

SET C

CBCS

Roll no.

Unique Paper Code : 22417604
Name of the Paper : International Business
Name of the Course : B. Com (Hons.)
Semester : VI
Duration : 2 hours
Maximum Marks : 75 Marks

Attempt any four questions. All questions carry equal marks.

Q1. A well established Electric Cars company in US set up their first plant in a developing nation involving huge investment. But within 2 years, it had to shut down its store in that country with huge losses because the company failed to understand the consumers and business environment there.

What would have been the possible reasons of failure? What would you suggest as one important measure, the company could have taken to avoid the failure?

Q2. "The Regional Economic Integration can both create as well as divert trade in future to member countries." Critically analyse this statement with suitable examples.

Q3. As arbitrage inflow continues, the net gain tend to diminish, and then disappear, when the interest parity line is reached. Do you agree? Explain.

Q4. Real interest rate may remain unchanged even when nominal interest rate changes. Analyse.

Q 5. Is there any need to strengthen the SEZ Scheme? Give suitable reasons. Also explain the approval mechanism for SEZ.

Q6. What induces disequilibrium in Balance of Payments in developing countries? Also explain the relevance of export promotion and import substitution as measures to control the deficit in the Balance of Payment.

Roll No.....

Sr. No. of Question Paper:

Unique Paper Code: 22411602

C

Name of the Paper: Goods & Services Tax and Custom Laws

Name of the Course: B.Com. (H) CBCS

Semester: Semester VI

Duration: 2 hours

Maximum Marks: 75 Marks

Instructions for candidates:

1. Attempt any four questions out of six questions.
2. All questions carry equal marks.

Q.1	<p>Discuss whether payment of GST under Composition Scheme is applicable in the cases given below:</p> <ol style="list-style-type: none">i) Rohit, a trader, goes to sell his garments at a trade fair organized in Delhi from September 01st to 30th, 2019. His turnover in the financial year is less than Rs. 50 lakhs. Rohit does not have a fixed place of business in Delhi.ii) Ramesh is a distributor of crockery. He is a registered dealer in Delhi during the Financial Year 2018-19. His turnover is likely to be less than Rs. 32 lakhs. He also sells his products in Haryana.iii) Karan, a Delhi based caterer, supplies food in offices and residences in Delhi. His annual turnover during the financial year 2018-19 was Rs. 35 lakhs.iv) Mr. Rawat of Shillong (Meghalaya) supplied taxable goods of Rs. 47 lakhs and supplied exempted goods of Rs. 33 lakhs during the financial year 2018-19 in different cities of Meghalaya.v) Mr. Samir Khan is a manufacturer of paan masala and tobacco products in the State of Orissa. His turnover for the year does not exceed Rs. 1.5 crores.vi) ABC Ltd. has two business units -- manufacturing steel pipes and manufacturing agricultural equipment. Its annual turnover from the two business units is Rs. 48 lakhs and Rs. 76 lakhs respectively. ABC Ltd. is registered under normal provisions of GST. With effect from April 1st 2019, it wants to opt for composition scheme.
Q.2	<p>Citing the Exemption Notification (entry number), discuss whether the following Services are chargeable to GST:</p> <ol style="list-style-type: none">i) Pranav owns two houses in a residential colony which are rented to Manav, one for residential purposes on a monthly rent of Rs. 50,000/- and the other for commercial purposes at a monthly rent of Rs. 1,00,000/-

	<p>ii) Indigo Airlines operates its flights for transportation of passengers between Mumbai and Sikkim, and also between Mumbai and Lucknow.</p> <p>iii) Shyam Lal owns a piece of agricultural land in Rohtak and another in Meghalaya. He rents it out to Ghasi Ram and Funshuk for growing wheat and rice respectively.</p> <p>iv) Anoop travels from Delhi to Bhopal alongwith his servant Ramu. He purchases a 2nd class sleeper ticket for Ramu for Rs. 640/- and himself travels in 2 Tier AC coach which costed him Rs. 2,500/-.</p> <p>v) Ms. Anubha undergoes a surgery for removal of gallbladder at Lilavati hospital. In the same visit, she also undergoes plastic surgery to get her lips re-shaped. The hospital charges her Rs. 3 lakh for the gallbladder surgery and Rs. 5 lakhs for the plastic surgery.</p> <p>vi) A registered charitable trust has a Community hall which is rented out for organizing marriage functions @ Rs. 8,000/- per day. It also has ten rooms in the same complex which are rented out for Rs. 1,100/- per room per day.</p>																								
Q.3	<p>Determine the amount of Input Tax Credit that can be claimed by Arihant Precision Pvt. Ltd., based on the following information about the inputs/goods purchased during the month of November 2019. Give reasons for each point.</p> <table border="1" data-bbox="269 846 1365 1407"> <thead> <tr> <th>S. No.</th> <th>Particulars of Inward Supplies</th> <th>GST (Rs.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>iPhone purchased to be given as gift to the Director.</td> <td>15,000</td> </tr> <tr> <td>2</td> <td>Steel rods purchased from Z Ltd., received on 12.11.2019 November, 2019.</td> <td>50,000</td> </tr> <tr> <td>3</td> <td>Machine oil received from Mr. P; the invoice was received on 09.12.2019</td> <td>20,000</td> </tr> <tr> <td>4</td> <td>Inputs purchased & used exclusively for supplying exempted Goods.</td> <td>35,000</td> </tr> <tr> <td>5</td> <td>Goods received in lots. Second lot received on 20.11.2019. Third lot to be received in December 2019.</td> <td>60,000</td> </tr> <tr> <td>6</td> <td>Goods received from X Ltd, after making full payment; tax is not yet deposited by X Ltd.</td> <td>40,000</td> </tr> <tr> <td>7</td> <td>Machinery imported from UK in respect of which Bill of Entry has been received dated 27.11.2019.</td> <td>1,20,000</td> </tr> </tbody> </table>	S. No.	Particulars of Inward Supplies	GST (Rs.)	1	iPhone purchased to be given as gift to the Director.	15,000	2	Steel rods purchased from Z Ltd., received on 12.11.2019 November, 2019.	50,000	3	Machine oil received from Mr. P; the invoice was received on 09.12.2019	20,000	4	Inputs purchased & used exclusively for supplying exempted Goods.	35,000	5	Goods received in lots. Second lot received on 20.11.2019. Third lot to be received in December 2019.	60,000	6	Goods received from X Ltd, after making full payment; tax is not yet deposited by X Ltd.	40,000	7	Machinery imported from UK in respect of which Bill of Entry has been received dated 27.11.2019.	1,20,000
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Q.4	<p>Discuss giving reason, who will be liable to make payment of GST to the Government in the following cases.</p> <p>i) M/s Jagdish Enterprises, a registered supplier sells steel pipes of Rs.1,00,000 to ABC Co.</p> <p>ii) Mr. A, a registered tax payer sells Silk Yarn to XYZ Co., also a registered taxpayer for Rs.50,000.</p> <p>iii) Gagan Enterprises, a registered tax payer provides free consultancy to M/S. ABC Pvt Ltd in which Gagan is one of the directors.</p>																								

	<p>iv) MN Ltd., a firm of advocates (registered taxpayer) provides legal consultancy of Rs 2,00,000 to Anil & Co. which is also a registered taxpayer.</p> <p>v) Mr. X imported goods from Y of Australia for Rs 5,00,000.</p> <p>vi) Mr. S, an insurance agent, provides insurance agent services to Mr. P for a commission of Rs. 3,000.</p>																		
Q.5	<p>Discuss the following cases :</p> <p>a) Registration requirement under GST Laws for X, a supplier in Maharashtra, engaged in supply of onion in Maharashtra (as well as outside Maharashtra). His turnover has exceeded the threshold limit in Nov 2019.</p> <p>b) Registration requirement for Ratan Traders of Delhi engaged in Intra-state supply of ladies garments, who are planning to participate in an exhibition scheduled for next month in Surat, Gujarat.</p> <p>c) Registration requirement of Y of Mizoram engaged in supply of goods in Mizoram with an aggregate turnover of Rs. 15 lakh</p> <p>d) Z is registered under GST. He owns a small stationery shop. Is he required to issue separate tax invoice for all the supplies made by him in a day? Discuss the alternative available to him.</p> <p>e) Penalty payable by Q, a registered supplier who claimed Input Tax Credit of Rs. 7,500 without actual receipt of goods and services.</p> <p>f) Procedure of generating E-way Bill where W, a consignor, is required to move goods worth Rs.53,000 from NOIDA (UP) to Lucknow (UP). W appointed Hari Transporters to move goods. Hari Transporters transported goods from NOIDA to Agra (UP) and handed over the goods to Ajay Transporters at Agra to be further transported to Lucknow. Ajay transporter transported the goods to the final destination Lucknow.</p>																		
Q.6	<p>Following information is provided in respect of payments made by X FOR goods imported by him from Y (unrelated party), price being the sole consideration for sale.</p> <table border="1" data-bbox="293 1291 1182 1711"> <thead> <tr> <th data-bbox="293 1291 329 1360"></th> <th data-bbox="329 1291 984 1360">Description</th> <th data-bbox="984 1291 1182 1360">Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="293 1360 329 1430"></td> <td data-bbox="329 1360 984 1430">Price of the goods imported</td> <td data-bbox="984 1360 1182 1430">20,00,000</td> </tr> <tr> <td data-bbox="293 1430 329 1499"></td> <td data-bbox="329 1430 984 1499">Payment for design and engineering work</td> <td data-bbox="984 1430 1182 1499">1,40,000</td> </tr> <tr> <td data-bbox="293 1499 329 1568"></td> <td data-bbox="329 1499 984 1568">Payment for Royalty and license fees</td> <td data-bbox="984 1499 1182 1568">2,50,000</td> </tr> <tr> <td data-bbox="293 1568 329 1638"></td> <td data-bbox="329 1568 984 1638">Payment for Transportation cost (by sea)</td> <td data-bbox="984 1568 1182 1638">4,00,000</td> </tr> <tr> <td data-bbox="293 1638 329 1711"></td> <td data-bbox="329 1638 984 1711">Insurance cost (actual)</td> <td data-bbox="984 1638 1182 1711">2,00,000</td> </tr> </tbody> </table> <p>a) Ascertain the Transaction Value of goods under Indian Custom Laws from the above information.</p> <p>b) In which cases the Transaction Value so ascertained is not accepted by Custom</p>		Description	Amount(Rs.)		Price of the goods imported	20,00,000		Payment for design and engineering work	1,40,000		Payment for Royalty and license fees	2,50,000		Payment for Transportation cost (by sea)	4,00,000		Insurance cost (actual)	2,00,000
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authorities?

- c) Specify the basis of valuation as per rule 4 to rule 9 of Indian Custom Rules, in case the Transaction Value is rejected.

Unique Paper Code : 22417601
Name of the Paper : Fundamentals of Investment
Name of the Course : B.Com (Hons.) : DSE-3
Semester : VI
Duration : 2 hours
Maximum Marks : 75

(Write your Roll No. on the top immediately on receipt of this question paper)

NOTE: Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

Attempt four questions in all. All questions carry equal marks.

Use of simple calculators is allowed.

Q1. You have recently graduated in Finance and have been hired as a financial planner. Your boss has assigned you the task of investing Rs.1 lakh for a client who has a 1 year investment horizon. You have been asked to consider only the following investment alternatives:

1. Invest in Fixed deposits @ 8.5% return
2. Invest in tax free bonds @ 8% return
3. Invest in equity share now @ Rs 110 (Year end price:120). The company is expected to declare a dividend of Rs 1 per share during the year.

If the client is in 30 % tax bracket, Advice the client.

Q2. Mr. Natrajan is Vice President of Metal Works Inc. The company is considering issuing bonds to satisfy part of its financing need for a new venture of Steel Plant, which is going to be launched in Mid-Western Region of India. He knows that in the current economic scenario the Indian Financial Market is sensitive to the price and terms and condition of bond issue. The company is thinking of inviting applications for issue of bonds of the face value of Rs. 1000 redeemable after a period of 8 years at 20% premium, with variable coupon rates as; 10% for first three years; 9% for next three years and 11% for remaining two years. Determine the maximum price an intending investor , expecting a return of 11% p.a. , should pay for this bond.

Q3. Simco Ltd. is thinking of reorganization of its operation and evaluating two situations. As a part of its major reorganization of its operation, it has stated that it does not intend to pay any dividend for the next two years. In three years time it will commence paying dividend at Rs. 8 per share and the Directors have indicated that they expect to achieve dividend growth at 10% p.a. thereafter. If the reorganization does not take place, dividend will be paid in the next two years and the expected dividend growth will remain at the present level of 5% p.a. The firms cost of equity capital is 15% and will be unaffected by the reorganization. The company has just paid a dividend of Rs. 10 per share. Calculate the value of firms share in both the situation.

Q4. Mr. Rajan has Rs. 5 lakhs which he wants to invest in equity shares. He surveys the stock market and decides to invest in shares of two companies: Company X and Company Y. The following are the expected return and risk of securities “X” and “Y”

	Expected Returns	Standard Deviation
X	12%	8%
Y	8%	4%

The correlation coefficient between the returns of X and Y is -1.

He puts equal amount of his investment in “X” and “Y”. However he is not happy with the performance of the portfolio. He does not want to take any risk but also does not know how to form such a portfolio. Now advise him to form such portfolio. Also explain him how risk affects determination of required rate of return in the context of above two portfolios.

Q5. Mr. Jack approaches to you for investment advice. He is currently 55 years old and has Rs 80,000 in the bank. He has decided to invest his bank balance in a portfolio in which stocks and bonds are included. He is risk averse, he believes that risk free bond gives him 7.5% return and stocks at 15%. The variability (measured in standard deviation) in stock returns is 5%. He wants a return of 12% from this investment. How would you advise him in constructing the portfolio to meet his expectation? He also wants to know the risk involved in such a portfolio.

Q6. Mr. John buys following options from stock exchange in order to reduce risk.

Option	Strike Price (Rs.)	Nature of option	Option Premium (Rs.)
1	4400	Call	400
2	4000	Call	500
3	4600	Put	500
4	7500	Put	600
5	4500	Put	500

Now he wants to know at which market price he will be at break even point in each of the above case. If market price in each case is Rs.7200, calculate his net pay-off in each case. Help him to find out the solution of both the above problems. Also explain him, how is future contract better than forward?