Reg. No. : ....

Name : ....

Third Semester M.Com. Degree Examination, December 2021

SDE

PAPER I : CO 231 F: INCOME TAX PLANNING AND MANAGEMENT

(2017 Admission onwards)

Time : 3 Hours   Max. Marks : 75

PART – A

Answer **all** questions. Each question carries **2** marks.

1. What is meant by tax evasion?

2. What is PAN?

3. List any four items of salary as per section 17 of the IT Act.

4. State any four taxable allowances.

5. Define Annual value.

6. Define speculative transactions.

7. What is meant by block of assets?

8. What are long term capital gains?

9. What is meant by clubbing of income?

10. Define a domestic company.

(10 × 2 = 20 Marks)

PART – B

Answer **any five** questions. Each question carries **5** marks.

11. What is meant by perquisites? Give five examples of tax–free perquisites.

12. State the deductions that are allowed from annual value in computing income from house property.

13. Mention any ten items of income which can be included under the head income from other sources.

14. Explain the provisions regarding set off of losses as per the provisions of Income Tax Act.

15. Distinguish between Tax Planning and Tax management.

16. What are deemed incomes? Discuss briefly.

17. Dr. Lekshmi Pilllai owns a house property in Kottayam which is let out for Rs.8,000 p.m. Its municipal valuation and municipal taxes are respectively Rs.80,000 and 30%. Dr. Lekha Pillai paid municipal taxes of past 4 years along with for the current Previous Year. She paid Rs.42,000 as interest for purchase of House. The house was vacant for 3 months in the year. Compute the income from house properly for the Assessment Year 2019 -20.

18. Compute the Income from other sources from the following information.

    (a) Income from Agriculture land in Bangladesh Rs.6,000.

    (b) Interest on Fixed Deposit with Bank Rs.15,000.

    (c) Dividend received from Indian Company Rs.3,580.

    (d) Interest on Post office savings bank account (in single name) Rs.6,700.

(5 × 5 = 25 Marks)

M – 3397

PART – C

Answer **any two** of the following questions. Each question carries **15** marks.

19. From the following particulars of Dr. B. Vijay Chandra, calculate the total income for the Assessment Year 2019-20.

    (a) Basic Salary Rs.40,000 per month.

    (b) DA Rs.2,000 per mouth.

    (c) Children education allowance in respect of two children Rs.600 per month.

    (d) Electricity bill of the employee paid by the employer Rs.60,000.

    (e) Uniform allowance Rs.10,000 (Spent Rs.8,000 for purchase of uniform).

    (f) Domestic servant appointed by employer and wages paid by employer, Rs.600 per month.

    (g) Employer has provided a rent - free accommodation. Rent paid by the employer is Rs.3,000 per month. Annual hire charges of furniture is Rs.7,200.

    (h) Loss from house property computed Rs.10,000.

    (i) Health insurance premium paid by cheque by Dr. Vijay Chandra in 2018-19, Rs.2,000.

20. Sahas Company Ltd is a widely held domestic company. The following are the particulars of its income in respect of the previous year 2018 -19.

    (a) Income from business Rs.1,10,00,000

    (b) Interest on Government securities Rs.20,000

    (c) Short term capital gains Rs.30,000

    (d) Long term Capital gains Rs.66,000

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(e) Dividend from domestic company (Gross) Rs.20,000

(f) Dividend from a foreign company Rs.20,000

(g) Book profit u/s 115 JB Rs.1,05,00,000

During the previous year, the company donated by cheque Rs.50,000 to National Defence Fund.

Compute the total income of the Company and tax payable for the Assessment Year 2019-20.

21. How do you compute the total income of a partnership firm? Discuss.

22. Examine any ten items of deductions to be made in computing the total income of an assessee in respect of certain payments.

(2 × 15 = 30 Marks)

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Reg. No. : ....

Name : ....

Third Semester M.Com. Degree Examination, December 2021.

SDE

Paper II – CO 232 F : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

(2017 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. Each question carries **2** marks.

1. Define investment.

2. What is market risk?

3. What is meant by industry life cycle?

4. Write short note on Zero Coupon Bond.

5. What is meant by spot interest rate?

6. What is meant by Run Test?

7. What is meant by Portfolio Management?

8. State need for portfolio revision.

9. What is meant by hedging?

10. What is meant by derivatives?

(10 × 2 = 20 Marks)

SECTION – B

Answer **any five** questions. Each question carries **5** marks.

11. Distinguish between speculation and gambling.

12. Explain briefly the various investment avenues useful to small savers.

13. Explain the problems arise during portfolio revision.

14. Write short note on Markowitz Portfolio Theory.

15. Distinguish between Sharpe ratio and Treynor ratio.

16. Explain the concept of Efficient Market Hypothesis.

17. Consider two securities, P and Q, with expected returns of 15% and 24 % respectively and standard deviation of 35 % and 52 % respectively. Calculate the standard deviation of a portfolio weighted equally between the two securities if their correlation is – 0.9.

18. How many parameters should be estimated to analyse the risk return profile of a 50 stock portfolio using the Sharpe Single Index Model?

(5 × 5 = 25 Marks)

SECTION – C

Answer **any two** questions. Each question carries **15** marks.

19. What is meant by security analysis? Discuss briefly various approaches of security analysis.

20. What is Capital Asset Pricing Model? Explain how do you evaluate pricing of securities with capital asset pricing model?

21. An investor owns a portfolio composed of 5 securities with the following features.

Security	Beta	Random error term Standard deviation (%)	Proportion
1	1.35	5	0.10
2	1.05	9	0.20
3	0.80	4	0.15
4	1.50	12	0.30
5	1.12	8	0.25

If the standard deviation of the market index is 20%, what is the total risk of portfolio?

22. An investor has analyzed a share for a one year holding period. The share is currently selling for Rs.43 but pays no dividends and there is a 55 chance that the share will sell for either Rs.55 of Rs.60 by the year end. What is the expected return and risk if 250 shares are acquired with 80% borrowed funds? Assume the cost of borrowed hinds to be 12%. Ignore commissions and taxes.

(2 × 15 = 30 Marks)

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Reg. No. : ....

Name : ....

Third Semester M.Com. Degree Examination, December 2021

SDE

Paper III : CO 233F STRATEGIC FINANCIAL MANAGEMENT

(2017 Admission Onwards)

Time : 3 Hours   Max. Marks : 75

SECTION – A

Answer **all** questions. Each question carries **2** mark.

1.   What is Strategic Financial Management?

2.   Define the term working capital management.

3.   What do you understand by the term project?

4.   State the meaning of corporate restructuring.

5.   State the meaning of consolidation.

6.   What do you mean by financial innovation?

7.   What is meant by venture finance?

8.   Define strategic finance.

9.   Give some examples for financial performance.

10.   What is transparency in Operation?

(10 × 2 = 20 Marks)

SECTION – B

Answer **any five** questions. Each question carries **5** mark.

11. Explain the basic features of strategic management.

12. Why strategic financial management is important? Give some examples.

13. Examine the different types of strategic analysis.

14. Briefly explain the different methods of financial analysis.

15. Discuss the Scope and objectives of a corporate restructuring.

16. Discuss how do you survive corporate restructuring.

17. Explain the limitations of slandered finance.

18. Discuss the financial symptoms.

(5 × 5 = 25 Marks)

SECTION – C

Answer **any two** questions. Each question carries **15** mark.

19. Explain the skills needed by the financial analyst.

20. Differentiate between finance and financial engineering.

21. Briefly explain the factors of corporate financial management decision making.

22. Explain the problems of financial performance and ethical issues.

(2 × 15 = 30 Marks)

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11. Distinguish between investment and speculation.

12. What is unsystematic risk? Discuss briefly different types of unsystematic risk.

13. Explain in brief Dow theory.

14. What is meant by Portfolio revision? Discuss briefly the major constraints in portfolio revision.

15. Explain briefly Random Walk Theory.

16. What is meant by technical analysis? State briefly the basic principles of technical analysis.

17. A portfolio is constituted with four securities having the following characteristics.

Security	Return (per cent)	Proportion of investment
P	17.5	0.15
Q	24.8	0.25
R	15.7	0.45
S	21.3	0.15

Calculate the expected return of the portfolio.

18. How many parameters should be estimated to analyse the risk return profile of a 50 stock portfolio using the original Markowitz Model?

(5 × 5 = 25 Marks)

SECTION – C

Answer **any two** questions. **Each** question carries **15** marks.

19. Discuss in detail the various investment avenues available to savers in India.

20. Write an essay on features, significance and types of financial derivatives.

Price (Rs)	Probability
115	0.1
120	0.1
125	0.2
130	0.3
135	0.2
140	0.1

(a) Calculate the expected return and

(b) Calculate the standard deviation of the returns.

22. The following data are available to you as portfolio manager.

Security	Expected Return (%)	Beta	Standard Deviation (%)
A	30	2.0	50
B	25	1.5	40
C	20	1.0	30
D	11.5	0.8	25
E	10.0	0.5	20
Market Index	15	1.0	18
Govt. Security	7	0	0

(a) In terms of the security market line, which of the securities listed above are underpriced?

(b) Assuming that a portfolio is constructed using equal proportions of the five securities listed above, calculate the expected return and risk of such a portfolio?

(2 × 15 = 30 Marks)

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