

M.Com. (Semester - IV) Examination, April 2019

COO 4A1: DERIVATIVES MARKET (OA -18) (NEW)

Duration: 3 hours

Max.Marks: 60

Instructions:

1. This paper consists of **Nine** questions carrying **Equal** marks.
2. Question No.1 consists of **5 Compulsory** questions of **2 marks** each.
3. Answer **any Five** questions from question 2,3,4,5,6,7,8, and 9.
4. **Each** question carries **10 marks**. Figures to the **right** indicate marks.
5. Present value and Logarithm Tables will be **supplied** on request.

- 1 Answer the following short questions: 5 X 2 =10 Marks.
 - A. Write in brief about Forward Commission in India. 2
 - B. What are the pay-off of Long and Short of Futures Contracts? 2
 - C. What is Hedging? How do you compute Hedge Ratio? 2
 - D. Discuss in brief about Put-Call Parity 2
 - E. The Current price of Bharti's share is ₹800. An investor "A" is ready to buy share at ₹900 for future delivery after 6-Months. A goes a Long with the contract. After one month, another investor "B" offers to buy the same share at ₹925 for delivery after 5 months. If the risk free rate of interest is 9 per cent p.a., what is the value of the Forward contract that investor A is holding? 2
- 2 Define the term "Financial Derivative". Discuss in brief the different types of Financial Derivative. 10
- 3 What is Future Contract? Illustrate how do you price the Future Contracts under the following Cases? 10
 - i. When the Underlying Asset carry no Income
 - ii. When Underlying asset carry Income and having Storage Cost.
- 4 Define the term "Options Contract". Discuss in brief any two Options Strategies with the help of illustrations. 10
- 5 A refinery uses crude oil as a major input. The current price of crude oil is \$3,000 per barrel. Futures contracts on crude oil for 100 barrels each are being traded at \$3,100 per barrel with 3-Months to delivery. The cost of capital for the refinery is 12%, while for storage of the oil; it incurs an annual cost of 3%. Assume annual compounding for your analysis. You are required to: 10

- a. Do you find the Futures market and the Spot market prices to be consistent so as to offer no arbitrage possibility?
- b. Is there any arbitrage opportunity? If yes, how can the arbitrage be executed?
- c. Up to what price is this arbitrage feasible?

6 The price of the Suzlon share at the NSE is ₹85 while a 3-M Futures Contract on Suzlon is being traded at ₹86. If one can borrow the funds at a Risk free interest of 12%, and Suzlong is not paying any Dividend in the next three months and assume the size of the Futures Contract to be 100 shares and interest is on compounding annual basis only. 10

You are required:

Is there any **arbitrage opportunity** available in the prices ruling in the Spot market and Futures market? If so, how can profit be made?

7 A stock price is currently ₹40. Over each of the next **two** three-month periods it is expected to go up by 10% or down by 10%. The risk-free interest rate is 12% per annum with continuous compounding. What is the value of a six-month **European Put Option** with a strike price of ₹42 using **Binomial Option Pricing Model**? 10

(B)

A stock price is currently ₹50. Over each of the next two three-month periods it is expected to go up by 6% or down by 5%. The risk-free interest rate is 5% per annum with continuous compounding. What is the value of a six-month **European Call Option** with a strike price of ₹51 under **Binomial Option Pricing Model**?

8 The current price of a stock is ₹90 per share. The risk-free interest rate is 8% (annualized, continuous compounding). If the volatility of the stock is 23% p.a., what is the price of the ₹80 **Call Option** expiring in 6 months using **Black and Scholes Pricing**? 10

9 A stock is trading at ₹500. A Call option on the same with three months to maturity and an exercise price of ₹550 is selling for ₹12. What should the price of a Put Option on the stock with three months to expiry and an exercise price of ₹550 be, using **Put-Call parity**? 10

Assume that the Put Option is actually selling in the market for ₹45.00. How can you benefit from the situation if the following prices are prevailing in the market (a) ₹600 (b) ₹500 and (c) ₹400 and how much profits can you make under each situation?

M.Com. (Semester – IV) Examination, April 2019**COO4A1: INDIRECT TAXES (OA-18)****Duration: 3 Hrs****Max. Marks: 60****Instructions:**

1. This Paper consists of Nine Questions Carrying Equal Marks.
2. Question No. 1 Consists of 5 Compulsory Questions of 2 Marks Each.
3. Answer any 5 questions from Question 2, 3, 4, 5, 6, 7, 8 and 9.
4. Each question carries 10 marks. Figures to the right indicate marks.

- Q. 1 Answer the following questions in brief: (5x2=10)
- a) Who is a 'Missing Trader' under GST?
 - b) What are Zero Rated transactions under GST?
 - c) What is 'Trade Parlance Theory' in GST?
 - d) Determine the Place of Provision of Service in the following case: Inflex, an Indian Company sends its engineer to Spain for training to be provided by Mr. Gomes in Spain. Payment made by Inflex Company to Mr Gomes is in Indian Rupees.
 - e) Compute the net tax payable in the following case:
Value of Supply of goods and services in inter-state is Rs 100. Value of supply of goods and services within state – Rs 1100. IGST rate of supply of goods and services is 20%. Value of receipt of goods and services within state – Rs 1000. SGST and CGST rate of receipts of 10% each.
- Q. 2 What do you mean by cascading effect of tax? How this effect is eliminated under GST system? (10)
- Q. 3 Explain the General Interpretative Rules of classification of goods under GST. (10)
- Q. 4 a) Explain the contents of Taxable Invoice under GST law. (5)
- b) Explain the terms: Protective Duty and Safeguard Duty (5)
- Q. 5 Explain the concept of bundled services and highlight on the provisions related to bundled services. (10)
- Q. 6 Discuss on the types of customs duties levied on Imports into India. (10)
- Q. 7 What do you mean by 'Reverse Charge'? Highlight on the provisions of Reverse Charge if the goods are supplied by a Non-registered person. (10)
- Q. 8 Explain the following terms under GVAT: Dealer, Casual Dealer and Non-resident dealer. (10)
- Q. 9 a) List out the general provisions under GST where dealer opts for Composition Scheme. (5)
- b) After visiting USA, Mr and Mrs D'Souza brought to India a Laptop Computer valued at Rs 80,000, personal effects valued at Rs 90,000 and a personal computer for Rs 52,000. What is the customs duty payable? (5)

M.Com (Semester-IV) Examination April 2019

COO4A4: MANAGEMENT OF FINANCIAL SERVICES (OA- 18)

Duration: 3 Hours

Max. Marks: 60

Instructions: 1) This Paper consists of *nine* Compulsory carrying *equal* marks.2) Question No. *1* consists of **5 Compulsory** questions of 2 marks each.3) Answer *any five* questions from questions *2, 3, 4, 5, 6, 7, 8* and *9*.4) *Each* question carries **10** marks. Figures to *right* indicate marks.

- Q1. Answer the following Short Questions** (5x2=10)
- Explain Systematic Withdrawal Plan and Systematic Transfer Plan.
 - What do you mean by Key Information Memorandum?
 - What is STeADY facility?
 - What is Transposition?
 - Explain Peer-to-Peer Securitization.
- Q2.** “A mutual fund is a pool of money managed by a professional Fund Manager”. Comment. Also elucidate various classifications of Mutual Funds Schemes **10**
- Q3.** What is Offer Document? Also explain the content of offer documents as per SEBI. **10**
- Q4.** What is Rematerialisation? Also elaborate the process of Rematerialisation of Securities. **10**
- Q5.** Explain the process of settlement of trade with the help of diagram in case of
- Market transaction **05**
 - Off market transaction **05**
- Q6.** What is Depository? Explain various sections of Depositories act 1996. **10**
- Q7.** What is Securitization? Also explain various Classes of Assets in Securitization. **10**
- Q8.** “Securitization is the process of bringing loans together in a pool and then selling the risk in different packages by issuing securities to investors”. Comment. And also Elucidate the various advantages of Securitization to Investor and Originator. **10**
- Q9.** What is SARFAESI Act? Explain the role of SARFAESI Act in Securitization. **10**

M.Com. (Semester-IV) Examination, April 2019**COO4B1: Entrepreneurship Development (OA-18)**

Duration: 3 Hours

Max. Marks: 60

Instructions: 1) This paper consists of **nine** questions carrying **equal** marks.2) Question No. 1 consists of **5 compulsory** questions of **2 marks each**.3) Answer **any 5** questions from Question 2, 3, 4, 5, 6, 7, 8 and 94) **Each** question carries **10** marks. Figures to the **right** indicate marks.

Q1. Write short notes on the following:

(5x2=10)

- a) Women Entrepreneurship
- b) Financial Analysis
- c) Micro Credit
- d) Venture Capital
- e) Management Buyout

- Q2. Explain the role of entrepreneurship in the economic development of the country. **10**
- Q3. What is a Business Plan? Briefly explain the components of a Business Plan. **10**
- Q4. Discuss the role of State Financial Corporation's (SFC's) in providing financial assistance to small scale industries. **10**
- Q5. State and explain the various stages of Venture Capital financing. **10**
- Q6. Under what circumstances would an entrepreneur choose not to grow his or her venture? Explain it with suitable examples. **10**
- Q7. Give an account of evolution and growth of entrepreneurship in India. **10**
- Q8. Describe the various legal forms of business organisations. Briefly explain their merits and demerits. **10**
- Q9. Explain the different sources of business ideas for an entrepreneur. **10**

M. Com. (Semester IV) Examination, April 2019**BUSINESS MANAGEMENT****COO4B2 - Tourism and Travel Management (OA-18)**

Duration: 3 Hours

Total Marks: 60

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

2) Question 1 consists of 5 compulsory questions of 2 marks each.

3) Answer any 5 questions from question 2, 3, 4, 5, 6, 7, 8 and 9

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

1. Answer the following questions in brief: (5x2=10)

A) Medical Tourism

B) Demonstration effect in tourism

C) Discrimination pricing versus psychological pricing in tourism products

D) Tourism Investments

E) Health and Wellness Tourism in India

2. Discuss the various types of tourism citing suitable examples. 10

3. Explain the socio-cultural impact of tourism on a destination. 10

4. Discuss the various characteristics of the tourism industry, as a service product. 10

5. Elaborate on the returns from the tourism industry to the destination country. 10
6. Discuss the prospects of health and wellness tourism in India. 10
7. Explain the role of tourism in the theories of economic development. 10
8. 'Developing a plan for marketing provides a common structure and focus for all of the tourism organisation's activities.' Discuss this statement stressing on the benefits of marketing planning to the organisation. 10
9. Discuss the social evils of the tourism industry in Goa. 10

M.Com (Semester - IV) Examination, April 2019
COO4B3 : SERVICES MARKETING (OA - 18)

Duration : 3 Hours

Max Marks : 60

Instructions:

- 1) This paper contains of **nine** questions carrying **equal** marks.
- 2) Question No. 1 consist of **5** compulsory questions of 2 marks each.
- 3) Answer any 5 questions from Question No. 2, 3, 4, 5, 6, 7, 8 and 9
- 4) Figures to the right indicate full marks.

1. a) What is a Service Encounter? (5x2=10)
 b) Who are Boundary Spanners?
 c) What are Self Service Technologies?
 d) 'The service experience depends not only on the Service Provider but also on the other customer. Illustrate the truth of this statement with an example.
 e) What is Interaction Marketing?
 2. Discuss the Salient features of Services along with their marketing Implications. 10
 3. Why is Customer Education important in Service Marketing? Discuss the various Approaches used by the service marketers to Educate the Customer. 10
 4. What is Customer Expectation? Discuss the Factors that determine the Customer Expectations of Service. 10
 5. Explain the GAP Model of Service Design and Delivery. 10
 6. What is Bank Marketing? Discuss the different Components of Bank Marketing Mix. 10
 7. Why does a Customer Switch service providers? What Strategies can you suggest as a service marketer to prevent the customer from Switching? 10
 8. What is Consumer Behaviour? Explain the 3 Stage Model of Consumer service Purchase Behavior? 10
 9. 'Any Complaint should be treated as a gift by the service firm and appropriate Steps need to be taken to resolve it'. In the light of the Statement, Explain the various Steps undertaken to handle Complaints by a Service Firm. 10
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COO4B4: INTERNATIONAL TRADE & ENVIRONMENT (OA-18)

Duration: 3 Hours

Instructions:

1. This paper consists of **Nine** Questions carrying **Equal** marks.
2. Question No. **1** consists of **5 Compulsory** Questions of **2 Marks Each**.
3. Answer **any 5** questions from Question **2, 3, 4, 5, 6, 7, 8 and 9**.
4. **Each** question carries **10** marks. Figures to the **right** indicate marks.

1. Answer the following: (5x2=10)
 - a) Leontief paradox
 - b) State the items listed in the current account of the Balance of Payments.
 - c) State any 4 types of tariffs.
 - d) BRICS
 - e) Nostro and Vostro accounts
2. Examine the factor proportions theory of international trade. 10
3. Explain the Monetary approach to Balance of Payments adjustment 10
4. What are the objectives and types of Foreign Exchange Control? 10
5. Critically compare free trade policy and protectionism. 10
6. What is Partial equilibrium analysis? Discuss its importance and limitations. 10
7. Describe the structure of the Asian Development Bank. What are the functions of the ADB? 10
8. Write a short note on:
 - a) local content requirement with respect to non-tariff barriers 05
 - b) Import promotion and export promotion. 05
9. Discuss the recent trends in India's Balance of Payments. 10