

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(First Semester)

Branch – COMMERCE (FINANCIAL SYSTEM)

INDIAN FINANCIAL SYSTEM

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Which of the following is not a regulatory institution in Indian financial system? a) RBI b) CIBIL c) SEBI d) IRDA	K1	CO1
	2	Outline the Financial institutions are also known as _____. a) Financial organization b) Financial intermediaries c) Financial system d) financial loan	K2	CO1
2	3	Which year IDBI was established in _____? a) 1948 b) 1954 c) 1992 d) 1964	K1	CO2
	4	Classify the agency regulates and supervises NBFCs? a) Finance Ministry b) SEBI c) RBI d) Respective state government	K2	CO2
3	5	What is the minimum amount at which Commercial Paper can be issued? a) The minimum amount for Commercial Papers is 5 lakhs. b) The minimum amount for Commercial Papers is 5 Crores. c) The minimum amount for Commercial Papers is 1 lakh. d) The minimum amount for Commercial Papers is 1 Crore.	K1	CO3
	6	Explain the primary market, the first time issued shares to be publicly traded, in stock market is considered as: a) Traded Offering b) Public Markets c) Issuance Offering d) Initial Public Offering	K2	CO3
4	7	The Securities and Exchange Board of India was established in _____. a) 1992 b) 1988 c) 1987 d) 1990	K1	CO4
	8	The prime objective of the SEBI Act, 1992 is to protect the interests of a) Creditors b) Investors c) Directors d) debenture holders	K2	CO4

Cont...

5	9	The mutual fund scheme in which the investor investing their money majorly in fixed income instruments such as debentures, bonds etc. is called ----- a) Income fund b) Growth fund c) Liquid fund d) Fund of fund	K1	CO5
	10	-----is also known as 'Industrial Paper'. a) Treasury bills b) Commercial bills c) Financial accommodation bills d) Commercial paper	K2	CO5

SECTION - B (35 Marks)Answer **ALL** questions**ALL** questions carry **EQUAL** Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Identify the characteristics of money market.	K3	CO1
	(OR)			
	11.b.	Construct the classification of financial instruments.		
2	12.a.	Select the primary objectives of SFC.	K3	CO2
	(OR)			
	12.b.	Apply the regulatory functions of IDBI and its impact on industrial growth.		
3	13.a.	List out the report of the Narasimham committee in 1991.	K4	CO3
	(OR)			
	13.b.	Categorize the primary functions of the commercial banks.		
4	14.a.	Explain the objectives of SEBI.	K4	CO4
	(OR)			
	14.b.	Analyse the role and any five functions of RBI.		
5	15.a.	Assess the importance of financial services.	K5	CO5
	(OR)			
	15.b.	Compare the any five components of financial services.		

SECTION -C (30 Marks)Answer **ANY THREE** questions**ALL** questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Classify about the Indian financial system in India.	K4	CO1
2	17	Analyse the types of non-banking financial institutions with example in detail.	K4	CO2
3	18	Assess the components of banking system in India.	K5	CO3
4	19	Appraise the various functions of SEBI.	K5	CO4
5	20	Elaborate the types of financial services.	K6	CO5

Z-Z-Z END

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Fifth Semester)

Branch – **COMMERCE (FINANCIAL SYSTEM)**

MAJOR ELECTIVE COURSE – I : WORKING CAPITAL MANAGEMENT

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(5 x 1 = 5)

- 1 Which is the excess of current assets over current liabilities?
 (i) Working capital (ii) Current assets
 (iii) Current liabilities (iv) Current ratio
- 2 Which approach of financing mix is less risky?
 (i) Hedging approach (ii) Trade off
 (iii) Conservative approach (iv) Working capital
- 3 Which of the following is related to receivables management?
 (i) Cash Budget (ii) EOQ
 (iii) Ageing schedule (iv) All of the above
- 4 Which are completed products awaiting sale?
 (i) Raw Materials (ii) Work in progress
 (iii) Cash (iv) Finished goods
- 5 Which year the Dehejia was constituted?
 (i) 1958 (ii) 1968
 (iii) 1978 (iv) 1988

SECTION - B (15 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks

(5 x 3 = 15)

- 6 a What are the objectives of working capital management?
 OR
 b Sketch out different kinds of working capital approaches.
- 7 a Calculate the estimate of working capital requirement from the following information of a trading concern.

- i. Projected annual sales 1,00,000 units
- ii. Selling price Rs.8 per unit
- iii. Percentage net profit on sales 25%
- vi. Average credit period allowed to customers – 8 weeks
- v. Average credit period allowed to suppliers – 4 Weeks
- vi. Average stock holding in terms of sales requirement – 12 weeks.
- vii. Allow 10% for contingencies.

OR

- b The following annual figures relate to XYZ Co.

	Rs.
Sales (at two month's Credit)	36,00,000
Material consumed (Suppliers extend two months credit)	9,00,000
Wages Paid (monthly in arrear)	7,20,000
Manufacturing expenses o/s at the end of the year (cash expenses are paid one month in arrear)	80,000
Total administrative expenses , paid as above	2,40,000
Sales Promotion expenses, paid Quarterly in advance	1,20,000

The company sells its products at a gross profit of 25% counting depreciation as part of the cost of production . It keeps one month's stock each of raw materials and finished goods, and a cash balance of Rs. 1,00,000

Assuming a 20% safety margin, calculate the working capital requirements of the company on cash cost basis. Ignore WIP.

- 8 a The Classic Company offers trade credit to its customers of net 30. Credit sales average Rs 620,000 per day on which the company earns a contribution margin of 20 percent. The average accounts receivable collection period is 50 days. The appropriate after-tax discount rate for evaluating accounts receivable policy changes is 9 percent and the company's marginal tax rate is 40 percent. Outline the average balance in accounts receivable.

OR

Cont...

Cont...

- b The Dryden Company currently offers trade credit to its customers on terms of net 30. Daily credit sales average Rs 250,000 on which the company earns a contribution margin of 25 percent. The average collection period of 45 days. The company's marginal tax rate is 30 percent and its after-tax discount rate for analyzing credit policy changes is 8 percent. State the company's investment in accounts receivable.
- 9 a From the following particulars, You are required to calculate optimum cash balance.

Monthly cash requirements Rs.60,000
Fixed cost per transaction Rs. 10
Interest rate on marketable securities 5% pa.

OR

- b The following details are available in respect of a firm:
- (i) Annual requirement of inventory 40,000 Units
 - (ii) Cost per unit (other than carrying and ordering cost) Rs.16
 - (iii) Carrying costs are likely to be 15% per year
 - (iv) Cost of placing order Rs. 480 per order. Bring out the economic quantity.
- 10 a Analyse the guidelines for bank finance.
- OR
- b Describe the traditional measures of the liquidity.

SECTION -C (30 Marks)Answer any **Three** questions**ALL** questions carry **EQUAL** Marks (3 x 10 = 30)

- 11 Examine the factors affecting working capital requirement.
- 12 Discover the working capital requirement from the following information. You are given the following estimates and are instructed to add 20% as contingencies.

	Rs.
i. Amount blocked up stocks:	
Stock of finished goods	12,000
Stock of stores, materials	20,000
ii. Average credit sales:	
Inland sales – 8 weeks credit	6,00,000
Export sales – 2 weeks credit	1,60,000
iii. Lag in payments of wages and other outgoings	
wages – 2 weeks	5,00,000
stock of materials – 2 months	1,00,000
Rent, Royalties – 6 months	20,000
Clerical staff – 1 month	10,000
Miscellaneous expenses – 2 months	1,00,000
iv. Payment in advances:	
Sundry expenses (paid quarterly)	20,000

- 13 A small firm has a total sales of Rs. 100 lakhs, of which 80% is on credit. It is offering a discount-credit terms of 2/40 Net 30. Of the total, 50% of customers avail of discount and the balance pay in 120 days. The past experience indicates that bad debt losses are around 1% of credit sales. The firm spends about Rs. 1,20,000 per annum to administer its credit sales. These are avoidable as a factor is prepared to buy the firm's receivables. He will charge 2% commission. He will also pay advance against receivables to the firm at an interest rate of 18% after withholding 10% as reserve. Answer the following:
- a) What is the total credit sales?
 - b) What is the average collection period?
 - c) What is the average receivables?
 - d) What is the factoring commission payable per annum?
- 14 United Industries Ltd. projects that cash outlays of Rs. 37,50,000 will occur uniformly throughout the coming year. United plans to meet its cash requirements by periodically selling marketable securities from its portfolio. The firm's marketable securities are invested to earn 12% and the cost per transaction of converting securities to cash is Rs. 40.
- a. Use the Baumol Model to determine the optimal transaction size of marketable securities to cash.
 - b. What will be the company's average cash balance?
 - c. How many transfers per year will be required?
 - d. What will be the total annual cost of maintaining cash balances?
- 15 Survey the major findings of Dehejia committees' recommendations on working capital.

Z-Z-Z

END

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch – COMMERCE (FINANCIAL SYSTEMS)

BUSINESS ECONOMICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

- 1 What is the other name of economics?
 - (i) Political economy
 - (ii) Principles of economy
 - (iii) Econometrics
 - (iv) Capitalist economy
- 2 In a socialist economy, all decisions regarding production and distribution are taken by
 - (i) Market Forces
 - (ii) Central Planning Authority
 - (iii) Custom and Traditions
 - (iv) Private Sector
- 3 Increase in demand is shown by
 - (i) Movement along the same demand curve
 - (ii) Shift of the demand curve
 - (iii) The highest point on the demand curve
 - (iv) Lowest point on the demand curve
- 4 The concept of elasticity of demand was introduced by
 - (i) Adam Smith
 - (ii) Lionel Robbins
 - (iii) Alfred Marshall
 - (iv) Samuelson
- 5 Another name of isoquant _____
 - (i) Iso-Product Curve
 - (ii) Iso-Supply Curve
 - (iii) Iso-market Curve
 - (iv) Iso-demand Curve
- 6 Production refers to
 - (i) Destruction of utility
 - (ii) Creation of utility
 - (iii) Exchange value
 - (iv) Production function
- 7 Economic cost includes _____
 - (i) Implicit cost & Explicit cost
 - (ii) Social cost
 - (iii) Fixed cost
 - (iv) Variable cost
- 8 Average fixed costs is obtained by dividing
 - (i) TC/Q
 - (ii) TFC/Q
 - (iii) TVC/Q
 - (iv) TF/Q
- 9 Exchange of goods for goods is known as
 - (i) Market system
 - (ii) Production system
 - (iii) Sales system
 - (iv) Barter system
- 10 A firm can achieve equilibrium when its
 - (i) $MC=MR$
 - (ii) $MC=AC$
 - (iii) $MR=AR$
 - (iv) $MR=AC$

Cont...

SECTION - B (35 Marks)Answer **ALL** Questions**ALL** Questions Carry **EQUAL** Marks

(5 x 7 = 35)

- 11 a Discuss the Significance of business economics.
OR
b Distinguish between micro and macro economics.
- 12 a Explain the individual demand schedule with demand curve.
OR
b State the factors determining the demand.
- 13 a Elaborate the isoquants and its properties.
OR
b Briefly discuss about production function.
- 14 a Explain the types of cost.
OR
b Discuss about the breakeven point.
- 15 a Elucidate about the types of market.
OR
b Briefly discuss about the market economic growth and development.

SECTION - C (30 Marks)Answer any **THREE** Questions**ALL** Questions Carry **EQUAL** Marks

(3 x 10 = 30)

- 16 Explain the objectives of business firm.
- 17 Write about types of elasticity of demand.
- 18 Elaborate the three phases of returns scale.
- 19 Explain about the average fixed and variable cost, also draw the schedule & diagram.
- 20 Write a short note on –GDP, GNP, NNP, and PCI.

Z-Z-Z

END