

Question Paper Set of

T.Y.B.B.I. – Sem-VI

Regular Exam

University of Mumbai

April, 2019

Duration : 2.30 Hours

Marks : 75

NB: (1) All questions are compulsory.

(2) Figures to the right indicate marks allotted to each question.

1. (A) Match the following. (Any 8)

(08 Marks)

Group A	Group B
(a) Equity share	(1) Debt Fund
(b) Preference share	(2) Discounted value
(c) Fundamental analysis	(3) Fixed Dividend
(d) PPF	(4) Unsecured Deposit
(e) Public Deposit	(5) Tax Saving Investment
(f) Investment Bank	(6) Registered office
(g) Post Office	(7) Initial public offering
(h) Present Value	(8) Ratios
(i) Bond	(9) Bear Market
(j) Expectation to fall price	(10) Risky Capital

1. (B) Give True or False: (Any 7)

(07 Marks)

- Small-cap stocks tend to offer more growth potential than large-cap stocks.
- Risk is highest in callable bonds.
- The higher the risk of a security, the lower would be the return expected from it.
- Speculative activities are harmful.
- Fundamental analysis is a method of evaluating a security.
- Examples of solvency ratio include current ratio and quick ratio.
- Price level and inflation affect the economy of the country.
- The efficient market hypothesis (EMH) states that the financial markets are inefficient.
- Risk is measured by variability in returns.
- A risky asset is one whose return is certain as a Government Security.

2. (a) Distinguish between investment and Speculation?

(08 Marks)

(b) Explain the phases of Portfolio Management.

(07 Marks)

OR

2. The rate of return of stock Alpha and Beta under different status of economy are given below :

Particular	Boom	Normal	Recession
Probability	0.35	0.50	0.15
Return of stock Alpha (%)	30	50	70
Return of stock Beta (%)	70	50	30

- (a) Calculate the expected return and standard deviation of return on both the stock.
 (b) If you could invest in either stock Alpha or stock Beta, but not in both.
 (c) Which stock would you prefer? (15 Marks)

3. Following information is available relating to X Limited and Y Limited.

Particulars	X Limited	Y Limited
Equity Share Capital (Rs.10 face value)	Rs.300 lakhs	Rs.350 lakhs
Profit after tax	Rs.50 lakhs	Rs.70 lakhs
Proposed Dividend	Rs.35 lakhs	Rs.40 lakhs
Market Price Per Share	Rs.200	Rs.280
Current Assets	Rs.80 lakhs	Rs.90 lakhs
Current Liabilities	Rs.40 lakhs	Rs.45 lakhs

- Calculate : (i) Earnings per share (ii) P/E Ratio (iii) Dividend Payout Ratio
 (iv) Return on Equity Shares (v) Current Ratio

As an analyst inform the investor which is good in investing.

(15 Marks)

OR

3. (a) Explain Technical Analysis and principles of Technical Analysis. (08 Marks)
 (b) Explain Operating Leverage and Financial Leverage and its uses. (07 Marks)

4. (a) The details of three portfolios are given below.

Portfolio	Return on Portfolio (%)	Beta	Standard Deviation (%)
Sony	18	1.2	28
Mony	12	0.8	32
Tony	16	1.1	36
Market Index	14	1.0	22

Compare these portfolio on performance using Sharpe and Treynor measures.

Risk Free return is 8 %.

(08 Marks)

4. (b) A Government of India bond of Rs.1,000 each has a coupon rate of 7.5% p.a. and maturity period is 10 years. If the current market price is Rs. 960. Find YTM.

(07 Marks)

OR

4. (c) Give assumptions of the Efficient Market Hypothesis.

(08 Marks)

- (d) Explain Capital Market Line with diagram.

(07 Marks)

5. (a) Returns of Apple Limited and Orange Limited are given for four years with market returns.

You are required to compute Beta of Apple Limited and Orange Limited

(08 Marks)

Year	Apple Limited (%)	Orange Limited (%)	Market (%)
1	11	13	12
2	13	14	14
3	12	11	14
4	10	10	16

- (b) What are the three forms of efficient market? Explain.

(07 Marks)

OR

5. Give short notes on: (Any three)

(15 Marks)

1. Mutual Fund
2. Markowitz Model
3. Bond Risk
4. Types of Leverages
5. Arbitrage Pricing Theory

Time: 2½ Hours

Total Marks: 75

Note: 1) All questions are compulsory

2) Figures to right indicate marks

Q.1.a. State whether the following statements are True or false: (Any 8) (08)

1. The RBI was established as a private bank.
2. Globalisation has increased the role of Central bank.
3. The RBI is totally autonomous and independent of the government.
4. The Bank for International Settlements frames prudential norms for the Banking sector.
5. Foreign exchange operations are governed by the FERA.
6. Monetary policy alone can control inflation.
7. Price stability and economic growth are conflicting in nature.
8. Any organization accepting deposits for its own sake is called a bank.
9. There are no risk in e-banking.
10. The World Bank consists of five institutions.

b. Choose the correct alternative and rewrite the sentences: (Any Seven) (07)

1. The major weakness faced by Central Banks in emerging economies are _____
 - a. Weak financial system.
 - b. Financing government debt.
 - c. Both (a) and (b).
 - d. None of the above
2. Forecasting or fixing rate of inflation is called _____
 - a. inflation targeting
 - b. C.R.R
 - c. Exchange rate targeting
 - d. Monetary policy
3. Monetary policy in India is formulated by _____
 - a. Monetary policy committee
 - b. Tandon committee
 - c. Central Government
 - d. State government
4. The present governor of RBI is _____
 - a. Mr. Shaktikanta Das
 - b. Ujit Patel
 - c. N.K. Singh
 - d. Arvind Subramanian

5. During the recession time the C.R.R is _____

a. Reduced

b. Increased

c. kept same

d. doubled

6. License to start a bank are issued by _____

a. RBI

b. SEBI

c. IRDA

d. ITA

7. Certificate of deposit is issued by _____

a. Commercial Banks

b. RBI

c. IRDA

d. SEBI

8. The central bank of China is _____

a. People's Bank of China

b. Reserve Bank of China

c. Swiss Bank of China

d. Federal Bank of China

9. E-payments are increasing due to _____ shopping.

a. Online

b. Offline

c. D-Mart

d. Traditional

10. RTGS stands for _____

a. Real Time Gross Settlement

b. Reel Time Gross Settlement

c. Rate Time Gross Settlement

d. Red Time Gross Settlement

Q.2.a. Explain the factors responsible for changing face of Central Banking. (08)

b. Explain briefly about various departments of RBI. (07)

OR

c. Explain important provisions of Banking Regulation Act, 1949. (08)

d. Explain functions of Central Banking in detail. (07)

Q.3.a. Explain briefly structure of Federal Reserve System. (08)

b. Explain the concept of e-banking. What are its pros and cons. (07)

OR

c. Write a detailed note on 'BIS'. (08)

d. Explain meaning and instruments of fiscal policy. (07)

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Q.4.a. Explain meaning of autonomy of the central banking. Also explain factors limiting autonomy of Central Bank.

(08)

b. Explain meaning and objectives of monetary policy.

(07)

OR

Q.4.a. Explain constituents of Indian Financial system.

(08)

b. Explain core principles for the supervisors.

(07)

Q.5.a. Explain meaning & instruments of fiscal policy.

(08)

b. Explain steps taken by SEBI for capital market development.

(07)

OR

Q.5. Write short note on any three:

(15)

1. Inflation targeting
2. Limitations of fiscal policy
3. Regulations Review Authority
4. Risks in the new IT Era
5. OSMOS

Time: 2 ½ Hours

Total Marks: 75

Q1 A. Choose the correct option (any 8)

(8)

1. _____ is the amount of net profit available for distribution of dividend.
(net profit before tax, net profit after tax, divisible profit, dividable profit)
2. An auditor can audit maximum _____ companies as per companies act 2013.
(ten, twenty, thirty, forty)
3. Misfeasance is a _____ liability in the companies act
(criminal, civil, contractual, government)
4. First auditor of a company shall be appointed by the _____.
(shareholders, promoters, board of directors, registrar of companies)
5. _____ is the most important objective of auditing.
(reporting, fraud detection, verification, preparation of final accounts)
6. Money lent for one day is called as money at _____.
(short notice, call, intraday, liquidity)
7. Surrender value becomes a part of _____ in revenue account.
(premiums, commission, benefits paid, tax paid)
8. Provisions of section _____ of income tax act apply to tax audit.
(44, 44AB, 44ABD, 44AC)
9. _____ approach is also known as auditing around the computer
(white box, black box, yellow box, red box)
10. The main auditor does not have the right to access the audit working papers of _____ auditor.
(joint, branch, statutory, cost)

B) State true or false: (any 7)

(7)

1. Dividends can be distributed from the share capital of the company.
2. Auditor of a company can be appointed by CAG.
3. Auditor is liable only if there is a loss to the party.
4. Auditor is supposed to report to the board of directors.
5. Internal auditor cannot perform concurrent audit.
6. IRDA has the power to suspend class or classes of general insurance business.
7. HR audit covers compliance with legal provisions.
8. CIS has created a problem of data security.
9. A chartered accountant cannot share his fees with a non member.
10. Books of accounts shall be preserved for at least 5 years.

2 a) what are the provisions of the companies act regarding maintainance of books of accounts

(8)

B) What are the duties of a company auditor?

(7)

OR

c) Discuss types of liabilities of professional accountants

(8)

d) What is an audit report? Mention and elaborate types of audit report.

(7)

- 3 a) What is LFAR? Mention the contents and importance of LFAR. (8)
b) How do you audit Premium of an insurance company (7)
OR
c) How would an auditor evaluate the internal control system of the bank? (8)
d) What areas are the internal controls needed in an insurance company? (7)
- 4 a) What is a management audit? Mention its scope and objectives. (8)
b) What is a computerized audit program? Mention features and advantages. (7)
OR
c) What is a tax audit? Explain in detail (8)
d) What are the problems in CIS environment in implementation of internal control. (7)
- 5 a) What are the clauses of professional misconduct in relation to chartered accountant in practice (8)
b) Explain the role of professional accountant in society with reference to the code of ethics (7)
OR
5) Short notes (any 3) (15)
1. Segment reporting
2. Remuneration of an auditor
3. Environmental audit
4. True and fair
5. Non performing assets

[Time: 2 $\frac{1}{2}$ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B: 1. All questions are compulsory.
2. Figures to the right indicate full marks.

- Q.1** A) State whether the following statements are True / False (Any 8) **08**
- Effective management of human resources has national significance.
 - Globalisation has led to outsourcing of jobs.
 - The critical incident method is used for job evaluation.
 - In job rotation, the employee is shifted from one job to another.
 - Promotion comes as an incentive to employees.
 - Job postings are an external source of recruitment.
 - Off the job training is to improve knowledge about latest developments.
 - Performance appraisal serves as a two fold purpose.
 - Incentives may be individual based or group based.
 - Employees feel isolated if they feel that they are not having an impact on the organization.

B) Match the columns (Any 7) **07**

A	B
1) SHRM	a) Middle large core assigned
2) Job Enrichment	b) Use of company credit card
3) HR planning	c) Efficient Training of workers
4) External recruitment	d) Poaching
5) Training	e) Horizontal Job loading
6) Central Tendency Error	f) Focuses on business level outcomes
7) Key executive benefits	g) Includes empowering employees
8) Effective TQM	h) Personnel or manpower planning
9) Competitors	i) Costly
10) Job enlargement	j) Improve speed & accuracy

- Q.2 a) Discuss the role and functions of human resources manager in insurance sector. 08
b) Explain with diagram common structure of the human resources department. 07
- OR**
- c) Describe the different factors that affect job design. 08
d) Explain the objectives of human resources planning. 07
- Q.3 a) Define promotion and elaborate on promotion by seniority & promotion by merit. 08
b) What is recruitment? Explain the internal sources of recruitment. 07
- OR**
- c) Explain the selection procedure in the Banking Sector. 08
d) Elaborate on the different types of interviews. 07
- Q.4 a) What are the different methods of Training & development? 15
- OR**
- c) Describe the human errors in performance appraisal. 08
d) What are the factors affecting wages and salaries? 07
- Q.5 a) Explain the different types of fringe benefits. 08
b) Describe the different methods and techniques of employees participation. 07

OR

Write short notes (Any 3)

- a) Globalisation & HRM
b) Job specification
c) Job enlargement
d) Factors affecting HRP
e) Types of transfer

Time 2 ½ hrs.

Marks :75

- Q.1) A) Fill in the blanks with appropriate choices given below. (Any 8) (8)
- 1) The _____ function carries out research, organizes advertising and product Promotion.
a) Sales b) Marketing c) Production
 - 2) _____ implies increasing sales by selling present products in the new markets.
a) Market Penetration b) Market Development c) Product Development
 - 3) Industrial sickness contributes to _____ cost economy.
a) High b) Medium c) Low
 - 4) In April 1997, the name of Industrial Reconstruction Bank of India (IRBI) has been changed to _____.
a) IIBI b) IDBI c) SIDF
 - 5) The process of eliminating errors thereby improving the overall quality is _____.
a) BPR b) TQM c) Restructuring
 - 6) JIT stands for _____.
a) Just in Through b) Just in Time c) Just in Type
 - 7) LinkedIn is an example of _____ networking.
a) Social b) Business c) Personal
 - 8) _____ is a temporary partnership.
a) Merger b) Joint Venture c) Takeover
 - 9) _____ is the process of influencing people to achieve group objectives.
a) Staffing b) Leadership c) Controlling
 - 10) _____ involves up gradation of technology to increase production to improve quality and reduce wastages and cost of production.
a) Diversification b) Modernization c) Vertical Integration.
- Q.1) B) State whether the following statements are True or False. (Any 7) (7)
- 1) Change is the mark of growth and survival.
 - 2) Spin off is another version of survival strategy.
 - 3) Sickness in industrial units is a gradual process and does not develop suddenly.
 - 4) Human activities conducted for earning money are called as Non economic activities.
 - 5) Industrial sickness relates to uneconomic functioning of Industrial units.
 - 6) Zen means "to Change" and Kai means "good".
 - 7) Turnaround and Downsizing are one and the same.
 - 8) Creativity is limited to artists, writers, painters, musicians etc.
 - 9) A CEO alone can bring into successful turnaround strategy implementation.
 - 10) Initial investment in SOHO is quite high.
- Q.2) a) What is Business? Explain the different characteristics of business objectives. (8)
- b) Explain the term Turnaround Management. Explain the indicators of successful turnaround. (7)
- OR
- c) Discuss in detail Internal and External Growth Strategies adopted by Business organisation. (15)
- Q.3) a) What is Industrial Sickness? Explain Internal reasons of Industrial Sickness. (8)
- b) Briefly explain the role of Government to overcome Industrial Sickness. (7)
- OR
- c) Define BPR. Explain various elements of BPR (8)
- d) Distinguish between –TQM and BPR (7)

- (8)
(7)

20

- (8)

- 7

- (8)

- (7)

325

- 15

- 22

(2½ Hours)

[Total Marks: 75]

NOTE:- All questions are compulsory

Figures to the right indicate marks

Q.1 a. State whether the following statements are true or false (ANY 8)

8

1. Marketing is an important social environmental activity.
2. Branding means giving suitable name or symbol to the product.
3. Advertising is a key determinant of success for all insurance companies.
4. Marketing logistics must recognize price drivers.
5. In a typical buying process, the consumer passes through seven stages.
6. Customer's perception plays an important role in judging a company's service.
7. Rural markets dominate Indian marketing scene and need special attention for the expansion.
8. Television is a very powerful and popular medium in rural areas.
9. E- marketing enables all businesses to have a truly global reach.
10. One of the main disadvantages of online marketing for businesses is its low operating cost.

Q.1 b. Match the columns (ANY 7)

7

A		B	
a.	Marketing Research	i.	Tool used in service promotion
b.	Satisfaction of human wants	ii.	Factor influencing choice of location
c.	7 Ps	iii.	An element of physical setting
d.	Product research	iv.	Characteristics of logistics
e.	Perishability	v.	Factor affecting buying behaviour
f.	Advertising	vi.	Scope of marketing
g.	Nature of service	vii.	Characteristics of marketing
h.	Ambience	viii.	Service marketing mix
i.	Ensuring delivery in time	ix.	A type of marketing research
j.	Culture	x.	Characteristics of services

Q.2. a. Define marketing. Explain the importance of marketing

8

Q.2. b. Discuss the 7 Ps of marketing mix.

7

OR

Q.2. a. Explain the different direct and indirect marketing channels.

8

Q 2. b. Explain the process of marketing research.

7

Q.3. a. Explain the characteristics of services marketing

8

Q 3.b. Discuss the marketing mix in Insurance sector

7

OR

Q.3. a. What are the factors influencing buyer's behaviour?

8

Q 3. b. Explain the role of consumers in service delivery.

7

Q.4. a. What do you mean by marketing communication? Explain its types.

8

Q 4. b. Explain the scope of rural marketing.

7

OR

Q.4. a. What are the characteristics of rural consumers?

8

Q 4. b. Discuss the promotion strategies used for rural markets.

7

Q.5. a. Explain the E- marketing mix strategy

8

Q 5. b. What is E- marketing. Explain its scope.

7

OR

Q. 5. Write short notes (ANY THREE)

15

a. Product Research

b. Need and importance of service marketing.

c. Logistical objectives for banking products

d. Consumer expectations

e. Rural v/s urban marketing.