



[3985] – 101

**P.G. Diploma in Financial Services (Semester – I) Examination, 2011**  
**101 : FINANCIAL AND COST ACCOUNTING**  
**(2008 Pattern)**

Time : 3 Hours

Max. Marks: 70

*Instructions : 1) Q. 1 and Q.2 are compulsory, attempt any three from the rest.*

*2) Use of simple calculator is allowed.*

1. From the following information calculate 14

- a) Fixed Cost
- b) Break Even Point
- c) The number of units to be sold to earn profit of Rs. 40,000

The selling price per unit is Rs. 100

	Sales	Rs.
Period – I	7000 units	10,000 Loss
Period – II	9000 units	10,000 Profit

2. The following data have been extracted from the books of Sunfeast Ltd. for the year 2007. 14

	Rs.
Opening stock of raw materials	25,000
Purchases of raw materials	85,000
Closing stock of raw materials	40,000
Carriage inward	5,000
Wages : Direct	75,000
Indirect	10,000

P.T.O.



Other direct expenses	15,000
Rent and Rates (Factory)	5,000
Rent and Rates (Office)	500
Depreciation :	
Plant and machinery	1,500
Office furniture	100
Salary : office	2,500
Salesmen	2,000
Other factory expenses	5,700
Other office expenses	900
Manager's remuneration	12,000
Bad Debts	1,000
Advertisement	2,000
Travelling expenses of salesmen	1,100
Carriage and freight outward	1,000
Sales	2,50,000
Advance Income Tax paid	15,000

The Manager's remuneration is to be allocated to factory Rs. 4,000, office Rs. 2,000 and selling operations Rs. 6,000. Prepare a cost sheet.



3. Explain different concepts of financial accounting in brief. **14**
4. Explain contents of following accounts of non trading concerns : **14**
  - a) Receipt and Payment account and
  - b) Income and expenditure account.
5. Define 'Cost, 'Costing' and 'Cost Accountancy and explain function wise classification of cost. **14**
6. How marginal costing can be used for Managerial Decisions ? **14**
7. Write short notes (**any two**) : **14**
  - a) Material variances
  - b) Balance sheet
  - c) Budgetary control.



[3985] – 102

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**103 : TAXATION : DIRECT AND INDIRECT TAXES**  
**(2008 Pattern)**

Time : 3 Hours

Max. Marks : 70

**Instructions:** 1) Attempt *any five* questions.  
2) *All* questions carry *equal* marks.

1. Define the following terms under the Income-Tax Act, 1961 -
  - i) Assessee
  - ii) Person
  - iii) Previous year.
2. When is an individual said to be ;
  - 1) Resident and ordinarily resident
  - 2) Resident but not ordinarily resident
  - 3) Non resident under the Income Tax Act, 1961 ?
3. Mr. Delhi Daredevil retired on 15.6.2009 after completion of 26 years 8 months of service and received gratuity of Rs. 6,00,000. At the time of retirement his salary was : Basic Salary : Rs. 5,000 p.m. Dearness Allowance : Rs. 3,000 p.m. (60% of which is for retirement benefits) Commission : 1% of turnover (turnover in the last 12 months was Rs. 12,00,000) Bonus : Rs. 12,000 p.a. Compute his taxable gratuity assuming :
  - a) He is non-government employee and covered by the Payment of Gratuity Act 1972.
  - b) He is non-government employee and not covered by Payment of Gratuity Act 1972.
  - c) He is a Government employee.

P.T.O.



4. What is a procedure for registration for service tax ?
5. Explain the features of VAT.
6. “Excise duty is levied on excisable goods manufactured or produced in India”.  
Elucidate the chargeability of excise liability.
7. Write short note on **any two** :
  - a) Manufacturing under Central Excise Law
  - b) Threshold limit under Service Tax Law
  - c) CENVAT Credit
  - d) TIN (Taxpayer Identification Number).



[3985] – 103

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**104 : FINANCIAL MANAGEMENT AND QUANTITATIVE METHODS**  
**IN FINANCE**  
**(2008 Pattern)**

Time : 3 Hours

Max. Marks : 70

**Instructions :** 1) *Q. 1 is compulsory.*

2) *Attempt **any two** questions from Section I and Section II each.*

3) *Figures to the **right** indicate **full** marks.*

4) *Use of simple calculator is **allowed**.*

1. a) Financial management provides a conceptual and analytical framework for financial decision making. Elucidate. **5**
- b) What is Cost volume Profit Analysis ? **5**

**SECTION – A**

2. What is ratio analysis ? Explain its significance. Explain the liquidity ratios. **15**
3. What is overcapitalization ? Why overcapitalization arise ? Explain the corrective remedies for the overcapitalization. **15**
4. KKR Ltd. is planning to purchase a machinery and at present evaluating 2 mutual quotations for the same. The details are as follows : **15**

Particulars	Machinery A (Rs.)	Machinery B (Rs.)
Purchase cost	27,00,000	30,00,000
Salvage value	Nil	Nil
Depreciation	Straight line	Straight line
Cash inflows in years		
1	6,50,000	9,75,000
2	7,25,000	10,00,000
3	8,75,000	11,00,000
4	9,50,000	10,25,000
5	9,00,000	9,50,000
6	8,00,000	8,50,000

**P.T.O.**



Assume 30% as tax rate. Cost of capital @ 15% and present values are,

Years	P.V. factor for 15%
1	.870
2	.756
3	.658
4	.572
5	.497
6	.432

Calculate Pay Back Period, Net Present Value at 15% cost of capital and Average Rate of return.

#### SECTION – B

5. a) CVP analysis is a useful technique for managerial decision-making. Discuss. **5**
- b) A company produces a single article and sells it at INR 10 each. The marginal cost of production is INR 6 each and total fixed cost of the concern is INR 400 per annum.
- Calculate the following :
- Breakeven point
  - Margin of safety at sale of INR 1,500
  - Increase in selling price if breakeven point is reduced to 80 units. **10**
6. a) Mr. Kishore has two investment options before him. Portfolio X offers risk free expected return of 8%. Portfolio Y, which offers an expected return of 24% has standard deviation of 25%. His risk aversion index is 4. Given these parameters what is the rational choice for him ? **9**
- b) What is Capital Asset Pricing Model (CAPM) ? **6**



7. a) A bond has 3 years remaining until maturity. It has a par value of Rs. 1,000. The coupon interest rate on the bond is 10 percent. Compare the yield to maturity at current market price of :

- I) Rs. 1,100
- II) Rs. 1,000
- III) Rs. 900

Assume interest is paid annually.

**8**

b) Define valuation. Why is it important for a financial manager to understand the

valuation process ?

**7**





[3985] – 104

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**106 : FINANCIAL SERVICES – I**  
**(2008 Pattern)**

Time : 3 Hours

Max. Marks : 70

**Instructions :** 1) Answer *any five* questions.  
2) *All* questions carry *equal* marks.

1. Define Leasing. What are the types of leasing ? Discuss the significance of Leasing. **14**
2. Explain the concept of merchant banking. What services are rendered by merchant bankers ? **14**
3. Review the performance of Mutual Funds in India during the last two decades. **14**
4. How “Credit Rating” is done by the Agencies like CRISIL, ICRA, CARE etc. ? How are they useful to the various users like investors, companies and Government ? **14**
5. Explain the meaning of securitization and its modus operandi. Also discuss its advantages. **14**
6. Bring out in detail the difference between Leasing and Hire purchasing. **14**
7. Write short notes on (**any two**) : **(2×7)**
  - a) Scrip less Trading.
  - b) Securitization of Debt.
  - c) Depository and Dematerialization
  - d) Credit and Debit Cards
  - e) Financial Journalism.



[3985] – 105

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**107 : FINANCIAL INSTITUTIONS**  
**(2008 Pattern)**

Time : 3 Hours

Max. Marks : 70

**Instructions:** 1) Answer *any five* questions.  
2) All questions carry *equal* marks.

1. Describe the Evolution of Development Banking after the recommendations of Central Banking Enquiry Committee to achieve balanced development. **14**
2. Write objectives and functions of the following any **two** development bank : **(2×7)**
  - a) IFCI
  - b) IRBI
  - c) NABARD
  - d) SIDBI
3. 'The prime objective of the financial institutions is to get proper return and at the end of contracted period the loan amount is repaid'. Discuss the various aspects of project appraisal by banking institutions. **14**
4. What are the marketing approaches required by the development banks to optimize the growth ? **14**
5. How to develop marketing strategies and organizing market function to overcome the competition from other financial agencies ? **14**
6. Write an essay on Role of RBI, commercial banks and co-operative banks in the development of economy. **14**
7. Write short notes on **any two** : **(2×7)**
  - a) Credit planning and credit monitoring
  - b) Foreign banks in India
  - c) Narsimhan Committee Reports
  - d) EXIM Bank.



[3985] – 11

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**101 : FINANCIAL AND COST ACCOUNTING**  
**(2005 Pattern) (Old)**

Time : 3 Hours

Max. Marks : 60

**Instructions :** 1) Answer *any four* questions.  
2) *All* questions carry *equal* marks.  
3) *Use of simple calculator is allowed.*

1. What do you understand by the terms “Budget and Budgetary control” ? What are the advantages of budgetary control ? **15**
2. What is marginal costing ? Explain a) PV ratio b) Margin of safety c) Break even point. **15**
3. From the following balances extracted from the books of Mr. Mumbai Indians prepare Trading and Profit and Loss Account for the year ended 31-03-2011 and a Balance Sheet as on that date.

	<b>Rs.</b>
Stock on 1-04-2010	10,000
Purchases less returns	49,000
Wages	15,000
Loan from Mr. Delhi Daredevils	1,50,000
Capital	60,000
Sundry debtors	42,700
Reserve for bad debts (1-4-10)	2,800
Rent and taxes	1,000
Salaries	8,000
General expenses	900
Discount allowed	500
Sundry Creditors	20,000

**P.T.O.**



	<b>Rs.</b>
Sales	1,28,600
Plant and machinery	1,50,000
Furniture	18,000
Cash	2,300
Drawings	6,000
Sales returns	2,000
Cost of lease on 1-04-10	56,000

**Adjustments :**

- i) The closing stock was Rs. 9,800.
  - ii) Write off 10% depreciation on plant and 5% on furniture.
  - iii) Write off bad debts Rs. 700 and maintain Reserve for bad debts at 6% on debtors. **15**
  - iv) Write off Rs. 6,000 in the current year from the cost of lease.
4. Discuss the disclosure requirements of the following items in Schedule VI format : **15**
- a) Debtors
  - b) Equity share capital
  - c) Secured loans
  - d) Investments.
5. Define standard cost and standard costing. Write the advantages and disadvantages of standard costing. **15**
6. Write short notes on (**any three**) : **(3×5=15)**
- I) Zero base budgeting (ZBB).
  - II) Accounting conventions.
  - III) Subsidiary books.
  - IV) Types of accounts and rules of double entry.
  - V) Items to be excluded while preparing cost sheet.



[3985] – 12

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**103 : TAXATION : DIRECT AND INDIRECT TAXES**  
**(2005 Pattern)**

Time : 3 Hours

Max. Marks : 60

*Instructions : 1) Attempt **any four** questions.*  
*2) All questions carry **equal** marks.*

1. Define the following terms under the Income-Tax Act, 1961 –
  - i) Agriculture Income
  - ii) Person
  - iii) Previous year.
2. Explain step by step procedure for computing taxable Income from house property.
3. Discuss any three deductions from gross total Income under Chapter VI-A of Income Tax Act, 1961.
4. What is a procedure for registration under Central Excise Law ?
5. What are the advantages and limitations of VAT ?
6. Write short notes on **any two** :
  - a) Capital assets
  - b) Taxable services
  - c) Chargeability under Central Excise Law
  - d) Depreciation under Section 32 of Income Tax Act.



[3985] – 13

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**104 : FINANCIAL MANAGEMENT AND QUANTITATIVE METHODS**  
**IN FINANCE**  
**(2005 Pattern) (Old)**

Time : 3 Hours

Max. Marks : 60

*Instructions: 1) Attempt **any two** questions from Section – I and Section – II each.*  
*2) Figures to the **right** indicate **full** marks.*  
*3) Use of simple calculator is **allowed**.*

**SECTION – A**

1. “Financial ratios does indicate the financial health of a firm from profitability, liquidity, stability point of view “. Explain the statement. **15**
2. Explain in detail the meaning, need and importance of Funds Flow and Cash Flow statements in analyzing firm’s finances. **15**
3. Discuss various types of dividend policies. What considerations need to be given while fixing dividend policy ? **15**
4. Explain the different methods of evaluating capital expenditure decision. **15**

**SECTION – B**

5. Cost Volume Profit analysis is a useful technique for managerial decision-making. Discuss with the help of suitable examples. **15**
6. What is Capital Asset Pricing Model (CAPM) ? What are the assumptions to grapple with the complexities of the real world ? **15**
7. Define valuation. Why is it important for a financial manager to understand the valuation process ? **15**



[3985] – 14

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**106 : FINANCIAL SERVICES – I**  
**(2005 Pattern) (Old)**

Time : 3 Hours

Max. Marks : 60

**Instructions :** 1) Answer **any four** questions.  
2) All questions carry **equal** marks.

1. State the features and importance of capital market. **15**
2. Explain in brief the meaning of credit rating. What are the benefits and limitations of such rating ? **15**
3. Write a detailed note on money market instruments. **15**
4. 'Merchant bankers have a significant role to play in India'. Elucidate. **15**
5. Discuss the utility of Mutual Fund and comment on their future in India. **15**
6. State and explain a broad framework of rating process adopted by the credit rating agency. What are the benefits and limitations of such ratings ? **15**
7. Write short notes on **any two** : **(2×7½)**
  - a) Securitization of debt
  - b) Depositary and dematerialization
  - c) Lease structuring
  - d) Consumer finance.



[3985] – 23

**P.G.D.F.S. (Semester – II) Examination, 2011**  
**203 : COMPANY LAW, FEMA AND SEBI (Old)**  
**(2005 Pattern)**

Time : 3 Hours

Max. Marks : 60

***Note:** 1) All questions carry **equal** marks.  
2) Figures to the **right** indicate **full** marks.  
3) Attempt **any 4** questions from the following.*

1. 'Memorandum of Association is a constitution of The Company'. Explain the statement. Explain the clauses of Memorandum of Association. **15**
2. What are the provisions of the Companies Act, 1956 regarding Accounts and Audit ? **15**
3. What are the Objectives and Powers of SEBI ? **15**
4. Explain the following term with reference to the provisions of FEMA : **15**
  - a) Capital Account Transactions
  - b) Current Account Transactions
  - c) Authorised Person.
5. Differentiate between : **15**
  - a) Transfer and Transmission of Shares
  - b) Annual General Meeting and Extra Ordinary General Meeting
  - c) Pvt. Ltd. Company and Public Ltd. Company.
6. Write short notes : **15**
  - a) Book Building
  - b) Bonus Shares
  - c) Statutory Meeting.





[3985] – 21

**Post Graduate Diploma in Financial Services (Sem. – II) Examination, 2011**  
**201 : FINANCIAL SERVICESS – II (Old)**  
**(2005 Pattern)**

Time : 3 Hours

Max. Marks : 70

**N.B.** : 1) *Question No. 1 is compulsory.*  
2) *Attempt **any four** questions from remaining.*  
3) *Figures to the **right** indicate marks.*

1. Explain the Markovitz Theory. **10**
2. What do you mean by portfolio management ? Explain in brief its need and importance. **15**
3. Write detail note on technical analysis. **15**
4. Drafting of statutory advertisement for public issue of shares. Explain. **15**
5. What is meant by investment management ? Explain its nature and scope in brief. **15**
6. Define the concept of risk and various types of risk in detail. **15**
7. Short notes : **15**
  - i) Alpha and Beta
  - ii) International Diversification
  - iii) Arithmetic Average Return verses Geometric Average Return.



[3985] – 22

**P.G.D.F.S. (Semester – II) Examination, 2011**  
**202 : INTERNATIONAL FINANCE**  
**(Old) (2005 Pattern)**

Time : 3 Hours

Max. Marks : 70

*Note : 1) Attempt **any five** questions.*  
*2) **All** questions carry **equal** marks.*

1. Explain the theory of Interest Rate Parity of Foreign Exchange.
2. What do you mean by Flexible Foreign Exchange Rate ? Explain the merits and demerits of flexible foreign exchange rate.
3. Discuss the various types of risks involved while dealing in foreign exchange.
4. How is Pre-shipment finance different from Post-shipment finance ? Explain the procedure for obtaining Pre shipment finance.
5. What do you mean by Letter of Credit ? Explain the various categories of Letter of Credit.
6. What is Hedging ? Explain the different types of internal techniques of Hedging.
7. Write notes on (**any two**) :
  - a) Purchase Power Parity Theory
  - b) Gold Standard
  - c) Fixed Foreign Exchange Rate.

---

B/I/11/170



[3985] – 24

**P.G. Diploma in Financial Services (Sem. – II) Examination, 2011**  
**204 : FINANCIAL MARKETS**  
**(Old) (2005 Pattern)**

Time : 3 Hours

Max. Marks : 70

*Note : 1) Attempt **any five** questions.*

*2) All questions carry **equal** marks.*

1. How does financial development influence the economic development of India ?
2. Give a brief explanation about the various theories those discuss about the relationship between financial system and economic development.
3. What is the importance of stock markets ? Explain the happenings in the stock market since last two years.
4. What are the major advantages of investment through mutual funds ?
5. Explain the various instruments available in money market.
6. What are the important features of capital market ? What policies have been adopted in India for their healthy growth ?
7. Write short note on **any three** :
  - a) Housing Finance
  - b) Development of Commercial Banks in India
  - c) Derivatives Trading
  - d) Plastic Money.

---

B/I/11/170



[3985] – 15

**P.G.D.F.S. (Semester – I) Examination, 2011**  
**107 : FINANCIAL INSTITUTIONS (Old)**  
**(2005 Pattern)**

Time : 3 Hours

Max. Marks : 60

**Instructions** : i) Attempt *any five* questions.  
ii) *All* questions carry **equal** marks.

1. What is the role of RBI in regulating and controlling money market operations ?
2. How does Foreign Banks play an important role in developing economic growth rate of the country ?
3. Discuss term lending appraisal process. Explain various parameters of appraisal process.
4. Describe anchor role of commercial bank in portfolio management and resource mobilization.
5. Enumerate the concept of product mix in development banking. Give suitable examples.
6. What are the various primary and secondary objectives of EXIM Bank of India ? How far these objectives been achieved as of today ?
7. Write short notes (**any three**) :
  - a) Factoring services
  - b) Portfolio management
  - c) Lead banking
  - d) ICICI
  - e) IDBI.



[3985] – 201

**Post Graduate Diploma in Financial Services (Semester – II)**

**Examination, 2011**

**202 : FINANCIAL SERVICES – II**

**(New) (2008 Pattern)**

Time : 3 Hours

Max. Marks : 70

**N.B. :** 1) *Question No. 1 is compulsory.*

2) *Attempt **any four** questions from remaining.*

3) *Figures to the **right** indicate marks.*

1. Write detailed note on Fundamental Analysis. **10**
2. What is the need of portfolio diversification ? What factors are required to be taken into account for portfolio selection ? **15**
3. Does the Random Walk theory suggest that security price levels are random ? Explain. **15**
4. Explain the concept of investment management and describe the framework of investment management in detail. **15**
5. Describe in brief various types of media for advertisement are used in present scenario in financial service sector. **15**
6. Describe marketing mix in financial service sector. **15**
7. Short notes : **15**
  - i) CAPM
  - ii) Systematic and Unsystematic Risk
  - iii) Equity Research.

---

B/I/11/225



[3985] – 202

**P.G.D.F.S. (Semester – II) Examination, 2011**  
**203 : INTERNATIONAL FINANCE (New)**  
**(2008 Pattern)**

Time : 3 Hours

Max. Marks : 70

*Note : 1) Question No.1 is **compulsory**.*

*2) Attempt **any four** questions from remaining.*

*3) Figures to the **right** indicate **full** marks.*

1. a) Find inverse quotes of the following : (5)
  - i) USD / CHF : 1.4955 / 1.4962
  - ii) GBP / USD : 1.5645 / 1.5655
- b) Following are the two quotes taken from two different banks (5)

Bank A: GBP / USD Spot : 1.4540 / 45

Bank B: GBP / USD Spot : 1.5010 / 15

Identify whether there is any arbitrage opportunity to make riskless profit without any investment.
2. Discuss the interest Rate Parity theory of exchange rate in detail. (15)
3. Critically explain the objectives, functions and management of Asian Development Bank (ADB). (15)
4. Briefly explain the various types of documents required to be maintained in foreign trade. (15)
5. Distinguish between Balance of Trade and Balance of Payment. Explain the different causes of disequilibrium in Balance of payment. (15)
6. Explain the functions and management of Export Credit Guarantee Corporation (ECGC) of India. (15)
7. Write short notes on (**any three**) : (15)
  - a) Gold Standards
  - b) Loan Syndication
  - c) Currency Swaps
  - d) NRI Accounts
  - e) Objectives of FEMA.