

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**End Semester Examination, Dec 2023****Course : Commodity trading and risk management****Semester : 5th****Program: B Com (H) E Com****Time : 03 hrs.****Course Code : FINC3052****Max. Marks: 100****Instructions: All questions are compulsory****SECTION A
10Q x 2M =20Marks**

S. No.		Marks	CO
Q1	The price earning ratio is calculated by dividing market price per share by a. Earning per share b. Face value per share c. Either a or b d. None of these	2	1
Q2	Exchange ratio is also called as a. Swap ratio b. Current ratio c. Both a and b d. None of these	2	1
Q3	Equity shareholders are paid after paying a. Debenture holders b. Preference shareholders c. Both a and b d. None of these	2	1
Q4	A gives 1,000 shares to b as a consideration for 2,000 shares The exchange ratio in this case is a. 2 : 1 b. .50 : 1 c. 4 : 1 d. None of these	2	1
Q5	The value of a unit of mutual fund is determined in terms of a. Net asset value b. Share value c. Par value d. None of these	2	1
Q6	When the shares are redeemed at a premium it is a for the company which issued shares. a. Loss b. Profit c. Neither profit nor loss d. None of these	2	1

Q7 are the creditors of a company a. Debenture holders b. Equity shareholders c. Ordinary shareholders d. None of these.	2	1
Q8	When the mutual funds are sold at a higher price which is more than the purchase price it is a a. Profit b. Loss c. Capital gain d. Dividend	2	1
Q9	Merger can be a merger. a. Horizontal b. Vertical c. Conglomerate d. All of the above	2	1
Q10	When the debentures are issued at less than the face value they are deemed to be issued at a a. Discount b. Premium c. Par d. Any of the above	2	1

SECTION B
4Q x 5M = 20 Marks

Q11	What are the benefits of corporate restructuring? Explain in detail	5	2
Q12	A company issued 1,000 9% preference shares of Rs.100 each redeemable at a discount of 10%. The issue expenses are 5% of face value. Calculate cost of preference capital.	5	2
Q13	What is anti Competitive agreement in competition law. Describe it in brief.	5	2
Q14	Explain the concept of abuse of dominance.	5	2

SECTION-C
3Q x 10M = 30 Marks

Q15	The following information is provided related to the acquiring firm Mark Limited and the target Firm Mask Limited :		10	3	
	Particulars	Firm marks Limited			Firm Mask Limited
	Earning after Tax(Rs)	2,000 lakhs			400 lakhs
	Number of shares outstanding	200 lakhs	100 lakhs		

	P/E ratio (times)	10	5		
	Calculate market value of merged firm.				
Q16	Write short notes on a. Types of mergers b. Tips for corporate restructuring			10	3
Q17	What is meant by EBIT and how it is calculated. Explain with the help of income statement.			10	3
SECTION-D 2Q x 15M = 30 Marks					
Q18	An investor buys a mutual fund unit (face value Rs 10) at Rs 23.75. He subsequently receives a dividend of 12.5%, which he reinvests in the fund , at prevailing NAV of Rs 23.5. At the end of the year , NAV of the fund is Rs 24.65. What is the rate of return to the investor, using the total return with reinvestment method?			15	4
Q19	A ltd wants to acquire T ltd. and has offered a swap ratio of 1:2 (0.5 shares for every one share of T Ltd.) Calculate a. Number of shares to be issued by A ltd to T ltd b. EPS of Altd after acquisition c. Market value of merged firm. Following information is provided:				
	Particulars	A Ltd.	T Ltd.	15	4
	Profit after tax	Rs 18,00,000	Rs 3,60,000		
	Equity shares outstanding (Nos.)	6,00,000	1,80,000		
	EPS	Rs 3	Rs2		
	PE Ratio	10 times	7 times		
	Market Price per share	Rs 30	Rs14		