



SS – 500

V Semester B.Com. Examination Nov./Dec. 2018

(CBCS) (F + R) (2017-18 and Onwards)

COMMERCE

5.5 : Elective Paper – I : International Financial Management

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should **completely** either be in **English** or **Kannada**.

SECTION – A

1. Answer **any five** questions. **Each** question carries **two** marks. **(5×2=10)**
- Define Money Market.
 - What is Hedging ?
 - Expand :
 - VED,
 - EOQ.
 - Initial investments Rs. 7,50,000, Scrap value Rs. 1,00,000, Working life 5 years, Additional working capital Rs. 50,000. Calculate average investments.
 - What is securitization ?
 - What is operational risk ?
 - Differentiate between Accounts Receivable and Accounts Payable.

SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. **(3×6=18)**

- Explain briefly important Financial Institutions operating in India.
- What is inventory management ? Explain the objectives of inventory management.
- What is capital rationing ? Explain the factors determining capital rationing.
- What is source of finance ? Elucidate long-term source of finance in the context of International Business.

P.T.O.



6. Mr. Antony is contemplating to buy an equity share of Infosys Ltd. and intends to hold it for two years. The expected dividend at the end of the first and second year is Rs. 9 and Rs. 10 respectively. The expected cash realised from the sale of this share at the end of second year is Rs. 400. The expected rate of return is 10%, compute value of share.

SECTION – C

Answer **any three** questions. **Each** question carries **fourteen** marks. (3×14=42)

7. Critically evaluate 'Profit Maximization' and 'Wealth Maximization' as two important objective of Financial Management.
8. What is Capital Budgeting ? Explain various methods of Capital Budgeting.
9. Explain in detail the factors determining working capital.
10. Alex Ltd. is expecting a net income of Rs. 75,000. It has Rs. 1,50,000, 6% debentures. The equity capitalization rate of the company is 10%. Calculate :
 - a) The value of the firm and overall capitalization rate according to Net Income (Ignore Income Tax).
 - b) The value of firm and overall capitalization rate if the debenture value increases to Rs. 2,00,000.
 - c) The value of the firm and overall capitalisation rate, if the debenture value decreases to Rs. 1,00,000.
11. Explain in detail various instruments of Money Market.

ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ – ಎ

1. ಯಾವುದೇ ಐದು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿಯೊಂದು ಪ್ರಶ್ನೆಯೂ ಎರಡು ಅಂಕಗಳನ್ನು ಹೊಂದಿರುತ್ತದೆ.

(5×2=10)

- a) ಹಣ ಮಾರುಕಟ್ಟೆಯನ್ನು ವ್ಯಾಖ್ಯಾನಿಸಿ.
- b) ಹೆಡ್ಜಿಂಗ್ ಎಂದರೇನು ?
- c) ವಿಸ್ತರಿಸಿ :
 - i) ವಿ.ಇ.ಡಿ.
 - ii) ಇ.ಒ.ಕ್ಯು.