

Question Paper Set of

T.Y.B.B.I. – Sem-V

Regular Exam

University of Mumbai

November, 2019

Time: 2 ½ Hours

Marks : 75

- N.B. 1. All questions are compulsory.
2. Each question has internal options
3. Figures to the right indicate full marks

Q.1 A Multiple Choice Questions (Any 8)

(8)

1. A Japanese company issuing Yen denominated bonds in the US market is example of _____ (foreign bonds/euro bonds/global bonds)
2. When a country experiences _____, its interest rates are likely to fall. (Boom/Depression/Recession)
3. Under _____ rate system, Central bank has the responsibility to maintain adequate foreign currency reserves. (BWS/Fixed Exchange/Floating Exchange)
4. A Letter of Credit which cannot be modified unless the exporter consents is called as _____ L/C. (Non Revolving/Non Transferable/Non Revocable)
5. In the case of _____ offering, the bonds convert into shares of the company that issued the bonds. (FCCB/FCEB/GDR)
6. _____ stage is the first stage in the process of loan syndication. (Pre-mandate/disbursement/Post-disbursement)
7. All transactions between ADs and their customers are governed by exchange controlled regulations of _____. (FEMA/RBI/FEDAI)
8. _____ is an NRI account that can be opened by depositing foreign currency in the account. (NRO/NRE/FCNR)
9. The Smithsonian agreement was abandoned in March _____. (1978/1972/1971)
10. Dealing Room Manual and code of conduct for dealers is given by _____. (FEDAI/FIMMDA/Both)

B State True or False (Any 7)

(7)

1. Euro currency market is highly regulated.
2. In case of NRO account, only current earnings are repatriable.
3. Full fledged money changers are authorised to undertake both purchase and sale transactions with the public.
4. Mining is a process of recording of transactions through the utilization of processing power computer.
5. The EMS was no longer a functional arrangement from May 1998.
6. Credit risk refers to the risk that a government may default on its obligation.
7. Offshore banking formally started in India from 2002.
8. Asymmetric information occurs in a situation where both party in a transaction has similar information.
9. US dollar can be described as "Paper Gold".
10. FERA came into force when the foreign exchange reserve position in the country wasn't good.

Q.2 A What is Capital Account Convertibility? Explain its advantages and disadvantages. (8)

B What is ADR? Explain different types of ADR. (7)

OR

Q.2 C Differentiate between fixed exchange rate system and flexible exchange rate system. (8)

D What do you mean by FDI? What are its advantages? (7)

Q.3 A Write briefly about the International payment systems. (8)

B What is offshore banking? What are its advantages and disadvantages? (7)

OR

Q.3 C What are the factors responsible for growth of Euro-currency Market? (8)

D Explain the role of LIBOR in international lending. (7)

Q.4 A Explain risk management. What are the risks faced by companies? (8)

B Write in detail about participatory notes. (7)

OR

Q.4 C Calculate the rate of following currencies against Indian Rupees (8)

	BID	OFFER
1 USD INR	69.1300	69.1600
1 GBP USD	1.2410	1.2620
1 SGD USD	1.3656	1.3844
1 USD EUR	0.8946	0.9156
1 USD THB	31.3450	31.3650

D Calculate mid rate, inverse quote and spread with following quote (7)
USD 1 = GBP 0.8120/40

Q.5 A What is hedging? What are the internal and external methods of hedging? (8)

B What are Eurobonds? Explain different types of Eurobond? (7)

OR

Q.5 Write Shortnotes On (Any 3) (15)

1. Cryptocurrency
2. Basel norms.
3. Features of Bretton Woods Agreement
4. Indian Depository Receipts
5. FEMA

Marks: 75

Duration: 2.5 Hours

Q.1 A) Match the pairs:

Any 8

	Column A		Column B
1.	Null Hypothesis	a)	First page of research proposal
2.	Correlation	b)	Supplementary Material
3.	Tabulation of data	c)	Primary data
4.	Title	d)	Non-Probability Sampling
5.	Survey	e)	Ho
6.	Alternate hypothesis	f)	Ranges between -1 & +1
7.	Appendices	g)	Secondary Data
8.	Journals	h)	Blueprint of research work
9.	Judgment Sampling	i)	Sorting and counting of data
10.	Research Design	j)	H1

Q.1 B) State TRUE or FALSE: Any 7

7

1. Formulation of hypothesis is a last stage in research.
2. Analysis of data refers to drawing of conclusions from data.
3. Editing helps the researcher to arrange data in statistical tables and graphs.
4. Correlation analysis is a technique that requires a large number of lady respondents.
5. Scientific research is a type of applied research.
6. Hypothesis must be based on objectives of research.
7. Pure research is also called as Basic research.
8. Questionnaire ideally can be a combination of open and close ended questions.
9. Report writing is the last activity of the research process.
10. Research abstract is a summary of technical report.

Q. 2 (A) What is research? State the types of research.

8

Q. 2 (B) Describe with suitable examples the methods of probability sampling.

7

OR

Q. 2 (C) What is research design? State the types of research design.

8

Q. 2 (D) What is hypothesis? Explain the sources of hypothesis used by researcher.

7

Q. 3 (A) What is personal interview? Explain the types of personal interview used by researcher.

8

Q. 3 (B) What is secondary data? State and explain the sources of secondary data?

OR

Q. 3 (C) Discuss the 'Discriminant Analysis' as advanced statistical technique used in research.

Q. 3 (D) Explain editing of data with its types.

Q. 4 (A) What is concept of analysis of data? Discuss types of analysis of data.

Q.4 (B) Describe tabulation and various types of tabulation

OR

Q. 4 (C) What do you mean by interpretation of data. State its importance to researcher

Q. 4 (D) Discuss footnotes and bibliography used in research.

Q. 5 (A) Discuss the contents of a research report.

Q.5 (B) Explain the role of review of literature in research?

OR

Q. 5 Short notes on: (ANY 3)

- i. Characteristics of research
- ii. Factor Analysis
- iii. ANOVA
- iv. Popular Report
- v. Social media and media listening

Time: 2:30 hours

Marks: 75

- N.B.
1. Q. 1 is compulsory.
 2. Q.2 to Q.5 are compulsory with internal choice.
 3. Figures to the right indicate full marks.
 4. Workings should form a part of your answer.
 5. Use of simple calculator is allowed.

Q.1 a. State Whether True or False. (any 8)

(08)

1. Balances with RBI are shown in the final accounts of Bank in Schedule 4.
2. Surplus on revaluation in banking Company should be treated as other Income.
3. A loss asset would be one, which has remained NPA for a period less than or equal to 12 Months.
4. Claim outstanding is shown under balance sheet of an insurance company under current assets.
5. Premium received in advance is shown under balance sheet of an insurance company under current liabilities.
6. CARO is not applicable to Banking Company
7. Goodwill is not depreciated.
8. Short term loan is a loan due for more than 5 years.
9. Cash deposited into bank increase cash inflow.
10. Whistle blower can be an employee.

Q.1 b. Match the column. (Any 7)

(07)

Column A	Column B
1. Ethics	(a) First time adoption
2. Ind AS 101	(b) Operating activities
3. Ind AS 102	(c) Financing activities
4. Decrease in stock	(d) Investing activities
5. Buy back of share	(e) Opened by Businessmen
6. Purchase of Fixed Assets	(f) Greek word
7. Previous year account	(g) Share Based Payment
8. Live stock	(h) General Insurance
9. Fire Insurance	(i) Not for the first year.
10. Current account	(j) Fixed Assets

- Q.2 a. From the following information, find out the amount of provision required to be made in the profit and loss account for the ABC Bank year ended 31-3-18. (07)

Advances	Rs. Thousand
Standard Asset	1600
Sub- standard Asset	700
Doubtful Assets for:	
For one year	112
For two and Three years	56
For More than 3 years	38
Loss Asset	18

- Q.2 b. Bill discounted (Rs) 1,85,06,000 (08)
 Rebate on bill discounted (Rs) (01.04.2016) 3,21,600
 Discount Received (Rs) 11,56,300
 From the Following data calculate rebate on Bills Discount as on 31.3.2017 and give necessary journal entries.

Amount Rs	Period (inclusive of 3 days of grace)	Rate of Discount
19,65,000	01.06.2017	10%
26,10,000	15.06.2017	12%
27,60,000	28.06.2017	11%
33,90,000	08.07.2017	10%

OR

- Q.2 From the following balances, prepare Profit and Loss Account of Shyam Bank Ltd. for the year ended 31st March, 2018. (15)

Particulars	Amount	Particulars	Amount
Interest on Loans	12,95,000	Rent and Taxes	90,000
Interest on Fixed Deposits	13,75,000	Interest on Overdraft	7,70,000
Rebate on Bills Discounted	2,45,000	Directors Fees	15,000
Commission	41,000	Auditors Fees	6,000
Establishment charges	2,70,000	Interest on Saving Bank Accounts	3,40,000

Discount on Bill Discounted (net)	7,30,000	Postage and Telegrams	7,000
Interest on Cash Credit	11,15,000	Printing and Stationery	14,500
Interest on Current account	2,10,000	Sundry Charges	8,500

Bad debts to be written off amounted to Rs. 2,00,000. Provision for taxation may be made at 50% of net profits. Transfer to statutory reserve to be @25%.

Q.3 Krishna General Insurance Company submits the following information for the year ended 31st March, 2018. (15)

Particulars	Direct Business	Re insurance
Premium Received	32,87,500	4,75,000
Premium Paid	-	2,37,500
Claims paid during the year	21,25,000	2,50,000
Claims Payable - opening	3,12,500	43,500
Closing	3,59,000	30,000
Claims Received	-	1,62,500
Claims Receivable - opening	-	32,500
Closing	-	55,000
Expenses of Management	1,15,000	-
Commission	-	-
On insurance Accepted	75,000	5,500
On insurance Ceded	-	7,000

The Following additional information is also available:

- Expenses of Management include Rs. 17,500 Surveyor's fees and Rs. 22,500 legal expenses for settlement of claims.
- Reserve for unexpired risk is to be maintained @ 40%. The balance of reserve for unexpired risk as on 01.4.17 was Rs.12,25,000

You are required to prepare the Revenue Account for the year ended 31st March, 2018.

OR

- Q.3 From the following information as on 31st March 2018, prepare the Revenue Account of the Shiv Insurance Co. Ltd in respect of fire and marine insurance business. (15)

Particulars	Fire (Rs.)	Marine (Rs)
Outstanding Claims (opening Balance)	84,000	21,000
Claim Paid	3,00,000	2,40,000
Reserve for Unexpired Risk (opening Balance)	6,00,000	4,20,000
Premium Received	13,50,000	9,90,000
Agent Commission	1,20,000	60,000
Expenses Management	1,80,000	1,35,000
Re insurance Premium (debit)	75,000	45,000

The following points are to be consider:

- Expenses of management due on 31st March , 2018 were Rs. 30,000 and Rs.15,000 for fire and Marine Insurance.
- Reserve for unexpired risk is to be maintained at 50% and 100% respectively for fire and Marine Insurance.
- Premium outstanding as on 31st March, 2018 were Rs. 90,000 and Rs. 60,000 respectively for fire and Marine Insurance.
- Claim outstanding as on 31st March, 2018 were Rs. 30,000 and Rs. 45,000 respectively for fire and Marine Insurance.

- Q.4 Following are the balances sheet of M/s Kesav Ltd. as on 31.3.17 and 31.3.16 were. (15)

Liabilities	2017	2016	Assets	2017	2016
Equity Share capital	3,00,000	2,80,000	Land and Building	5,40,000	3,20,000
8% Preference Share Capital	2,00,000	1,70,000	Plant and Machinery	2,55,000	1,80,000
General Reserve	1,20,000	95,000	Furniture and Fixtures	1,08,000	36,000
Profit & Loss account	1,48,000	1,39,000	Motor Car	85,000	1,00,000
12% Debenture	3,50,000	3,00,000	Inventory	2,20,000	2,83,000

Creditors	1,43,000	1,20,000	Accounts Receivables	2,45,000	3,44,000
Expenses Payable	84,000	77,000	Cash and Bank	64,000	58,000
Provision for Tax	92,000	67,000			
Proposed Dividend	80,000	73,000			
Total	15,17,000	13,21,000	Total	15,17,000	13,21,000

Additional Information:

- Issue of shares, debentures and additions to assets were made on 1st April, 2017.
- Depreciation @10% p.a. was charged on land building and furniture.
- Plant & Machinery and motor vehicles, both were depreciated by 15%p.a.
- Income tax paid and proposed dividend during the year were Rs.69,000 and Rs.80,000 respectively.

Prepare Cash flow statement as per AS- 3 (Use Indirect Method).

OR

- Q.4 The following is the Trial Balance of Neelam Ltd as on 31.03.2017. You are required to prepare Balance sheet as on 31.03.2017.

(15)

Particulars	Debit	Credit
Cash in Hand	1,17,000	-
Cash at Bank	2,05,800	-
Share Capital	-	55,20,000
9% Debenture	-	18,00,000
Bank Over Draft	-	12,00,000
Investment (long Term)	60,000	-
Bills Receivable - Trade	8,40,000	-
Sundry Debtors	33,00,000	-
Sundry Creditors	-	14,40,000
Security Deposit (long term)	24,000	-
Profit and Loss account	-	17,40,000
Security Premium	-	5,40,000
Interest on Debenture accrued and due	-	40,500
Goodwill	3,90,000	-
Plant and Machinery (cost Rs. 30,00,000)	18,00,000	-

Land and Building (cost Rs. 15,00,000)	11,40,000	-
Furniture (cost Rs. 4,80,000)	2,70,000	-
Provision for Taxation	-	7,23,000
Advance Tax	6,00,000	-
Bills Payable	-	1,80,000
General Reserve	-	6,00,000
Stock in Trade	50,96,700	-
Capital Reserve	-	60,000
Total	1,38,43,500	1,38,43,500

Additional Information:

1. Sundry Debtors which are all unsecured and considered good, include Rs. 5,40,000 due for more than six month.
2. Investment represent 15,000 equity Share in ZEN Ltd of Rs. 10 each , Rs. 4 per share called and paid up.
3. Bills Receivable discounted with the bank, not matured till the Balance Sheet date, amounted to Rs. 45,000

Q.5 a. What are the benefits of Code of Ethics?

b. What is Share Based Payment? What is the scope of Ind AS 102?

OR

Q.5 Short note (any 3)

1. Scope of Ind AS 101
2. SEBI And Whistle blowing
3. Cash and cash equivalent in cash flow
4. Money at call and short notice
5. Exceptional and Extra ordinary items.

Duration : 2.5 hours

Marks : 75

- All questions are compulsory
- Figures to the right indicate full marks.
- Q no 2 to 5 have Internal Options

Q1. A. Match the following: (Any 8)

(8)

Sr no	Column A	Sr No	Column B
1	Audit Note book	A	Journals
2	Audit Sampling	B	For Future Reference
3	External report	C	Intentional Mistake
4	Accountancy	D	Balance sheet & P&L Account
5	Teeming & Lading	E	Information of Clients Business
6	Fraud	F	Preparation of Financial Statements
7	Verification	G	Technique of Fraud
8	Permanent Audit File	H	Audit of less than 100%
9	Principle of Integrity	I	Auditor honest in his profession
10	External report	J	Existence of Assets

Q no 1 B State whether the following statements are true or false (Any 7)

(7)

1. Audit Programme should be flexible.
2. Routine checking is a mechanical process
3. All errors are detected in test check
4. Vouching means examining the documentary evidence.
5. Auditing Means Examination Of Accounting Records
6. The Primary objective of Auditing is Reporting on the Financial Statements
7. Audit working papers are the property of the client
8. Audit Planning is a Continuous process
9. Audit notebook is maintained by audit staff
10. There is always sampling risk for the Auditor

Q2. A. Define the term Auditing Briefly explain its Characteristics. (8)

B. Explain the Secondary Objective of Auditing (7)

OR

C. What preparation is Necessary by the client before commencement of Audit (8)

D. Briefly Explain the Auditors Duties regarding errors & Frauds (7)

Q3. A. Distinguish Between Auditing & Investigation (8)

B Explain the factors to be considered while preparing an Audit Plan (7)

OR

Q no 3 C What is Audit Programme. ? Explain the Advantages of an Audit Programme (8)

D Explain Audit Sampling. How does the auditor select the sample size. (7)

Q4. What do you mean by Vouching? How will the Auditor Vouch the Following (15)

a) Advertisement Expenses b) Credit Sales c) Salaries & Wages paid

OR

Q no 4 What do You mean By Verification How will the Auditor Verify the following

a) Inventories b) Computer & Peripheral c) Goodwill (15)

Q5. A. How would you Vouch Rental Income (8)

B. Explain the concept of Test Checking and its Advantages (7)

OR

Q5. Write short notes; (any three) (15)

1. True & Fair View
2. Balance Sheet Audit
3. Inherent Limitations of Auditing
4. Concurrent Audit
5. Internal Control.

(2½ Hours)

[Total Marks: 75]

- Q.1 A) State whether following statements are True or False (any eight) 08**
1. Diversification means broadcasting or enlarging the company's product range by introducing new products by extending the range of existing products.
 2. No change strategy is a type of stability strategy.
 3. Market development concentrates on gaining additional shares of firms existing markets using the existing product.
 4. Concentration strategies have high initial risk.
 5. Organizational structure is the pattern in which the various parts of the organization are interrelated.
 6. The changes in the rules brought by the government can have a deep impact on the business.
 7. The political system can have an impact on the taxation system of the country.
 8. The factors of environment influence business decisions.
 9. The barriers to strategy implementation can either be by internal or external sources within an organization.
 10. The last action that is required for putting a strategy into operation is its institutionalization.

B) Match the column (any seven) 07

Group 'A'	Group 'B'
1. Process benchmarking	a. Within the same organization
2. Contemporary control system	b. Performance metrics
3. Strategic benchmarking	c. Functional task
4. International benchmarking	d. Continuous monitoring
5. Organizational culture	e. Globalization
6. Internal benchmarking	f. Shared values
7. Performance benchmarking	g. Comparison of organizational performance with others in the similar industry
8. Traditional control system	h. Sub unit of an organization
9. External benchmarking	i. Core competencies
10. Responsibility centre	j. Feedback approach

Q.2 A) Explain the different levels of strategy 08

B) Explain the GE planning grid in detail. 07

OR

C) Explain the importance of strategic management in organizations. 08

D) Discuss the principles of good strategy. 07

Q.3 A) Explain the need and importance of environment scanning. 08

B) Discuss the impact of legal factors in strategic management. 07

OR

C) Discuss briefly the process of strategic choice. 08

D) Explain the components of micro environment of business. 07

Q.4 A) Explain the advantages and limitations of internationalization. 08

B) What do you mean by Integration? Discuss the features. 07

OR

C) Discuss the advantages and limitations of concentration strategies. 08

D) Discuss the types of corporate level strategies. 07

Q.5 A) Explain the advantages and limitations of Gap analysis. 08

B) Explain the types of benchmarking. 07

OR

Write short notes (any three) 15

1. Types of strategic control
2. Matrix structure
3. Barriers to strategy Evaluation
4. Role of strategic leader.
5. Digitalization strategies

Time 2.5 hrs

Marks : 75

- Note: 1. All questions are compulsory.
2. Figures to right indicate marks.

Q.1 a) Fill in the blanks: (Any Eight)

(8)

- a) Loan syndication by a financial intermediary is a kind of _____ activity.
- b) Commercial banks mainly involved in _____ activities.
- c) Merchant banks do not accept _____.
- d) The initial registration fees for merchant bankers is _____.
- e) The main aim of close ended fund is _____.
- f) Securitisation is mainly associated with the assets of _____ companies.
- g) _____ are financial investors that desire their value from the underlying financial assets.
- h) _____ is a term loan whereby the financial co. provides loan for a fixed period of time.
- i) The banker can retain the property for the payment of the _____.
- j) The main promoter of CDSL was _____.

b) State True or False (Any Seven)

(7)

- i) Credit rating agencies, factoring, discount house, etc. are specialized institutions.
- ii) Custodial service is provided to foreign investors.
- iii) Merchant bankers' services come under control of RBI.
- iv) Commercial banks can take up mutual funds business directly.
- v) Discounting a bill is much better than factoring.
- vi) Forward contracts can be traded only in organized exchanges.
- vii) Home loan account scheme is the scheme of LIC.
- viii) Consumer finance is also called as large loan companies.
- ix) Investors' has to maintain minimum balance in Demat account.
- x) Hypothecation is the opposite version of pledge.

Q.2 a) Discuss various fund based and fee based services in brief. (8)

b) After LPG, what growth has taken place in the financial service sector in India. (7)

OR

c) Describe services offered by merchant bankers. (8)

d) What are the guidelines issued by SEBI towards merchant banking? (7)

Q.3 a) Describe the structure of mutual fund operations in India (8)

b) Highlight difference between Factoring & Forfeiting. (7)

OR

c) Describe different types of mutual fund. (8)

d) Define forfeiting. Explain its merits and demerits. (7)

Q.4 a) Describe securitization. Explain its operational mechanism in detail. (8)

b) Define Options and state its types. (7)

OR

c) Discuss about financial derivatives and bring out their various features. (8)

d) Explain the causes for unpopularity of securitization. (7)

Q.5 a) Define Housing finance. Explain functions of NHB. (8)

b) Explain sources and terms of consumer finance. (7)

OR

c) Explain depository system and the eligibility criteria of being depository in India. (8)

d) Define pledge and explain the procedures of pledge/ hypothecation in securities. (7)
