

Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce and Economics
Farmagudi Ponda-Goa

M.Com. Semester II End Examination April 2024

COM-504 Marketing and Consumer Behaviour

Duration-02 Hours

Maximum Marks: 40

Instructions: 1. This paper consists of six (6) questions carrying equal marks.

2. Question No. 1 is compulsory.

3. Answer any three (3) questions from 2,3,4,5 and 6.

4. Each question carries 10 marks. Figures to the right indicate full marks.

Q.1. Answer the following questions.

(5x2= 10)

- a) Explain Cause Related Marketing and also give one real-life example.
- b) Explain Patronage Buying Motives.
- c) Explain The three-dimensional definition of Business.
- d) Businesses need to keep an eye on changing the Marketing Environment. Elaborate on the micro and macro environment factors that affect the marketing environment.
- e) Explain WOM.

Q.2. Answer the following questions.

(2x5= 10)

- a) Analyze and explain any 5 factors responsible for market demand.
- b) Change is Inevitable. Discuss Recent Trends in Marketing.

Q.3. Answer the following questions: -

(2x5= 10)

- a) Evaluate the significance of family life Cycles and lifestyles in marketing.
- b) Business ethics are becoming very important in today's time. Discuss Ethics in Marketing and its importance in Consumer Behaviour Studies.

Q.4. Explain in detail all the factors that influence consumer behaviour.

(1x10=10)

Q.5. Answer the following questions: -

(2x5= 10)

- a) Recall the Process of understanding Who the Customers are?
- b) What makes the Customer behave differently?

Q.6. Answer the following questions.

(2x5= 10)

- a) What do customers do to express their experience?
- b) Determine and explain how to know if the customers are happy.

*******All the Best*******

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M.Com. Semester -II End Examination, April 2024

COM 505 Management of Mutual Funds (OA-35)

Duration: 2 Hours

Total Marks: 40

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- Instructions:** 1) This paper consists of *six* questions carrying *equal* marks.
2) Question No. 1 consists of *5 compulsory* questions of *2 marks each*.
3) Answer *any three* questions from Q. No. *2,3,4,5 and 6*.
4) Each question carries *10 marks*. Figures to the *right* indicate marks.
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1. Answer the following questions. (5x2=10)
 - a) Equity Mutual Funds
 - b) Systematic Withdrawal Plan
 - c) Pre-requisites to become a Mutual Fund Distributor
 - d) Exchange Traded Funds
 - e) KYC Requirements for Mutual Fund Investors

2. Why should an investor opt for Mutual Fund investments, especially in a market comprising several lucrative investment avenues? (10)

3. Explain in detail the structure of the Mutual Fund. Who, according to you, is the most important entity in this structure and why? (10)

4. The Mutual Fund Distribution channels have played a crucial role in its expansion in India. Elaborate on such distribution channels. (10)

5. What makes an Offer Document a most significant document to the investors, and what is its content? (10)

6. a) What are the services performed by Mutual Fund? (05)
b) What is an Automatic Reinvest Plan? What are its benefits? (05)

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M.Com. Semester -II End Examination, April 2024

COM 506: Security Analysis and Portfolio Management

Duration: 2 Hours

Total Marks: 40

Instructions: 1) This paper consists of six questions carrying *equal* marks.

2) Question No. 1 consists of 5 *compulsory* questions of 2 marks each.

3) Answer *any three* questions from Q. No. 2,3,4,5 and 6.

4) Each question carries 10 marks. Figures to the *right* indicate marks.

Q.1. Answer the following Questions.

(5x2=10)

- a) What do you understand by a financial portfolio?
- b) How do you Distinguish systematic and unsystematic risk?
- c) Define risk-adjusted returns.
- d) HDFC Ltd. Paid a dividend of ₹ 15 last year. The company is expected to grow at 15% for the rest of the years. The current market price of the company is ₹ 40. Calculate the expected dividend for the current year.
- e) Assume a portfolio with a 15% rate of return, 1.3 beta value, and a 3% risk-free rate of return. Calculate returns of the portfolio over market risk using Treynor's ratio.

Q.2. The rate of return of Drama Ltd. Stock for the past six years is 20.36%. These returns are expected to continue for the next five years and after that, the rate of return is assumed to have a growth rate of 10% indefinitely. The dividend paid for the year 2023-24 is 17%. The required rate of return is 19%. The current market price is ₹ 567. Estimate the stock price and give necessary suggestions. **(10 Marks)**

Q.3. Explain the Traditional Approach to portfolio construction.

(10 Marks)

Q.4. Mr. Shriyaan wants to invest his money in the bonds for four years. He has the following options for bond investments.

Bonds	Coupon Payment	Face Value	Market Price
A	8%	100	98.4
B	9%	100	97.7

The bonds will mature within 4 years from now. The required rate of return is 12%.

- a. Calculate the duration of the bonds and suggest the investment option to Mr. Shriyaan.
- b. What will be the percentage change in the price of bond A if the interest rate rises by 1 percent? **(10 Marks)**

Q.5. Provide explanations for the following financial ratios:

- a. Sharpe's Ratio
- b. Treynor's Ratio
- c. Jensen's Alpha (Jensen's Ratio) **(10 Marks)**

Q.6. Explain the Capital Asset Pricing Model (CAPM) and its Significance in Financial Decision Making. **(10 Marks)**

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M.Com. Semester II End Examination April 2024

COM-507 Financial Derivatives

Duration-02 Hours

Maximum Marks: 40

Instructions: 1. This paper consists of six (6) questions carrying equal marks.

2. Question No. 1 is compulsory.

3. Answer any three (3) questions from 2,3,4,5 and 6.

4. Each question carries 10 marks. Figures to the right indicate full marks.

Q.1. Answer the following questions.

(5x2= 10 marks)

- a) Memorize the Eligibility of Stocks for trading in the derivatives Market.
- b) Explain Cross Hedging.
- c) Describe the Naked and Covered Options.
- d) Discuss any 2 types of Interest rate swaps.
- e) A Buyer enters a four-month forward contract from now to buy gold at a price of \$1,312.90 per ounce. The spot price of the Gold is \$1,207.40 per ounce. Four months in the future, the Price of the Underlying gold is \$ 1,275.90 per ounce. Calculate the payoffs for long and short-position holders of this forward Contract.

Q.2. Answer the following questions.

(2x5= 10 marks)

- a) What were the Major Recommendations given by Dr. L.C Gupta Committee regarding Derivatives trading?
- b) State and explain any five Critiques of derivatives.

Q.3. Answer the following questions.

(2x5= 10 marks)

- a) Rajesh buys a call option of ABC Ltd. at an exercise price of Rs. 100 with a premium of Rs. 3. Calculate the profit/loss on the option position for Rajesh along with the diagram if the

spot prices are as follows:-

Rs. 95, Rs.96, Rs. 97, Rs. 98, Rs. 99, Rs. 100, Rs. 101, Rs. 102, Rs. 103 & Rs. 104.

b) State and explain the determinants of Option Prices.

Q.4. Answer the following questions.

(2x5=10 marks)

a) Explain the Cost of Carry and Reverse cost of carry approach with an Example.

b) On January 1, 2024 an investor has a portfolio of 5 shares as given below:

Security	Price	No. of Shares	Beta
A	349.30	5,000	1.15
B	480.50	7,000	0.40
C	593.52	8,000	0.90
D	734.70	10,000	0.95
E	824.85	2,000	0.85

Calculate

- (i) The Beta of his portfolio.
- (ii) The Nifty futures for February 2024 is 5,994.28, Calculate the number of contracts of Nifty the investor needs to sell to get a full hedge until February for his portfolio. Nifty futures have a minimum trade requirement of 200 units.

Q.5.A. The following information about ITC Company's shares and call options is available.

(10 marks)

- Current share price is Rs. 415
- Option exercise price is Rs. 400
- Risk-free interest rate=5%
- Time to option expiry=3 months
- Standard deviation=22%

Calculate the value of the option as per Black Scholes Model.

Note $\ln(1.0375) = 0.03681$

$e^{0.0125} = 1.0126$

OR

Q.5.B a. The 6-month forward price of a security is Rs 208.18. The borrowing rate is 8% per annum, payable with monthly rest. What should be the spot price? **(5 marks)**

b. Company A and Company B have been offered the following rates per annum on a 20 million dollar loan for 5 year

Company	Fixed-rate	Floating Rate
A	12%	LIBOR +0.1%
B	13.4%	LIBOR +0.6%

Design a swap that will allow a bank acting as an intermediary to earn 0.1% per annum and it should be equally attractive for both the companies. Company A requires a Floating Rate, and Company B requires a Fixed rate. **(5 marks)**

Q.6. Answer the following questions. **(2x5= 10 marks)**

a) Explain the two types of Interest rate futures & their contract specifications.

b) The current market price of HP Ltd. is Rs. 5,800. At the end of each quarter, there is 40% the probability that the price will increase by Rs. 60 and 60% probability that the price will decrease by

Rs. 20. A six-month call option is available on this share with an exercise price of Rs. 5,830, risk-free interest rate is 12% per annum. Determine the present value of this call option by using Binomial model.

*******All the Best*******

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M.Com. Semester -II End Examination, April 2024

COM 525 Direct Taxes (OA-35)

Duration: 2 Hours

Total Marks: 40

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- Instructions:** 1) *This paper consists of six questions carrying equal marks.*
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3) *Answer any three questions from Q. No. 2,3,4,5 and 6.*
4) *Each question carries 10 marks. Figures to the right indicate marks.*
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1. Answer the following questions. (5x2=10)
- a) What are the consequences of late filing of returns?
b) How is the New Tax Regime different from the Old Tax Regime?
c) Mention the conditions to be satisfied to claim additional depreciation.
d) What is Tax Evasion?
e) Determine the tax liability of Mr Jay Varma, 32 years, under the old tax regime for the assessment year 2024-25 if his income from salary is Rs. 8,20,000 and Income from other sources is 50,000. He paid an LIC Premium of Rs. 40,000 in the previous year. Show workings.
2. Mr Arjun, aged 30 years, a resident of India, is a salaried individual who wants to minimise his tax liability. Explain the various deductions from Gross Total Income, Mr Arjun can avail to achieve his target. (10)
3. a) How the residential status of a company is determined? (05)
b) Explain the basis of classification for Short-term and Long-term capital assets. (05)
4. a) What do you mean by Advance payment of tax? When is a person liable to pay Advance Tax? (05)

b) Bright Ltd. started production of Paper on December 1, 2023. The company has made the following expenditure on scientific research up to the year ending on March 31, 2024:

- The company pays Rs. 80,500 to an approved National laboratory for carrying out programmes of scientific research on January 10, 2024.
- The company purchases a plot of land for Rs. 12, 00, 000. Later on, a laboratory building is constructed (cost of construction: Rs. 9, 40,000, date of completion of construction: March 1, 2024) to start in-house research.
- The company pays Rs. 160,000 to the Indian Agricultural Research Institute, New Delhi, is an approved research institution under section 35 (1)(ii), for the purpose of carrying out scientific research in natural science On December 13, 2023,
- The company paid Rs. 1,40,000 to the Indian Institute of Management, Ahmedabad, which is an approved institute under section 35(1)(ii), for the purpose of carrying out research in social or statistical science on December 21, 2023
- Before the commencement of the production, the company had made the following revenue expenditure for its research laboratory.
 - Expenditure on salary and perquisites to research personnel and research material during the 12 months ending November 30, 2023: Rs. 60,000.

Determine the amount of deduction available to Bright Ltd. under section 35(1) for the assessment year 2024-25 if the scientific research is related to the business of the assessee company. (5)

5. Mr Jayshankar (age 45 years) owns three houses, the particulars of which are as follows.

	House I (Rs.)	House II (Rs.)	House III (Rs.)
Municipal Valuation	200000	86000	500000
Fair Rent	250000	92000	555000
Rent (if the property is let out throughout the year)	-	-	572000
Unrealised rent	-	-	90000

Municipal tax paid by Jayshankar	20000	-	45000
Municipal tax paid by Tenant	-	10000	7000
Date of completion of construction	June 16, 1991	June 15, 1997	March 31, 1998
Repairs	-	-	400
Collection Charges	-	-	900
Interest on Capital borrowed for repair of house property	30000	800	10000
Nature of occupation	Self-Occupied for Residence	Self-occupied for Business	Let out for Residence

House III remains vacant for the month of January 2023. The business income of the previous year is Rs. 10,50,000. Determine the taxable income of Mr Jayshankar (10)

6. a) Find out capital gain chargeable to tax in the following cases for the assessment year 2024

-25

	<u>House property</u>	<u>Listed Shares</u>
Year of Acquisition	2002-03	2005-06
Date of transfer	April 29, 2023	June 10, 2023
Sale consideration	24,00,000	6,80,000
Stamp duty value	24,50,000	-
Cost of acquisition	2,90,000	18,000
Cost of construction of first floor in 2016-17	18,000	-

CII for different years is as follows:

Year	2023-24	2016-17	2005-06	2002-03
CII	348	264	117	105

(05)

B) Explain the conditions to be fulfilled to determine the residential status of an Individual.

Also, explain the exceptions to the basic condition.

(05)