

MBFM 3005

M.B.A. DEGREE EXAMINATION, JANUARY 2021.

Third Semester

Finance

MANAGEMENT ACCOUNTING

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. State the objectives of cost accounting.
2. Define Management Accounting.
3. Write the elements of Budgets.
4. Explain the classification of budgets.
5. Write the formula to find Labour Cost Variance.
6. A company is manufacturing products X. It supplies you the following information :

| Particulars | X (Rs.) |
|--------------------|------------|
| Direct Materials | 2,500 |
| Direct Labour | 3,000 |
| Variable Overheads | 2,000 |
| Sales | 10,000 |

Total fixed overheads 3000

Prepare a marginal cost statement and determine profit and loss.

7. Calculate contribution and profit from the following details :

Sales Rs. 12,000

Variable Cost Rs. 7,000

Fixed cost Rs. 4,000

8. Define fund flow statement and distinguish between fund flow and cash flow statement.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

9. Explain the limitations of Financial Accounting.
10. X Ltd. an Indian company, sells computer CPU to its 100 per cent subsidiary Y Ltd. in United States @ \$ 50 per piece. X Ltd. also sells its computer CPU to another company Z Ltd. in United States @ \$ 90 per piece. Total income of X Ltd for the assessment year 2012-13 is 12,00,000 which includes sales made for 100 computer CPU @ \$ 50 to Y Ltd. Compute the arm's length price and taxable income of X Ltd. The rate of one dollar may be assumed to be equivalent to 47.
11. In a manufacturing concern, the standard time fixed for month is 8,000 hours. A standard wage rate of 2.25 per hour has been fixed. During one month, 50 workers were employed and average

working days in a month are 25. A worker works for 7 hours in a day. Total wage bill of the month amounts to 21,875. There was a stoppage of work due to power failure (idle time) for 100 hours. Calculate various labour variances.

12. Differentiate between Absorption Costing and Marginal Costing.
13. From the following data calculate
- P/V Ratio
 - Variable Cost and
 - Profit

| | Rs. |
|-----------------|--------|
| Sales | 80,000 |
| Fixed expenses | 15,000 |
| Breakeven point | 50,000 |

14. From the following balance sheet of XYZ Ltd. calculate return on capital employed.

| Liabilities | Rs. | Assets | Rs. |
|--------------------------|-----------|----------------|-----------|
| Share capital (100 each) | 10,00,000 | Fixed assets | 11,00,000 |
| Reserves and surplus | 1,50,000 | Current assets | 6,10,000 |
| 10% debentures | 4,00,000 | | |
| Sundry creditors | 1,60,000 | | |
| | 17,10,000 | | 17,10,000 |

Additional Information :

Net operating profit before tax is 3,40,000. Assume tax rate 40%.

15. Explain the Importance of Funds Flow Statement.
16. From the following balances, you are required to calculate cash from operations :

| Particulars | Dec 1997 | Dec 1998 |
|-----------------------------|-------------|-------------|
| Debtors | 50,000 | 47,000 |
| Bills Receivable | 10,000 | 12,500 |
| Creditors | 20,000 | 25,000 |
| Bills Payable | 8,000 | 6,000 |
| Outstanding Expenses | 1,000 | 1,200 |
| Prepaid Expenses | 800 | 700 |
| Accrued Income | 600 | 750 |
| Income received in Advance | 300 | 250 |
| Profit made during the year | - | 1,30,000 |

PART C — (1 × 20 = 20 marks)

Compulsory Question.

17. Explain the different types of reports submitted to the management of an organization.
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MBFM 3001

M.B.A. DEGREE EXAMINATION, JANUARY 2021.

Third Semester

Finance

STRATEGIC FINANCIAL MANAGEMENT

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Give the limitations of growth strategy with an illustration.
2. Describe the strategies of management process in non-profit organization.
3. Discuss about GAP analysis.
4. Explain new business models and strategy for internal economy.
5. What are the different steps involved in the implementation of strategy?
6. Give the advantages and disadvantages of entering global market.

7. Bring out the concept of functional strategies.
8. What kind of conflicts arises in the process of strategy implementation? How are they resolved?

PART B — (5 × 10 = 50 marks)

Answer any Five questions

9. Discuss the porters five force model of industry analysis with suitable illustration.
10. Enumerate the various components of competitor analysis.
11. Discuss how a firm may achieve sustained competitive advantage.
12. Explain why good ethics is required in strategic management.
13. Explain benchmarking as a strategic management tool.
14. Explain BCG matrix with suitable example.
15. What is mission? Explain key elements in developing a mission statement.
16. Explain balanced score card technique.

PART C — (1 × 20 = 20 marks)

Compulsory

17. Choose any two cellular phone manufacturing companies and compare their competitive advantage with live example.
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MBFM 3002

M.B.A. DEGREE EXAMINATION, JANUARY 2021.

Third Semester

Finance

BANKING AND INDIAN FINANCIAL SYSTEM

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of eight questions.

All questions carry equal marks.

1. Briefly explain the functions of Central Bank.
2. What do you mean by Crossing of a Cheque?
Discuss the types of Crossing.
3. Briefly explain the Services of IBRD.
4. What is new issue market? What are its functions?
How are new securities issued?
5. What are the advantages of Foreign Private Capital?
6. What are the functions of National Housing Bank?

7. What is Financial Intermediation and why is it important? What are the three roles of Financial Intermediaries?
8. How will you differentiate Primary market from the secondary Markets?

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of eight questions.

All questions carry equal marks.

9. What are the special relationship between banker and customer? Elucidate.
10. Enumerate the role of NABARD in the development of the economy.
11. Briefly explain the instruments of Monetary Control.
12. Critically comment on the role of Capital Market in contributing to the growth of Indian Economy.
13. What are the fiscal policies in India? How does fiscal policy work in India? What are its tools?
14. What is a Mutual Fund? What are the types of Mutual Funds? Discuss the role of SEBI in Mutual Fund Regulations.

15. Who are Institutional Investors? Describe the advantages and disadvantages of Foreign Institutional Investors.
16. What is meant by Foreign Direct Investment? How does it work? Bring out the significance of FDI.

PART C — (1 × 20 = 20 marks)

Case Study—compulsory

17. ICICI has to manage more than 13 million customers. The bank has over 550 branches, a network of 2025 ATMs, multiple call centres, internet banking and mobile banking. Its customers often use multiple channels and are increasingly turning to electronic banking options. ICICI has distinguished itself from other banks through its relationship with customers. Mobile ATMs are kept in vans and parked at locations that have a high traffic of bank customers, Bulk Deposit ATMs enable customers to deposit large amounts at one time. ICICI has launched ATMs with special voice-guided systems, which guide a visually challenged person to access ATMs without any help. Prepaid mobile recharge, making donations to temples, mutual fund transactions and bill payments are the other services offered by the bank. On September 19, 2005, the bank announced the launch of mChq which is the credit card using the mobile phone.

ICICI bank organized the largest domestic invitational amateur golf event for high-net-worth individuals. This nation wide golf tournament had over one lakh high net worth clients of ICICI's private banking division participating in the event.

Analyse the case and comment on the initiatives taken by ICICI bank and its benefits to promote Customer Relationship Management.

MBGN 3003/FM 3003

M.B.A. DEGREE EXAMINATION, JANUARY 2021.

Third Semester

General

MERCHANT BANKING AND FINANCIAL SERVICES

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Difference between financial rate of return and financial yield.
2. Who are the major players in financial services?
3. What were the reforms made by SEBI in 1992 when Merchant banking was brought under its control?
4. What is 'Green Shoe Option'? Explain its conditions.
5. What are the various steps involved in the factoring transaction?
6. Difference between factoring and bill discounting.

7. State the meaning and importance of mutual funds.
8. Write a short note on “Causa Proxima”?

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Explain the various fund - based and non-fund based activities of financial markets in India.
10. Describe the functions of Merchant bankers.
11. Discuss the various types of factoring.
12. State the benefits of mutual fund from the investor and promoter point of view.
13. Bring out the different types of insurance in India.
14. Explain the different types of mutual funds.
15. Explain the various types of credit cards.
16. What are the defects of credit rating in India?

PART C — (1 × 20 = 20 marks)

Answer the following questions

17. Case Study

"Unicon Securities Pvt. Ltd" was established to deal in securities. It was registered as a stock broker with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to trade in securities listed at these exchanges. It is also a depository participant with CDSL and NSDL. In the first three years, it developed its business successfully. After that the composition of Board of Directors changed. Some customers complained to the customer care centre of the company that shares purchased by them and for which the payment has been duly made, were not transferred to their D'mat Accounts by "Unicon securities Pvt. Ltd" . The executive of customer care centre promised the aggrieved customers that their shares will be transferred to their respective D'mat Accounts very soon. But the company delayed the matter and didn't transfer the shares of the customers to their D'mat Accounts. This eroded investor's confidence and multiplied their grievances.

Questions

- (a) Identify the step of trading procedure in a stock exchange which has not been followed by Unicon Securities Pvt. Ltd”.

- (b) Name the Apex statutory body of capital market to whom customer can complain to redress their grievances.
 - (c) Write two values not followed by Unicon Security Pvt. Ltd.
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MBFM 3004

M.B.A. DEGREE EXAMINATION, JANUARY 2021.

Third Semester

PROJECT MANAGEMENT

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define Project? What are its characteristics?
2. List and explain the components of techno-economic feasibility studies.
3. List out the various stages in Project Life Cycle.
4. What is Net Present Value? What are its advantages and disadvantages?
5. State the objectives of Project Network.
6. Explain Critical Path Method with an example.
7. Differentiate between managing versus leading a project.
8. Discuss the areas of Project team pitfalls.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions

9. Explain the importance of Project Management.
10. Enumerate the process of creating work break down structure.
11. Briefly discuss the Design of Portfolio Management System.
12. Explain various investment phases from Project Planning to Project Completion.
13. What are the Traditional Methods of Evaluating Projects Financially? Discuss.
14. Illustrate the various steps involved in determination of Social and National Profitability.
15. What are Project Controls? Explain the steps in Project Control Process.
16. Discuss the qualities of an effective Project Manager.

PART C — (1 × 20 = 20 marks)

Case Study – (Compulsory)

17. A company is considering the purchase of a new machine. Two alternative machines (X and Y) have been suggested, each having an initial cost of Rs.20,00,000 and requiring Rs.1,00,000 as additional Working Capital at the end of 1st year. Earnings after taxation are expected to be as follows:

| Year | Cash Flows | |
|------|------------|-----------|
| | Machine X | Machine Y |
| 1 | 2,00,000 | 6,00,000 |
| 2 | 6,00,000 | 8,00,000 |
| 3 | 8,00,000 | 10,00,000 |
| 4 | 12,00,000 | 6,00,000 |
| 5 | 8,00,000 | 4,00,000 |

The company has target rate of return of capital of 10% and on this basis, you are required to prepare the profitability of the machines and state which alternative you are consider financially preferable using NPV Method.

Note: The following table gives the present value of Re.1 due in 'n' number of years.

| | | | | | |
|----------------|------|------|------|------|------|
| Year | 1 | 2 | 3 | 4 | 5 |
| PV of 1 at 10% | 0.91 | 0.83 | 0.75 | 0.68 | 0.62 |
