Q. P. Code: 21571

2 Hours

Total Marks: 60

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

Q1	What is research? Explain the features and importance of research in business	15
	OR	
a	Explain the significance of review of literature in research	08
b	Describe the factors that determine the sample size.	07

Q2	Bring out the advantages and disadvantages of primary data and secondary data	15
	OR	
a	Briefly explain the stages in research process	08
b	What are the essentials of a good questionnaire?	07

Q3	What is data processing? Explain its importance in research	15
	OR	
A	State the use of Correlation and Regression Analysis in research	08
B	Explain data interpretation and the precautions to be taken by researcher in interpreting data	07

Q4 A State whether the following statements are True or False: 05
1 Good research should be based on objectivity and not subjectivity
2 In survey method of data collection, data cannot be collected through observation method
3 A researcher may use inductive or deductive logic while conducting analysis
4 Closed ended questions are those in which respondents selects one or more options from a pre-determined set of responses
5 If the p-value < significance level, Ho is accepted

Q4 B Fill in the blanks with the help of proper option: 05
1 Basic Research is also called as _____ research
a. Applied b. Descriptive c. Fundamental d. Analytical
2 Research Design can be _____ in nature
a. Exploratory b. random c. Systematic d. None
3. One of the popularly known sampling framework is _____
a. MHRD report b. Economic Report c. Weather report d. Census Report
4 _____ is defined as the probability of rejecting null hypothesis when it is true
a. Type I error b. Type II error c. Analytical error d. All of these
5 A research report is completed by adding _____
a. Review of literature b. Footnotes c. Diagrams d. References

Q4 C Match the following: 05

Group A	Group B
1 Descriptive Research	a. Mail survey
2 Cluster sampling	b. Two factor variance
3 Primary Data	c. Categories or classes
4 ANOVA	d. Characteristics of Data
5 Coding	e. Units as sample

OR

Q4   Short Notes on **any Three**:   15
1. Research Report Writing
2. American Psychological Association (APA)
3. Footnotes and Bibliography.
4. Ethics in research
5. Role of Computers in research

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Q.P. Code: 39586

[Time: Two Hours] [Ma

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.
3. Draw neat diagrams wherever necessary.

Q. 1 "The intersection of the aggregate supply and the aggregate demand function determines the (1!
equilibrium level of income and output". Discuss.

OR

A) Write a note on "Inflationary Gap". (07)
B) Explain the trade-off between Inflation and unemployment in the long run. (08)

Q. 2 a) Explain the goods market equilibrium with the help of IS curve. (07)
b) Discuss the derivation of the LM curve and explain factors influencing the shift in LM curve. (08)

OR

c) Examine the effects of fiscal policy on income and interest rate in the IS-LM model. (07)
d) Bring out the effects of monetary policy on income and interest rate in the IS-LM model. (08)

Q. 3 a) Define balance of payments and discuss the concept of disequilibrium in the BOP. (07)
b) Write a note on devaluation. (08)

OR

c) Describe the expenditure changing policies to reduce defect in the BOP. (07)
d) Write short notes on J. curve effect. (08)

Q. 4 A) State following statements are **true or false.** (07)
1) Macro economics deals with a study of aggregators.
2) GDP includes the net factor income from abroad.
3) GDP deflator helps to find out the real GDP to nominal GDP.
4) Real income is the value of goods and services at current prices.
5) The nominal interest rate, the real interest rate and inflation rate are not related.
6) PPP index was developed by J.M.Keynes
7) Human development index is a quantitative measure.

B) Give precise meaning of the following: (08)
1) GDP deflator
2) GNP
3) PPP income
4) HDI

OR

Q. 4 Write short notes on **any Three** (15)
1) Measures of Inflation and price indices
2) Nominal and real interest rates
3) Determinants of ADF
4) The crowding out effect
5) Revaluation of currency

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(2 Hours) [Total Marks: 60]

Instructions:
- A. All questions are compulsory subject to internal choice.
- B. Figures to the right indicate full marks.
- C. Make suitable assumptions wherever required and state them.
- D. Use of Simple calculator is allowed

Q.1) From the following particulars of Imperial Chemicals Ltd. and its industry averages assess **15** the company's strengths and weaknesses in terms of liquidity, solvency and profitability.

Imperial Chemicals Ltd. Balance Sheet as on 31st December, 2013

Liabilities	₹	Assets	₹
Equity Share Capital	2,00,000	Plant & Machinery	3,02,000
10% Preference Share Capital	80,000	Stock	1,21,600
Retained Earnings	54,800	Debtors	72,000
Long – term Debt	68,000	Cash	24,600
Sundry Creditors	63,000		
Outstanding Expenses	2,400		
Other Current Liabilities	52,000		
	5,20,200		5,20,200

Statement of profit for the year ended December 31, 2013

Particulars	₹	₹
Net Sales		4,80,000
Less : Cost of Goods sold	3,05,000	
Selling Expenses	62,000	
Administrative Expenses	39,600	
Interest	5,800	4,12,400
Earnings before Tax		67,600
Less : Income Tax		33,800
Net Income		33,800
Dividend paid to Equity Shareholders		12,000

Financial Ratios of Industry for 2013:

(1) Current ratio-2.2 to 1   (2) Stock turnover-2.8 times   (3) Collection period -56 days

(4) Income before tax / sales -11.9%   (5) Return on shareholders equity -10.9%

OR

TURN OVER

Q.1) VRA Limited has provided the following information for the year ending 31st March 2015.   **15**

Debt Equity Ratio	2 : 1
14% Long Term Debt	₹ 50,00,000
Gross Profit Ratio	30%
Return on Equity (Post Tax)	50%
Income Tax Rate	35%
Capital Turnover Ratio	1.2 times
Opening Stock	₹ 4,50,000
Closing Stock	8% of Sales

You are required to prepare trading and Profit and Loss Account for the year ending 31st March 2015.

Q.2) ABC Ltd. Wishes to raise additional finance of ₹ 20 lakhs for meeting its investment plans.   **15**
The company has ₹ 4,00,000 in the form of retained earnings available for investment
purpose. The following are the further details.

- Debt equity 25 : 75
- Cost of debt at the rate of 10% (before tax) up to ₹ 2,00,000 & 13% (before tax) beyond that.
- Earning per share, ₹12.
- Dividend payout 50% of earnings.
- Expected growth rate in dividend 10%.
- Current market price per share, ₹60.
- Company's tax rate is 30% and shareholder's personal tax rate is 20%.

   Required :
   (i) Calculate the post tax average cost of additional debt.
   (ii) Calculate the cost of retained earnings and cost of equity.
   (iii) Calculate the overall weighted average (after tax) cost of additional finance.

OR

Q.2) The capital structure of Hindustan Trades Ltd. as on 31-3-2014 is as follows :   **15**

Equity Capital : 100 lakhs equity share of ₹10 each	₹10 crores
Reserves	₹10 crores
14% Debentures of ₹100 each	₹10 crores

For the year ended 31-3-2014 the company has paid equity dividend at 20%. As the company is
a market leader with good future, dividend is likely to grow by 5 % every year. The equity
shares are now traded at ₹80 per share in the stock exchange. Income tax rate applicable to
the company is 50%.

TURN OVER

Required :

(a) The current weighted average cost of capital.

(b) The company has plans to raise further ₹ 5 crores by way of long term loan at 16% interest. When this takes place the market value of the equity shares is expected to fall to ₹50 per share. What will be the new weighted average cost of capital of the company?

Q.3) The following details relating to a company are given: **15**

Sales per annum	1,00,000 units
Variable Cost	₹90 per unit
Fixed Cost including Interest per annum	₹18,00,000
P/V Ratio	25%
10% Debentures	₹30,00,000
Equity Shares Capital (shares of ₹ 10 each)	₹40,00,000
Corporate Tax rate	30 %

Calculate: i) Operating Leverage   ii) Financial Leverage   iii) Combined Leverage   iv) Earnings per share.

OR

Q.3) The capital structure of RST Ltd. is as follows: **15**

Particulars	₹
Equity Share of ₹10 each	8,00,000
10 % Preference Share of ₹100 each	5,00,000
12 % Debentures of ₹100 each	7,00,000
	20,00,000

Additional information:

Profit after tax (Tax rate 30%) are ₹2,80,000.

Operating Expenses (including Depreciation ₹96,800) are 1.5 times of EBIT.

Equity Dividend paid is 15%.

Market price of Equity Share is ₹ 23.

Calculate :

(i) Operating and Financial Leverage

(ii) Cover for Preference and equity Dividend

(iii) The Earning Yield ratio and Price Earning ratio

Note: All operating expenses (excluding depreciation) are variable.

Q.4. A) Multiple choice Questions: **(5)**

i) Profit maximization does NOT take into consideration

   a) Risk and cash flow   b) Cash flow and stock price

   c) Risk and EPS   d) EPS and stock price

TURN OVER

ii) Calculate the present value of ₹1000 to be received at the end of 8 years. Assume an interest rate of 7 percent.

    a) ₹582.00   b) ₹1,718.19

    c) ₹531.82   d) ₹5,971.30

iii) Net Operating Profit Ratio

    a) Balance Sheet Ratio   b) Revenue Statement Ratio

    c) Composite ratio   d) None of the above

iv) Marginal cost of Capital is the cost of

    a) Additional sales   b) Additional Funds

    c) Additional Interest   d) None of the above

v) Debt Financing is a cheaper source of finance because of

    a) Time value of Money   b) Rate of Interest

    c) Tax- deductibility of Interest   d) Dividends not Payable to lenders

B) Match the Column: **(5)**

Column A	Column B
i) Value of Unlevered firm (V_u)	a) $\dfrac{\text{Percentage changes in EPS}}{\text{Percentage change in sales}}$
ii) Degree of Combined Leverage	
iii) Cost of debenture issued / redeemable at par	b) Dividend payout ratio, Debt service ratio
iv) Coverage ratios	c) Accounting Values
v) Book value weights	d) EBIT / K_o
	e) $K_d = I(1-t)$

C) True or false: **(5)**

    i) Operating leverage may be defined as Contribution ÷ EPS.

    ii) The equity shareholders get the residual profit of the firm.

    iii) Cost of equity share capital depends upon the market price of the share.

    iv) Quick Assets = Current Assets – (Stock – Prepaid Expenses).

    v) Effective and nominal rate of interest remain the same irrespective of the frequency of compounding.

OR

Q 4). Write Short notes: **(15)**

    i) Perpetuity

    ii) Importance of financial management for different stakeholders

    iii) Debt Equity Ratio

    iv) Cost of retained earnings

    v) Features of optimal capital structure

(Time 2 Hours)   **(Marks 60)**

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

Q. 1 a) What is E-Commerce? Briefly outline the Roadmap of E-Commerce in India.   15
      b) Explain the E-Commerce Business Strategies for Marketing.

OR

c) Discuss the various Concepts of other models of E-commerce.   15
d) Describe in detail E-Commerce Sales Product Life Cycle (ESLC) Model.

Q2. a) Elaborate the various benefits of websites.   15
      b) Define EDI. Explain the various cons of Electronic Data Interchange (EDI).

OR

c) Elucidate the various applications of E-commerce and E-enterprise.   15
d) What are the differences between Conventional and E-Organisation?

Q. 3 a) Explain the scope of E-Marketing.   15
      b) Justify an Internet business with the help of examples.

OR

c) Describe the characteristics of E-payment system.   15
d) Explain the Credit and Legal risks of E-payment system.

Q. 4 A. Fill in the blanks with the help of proper option   05

1. Sachin Bansal from IIT Delhi came up with an online company called------------------.
           a) flip kart   b) e-Bay   c) amazon d) snap deal
2. ---------------- is one of the online grocery stores, increasing popularity.
           a) mumbai.com b) punexpress.com   c) chennai.com   d) None of these
3. A ------------------ is the person or organization who wants to register the domain name.
           a) Clerk   b) Officer   c) Registrant   d) MLA
4. ----------------advertisements are appearing on Google's video-sharing site.
           a) share-it b) My-space   c) Microsite   d) YouTube
5. In ----------------------the owner of the website loses control over his website and its
    content.
           a) Web designing   b) Web theft c) Web vandals   d) Web hijacking

B. State whether the following statements are True or False.   **05**

1. If your key words are perfect your website can flash quickly.
2. Pull e-marketing takes the similar approach of push e-marketing.
3. The initial setting up of EDI is an easy and time saving process.
4. One of the prime disadvantages of online shopping would include the surprise factor.
5. Most of the Indian cyber-crimes are still brought under the relevant sections of IPC.

C. Match the following: **05**

Group A	Group B
1. C2C	a. 6-second content
2. Drone delivery	b. VISA and MasterCard
3. Vine advertisements	c. unskilled hacker
4. SET Consortium	d. Bazi.com
5. Script kiddie	e. Australia Post

OR

Q 4 Write Short Notes on (any three)   **15**

a) Cyber Crime in India
b) Software Piracy
c) Protection of Cyber Consumers in India
d) Sources of threats in E-commerce
e) Client server network security

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