

Unique Paper Code : 22411502
Name of the Paper : Fundamentals of Financial Management
Name of the Course : B.Com. (H) - CBCS
Semester : V
Duration : 3 hours
Maximum Marks : 75 Marks

Instructions for Candidates

Attempt *any four* questions. All questions carry equal marks.

Q1. “Financial Management is concerned with solution of three major decisions- the investment decision, the financing decision and the dividend decision”. Explain the statement highlighting the inter-relationship amongst these decisions.

Also advise Mr. X that if he borrows from Bank an amount of Rs. 12,00,000 @ 10% p.a. on 1-4-2020. The repayment is to be made in 6 equal annual installment starting from three years from now. What would be the amount of each installment?

Q2. XYZ Ltd. Is considering the proposal of buying one of the two machines to manufactures a new product. Each of these machines requires an investment of Rs. 50,000 and is expected to provide benefits over a period of 4 years. After the expiry of the useful life of the machine, the seller of both the machines have guaranteed to buy back the machine at Rs. 5,000. The management of the company uses CE Approach to evaluate risky investment. The company’s risk adjusted discount rate is 16% and the risk free rate is 10%. The expected values of the net cash flow (CFAT) with their respective CE are:

Year	Proposal A		Proposal B	
	CFAT	CE	CFAT	CE
1	30,000	0.8	18,000	0.9
2	30,000	0.7	36,000	0.8
3	30,000	0.6	24,000	0.7
4	30,000	0.5	32,000	0.4

Which machine, if either, should be purchased by the company? Is Certainty Equivalent Approach theoretically superior to the Risk Adjusted Discount Rate?

Q3. Give a critical appraisal of Modigliani and Miller Approach to the theory of capital structure.

The two companies U and L belong to the same risk class. They have everything in common except that firm L has 12% debentures of Rs. 10,00,000. The following information about the two firms is available to you:

Particulars	Firm U	Firm L
Net operating income(EBIT)	Rs. 4,00,000	Rs. 4,00,000
12% Debentures	-	Rs. 10,00,000
Equity capitalization rate(k_e)	0.15	0.16

Calculate the value of two firms and explain how under Modigliani – Miller approach an investor who owns 10% equity shares of the overvalued firm will be better off switching his holdings to the other firm. Also explain when arbitrage process will come to an end.

Q4. How is the cost of capital relevant in capital budgeting decisions? Also discuss the factors affecting cost of capital.

A company has the following capital structure :

Particulars	Book Value	Market Value
Equity Capital(30,000 shares of Rs. 10 each)	3,00,000	4,80,000
Preference capital (600 shares of Rs. 100 each carrying 12% dividend)	60,000	70,000
Reserves and Surplus	1,50,000	-
Debentures (2000 debentures of Rs. 100 each carrying 12% interest)	2,00,000	1,90,000
	7,10,000	7,40,000

The expected dividend per share is Rs. 1.50 and the dividend per share is expected to grow at a rate of 8 per cent forever. Preference shares are redeemable after 5 years at par whereas debentures are redeemable after 6 years at par. The tax rate for the company is 50 per cent.

You are required to compute the weighted average cost of capital (WACC) using market value weights.

Q5. Radiant Corporation, a market leader dealing in refrigeration products, has been paying dividend consistently over last several years. The growth rate of dividend on an average has been 12%. The capitalisation rate of Radiant Corporation is 16%.

Consistent with its developmental philosophy Radiant Corporation acquired a technology for a new refrigerant that called for huge investment but offered a market potential of growth of 14% in earnings and dividends as well.

The management decided to skip the dividend for next three years. However, as a measure of good corporate governance and to reassure the investors it announced that the dividend would re-commence in 4 years from now at Rs. 12 only and would offer better growth of 14% instead of 12%. What do you think would be the impact on the price of shares of Radiant Corporation in the market of the announcement of new project and resultant postponement of dividend, assuming Gordon Assumptions?

In this context, “Do you agree that dividend policy can be used to maximize the wealth position of equity holders?” Explain with reference to the determinant of dividend policy.

Q6. “The efficiency of cash management depends on how efficiently the firm manages its inventory and Receivables” Comment.

Transient Ltd is currently operating at the 65% capacity utilization level with its sales pegged at Rs. 950 lakhs. As per its current credit policy the firm is offering a credit period of 20 days. The average collection period for Transient Ltd is 30 days. In view of increased competition that has started to erode its bottom-line recently, the firm's management has been contemplating relaxing its credit terms. As per management's projections such a liberalization of firm's credit policy is likely to boost its sales by 30%. However, since the proposed change is likely to increase the average credit period for the firm by 30 days, one section of company management is opposed to such a change proposed in the credit policy and is advocating a status quo. The variable costs for the firm are 75% of the sales and the fixed cost is Rs.100 lakhs. Are you in favor of such a change proposed in the firm's credit policy? Assume the opportunity cost of capital for Transient Ltd is 12%.

NC

SET A

This question paper contains printed pages1

Roll No.

Unique Paper Code : 22411301

Name of the Paper : Human Resource Management

Name of the Course : B. Com (H)

Mode : Semester- III

Duration : 3 hours Maximum Marks : 75 marks

Instructions for candidates

Note: Answer may be written either in English or in Hindi, but the same medium should be used throughout the paper.

Attempt **Any Four** questions

All questions carry equal marks

1. "The total knowledge, skill, creative abilities, talents and aptitudes of an Organization's workforce, as well as the values, attitudes and beliefs of the individuals involved." Justify this statement stating the significance of Human Resource Management.
2. "Human Resource Planning is the process of estimating the requirement of manpower." Explain this statement by giving process of manpower planning in detail.
3. "Training and development play a critical role in important business outcomes like employee retention, professional development, and hiring processes like on-boarding." In the light of this statement discuss the need and importance of training in modern business environment.
4. "Performance management is comprehensively essential, not only because it is the determining component in an employee's earnings rise and promotion but also because it can evaluate an employee's skills, strengths, and shortcomings accurately." explain this statement and discuss the uses of 360 degree feedback.
5. "Green HRM is the use of HRM policies to promote the sustainable use of resources within organisation, and more generally promote the causes of environment sustainability as the integration of environmental management into human resources management." In the light of this statement describe essential for Green HRM.
6. As an employer you want to review the approach to employee relations of your Company, or one you know well. Prepare a report analyzing the company's:
 - (a) employee relations policies and Strategies
 - (b) approach to managing without unions
 - (c) approach to managing with unions

-END-

Subject Paper Code : 22413301 (NC)

SET- A

Name of the Paper : E-Commerce

Name of the Course : B.Com (H)

Semester : III (CBCS)

Duration : 2 Hours

Maximum Marks: 50

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. You have to attempt 4 questions out of the 6 given. All questions carry equal marks.
3. Answers may be written in English or in Hindi; but the same medium should be used throughout the paper

Q.1. Mr. A wants to launch his existing traditional garment trading business on the internet as his sales got adversely affected due to Pandemic Covid-19. Suggest what all different modes or resources are required to launch his ongoing offline business on the internet? Justify which e-commerce business model should he adapt to expand his business globally?

Q2. “Business models have successfully integrated online cyber world with offline real world.” Explain the statement in the light of various emerging business models. Also suggest which type of elements should be proper placed in the structure of an e-commerce business model specifically during Pandemic Covid-19 challenging period?

Q3. Mr. A. has been appointed a website developer in a company. How does he know if website of the company is secured? Are the websites of e-commerce sites ever hacked? Should an E-Commerce site run 100% under SSL? What steps should he take to make company’s website more secure for consumers?

Q4. “E-banking is an e-commerce application which allows the customer to perform any banking function in more protected and secure manner than traditional banking”. Justify the statement. What are four most common types of Electronic Fund Transfer (EFT)?

Q5. “Internet provides a perfect platform for both job-seeks and job-providers.” Discuss the pros and cons of the statement. What is the future scope of online career services in India? Also give examples of some popular online career websites.

Q6. “Encryption provides strength and security to confidential information.” Explain the statement in the light of various approaches available for encryption. Are digital signatures valid in India?

Unique Paper Code: 22415305

Name of the Paper: **Fundamentals of Marketing**

Name of the Course: **B. Com (H) CBCS**

Semester: III

Duration: **3 hours**

Maximum Marks: **75 Marks**

Instructions for Candidates

Note: Answers may be written *either* in English or in Hindi, but the same medium should be used throughout the paper.

Attempt any four questions.

All questions carry equal marks.

Q.1. Which pricing policy- penetrating pricing or skimming pricing- would you recommend for a new electric car launched by a marketer? Support your answers with reasons.

Q.2. Discuss the different stages through which a consumer passes while buying a SUV.

Q.3. Discuss the factors that influence a marketer while choosing the channel of distribution for the sale of a popular brand of soft drink.

Q.4. Segmentation bases provides a powerful tool to companies to identify and better target their customers and tailor market offerings to their specific needs. Discuss suitable bases for segmenting cars and shampoos.

Q.5. Explain the various levels of a product with reference to hotels.

Q.6. Explain how changes in the demographic and social-cultural environment affect marketing decisions.