

**Second Semester M.Com. Degree Examination, July 2019**

(CBCS – 2014-15 Scheme)

**Commerce**

**Paper 2.1 – INDIAN BANKING**

Time : 3 Hours]

[Max. Marks : 70

**SECTION – A**

1. Answer any **SEVEN** questions out of Ten. Each question carries **2** marks :

(7 × 2 = 14)

- (a) State any two objectives of regional rural banks.
- (b) What is asset classification in Banking?
- (c) What is CRR and SLR?
- (d) Differentiate monetary policy and fiscal policy.
- (e) Give the meaning of securitization.
- (f) What is non-performing assets?
- (g) State the meaning of capital adequacy ratio.
- (h) What are Basel norms?
- (i) What are the objectives of mergers in banking sector?
- (j) State the meaning of e-money.

**SECTION – B**

Answer any **FOUR** questions out of Six. Each question carries **5** marks :

(4 × 5 = 20)

2. Discuss the functions performed by the commercial banks in India.
3. What are the methods of selective credit control? How do they operate and with that success?
4. Describe the advantages and disadvantages of electronic payments system.



## Q.P. Code : 60561

5. Do you think credit analysis is essential before providing loan to the customers? Explain the various credit appraisal techniques used by commercial banks to analyse the credit worthiness of a borrower.
6. Discuss the frame work of RBI prudential norms on new capital adequacy.
7. What do you mean by core banking? Briefly discuss the merits and demerits.

### SECTION - C

Answer any **THREE** questions out of Five. Each question carries **12** marks:  
(3 × 12 = 36)

8. Discuss about the evolution of Indian Banking System.
9. Monetary Policy in India is often criticized as ineffective because large part of the country is not yet monetized. Do you agree with the view? Give reasons.
10. What caused the problem of NPAs of Indian Commercial Banks? What cures are being suggested to solve the problem?
11. What is your opinion about the Basel I, II & III norms in terms of enhancing the quality of banking services?
12. Explain the various aspects involved in E-banking transactions. Do you think RBI has addressed all security related issues to make India ready for complete cashless transactions economy? Discuss.



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**Paper 2.2 – RISK MANAGEMENT**

Time : 3 Hours]

[Max. Marks : 70

**SECTION – A**

1. Answer any **SEVEN** questions out of Ten. Each question carries **2** marks :  
(7 × 2 = 14)
- (a) What is market risk?
  - (b) What is operational risk in bank?
  - (c) Define credit risk.
  - (d) What is meant by Value At Risk (VAR)
  - (e) What is stress testing?
  - (f) What is meant by European Option?
  - (g) What is the difference between risk and uncertainty?
  - (h) Give the meaning of intangible hazards.
  - (i) Define SWAPs.
  - (j) What is the difference between futures and forward contract?

**SECTION – B**

Answer any **FOUR** questions out of Six. Each question carries **5** marks :

(4 × 5 = 20)

- 2. Explain the interface between Risk and Insurance.
- 3. Briefly explain the steps in risk management.
- 4. Explain the use of LIBOR and MIBOR in swap contracts.



5. Write a note on Risk Management of credit derivatives.
6. Explain the process of measurement operational risk.
7. Explain the various types of yield curves.

**SECTION - C**

Answer any **THREE** questions out of Five. Each question carries **12** marks :  
**(3 × 12 = 36)**

8. Describe the various models available for Managing Credit Risk.
9. Critically examine the tools for risk management.
10. Consider the following data :

The Market price of the option Rs. 36

The exercise price of the call option Rs. 40

The current annualized market interest rate for T bills 10%

The time remaining before expiration - 90 days (25 yrs)

Historical standard deviation : 0.40

Expected standard deviation : 0.50 (Analysis to expect an increase in stock beta because of a new debt issue).

Apply the Black - Scholes formula developed for deriving the value of American Call Option.

11. What is Markowitz diversification? Explain the statistical methods used by Markowitz for reducing risk.
12. Write a note on the following :
  - (a) Implementation of VA system
  - (b) Evolution of risk
  - (c) Technology risk



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Paper 2.3 – ADVANCED E-COMMERCE AND MOBILE COMMERCE

Time : 3 Hours]

[Max. Marks : 70

SECTION – A

1. Answer any **SEVEN** questions out of Ten. Each question carries **2** marks :  
(7 × 2 = 14)
- (a) Define E-Commerce.
  - (b) What is Decryption?
  - (c) What is a Symmetric Key?
  - (d) What is a Smart Card? Give an example.
  - (e) What is SET?
  - (f) Differentiate Mobile and Wireless.
  - (g) Explain any two limitations of mobile commerce.
  - (h) What is I-Apple in NTT Docomo?
  - (i) What is "MAGIC" in 4G systems?
  - (j) What is Telematics?

SECTION – B

Answer any **FOUR** questions out of Six. Each question carries **5** marks :  
(4 × 5 = 20)

- 2. With a diagram, explain symmetric key cryptography.
- 3. What is SSL? Explain.
- 4. Differentiate e-cash and e-cheque.



5. Bring out the benefits and limitations of mobile commerce.
6. What are the wireless devices available in mobile commerce? Explain.
7. Explain mobile data technologies and small business adoption.

**SECTION - C**

Answer any **THREE** questions out of Five. Each question carries **12** marks :

**(3 × 12 = 36)**

8. Explain the types of security threats in e-commerce.
9. What is EDI? What are its layers? Explain EDI application in Business.
10. What are the infrastructure needed for conducting mobile commerce? Explain.
11. Explain Location Based Services in all the sectors.
12. What is WAP? Explain its layers.



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**Paper 2.4 – BUSINESS RESEARCH METHODS**

Time : 3 Hours]

[Max. Marks : 70

**SECTION – A**

1. Answer any **SEVEN** questions out of Ten. Each question carries **2** marks :

(7 × 2 = 14)

- (a) Define Pure Research.
- (b) What is a Scientific Method?
- (c) Define a Hypothesis.
- (d) What is a P-value?
- (e) What is a interview schedule?
- (f) Define transcription in data processing.
- (g) Distinguish between a parameter and a statistic.
- (h) What is a t-test?
- (i) Define a level of significance.
- (j) State any two essentials of an effective research report.

**SECTION – B**

- Answer any **FOUR** questions out of Six. Each question carries **5** marks :

(4 × 5 = 20)

- 2. Explain the types of business research.
- 3. Discuss the different sources of Data.
- 4. Describe the steps involved in writing a research report.



5. Suppose you are given a set that classifies each sample unit into one of the four categories : A, B, C or D. You plan to create a compute data base consisting of these data, and you decide to code the data as  $A = 1$ ,  $B = 2$ ,  $C = 3$  and  $D = 4$ .

Are the data consisting of the classifications A, B, C and D qualitative or quantitative? After the data are input as 1, 2, 3 and 4 are they qualitative or quantitative? Explain your answers.

6. Suppose you want to select a sample of size two ( $n = 2$ ) from a population consisting of four objects ( $N = 4$ ). The four objects are assigned with the numerical values as 1, 2, 3, 4. Assume that each sample has the same chance of selection and the sample is simple random sampling without replacement.

You are required to

- (a) Compute the mean of each sample
  - (b) Compute the mean of the sampling distribution of sample means
  - (c) Standard error of sampling distribution
7. For assessing the number of monthly transactions in credit cards issued by a bank, transactions in 25 credit cards were analysed. The analysis revealed an average of 7.4 transactions and sample standard deviation of 2.25 transactions.

Find the confidence limits for the monthly number of transactions by all the credit card holders of the bank, assuming the level of significance at 5%.

#### SECTION - C

Answer any **THREE** questions out of Five. Each question carries **12** marks :

**(3 × 12 = 36)**

- 8. Describe the role of business research in planning and decision making.
- 9. Critically examine the different sampling methods.
- 10. Discuss the different research designs.



**Q.P. Code : 60564**

11. The following information is obtained in respect of 50 randomly selected students.

Educational Loan	Boys	Girls	Total
Taken	14	8	22
Not taken	16	12	28
Total	30	20	50

Can it be inferred that the availing of loans is more common among boys? Use 5% level of significance.

12. A manufacturer of LCD TVs claims that LCD TV is becoming quite popular, and that about 5% households are using LCD TV. However, a dealer of conventional TVs claims that the percentage of households with LCD TVs is less than 5%. In this connection a sample of 400 households was taken and it was found that only 18 households have LCD TV.

Test at 1% level of significance whether the claim of the company is taxable.

	30	20	50
Boys	14	8	22
Girls	16	12	28
Total	30	20	50



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**Paper 2.5 – OPERATIONS RESEARCH AND  
QUANTITATIVE TECHNIQUES**

Time : 3 Hours]

[Max. Marks : 70

**SECTION – A**

1. Answer any **SEVEN** questions out of Ten. Each question carries **2** marks :  
(7 × 2 = 14)
- (a) Define linear programming.
  - (b) Give the meaning of Risk.
  - (c) State any four uses of Normal distribution.
  - (d) Define Operations Research.
  - (e) What do you mean by decision tree analysis?
  - (f) Define likely events.
  - (g) State the differences between PERT and CPM.
  - (h) What is crashing?
  - (i) State the software packages available for solving LPP.
  - (j) What do you mean by model building?

**SECTION – B**

Answer any **FOUR** questions out of Six. Each question carries **5** marks :  
(4 × 5 = 20)

2. Twelve one rupee coins are distributed at random among 5 beggars A, B, C, D and E. Find the probability that (a) They get 4, 2, 0, 5 and 1 coins respectively  
(b) Each beggar gets at least 2 coins.
3. Explain the different approaches of calculating the probability of an event.



**Q.P. Code : 60565**

4. Solve the following Assignment Problem in order to minimize the total cost. The cost matrix below gives the assignment cost when different operators are assigned to various machines.

		Operators				
		I	II	III	IV	V
Machines	A	30	25	33	35	36
	B	23	29	38	23	26
	C	30	27	22	22	22
	D	25	31	29	27	32
	E	27	29	30	24	32

5. Explain the different types of risks faced by the entrepreneur regarding capital budgeting.
6. A company makes bicycles. It produces 450 bicycles a month. It buys the tyres for bicycles from a supplier at a cost of Rs. 200 per tyre. The company's inventory carrying cost is estimated to be 15% of cost and the ordering is Rs. 5,000 per order.

Calculate :

- (a) EOQ
  - (b) Number of orders to be place per year
  - (c) Average annual ordering cost
  - (d) Average annual carrying cost
  - (e) Total cost
7. The average selling price of houses in a city is Rs. 25,00,000 with a standard deviation of Rs. 6,00,000. Assuming the distribution of selling price to be normal find :
- (a) The percentage of houses that sell for more than Rs. 27,50,000
  - (b) The percentage of houses that sell between Rs. 22,50,000 and 30,00,000
  - (c) The percentage of houses that sell for more than Rs. 20,00,000



## SECTION - C

Answer any **THREE** questions out of Five. Each question carries **12** marks :

(3 × 12 = 36)

8. Determine the basic feasible solution for the TP, using NWCM, LCM and VAM. Suggest which method should be adopted.

	D <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	D <sub>4</sub>	Supply
O <sub>1</sub>	6	4	1	5	14
O <sub>2</sub>	8	9	2	7	16
O <sub>3</sub>	4	3	6	2	5
Demand	6	10	15	4	35

9. The following table gives data given on normal time and cost and crash time and cost for a project.

Activity	Normal		Crash	
	Time (days)	Cost (Rs.)	Time (days)	Cost (Rs.)
1 - 2	5	600	4	1000
1 - 3	4	600	2	2000
2 - 4	5	500	3	1500
2 - 5	3	450	1	650
3 - 4	6	900	4	2000
4 - 6	8	800	4	3000
5 - 6	4	400	2	1000
6 - 7	3	450	2	800

The indirect cost per day is Rs. 100.

- (a) Draw a network and critical path
- (b) What are the normal project duration and associated time?
- (c) Crash the relevant activities systematically and determine the optimum project completion time and cost.



10. Write short notes on :

- (a) Probability distribution
- (b) Sensitivity Analysis
- (c) Decision tree

11. The following table shows the jobs of a network along with their time estimates :

Activity	Optimistic Time	Most Likely Time	Pessimistic Time
1-2	1	1	7
1-3	1	4	7
2-4	2	2	8
2-5	1	1	1
3-5	2	5	14
4-6	2	5	8
5-6	3	6	15

You are required to

- (a) Draw the network for the project.
  - (b) Calculate Variance and Standard Deviation of Project Length.
  - (c) What is the probability that the project will be completed within 19 weeks?
12. Explain the meaning of "Simulation" and state its usefulness in business decision making.



**Q.P. Code : 60566**

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**Paper 2.6 – BUSINESS MARKETING**

*Time : 3 Hours]*

*[Max. Marks : 70*

**SECTION – A**

1. Answer any **SEVEN** questions out of Ten. Each question carries **2** marks :  
**(7 × 2 = 14)**
- (a) What is meant by buy grid model?
  - (b) What is Marketing Intelligence System?
  - (c) What is Delphi technique?
  - (d) List out the key elements supporting E-Commerce.
  - (e) Define Market segmentation.
  - (f) What do you mean by psychological pricing?
  - (g) What is meant by Integrated Logistics Management?
  - (h) What is meant by Brand Equity?
  - (i) List out a few ethical issues in Direct Marketing.
  - (j) Describe the term "Millennial Fever".

**SECTION – B**

Answer any **FOUR** questions out of Six. Each question carries **5** marks :

**(4 × 5 = 20)**

- 2. Discuss briefly how companies can go about conducting E-Commerce to profitably deliver more value to customers.
- 3. Outline the steps involved in Marketing Research Process.
- 4. 'Highly satisfied customers produce several benefits for a company'. How do companies delight customers?



**Q.P. Code : 60566**

5. Discuss the special issues faced by marketing researchers including public policy and ethical issues.
6. Identify and define the external factors affecting pricing decisions, including the impact of consumer perception of price and value.
7. Discuss how companies can position their products for maximum competitive advantage in the market place.

**SECTION – C**

Answer any **THREE** questions out of Five. Each question carries **12** marks :

**(3 × 12 = 36)**

8. Discuss how companies have responded to the new internet and other powerful new technologies with E-business strategies and how these strategies have resulted in benefits to both buyers and sellers.
9. Explain CRM and its impact on service industries. Discuss the CRM strategies for an Hotel Industry.
10. Discuss Jagdish N Sheth Model of organization buyer behaviour with a block diagram.
11. Discuss the nature and importance of marketing logistics and integrated supply chain management for a business firm.
12. Explain the concepts of psychological pricing and reference prices. Create an example for each of these concepts.



**Q.P. Code : 60567**

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**Paper 2.7 – MICRO FINANCE (Soft Core)**

*Time : 3 Hours]*

*[Max. Marks : 70*

**SECTION – A**

1. Answer any **SEVEN** questions out of Ten. Each question carries **2** marks :

**(7 × 2 = 14)**

- (a) What is Micro Finance?
- (b) Define Financial Management.
- (c) Write the meaning of the term 'Fiscal Policy'.
- (d) Expand the forms SIDBI, IFCI and ICICI.
- (e) What do you mean by 'Masala Bonds'?
- (f) What is Micro Credit?
- (g) What do you understand by 'Garnishee' order?
- (h) Define Insurance.
- (i) What is Community Banking?
- (j) What do you mean by "Sustainable Development"?

**SECTION – B**

Answer any **FOUR** questions out of Six. Each question carries **5** marks :

**(4 × 5 = 20)**

- 2. Explain the objectives and functions of commercial banks in India.
- 3. Distinguish between branch banking and unit banking system.
- 4. Why Grameen banks are not progressed and not performed their functions properly?



**Q.P. Code : 60567**

5. How these terms pledge, mortgage and hypothecations are differs in Bank Loans?
6. Explain the Bank linkages and strategies helps to rural development in India.
7. Discuss the importance of Micro finance in rural areas.

**SECTION - C**

Answer any **THREE** questions out of Five. Each question carries **12** marks :

**(3 × 12 = 36)**

8. Explain the Micro Finance and Micro Credit features, objectives and models and their criticisms.
9. Discuss the solvency and liquidity positions of micro financial institutions. Why solvency and liquidity are crucial for sustainable development of MFI's?
10. What is NGO? Discuss the various models, structure and funding patterns of NGO's in India.
11. Discuss the role, functions and problems of self help groups.
12. Write a detailed note on 'NABARD' and its refinance system and progress of institutional financial system.