

## **B. COM. (FINANCIAL MARKETS)**

### **PROJECT TOPIC/QUESTIONS FOR INTERNAL ATKT**

#### **SEMESTER 4**

##### **MERCHANT BANKING**

**Roll No.: 228:**

1. Explain need and importance of merchant banking
2. Draft red herring prospectus
3. Explain ADR's and GDR's
4. Explain the procedure for issue of bond

##### **FOUNDATION COURSE (FOREIGN EXCHANGE MARKETS)**

**Roll No.: 228**

1. Distinguish between transaction and translation exposure.
2. Explain the theory of purchasing power parity with suitable examples
3. Explain in brief the future contract specification.
4. Explain the characteristics of forex market.

## PERSONAL FINANCIAL PLANNING

### Roll No. 266

- 1) From the following information provided by Mr. Naveen, a sole proprietor, you are required to prepare a cash budget for the period of January to June, 2018.

Month	Sales	Purchases
November, 2018	1,50,000	75,000
December, 2017	1,50,000	75,000
January, 2018	3,00,000	1,05,000
February, 2018	4,50,000	7,35,000
March, 2018	6,00,000	2,55,000
April, 2018	3,00,000	1,95,000
May, 2018	3,00,000	1,35,000
June, 2018	2,75,000	-

### Other Information:

1. Mr. Naveen predicts the collection to be as follows:
    - (a) Within the month of sale: 5%
    - (b) During the month following the sale: 80%
    - (c) During the second month following the sale: 15%
  2. Payment for raw materials is made in the month following the actual purchase.
  3. Salary given to his employees every month is Rs. 22,500
  4. Lease payment and miscellaneous expenditures of Rs. 7500 and Rs. 2,300 respectively, are paid on the last day of each month.
  5. Mr. Naveen charges Rs. 30,000 as depreciation on monthly basis on his Shop Premises.
  6. He made a payment towards conducting a market research for his products in the month of March. The payment of Rs. 1,50,000 for the same was released on April 07<sup>th</sup>, 2018.
  7. He made payment towards his tax liability in the month of March and June, 2018. The amount of Tax paid was Rs. 52,500.
  8. Balance of cash on 1<sup>st</sup> January, 2018 was Rs. 1,10,000.
  9. He received a dividend of Rs. 5,000 in the month February.
  10. He paid Rs. 20,000 to one of his employees as an incentive for achieving the highest sales in the month of March, 2018.
- 2) Prepare an amortization schedule from the following information, assuming that the principal amount is repayable equally along with interest payable on unpaid loans.  
Amount Borrowed: 74,96,250.  
Annual Interest: 13.25%  
Repayment Period: 15 years.
- 3) Explain in detail all the 6 steps of Financial Planning Process.

**Roll No. 222**

1. What is behavioural finance? Explain the characteristics of behavioural finance. Also state the difference between traditional and behavioural finance.
2. Ms. Yashmita on 1<sup>st</sup> Jan, 2013 made the following investment in:
  - (i) 2000 shares of Glaze Ltd. @ of Rs. 600 each, FV of each share being Rs. 100.
  - (ii) 3000 shares of Blaze Ltd. @ of Rs. 350 each, FV of each share being Rs. 100.
  - (iii) 9500 shares of Maize Ltd. @ of Rs. 90 each, FV of each share being Rs. 10.

The companies paid the dividend as follows:

Details of Dividend	2013	2014	2015	2016	2017
Glaze Ltd. (Total Amount)	Rs.600	Rs. 600	Rs. 800	Rs. 800	Rs. 1000
Blaze Ltd. (per Share)	Rs. 3	Rs. 3	Rs. 4	Rs. 4	Rs. 5
Maize Ltd. (Rate in %)	5	4	4.5	5.5	6

Ms. Yashmita sold all her shares on 31<sup>st</sup> December, 2017 of Glaze Ltd. for Rs. 750, Blaze Ltd. for Rs. 510, and Maize Ltd. for Rs. 124. She also paid brokerage @ 2.00%, 2.25% and 2.5% respectively, while buying as well as selling the shares of the above companies.

From the above question, calculate the Holding Period Return (HPR) and Annualized Return (AR).

3. Tahoma Ltd. estimates cashflow from an estimated future project costing Rs. 20,00,000 during the course of the first decade of the project as follows:

1	2	3	4	5	6	7	8	9	10
350,000	350,000	4,00,000	4,00,000	4,50,000	4,50,000	5,00,000	5,00,000	4,00,000	4,00,000

From this information you are required to find:

1. NPV of the project was 20% cost of capital.
2. IRR of the project.
3. Profitability Index.

## ECONOMICS

### Roll No.: 229

- 1) Explain the scope of macroeconomics in detail.
- 2) Explain circular flow of income in closed economy.
- 3) Discuss the circular flow of income in open economy.
- 4) What is green national income? Discuss the need for green national income.

### Roll No. 241

1. Explain the phases of trade cycle in detail.
2. Discuss the factors affecting consumption function.
3. Explain the theory of multiplier.
4. Discuss the constituents of money supply.

### Roll No. 260

1. Explain in detail velocity of circulation of money.
2. Explain the Keynes demand for money theory.
3. Explain demand pull and cost push inflation.
4. Examine the effects of inflation in economy.

### Roll No.: 268

1. What are the objectives of monetary policy?
2. What are the instruments of fiscal policy?
3. Explain any 4 canons of taxation.
4. Discuss the significance of public expenditure.

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## **CORPORATE FINANCE**

### **Roll No. : 228**

- 1) What is business finance? Give its advantages and dis-advantages.
- 2) Explain break even point analysis
- 3) Net Present value
- 4) Over capitalisation

### **Roll No. 268**

- 1) What is corporate finance? Give its features.
- 2) Under capitalisation
- 3) Wastered capital with example
- 4) IRR with an example

### **Roll No. 219**

- 1) What are the objectives of decision making in decision making?
- 2) Equity capital as a source of finance
- 3) Book building process
- 4) Cost of Retained earnings

### **Roll No. 264**

- 1) List the principles of corporate finance
- 2) Factors affecting capital structure
- 3) Steps in IPO
- 4) Types of preference shares

### **Roll No. 260**

- 1) List the important functions of a finance manager.
- 2) If a debenture is of face value Rs. 1000, carrying 15% interest, tax rate is 35% and the debentures are issued at 2% issue expense then find the cost of debt if they are issued at 5% premium or 5% discount.
- 3) Advantages and dis-advantages of issuing preference shares

### **Roll No. 263**

- 1) Describe the importance of corporate finance
- 2) If a debenture is of face value Rs. 1000, carrying 15% interest, tax rate is 30% and the debentures are issued at 2% discount then find the cost of debt if they are redeemable after 5 years at 10% premium.
- 3) Explain payback period with example
- 4) Value maximisation

### **Roll No. 266**

- 1) Give the skills required for a finance managers.
- 2) Wealth maximisation
- 3) Weighted average cost of capital with its assumptions
- 4) Cost of debt

**Roll No. 241**

- 1) What is capitalisation? Explain the need for capitalisation
- 2) Cost of asset is Rs. 100000, inflows are Rs. 30000, Rs. 28000, Rs. 32000, Rs. 30000 and Rs. 26000. Find payback period.
- 3) Trading on equity
- 4) Under capitalisation

**Roll No. 247**

- 1) Significance of cost of capital
- 2) Capital budgeting and its features
- 3) Debentures and bonds as source of finance
- 4) Leasing as a source of finance

**Roll No. 235**

- 1) Cost of preference capital and cost of debt
- 2) Cost of asset is Rs. 150000, inflows are Rs. 36000 p.a. find payback period and NPV if cost of capital is 10%
- 3) Hire purchase as a source of finance
- 4) Explain financial management

**Roll No. 222**

- 1) Various types of cost of capital
- 2) Leasing Vs Hire purchase
- 3) Advantages of business finance
- 4) Explain any 5 features of corporate finance

**Roll NO. 229**

- 1) Distinguish between Owners fund and Owed Fund
- 2) Types of Leasing
- 3) Disadvantages of business finance
- 4) Advantages of equity financing

**Roll No. 259**

- 1) Define capital structure and list the importance of designing a capital structure
- 2) NPV Vs IRR
- 3) Principles of corporate finance
- 4) Marginal cost of capital vs Weighted Average cost of capital

**Roll NO. 250**

- 1) Distinguish between capital structure and Financial structure
- 2) Explain the cost theory of capitalisation
- 3) Dividend per share is Rs. 6 which is expected to grow at 5% every year. The market price is Rs. 48 per share. Find out the value of equity share.
- 4) Types of debentures

**Roll No. 238**

- 1) Factors affecting capital structure
- 2) Earnings theory of capitalisation
- 3) Disadvantages of pay back period method
- 4) Calculation of cost of equity capital under different approaches

**Roll No. 214**

- 1) Explain payback period method
- 2) From the following information calculate WACC:

Source	Amount (Rs.)	Cost
Equity capital	500000	14%
Preference capital	300000	8%
Debentures	200000	6%
Retained earnings	200000	12%
- 3) Preference capital Vs Equity capital
- 4) Book building