



# ARKA JAIN University, Jharkhand

2<sup>nd</sup> Semester Final Examination – 2017-18

Subject: Financial Accounting - II

Course: B.COM

Full Marks: 70

Pass Marks: 28

Time: 3 Hours

- Candidates are required to give their answers in their own words as far as practicable.
- Question Paper is divided into **Three Parts –A, B & C**
- **Part-A** is compulsory. It contains **FIFTEEN** questions.
- **Part- B** contains **FOUR** questions out of which **TWO** questions are to be answered.
- **Part- C** contains **SIX** questions out of which **THREE** questions are to be answered.

## PART A

Q1.

All questions are compulsory

[A] . Choose the correct answer / Fill in the blanks

(10x1)

a) Under Hire Purchase system of accounting, the benefit of depreciation is available to \_\_\_\_\_?

- i) Hire Purchase ii) Hire Vendor iii) both of the above iv) none of the above

b) Which of the following is not a feature of Income & Expenditure A/c?

- i) It is nominal account.  
ii) It is prepared under accrual basis.  
iii) It records both capital and revenue natured transactions.  
iv) It records transactions of the current accounting period only.

c) The solvent partners must share the deficiency of an insolvent partner in

- i) Capital Ratio ii) Profit Sharing Ratio iii) both of the above iv) none of the above  
d) Interest is charged on the amount  
i) Paid amount ii) Outstanding amount iii) Hire-Purchase price iv) none of the above

d) In Hire Purchase System ,If the Hire Purchaser fails to pay any installment then the Hire Vendor may

- i) Take back the possession of the goods ii) Give the purchaser time to repay  
iii) Both of the above iv) None of the above

e) Interest is charged on the amount

- i) Paid amount ii) Outstanding amount iii) Hire-Purchase price iv) None of these.

f) Transactions entered in Receipts and Payment Account is done in the same manner as it is done in

- i) Cash Book ii) Profit & Loss Account iii) Nominal Account iv) None of the above

g) Hire Purchase Price - \_\_\_\_\_ = \_\_\_\_\_

h) The account in which all the assets and liabilities are transferred at book values and is prepared at the time of firm dissolution is called as \_\_\_\_\_

i) In Single entry system of accounting \_\_\_\_\_ is prepared to ascertain the employed?

j) The two methods of calculation of purchase consideration are: \_\_\_\_\_ & \_\_\_\_\_.

**[B] Very Short Questions**

(5x1=5)

- Mention one demerit of single entry system of accounting.
- Mention one situation where the firm is dissolved without the intervention of court.
- Mention one advantage of preparing income and expenditure account.
- How is the amount of deficiency of insolvent partner distributed when the capitals are fixed?
- How are undistributed profits dealt with at the time of dissolution of firm?

**PART - B**

Attempt any **TWO** questions from this section

**Q 2.**

(2x5=10)

- What are the Journal Entries in the books of Hire Purchaser
- What are the differences between Receipts & Payment and Cash Book?
- How will you calculate Profit earned during the year in case of Single Entry system. Explain the same with the help of an example.
- Calculate the profit at the end of the year from the following-

Particulars	31.3.15	31.3.16
Machinery	80000	150000
Debtors	70000	95000
Stock	60000	80000
Furniture	40000	50000
Cash	20000	25000
Creditors	80000	60000

Also consider the following adjustments regarding the same.

- Depreciate Machinery @10% and furniture @5% p.a
- A provision for bad and doubtful debts is to be created @2.5% on Debtors.
- Provide interest on capital @ 5% p.a

**Q.4).** John maintains his books on Single Entry system. The position of his business on 1<sup>st</sup> April, 2005 and on 31<sup>st</sup> March, 2005 is as follows:

Liabilities	As on 01.04.2014 (in Rs.)	As on 31.03.2015 (in Rs.)	Assets	As on 01.04.2014 (in Rs.)	As on 31.03.2015 (in Rs.)
Creditors	13,500	14,200	Furniture	6,000	8,000
			Stock	25,100	26,000
			Debtors	18,700	24,600
			Cash at Bank	5,400	8,400
			Cash in Hand	2,200	1,500
			Bills Receivable	-----	3,300

During the year, John withdrew from the business Rs.18,000, out of which Rs.9,200 were spent for the purchase of a Computer Table for the business.

The following additional adjustments have to be taken in the books:

- Depreciation on Furniture and Computer Table @ 10% p.a.
- Bad Debts of Rs.600 have to be written off and 5% provision for bad and doubtful debts to be created on debtors.

You are required to calculate the profit or loss of the business for the year ended 31<sup>st</sup> March, 2015, and prepare a final statement of affairs, after taking into account the above adjustments

**Q.5).** Joe, John & Joseph were carrying on business in partnership sharing profits and losses in the ratio of 4:3:1 respectively. On 31<sup>st</sup> March, 2015, they agreed to sell their business to a J Ltd. Their position on that date was as follows:

	(in Rs.)		(in Rs.)
Joe's Capital	40,000	Machinery	48,000
John's Capital	30,000	Furniture	42,000
Joseph's Capital	26,000	Stock	23,000
Loan on Mortgage	16,000	Debtors	15,000
Creditors	18,000	Cash	2,000
	<b>1,30,000</b>		<b>1,30,000</b>

J Ltd. took the following assets at the valuation shown below:

Machinery	61,000
Furniture	31,800
Stock	22,000
Debtors	14,000
Goodwill	10,000

The Company also agreed to pay the creditors which were agreed at Rs. 17,700. The company paid Rs. 67,000 in fully paid shares of Rs. 10 each and the balance in cash. The expenses for dissolution amounted to Rs. 1,500.

Prepare necessary ledger accounts in the books of the firm.

**PART- C – (45 marks)**

Attempt any **THREE** questions from this section

**(3x15=45)**

**Q.3).** The following is the Receipts and Payments account of a Moon Club for the year ended 31<sup>st</sup> Dec 2012

<b>Receipts</b>	<b>Amt (in Rs.)</b>	<b>Payments</b>	<b>Amt (in Rs.)</b>
Cash in Hand (1.1.2012)	15,000	Bank Balance –O/D (1.1.2012)	31,000
Subscriptions:		Investment in securities	30,000
2011	3,000	Purchase of Furniture	14,500
2012	1,62,000	Salaries	62,000
2013	1,500	Stationery	8,900
Income from Entertainment	2,900	Misc. Expenses	14,200
Entrance Fees	6,700	Balances:	
Interest on securities	4,800	Cash	5,500
Sale proceeds of old chairs	1,200	Bank	31,000
	<u>1,97,100</u>		<u>1,97,100</u>

**Additional Information:**

- i) The society has 3,600 members each paying annual fee of Rs. 50, subscriptions amounting Rs. 900 were still in arrears for the year 2011.
- i) Salary of Rs. 5,500 for December 2012 is outstanding and Misc expenses outstanding 31.12.2011 were Rs. 1,320. The club had paid Rs. 5,500 in 2011 for telephone charges out which Rs. 1,250 related to 2012.
- ii) Entrance Fees was to be capitalized.
- iv) As on 31.12.2011, value of premises was Rs. 2,45,000 and Investment Rs. 65,000
- v) Stock of Stationery on 01.01.2012 was Rs. 1,250 and on 31.12.2012 was Rs. 870
- vi) Depreciate Fixed Assets by 5% p.a.

You are required to prepare the Income and Expenditure Account of the Club for the year ended 31<sup>st</sup> December 2012 and Balance Sheet as on that date.

Q.6). The balance sheet of M/s P, Q & R as on March 31, 2016 is as below:

	(in Rs.)		(in Rs.)
P's Capital	35,000	R's Capital	70,000
Q's Capital	21,000	Furniture	21,000
P's Loan	70,000	Stock	1,68,000
Creditors	2,80,000	Debtors	1,40,000
		Cash	7,000
	<u>4,06,000</u>		<u>4,06,000</u>

Due to the inability to pay the creditors, the firm was dissolved. Q & R could not pay anything. P can contribute only Rs. 10,500 from his private estate. Stock realized Rs. 1,05,000; Debtors Rs. 1,12,000 and Furniture Rs. 7,000. Dissolution expenses amounted to Rs. 21,000.

Prepare necessary ledger accounts to close the books of the firm

Q.7) Show the journal entries in the books of Firm (Transferor) and Purchasing co. (Transferee) which are passed at the time of conversion of a firm into company.

Q.8) Differentiate between Receipts and Payment and Income and Expenditure account.



# ARKA JAIN University, Jharkhand

2nd Semester Final Examination – 2017-18

Subject : Macro Economics ✓

Course: BBA/B.Com

Full Marks : 70

Pass Marks: 28

Time : 3 Hours

- Candidates are required to give their answers in their own words as far as practicable.
- Question Paper is divided into **Four Parts –A, B, C & D**
- **Part-A & D** are compulsory.
- **Part- B** contains **SIX** questions out of which **FOUR** questions are to be answered.
- **Part- C** contains **SIX** questions out of which **THREE** questions are to be answered.

## PART A

Q.1) All questions are compulsory

A] Multiple Choice Questions:

(5x1=5)

- a) Sugarcane purchased by a sugar mill producing sugar is what type of good?
- Final good
  - Consumption of fixed capital
  - Intermediate good
  - Consumer good.
- b) Paper notes and coins are called
- Flat money
  - Fiat money
  - Legal tenders
  - Both ii & iii
- c) What is narrow money ?
- M1
  - M1 +M2
  - M1+M2+M3
  - M1+M2+M3+M4
- d) When price rises at an extraordinarily fast rate it is called
- Disinflation
  - Deflation
  - Inflation
  - Hyperinflation
- e) What is meant by 'Consumption of fixed capital' in economics?
- Investment
  - Value Added
  - Depreciation
  - Production flow

B] Very Short question

(5x2=10)

- Differentiate between Net National Product and Gross National Product.
- Explain the concept of comparative statics.
- What is Stagflation?
- How central bank acts as a clearing agent?
- Explain Two functions of Commercial Bank?

PART B

**Q2. Answer any four:**

**(4x5=20)**

- i) What is the difference between GDP & GNP? Which one is the better measure of income? Why?
- ii) How Micro economics & Macro economics are interdependent on each other?
- iii) What is inflation? Explain the various degrees of inflation.
- iv) Explain the expenditure method of calculating National Income?
- v) What are trade cycles? Discuss their characteristics in brief.
- vi) Distinguish between Stock and Flow variables.

PART C

**Answer any three:**

**(3x10=30)**

**Q.3)** What is double counting? Enumerate the measures to avoid double counting in National Income Estimation.

**Q.4)** What is demand pull inflation? What are the factors that contribute to demand pull inflationary situation in an economy?

**Q.5)** Explain the monetary measures adopted by the Central Bank in controlling the volume of credit in an economy?

**Q.6)** What are the objectives behind Nationalization of commercial Banks in India? Have they been achieved and to what extent?

**Q.7)** Explain the circular flow of income in a four sector economy.

**Q.8)** 'Loans create deposits and deposits create loans'. Explain?

PART D

**Q.9) Case Study :**

**(1x5=5)**

Read the following extract and then answer the questions that follow.

At a recent doctor's appointment I told my physician about a story I'm working on that involves the securitization of loans in which the underlying collateral is housing, evoking the dreaded term "mortgage-backed securities."

My doctor's reaction was something I've heard several times from friends and family lately: "They're doing the same things that caused the financial crisis!"

In a lot ways that is true; much of the financial machinery that produced mortgage-backed securities and their derivatives are still in place, churning out the same products that wreaked havoc on the global economy.

While it looks like things are stable now, that doesn't mean it can't change in a hurry. One of the remarkable things about the financial crisis is how quickly the bubble was inflated. Bad, adjustable-rate loans started seeping into the market in 2005, and three years later the economy was in free fall.

Already we're seeing an uptick in subprime mortgage bonds produced by private lenders, although it's grown from barely a tiny blip into a slightly larger tiny blip. In 2014, \$100 million in mortgage-backed securities was issued. In just the first half of 2017, \$2.6 billion in subprime mortgage-backed securities were issued in the \$53.5 billion mortgage-backed securities market. Even if all the new subprime mortgage bonds failed, financial markets would hardly notice. In 2006, there was almost \$1.5 trillion in outstanding subprime mortgage debt.

Today's housing bubble isn't a bubble at all, but a reflection of an incredible supply and demand imbalance.

In the run up to the crisis, easy credit created an artificial demand for housing that pushed

prices up, creating a bubble that ultimately burst. Today, millennials looking to become first-time home buyers are flooding a housing market that's starved for supply. Low supply and high demand means high prices. One could argue that today's housing bubble isn't a bubble at all, but a reflection of an incredible supply and demand imbalance.

There are so many institutions and industries that depend on home prices going up that there are intense institutional and policy forces causing just that. If they haven't already, those forces may push prices beyond the real value of the asset. Wall Street being Wall Street, it's found new ways to squeeze every last dollar out of the housing market by leveraging big data and national online investor platforms such as those for home flipper loans and so-called iBuyers.

The financialization of housing by institutional capital has negative consequences, like inflating home values at a time when affordable housing is scarce to nonexistent. And as housing is such a bedrock of the U.S. economy, the well-being of housing and the economy are tethered such that if one goes down, the other goes down with it.

It may over the next few years turn out that these forces inflate a housing bubble—and that bubble might burst, causing an economic down turn. The inverse could happen, too. But given changes to lending practices and the mortgage securitization chain, the bubble probably won't burst in the same way it did last time around.

- a) . What led to the oversupply of houses? (1)
- b) . What are the negative consequences of financialization of housing?(1)
- c) . What do you mean by "Housing Bubble"? (3)



But there are a few key differences between the housing market then and the housing market today. Another global financial calamity, or at least one that mirrors the previous one, is unlikely.

While highly complex debt instruments such as mortgage-backed securities, collateralized debt obligations, and credit-default swaps are what turned the housing crash into a financial crash, the underlying problem was ultimately quite simple: Low- and moderate-income people were given mortgages on which default wasn't just possible or even probable, but inevitable.

In the early 2000s, the construction sector churned out houses at a dizzying pace, leading to an oversupply of single-family homes. To get people into these homes, lenders extended credit to people who shouldn't have gotten it, and the terms of the mortgages were such that the interest rates would "reset" after a couple years.

The process was egged on by Wall Street, which catered to intense global demand for mortgage-backed securities from investors both foreign and domestic. The explosion of these securities created demand from hedge funds and insurance companies for credit-default swaps and other derivatives, which served as insurance policies against their mortgage-backed securities.

The frenzy pushed home prices up, and everyone in the chain was getting rich on transaction fees with no regard for whether the mortgage payments actually came in. When the interest rates on subprime mortgages began to "reset" to higher rates in 2007, defaults sky-rocketed, the securities failed, and the whole system came crashing down.

Today, all this financial machinery still exists, with one key difference—subprime mortgage loans with adjustable rates aren't being written at anywhere close to the same volume. This isn't necessarily a result of newfound restraint by mortgage lenders and Wall Street bankers; it's more a reflection of a housing market that's the inverse of the one that existed in the run-up to the collapse.

Subprime mortgage loans with adjustable rates aren't being written at anywhere close to the same volume [as in the early 2000s].

Instead of a housing oversupply that required creative lending to attract buyers, today we have a housing shortage that's creating an affordability crisis. Homes for sale in some of the hotter markets in the U.S. spark intense bidding wars usually won by the person with the most cash or the best credit. Would a realtor be going to sell a home to someone who needs a subprime mortgage when they can pick between multiple offers that are more than likely going to include someone with good credit?

In addition, almost 90 percent of the mortgage-backed securities today are produced by the "government-sponsored" mortgage facilitators Freddie Mac, Fannie Mae, and Ginnie Mae, compared to roughly half in the run-up to the housing collapse. Those enterprises now have strict credit guidelines for the mortgages they package into their mortgage-backed securities.

Most mortgage lenders don't hold the loans they write; they sell them to Fannie Mae or Freddie Mac. They can redeploy that money into a new loan. They make money off the transaction, not on the income from the mortgage payment. But they can't sell the mortgages to Fannie or Freddie if they don't conform to Fannie or Freddie's rules. For the most part, this forces banks and mortgage lenders into better lending practices.



# ARKA JAIN University, Jharkhand

2<sup>nd</sup> Semester Final Examination – 2017-18

Subject: Introduction to Marketing

Time: 3 Hours

Course: B.COM

Full Marks: 70

Pass Marks: 28

- Candidates are required to give their answers in their own words as far as practicable.
- Question Paper is divided into **Three Parts –A,B, C & D**
- **Part-A & D** are compulsory.
- **Part- B** contains **SIX** questions out of which **FOUR** questions are to be answered.
- **Part- C** contains **SIX** questions out of which **THREE** questions are to be answered.

## PART A

Q.1) All questions are compulsory

[A] Multiple Choice Questions:

(5x1=5)

- a) Which of these is not an example of personal selling\_
- i) Sales presentations
  - ii) Sales meetings
  - iii) Fairs and trade shows
  - iv) Speeches
- b) A \_\_\_\_\_ elaborates on product and service attributes or benefits.
- i) Transformational appeal
  - ii) Informational appeal
  - iii) Both (i) and (ii)
  - iv) None of them
- c) Sonia buys her ethnic clothes only from Biba. Sonia is a\_
- i) Split loyal
  - ii) Hard-core loyal
  - iii) Switcher
  - iv) Shifting loyal
- d) Consumer may be unaware of or uninterested in the product
- i) Negative demand
  - ii) Latent demand
  - iii) Non-existent demand
  - iv) Unwholesome demand
- e) A marketer is someone who seeks a response- attention, a purchase, a vote, a donation-from another party called the \_\_\_\_\_
- i) Consumer
  - ii) Customer
  - iii) Prospect
  - iv) All of the above

**[B] Very Short question**

(5x2=10)

- a) Define Positioning.
- b) What do you understand by loss leader pricing?
- c) Define core competencies? Give an example
- d) What are the key three factors that leads to a particular perception of price in consumer mind?
- e) Give two examples of sales promotion.

**PART B**

**Q2. Answer any four:**

(4x5=20)

- i) Explain in details the AIDA Model for effective communication.
- ii) Briefly explain the basis for marketing segmentation.
- iii) Explain in details the various promotional pricing strategies used by marketers
- iv) What is straddle positioning? Explain with a suitable example.
- v) Explain in details what is a product mix?
- vi) Define advertisement. What is the objectives of advertisements?

**PART C**

**Answer any three:**

(3x10=30)

- Q.3) What is market segmentation. Explain the various parameters for geographic segmentation.
- Q.4) Explain the various levels of distribution channels. Give suitable examples.
- Q.5) What is marketing communication mix? Explain all the communication platforms used with suitable examples.
- Q.6) Explain in details the six essential steps involved setting the price of a product.
- Q.7) Marketers market ten main types of entities. Explain all with examples.
- Q.8) How will a company do positioning for a small product which is new in the market?

**PART D**

**Case Study**

(1x5=5)

- Q9) Explain 4P's with reference to AMUL.



# ARKA JAIN University, Jharkhand

2nd Semester Final Examination – 2017-18

Subject : Principles of Auditing

Time : 3 Hours

Course: B.Com

Full Marks : 70

Pass Marks: 28

- Candidates are required to give their answers in their own words as far as practicable.
- Question Paper is divided into **Three Parts –A, B & C**
- **Part-A** is compulsory.
- **Part- B** contains **SIX** questions out of which **FOUR** questions are to be answered.
- **Part- C** contains **SIX** questions out of which **THREE** questions are to be answered.

## PART A

Q.1) All questions are compulsory

A) Multiple Choice Questions :

(10x1=10)

- a) Divorce between ownership and \_\_\_\_\_ leads to the need of auditing
- Management
  - Sole Proprietorship
  - Partnership
  - Joint Stock Company
- b) What is the profit that does not have any liquid cash backing is called?
- Gross Profit
  - Paper Profit
  - Net Profit
  - Liquid Profit
- c) Under which section of the Companies Act 2013 is government audit defined?
- 194
  - 294
  - 394
  - 494
- d) What type of audit is not permitted under company law?
- Statutory Audit
  - Interim Audit
  - Partial Audit
  - Company Audit
- e) Which department is authorized to induct new workers?
- Pay roll department
  - Production department
  - Personnel department
  - Personal department
- f) Detection or errors and frauds are
- Primary objectives
  - Secondary objectives
  - Social objectives
  - Specific objectives

- g) Misappropriation of assets is
- i) Employee Fraud
  - ii) Management Fraud
  - iii) Error of commission
  - iv) Error of Principle
- h) Internal control is divided into two kinds of control
- i) Cost and Management control
  - ii) Cash and Credit control
  - iii) Cash and Management control
  - iv) Administrative and Accounting control
- i) The auditor shall have the right to receive ----- for auditing the accounts of the company.
- i) Remuneration
  - ii) Reward
  - iii) Award
  - iv) Commission
- j) It is the duty of the auditor to-- ----- to the members of the company on the Accounts examined by him.
- i) Comment
  - ii) Give suggestions
  - iii) Refer certain points
  - iv) Make a report

**B] Very Short question**

(5x2=10)

- a) What do you mean by scrap value?
- b) State any four services which an auditor is not supposed to perform.
- c) When does a tax audit become compulsory?
- d) What is Deferred Revenue Expenditure.
- e) What is Professional Ethics?

**PART B**

**Q2. Answer any four:**

(4x5=20)

- i) State any five differences between Accountancy and Auditing.
- ii) What is a periodical audit? Explain any four advantages of periodical audit.
- iii) What are the principles of verification?
- iv) Explain Internal Check as regards Cash Sales.
- v) What are preliminary works which an auditor should do to audit an educational institution?
- vi) What is Internal Audit? Explain its objectives.

Answer any three:

(3x10=30)

Q.4) Explain the Rights, Duties and Liabilities of Company Auditor.

Q.5) What is an audit note book? What are its contents and advantages?

Q.6) Explain clearly internal check regarding wages.

Q.7) What is Vouching? How does it differ from Routine Checking? Discuss the objects of vouching.

Q.8) Explain clearly the valuation of the following assets i) Stock in Trade; ii) Land; iii) Fictitious Assets

Q.9) What is Management Audit? Discuss its advantages & disadvantages.

PART B

Q2. Answer any Three

(3x4=12)

- i) Comment on the theme of poem 'The Break' by B.K. Chatterjee.
- ii) Give a brief idea of 'The Dear Departed' by G.K. Chesterton.
- iii) The Redoubt is a yearning for days of innocence. Justify.
- iv) Comment on the theme of 'Ode on Solitude' by Percy Bysshe Shelley.
- v) Give a brief character sketch of Abel Merryweather.

PART C



# ARKA JAIN University, Jharkhand

2nd Semester Final Examination – 2017-18

Subject : English

Time : 3 Hours

Course: B.Com

Full Marks : 70

Pass Marks: 28

- Candidates are required to give their answers in their own words as far as practicable.
- Question Paper is divided into **Three Parts –A, B & C**
- **Part-A** is compulsory.
- **Part- B** contains **FIVE** questions out of which **THREE** questions are to be answered.
- **Part- C** contains **FOUR** questions out of which **TWO** questions are to be answered.

## PART A

Q.1) All questions are compulsory

**A] Transformation of sentences:**

(8x1=8)

- i. I had delivered the letters yesterday .  
The letters .....
- ii. Who shot the deer?  
By.....
- iii. No student has attended the class.  
Neither.....
- iv. The boys were obedient. They were responsible.  
Not only.....
- v. Manoj is sketching the plan.  
The plan.....
- vi. I will never listen to you.  
Never.....
- vii. My brother didn't attend the lecture. He wasn't well.  
Since.....
- viii. Who broke the jug?  
By whom.....

## PART B

Q2. Answer any Three :

(3x4=12)

- i) Comment on the theme of poignancy in BREAK BREAK BREAK.
- ii) Give a brief idea of human malice you find in The Dear Departed.
- iii) The Retreat is a yearning for days of innocence. Justify
- iv) Comment on the theme of Ode on Solitude.
- v) Give a brief character sketch of Abel Merryweather.

## PART C

Answer any two:

(2x7.5)

Q.3) 'Greed and selfishness often brings human doom.' Analyze with reference to THE DEAR DEPARTED.

Q.4) Comment on the theme of righteousness in THE DEAR DEPARTED.

Q.5) Theme of love in Sonnet 116. Justify

Q.6) Break Break Break as an Elegy. Discuss





# ARKA JAIN University, Jharkhand

2<sup>nd</sup> Semester Final Examination – 2017-18

B.COM

Subject: Business awareness-II

Course: BBA/B.COM

Time: 2 Hours

Full Marks:35

Pass Marks: 14

- Candidates are required to give their answers in their own words as far as practicable.
- Question Paper is divided into **Four Parts –A,B,C & D**
- **Part-A & D** are compulsory.
- **Part- B** contains **FIVE** questions out of which **THREE** questions are to be answered.
- **Part- C** contains **FOUR** questions out of which **TWO** questions are to be answered.

## PART A

Q.1) all questions are compulsory

[A] Multiple Choice Questions:

(6x1=6)

- a) In which stage does sales volume peak
  - i) Introduction
  - ii) Growth
  - iii) Maturity
  - iv) Decline
- b) Which of the following is NOT an example of a political risk?
  - i) Government regulations
  - ii) War
  - iii) Civil unrest
  - iv) Cost of production
- c) The Indian Companies Act was enacted in the year
  - v) 1921
  - vi) 1947
  - vii) 1956
  - viii) 1950
- d) What is the 'O' in SWOT analysis?
  - i) Organization
  - ii) Opportunities
  - iii) Obstacles
  - iv) None of the above
- e) The first Fortune 500 was published in the year
  - v) 1955
  - vi) 1985
  - vii) 2001
  - viii) 2016
- f) Which Indian Company is at the top of the list of Global Fortune 500 List of Companies, 2017?
  - i) Tata Steel
  - ii) Reliance Industries
  - iii) Indian Oil Corporation
  - iv) SBI

## PART B

**Q.2) Answer any Three:**

**(3x4=12)**

- i) What is the final stage of PLC? Explain the three possible outcomes at this stage.
- ii) Classify the types of companies on the basis of liability.
- iii) Write a short note on corporate leadership.
- iv) Name the nations which participated in the Delhi Auto Expo, 2018.
- v) What is SWOT analysis? Explain with suitable examples.

## PART C

**Answer any two:**

**(2x6=12)**

- Q.3)** Explain the Entrepreneurial Qualities of Mr. Sachin Bansal and Binny Bansal.
- Q.5)** What do you understand by an Incubator in the Startup context. Explain its role for the Startups.
- Q.6)** Design a V.M.G.O. Statement of an organization, justifying it with the nature of business and the sector to which the organization is catering to.
- Q.8)** Comment on the current status of E-commerce industry in India.

## PART D

**Q 9) Case Study**

**5 marks**

For mobile wallet players, it's survival of the fittest, not the fastest

DELHI: Pictures might tell a story, but numbers instill life into it. Take, for instance, mobile wallet startup MobiKwik. Since last November, it's been adding 10,000 merchants every day. "We have doubled in last seven months," says Upasana Taku, cofounder of the Gurgaonbased firm, which claims to have 55 million users and over 1.5 million merchants. We have a field force of thousand people, each acquiring 10 merchants every day, claims Taku. It's not only MobiKwik; the entire wallet market has exploded from Rs 33.05 billion last November to `73.12 billion in March this year. The wallet volume, however, has grown at a faster clip: from 99.57 million last October to 307.45 million in March according to Reserve Bank of India data. The result, consequently, has been nothing short of spectacular for wallet players who have been aggressively adding users, and consumers who have been making the most of cashbacks and freebies. "It's a great Indian wallet tamasha," says Ashita Aggarwal, head of marketing at SP Jain Institute of Management and Research. "Might of wallet and fight for wallet have just begun,"

she adds. But as the scramble to catch users gathers pace, only the deep-pocketed will survive. And the first big one to bow out is Snapdeal-owned Freecharge, which has reportedly been on the block and might get snapped by rival Paytm. But for one every exit, there are many others either queuing up who've just entered. Take, for instance, Swedish communication biggie Truecaller which tied up with ICICI Bank in March this year to launch a UPI-based mobile payment service from its app. Truecaller Pay will allow users to instantly create a UPI ID, send money to any UPI ID or mobile number registered with the BHIM app. It will also enable users to recharge their mobile numbers from within the Truecaller app, the bank said in a release. Then there is global payments major PayPal which has applied for mobile wallet license in India. Amazon recently received a prepaid payment instrument license, and WhatsApp too might take the plunge. Bhavik Vasa, chief growth officer of ItzCash, contends the market opportunity is huge as 85% of the population is still dealing with cash. "We have witnessed more than 6.5 lakh transactions a day," claims Vasa, adding that the digital payments company has so far raised about \$50 million from investors such as Matrix Partners, Intel Capital and Lightspeed Venture Partners. ItzCash, he asserts, is the only player in the industry to have turned profitable, driving a CAGR of nearly 40% for the fiscal 2016-17. "Wallet wars should be seen in the context of a big shift in India i.e. privatisation of cash," says marketing expert Jessie Paul. While consumers would like to use a single wallet across transactions, the merchants would like to use the cheapest mechanism. Cash, she reckons, is the most popular and ubiquitous option, and other payment options are used either for convenience, credit or because there is a discount associated. "If the primary function of a wallet is payment then there is no opportunity for differentiation and consolidation is a must," contends marketing expert Jessie Paul. A case in point is when online payments service provider PayU bought Mumbai based rival Citrus Pay for \$130 million (Rs 865 crore) last September. "Smaller players will find it difficult to survive against the power of capital dumping," says Jitendra Gupta, managing director of digital payments provider PayU India, which claims to have seen almost 2X jump post demonetisation. While for consumer business, capital plays an important role, customer behaviour is heavily influenced by incentives. "However, in the long run, product and customer experience will win," he avers, adding that the fate of even a well-funded e-commerce players can't be taken for granted, hinting at Snapdeal's impending buyout by Flipkart. "Wallets will face tough competition from UPI," he predicts. It will more or less become an engagement platform at low cost. "The platform has potential to transform into a full service financial services player," he adds. This is what Paytm is trying. Starting as a mobile wallet player, it has morphed into a payments bank. The company last week roped in Japanese internet and telecom conglomerate SoftBank, which pumped in \$1.4 billion at a valuation of \$7 billion. Marketing experts reckon that while Paytm has managed to pip its ecommerce and fintech peers in valuation and visibility, and has also pocketed strategic investors like Alibaba and SoftBank, what is yet to be seen how it pares its losses and turns profitable as Indian ecommerce players continue to bleed heavily on the back of aggressive advertising,

marketing and promotional expenses. Paytm reportedly saw its net losses climb four-fold to Rs1,549 crore for the year ended March 31, 2016, according to documents filed with the Registrar of Companies. Paytm declined to comment on the story. While so far all the players have kept themselves busy shaping strategies to load their wallet with VC funding, what will help them survive and grow would be an equal emphasis on loading their wallets with profits. "Till that happens, it's well begun, but half done," says Aggarwal of SP Jain Institute of Management and Research.

"It's a great Indian wallet tamasha," says Ashita Aggarwal, head of marketing at SP Jain Institute of Management and Research. What do you understand by her statement? (2)

Discuss the current scenario of the mobile wallet industry. (3)