skilled worker	4,200	150

- Calculate (a) Labour Cost Variance (b) Labour Rate Variance (c) Labour Efficiency Variance (d) Labour Mix Variance and (e) Labour Yield Variance

SECTION - E (Compulsory)

(10 Marks)

11. With the following data for 60% of activity, prepare a budget for 80% capacity showing distinctly marginal cost and total cost.

	₹
Materials	1,20,000
Variable overhead :	
Indirect material	12,000
Indirect labour	36,000
Direct labour	2,40,000
Fixed overhead :	
Salaries (office)	30,000
Depreciation	33,000
Insurance (factory)	9,000
Other overheads :	
Electricity (40% fixed)	60,000
Repairs (80% fixed)	6,000
Selling expenses (50% fixed)	30,000
Units produced at 60% capacity	6000 units

G 401.6a

(2018 Batch)

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St Aloysius College (Autonomous)
Mangaluru
B.B.A. (CIMA) Semester VI – Degree Examination
August / September 2021
FINANCIAL STRATEGY

Time: 3 hrs.

Max Marks: 100

SECTION – A (MCQ type questions) – Compulsory

1. Answer **ALL** the following questions. (10x1=10)
- a) Value for money is an important objective for not-for-profit organisations.
- A. Using a cheaper source of goods without decreasing the quality of not-for-profit organisation services
 - B. Searching for ways to diversify the finances of the not-for-profit organisation
 - C. Decreasing waste in the provision of a service by the not-for-profit Organisation
 - D. Focusing on meeting the objectives of the not-for-profit organisation
- b) HRJ Co is about to prepare a sustainability report for the first time, following the Global Reporting Initiative Guidelines.
The directors are currently preparing the section covering General Standard Disclosures.
Which of the following headings should NOT appear in this section?
- A. Society and Human Rights
 - B. Strategy and Analysis
 - C. Stakeholder engagement and Analysis
 - D. Governance and strategy
- c) Vinus Co is a UK based company. It is preparing a sustainability report in accordance with the Global Reporting Initiative's G4 guidelines.
The company recently made a political donation to the opposition party during the UK general election campaign.
Under which category would this information be disclosed in Vinus Co's sustainability report?
- A. Economic
 - B. Social – Society
 - C. Social – Human rights
 - D. There is no requirement in the G4 guidelines to disclose political donations
- d) The directors of McCombs Co, an unlisted company, have identified an attractive (positive NPV) project which is expected to generate positive cash flows for the company over a five-year period. Finance is needed to fund the purchase of a new machine to use in the project.
Which of the following financing decisions would be most appropriate in these circumstances?
- A. Extend the overdraft to fund the investment
 - B. Issue new shares to existing shareholders
 - C. Issue some new bonds on the market
 - D. Arrange a term loan with the bank

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Contd...2

G 401.6a

- e) JJ Co has in issue 1.2 million shares, currently valued at \$3 each, and a rights issue is being considered.
The rights issue will be either:
- 1 for 4 at \$2.50 per share, or
 - 1 for 3 at \$1.875 per share.
- Assuming that all shareholders take up their rights, and that there are no issue costs, what will be the effect of the rights issue on each shareholder's total wealth before taking account of any positive NPV generated by investing the new capital?
- A. Total wealth increases more under the 1 for 4 schemes
 - B. Total wealth increases more under the 1 for 3 schemes
 - C. Total wealth is unchanged under both schemes
 - D. Total wealth decreases under both schemes
- f) Molier is an unquoted entity with a recently reported after-tax earnings of \$3,840,000. It has issued 1 million ordinary shares with nominal value of \$0.50 each. A similar listed entity has a P/E ratio of 9.
What is the current value of one ordinary share in Molier using the P/E basis of valuation?
- A. \$34.56 million
 - B. \$69.12 million
 - C. \$34.56
 - D. \$69.12
- g) An entity may issue convertible unsecured loan stock because
- A. it is cheaper to service than ordinary debt
 - B. sales and earnings are expected to fall over the next few years
 - C. if conversion takes place, it will not disturb the firm's gearing ratio
 - D. if conversion takes place, it will generate additional capital funds for the firm
- h) Modigliani and Miller's 1958 'without tax' gearing theory concludes that:
- A. There is an optimum gearing level at which the value of the company is minimized.
 - B. There is an optimum gearing level at which the value of the company is maximised
 - C. The value of the company is unaffected by the gearing level
 - D. The value of the company reduces as the gearing level increases.
- i) Sadie Co trades regularly with suppliers and customers in foreign countries. Three months ago the company agreed to buy a large shipment of raw materials on credit from a foreign supplier.
By the time Sadie Co paid for the shipment last week, the exchange rate had moved significantly, causing the cost of the raw materials to be 10% more than originally expected.
What type of risk is this an example of?
- A. Translation risk
 - B. Economic risk
 - C. Political risk
 - D. Transaction risk
- j) Q Co is an entity that was set up by the government of Country Q to produce electricity for the country's citizens. Five years ago, it was privatised as the government of Country Q opened up the energy market to competition. The shares of Q co are now owned by both private investors and institutions, and are traded on Country Q's stock market.
What kind of entity is Q Co?
- A. Public sector, for-profit entity
 - B. Public sector, not-for-profit entity
 - C. Private sector, for-profit entity
 - D. Private sector, not-for-profit entity

SECTION – B

2. Answer any **TEN** of the following questions in two to three sentences each. **(10x2=20)**
- What is Return on capital employed?
 - What are the Principles for defining report quality?
 - Lazaretto Co is a listed company. It has 1 million \$1 shares in issue, trading at \$3.01, and 10,000, 5% coupon bonds with par value \$100 and market value \$95. The company made an operating profit of \$1.33 million last year. The directors are considering issuing 5,000 new secured bonds at their par value of \$100. The coupon rate will be 4%. What will be the interest cover of Lazaretto Co in the year after the bonds are issued, on the assumption that operating profits will stay constant?
 - The management accountant of Sweep Bank has estimated that the value of its asset portfolio at the coming year end will be \$1,000 million, with a standard deviation of \$350 million.
What is the value at risk of the portfolio, at a 95% confidence level?
 - Give the meaning of translation risk.
 - What is White Knight Strategy?
 - Mention the three ways of valuing a business.
 - What is Dividend yield ratio?
 - What is Divestment?
 - Give the meaning of Placing.
 - ASH Co has made a bid for GIANT Co, in an attempt to take it over. The bid is a 1 for 2 share for share exchange.
Currently, ASH Co has 1 million shares in issue, trading at \$6.33. GIANT Co has 200,000 shares in issue trading at \$2.96. It is expected that \$100,000 of synergy will be generated by the takeover.
What is the expected share price in the combined company after the takeover?
 - What is Investment Decision?

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SECTION – C

Answer any **THREE** questions in not less than one page each. **(3x5=15)**

3. Lilydale Co has 5m ordinary shares in issue. Its results for the year are:

	USD000
Profit before tax	750
Tax	(150)
Profit after tax (PAT)	600
Ordinary dividend – proposed	<u>(150)</u>
Retained profit	<u>450</u>

The market price per share is currently 83 cents cum-dividend. Required: Calculate the following ratios: (a) Price/earnings ratio (b) Dividend payout rate (c) Dividend yield, and (d) Dividend cover.

4. White Co has 1 million shares in issue. The shares have a nominal value of \$1 and are currently trading at \$2.00. White Co's P/E ratio is 7.05.
The directors are considering raising \$400,000 in order to undertake a new project. It is expected that the new project will cause earnings to rise by \$30,000 each year.
If White Co uses a 1 for 4 rights issue to raise the finance, what is the expected earnings per share (EPS) of White Co after the finance has been raised and the project undertaken?

G 401.6a

5. X Co is identical in all operating and risk characteristics to Y Co, except that X Co is all equity financed and Y Co is financed by equity valued at \$2.1m and debt valued at \$0.9m based on market values. X Co and Y Co operate in a country where no tax is payable.
The interest paid on Y Co's debt is \$72,000 per annum, and it pays a dividend to shareholders of \$378,000 per annum. X Co pays an annual dividend of \$450,000.
(a) Calculate the cost of equity for Y Co, and the cost of debt for Y Co.
(b) Calculate the weighted average cost of capital for Y Co.
6. Company A has 200m shares with a current market value of GBP4 per share. Company B has 90m shares with a current market value of GBP2 per share. A makes an offer of 3 new shares for every 5 currently held in B. A has worked out that the present value of synergies will be GBP40m.
Calculate the expected value of a share in the combined company (assuming that the given share prices have not yet moved to anticipate the takeover), and advise the shareholders in company B whether the offer should be accepted.

SECTION - D

Answer any **THREE** questions in not less than two pages each. (3x15=45)

7. Molson Co has a paid-up ordinary share capital of EUR2,000,000 represented by 4 m shares of 50 cents each. Earnings after tax in the most recent year were EUR750,000 of which EUR250,000 was distributed as dividend. The current price/earnings ratio of these shares, as reported in the financial press, is 8. The entity is planning a major investment that will cost EUR2,025,000 and is expected to produce a positive NPV of EUR402,400. The necessary finance is to be raised by a rights issue to the existing shareholders at a price 25% below the current market price of the entity's shares.
(a) Calculate: (i) the current market price of the shares already in issue; (ii) the price at which the rights issue will be made; (iii) the number of new shares that will be issued; (iv) the price at which the shares of the entity should theoretically be quoted on completion of the rights issue (i.e. the 'ex-rights price'), ignoring incidental costs and assuming that the market accepts the entity's forecast of project NPV.
(b) It has been said that, provided the required amount of money is raised and that the market is made aware of the earning power of the new investment, the financial position of existing shareholders should be the same whether or not they decide to subscribe for the rights they are offered. Illustrate and comment on this statement.
8. Chassagne Co is considering making a bid for Butler Co, a rival company. The following information should be used to value Butler Co.
Statement of profit or loss for the most recent accounting period

	GBP m
Revenue	285.1
Cost of sales	(120.9)
Gross profit	164.2
Operating expenses (inc depreciation GBP 12.3m)	(66.9)
Profit from operations	97.3
Finance costs	(10)
Profit before tax	87.3
Taxation	(21.6)
Profit after tax	65.7

Other information

- selling prices are expected to rise at 3% per year for the next 3 years and then stay constant thereafter.
- sales volumes are expected to rise at 5% per year for the next 3 years and then stay constant thereafter.

Contd...5

- assume that cost of sales is a completely variable cost, and that other operating expenses (including depreciation) are expected to stay constant.
- Butler Co invested GBP 15m in non-current assets and GBP 2m in working capital last year. These annual amounts are expected to stay constant in future.
- Butler Co's financing costs are expected to stay constant each year in the future.
- the marginal rate of tax is 28%, payable in the year in which the liability arises.
- assume that book depreciation equals tax depreciation.
- Butler Co has 500 million shares in issue.
- the WACC of Butler Co is 9% and its cost of equity is 12%.

Calculate the value of the equity in Butler Co (in total and per share) by forecasting future cash flows to equity and discounting them to present value using cost of equity.

9. Canalot Co is an all equity company with an equilibrium market value of GBP32.5 million and a cost of capital of 18% per year.

The company proposes to re-purchase GBP5 million of equity and to replace it with 13% irredeemable bonds.

Canalot's earnings before interest and tax are expected to be constant for the foreseeable future. Corporate tax is at the rate of 35%. All profits are paid out as dividends.

Explain and demonstrate how this change in capital structure will affect:

- 1) the market value;
- 2) the cost of equity; and
- 3) the cost of capital of Canalot Co, using the assumptions of Modigliani and Miller.

(10marks)

Explain any weaknesses of both the traditional and Modigliani and Miller theories and discuss how useful they might be in the determination of the appropriate capital structure for a company.

(5 marks)

10. A company is considering two funding options for a new project. The new project may be funded by GBP10m of equity or debt. Below are the forecast financial statements reflecting both methods of funding.

Statement of financial position extract

	Equity GBPm	Debt GBPm
Long term liabilities (10% bonds)	0	10
Capital		
Share capital (50 pence)	11	3.5
Share premium	4	1.5
Reserves	5	5
	<u>20</u>	<u>10</u>

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Statement of profit or loss extract

	GBPm
Revenue	100
Gross profit	20
Less expenses (excluding finance charges)	<u>(15)</u>
Operating profit	<u>5</u>

Corporation tax is charged at 30%.

Required:

- (a) Calculate the operating profit margin and the asset turnover.
- b) Calculate Return on Capital Employed and Return on Equity, and compare the financial performance of the company under the two funding methods.
- (c) What is the impact on the company's performance of financing by debt rather than equity?

SECTION – E (Compulsory)**(10 Marks)**

11. Penny Company wishes to invest in a new lorry costing \$130,000. The lorry has a life of four years and no scrap proceeds are expected to be available after this period. Tax allowable depreciation is available at 25% on a reducing balance basis. The company can borrow at 12% pre-tax. The lorry could alternatively be leased for a cost of \$40,000 per year payable in arrears for four years. Assume for now that the full lease payment is a tax deductible expense and that no tax allowable depreciation can be claimed on a leased asset. Corporation tax is 33% payable one year in arrears. Determine whether the company should lease or purchase the asset.

(2018 Batch)

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St Aloysius College (Autonomous)

Mangaluru

B.B.A. Semester VI – Degree Examination

August / September 2021

INVESTMENT MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A (MCQ type questions) – Compulsory

1. Answer **ALL** the following questions. (10x1=10)

- a) Buying low and selling high, making a large capital gain is associated with
- A. Investment
B. Speculation
C. Gambling
D. Arbitrage
- b) The players in the debt market are
- A. RBI
B. Banks
C. General public
D. Two of the above
- c) Which one of the following is not a money market security?
- A. Treasury Bills
B. National Savings Certificate
C. Certificate of Deposit
D. Commercial Paper
- d) The BSE SENSEX comprises of the stock of how many companies?
- A. 30
B. 50
C. 75
D. None of the above
- e) The first computerised online stock exchange in India is
- A. MCX
B. BSE
C. OTCEI
D. NSE
- f) Which is India's first credit rating agency ?
- A. CARE
B. ICRA
C. CRISIL
D. ONICRA
- g) The last step in fundamental analysis is
- A. Economic analysis
B. Industry analysis
C. Company analysis
D. Technical analysis
- h) The funds in which units can be purchased only during the initial offer period are called
- A. Open-Ended Funds
B. Close-Ended Funds
C. Interval Funds
D. Fixed maturity plan
- i) Which among the following is not a commodity exchange in India?
- A. MCX
B. NCX
C. NCDEX
D. NMCEIL
- j) ----- means eliminating the paper certificates and maintaining records in the form of electronic entries only.
- A. Dematerialization
B. Book building
C. Conversion of securities
D. None of these

Contd...2

SECTION - B

2. **Answer any TEN of the following questions in two to three sentences each.** (10x2=20)
- Name any two types of Provident Funds in India.
 - What do you understand by non-security investment?
 - What is a repo market?
 - What is speculation?
 - What is OMBUDSMAN?
 - What do you mean by insider trading?
 - What is credit rating?
 - Give the meaning of government securities.
 - State any one difference between Fundamental and Technical analysis.
 - Who is a depository?
 - What do you mean by listing of securities?
 - Why should we keep bank deposits?

SECTION - C

- Answer any THREE questions in not less than one page each.** (3x5=15)
- Elucidate the investment process.
 - Examine the functions of stock market.
 - Explain the role of new issues market in India.
 - Describe the role of AMFI in the current financial market scenario.

SECTION - D

- Answer any THREE questions in not less than two pages each.** (3x15=45)
- Explain the different avenues of investment available in the financial markets in India.
 - Explain the procedure for dematerialisation and rematerialisation of securities.
 - Explain the mechanics of commodity trading in India? State the merits and demerits of investing in commodity markets?
 - Explain EIC Analysis.

SECTION - E**Compulsory :**

(1x10=10)

- What is meant by estate planning? What are the risks and drawbacks involved in estate planning? Explain its need and purpose.

G 403.6

(2018 Batch)

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**St Aloysius College (Autonomous)
Mangaluru**

**B.B.A. Semester VI – Degree Examination
August / September 2021**

ENTREPRENEURSHIP DEVELOPMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A (MCQ type questions) – Compulsory

1. Answer **ALL** the following questions. (10x1=10)
- a) An individual who initiates, creates and manages a new business can be called _____.
- A. A leader
B. A manager
C. An entrepreneur
D. A professional
- b) _____ are conventional in their approach. They are not ready to change their existing production methods even if they suffer losses.
- A. Drone entrepreneurs
B. Fabian entrepreneurs
C. first generation entrepreneurs
D. innovative entrepreneurs
- c) Trademarks relate to _____.
- A. Practice and knowledge acquired through experience
B. The protection of proprietary information of commercial value
C. The right to reproduce one's own original work
D. Brand identity
- d) A business arrangement where one party allows another party to use a business name and sell its products or services is known as _____.
- A. A cooperative
B. A franchise
C. An owner-manager business
D. A limited company
- e) The use of informal networks by entrepreneurs to gather information is known as _____.
- A. Secondary research
B. Entrepreneurial networking.
C. Informal parameters.
D. Marketing
- f) _____ can be defined as a specifically evolved work plan to achieve a specific objective within a specific period of time
- A. Idea generation
B. Opportunity Scanning.
C. Project.
D. Strategy.
- g) EDP (Entrepreneurship Development(Programmes) is required to help –
- A. Existing entrepreneurs
B. First generations entrepreneurs
C. Future generation entrepreneurs
D. None of the above
- h) _____ is primarily concerned with the identification, qualification and evaluation of the project resources.
- A. Techno-economic analysis
B. Feasibility analysis.
C. Input analysis.
D. Financial analysis.

Contd...2

- i) The business plan needs to be updated because
- | | |
|--|---|
| A. Environmental factors and internal factors can change the direction of the plan | B. Goals set by the entrepreneurs may be unreasonable |
| C. Goals may not be measurable | D. Goals may not be specific |
- j) _____ is the analysis of costs and benefits of a proposed project with the goal of assuming a rational allocation of limited funds.
- | | |
|------------------------|-----------------------|
| A. Project formulation | B. Project evaluation |
| C. Project appraisal | D. Project Design |

SECTION - B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)

- Distinguish between an entrepreneur and a manager.
- List out two entrepreneurial competencies you believe are essential within an entrepreneur to achieve success.
- Write any two factors which motivate and facilitate women entrepreneurs to undertake entrepreneurial ventures.
- What are the functions of social entrepreneurship?
- What do you mean by trade secrets? Give any one example of trade secrets from an existing business.
- What do you mean by geographical indications?
- Give the meaning of start up.
- Mention any two government policies supporting entrepreneurship in India.
- What do you mean by geographical indications?
- Mention any two challenges for Entrepreneurial Development Programmes.
- Give the meaning of project life cycle.
- Discuss any two advantages of business opportunities in Mangalore.

SECTION - C

Answer any **THREE** questions in not less than one page each (3x 5=15)

- Explain the types of rural entrepreneurship.
- The basic problem of a Family Business is its Leadership Succession. Cite examples of Indian Family Business cases to substantiate your arguments.
- Define women entrepreneur. Explain the challenges faced by women entrepreneurs in India.
- What are the major reasons for organisations to go global? What are the advantages and disadvantages of globalization?

SECTION - D

Answer any **THREE** questions in not less than two pages each (3x15=45)

- Entrepreneurship is the catalyst in the process of economic development of a country". Explain briefly in Indian context
- Provision of venture capital assistance encourages entrepreneurial orientation in a developing economy like India". Discuss.

9. Is it possible that a project that is technically feasible may not be economically viable? Illustrate your answer with suitable examples and discuss the salient aspects of technical and economic feasibility of a proposed project.
10. Explain the qualities of a successful entrepreneur.

SECTION – E**(10 Marks)**

11. One day, 2 or 3 billion people will have cell phones and they are all not going to have PC's," says Jeff Hawkins, inventor of the Palm Pilot and chief technology officer for Palm One. "The mobile phone will become their digital life," Hawkins predicts. After a slow start, mobile phones have become more ubiquitous. There are 1.5 billion in the world today- and smarter. Today's most sophisticated phones already have the processing power of a mid-2015s PC while consuming 100 times less electricity. The phones are used to send e-mail, browse the web, take pictures, and play video games and it is more than a phone. Hawkins predicts that within the next few decades all phones will be mobile phones, capable of receiving voice and internet signals at broadband speeds, and that mobile-phone bills will shrink to a few dollars a month as phone companies pay off their investment in new networks. New smart phones like Motorola's latest mobile launch is the Razr (2019). The smartphone was launched in 13th November 2019. with a resolution of 876 pixels by 2142 pixels. The Motorola Razr (2019) is powered by 2.2GHz octa-core Qualcomm Snapdragon 710 processor and it comes with 6GB of RAM. The handset opens in one direction and appears to be a regular phone, but it also flips open on another axis to look like an e-mail device, with the expanded phone keypad serving as a small, conventional qwerty keypad.

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Being witnessed with the tremendous growth in the mobile phone market all over the world, it became inevitable for the companies dealing with mobile phones to launch/upgrade a new version or new mobile for every six months. The utility of the mobile phone increased drastically in the daily lives of the people and being considered as 'extended organ' for the human race.

- Q1. At this junction, if you are an entrepreneur in the mobile phone market in India, discuss how will you assess the future demand for mobile phone market in India?
- Q2. As an entrepreneur, what are the factors to motivate Indian consumers for using smart phones?

- i. _____ are the company created under special act of the legislature.
- | | |
|----------------------------|---------------------------|
| A. Registered Company | B. Statutory Company |
| C. Private limited company | D. Public Limited company |
- j. Shares can be issued _____
- | | |
|---------------|------------------|
| A. at par | B. at discount |
| C. at premium | D. all the above |

SECTION - B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)

- a. Define Memorandum of association.
- b. Give the meaning of Pre-incorporation contract.
- c. What is Red herring prospectus?
- d. Mention any 2 difference between share warrant and share certificate.
- e. State the meaning of Surrender of shares.
- f. Who can appoint a Secretary of a company?
- g. What do you mean by Winding up of a company?
- h. Mention any 2 differences between equity shares and preference shares.
- i. Give the meaning of One person company.
- j. Define Prospectus.
- k. Give the meaning of 'De facto Control'.
- l. Give the meaning of Quorum for meeting.

SECTION - C

- Answer any **THREE** questions in not less than one page each. (3x5=15)

3. Write a note on Doctrine of constructive notice.
4. Explain the duties of a liquidator of a company.
5. Differentiate between transfer and transmission of shares.
6. Explain the rules for the appointment of the director of a company.

SECTION - D

- Answer any **THREE** questions in not less than two pages each. (3x15=45)

7. Describe the stages in the formation of a company.
8. What are the different modes of winding up of a company?
9. Explain the corporate veil. Under what circumstances the corporate veil is lifted.
10. Give the meaning of allotment of shares. Explain the general and special provisions regarding the allotment of shares.

SECTION - E (Compulsory)**(10 Marks)**

11. Narrate "Salomon Vs Salomon & Co.Ltd.", "case with reference to separate legal entity of a company.

(2018 Batch)

G 405.6

Reg. No.:

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St Aloysius College (Autonomous)
Mangaluru
B.B.A. Semester VI – Degree Examination
August / September 2021
STRATEGIC MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A (MCQ type questions) – Compulsory

1. Answer ALL the following questions. (10x1=10)
- a) The strategic management process is
- A. a set of activities that will assure a temporary advantage and average returns for the firm.
 - B. a decision-making activity concerned with a firm's internal resources, capabilities, and competencies, independent of the conditions in its external environment.
 - C. a decision-making activity concerned with a firm's internal resources, capabilities, and competencies, independent of the conditions in its external environment.
 - D. the full set of commitments, decisions, and actions required for the firm to achieve above-average returns and strategic competitiveness.
- b) A firm's strategic mission-
- A. is a statement of a firm's business in which it intends to compete and the customers which it intends to serve.
 - B. is an internally-focused affirmation of the organization's financial, social, and ethical goals.
 - C. is mainly intended to emotionally inspire employees and other stakeholders.
 - D. is developed by a firm before the firm develops its vision.
- c) Strategic management process activate in the sequence of _____
- A. Environmental scanning, Strategy formulation, Implementation, control and evaluation
 - B. Strategy formulation, Environmental scanning, Implementation, control and Evaluation
 - C. Environmental scanning, Strategy Implementation, formulation, control and evaluation
 - D. Strategy formulation, Implementation, control, evaluation, Environmental Scanning
- d) What does question mark symbolize in BCG matrix?
- A. Remain Diversified
 - B. Invest
 - C. Stable
 - D. Liquidate
- e) What is the starting point of strategic intent
- A. Objectives
 - B. Goals
 - C. Mission
 - D. Vision

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Contd...2

- f) According to the Five force model, bargaining point of customers is high if-
- A. Differentiation of competitors product is low
- B. Switching costs are low for substitute products
- C. The buyer has little information about the market
- D. The buyer requires a high quality product for own production
- g) Match the following

Question	Correct Answer
a. Retrenchment Strategies	1. Retrenchments - either internally or externally
b. Divestment Strategies	2. Contraction of activities through elimination of the scope of one or more of its business
c. Turnaround Strategies	3. Involves the sale or liquidation of a portion of a business

- A. a-1, b-2, c-3
- B. a-3, b-2, c-1
- C. a-2, b-3, c-1
- D. a-3, b-1, c-2
- h) Competitive advantage can best be described as:
- A. increased efficiency
- B. what sets an organization apart.
- C. a strength of the organization.
- D. intangible resources
- i) Which of the following defines what business or businesses the firm is in or should be in?
- A. Business strategy
- B. Corporate strategy
- C. Functional strategy
- D. National strategy
- j) In the Balanced Scorecard, Kaplan and Norton describe four perspectives that need to be balanced for companies to become and remain competitive. Which perspective places more emphasis on investing in employees?
- A. Financial
- B. Customer
- C. Internal business processes
- D. Learning & growth

SECTION - B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)
- a) Write any two importance of strategy.
- b) List out any two factors that govern the objectives of a company.
- c) Give the meaning of SBU's.
- d) What is strategic audit?
- e) Define turnaround strategy.
- f) What do you mean by strategic alliance?
- g) State any two reasons for failure of strategy
- h) What information does ETOP contain?
- i) What is GE matrix in strategic management?
- j) In terms of Strategic Management, how does a new venture's situation differ from that of an ongoing small company?

- k) What is procedural implementation?
- l) List any two significance of strategic evaluation and control.

SECTION – C

Answer any THREE questions in not less than one page each. (3x5=15)

3. What are the elements of strategic management process? How are they inter-related?
4. Explain the reasons for divestment.
5. Write short note on micro environment.
6. Conceptually, strategy of a firm consists of two inseparable parts: business strategy and corporate strategy. Distinguish between business strategy and corporate strategy.

SECTION – D

Answer any THREE questions in not less than two pages each. (3x15=45)

7. 'Strategy includes the determination and evaluation of alternative paths to an already established mission or objective and eventually, choice of the alternatives to be adopted.' Explain the statement underlining the process of strategy formulation.
8. Explain with example the terms Mission, the Vision, and the Strategic Intent Statements. Why and when is there likely to be conflict between them?
9. Explain the types of growth strategies.
10. Explain BCG matrix as a technique of portfolio analysis. Identify the following products of Apple Company in which quadrant of BCG matrix do they fall into:
 - a) iPhone
 - b) iPad
 - c) iPod
 - d) Mac
 - e) Apple Watch

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SECTION – E (Compulsory)

(10 Marks)

11. The CEO of a company manufacturing TV sets is considering backward integration in order to have control over inputs and to cut cost of production. He is also exploring the possibility of foreign technical collaboration for the manufacture of state of the art TV screens.
As a strategic consultant, you are required to prepare a note on the pros and cons of these strategic moves and identify the conditions required to be satisfied by the company.

(2018 Batch)

G 406.6

Reg. No.:

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**St Aloysius College (Autonomous)
Mangaluru**

B.B.A. Semester VI – Degree Examination

August / September 2021

BRAND MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A (MCQ type questions) – Compulsory

1. Answer **ALL** the following questions. **(10x1=10)**

- a. Brand management came into being for which of the following reasons.
- A. Companies wanted to achieve scale economies.
B. It supplemented financial management practices
C. It suited production and operations personnel
D. Companies wanted to differentiate their products and highlight distinctions in a competitive environment.
- b. 3C's of branding are Consistency, Character and _____
- A. Continuity
B. Coverage
C. Collaboration
D. Clarity
- c. _____ defines what the brand thinks about the consumer, as per the consumer.
- A. Brand attitude
B. Brand positioning
C. Brand relationship
D. Brand image
- d. Doordarshan, Close up, Frooti, Babool, Fair and Lovely, Band-aid and Ujala are the examples of _____
- A. Descriptive Brand Name
B. Suggestive brand name
C. Free Standing brand name
D. None of the above
- e. Match the correct
1. Close up - i. Fresh
2. JK Tyres - ii. Caring
3. J&J - iii. In control
4. Liril - iv. Confident
- A. 1(ii), 2(iii), 3(i), 4(iv)
B. 1(ii), 2(iv), 3(i), 4(iii)
C. 1(iv), 2(iii), 3(ii), 4(i)
D. 1(ii), 2(iii), 3(iv), 4(i)
- f. Good _____ offers various benefits to the brand and the company
- A. Communication
B. Variety
C. Positioning
D. Placement
- g. Brand element is also known as _____
- A. Awareness
B. Recall
C. Identity
D. Image
- h. _____ branding is a type of co-branding
- A. Ingredient
B. Product
C. Service
D. Personality

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Contd...2

- i. Right branding increases _____ of the product, which should be more than that of the generic product.
- | | |
|--------------------|-----------------|
| A. Consumer revolt | B. Market share |
| C. Profit | D. Value |
- j. What is more important in brand equity?
- | | |
|------------------------|------------------------|
| A. Quantity | B. Quality |
| C. Customer perception | D. Customer experience |

SECTION - B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)

- a. Define a Brand.
- b. What is Brand Credibility?
- c. State the four major steps in strategic brand management.
- d. List any two significances of branding.
- e. Give examples of any two foreign brands.
- f. What is brand positioning?
- g. Name any four marketing communication options available for branding.
- h. What is Brand Audit?
- i. Give the meaning of Umbrella branding.
- j. What is a Jingle?
- k. What is meant by sonic branding?
- l. Write any two examples for brand image.

SECTION - C

Answer any **THREE** questions in not less than one page each. (3x5=15)

3. Explain the functions of Brand Management.
4. Write a note on Brand Vision.
5. Discuss the issues in Brand extension.
6. What are the roles and responsibilities of a brand manager?

SECTION - D

Answer any **THREE** questions in not less than two pages each.

(3x15=45)

7. Highlight the importance of brand personality and explain the various factors that influence consumer attitude towards a brand?
8. Elaborate the various brand promotion methods.
9. Elucidate the different types of brands with examples.
10. What do you understand by Brand Equity? Explain various methods of measuring Brand Equity

SECTION - E (Compulsory)

(10 Marks)

11. Take a retailer of your choice and explain the problems faced by him for (i) building brand Value and (ii) building relationships with customers.

- j) Systematic evaluation of the performance of an employee on the job in terms of the requirements of the job
- A. Merit Rating
B. Scale Rating
C. Job Rating
D. All the above

SECTION – B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)
- a) Define Goal setting.
b) Give the meaning of Coaching?
c) What is meant by Performance?
d) Write the meaning of performance review.
e) Who is under performer?
f) Write any 2 goals of a reward management program?
g) What is Performance management documentation?
h) Give 2 examples for financial reward.
i) What is 360-degree feedback?
j) What is contingent pay scheme?
k) Define Reward management.
l) What is pay level?

SECTION – C

Answer any **THREE** questions in not less than one page each. (3x5=15)

3. Write a note on web enabled Performance management
4. Explain the importance of Merit rating
5. Explain the various types of bonus.
6. What are the approaches to manage performance?

SECTION – D

Answer any **THREE** questions in not less than two pages each. (3x15=45)

7. Explain Developments in assessment techniques
8. Critically analyze the concept of Evaluating Reward system
9. What is Performance Management? Explain the process of Performance management
10. Explain features of effective reward management

SECTION – E (Compulsory)

(10 Marks)

11. Define Reward. Explain Various types of rewards

(2018 Batch)

G 408.6

Reg. No.:

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**St Aloysius College (Autonomous)
Mangaluru**

**B.B.A. Semester VI – Degree Examination
August / September 2021**

PORTFOLIO AND RISK MANAGEMENT

Note: Exponential Table will be provided.

Time: 3 hrs.

Max Marks: 100

SECTION – A (MCQ type questions) – Compulsory

1. Answer **ALL** the following questions.

(10x1=10)

- a. The systematic risks is caused by _____ factors to the particular company and _____ by the company
- A. External, Uncontrollable B. Internal, Controllable
C. Internal, Uncontrollable D. External, Controllable
- b. In the futures market, at the end of each trading day, the margin account is adjusted to reflect the investor's gain or loss depending upon the futures closing price. This technique is called as _____
- A. Marking to Market B. Initial Margin
C. Premium D. Market price
- c. In the Option contract when Current Market Price is More than Strike Price, the Option Holder is in the position of- _____
- A. At the Money B. In the Money
C. Out of Money D. No Money
- d. Forward contracts are risky because they:
- A. Are subject to lack of liquidity B. Are subject to default risk
C. Hedge a portfolio D. Both (a) and (b) are true
- e. When the price of underlying asset increases, then the good option is:
- A. Buy the call option B. Sell the call option
C. Buy the put option D. Sell the put option
- f. A derivative financial instrument:
- A. Is settled at a future date B. Is remitted at each balance sheet date
C. Forms part of a hedging relationship D. All of the above
- g. Which one of the terms is not used in Option Contract-
- A. Option Buyer B. Option Writer
C. Option Premium D. Option Margin

Contd...2

- h. Buy option with the higher price, another with a lesser price and sell 2 options which is in between higher and lower price. Is an example of -
- A. Straddle
B. Strangle
C. Butterfly Spread
D. Bull Strategy
- i. The portfolio manager deals with a fixed portfolio designed to match the current market scenario, called as -
- A. Discretionary portfolio management
B. Passive portfolio Management
C. Active Portfolio Management
D. Non-Discretionary Portfolio management
- j. Expand the term 'LIBOR'
- A. London Interbank Option Rate
B. London Interbank Original Rate
C. London Interbank Opted Rate
D. London Interbank Offered Rate

SECTION – B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)

- a. As a part of diversification, Jeevan Limited is planning to take over Parle Biscuits limited. After necessary restructuring of the operation, the return on investment of Parle Biscuits Limited is anticipated to be as follows:

Return on Investment	Probability
50%	0.13
40%	0.27
30%	0.34
20%	0.26

Calculate the expected rate of return.

- b. A company which is not paying any dividend has its stock selling currently at ₹120. Calculate its futures price if the risk free rate of return is 8% and the contract expiration period is 2 months.
- c. The net sales of Apex Limited amounted to ₹50 crore. EBIT of the company as a percentage of net sales was 15%. The company has ₹20 crore worth of equity shares. Redeemable preference shares amounted to ₹3 crore and 15% debt amounted to ₹7 crore. Calculate Return on capital employed.
- d. What are Derivatives?
- e. List any two features of a Forward Contract.
- f. State any two assumptions of Capital Asset Pricing Model.
- g. A company's beta is 1.40. The market return is 14%. The risk-free rate is 10%. What is the expected return based on Capital Asset Pricing Model?

G 408.6

- h. Shares of Infar Machines Ltd are selling at ₹6000. Following options are available for one month's duration.

CALL OPTION		PUT OPTION	
Strike price	Premium	Strike price	Premium
₹5,800	₹240	₹6,200	₹250

Find out Intrinsic Value and Time value of the call and put options.

- What are Financial Futures?
- What do you mean by Security Market Line?
- Viaan Limited's equity has a return of 12%, while the market return was 10%. Calculate Alpha factor assuming a Beta for the security at 1.32.
- State any two uses of Derivatives.

SECTION – C

Answer any **THREE** questions in not less than one page each. (3x5=15)

3. Mr. Vineeth is considering several investments. The risk-free return is currently 6.25% and the expected return for the market is 10%. What should be the required rates of return for each investment using Capital Asset Pricing Model(CAPM)?

Security :	L	M	N	O	P
Beta :	1.10	0.90	1.40	0.70	1.20

4. Number of units sold- 25,000
 Selling price per unit- ₹ 40
 Material cost per unit- ₹16
 Labour cost per unit- ₹18
 Fixed cost -₹30,000

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Calculate operating profit. determine the effects of following possibilities on operating profit-

- 10% decline in sales price
 - 20% increase in material cost
 - 20% increase in fixed cost.
5. Consider the following data for two risk factors and two securities (C and D)

$$\lambda_{0e} = 4.25 \text{ per cent} \quad \lambda_1 = 5.5 \text{ per cent} \quad \lambda_2 = 3.8 \text{ per cent}$$

$$b_{C1} = 1.12$$

$$b_{C2} = 1.74$$

$$b_{D1} = 0.92$$

$$b_{D2} = 2.30$$

Security C is currently priced at ₹340; security D is currently priced at ₹270.

During the year the securities are expected to pay dividends of ₹4.00 and ₹5.50 per share respectively. The year end prices are anticipated to be ₹375 for security C and ₹320 for security D

- Compute expected return of both securities
- Evaluate whether the securities are correctly priced.

6. An investor buys a put option at a strike price of ₹60 for a premium of ₹12. The current market price of the share is ₹56. Find out the profit/ loss profile of the investor if the market price of the share is ₹36, ₹48, ₹52, ₹56, ₹62, ₹72 or ₹78, on the expiration date. What will be his position if he buys the call option?

SECTION - D

Answer any **THREE** questions in not less than two pages (3×15=45) each.

7. Given the following information

PORTFOLIOS

	A	B	C	D
Beta	1.10	0.8	1.8	1.4
Return (per cent)	14.5	11.25	19.75	18.5
Standard deviation (per cent)	20.0	17.5	26.3	24.5

Risk free rate of return= 6 per cent

Market return= 12 per cent

Calculate

- Sharpe ratio
 - Treynor ratio
 - Jensen ratio
8. Two projects are under the consideration of a small scale industry. The projected data for both the projects are given below. Advise the company about the less risky project based on Sensitivity Analysis by calculating return on investment and its range.

Particulars	Project ABC			Project XYZ		
	Optimistic	Expected	Pessimistic	Optimistic	Expected	Pessimistic
Sales(Units)	10,000	9,000	8,000	11,000	9,000	8,000
Selling Price(₹)	20	18	16	20	16	15
Material per unit(₹)	1	2	3	1	2	3
Labour per unit(₹)	2	3	4	1	3	4
Fixed Cost(₹)	40,000	45,000	50,000	40,000	50,000	60,000
Capital Employed(₹)	1,60,000	1,70,000	2,00,000	1,50,000	2,00,000	2,50,000

9. The return on the two stocks and the market is given below. Calculate the Alpha and Beta of security of the stocks.

Month	Return on NIFTY (%)	Return on stock LG Ltd (%)	Return on Godrej Ltd. (%)
1	12	10	8
2	5	6	10
3	18	13	6
4	12	6	12
5	10	13	4
6	16	14	5
7	7	4	15
8	15	18	18
9	30	14	20
10	35	22	25

10. Explain various financial derivatives. Write the features of Options and Swaps.

SECTION – E (Compulsory)

(10 Marks)

11. Nifty futures are tradable in multiple of 50 units. Initial margin is required at 20% for buyer and 25% for seller. Current level of Nifty futures is ₹4210. The settlement prices of NIFTY for next 5 days are ₹4240, ₹4260, ₹4200, ₹4190 and ₹4215 respectively. Find out the Mark to Margin and closing balance of margin on daily basis and also the net profit/ loss position in the last of an investor.

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- 1) Who buys the NIFTY contract, or 2) who sells the NIFTY contract.

- i. Top firms audit service performance by collecting _____ measurements to probe customer satisfiers and dissatisfiers
- | | |
|--------------------------|-----------------------|
| A. Customer Satisfier | B. Customer Complaint |
| C. Voice of the customer | D. Psychological |
- j. Services cannot be stored. This describes the _____ characteristic of services.
- | | |
|-------------------|------------------|
| A. Intangibility | B. Variability |
| C. Inseparability | D. Perishability |

SECTION – B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)

- Define Service.
- What is Soft Technology?
- What is Credence Quality?
- Mention any two benefits of Benchmarking
- What do you mean by Zone of tolerance?
- Give the idea of Customer satisfaction.
- Mention any two physical evidence in our college.
- What do you understand by the term, 'Service Scape'?
- What do you mean by a Complaint?
- What do you mean by Effective Communication in Services?
- Mention any two perspectives of Service quality.
- What do you understand by the term, 'Flowchart'?

SECTION – C

Answer any **THREE** questions in not less than one page each. (3x5=15)

- Describe the role of Technology in Service process.
- Describe the factors that impact the quality of service.
- Explain the concept of Customer's Perceptions.
- Is Complaint a Gift? Explain.

SECTION – D

Answer any **THREE** questions in not less than two pages each. (3x15=45)

- Explain the various characteristics of Service.
- Explain the GAP model of Customer Satisfaction with diagram.
- Explain the determinants of Customer Satisfaction.
- Describe the steps for handling Customer Complaints.

SECTION – E (Compulsory)**(10 Marks)**

- Anand is a regular customer of XYZ Hypermarket in Mangaluru. Many of the service personnel have created an atmosphere of welcoming environment for its customers, Anand being one among them. Of late there has been distasteful experience for Anand as far as the quality of few products and the aloof attitude of the new recruits working in that hypermarket. He has complaint to the Store Manager about the same. As a Store manager, what steps would you initiate to settle the grievances of Anand?

(2018 Batch)

G 410.6

Reg. No.:

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**St Aloysius College (Autonomous)
Mangaluru**

B.B.A. Semester VI – Degree Examination

August / September 2021

INDUSTRIAL RELATIONS AND LABOUR LAWS

Time: 3 hrs.

Max Marks: 100

SECTION – A (MCQ type questions) – Compulsory

1. Answer ALL the following questions. (10x1=10)

a. In which year, the two consultative machinery, Indian Labour Conference and Standing Labour Committee were constituted in India.

A. 1941

B. 1942

C. 1947

D. 1951 ST ALOYSIUS COLLEGE LIBRARY
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b. Who are not the actors of industrial relations?

A. Community and Cultural Association

B. Employers and their organization

C. Community and role of the state

D. Workers and their organization

c. Identify the functions of Joint Management Council.

A. Administrative

B. Consultative

C. Information sharing

D. All of the above

d. Find out the characteristics of collective bargaining which is not applicable.

A. It is a collective process

B. It is a flexible process

C. It is not a bipartite process

D. It is an interdisciplinary system

e. ILC stands for ____

A. Internal Labour Conference

B. International Labour Conference

C. Inland Labour Conference

D. Indian Labour Conference

f. BPO means ____

A. Business Process Outsourcing

B. British Parliament Organization

C. Bharath Petroleum Organization

D. None of the above

g. POSH Act means ____

A. Prevention of Students Harassment

B. Protection of self help group

C. Prevention of Sexual Harassment

D. None of the above

h. Which of the following is not an intramural welfare facility?

A. Canteen

B. Workman safety

C. Housing facility

D. Drinking water facility

i. Which is not a characteristic for Grievances?

A. Factual

B. Fabricated

C. Disguised

D. Imaginary

j. Which of the following is an example of "Golden Handshake Scheme"?

A. Superannuation Retirement

B. Voluntary Retirement

C. Compulsory Retirement

D. Retirement on account of disablement

Contd...2

SECTION – B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)

- a. Mention the participants of industrial relation.
- b. Give the meaning of discipline.
- c. State any two employer organizations in India.
- d. State any two measures to strengthen trade union movement in India.
- e. What is secondary strike?
- f. What is standing order?
- g. What are work committees?
- h. What is a labour court?
- i. What is arbitration?
- j. List any two features of labour welfare.
- k. State any two functions of ILC.
- l. What is OECD?

SECTION – C

Answer any **THREE** questions in not less than one page each. (3x5=15)

3. Write a short note on industrial conflict.
4. Explain the essential conditions for successful collective bargaining.
5. State the powers of industrial corporation.
6. Explain the features of Japanese industrial relations.

SECTION – D

Answer any **THREE** questions in not less than two pages each. (3x15=45)

7. Elucidate the provisions relating to health and welfare measures under the Factories Act, 1948.
8. State the liability of the employer to pay compensation under the Workmen's Compensation Act, 1923.
9. Explain the statutory machinery provided by Industrial Disputes Act, 1947.
10. State the different types of benefits provided by the ESI Act, 1948.

SECTION – E (Compulsory)**(10 Marks)**

11. Explain new challenges of industrial relations in India.

(2018 Batch)

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Reg. No.:

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St Aloysius College (Autonomous)

Mangaluru

B.B.A. Semester VI – Degree Examination

August / September 2021

FINANCIAL STATEMENT ANALYSIS

Time: 3 hrs.

Max Marks: 100

SECTION – A (MCQ type questions) – Compulsory

1. Answer ALL the following questions. (10x1=10)
- a. Which one of the following is not a part of financial statements-
- A. Cash Flow Statement B. Statement of Retained Earnings
C. Statement of Financial Position D. Reconciliation Statement
- b. The analysis conducted by persons who have access to the internal accounting records of a business firm is known as
- A. Internal Analysis B. External Analysis
C. Vertical Analysis D. Cross sectional analysis
- c. _____ analyses the assets and liabilities of business for the current year and also compares the increase or decrease in them in relative as well as absolute parameters.
- A. Commomsize Balance sheet B. Common Size Balance sheet
C. Trend Analysis D. Ratio Analysis
- d. _____ ratios are calculated to measure the short-term solvency.
- A. Liquidity B. Turnover
C. Capital structure D. Profitability
- e. Capital Employed is calculated by using which of the following Formula-
- A. Net fixed assets + Sales B. Net fixed assets + Net working capital
C. Net fixed assets - Net working capital D. Net fixed assets - Sales
- f. The ideal current ratio is:
- A. 5:1 B. 1.5:1
C. 2:1 D. 3:5
- g. 'Fixed interest and dividend bearing Funds ÷ Equity Shareholder's Funds', is the formula of-
- A. Debt-Equity ratio B. Capital Gearing ratio
C. Turnover Ratio D. Proprietary ratio

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Contd...2

- h. 'Issue of equity shares' during the year is an example of which one the following activities under Cash Flow Statement-
- A. Operating
B. Financing
C. Investment
D. Non -Operating
- i. _____ are calculated to analyses the earning capacity of the business which is the outcome of utilization of resources employed in the business.
- A. Profitability ratios
B. Activity ratios
C. Capital Structure ratios
D. Liquidity ratios
- j. Liquidity refers to the ability of a company to pay its _____
- A. Current liabilities with existing liquid assets.
B. Total liabilities with existing liquid assets.
C. Current liabilities with existing Fixed assets.
D. Current liabilities with existing current assets.

SECTION - B

2. Answer any **TEN** of the following questions in two to three sentences each. (10x2=20)

- a. From the following information calculate- (i) Current liabilities, (ii) Inventory

Acid Test	1.7
Current ratio	2.5
Current assets	₹ 5,00,000

- b. Operating Profit Before working capital changes- ₹3,00,000. Increase In debtors ₹40,000, decrease in Creditors ₹30,000, decrease in Stock ₹5,000. Find out cash generated from operation.
- c. State the meaning of Financial Statement Analysis.
- d. Operating expenses ₹20,000, Net sales ₹5,00,000, Gross Profit ₹1,00,000. Find out Operating ratio.
- e. Write any two differences between cash flow and fund flow statement.
- f. How to determine Interest coverage ratio and dividend coverage ratio?
- g. State any four advantages of ratio analysis.
- h. What is the difference between common size income statement and comparative income statement?
- i. Dividend paid ₹1,00,000. Redemption of debentures ₹75,000. Borrowed loan from bank ₹50,000. Issue of preference shares ₹1,25,000. What is the net cash flow from financing activities?
- j. State any four Investment activities placed under cash flow statement
- k. Explain the effect of current assets and current liabilities in cash flow statement.
- l. Write ant four Limitations of financial statements.

SECTION – C

Answer any THREE questions in not less than one page each. (3x5=15)

3. Calculate the cash flow from operating activities from the information given below.

Profit as per the closing balance sheet	₹45,000
Profit as per the opening balance sheet	₹12,000
Depreciation on machinery	₹2,500
Profit on sale of machinery	₹6,500
Reserve transfer	₹5000
Goodwill written off	₹2,000
Loss on sale of furniture	₹1,500
Increase in Stock	₹3,000
Decrease in Creditors	₹6,000
Increase in Debtors	₹5,000
Increase in Bills Payable	₹1000
Tax paid	₹4000

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4. Beta Limited furnishes the following data. Determine the trend values and make an analysis on that basis:

Year	Sales ₹	Debtors ₹	Net Profit ₹	Inventory ₹
2010	30,000	8,000	5000	3,000
2011	50,000	9,000	4000	3,500
2012	60,000	10000	8000	5,000
2013	70,000	12,000	15000	6,000

5. Following are the ratios relating to the trading activities of National Trading for the year ended on 31st December.

Debtors velocity	3 months
Stock velocity	8 months
Creditors velocity	2 months
Gross profit Ratio	25 %
Gross profit for the year (Closing stock is Rs 10,000 above the opening stock)	₹4,00,000
Bills receivable	₹25,000
Bills payables	₹10,000

Find out - (a) Sales (b) Sundry debtors (c) Closing stock (d) Sundry creditors

6. From the following particulars, prepare comparative income statement of Star Colours Ltd. for the year ended March 31, 2019 and 2020:

Particulars	2019 ₹	2020 ₹
(i) Revenue from operations	40,00,000	45,00,000
(iii) Other incomes	50,000	70,000
(ii) Employee benefit expenses	2,40,000	3,00,000
(iv) Cost of materials consumed	15,00,000	18,00,000
(v) Changes in inventories of finished goods	10,000	15,000
(vi) Depreciation	25,000	30,500
(iii) other Expenses	2,66,000	3,02,000
(iv) Income tax	25%	25%

SECTION - D

Answer any **THREE** questions in not less than two pages (3x15=45) each.

7. In Projecting the financial plan of firm, the use of the following accounting is made -

Estimated Annual Sales	₹ 2,00,000
Sales to net worth	2.5
Current debt to net worth	25%
Total debt to net worth	60%
Current ratio	3.6 times
Net sales to inventory	4 times
Average collection period (A year = 360 days)	36 days
Fixed assets to net worth	70%

On the above basis prepare statement of financial position

8. a. Explain in detail the nature of financial statements. (5)
 b. Write in detail any five Limitation of accounting ratios. (5)
 c. Describe the concept of liquidity ratios with significance. (5)
9. The following are the summarized Balance sheet of a company as on 31st December, 2006 and 2007.

	2019 (₹)	2020 (₹)
Liabilities		
Share capital	2,00,000	2,50,000
General reserve	50,000	60,000
Profit and loss a/c	30,500	30,600
Bank loan (long term)	70,000	-
Sundry creditors	1,50,000	1,35,200
Provisions for taxation	30,000	35,000
	5,30,500	5,10,800
Assets		
Land and building	2,00,000	1,90,000
Machinery	1,50,000	1,69,000
Stock	1,00,000	74,000
Sundry Debtors	80,000	64,200
Cash	500	600
Bank	-	8,000
Goodwill	-	5,000
	5,30,500	5,10,800

Additional Information:

- Dividends of ₹23,000 was paid.
- Assets of another company were purchased for a consideration of ₹50,000 payables in shares.

The following assets were purchased: stock ₹10,000, debtors ₹10,000 and Machinery ₹25,000.

- Machinery was further purchased for ₹ 8,000.
- Depreciation written off of machinery ₹12,000.
- Income tax provided during the year ₹ 33,000.
- Loss on sale of machinery ₹200 was written off to general reserve.

You are required to prepare cash flow statement as per AS-3(Revised).

10. You are given the following information pertaining to financial statement of a firm you are required to prepare trading and profit and loss Account and balance sheet:

Net current assets	₹1,00,000
Paid up capital	₹3,00,000
Current ratio	1.8:1
Liquid ratio	1.35:1
Fixed assets to shareholders equity	80%
Gross profit ratio	25%
Net profit to paid up capital	20%
Stock turnover	5 times

Average age of outstanding customers 36.5 days.

SECTION – E (Compulsory)

(10 Marks)

11. From the Data given below compute -
- Proprietary ratio
 - Current Ratio
 - Capital Gearing Ratio
 - Debt Equity Ratio
 - Fixed Assets turnover Ratio
 - capital turnover ratio

Silicon Limited as on 31st December 2020

LIABILITIES	₹	ASSETS	₹
Equity share capital	15,00,000	Fixed assets	20,00,000
7%, Preference Share capital	5,00,000	Current assets:	
Reserves and surplus	4,00,000	Stock	6,00,000
5%, Debentures	8,00,000	Sundry debtors	8,00,000
10%, Bank loan [Long term]	4,00,000	Cash	2,00,000
Sundry creditors	1,00,000	Bank	3,00,000
Proposed dividend	1,00,000	Preliminary expenses	50,000
Provision for taxation	2,00,000	Brokerage on shares	20,000
		Prepaid Rent	30,000
	40,00,000		40,00,000

Net sales during the year ₹20,00,000.
