0514

(Pages : 2) **PG63T101—Feb. 2024—7148**

FIRST SEMESTER M.Com. (CBCS) DEGREE EXAMINATION, FEBRUARY 2024

Commerce (New)

MARKETING MANAGEMENT

Time : Three Hours Maximum : 75 Marks

Section A

1. Answer any *six* sub-questions. Each sub-question carries *2* marks :

   (a) Define Marketing. What is marketed ?

   (b) What is positioning ?

   (c) State the relevance of scanning the environment.

   (d) What is demography ? What are its parameters ?

   (e) What do you mean by labelling ?

   (f) Define brand equity.

   (g) Give meaning of loss leader pricing.

   (h) What is marketing channel system ?

   (i) What are advocate channels ?

   (j) State any four advantages of online marketing.

(6 × 2 = 12 marks)

Section B

Answer any **three** *questions.*
Each question carries 6 *marks.*

2. Explain in brief marketing management tasks.
3. What is cultural environment ? What are its elements ?
4. "The PLC of a product is also compared to ageing process." Explain.
5. Write a note on market skimming and market penetration pricing strategies.
6. What are the communication objectives ?

(3 × 6 = 18 marks)

Section C

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

7. "The consumers typically are inert and they need to be persuaded." Explain how other philosophies differ from this.

Turn over

8. "In the technological arena, marketers should take account of the accelerating pace of technological change." Explain with examples.

9. Explain various steps involved in new product design process.

10. What is channel conflict ? What are its causes ? What are the strategies available for managing channel conflict ?

11. Discuss steps involved in developing effective communications in a market.

(3 × 15 = 45 marks)

(Pages : 2)

PG63T103—Feb. 2024—7150

FIRST SEMESTER M.Com. DEGREE EXAMINATION, FEBRUARY 2024

(CBCS)

Commerce

Paper : PG63T103—ORGANISATIONAL BEHAVIOUR

Time : Three Hours

Maximum : 75 Marks

Section A

1. Answer any *six* sub-questions. Each sub-question carries 2 marks :

   (a) What is meant by Deviant Workplace Behavior ?

   (b) State the meaning of emotional labour.

   (c) What do you mean by storming in group ?

   (d) How halo effect is different from horns effect ?

   (e) State any *two* behavioral symptoms of stress.

   (f) State the meaning of leadership.

   (g) How empathy is different from term sympathy ?

   (h) What is meant by social loafing ?

   (i) How do you understand group norms ?

   (j) State the meaning of collaborating ?

(6 × 2 = 12 marks)

Section B

Answer any **three** *of the following.*
Each question carries 6 *marks.*

2. What is the importance of interpersonal skills in the workplace ?

3. State and explain three components of attitudes.

4. How employees can express dissatisfaction in the organizations ?

Turn over

5. Identify different types of stereotypes of a society/ an organization.

6. How can cohesiveness and diversity support group effectiveness ?

(3 × 6 = 18 marks)

Section C

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

7. What all environmental and organizational factors become potential sources of stress ? Explain.

8. State different group decision making constructs and Discuss different errors and biases associated with decision making process in the context of OB.

9. What are the three levels of analysis in OB model ? Explain.

10. What are the similarities and differences between self-determination theory and goal setting theory ?

11. Do you consider laziness to be more of employees' personality trait or more of a motivational state that we experience from time to time ? Discuss.

(3 × 15 = 45 marks)

(Pages : 2) **PG63T104—Feb. 2024—7151**

FIRST SEMESTER M.Com. (CBCS) DEGREE EXAMINATION, FEBRUARY 2024

Commerce (New)

STRATEGIC MANAGEMENT

Time : Three Hours Maximum : 75 Marks

Section A

Answer any **six** *of the following.*
Each question carries 2 *marks.*

1. (a) Define 'strategy' and strategic management.
   (b) How formal planning in different from strategic planning ?
   (c) What do you mean by goal ?
   (d) What is synergy ?
   (e) State meaning of corporate governance.
   (f) What are the benefits of diversification ?
   (g) State meaning of turnaround strategy.
   (h) What is value chain analysis ?
   (i) Give meaning of corporate culture.
   (j) What is ROI ?

(6 × 2 = 12 marks)

Section B

Answer any **three** *of the following.*
Each question carries 6 *marks.*

2. Briefly outline importance of Five Force model.
3. Write a note on auditing system prevailed in strategy.
4. How can various techniques help in objective setting ? Briefly explain.
5. Describe essential characteristics of mission statement.
6. Briefly discuss the roles that the Board of Directors play in strategic management.

(3 × 6 = 18 marks)

Section C

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

7. Discuss the issues that are relevant in strategic decision-making.
8. Explain strategic management process with example.

Turn over

9. Discuss need for stakeholders relationship management and techniques of stakeholders analysis.

10. Explain various methods and techniques used for organisational appraisal.

11. Explain factors influence on PEST analysis and SWOT analysis.

(3 × 15 = 45 marks)

(Pages : 4)

PG63T105—Feb. 2024—7152

FIRST SEMESTER M.Com. DEGREE EXAMINATION, FEBRUARY 2024

(CBCS)

Paper 5—SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT (PG63T105)

Time : Three Hours

Maximum : 75 Marks

Section A

Answer any **six** *sub-questions.*

Each sub-question carries 2 *marks.*

1. (a) What is maintenance margin ?

   (b) State the types and meaning of investment strategies.

   (c) What are cyclical and defensive stocks ?

   (d) State the impact of support and resistance levels on market prices.

   (e) What is stock variance ? How do you compute it ?

   (f) Give meaning of total risk under SIM model.

   (g) What do you mean by asset pricing models ?

   (h) Identify the factors used by Fama and French in their three-factor model.

   (i) What is meant by net selectivity ?

   (j) Indicate reasons for portfolio rebalancing.

(6 × 2 = 12 marks)

Section B

Answer any **three** *questions.*

Each question carries 6 *marks.*

2. Discuss various motives of investment by individual investors.

3. 'The Capital Market Line (CML)' is an efficient set of risk-free and risky securities and it shows the risk-return trade-off in the market equilibrium.' Explain.

Turn over

4. Stock C has expected return of 20 % and a standard deviation of 25 per cent. On the other hand, Stock D has expected return of 25 per cent and standard deviation of 25 per cent. Both securities have equal weights in the portfolio. Calculate the portfolio variance if the correlation is : (i) 0.00 ; (ii) 0.20 ; (iii) 0.80 and (iv) – 0.20. What inferences do you make from the calculations ?

5. The constant-growth dividend discount model can be used both for the valuation of companies and for the estimation of the long-term total return of a stock :

   Assume:

   Rs. 200 = Price of a Stock Today

   8 % = Expected Growth Rate of Dividends

   Rs. 6.0 = Annual Dividend One Year Forward

   (a) Using only the preceding data, compute the expected long-term total return on the stock using the constant growth dividend discount model. Show calculations.

   (b) Briefly discuss three disadvantages of the constant-growth dividend discount model in its application to investment analysis.

6. Suppose that the market can be described by the following three sources of systematic risk with associated risk premiums :

Factor	*Risk-premium*
Industrial Production (I)	8%
Interest rates (R)	4
Consumer confidence (C)	5

The return on a particular stock is generated according to the following equation:

$r = 6\ \% + 1.4I + 1.0\ R + -1.00\ C + e$

Find the equilibrium rate of return on this stock using the Arbitrage Pricing Theory. The T-bill rate is 6%. Is the stock over or under priced ? Explain

(3 × 6 = 18 marks)

Section C

Answer any **three** *questions.*

Each question carries 15 *marks.*

7. Explain various types of portfolios assumed under MPT model. Illustrate your answer suitably.

8. What are factor models ? Discuss the utility of multi-factor model over SIM model.

9. Mr. Anil owns a portfolio with the following characteristics :

	Security X	*Security* Y	*Risk-free security*
Factor 1 sensitivity	0.75	1.50	0
Factor 2 sensitivity	0.60	1.10	0
Expected return	15 %	20 %	10 %

It is assumed that security returns are generated by a two factor model.

(i) If Mr. Anil has Rs. 2,00,000 to invest and sells short Rs. 1,00,000 of security Y and purchases Rs. 3,00,000 of security X, what is the sensitivity of Mr. Anil's portfolio to the two factors?

(ii) If Mr. Anil borrows Rs. 2,00,000 at the risk-free rate and invests the amount he borrows along with the original amount of Rs. 2,00,000 in security X and Y in the same proportion as described in part (i) What is the sensitivity of the portfolio to the two factors ?

(iii) What is the expected return premium of factor 2 ?

10. A portfolio manager (Pm) has the following four stocks in his portfolio :

Security	*No. of stocks*	*Market price per share* (Rs.)	*Beta*
A	10,000	50	0.9
B	5,000	20	1.0
C	8,000	25	1.5
D	2,000	20	1.2

Compute the following :

(i) Portfolio beta.

(ii) If the portfolio manager wants to reduce the beta to 0.8, how much risk free should he invest in ?

(iii) If the portfolio manager seeks to increase the beta to 1.2, how much risk-free investment should he sell ?

11. The following information describes the expected return and risk relationship for the stocks of two of competitors:

	Expected return	*Standard deviation*	*Beta*
Stock X	12.0 %	20%	1.3
Stock Y	9.0 %	15%	0.7
Market index	10.0 %		
Risk-free rate	5.0 %		

Using only the data shown in the preceding table :

(a) Draw and label a graph showing the security market line and position Stock X and Stock Y relative to it.

(b) Compute the alphas both for Stock X and for Stock Y. Show your workings.

(c) Assume that the risk-free rate increases to 7 per cent with the other data in the preceding matrix remaining unchanged. Select the stock providing the higher expected risk-adjusted return and justify your selection. Show your calculations.

(3 × 15 = 45 marks)

(Pages : 3) **PG63T102—Feb. 2024—7149**

FIRST SEMESTER M.Com. (CBCS) DEGREE EXAMINATION, FEBRUARY 2024

Commerce

FINANCIAL MANAGEMENT

Time : Three Hours Maximum : 75 Marks

Use of calculator (non-programmable) financial and log table is permitted.

Section A

Answer any **six** *sub-questions.*
Each sub-question carries 2 *marks.*

1. (a) What is Financial Management ?
   (b) Define wealth in Financial Management.
   (c) Distinguish between Operating and Financial leverage.
   (d) What is trading on equity ?
   (e) State the difficulties in capital budgeting decisions.
   (f) What is net present value ?
   (g) Distinguish between Fixed and Fluctuating working capital.
   (h) State motives for holding cash.
   (i) State the assumptions of M.M. hypothesis of irrelevance of dividend.
   (j) Distinguish between near and distant dividend.

(6 × 2 = 12 marks)

Section B

Answer any **three** *questions.*
Each question carries 6 *marks.*

2. What are the reasons for wealth maximisation becoming the objective of financial management ?
3. Discuss the factors affecting dividend decision.
4. Given (i) EBIT of ₹ 2,00,000 ; (ii) Corporate tax rate 30 % ; (iii) the following data, determine the amount of debt that should be used by the firm in its capital structure to maximise the value of firm :

Debt (₹)	Ki (before tax) (%) (cost of debt)	Ke (%) (cost of equity)
Nil ...	Nil	12.0
100000 ...	10.0	12.0
200000 ...	10.5	12.6
300000 ...	11.0	13.0
400000 ...	12.0	13.6
500000 ...	14.0	15.6
600000 ...	17.0	20.0

Turn over

5. From the following data, compute the duration of operating cycle for each of the two years and comment :

Particulars		*Year 1* (₹)	*Year 2* (₹)
Raw materials in stock	...	40,000	54,000
Work-in-process in stock	...	28,000	36,000
Finished goods in stock	...	42,000	48,000
Purchase of raw material	...	1,92,000	2,70,000
Cost of goods sold	...	2,80,000	3,60,000
Sales	...	3,20,000	4,00,000
Debtors	...	64,000	1,00,000
Creditors	...	32,000	36,000

Assume 360 days per year for computational purposes.

6. A project cost ₹ 72,000 and is expected to generate cash in flows of ₹ 22,400 annually for 5 years. Calculate IRR of the project.

(3 × 6 = 18 marks)

Section C

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

7. Explain the scope of financial management.

8. What are the factors to be considered in computing the amount of working capital ? Explain.

9. ABC Company is planning to expand its assets by 50 %. All financing for this expansion will come from external sources. The expansion will generate additional sales of ₹ 6 lakhs with a return of 25 % on sales before interest and taxes. The finance department of a company has submitted the following plans for the consideration of the board.

Plan I—Issue of 10 % debentures

Plan II—Issue of 10 % debentures for half the required amount and balance in equity shares to be issued at a 25 % premium.

Plan III—Issue equity shares at 25 % premium.

Balance Sheet as on 31st March 2024

Liabilities		*Amount*	*Assets*		*Amount*
Equity share capital			Total Assets	...	24,00,000
(₹ 10 per share)	...	8,00,000			
8 % Debentures	...	6,00,000			
Retained earnings	...	4,00,000			
Current Liabilities	...	6,00,000			
		24,00,000			24,00,000

Income Statement for the year ending 31-3-2024 :

Sales	...	38,00,000
Operating cost	...	32,00,000
EBIT	...	6,00,000
Interest	...	48,000
EBT	...	5,52,000
Tax	...	1,93,200
EAT	...	3,58,800
EPS	...	4.485

(a) Determine the number of equity shares to be issued if plan III is adopted.

(b) Determine the indifference point between (i) Plan I ; (ii) Plan I and III ; (iii) Plans II and III.

(c) Assume that price earnings ratio is expected to remain unchanged at 8 if plan III is adopted, but is likely to drop to 6 if either plan I or II is used to finance the expansion. Determine the expected market price of shares in each of the situation.

10. A company is considering an investment in a project that requires an initial net investment of ₹ 3,000 with an expected cash flow (CFAT) generated over three years as follows :

Year 1		Year 2		Year 3	
CFAT (₹)	Probability	CFAT (₹)	Probability	CFAT (₹)	Probability
800	0.1	800	0.1	800	0.2
1000	0.2	1000	0.3	1000	0.5
1500	0.4	1500	0.4	1500	0.2
2000	0.3	2000	0.2	2000	0.1

(a) What is the expected NPV of this project (Assume that the probability distributions are independent and the risk free rate of interest in the market is 0.05).

(b) Calculate the standard deviation about the expected value.

(c) Find the probability that NPV will be less than zero. (Assume that the distribution is normal and continuous).

(d) What is the probability that NPV will be greater than zero ?

(e) What is the probability that NPV will be (i) between the range of ₹ 500 and ₹ 750 ; (ii) between the range of ₹ 400 and ₹ 600.

11. The earnings per share of a company is ₹ 8 and the rate of capitalisation is 10 %. The company has before it an option of adopting (i) 25 % ; (ii) 50 % ; (iii) 75 % ; and (iv) 100 % dividend pay out ratio. Compute the market price of the company's quoted shares as per Walter's model if it can earn a return of (a) 15 % ; (b) 10 % ; and (c) 5 % on its retained earnings.

(3 × 15 = 45 marks)