

I Semester P.G. Diploma in S.A.P.M. Examination, June/July 2010
FUNDAMENTALS OF ACCOUNTING AND BALANCE SHEET ANALYSIS

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any five** sub questions. **Each** question carries **two** marks : **(2×5=10)**

1. a) What are the features of journal ?
- b) What are capital expenditures ?
- c) What are contra entries in a cash book ?
- d) What is rectification of error ?
- e) Define financial statements.
- f) What do you mean by fixed assets ?
- g) What is trend analysis ?

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks : **(4×5=20)**

2. Differentiate between financial accounting and management accounting.
3. Distinguish between capital items and revenue items.
4. Explain the meaning of depreciation, provisions and reserves.
5. Name the various subsidiary books. State the purpose of each of these subsidiary books.
6. Explain the meaning of double entry system of accounting. State its objectives.

P.T.O.

SECTION – C

Answer **any five** questions. **Each** question carries **ten** marks :

(5×10=50)

7. Define Balance Sheet. Explain the main contents of balance sheet.
8. What is common size balance sheet and income statement ?
9. Explain in detail the functions and importance of modern accounting.
10. Explain the various accounting concepts.
11. What is ratio analysis ? What are its uses and limitations ?
12. Classify the following accounts as personal, real and nominal accounts :
 - a) Furniture Account
 - b) Wages Account
 - c) Outstanding Wages A/c
 - d) Bank Account
 - e) Capital Account
 - f) Drawings Account
 - g) Repairs Account
 - h) Stock Account
13. Define financial statement analysis. Discuss in detail the purpose and procedure of financial statement analysis.

14. The following is the balance sheet of a ABC limited as on 31st March 2009 :

Liabilities	Amount Rs.	Assets	Amount Rs.
Share capital	4,00,000	Land and Building	2,80,000
P & L A/c	60,000	Plant	7,00,000
General reserve	80,000	Stocks	4,00,000
12% Debentures	8,40,000	Investment (long-term)	1,00,000
Creditors	2,00,000	Debtors	2,00,000
Bills payable	1,00,000	Bills receivables	20,000
Bank overdraft	1,00,000	Cash	80,000
	17,80,000		17,80,000

Calculate :

- 1) Current ratio
 - 2) Quick ratio
 - 3) Inventory to working capital ratio
 - 4) Debt to equity ratio
 - 5) Proprietary ratio
 - 6) Capital gearing ratio.
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I Semester P.G. Diploma in S.A.P.M. Examination, June/July 2010
BUSINESS STATISTICS

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any five** sub-questions. **Each** question carries **two** marks : **(5×2=10)**

1. a) Define inferential statistics.
- b) Distinguish primary and secondary data.
- c) What are cumulative frequency curves ?
- d) Define Geometric mean.
- e) What is business forecasting ?
- f) What is statistical error ?
- g) What is a random variable ?

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks : **(5×4=20)**

2. Calculate harmonic mean of numbers 20, 25, 40, 45, 50.
3. What are the sources of primary data ?
4. Explain the differences between correlation and regression analyses.

P.T.O.

5. The following data gives the probability distribution of demand for a product per month. Find the expected demand per month and its variance.

Demand (in units) :	100	200	300	400	500
Probability :	0.2	0.3	0.35	0.10	0.05

6. For the following data, what will be the possible yield when the rainfall is 30" ?

	Rain fall	Production
Mean	29"	40 units per acre
S.D	3"	6 units per acre

coefficient of correlation between them = 0.8.

SECTION – C

Answer **any five** questions. **Each** question carries **10** marks : **(5×10=50)**

7. Explain the components of a time series.
8. Explain the four methods of random sampling.
9. What are the essential requisites of a good measure of central tendencies ?
10. Discuss various test of hypothesis for the cases where the size of the sample is large.
11. The life-time in hours of a certain electrical equipment has the normal distribution with mean of 80 and standard deviation of 16, what is the probability that the equipment lasts at least 100 hours ? If the equipment has already lasted 88 hours, what is the conditional probability that it will last at least another 12 hours ?

12. Goals scored by two teams in a football season are shown below. Find which team is considered more consistent.

Number of goals scored in a match		0	1	2	3	4
Number of matches	A Team	27	9	8	5	4
	B Team	17	9	6	5	3

13. The sales of a company are given below in million of rupees.

Year	2001	2002	2003	2004	2005	2006
Sales	550	560	555	585	540	525

Find the linear trend equation. Estimate the sales for 2010.

14. In a sample of 600 students of a certain college, 400 are found to use dot pens. In another college, from a sample of 900 students, 450 were found to use dot pens. Test whether the two colleges are significantly different with respect to the habit of using dot pens.
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**I Semester PG Diploma in Security Analysis and Portfolio Management
Examination, June/July 2010
FINANCIAL MANAGEMENT**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any five** sub questions. **Each** question carries **two** marks : **(2×5=10)**

1. a) What is value creation ?
- b) Define IRR.
- c) What is financial lease ?
- d) What are perpetual bonds ?
- e) What is an annuity ?
- f) What is operating leverage ?
- g) Define Optimum capital structure.

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks : **(5×4=20)**

2. Explain suboptimal diversification.
3. The annual dividend has just been paid on a 12% Rs. 10 preference share. Its current market price is Rs. 10.50. What are the before and after tax costs if tax rate is 30% ?
4. What are derivatives ? Bring out their features.
5. Explain the relationship between agency costs and firm's value.
6. Distinguish between Hire purchase and Lease.

P.T.O.

SECTION – C

Answer **any five** questions. **Each** question carries **ten** marks :

(10×5=50)

7. Explain the three major functions of finance manager ? How are they related ?
8. Construct an EBIT-EPS analysis for four plans given below

Plan	Debt	Preferred	Equity
1	0%	0%	100%
2	30	0	70
3	50	0	50
4	50	20	20

The company can issue 16% Debt or 15% Preferred stock. The total capitalization of the company will be Rs. 5 million and current stock can be sold at Rs. 20 per share. The company's tax rate is 35%. The EBIT is expected to be Rs. 1 million. Which plan is the best ?

9. Explain the various steps in capital budgeting process.
10. Define cost of capital. Explain its significance in financial decision making.
11. Explain the various forms of financial instruments.
12. Discuss the various sources of Long term Debt finance available for a company.
13. Explain in detail the factors that influence the capital structure of a firm.
14. Write a detailed note on various participants in financial markets.
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First Semester P.G. Diploma in S.A.P.M. Examination, June/July 2010
INDIAN FINANCIAL SYSTEM
(Regulatory and Legal Framework)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any five** subquestions. **Each** question carries **two** marks : **(2×5=10)**

1. a) Define financial market.
- b) Define money.
- c) Give a list of a bank's liabilities.
- d) Define bank failure.
- e) What is forward contract ?
- f) What is spot rate of a foreign currency ?
- g) What is a credit card ?

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks : **(4×5=20)**

2. State the relationship between yield to maturity, coupon rate and price.
3. Explain features of commercial papers and treasury bills.
4. Briefly explain the relationship between inflation and exchange rate.
5. What are the types of financial derivatives ?
6. Briefly explain the relationship between interest rates and exchange rate.

P.T.O.

SECTION – C

Answer **any five** questions. **Each** question carries **ten** marks : **(10×5=50)**

7. Explain the various derivatives of Money Model.
 8. Explain the impact of first phase and second phase of banking sector reforms.
 9. Explain the principles of Bank Management.
 10. Discuss the form structure of interest rates. State the distinction between real and nominal interest rates.
 11. Give an overview of the foreign exchange market. Who are the participants in foreign exchange market.
 12. Differentiate between Forward Contracts and Futures.
 13. Explain the purchasing power parity and the interest rate parity theories.
 14. Discuss the role of financial intermediaries in the Indian financial system.
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I Semester P.G. Diploma in SAPM Examination, June/July 2010
FINANCIAL PLANNING AND INVESTMENT

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any five** subquestions. **Each** question carries **two** marks : **(2×5=10)**

1. a) Define a financial goal.
- b) What is a financial plan ?
- c) What is risk management ?
- d) What is subrogation ?
- e) What is a SIP ?
- f) What is an aggressive investment strategy ?
- g) What is a capital market ?

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks : **(5×4=20)**

2. Explain the functioning of the stock market.
3. What is estate planning ? What is its importance ?
4. Define investment planning. Why should investment planning be done ?
5. What is superannuation ? What are the benefits of superannuation to a employee ?
6. What are the legal principles of insurance ?

P.T.O.

SECTION – C

Answer **any five** questions. **Each** question carries **ten** marks : **(10×5=50)**

7. Define and explain the various types of business risk insurance.
 8. Who is a financial planner ? Discuss his roles and responsibilities in the current day context.
 9. Discuss the meaning and objectives of the capital market. Detail the types of capital market instruments.
 10. Explain the SEBI guidelines for the primary market in detail.
 11. Discuss the features of the various components of the money market.
 12. Who is an investment advisor ? Discuss his roles and responsibilities.
 13. What are mutual funds ? What are the different types of mutual funds ? Discuss the relevance of each type.
 14. What is tax planning ? Discuss its importance and process ?
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