

**Dr. Babasaheb Ambedkar Open University**

Term End Examination January-2015

<b>Course</b>	: BBAIB	<b>Numerical Code: 0064</b>
<b>Subject Code</b>	: BBAIB-301	<b>Numerical Code: 0491</b>
<b>Subject</b>	: Management of Commercial Banks	<b>Total Marks : 70</b>
<b>Date</b>	: 31/01/2015	<b>Time : 11.00 to 02.00</b>

**Section A (30)****Answer the following (any three)**

1. The commercial banks serve as the king pin of the financial system of the country. – Explain.
2. Discuss the criticisms against nationalization of the Banks.
3. What is the need for appraisal of Banks performance? How condition of any bank can be evaluated?
4. What is meant by risk in commercial Banks? Discuss various types of risk faced by commercial Banks.
5. Discuss the basic principles of investment policy of commercial Bank. Also discuss factors affecting liquidity of Banks

**Section B (20)****Answer the following (any four)**

1. Discuss in brief limitations of credit creation by Banks.
2. Explain the concept of ALM in the context of Banks.
3. Write a note on Non – performing Assests.
4. What do you understand by capital adequacy of Banks?
5. Explain REPOs and Reverse REPOs
6. What is meant by international Banking? Why is it needed?

**Section C****(A) Choose correct answer. (10)**

1. Which of the following is not a general utility services provided by Banks ?  
a) Safety locker      b) Traveller's cheques      c) Advancing loans      d) Factoring services
2. The commercial Banks have to maintain the CRR as per  
a) Sec. 42 of the RBI Act, 1934  
b) Sec. 24 of the Banking Regulation Act, 1949  
c) Sec. 217 of the Companies Act, 1956  
d) None of the above
3. Which of the following is / are the basic principles of investment policy of the Banks?  
a) Safety      b) Liquidity      c) profitability      d) All of the above
4. What cannot be regarded as the achievement due to Nationalization of Banks?  
a) Remuneration of employees of Banks have increased substantially  
b) Banking services reach to rural and remote areas  
c) Regional disparities have been reduced  
d) Job opportunities have increased
5. Which of the following is Rate – sensitive liability for a Bank ?  
a) Demand Deposits      b) Short term securities  
c) Money market      d) Equity capital

6. Which of the following can be used to evaluate the profitability of Banking companies?  
 a) ROE      b) ROA      c) NIM      d) All of the above
7. Which of the following is not included in Tier 1 capital ?  
 a) Equity capital      b) Capital reserve      c) Retained earnings      d) perpetual preferred stock
8. Derivatives activities found in commercial Banking includes  
 a) Hedging      b) Dealing      c) Speculating      d) All of the above
9. Which of the following provides the buyer with the right but not the obligation, to buy or sell an agreed amount of underlying instrument at an agreed price ?  
 a) Forwards      b) Futures      c) Options      d) Swaps
10. Treasury bills are  
 a) Government securities      b) private securities      c) Joint venture securities      d) None of the above

**(B) Answer the following in one or two sentence:**

**(10)**

1. Define the term 'Banking'.
  2. Give two differences between commercial Bank and co-operative Bank
  3. Give meaning of 'Loan Syndication' and 'Underwriting'.
  4. 'Plastic money has replaced paper money' - Give your comment
  5. Explain investment risk
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Term End Examination January-2015

<b>Course</b>	: BBAIB	<b>Numerical Code: 0064</b>
<b>Subject Code</b>	: BBAIB-302	<b>Numerical Code: 0492</b>
<b>Subject</b>	: Business Economics	<b>Total Marks : 70</b>
<b>Date</b>	: 01/02/2015	<b>Time : 11.00 to 02.00</b>

**Section A (30)****Answer the following (any three)**

1. Discuss the main features of Indian Economy?
2. Explain the main concept of Human development index?
3. Highlight the main features of new industrial Policy 1991?
4. What is meant by the Poverty? Explain the causes of poverty in India?
5. What are the causes of income inequality? Explain the various measures to reduce inequality of income?

**Section B (20)****Answer the following (any four)**

1. What are the objectives of Disinvestment?
2. Write a short note on Privatization?
3. What do you understand by industrial licensing?
4. Explain the impact of WTO on Indian Economy?
5. Give any two measures to find out the solution of Balance of Payment problem?
6. Differentiate between Fixed and Flexible Exchange Rate?

**Section C****(A) Choose correct answer. (10)**

1. Balance of payment means:
  - a) Total Export - Total import
  - b) visible export - visible import
  - c) invisible Export - invisible import
  - d) None of these
2. The basic composite of HDI is/are
  - a) Longevity
  - b) Knowledge
  - c) Standard of Living
  - d) All of the above
3. According to Planning commission which Five year plan is going on
  - a) 10
  - b) 11
  - c) 12
  - d) 13
4. The full form of MRTP is
  - a) Monopolistic Restrictive trade practice
  - b) Monopoly reservation trade practice
  - c) Money rate transport process
  - d) Money rate transport practice
5. The concept of poverty is closely related to :
  - a) Food intake
  - b) Money
  - c) clothing
  - d) Shelter
6. The Minimum wage act was implemented in which year
  - a) 1947
  - b) 1948
  - c) 1956
  - d) 1972
7. Sick industrial company means
  - a) Company whose liability is more than asset
  - b) A loss making Company
  - c) A company with unproductive labours
  - d) The accumulated losses in any, financial year which are equal to 5096 or more than its average net worth during four year immediately preceding such financial years

- 8 Import substitution means
- Importing substitute from foreign countries
  - Producing the substitute of importing goods in our own country
  - Import all the necessary Sods from foreign countries
  - Substitute of Goods imported b a country
- 9 The new industrial policy of 1991 includes
- Liberalization
  - privatization
  - Globalization
  - all of the above
- 10 The rate of exchange is free to vary in response to the day-to-day changes in the demand for and supply of foreign exchange is known as:
- Fixed Exchange rate
  - Flexible Exchange rate
  - Variable Exchange rate
  - Constant Exchange rate

**(B) Answer in short.**

**(10)**

- What do you understand by Exchange rate?
  - Write the full form of "TRIMS"?
  - What is FDI?
  - What do you understand by MNC?
  - Give any two economic problems of India?
  - Five year plans was prepared by which government authority?
  - Which sector is known as primary sector in Indian Economy?
  - Give one cause of income inequality?
  - What is per capita income?
  - Give full form of WTO.
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## **Dr. Babasaheb Ambedkar Open University**

Term End Examination January-2015

**Course** : BBAIB

**Numerical Code: 0064**

**Subject Code** : BBAIB-303

**Numerical Code: 0493**

**Subject** : Values and Ethics in Business

**Total Marks** : 70

**Date** : 02/02/2015

**Time** : 11.00 to 02.00

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### **Section A**

**(30)**

**Answer the following (any three)**

1. What do you mean by business value? Explain the various type of value.
2. What is business ethics? Explain the principle of good business ethics.
3. Write down the experts suggestions about company code's implementation.
4. What is the essential step for success? Explain in details.
5. Explain the role of company secretary in company's success.

### **Section B**

**(20)**

**Answer the following (any four)**

1. Write down short note Justice
2. Write down importance of truth
3. Explain management ethics
4. Explain time and agenda to meeting.
5. Advantages of Right to information act
6. Short Note: corporate Governance

### **Section C**

**(A) Choose correct answer.**

**(10)**

- 1 Success means being a  
a) Winner an achiever      b) Fail to work      c) Unethical work
- 2 Sale of goods act  
a) 1930      b) 1932      c) 1956
- 3 CSR means  
a) Corporate Social Responsibility      b) Company secretary Report      c) Cash sale ratio
- 4 There are four P's pay, prospects, promotion and last one  
a) Performance      b) Price      c) Penalty
- 5 Who give professional ethics is base on self-regulation and self-discipline  
a) Shri Om Prakash Dani      b) S. Krishnamoorthy      c) R. Ramchandran
- 6 Value in marketing can be define by  
a) Quality and Quantities      b) Inventory control      c) Customer
- 7 Who give this sentence "God is truth and truth is God"  
a) Mahatma Gandhi      b) Indira Gandhi      c) Dr. babasaheb
- 8 Who give idea of ethical behavior?  
a) Johnson and Johnson      b) Taylor      c) Marshal
- 9 Consumer protection act was introduced  
a) 1986      b) 1980      c) 1956
- 10 Which year the Right to information act introduced  
a) 2005 year      b) 2000 year      c) 2014 year

**(B) One sentence answer.**

**(10)**

1. What do you mean Generosity?
  2. How many faces of social Responsibility?
  3. Explain meaning of service.
  4. Write down any two features of consumer protection act.
  5. When we complain in consumer act?
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Term End Examination January-2015

<b>Course</b>	: BBAIB	<b>Numerical Code: 0064</b>
<b>Subject Code</b>	: BBAIB-304	<b>Numerical Code: 0494</b>
<b>Subject</b>	: Financial Management	<b>Total Marks : 70</b>
<b>Date</b>	: 03/02/2015	<b>Time : 11.00 to 02.00</b>

**Section A (30)****Answer the following (any three)**

1. What is financial management? Explain their scope, function & objective.
2. State the different sources of long term finance in India & explain three features.
3. Explain the element of cost of capital.
4. Which are the various factors that affect the requirement of working capital?
5. What is capital budgeting? Explain the principals of capital budgeting.

**Section B (20)****Answer the following (any four)**

1. What are the techniques of financial management?
2. What is opportunity cost of capital?
3. Give an example of Modigliani-Miller approach.
4. Discuss the factors of capital structure decision.
5. How to price the inventories?

**Section C****(A) Choose correct answer. (10)**

- 1 Which is not a type of capital?  
a) Equity capital      b) Term loan      c) Any one of these      d) None of these
- 2 Identity the element of cost of capital.  
a) Term loan      b) Warrants      c) Cost of debt      d) None of these
- 3 Which is the return paid by the company to the debenture holder?  
a) Interest      b) Dividend      c) Earning, profits      d) None of these
- 4 Which is not the factor for determine the working capital.  
a) Inflation      b) Volume of sells      c) Climate      d) None of these
- 5 What is the fall form of FIFO?  
a) First in first out      b) Forward in forward out      c) First in forward out      d) None of these
- 6 Reason for holding cash.  
a) Competition      b) Deflating cost      c) Speculative motive      d) None of these
- 7 Kind of capital budgeting proposal.  
a) Strategic Investment proposals      b) Short term capital planning  
c) Long term capital planning      d) None of these
- 8 How many types of budget.  
a) One      b) Two      c) Three      d) Four
- 9 Which is not a component of cash flows?  
a) Initial Investment      b) Annual net cash flows      c) Speculation      d) Terminal cash to flows
- 10 Which is not a type of financing planning?  
a) Asset acquisition planning      b) Liability & insurance planning  
c) Tax planning      d) None of these

**(B) True/False****(10)**

1. Financial management deals with how the corporation obtains the funds & how it uses them.
  2. Wealth maximization is as important objective as profit maximization.
  3. Capital budgeting technique is not a technique of financial management.
  4. Preference shares combine the attributes of equity shares & debentures.
  5. Factors affecting capital structure is calculated by formula which is debt equity Ratio =  $\frac{\text{Debt}}{\text{Equity}}$
  6. The balance sheet working capital is calculated from the items appearing in balance sheet.
  7. Leverage has been defined as the action of a lever and mechanical advantage gained by it:
  8. The cost structure of any firm consist of two variables which is (i) Fixed cost & (ii) Variable cost
  9. Working capital is circulating capital.
  10. The pay back method (PB) is the traditional method of capital budgeting.
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## Dr. Babasaheb Ambedkar Open University

Term End Examination January-2015

Course	: BBAIB	Numerical Code: 0064
Subject Code	: BBAIB-305	Numerical Code: 0495
Subject	: Management Information System	Total Marks : 70
Date	: 04/02/2015	Time : 11.00 to 02.00

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### Section A (30)

Answer the following (any three)

1. What are the main characteristics of MIS?
2. Describe: Functions of DBMS.
3. Write in detail : Advantages of Limitations of Decision support system
4. What are the different types of information systems?
5. Explain: Types of Prototypes.

### Section B (20)

Answer the following (any four)

1. Needs of MIS.
2. MIS as a pyramid
3. System Analysis
4. Objectives of DBMS
5. Marketing information system
6. Decision Making process

### Section C

(A) Choose correct answer. (10)

- 1 MIS stands for:  
(a) Management information system (b) Manager information system  
(c) Multiple information system (d) Man - kind information system
- 2 Informal channels means:  
a) Interaction between people of department  
b) Interaction between people of department not exist  
c) Interaction between people & public exist  
d) Information between people & public does not exist
- 3 The sole purpose of MIS is  
a) Reduce uncertainty of risk (b) Reduce cost  
(c) Reduce time (d) Reduce responsibility
- 4 Scrum is an agile method for  
(a) production mgt (b) power mgt (c) Surplus mgt (d) project mgt
- 5 The release year of HTML 2.0 specification in context to D.S.S.  
(a) 1993 (b) 1998 (c) 1997 (d) 1999

(B) Do as directed: (10)

1. What is the main function of MIS?
2. What is the full form of DMBS?
3. True / False:
4. The GDSS started originally at university of Arizona
5. Data is collected from internal or external sources only
6. Data analysis system, which allows the \_\_\_\_\_ of data

(Manipulation, Multiplication)

**Dr. Babasaheb Ambedkar Open University**

Term End Examination June-2013

<b>Course</b>	: BBAIB	<b>Numerical Code: 0064</b>
<b>Subject Code</b>	: BBAIB-306	<b>Numerical Code: 0496</b>
<b>Subject</b>	: Cost & Management Accounting	<b>Total Marks : 70</b>
<b>Date</b>	: 25/06/2013	<b>Time : 03.00 to 06.00</b>

**Section A (30)****Answer the following (any three)**

1. What are the basic objectives of cost accounting? In which way does it differ from financial accounting?
2. Prepare stock register for material of X company from the following receipt and issues of an item of material.

	March 2011	Units	Price Per unit
1	Purchases	180	2.00
5	Purchases	360	3.00
12	Issues	300	-
14	Purchases	420	3.00
20	Issues	480	-
25	Purchases	180	4.00
29	Issues	60	-

The issues on 72-3-21tl and 20-3-2011 are prices on LIFO and FIFO basis respectively. It was decided to price the issues of 25-3-2011 on weighted average method.

3. Write short notes on labour turnover.
4. Describe in detail classifications of overheads.
1. A Company manufacturing a single article sells it at Rs.10 per unit. The variable cost is Rs. 6 per unit and fixed cost is Rs. 4000 per annum.  
Calculate: 1. P/v Ratio 2. Break Even Sales
2. Margin of safety if total sales are Rs. 15000
3. Sales required for earning a profit of Rs. 5000
4. Amount of profit when sales is Rs. 15000

**Section B (20)****Answer the following (any four)**

1. Discuss the idle capacity variance
2. Explain the bases of overheads absorption
3. List some of the characteristics of JIT accounting system
4. Discuss Break even analysis
5. From the following information calculates:
  1. Economic Ordering quantity. 2. Re-order Stock Level 3. Minimum Stock Level
  4. Maximum Stock Level

Annual Usage	250 Units
Cost Per Unit	Rs 10
Cost of Placing an Order	Rs. 200
Carrying cost per unit	10%

Average usage per week	45 units
Maximum usage per week	60 units
Ordering Period	2 to 3 weeks

6. In a factory 4,880 workers were working in the beginning of a year and 5,120 workers were working at the end of the year. 300 workers were relieved during the year and 540 workers were newly recruited out of which 340 workers were recruited for the newly created posts. Find out labour turnover rate as per
- Separation method  
Replacement method  
Joint method

### Section C

#### (A) Choose correct answer.

(10)

- In chemical industry, which method is used?  
a) Process Costing    b) Operating Costing    c) Job costing    d) Unit Costing
- "Material with lowest price in issued first" - this statement is suitable to  
a) FIFO Method    b) HIFO Method    c) LIFO Method    d) NIFO method
- Which one of the following is not considered an "incentive wage system"  
a) Halsey Plan    b) Rowan Plan    c) Group Bonus or Profit Sharing Piece  
d) wage system with minimum guaranteed Plan wages
- The costing method which shows relationship between costs, sales, volume and profit is called-  
a) Break Even Point    b) cost volume Profit Analysis    c) Margin of Safety    d) Contribution
- Selling price is Rs.8 per unit, variable cost is Rs.6 per unit, Fixed costs is Rs. 12,000 calculate the sales required to earn a profit of Rs. 4000  
a) Rs. 72000    b) Rs. 64000    c) Rs. 80000    d) Rs. 75000

#### (B) True/False

(10)

- A \_\_\_\_\_ is generally maintained to record all the details of purchase order.
- A relevant cost is \_\_\_\_\_.
- Contribution = \_\_\_\_\_.
- The technique of costing which finds out the effects on changes in volume of output on profitability is called \_\_\_\_\_ costing
- Where costs are ascertained after they are already incurred the method used is termed as \_\_\_\_\_.
- Cost unit of dairy industry \_\_\_\_\_.
- Where several undertakings of the same costing principles and practices, they make use of \_\_\_\_\_.
- Most profitable quantity to purchase is called \_\_\_\_\_.
- Abnormal wastage at its cost price is \_\_\_\_\_.
- When employee is given wages according to units he produces then is given to him.

\_\_\_\_\_

**Dr. Babasaheb Ambedkar Open University**

Term End Examination January-2015

<b>Course</b>	: BBAIB	<b>Numerical Code: 0064</b>
<b>Subject Code</b>	: BBAIB - 307	<b>Numerical Code: 0497</b>
<b>Subject</b>	: Capital & Money Marketing	<b>Total Marks : 70</b>
<b>Date</b>	: 06/02/2015	<b>Time : 11.00 to 03.00</b>

**Section A****(30)****Answer the following (any three)**

- Describe the role of RBI in money market & brief all the tools available to the RBI for regulating the Money Market?
- What is Capital Market and what are the modes of raising finance in Capital Market?
- Mrs. Disha Singh has been trading in shares on margin basis. She has deposited a margin of Rs. 5,000/- with ICICI direct.com. Every day she buys the shares worth Rs. 20,000/- for ten days. The commission payable to the broker is 0.10% of trade volume plus service tax of 10.3%. On brokerage plus 0.125% of security transaction tax. Similar commission is payable on selling of shares also. The selling prices of these shares were as under:
  - Rs.20,200/-
  - Rs.20,400/-
  - Rs. 19,900/-
  - Rs.20,100/-
  - Rs. 19,800/-
  - Rs. 19,700/-
  - Rs.20,150/-
  - Rs.20,250/-
  - Rs. 19,950/-
  - Rs.20,120/-

Calculate the net profit or loss made by Mrs. Disha Singh net of brokerage.
- What is Mutual Fund? Write a note on various mutual fund schemes.
- Write short notes on following:
  - SIDBI
  - NABARD
  - IFCI

**Section B****(20)****Answer the following (any four)**

- Briefly describe the functions of SEBI.
- List the type of stock market indices.
- Write a brief note on Bank- Depository Analogy.
- Briefly discuss the role of merchant banker in capital market.
- What is NBFCs? Difference between Banks & NBFCs.
- Describe the factors affects rate of interest.

## Section C

(A) Choose correct answer.

(10)

- 1 RCTC in money market stands for: -
  - a) Rural center for technical co-operation
  - b) Risk capital and technology finance corporation ltd
  - c) Risk capital and technical corporation ltd
  - d) Revenue capital and technology corporation ltd
- 2 Net Interest income is:-
  - a) Interest earned on advances
  - b) Interest earned on investments
  - c) Total interest earned on advances and investment
  - d) Difference between interest earned and interest paid
- 3 Interest rate risk is a type of:-
  - a) Credit risk
  - b) Market risk
  - c) Operational risk
  - d) All the above
- 4 A Bank suffers loss due to adverse market movement of a security. The security was however held beyond the defeasance period. What is the type of the risk that the bank has suffered?
  - a) Market Risk
  - b) Operational Risk
  - c) Market Liquidation Risk
  - d) Credit Risk
- 5 The risk that arises due to worsening of credit quality is
  - a) Intrinsic Risk
  - b) Portfolio risk
  - c) Credit spread Risk
  - d) Counterparty risk
- 6 A transaction where financial securities are issued against the cash flow generated from a pool of assets is called:
  - a) Securitization
  - b) Credit Default Swaps
  - c) Credit Linked Notes
  - d) Total Return Swaps
- 7 Growth Fund is a mutual fund that
  - a) assures growth in income
  - b) invests in fixed income securities
  - c) gives fixed return
  - d) invests primarily in equities
- 8 When the interest rates fall, the market price of a fixed rate bond
  - a) falls
  - b) rises
  - c) does not change
- 9 Balanced fund is a mutual fund that
  - a) Assures income
  - b) Invests in debt and equity
  - c) Assure growth
  - d) Gives fixed returns
- 10 11 % Govt. of India security is quoted at Rs'110. If the interest rates go down by 1% the market price of the security will be:
  - a) Rs. 110
  - b) Rs. 109
  - c) Rs. 122.2
  - d) Rs. 130

(B) True/False

(10)

1. Fall in interest rates cause the prices of Govt. securities to go up.
  2. Steeper yield curve means long term interest rates are much lower than short term interest rates.
  3. Mutual fund mobilization has bearish influence on the stock market.
  4. Convertible debentures carry an element of equity shares.
  5. Credit Rating agencies fix interest rates on bonds or debentures issued by companies.
  6. Mutual Funds invest only in equity shares.
  7. Favorable monsoon brightens the prospects for stock market.
  8. Large Government borrowings cause debt securities prices to rise.
  9. Falling interest rates have benefited investors in debt securities mutual funds.
  10. Large government borrowing would cause interest rates to go down.
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## Dr. Babasaheb Ambedkar Open University

Term End Examination January-2015

<b>Course</b>	: BBAIB	<b>Numerical Code: 0064</b>
<b>Subject Code</b>	: BBAIB-308	<b>Numerical Code: 0498</b>
<b>Subject</b>	: Role of International Financial Institutions	<b>Total Marks : 70</b>
<b>Date</b>	: 07/02/2015	<b>Time : 11.00 to 02.00</b>

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### Section A (30)

Answer the following (any three)

1. Discuss the meaning and purpose of different money market instrument.
2. Explain the objective and function of World Bank.
3. Describe the working of IMF. How does it help member countries in dealing with their temporary balance of payment problem.
4. What forces stimulate FDI in country.
5. What are the investment vehicles available to an investor to cope with obstacle to international investing.

### Section B (20)

Answer the following (any four)

1. Distinguish between the spot and forward foreign exchange market.
2. What do you understand by the tariff and non-tariff barriers?
3. Write a short note on WTO.
4. Explain the importance of World Bank in the world's economy?
5. Explain the meaning and importance of currency swaps and interest rate swaps.
6. Explain "Options" in international finance institution.

### Section C

(A) Choose correct answer. (10)

- 1 Foreign exchange market consist of  
a) Rattail customer    b) Foreign exchange brokers    c) Central banks    d) All of the above
- 2 A money market is a market for transacting in financial assets of relatively \_\_\_\_ term maturity.  
a) Short    b) Medium    c) Long
- 3 World Bank is also known as  
a) IBRD    b) IMF    c) LIBOR    d) SDR
- 4 According to absolute advantages theory  
a) Trade between two nations is based on absolute advantage.  
b) A national to become rich and powerful was to export more than it exported.  
c) Even if one nation is less efficient than other nation, there is still a basis for mutuality beneficial trade.  
d) Each nation should specialize in the production of commodity of its comparative advantage and disadvantage.
- 5 The terms of account used in international banking is  
a) Nostro    b) Vostro    c) Loro    d) All of the above
- 6 Full form of CARE  
a) Computer added review evaluation    b) Computerized account recording  
c) Credit analysis and research limited    d) Credit analysis and resource evaluation

- 7 How many members countries are there in European union.  
a) 10            b) 15            c) 32            d) 24
- 8 The World Bank has started its operations in  
a) 1946            b) 1947            c) 1948            d) 1949
- 9 Special drawing rights are determined on the basis of  
a) Tariff            b) Quota            c) Import substitution            d) EXIM policy
- 10 Forward contract means  
a) Contract for future            b) Transferrable contract  
c) A contract of pre-determined exchange rate with payment and delivery in some specific future date.  
d) A contract with payment now as per present rate and delivery at some future time.

**(B) Answer one or two line.**

**(10)**

1. What is capital market?
  2. Write any two tariff barriers of international trade.
  3. What is vostro account?
  4. What do you understand by loan syndication.
  5. Write any three money market instruments.
  6. Write any two function of IMF.
  7. What is SDR?
  8. What do you understand by balance of payment?
  9. What is forward rate agreement?
  10. What is currency swaps?
-