

(Pages : 3)

P – 6167

Reg. No. :

Name :

Third Semester M.Com. Degree Examination, January 2023

Elective: Finance

**Paper II : CO 232 F – SECURITY ANALYSIS AND
PORTFOLIO MANAGEMENT**

(2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** marks.

1. Investment is a financial activity that involves risk. Validate your answer by citing an example.
2. What is a financial market?
3. Distinguish between institutional investors and individual investors.
4. What are the elements of risk?
5. Explain Monte Carlo simulation method used for calculating VaR.
6. What is Beta? How is it interpreted?
7. Write a short note on industry life cycle.
8. Explain the concept of present value in share valuation.

P.T.O.



9. What is Yield to Call?
10. What is interest rate risk?

(10 × 2 = 20 Marks)

SECTION – B

Answer any **five** questions. **Each** question carries **5** marks.

11. State the principles of the Bond pricing theorem.
12. Describe in detail the concept of Moving Average Convergence and Divergence (MACD).
13. Distinguish between Technical Analysis and Fundamental Analysis.
14. How are Flags and Pennants useful in studying share price trends?
15. Calculate the expected return of the portfolio from the below given information.

Security	Returns (per cent)	Proportion of investment.
A	12	0.2
B	17	0.3
C	23	0.1
D	20	0.4

16. Explain how risk and return of individual security are estimated under single index model.
17. Compare and contrast CML and SML.
18. Explain Dollar Cost Averaging.

(5 × 5 = 25 Marks)



SECTION – C

Answer any **two** questions. **Each** question carries **15** marks.

19. Describe the key economic variables that an investor must monitor as part of his fundamental analysis.
20. The value of a bond is equal to the present value of its expected cash flows. Elucidate with an example.
21. Hakko Ltd. has a 14 per cent debenture with a face value of Rs.100 that matures at par in 15 years. The debenture is callable in five years at Rs. 114. It currently sells for Rs. 105. Calculate each of the following for this debenture:
 - (a) Current yield
 - (b) Yield to call
 - (c) Yield to maturity
22. What is RSI? Explain its calculation and interpretation.

(2 × 15 = 30 Marks)



(Pages : 4)

P – 6169

Reg. No. :

Name :

Third Semester M.Com. Degree Examination, January 2023

Elective : Finance

**Paper IV – CO 234 F : STRATEGIC COST AND MANAGEMENT
ACCOUNTING**

(2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** marks.

1. What is the scope of strategic management accounting?
2. What is the main difference between absorption costing and marginal costing?
3. What is shut down point?
4. What is meant by abnormal effectiveness? How is it treated in process cost accounts?
5. What is equivalent production?
6. What causes an unfavorable fixed overhead budget variance?
7. What are the guiding principles in fixing transfer prices?
8. What are CRM practices?
9. What are the prerequisites of benchmarking?

P.T.O.



10. A company has earned a profit of 30,000 during the year. If the marginal cost and selling price are ₹ 8 and ₹ 10 per unit respectively, find out the amount of margin of safety.

(10 × 2 = 20 Marks)

SECTION – B

Answer any **five** questions. Each question carries **5** marks.

11. Describe briefly the main features of process costing.
12. What is factory overhead efficiency variance?
13. Mention different steps in Life cycle costing.
14. How can ERP improve a company's business performance?
15. Write a note on International Transfer Price.
16. Prepare the Statement of Cost of units transferred to next process from the following information
- (a) Cost per equivalent unit- Material ₹ 4, Labour ₹ 2, Overhead ₹ 1
- (b) Opening work-in-progress - 800 units at a total cost of ₹ 4,000
Degree of completion Material 100%, Labour 60%. Overheads 40%
- (c) Output transferred to next process - 7,900 units
- (d) Method of valuation used — FIFO
17. XY Ltd. has been offered a choice to buy Machine A or Machine B. From the following data you are required to compute
- (a) Break-even point for each of the machines.
- (b) The level of sales at which both machines earn equal profits.

	Machine A	Machine B
Annual output (in units)	10,000	10,000
Fixed cost	₹ 30,000	₹ 16,000
Profit at given level of production	₹ 30,000	₹ 24,000

The market price of the product is expected to be 10 per unit.



18. XYZ Ltd. manufactures product M. From every tonne of raw materials consumed, it is estimated that 200 articles will be produced. The standard price of the material is ₹ 120 per tonne. During March 2021, 190 tonnes of material were issued to production, the actual price of which was ₹ 118.50 per tonne. Production during the month was 38,640 articles. Calculate material variances.

(5 × 5 = 25 Marks)

SECTION – C

Answer any two questions. Each question carries 15 marks.

19. Explain the utility of marginal costing as a tool of management accounting?
20. Explain briefly the meaning, objects and advantages of Cost Accounting Standards.
21. The product of Company A passes through two processes A and B and then to Finished Stock Account. In each process, 5% of the total weight is lost and 10% is scrap which realizes from Process A ₹ 80 per tonne and Process B ₹ 200 per tonne respectively. The following are the figures relating to both the processes:

	Process A	Process B
Material (tonnes)	1,000	70
Cost of material per tonne	₹ 125	₹ 200
Wages	₹ 28,000	₹ 10,000
Expenses	₹ 8,000	₹ 5,250
Output (tonnes)	830	780

Prepare Process Accounts, Abnormal Loss Account and Abnormal Gain Account.



22. ABC Co. fixed the inter-divisional transfer prices for its product on the basis of cost plus a return on investment in the division. The budget for division A for 2020-21 is as under:

	₹
Fixed Assets	2,50,000
Debtors	1,00,000
Other Current Assets	1,50,000
Annual Fixed Cost of the Division	4,00,000
Variable cost per unit of Product	10

Budgeted Volume – 2,00,000 units per year

Desired ROI – 28%

- (a) Determine the transfer price for Division A
- (b) If the volume can be increased by 10% what will be the impact on transfer price?

(2 × 15 = 30 Marks)



(Pages : 2)

P – 6168

Reg. No. :

Name :

Third Semester M.Com. Degree Examination, January 2023

Elective : Finance

Paper III : CO 233 F – INTERNATIONAL FINANCIAL MANAGEMENT

(2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** marks.

1. What is cash pooling?
2. What is conglomerate FDI?
3. What are embedded options?
4. What is LERMS?
5. Define arbitrage.
6. What do you mean by Euro commercial papers?
7. What is IDR?
8. Explain Bretton Woods System.
9. Define MNCs.
10. What is foreign exchange risk?

(10 × 2 = 20 Marks)

P.T.O.



SECTION – B

Answer any **five** questions. **Each** question carries **5** marks.

11. Discuss various participants in foreign exchange market.
12. What is Transaction Exposure? Explain the techniques of managing Transaction Exposure.
13. Explain Currency Pegging.
14. Define Currency Swap. Describe the steps involved in a currency swap.
15. What are the features of Foreign Exchange Market?
16. Define BOP. Explain various components of BOP.
17. Discuss various financial derivatives.
18. Explain various International Hedging strategies.

(5 × 5 = 25 Marks)

SECTION – C

Answer any **two** questions. **Each** question carries **15** marks.

19. Explain various theories of exchange rate.
20. What are the current exchange rate regimes? Explain.
21. Discuss various International Financial Instruments.
22. Explain the benefits of FDI.

(2 × 15 = 30 Marks)

