**Fourth Semester M.Com.(FA) Degree Examination, September/October 2020**

(CBCS Scheme – 2014-15)

**Finance and Accounting**

**Paper 4.1 – STRATEGIC MANAGEMENT**

Time : 3 Hours]

[Max. Marks : 70

SECTION – A

1.  Answer any **SEVEN** questions. Each question carries **2** marks :      **(7 × 2 = 14)**

    (a)  What is business intent and vision?

    (b)  What is the significance of task environment?

    (c)  What do you mean by SWOT?

    (d)  Define the term SAP and PESTL.

    (e)  What is corporate culture?

    (f)  How does the business strategy differ from corporate strategy?

    (g)  Define the term strategic Alliance.

    (h)  Define retrenchment.

    (i)  What is Divestment?

    (j)  What is Core competency?

SECTION – B

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

2.  How do you use the B.C.G. matrix and G.E. Business widow as portfolio analysis tool in strategy design?

3.  "In volatile industry, stability strategy is for today gains and tomorrow's death" – Comment with reference to the 21st Century business.

4.  How do you design and develop value chain in Service Industries?

5.  What are the entry barriers considered important for corporate survival?

6.  Why the firms go for consolidation around the core businesses and remove extra fats for competitive survival?

7.  What are the reasons of firm adopts restructuring strategy?

SECTION – C

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

8.  How do the corporate culture, value system and structure can influence the organization's growth?

9.  Why do the companies adopt external growth strategies? Describe them with suitable illustration. What are the focused areas a firm has to concentrate?

10. What are the business strategies a company can pursue for competitive business survival?

11. What is strategic alliance? What are the objectives for strategic alliance? Why it fails.

12. What is strategic implementation? How it is different from strategic planning? "Good planning does not guarantee good implementation" – Discuss.

_____

Q.P. Code : 60482

## Fourth Semester M.Com. (FA) Degree Examination, September/October 2020

*(CBCS Scheme – 2014-15)*

### Commerce – Finance and Accounting

### Paper 4.2 — INTERNATIONAL ACCOUNTING

Time : 3 Hours]                                                                    [Max. Marks : 70

*Instructions to Candidates : Answer all Sections.*

### SECTION – A

1.  Answer any **SEVEN** sub-questions. Each question carries **2** marks :   **(7 × 2 = 14)**

    (a)   Define segment reporting.

    (b)   State any four significant criticisms of IFRS.

    (c)   Write any two major differences between reporting practices of developed and developing nations.

    (d)   How are inventories valued in German GAAP?

    (e)   What is arms-length transaction?

    (f)   What are consolidated financial statements?

    (g)   Define true and fair view.

    (h)   How is R & D expenditure treated in Japanese accounting?

    (i)   What is tax arbitrage?

    (j)   What is currency translation?

### SECTION – B

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

2.  Explain deferred tax asset and deferred tax liability with examples.

3.  Briefly explain the benefits of harmonization of financial statements globally.

4. Discuss the advantages of standard setting.

5. What are foreign currency issues in international accounting?

6. How is acquired goodwill and self-generated goodwill treated in UK accounting?

7. Discuss conservatism versus optimism in accounting with examples.

SECTION – C

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

8. Explain the different methods of transfer pricing.

9. Examine critically the financial reporting practices in France.

10. Discuss the structure of IFRS.

11. What are the different methods used in translating foreign currency denominated financial statements into home currency? Illustrate with examples.

12. As a global investor how do you analyse the International Financial Statements? Discuss.

# Fourth Semester M.Com. (FA) Degree Examination, September/October 2020

*(CBCS Scheme – 2014-15)*

## Finance and Accounting

## Paper 4.3 — INTERNATIONAL FINANCIAL MANAGEMENT

Time : 3 Hours]  [Max. Marks : 70

### SECTION – A

1.  Answer any **SEVEN** questions. Each question carries **2** marks :  **(7 × 2 = 14)**

    (a)  What is spot rate?

    (b)  Define Forex Risk.

    (c)  What do you mean by Euro Bond?

    (d)  What is meant by netting?

    (e)  What are blocked funds?

    (f)  What is arm-length transaction?

    (g)  What is FCCB's?

    (h)  What is double taxation regime?

    (i)  Define arbitrage.

    (j)  Define Associated Enterprise.

### SECTION – B

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

2.  What is market risk? Explain any one methods to Market risk.

3.  Describe Key Plyers in International Financial Market.

4.  You are given that the risk-free rate of return in India is 10%. An American investor decides to buy Indian securities with beta = 2.70 and variance of return = 18%. The Indian rupee has been depreciating at 4% against the dollar with variance of 14%. If the market portfolio fetches a return of 16% in India and correlation between the return on security and exchange rate is 0.30, estimate the expected return and risk for US investor.

5. A UK subsidiary of an US based MNC has to mobilize working capital for the next 12 months. It has the following options :

Loan from UK bank : 9%

Loan from US parent : 7%

Loan from Swiss bank : 5%

Banks in UK charge an additional 0.8% towards loan servicing. Loan from outside UK attract withholding tax at 13% on interest paid. If the interest rates given above are market determined, examine which loan is most attractive.

6. Explain Petro dollars and samurai Bonds.

7. Write a note on foreign Masala Bonds.

SECTION – C

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

8. Explain Purchasing Power Parity theory and enumerate the factors that limits its applicability.

9. Explain components of balance of payments.

10. Which are important markets of Forex explain with relevance of Markets.

11. How oil price war can impact on International Financial Management?

12. Prisha Ltd is the UK subsidiary of an Indian IT company. The company's Balance sheet is thousands of pound sterling (£) for 1-1-2019 is given below :

| Assets | Rs. | Liability | Rs. |
|---|---|---|---|
| Cash | 1,00,000 | Current liability | 1,00,000 |
| Account receivables | 2,00,000 | Long term debt | 2,00,000 |
| Inventory | 5,00,000 | Capital stock | 7,00,000 |
| Net plant and machinery | 2,00,000 | | |
| | 10,00,000 | | 10,00,000 |

Determine MNO's accounting exposure on 1-1-2020 using :

(a) Current rate method

(b) Monetary and non-monetary method

Calculate the company's contribution to its parent accounting Profit/Loss if the exchange rate on 31-12-2019 was 1£ = ₹ 93.2445

Q.P. Code : 60484

**Fourth Semester M.Com. (FA) Degree Examination,**
**September/October 2020**

*(CBCS Scheme – 2014-15)*

**Finance and Accounting**

**Paper 4.4 — STRATEGIC FINANCIAL MANAGEMENT**

Time : 3 Hours]                                                              [Max. Marks : 70

## SECTION – A

1. Answer any **SEVEN** questions. Each question carries **2** marks :        **(7 × 2 = 14)**

   (a)   State any six rationale of mergers.

   (b)   What is optimal sizing?

   (c)   What is Economic Value Added?

   (d)   What is Venture capital?

   (e)   What is risk management?

   (f)   What is Merger?

   (g)   What is brand securitization?

   (h)   What is incubator funding?

   (i)   Mention two difference between Internal Audit and Internal control.

   (j)   Define project management.

## SECTION – B

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

2. Explain the three levels of Forex market operations.

3. Write a short note on Margin money.

4. List out the difference between Acquisition and Takeover.

1/3

5. (a) Calculate market sensitivity index and expected return on the portfolio from the following data :

   Standard deviation of an asset – 2.8%

   Market standard deviation – 2.3%

   Risk free rate of return – 14.0%

   Expected return on Market portfolio – 16.0%

   Correlation co-efficient of portfolio with market – 0.9

   (b) What will be the expected return on the portfolio if portfolio beta is 0.6 and risk free return is 12%.

6. What are fundamentals of Corporate governance?

7. XYZ is intending to acquire EFG by merger and the following information is available :

|  | XYZ Ltd. | EFG Ltd. |
|---|---|---|
| Number of equity shares | 15,00,000 | 8,00,000 |
| Earnings after tax | 75,00,000 | 24,00,000 |
| Market value per share | 50 | 30 |

   Required :

   (a) What is the present EPS of both the companies?

   (b) If the proposed merger takes place, what would be the new EPS for ABC assuming that the merger takes place at the current market price ratio?

### SECTION – C

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

8. Elucidate on financial impact on various stages of Product Life Cycle.

9. Bring out the difference between commercial calculation and social cost benefit computations in project analysis with imaginary figures.

10. Discuss the approaches to corporate valuation.

11. Elaborate the dynamics of strategic financial management.

12. ABC Ltd. is considering merger with IJK. ABC shares are currently traded as ₹ 25 it has 3,00,000 shares outstanding and PAT is ₹ 7,00,000. IJK has 1,50,000 shares and its current market price is ₹ 15 with its PAT ₹ 1,50,000. The merger will be effected by means IJK has agreed to plan under which ABC will offer the current market value of IJK Ltd's share.

(a) What is premerger EPS and PE ratio?

(b) If IJK PE is 6.7. What is the current market price? What is the current exchange ratio? What will be ABC post-merger EPS?

(c) What should be the exchange ratio if ABC's pre – merger and post – merger EPS are to be the same?

———————