

[This question paper contains 12 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 590

G

Unique Paper Code : 2922101102

Name of the Paper : Accounting For Managers

Name of the Course : **B.A. (Hons.) Business
Economics**

Semester : 1

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. This paper contains 6 questions.
3. Attempt **ANY FIVE** questions.
4. All questions carry equal marks.
5. Use of simple calculator is permitted.

P.T.O.

1. Write Short notes on (Any Three) of the following :

- Money measurement and Revenue recognition principle
- Break-Even Point
- Limitations of financial accounting
- Absorption costing vs. marginal costing (3×6)

2. From the following Trial Balance and additional information, prepare the Trading and Profit and Loss Account of M/s. PQR Ltd. for the year ended 31st March 2022 and a Balance Sheet as on that date :

Particulars	Debit Balance (Rs.)	Credit Balance (Rs.)
Capital		1,00,000
Drawings	12,000	-
Land and Buildings	90,000	-
Plant and Machinery	20,000	-
Furniture	5,000	-
Sales	-	1,40,000
Returns Outward	-	4,000
Debtors	18,400	-
Loan from Gopal on 1.7.2021 at 6% p.a.	-	30,000
Purchases	80,000	-
Returns Inward	5,000	-
Carriage	10,000	-

Sundry Expenses	600	-
Printing and Stationary	500	-
Insurance Expenses	1,000	-
Provision for Doubtful Debts	-	1,000
Provision for Discount on Debtors	-	380
Bad Debts	400	-
Profit of Textile Department	-	10,000
Stock of general goods on 1.4.2021	21,300	-
Salaries and Wages	18,500	-
Creditors	-	12,000
Trade Debtors	800	-
Stock of Textile Goods on 31.3.2022	8,000	-
Cash at Bank	4,600	-
Cash in Hand	1,280	-
	2,97,000	2,97,000

Additional Information :

- Stock of General goods on 31st March, 2022 valued at Rs. 27,300.
- Fire occurred on 23rd March, 2022 and Rs. 10,000 worth of general goods were destroyed. The Insurance Company accepted claim for Rs. 6,000 only and paid the claim money on 10th April, 2022.

590

4

- (iii) Bad Debts amounting to Rs. 400 are to be written off. Provision for Bad and doubtful debts is to be made at 5% and for discount at 2% on debtors. Make a provision of 2% on creditors for discount.
- (iv) Received Rs. 6,000 worth of goods on 27th March, 2022 but the invoice of purchase was not recorded in Purchases Book.
- (v) The proprietor took away goods worth Rs. 2,000 for personal use but no record was made thereof.
- (vi) Charge depreciation at 2% on Land and Buildings, 20% on Plant and Machinery, and 5% on Furniture.
- (vii) Insurance prepaid amounts to Rs. 200.
- (18)
3. (a) The Expenses for the budget production of 10,000 units in a factory are furnished below:

590

5

Particulars	Per Unit (Rs.)
Material	70
Labour	25
Variable Overheads	20
Fixed Overheads (Rs. 1,00,000)	10
Variable Expenses (Direct)	5
Selling Expenses (10% Fixed)	13
Distribution Expenses (20% Fixed)	7
Administration Expenses (Rs. 50,000)	5
Total Cost per Unit	155

Assuming administrative expenses are fixed for all levels of production, prepare a budget for the following levels of production :

P.T.O.

- (i) 8,000 units
(ii) 6,000 units
(iii) 10,000 units.

(b) From the following information calculate (i) Material Cost Variance and (ii) Material Price Variance.

Standard output	100 units
Standard material per unit	3 lbs.
(Standard price per lb.	Rs. 2
(Actual output	80 units
Actual price	Rs. 2.50
Actual materials used	250 lbs.

(12,6)

4. (a) From the following details relating to the Account of X Ltd. prepare Cash Flow Statement :

	31-03-2023 Rs.	31-03-2022 Rs.
Liabilities:—		
Share capital	10,00,000	8,00,000
Reserves	2,00,000	1,50,000
Profit and Loss Account	1,00,000	60,000
Debentures	2,00,000	-----
Provision for taxation	1,00,000	70,000
Proposed dividend	2,00,000	1,00,000
Sundry creditors	7,00,000	8,20,000
	25,00,000	20,00,000
Assets:—		
Plant and Machinery	7,00,000	5,00,000
Land and Building	6,00,000	4,00,000
Investments	1,00,000	-----
Sundry debtors	5,00,000	7,00,000
Stock	4,00,000	2,00,000
Cash in hand /bank	2,00,000	2,00,000
	25,00,000	20,00,000

- (i) Depreciation @25% was charged on the opening value of Plant and Machinery.
(ii) During the year one old machine costing 50,000 (WDV 20,000) was sold for Rs. 35,000.

P.T.O.

(iii) Rs.50,000 was paid towards income tax during the year.

(iv) Building under construction was not subjected to any depreciation. Prepare Cash flow Statement.

(b) Explain the significance and limitations of ratio analysis. (12)

5. (a) The following extract of costing information relates to commodity A for the year ended 31-03-2023 :

Particulars :

Purchase of raw material	60
Direct Wages	50
Rent, rates and Insurance	20
Carriage Inward	

Stock as on 1-4-2022:

Raw materials	10,000
Finished Products (2,000 units)	8,000

Stock as on 31-03-2023

Raw materials	11,000
Finished Products (4,000 units)	
Work -in -progress as on 1-4-2022	2,400
Work -in-progress as on 31-3-2023	8,000
Cost of factory supervision	4,000
Sale of Finished Products	1,50,000

Advertising, discount allowed and selling costs total Rs. 0.40 per unit sold. 32,000 units of the commodity were produced during the period.

Prepare a Cost Sheet to ascertain :

(i) Net Profit

(ii) Selling Price per unit

(b) What are the relevant considerations involved in the cost benefit analysis of make or buy decision?

6. (a) The following particulars are taken from the records of a company engaged in manufacturing two products A and B from a certain material:

	Product A (per unit) Rs.	Product B (per unit) Rs.
Sales	2500	5,000
Material Cost (Rs. 50 per Kg)	500	1,250
Direct Labour (Rs. 30 per hour)	750	1,500
Variable Overheads	250	500

Total fixed overheads : Rs. 10,00,000

Comment on the profitability of each product when :

- Total sale in value is limited.
- Raw materials is in short supply.

(iii) Production capacity is the limiting factor.

(iv) Total availability of raw materials is 20,000 Kg. and maximum sales potential of each product is 1,000 units. Find the product mix to yield maximum profits.

- (b) ABC Ltd. annually manufactures and sells 25,000 units of a product, the selling price of which is Rs. 50 and profit earned is Rs. 10 per unit. The analysis of cost of 25,000 units is :

	Rs.
Material Cost	3,00,000
Labour Cost	1,00,000
Overhead (50% variable)	4,00,000

You are required to calculate :

- Break-even sales in units and in Rs.

590

12

(ii) Sales required to earn a profit of
Rs. 3,50,000

(iii) Profit when 20,000 units are sold.

(12,6)

(500)

[This question paper contains 8 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 613

G

Unique Paper Code : 2922101103

Name of the Paper : Mathematics for Business
Economics - I

Name of the Course : B.A (Hons.) Business
Economics

Semester : 1

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt all questions. Choice is available within each question.
3. Use of simple calculator and present value tables is permitted.

P.T.O.

613

2

1. Attempt any **three** parts :

(a) Consider the function :

$$f(x) = 1 - 2^{-x}$$

(4×3)

- (i) Draw a rough sketch of the graph.
- (ii) Specify the domain and the range of the function
- (iii) What happens to the function when x becomes very large and very small.
- (b) In a class of 50 students numbered 1 to 50, all even numbered students opt for Physics, those whose numbers are divisible by 5 opt for Chemistry and those whose numbers are divisible by 7 opt for Maths. How many opt for none of the three subjects?
- (c) (i) Solve for x in $\ln[x(x-2)] = 0$
- (ii) Compute the relative rate of growth for the function $x = e^t + e^{-t}$
- (d) State the negation of the given statements :
- (i) Everyone loves chocolate and ice cream.

613

3

(ii) There is no claim that supports privatization.

(iii) All x satisfy $x \geq 5$ (iv) $x \geq 2$ and $y \geq 2$.2. Attempt any **four** parts :

(7×4)

(a) Let f be defined by $f(x) = x^2 - 2$ for $x < 0$ and $f(x) = -3x^2 + 15$ for $x > 2$. Define $f(x)$ as a linear function in $[0, 2]$ so that f is continuous for all

(b) Examine whether the given two infinite series converge. Find the sum in case they converge.

(i) $x + \sqrt{x} + 1 + \frac{1}{\sqrt{x}} + \dots$

(ii) $\sum_{i=1}^{\infty} \frac{n}{1+n}$

(c) (i) Find the quadratic approximation to the following functions :

$$f(t) = t^4 - t^2 + t \text{ about } t = -2$$

(ii) Assume that f is a differentiable function with $f(x) \neq 0$. Find the elasticity of the following function with respect to x

$$y = x + \sqrt{f(x)}$$

P.T.O.

(d) Suppose you inherit a piece of land whose market value t years from now is estimated to be $V(t) = 5000e^{\sqrt{2t}}$. If the prevailing rate of interest remains constant at 10%, when will it be optimal time for you to sell the land?

(e) A freelancer is offered two alternative payment plans for his 5-year service contract by a company

Option 1: Rs 5,00,000 immediately

Option 2: 5 equal annual installments of Rs. 1,02,000, the first being paid immediately. Which

of the two payments will be more valuable if the rate of interest is 10% p.a.?

3. Attempt any **one** part : (15×1)

(a) Given below is a function defined for all values of x

$$y = x^4 - 6x^2 + 1$$

Find :

(i) Find the stationary points of the function and classify them.

(ii) If g is an inverse function of f in an interval I , then find $g'(1)$.

(iii) Find the intervals over which the function is increasing/decreasing.

(iv) Trace the function.

(v) The intervals of concavity/convexity.

(b) (i) A monopolist has the cost and demand functions given as :

$$C(x) = \frac{1}{2}x^2 \text{ and } x = 12 - p \text{ respectively.}$$

What will be his equilibrium price and quantity? If for some reason the firm behaves as it were in perfect competitive industry (that is having a perfectly elastic demand curve), what will be the equilibrium price and quantity? What amount of monopoly profits will the firm have to forgo if it behaves like a perfectly competitive firm?

(ii) Find the domain and all the asymptotes of the function

$$f(x) = \frac{2x^2 + 3x - 1}{2x + 1}$$

4. Attempt any **three** parts : (9×3)

- (a) The Leontief system for a 2-sector economy is given as follows :

Sector 1 uses as input 0.2 units of its own output and 0.4 units of output of sector 2 to produce a unit of its output while Sector 2 uses 0.35 units of its own output and 0.5 units of the output of sector 1 to produce a unit of its output.

- (i) Formulate the input coefficient matrix.
- (ii) If the initial final demands of the two sectors are b_1 and b_2 , Find the change in the output of the two sectors if final demand of sector 1 increases by one unit and that of sector 2 increases by two units.

- (b) (i) If a and b are n -vectors, prove the triangle inequality

$$\|a + b\|^2 \leq \|a\|^2 + \|b\|^2$$

- (ii) Define involutive and orthogonal matrices. What is the determinant value of an involutive matrix? Also determine the determinant value of an orthogonal matrix?

- (c) For what values of k , do the following system of equations

$$2x - 3y + 7z = 0$$

$$5x + 4y - 2z = -3$$

$$x - 13y + kz = 9$$

- (i) has infinite solution
 (ii) no solution
 (iii) unique solution.

- (d) (i) Find the eigen value(s) and eigen vectors for the given matrix

$$\begin{pmatrix} 2 & 0 & 4 \\ 0 & 3 & 0 \\ 0 & 1 & 2 \end{pmatrix}$$

- (ii) Under what condition does the following homogeneous system of equations has a non-trivial solution.

$$ax + by + cz = 0$$

$$bx + cy + az = 0$$

$$cx + ay + bz = 0$$

5. Attempt any two parts : (4×2)

(a) The Marginal cost function is given by $2+3\sqrt{q}+\frac{5}{q}$,

where q is the output. Find the total cost function when the total cost is 30 for 1 unit of output. Also write down the Average cost function.

(b) Find the area bounded by the graph $f(x) = \frac{1}{x^3}$, the x -axis and the lines $x = -2$ and $x = -1$.

(c) Evaluate $\frac{d}{dt} \int_{-2t}^{t^2} \frac{1}{\sqrt{x^2+1}} dx$.

Dec-2023 (4)

[This question paper contains 2 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 536

G

Unique Paper Code : 2922101101

Name of the Paper : Microeconomics I

Name of the Course : B.A.(H) Business Economics

Semester : I

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **five** Questions in all.
3. Question no. 1 is compulsory.

1. Write Short Notes on the following (**any three**) :
(6×3=18)

- (a) Positive and Normative Economics
- (b) Asymmetric Information and Moral Hazard
- (c) WARP
- (d) Satiation Point

2. What is Production Possibilities Curve? Distinguish between the movement from a point inside a

P.T.O.

- production possibility curve to a point on a production possibility curve' and 'movement from one production possibility curve to another production possibility curve' Explain how production possibility curve solves the three central problems of an economy. (18)
3. Explain the price effect for normal, inferior and giffin goods using Slutsky Analysis diagrammatically with both income and substitution effect. (18)
4. Distinguish between Risk and Uncertainty. What does it mean to say that a person is risk averse? Explain why are some people likely to be risk averse while others are risk lovers? Why is an insurance company likely to behave as if it were risk neutral even if its managers are risk - averse individuals? (18)
5. Discuss the derivation of the longrun average cost curve. (LAC) How is it related to the shortrun average cost curve and shortrun marginal cost curves (SMCs)? Why is it called an envelope curve? (18)
6. (i) Use isoquants and isocost curves to explain how does a producer minimize his cost of production for a given out-put? (9)
- (ii) Explain returns to scale using isoquants diagrammatically. (9)

[This question paper contains 8 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7509

Unique Paper Code : 12481303

Name of the Paper : Corporate Finance

Name of the Course : B.A. (Hons.) Business
Economics, 2023 (LOCF)

Semester : III

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. This paper contains Seven questions.
3. Attempt ANY FIVE questions.
4. All questions carry equal marks.
5. Use of Simple Calculator and Time Value Tables is allowed.

P.T.O.

7509

2

1. (a) 'The profit maximization is not an operationally feasible criterion'. Do you agree with the above statement? Illustrate.
- (b) A finance company makes an offer to deposit a sum of Rs 35000/- and then receive a return of Rs 3960/- per annum perpetually. Should the offer be accepted if the rate of interest is 12% per annum? Will the decision change if the rate of interest is 11% per annum? (10, 5)

2. SK Mills Limited is planning to install a new machine costing Rs 28,00,000 within installation cost of Rs 2,00,000 and salvage value of Rs 2,00,000 after 5 years of life. The purchase of machinery will result in increase in working capital by Rs 30,000. Following information is available in respect of the machine:

Annual production: 1,00,000 unit for year one and to increase by 10,000 units per annum over next four years.

Selling price:	Rs 30/- per unit
Variable Cost:	Rs 20/- per unit
Fixed Cost:	Rs 4,00,000 per annum

7509

3

Depreciation:	20% Written down Value
Tax Rate:	30%

Find out the initial, subsequent, and terminal cash flows from the machine. (15)

3. (a) ABC Ltd is a small company that is currently analysing capital expenditure proposals for the purchase of equipment. The company uses the Net Present Value technique to evaluate Projects. The Capital Budget is limited to Rs 5,00,000, which ABC Limited believes is the maximum capital it can raise. The initial investment and projected net cash flows for each project are shown below. The cost of capital is 12%. You are required to compute the NPV of different projects.

	Project A	Project B	Project C	Project D
Initial Investment	Rs 200,000	Rs 1,90,000	Rs 250,000	Rs 210,000
CF Year 1	Rs 50,000	Rs 40,000	Rs 75,000	Rs 75,000
CF Year 2	Rs 50,000	Rs 50,000	Rs 75,000	Rs 75,000
CF Year 3	Rs 50,000	Rs 70,000	Rs 60,000	Rs 60,000
CF Year 4	Rs 50,000	Rs 75,000	Rs 80,000	Rs 40,000
CF Year 5	Rs 50,000	Rs 75,000	Rs 100,000	Rs 20,000

P.T.O.

- (b) There are different capital budgeting techniques available for evaluation and selection of a proposal. Critically evaluate the traditional techniques which can be used by a firm. (10.5)

4. (a) The following is the capital structure of ABC Limited.

Sources	Amount	Specific Cost of Capital
Equity Share Capital (4,00,000 equity shares of ₹10 each)	Rs 60,00,000.	11%
Preference share capital. (1,00,000 shares of ₹10 each)	Rs 15,00,000.	8%
10% debentures of ₹1000 each	Rs 45,00,000.	5%
Retained earnings	Rs 30,00,000.	11%

Presently, debentures are being traded at 92% preference shares at par and equity shares at Rs. 14 per share. Find out the WACC Based on book value weights and market value Weights.

- (b) What is meant by cost of capital? Explain the factors affecting the cost of capital. (15)
5. (a) A company currently has 10,00,000 shares of equity outstanding with a market price of Rs. 50 per share. It also has Rs. 4 crores in 12% bonds. The company is considering a Rs. 5 crores expansion program that it can finance through:

- (i) All equity shares at Rs. 40 per share OR
 (ii) Only bonds at 15% interest OR
 (iii) Half equity shares at Rs. 40 per share and half bonds at 15% interest

You are required to calculate the following:

- (i) Calculate the EPS for each of the proposed plans if the EBIT level post expansion is expected to be Rs. 2,50,00,000 assuming a corporate tax rate of 50%
- (ii) What are the indifference points between the alternatives.
- (iii) What is your interpretation of the results? (15)
6. (a) Two companies, U and L, belong to an equivalent risk class, these two firms are identical in all respects except that U is unlevered and L has 10% debentures of Rs. 9,00,000. Both the firms earn 20% operating profit of their total assets of Rs. 15,00,000. Assuming Perfect Capital Markets, rational investors, tax rate of 15% and equity capitalization rate of 13% for an all-equity firm, Compute:

7509

6

- (i) Value of the firms U and L using Net Income (NI) Approach
- (ii) Value of each firm using Net Operating Income (NOI) Approach
- (iii) Overall cost of capital for each firm
- (iv) Which of these firms has an optimal capital structure using NOI approach and why?
- (b) (i) A firm which earns Rs. 5 per share, is capitalized at 10% and has a return on investment of 12%. Using the Walter's Model, determine the optimum dividend payout ratio and the price of the share at this payout.
- (ii) It currently has 1,00,000 shares selling at Rs. 100 each. The firm is contemplating the declaration of Rs. 5 as a dividend at the end of the current financial year, which has just begun. Assuming no taxes, what will be the price of the share of the firm as per MM approach, if the dividend is not declared? If dividend is paid? (10, 5)

7509

7

7. (a) Prepare a statement showing the working capital required to finance a level of activity of 1,80,000 units of output for a year.

The cost structure for the company's product for the above-mentioned activity level is detailed below:

	Cost per unit
Raw Material	
Direct Labour	20
Overheads (including depreciation of 5 per unit)	5
	15
Total Cost	
Profit	40
Selling price	<u>10</u>
	50

Additional information:

- (i) Minimum desired cash balance is Rs. 20,000.
- (ii) Raw materials are held in stock, on an average, for two months.

P.T.O.

7509

8

(iii) Work-in-progress (assume 50% completion stage in respect of all elements) will approximate to half-a-month's production.

(iv) Finished goods remain in the warehouse, on an average, for a month.

(v) Suppliers of materials extend a month's credit and debtors are provided two month's credit; cash sales are 25% of total sales.

(vi) There is a time-lag in payment of wages of a month; and half-a-month in the case of overheads.

From the above facts, you are required to prepare a statement showing working capital requirements.

(b) Explain the factors determining the working capital requirement of a firm.

(10, 5)

[This question paper contains 12 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 639 **G**

Unique Paper Code : 2922102303

Name of the Paper : Corporate Finance

Name of the Course : B.A. (Hons.) Business
Economics

Semester : III

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. This paper contains **Seven** questions.
3. Attempt any **Five** questions.
4. All questions carry equal marks.
5. Use of a simple calculator and Time Value tables are allowed.

P.T.O.

1. (a) Shareholder wealth maximization is the most fundamental objective of financial management. Do you agree? What role does it play in judgment and choosing the alternatives available for various decision areas of financial management?

(b) Mr. X has been given the following options for investment made by him.

- (i) Rs. 8,50,000 to be received at present.
- (ii) Rs. 16,00,000 to be received after 10th year from now.
- (iii) Rs. 62,500 receivable per annum in perpetuity
- (iv) Rs. 90,000 receivable per annum for 10 years.

Assist Mr X in deciding the best option assuming a discount rate of 10% per annum. (10,8)

Able Electronics Instruments limited is considering the purchase of a machine to replace an existing machine that has a book value of Rs. 1,20,000 and can be sold for Rs. 60,000. This salvage value of the old machine in 5 years will be zero, and it is depreciated on a straight-line basis. The proposed machine will perform the same function as the old machine is performing, however improvements in technology will enable the firm to reap cash benefits (before depreciation and taxes) of Rs. 2,80,000 per year. The new machine has a 5-year life, cost Rs. 6,50,000 and can be sold for an expected Rs. 80,000 at the end of 5th year. Assuming straight line depreciation and a 40% tax rate, compute cash flows associated with this replacement. Further advise the company about the replacement using NPV technique. Given that the cost of Capital is 12% (Ignore Capital gain tax on replacement if any). (18)

3. (a) A company is considering an investment proposal to install new milling controls. The project cost Rs. 80,000. The facility has a life expectancy of 4 years and no salvage value. The estimated cash flows from the proposed investment proposal are as follows :

Year	Cash Flows (Rs)
1	40,000
2	22,000
3	30,000
4	30,000

- Compute (a) Pay Back Period (b) Profitability Index. Assume a discount rate of 12%.
- (b) Find out the Working capital requirement of ABC Company from the following information :

Production during the year:	60000 units
Selling Price:	Rs 5
Raw Material:	60%
Wages:	10%
Overheads:	20%
Raw Material Storage Period:	2 Months
Work In Progress Storage Period:	1 Month
Finished Goods Storage Period:	3 Months
Credit allowed by Suppliers:	2 months
Credit Allowed by Customers:	3 Months
Minimum Cash balance desired:	Rs 20,000
Wages and Overheads Payment:	1 month

(10,8)

4. (a) Determine the cost of Capital using Market Value Weights and Book Value Weights based on the following data :

Book Values of Capital Structure:

c

P.T.O.

Debentures (Rs. 1,000 per Debenture)	Rs. 16,00,000
Preference Shares (Rs. 10 per Share)	Rs. 4,00,000
Equity Shares (Rs. 10 per share)	Rs. 20,00,000

All securities are traded in the Stock Market and their recent market prices are :

Debentures	Rs. 1,100 per Debenture
Preference Shares	Rs. 12 per Share
Equity Shares	Rs. 200 per share

Anticipated external financing opportunities are :

- (i) Rs. 1,000 per Debenture redeemable at par carrying 8% interest rate, maturing in 20 years and flotation cost 4% sale price Rs. 1,000.
- (ii) Rs. 10 Preference Shares redeemable at par carrying 10% rate of dividend and maturity period 15 years and flotation cost of 5, sale price Rs. 10.

- (iii) Equity Shares with an expected dividend of Rs. 30 per share at the end of the year and expected growth rate of 5%, sale price Rs. 200.

Corporate Tax rate is 35%.

- (b) Discuss the factors affecting the Cost of Capital. How do you estimate the Cost of Debt Capital? Is it a better source of funding than others? (10,8)
5. (a) The capital structure of ABC Ltd. Consist of equity share capital of Rs. 1,00,000 (The Par value of one equity share is Rs. 100) and Rs. 10,00,000 of 10% Debentures. The unit sales increased by 20% from 1,00,000 units to 1,20,000 units. The selling price is Rs. 10 per unit, variable cost is Rs. 6 per

unit and fixed expenses amount to Rs. 2,00,000. The income tax rate is 35%. You are required to calculate :

- (i) The Percentage increase in EPS
 - (ii) The Degree of financial leverage at 1,00,000 and 1,20,000 units
 - (iii) The operating leverage at 1,00,000 and 1,20,000 units
 - (iv) Comment on the behaviour of operating and financial leverage in relation to increase in production from 1,00,000 and 1,20,000 units.
- (b) The following data relate to two firms. Levered (L) and Unlevered (U) that belong to the same risk class. You are required to:

Particulars	Firm L	Firm U
EBIT	Rs. 1,00,000	Rs. 1,00,000
10% Debt Funds	Rs. 1,00,000	—
Equity Capitalization Ratio (%)	50%	100%

- (i) Show the arbitrage process by which an investor who has 10% equity shares in levered firm can be benefited
 - (ii) What shall be the gain by investing in undervalued firm?
 - (iii) Explain as to how he will be better off by investing the total funds available in undervalued firm and when will this arbitrage process come to a halt?
- (10,8)

6. (a) ZN Ltd is planning an expansion programme which will require Rs. 30 crore and can be funded through one of the three options.

- (i) Issue further equity shares of Rs. 100 each at par.
- (ii) Raise a 15% loan
- (iii) Issue 12% preference shares

The present paid up capital is Rs. 60 crores and the annual EBIT is Rs. 12 crores. The tax rate may be taken 50%. After the expansion plan is adopted, the EBIT is expected to be Rs. 15 crores. Calculate the EPS under all the three financing options and indicate which alternative give highest return to the equity shareholders. Also, determine the indifference point between the equity share capital and the debt financing.

(b) Alex company currently has 10 lakh equity shares outstanding. Current market price per share is Rs. 150. The net income for the current year is Rs. 2 crore and investment budget is Rs. 4 crore. Cost of equity 13%. The company is contemplating declaration of dividend @ 8 per share. Assuming MM approach:

- (i) Calculate the market price per share if dividend is declared and if it is not declared.
- (ii) How many new equity shares are to be issued under both options?
- (iii) Show that the total market value of shares remains unaffected by the dividend decision. (10.8)

7. (a) What is a stable dividend policy? Why should it be followed? What can be the consequences of changing a stable dividend policy?

①

639

12

- (b) State the areas which you consider, would require the particular attention for the effective working capital management. (10,8)

(500)

19

[This question paper contains 8 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 667

G

Unique Paper Code : 2923102001

Name of the Paper : Income Tax Law and Practice

Name of the Course : B.A. (Hons.) Business Economics

Semester : III

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. This paper contains 6 questions.
3. Attempt ANY FIVE questions.
4. All questions carry equal marks.
5. Use of simple calculator is permitted.

P.T.O.

1. State whether the following statement is True or False. Give reason for the same.

(i) If an individual transfers his or her house property to his/her spouse (not being a transfer in connection with an agreement to live apart) or to his/her minor child (not being married daughter) without adequate consideration, then the Transferor will be deemed as owner of the property.

(ii) Maximum exemption available u/s 80 U is Rs. 1,25,000 to a person with severe disability.

(iii) Loss from House Property cannot be adjusted with Income from Salary.

(iv) Rental income received by a tenant from sub-letting is also charged to tax under the head "Income from House Property".

(v) There can be long-term capital gain on sale of depreciation assets.

(vi) Deposit Scheme is applicable on capital gain on sale of residential property and used for residential purpose. (6×3=18)

2. (a) 'Income of previous year is chargeable to tax in the immediately following assessment year.' Is there any exception to this rule? Discuss.

(b) Mr. XYZ (a resident individual, age 40 years) owns four houses. From the following information, determine Income from House Property for Assessment Year 2023-24.

Houses	A	B	C	D	
Nature of Occupation	Let out for residential purposes from 01/04/2022 till 30/11/2022 and it remained vacant from 1/12/2022 till 31/03/2023	Let out for business purposes from 01/04/2022 till 31/03/2023	Self Occupied for residential purposes from 01/04/2022 till 31/03/2023	Self occupied for residential purposes from 01/04/2022 till 31/03/2023	
Rent received	1,20,000 pm	1,80,000 pm	Self-Occupied	Self-Occupied	
Municipal Value	8,80,000	20,00,000	16,50,000	15,00,000	
Fair Rent	8,80,000	25,00,000	16,30,000	15,00,000	
Standard Rent	9,00,000	20,00,000	16,60,000	NA	
Municipal Taxes paid by him	2%	2%	2%	3%	
Repairs and Insurance Premium	1,36,000	1,65,000	2,80,000	80,000	
Unrealized Rent of FY 2021-22 (70% realized)	NA	1,20,000	NA	NA	
Interest on Borrowed Capital	Date of Borrowing	01/06/2018	01/04/1998	01/04/2015	20/08/2021
Capital was borrowed to finance	Construction of the property	Construction of the property	Construction of the property	Repair of the property	
Current year's interest	60,000	2,30,000	2,38,000	35,000	
Pre-Construction period interest deductible in the Previous year 2022-23	46,000	NA	1,42,800	NA	

3. (a) Explain the provisions of Income Tax Act, 1961, with regard to Clubbing of Income of Spouse under Section 64 and set off and carry forward of business losses. (6)

(b) Mr. ABC (with 60% hearing impairment-certified by medical authority) is 5 years old resident individual and is working as an assistant manager with STAR Pvt. Ltd. in Chennai. He furnishes the following information for the PY 2022-23. Compute his total income and tax liability for AY 2023-24.

	Particulars	Amount
(i)	Basic Salary	60,000 p.m.
(ii)	Dearness Allowance	20,000 p.m.
(iii)	Commission of 8% on turnover of Rs. 8,00,000 achieved by Mr. ABC for FY 2022-23	64,000
(iv)	Transport Allowance (Expenses incurred Rs. 1,500 p.m.)	4,500 p.m.
(v)	Conveyance Allowance (Expenses incurred Rs. 3,000 p.m.)	3,500 p.m.
(vi)	House rent Allowance (Rent paid Rs. 20,000 p.m.)	32,000 p.m.
(vii)	Company contributed towards Recognised Provident Fund to which he has made a matching contribution.	9,000 p.m.
(viii)	30% interest credited to his RPF A/C during PY 2022-23	39,000
(ix)	Lunch Allowance	2,000 p.m.
(x)	Interest on Saving bank account with PNB.	8,800

4. (a) Discuss the procedure for computation of Capital Gain and Write 5 items of incomes which can be included under the head "Income From Other Sources". (6)

(b) X (37 years) is an individual. His income for the previous years 2022-23 from salary is Rs. 14,00,000. Besides he has an interest on savings bank account of Rs. 21000. He annually contributes Rs. 1,50,000 towards public provident fund. X wants to know whether he should opt for alternative tax regime from the Assessment Year 2023-24. (6)

(c) Calculate income tax for the assessment year 2023-24 in case of Individual or HUF, Firm and Company. Taxable Income for the assessment year 2023-2024 is Rs. 10,86,920. (6)

5. (a) Explain the concept of "Business Income" and "Professional Income" in the context of income taxation. Differentiate between the two, highlighting the key criteria and considerations that determine whether income should be categorized as business income or professional income. (6)

(b) Z (27 years) is an individual. His net income (taxable income) under regular tax regime is Rs. 12,00,000. It is calculate after claiming a few deductions/incentives (i.e., Standard Deduction: 50,000 and deduction under sections 80C and 80D: 1,95,000). Which tax regime should Z adopt and Why? (6)

(c) X transfers the following capital assets-

Particulars	House Property	Gold	Debentures
Date of Acquisition	April 20, 2003	July 20, 2020	March 1, 2007
Date of transfer	January 1, 2023	December 20, 2022	June 15, 2022
Sale Consideration (in Rs.)	18,50,000	8,00,000	12,00,000
Stamp Duty Value (in Rs.)	21,00,000		
Cost of Acquisition (in Rs.)	87,000	6,40,000	5,30,000
Cost of improvement incurred in 2015-2018 (in Rs.)	1,10,000		
Expenditure on transfer (in Rs.)	15,000	2,000	1,000

Determine the amount of capital gain chargeable to tax from the Assessment Year 2023-24. (6)

6. Explain any three of the following :
- Concept of 'Taxable Income' in the context of income tax law and how it is calculated.
 - Exemption available in different Heads.
 - Tax treatment of capital gains in the context of income tax. What are the different types of capital gains, and how are they taxed?

667

8

- (iv) Tax treatment of Short-term Capital Gain.
- (v) Difference between 'Revenue Expenditure' and 'Capital Expenditure' in the context of PGBP.
- (vi) Expenditure on Scientific Research.

(6×3=18)

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7505

Unique Paper Code : 12481301

Name of the Paper : Macroeconomics & Applications - I

Name of the Course : B.Sc. (Hons) Business Economics, 2023 (LOCF)

Semester : III

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. All parts of each question must be done together.
3. Attempt Five questions in all.

1. (a) Gross Domestic Product (GDP) solely encompasses the output of final goods within a specific timeframe. What are the various components of the final demand for goods? (10)

P.T.O.

7505

2

- (b) Elaborate the concept of GDP Deflator. (5)
2. (a) How the interest rate is determined as being determined by the condition that the supply of central bank money be equal to the demand for central bank money. (9)
- (b) How central bank controls the money supply through its open market operations? (6)
3. Explain that the IS - LM model characterizes the implications of equilibrium in both the goods and the financial markets. What is the impact of expansionary fiscal policy on the economy's output and interest rate? (15)
4. (a) Utilizing wage-setting and price-setting relationship, elucidate the equilibrium in the labor market. Demonstrate the connection between the natural rate of unemployment, the natural rate of employment, and the natural output level. (10)

7505

3

- (b) Describe the concept of the sacrifice ratio in the context of achieving disinflation. (5)
5. Provide a comprehensive discussion on the interrelationships between inflation, unemployment, and output growth, often referred to as the three economic relations? (15)
6. Discuss that the new Keynesian economics provides a better explanation of stickiness of wages and prices in the short run. Also using quantity theory of money examines the links between inflation and economic growth. (15)
7. Write short notes on any two of the following:
- (i) Small menu costs and aggregate-demand externalities

P.T.O.

7505

4

(ii) Wage indexation

(iii) Lucas critique

(7.5×2=15)

(100)

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 506

G

Unique Paper Code : 2922102301

Name of the Paper : Microeconomics - II

Name of the Course : B.A. (H) Business
Economics

Semester : III

Duration : 3 Hours

Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt all parts of a particular question together.
3. Attempt FIVE questions in all. Question No. 1 is compulsory.

1. Determine whether of the following assertions is true or false. Use the appropriate justifications and diagrams to support your answer. Attempt any Three.

- (i) The social cost of a monopoly's inefficiency is represented by deadweight loss.

P.T.O.

- (ii) Third-degree price discrimination is the practice of splitting consumers into two or more groups with distinct demand curves and charging each group a different price.
- (iii) At a Pareto efficient allocation, it is not possible to make one person better off without making at least one other person worse off AND At a Pareto efficient allocation, all gains from trade are exhausted.
- (iv) Arrow's Impossibility Theorem shows that there are many ways to aggregate individual preferences into social preferences. (6×3)
2. In a duopoly market, there are two firms operating. They face a linear demand curve described by the equation $Q = 212 - P$, where Q represents the total output produced by both firms ($Q_1 + Q_2$), and both firms have constant production costs, with $MC_1 = MC_2 = 20$.
- (i) If both firms aim to maximize their profits following Cournot's Equilibrium, determine Cournot's Equilibrium, which includes both the price and quantity produced, using the reaction curves. Additionally, calculate the profit for each firm.

- (ii) Derive the Stackelberg solution, (a) with firm 1 as the leader (b) and then with firm 2 as the leader. (9+9)
3. (a) Explain the long run supply curves for industries, operating under perfectly competitive market that experiencing increasing and constant costs conditions, supported by appropriate diagrams. (10)
- (b) What is your interpretation of excess capacity in monopolistic competition? (8)
4. What constitutes a monopsonistic market? How a profit-maximizing monopsonist does exploit labor? And what impact do trade unions have on wages and employment in a monopsonistic labor market? (18)
5. (a) A standard monopoly leads to an inefficient equilibrium, whereas a price-discriminating monopoly results in an efficient equilibrium. Clarify using appropriate diagrams. (10)
- (b) What is Arrow's impossibility theorem in welfare economics? Critically evaluate it in context of welfare economics. (8)

6. (a) Even when the initial allocation is symmetric, arbitrary methods of trade will not necessarily produce a fair allocation. Describe. (9)
- (b) Critically evaluate the social welfare function to explain efficiency in production and consumption. (9)

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7504

Unique Paper Code : 12483302

Name of the Paper : Personality Development &
Interpersonal Skills

Name of the Course : **B.A. (H) Business
Economics (2023)**

Semester : III

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
 2. Attempt all questions.
 3. All questions carry equal marks.
 4. The sub parts of a question must be done together.
-
1. 'Be Proactive' and 'Think win-win' are two important habits, how will you incorporate these two habits in your life. Make appropriate assumptions to explain your answer.

P.T.O.

7504

2

OR

Explain the concept of Value for time and highlight the use of TODO list and time management matrix for an undergraduate student?

2. Write short notes on **any three** of the following

(a) SMART goal setting

(b) Long term goals

(c) 4 CF method

(d) Backwards goal setting

3. Attempt **any one** of the following

(a) Explain the components of emotional intelligence. Also explain if possessing emotional intelligence is important in today's time

7504

3

(b) Siya is in her final year of graduation. Unlike other classmates she is unable to decide her next move whether to go for higher education or take a job. This has been the cause of stress for her due to which she has been complaining of lack of sleep. Explain the different causes of stress which are faced by students and suggest different techniques to deal with stress.

4. You are the eldest child in the family. Your younger brother and sister often disagree and enter into a conflicting situation. As an elder, explain the importance of active listening, conflict management and teamwork to handle this situation.

OR

Explain any three interpersonal skills which an academician should possess.

P.T.O.

7504

4

5. Write short notes on any two of the following

(a) Tolerance test of Creative thinking

(b) Pareto Principle

(c) Brainstorming

(100)

[This question paper contains 8 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7508
Unique Paper Code : 12481302
Name of the Paper : Statistics for Business Economics
Name of the Course : B.Sc. (Hons) Business Economics, 2023
(LOCF)
Semester : III
Duration : 3 Hours
Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions.
3. Choice is available within each question. Use of simple calculator is permitted and statistical table is allowed.

1. Attempt any three parts. (5 x 3 = 15)

(a) The noise level experienced by 500 employees in a production unit has the following distribution:

Noise level	8-11	11-16	16-19	19-25	25-40	40-65
No. of employees	90	160	100	70	60	20

P.T.O.

- (i) Construct a histogram corresponding to this frequency distribution and comment on the shape of the distribution?
- (ii) What proportion of employees experience a noise level less than 20?
- (b) Given the sample of test scores obtained by 20 students of the class below:

88	87	87	66	45	87	13	25	98	99
92	90	69	76	23	49	56	99	19	52

- (i) Find the median, mean and 10% trimmed mean of the test scores.
- (ii) How will the median and the mean change if the test score of 66 and 13 was wrongly recorded. The correct scores are 42 and 53 respectively.
- (c) The closing prices of two stocks for nine consecutive days are recorded below:

Stock	Day1	Day2	Day3	Day4	Day5	Day6	Day7	Day8	Day9
ABC	78	78	76	75	74	78	76	76	77
DEF	54	67	57	57	65	87	56	74	54

- (i) Find the coefficient of variation for each stock.
- (ii) If you are a conservative investor, in which of the two stocks would you invest?
- (iii) If the prices of stocks of ABC increase by 50 rupees on each day and that of DEF double, what is the impact on the coefficient of variation.

(d) What adjustments are needed to convert a variable X into another variable Y such that the mean of Y is same as mean of X , but variance of Y is 4 times that of X .

2. Attempt any four parts.

(5 x 4 = 20)

(a) Hospital records show that 70% of patients suffering from a disease die due to that disease. What is the probability that out of the 15 randomly selected patients

(i) 10 recover

(ii) At least 8 recover

(iii) Atmost 5 die.

(b) A factory produces on an average 1.5 defects per 100 units of output and the number of defects follows a poisson distribution. What is the probability that the next 600 units show

(i) less than 5 defects;

(ii) More than 15 defects

(c) An urn contains 7 white and 3 red balls. Two balls are drawn together, at random, from this urn. Compute the probability that neither of them is white. Find also the probability of getting one white and one red ball. Compute the expected number of white balls drawn.

(d) The number of pages of a book in a library are normally distributed with mean 178 and standard deviation 42.

(i) Find the probability that the book has between 100 to 200 pages.

(ii) Find the probability that the book has atleast 180 pages

(e) If A and B are mutually exclusive events, $P(A) = 0.26$ and $P(B) = 0.45$, find

(i) $P(A')$

(ii) $P(A \cup B)$

(iii) $P(A \cap B')$

(iv) $P(A' \cap B')$

3. Do any three parts.

(a) Let the pdf of X is given by:

$$f(x) = \begin{cases} x^2 \left(2x + \frac{3}{2} \right), & 0 < x \leq 1 \\ 0 & \text{otherwise} \end{cases}$$

(i) Find $P(\frac{1}{2} < X < \frac{3}{4})$ and $P(X = 0.5)$

(ii) If $Y = 2X + 3$, find $\text{Var}(Y)$.

(b) Consider two continuous random variables X and Y with joint p.d.f. as

$$f(x, y) = \begin{cases} \frac{2}{81} x^2 y, & 0 < x < k, 0 < y < k \\ 0 & \text{otherwise} \end{cases}$$

- (i) Find the value of k so that $f(x, y)$ is a valid joint p.d.f.
- (ii) Are X and Y independent?
- (iii) Find the conditional distribution of X given $y = 2$.
- (c) Consider the following joint probability distribution of X and Y shown in the table:

X	P(X,Y)	Y		
		5	10	15
1		$1/9$	$1/9$	0
2		$1/6$	$2/9$	$1/6$
3		0	0	$2/9$

- (i) Are X and Y independent?
- (ii) Find $P(X+Y) > 12$.
- (iii) Find conditional probability $P(X=1/Y < 15)$
- (d) The number X of days in the summer months that a construction crew cannot work because of the extreme weather has the probability distribution as given below:

X	P(X)
6	0.03
7	0.08
8	0.15
9	0.20
10	0.19
11	0.16
12	0.10
13	0.07
14	0.02

(i) Construct the cdf of the probability mass function given above and from it calculate the the probability that no more than ten days will be lost next summer and also the probability that also from 8 to 12 days will be lost next summer.

(ii) If the revenue loss due to non-working days is a function of the number of these days and is given by: $R(x) = 2000x + 1750$. Find the Expected value of the Revenue loss.

4. Do any five parts.

(5x5=25)

(a) The average heights of a random sample of 400 people from a city is 1.75 m. It is known that the heights of the population are random variables that follow a normal distribution with a variance of 0.16.

- (i) Determine the 95% confidence interval for the average height of the population.
- (ii) With a confidence level of 90%, what should be the minimum sample size need for the true mean of the heights to be within 2 cm of the sample mean?

(b) Internet usage for course-related work among college students in the United States and in India is studied. The following details are obtained:

	Course related work
U.S Students(X)	$\bar{X} = 1.76$
N=149	$s_x = 1.52$
Indian Students (Y)	$\bar{Y} = 0.73$
N=306	$s_y = 0.79$

Determine whether U.S. students have significantly higher Internet use for course work than the Indian students. Test at the .05 alpha level.

- (c) A random sample of size two is drawn from a population which consists of numbers 4, 5, 6, 7 and 8. Construct a sampling distribution of mean of these samples and find its expected value.
- (d) A hot-tub manufacturer advertises that with its heating equipment, a temperature of 100°F can be achieved in at most 15 min. A random sample of 49 tubs is selected, and the time necessary to achieve a 100°F temperature is determined for each tub. The sample average time and sample standard deviation are 16.5 min and 2.2 min, respectively. Does this data cast doubt on the company's claim?

P.T.O.

- (e) According to the norms established for a reading comprehension test, eighth graders should average 84.3 with a standard deviation of 8.6. If 16 randomly selected eighth graders from a certain school district averaged 87.8, test the null hypothesis $\mu = 84.3$ against the alternative $\mu > 84.3$ at the 0.01 level of significance
- (f) A testing agency test 1000 tyres of A make and another 1200 of B make. The agency finds that A make tyres give an average life of 31125 hours with a standard deviation of 800 hours. The B make tyres gives an average of 31000 hours with a standard deviation 900 hours. Is there a significant difference between the two makes? Test the above hypothesis at 5% level of significance

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7516

Unique Paper Code : 12487917

Name of the Paper : Consumer Behaviour and Advertising

Name of the Course : B.A.(Hons) Business Economics 2023 (LOCF)

Semester : V

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any 5 questions
3. All questions carry equal marks

1. Describe the consumer decision making model of input, process and output. Discuss the factors that increase pre-purchase information search. (15)

P.T.O.

7516

2

2. You are an established fashion designer of luxury garments boutique who is venturing into a new line of sustainable eco-friendly garments and accessories, Meraki, which will be available in retail malls across the country. These goods are keeping in with your commitment of containing the carbon footprint of the textile industry. Do you think it will impact the self-image of your current customer base. What will be your marketing strategy for altering or extending your customers self-image. What gains do you perceive in making this move for your brand. (15)
3. Your friend is starting his business of customized T-shirts and sweatshirts. The target market for the business are college students. He is currently starting his operations from Delhi. He has rented a shop in Kamla Nagar in Delhi. He realizes that there is stiff competition in the market. As a student of marketing, he has approached you to design a poster for building awareness and generating sales. How would you use the principles of design and layout to achieve the objectives? (15)

7516

3

4. As a consumer explain the effect and use of behavioural theories of learning. Do you as a consumer, consciously or unconsciously undergo learning using any of the behavioural theories? (15)
5. Priyanka, is the marketing manager of Tasty Foods Limited which is going to introduce 'Shakti' as brand of nutritious Chawanprash which contains essential ingredients to boost immunity and provide essential vitamins to increase metabolism and inner strength. It comes in various variants such as Tulsi, Ashwagandha, Mulethhi etc. She needs to design a media plan which would help her reach the target market effectively. Give a detailed media plan she can use. (15)
6. Write a short note on any three of the following
- (a) DAGMAR
 - (b) IMC
 - (c) Creative Brief
 - (d) Non Compensatory Decision Rule (5 x 3)

P.T.O.

7516

4

7. Highlight the importance of culture in context of Indian consumer. Explain the use of culture by brands to successfully sell their product. (15)

(300)

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7513A

Unique Paper Code : 12487905

Name of the Paper : Economic Growth and
Development

Name of the Course : **B.A. (H) Business Economics
(2023) (LOCF)**

Semester : V

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **FIVE** questions.
3. All questions carry equal marks.
4. Illustrate your answer with suitable diagrams, wherever required.

P.T.O.

7513A

2

1. Why is the definition of Economic Growth inadequate? Discuss the merits and demerits of traditional approach of economic development. How do modern approach of economic development is more holistic in nature. Explain.
2. How do steady state is determined in Solow model in presence of technical progress and population growth? Does it explain sustained rise in living standard across countries? Explain with suitable diagrams.
3. The fraction of income which is saved and productivity of capital are the key determinants of economic growth in Harrod-Domar growth model? Describe. Explain the concept of disguised unemployment with suitable diagram.
4. How do rising level of inequality is a major concern in development process of developing countries?

7513A

3

- Suggest various methods to reduce income inequality.
5. What is the cause of gender discrimination in education in developing countries? Explain the mystery of missing women in Asian countries in last few decades.
 6. How do export led trade policy acts as engine of growth in less developing countries? Explain. Discuss the different sources to finance the economic developing in LDCs.
 7. Write short notes on any two
 - (i) Market Failure
 - (ii) Disguised Unemployment
 - (iii) Technical Progress

P.T.O.

7513A

4

8. What is Government Failure? In less developed economies there is possibility of occurrence of both government and market failures. Explain.

(200)

[This question paper contains 6 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7511

Unique Paper Code : 12481502

Name of the Paper : Organization Behaviour

Name of the Course : **B.A. (Hons.) Business
Economics, 2023 (LOCF)**

Semester : V

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. **Question no. 1** is compulsory.
3. Attempt **any four** from the remaining questions.

1. Case Study

Jennifer is the director of an NGO that aids children and families. She focuses on evaluating the skill building programmes, the agency provides to families. She

P.T.O.

reports directly to the agency leadership. The agency has been cautious in hiring this year because of increased competition for grant funding. However, they have suffered high staff turnover. Two directors, three research staff and one staff person from the finance department have left.

Jennifer has a demanding schedule that requires frequent travel; however, she supervises two managers who in turn are responsible for five staff members each. Both managers have been appointed within the last six months.

Manager 1: Phoebe has a specific background in research. She manages staff who provide research support to another department that delivers health services to youth. Phoebe supports her staff and is very organised; however, she often takes a very black and white view of issues. Upper-level leadership values Phoebe's latest research on therapeutic division's services. Phoebe is very motivated and driven and expects the same from her staff.

Manager 2: Monica has a strong background in social science research and evaluation. She manages staff that work on different projects within the agency. She is known as a problem solver and is extremely supportive of her staff. She is very organised and has a wealth of experience in evaluation of family services. Monica is very capable and can sometimes take on too much.

The managers are sensing that staff are becoming overworked as everyone takes on increased responsibilities due to high staff turnover. Staff have also mentioned that Jennifer "Glass half-empty" conversation style leaves them feeling dejected. In addition, Jennifer has not shared budgets with her managers, so they are having difficulty appropriately locating work to staff. Jennifer said she has not received sufficient information from the finance department to complete the budgets. The finance department claims, they have sent her all the available information.

As staff become distressed, the managers are becoming frustrated. They feel like they are unable to advocate for their staff or solve problems without key information like the departmental budget.

- (a) How can Jennifer most effectively use both management and leadership skills in her role as a director? What contribution do you think would work best in this setting? (5)
- (b) What advice would you give Jennifer for improving her leadership skills and to the managers in improving their management skills? (5)
- (c) Which leadership style do you think a leader would need to be effective in this situation? (5)
2. Write a detailed note on theories of learning? Explain how reinforcement may be used as a managerial tool for enhanced learning. (15)

3. 'Resistance to change' can be one of the puzzling problems a manager faces because it may take several forms. State various reasons for resisting change in an organisational context. What strategies can a manager employ to overcome resistance to change? (15)
4. Which motivation theory according to you, best describes the behaviour of people at work in India. Give reasons in support of your answers. (15)
5. What do you mean by the term personality? Explain the Big five Personality model in Detail (15)
6. (a) Differentiate between Virtual and Boundaryless organisations. (10)
- (b) Explain the 5-stage model of group development? (5)

7511

6

7. Write short notes on any three:

(a) Components of Attitude

(b) Disciplines contributing to Organisational Behaviour

(c) Social Loafing

(d) Organisational Power and Politics (5 × 3 = 15)

(600)

[This question paper contains 8 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7510

Unique Paper Code : 12481501

Name of the Paper : Quantitative Techniques for
Management

Name of the Course : B.A. (Hons) Business
Economics, 2023 (LOCF)

Semester : V

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your roll no. on the top immediately after receiving the question paper.
2. Attempt any five questions.
3. The use of a simple calculator and Z-Table is allowed.
4. If you find a missing value in a question, assume a value and solve the question.

1. Smart Exports Ltd. produces two products: X and Y. The requirements and constraints related to their production are provided below:

P.T.O.

	Product X	Product Y
Material	8 units	4 units
Labour	6 hrs.	8 hrs.
Machine Hour	4 hrs.	6 hrs.
Contribution	Rs. 14	Rs. 16

During the upcoming accounting cycle/period, there will be a limitation of 2880 labour hours. Only 3440 material units will be available, and the machinery can operate for a maximum of 2760 hours. The sales forecast for product X is anticipated to be 420 units. At the same time, there are no sales constraints for product Y. Formulate the Linear Programming Problem (LPP) and determine the optimal production quantity for each product using simplex method. (15)

2. (a) A company has factories F1, F2, and F3 supplying to warehouses W1, W2, and W3. Weekly capacities for the factories are 200, 160, and 90 units, while warehouse demands are 180, 120, and 150 units, respectively. The unit shipping costs (in Rs.) are provided below:

	W ₁	W ₂	W ₃	Supply
F ₁	16	20	12	200
F ₂	14	8	18	160
F ₃	26	24	16	90
Demand	180	120	150	450

Determine the optimal distribution for this company to minimize the total shipping cost. (10)

- (b) In a factory's plant layout modification, four new machines - M1, M2, M3, and M4 - are set to be installed. Five spots are available: A, B, C, D, and E. Due to space constraints, M2 cannot be positioned at spot C, and M3 cannot be located at spot A. The cost of placing a machine in a specific location, measured in hundreds of rupees, is provided below:

Machine	A	B	C	D	E
M ₁	9	11	15	10	11
M ₂	12	9	-	10	9
M ₃	-	11	12	11	7
M ₄	14	8	12	7	8

Find the least cost of allocating the machine. (5)

3. A Project consists of nine activities whose time estimates (in weeks) and other characteristics are given below:

Activity	Preceding Activity (ies)	Time Estimates (weeks)		
		Most Optimistic	Most Likely	Most Pessimistic
A	-	2	4	6
B	-	6	6	6
C	-	6	12	24
D	A	2	5	8
E	A	11	14	23
F	B, D	8	10	12

G	B, D	3	6	9
H	C, F	9	15	27
I	E	4	10	16

- (i) Draw a PERT Network and identify the critical activities within the project?
- (ii) What is the expected project completion time and its variance?
- (iii) What's the likelihood that the project concludes a week earlier than the projected time?
- (iv) If the project is required to be completed by December 31 of a given year and the manager wants to be 95% sure of meeting the deadline, what would be the recommended commencement date for this project?
- (v) A penalty of Rs 15000 per week will be imposed on the contractor if the project is not completed in 36 weeks. What is the probability that he must pay a penalty?

(5*3=15)

P.T.O.

4. (a) In a corporate office, a typing clerk receives an average of 22 documents daily for transcription. The clerk works 8 hours daily, typically taking about 20 minutes to type out each document. The office has identified that the cost incurred due to a copy pending for dispatch (termed as opportunity cost) is 80 paise per hour. Meanwhile, the combined cost of equipment usage and the typist's remuneration comes to Rs. 40 daily.

- (i) Determine the efficiency rate of the typist clerk.
- (ii) On average, how many documents are in queue awaiting transcription?
- (iii) What's the average waiting duration for a document before it gets transcribed?
- (iv) Estimate the collective cost associated with the documents on hold for dispatch.

(b) In what Scenario Performance Evaluation Technique scores over the Critical Path Method?

5. (a) Mr. Sadhil travels between Mumbai and Delhi for business meetings. He has multiple transport options to reach the airport. The city shuttle costs Rs. 13, but there's a 0.08 probability he'll be late and miss his flight. The luxury hotel car service is priced at Rs. 27, offering a 0.96 chance of reaching on time. For Rs. 4.50, he can hail a regular cab, which boasts a success rate of 99 out of 100 trips arriving on time.

If Mr. Sadhil gets to his flight promptly, he will seal a deal yielding a profit of Rs. 1000. However, if late, the potential payoff will be forfeited. Based on the Expected Monetary Value (EMV) approach, which transportation method should Mr. Y opt for? (9)

(b) How are maximum likelihood and expectation principles as applied to decision making of choice, differentiated? (6)

OR

Define EVPI. How is it calculated?

P.T.O.

7510

8

6. (a) A firm purchases batches of 500 containers for a quarter of the year. Each container has a price tag of Rs. 125, and the cost to place an order stands at Rs. 150. The estimated storage expenses (inventory carrying charge) are about 20% of the individual container's price. Determine the overall costs of the current stock management strategy. Also, what potential savings could be realized by implementing the optimal order quantity? (10)
- (b) Explain the various costs associated with inventory management. (5)

(600)

[This question paper contains 8 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 7512

Unique Paper Code : 12487909

Name of the Paper : Security Analysis and
Portfolio Management

Name of the Course : **B.A. (Hons.) Business
Economics) 2023 (LOCF)**

Semester : V

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any 5 questions out of 7 questions.
3. Use of Simple Calculator and Time Value Tables is allowed

1. (a) Explain investment decision process. How does it help investors to make sound investment decision?

P.T.O.

7512

2

(b) Illustrate and explain risk-return trade off.

(c) If you expect a depreciation of rupee in near future, will you invest in IT companies in India? Why or why not. (5+5+5=15)

2. (a) An investor is considering the purchase of the following bond:

Face Value: Rs 100

Coupon Rate: 11%

Maturity: 3 years

(i) If he wants a yield of 13%, what is the maximum price he should be ready to pay for?

(ii) If the bond is selling for Rs 97.60, what should be his yield? (8)

(b) What are the differences between duration and modified duration? (7)

7512

3

3. (a) The Following information is available about two portfolios S and W, Market Index and Risk Free Asset.

Portfolio	Actual Return (%)	beta	S.D of returns (%)
S	21	1.1	20
W	26	1.8	25
Risk Free Asset	7	0	0
Market Index	19	1.00	16

(i) Rank the portfolios S and W on the basis of Sharpe ratio and state whether they have outperformed or underperformed the market index.

(ii) Rank the portfolios S and W on the basis of Treynor's ratio and state whether they have outperformed or underperformed the market index

(iii) Is there any difference in results stated in

(i) and

P.T.O.

- (ii) above? Why? (8)
- (b) Explain mutual fund. Differentiate between open ended and close ended funds. (7)
4. (a) Cordet Limited's earnings and dividends have been growing at a rate of 18 percent per annum. This growth rate is expected to continue for 4 years. After that the growth rate will fall to 12 per cent for the next 4 years. Thereafter, the growth rate is expected to be 6 per cent forever. If the last dividend per share was Rs.2 and the investors' required rate of return on Cordet's equity is 15 per cent, what is the intrinsic value per share? (8)
- (b) Describe the procedure developed by Markowitz for choosing the optimal portfolio of risky assets. (7)
5. (a) Assume that the following hold:

Risk free rate: 7 percent

- Expected return on the market: 13 percent
- Standard deviation of the market: 20 percent
- Calculate the expected return and risk (standard deviation) for the following portfolios:
- (a) 60 percent of investable wealth in the market portfolio.
- (b) 100 percent of investable wealth in the market portfolio. (8)
- (b) Assume that the risk-free rate is 3.6% and the risk premium is 8.4%.
- (i) What is the β on a portfolio with an expected return of 12.0%?
- (ii) What is the β on a portfolio with an expected return of 16.2%? (7)
6. (a) Assume that a portfolio has a mean (expected NPV) of Rs 40 and standard deviation of Rs 20.

7512

6

An investor wants to know the probability of the NPV under different ranges. Calculate the probability of NPV under the following ranges:

- (i) Zero or less
- (ii) Greater than Zero
- (iii) Between the range of Rs 25 and Rs 45.
- (iv) Between the range of Rs 15 and Rs 30.

OR

The details of three portfolios are provided to an investor:

Portfolio	Expected Return	Total Risk
X	10%	12%
Y	15%	16%
Z	21.32%	22%

7512

7

You are further given that the risk free rate of interest is 5% and expected market return is 18%. Risk of the market portfolio is 15%. Find out whether these portfolios are efficient or not.

(8)

(b) Consider the following two bonds:

	Bond A	Bond B
Years to maturity	5 years	5 years
Coupon rate	10%	15%
Face Value	100	100
Current price	86	85
YTM	14%	20%

Calculate Duration of Bond A and Bond B. (7)

7. Write short note on any 3 of the following:

- (i) CAPM
- (ii) Technical Analysis

P.T.O.

7512

8

(iii) Yield to Maturity

(iv) Systematic risk

$$(5+5+5 = 15)$$

(100)