

Roll No.

Total No. of Pages : 02

Total No. of Questions : 08

PHD (Management)
ACCOUNTING AND FINANCE
Subject Code : PHD-902

Time : 3 Hrs.

Max. Marks : 100

INSTRUCTIONS TO CANDIDATES :

1. Attempt any FIVE questions out of EIGHT questions.
2. Each question carries TWENTY marks.

Q1 Define the concept of finance. Discuss in detail scope and objective of finance. How the role of financial manager has been changed in the current era of globalization?

Q2 What do you mean by long term financial resources? Discuss in detail method with which you can mobilizes your financial resources.

Q3 AB Ltd is creating a sinking fund to redeem its preference capital of Rs 5 lakh issued on 6th April 2004 and maturing on 6th April 2015. The first annual payment will be made on 6th April 2004. The company will make equal annual payments and expects that the fund will earn 12% per year. How much will be amount of sinking fund payment?

Q4 Discuss in detail concept, origin, constitution and growth of fundamental analysis in India. What are latest methods commonly used for fundamental analysis in corporate world in the current scenario?

Q5 Discuss in detail on the basis of following information how interest rate swaps are used to reduce Cost of Financing. How this is beneficial to each party involved in the process. Suppose that party A is in need of 10 years debt financing desire fixed rate obligation. A can borrow at a floating rate of six month LIBOR 50bps or at a semiannual fixed rate of 11.25%. Party B also in need of 10 yr debt financing desire floating rate obligation. Party B can borrow fixed rate of semiannual rate of 10.25 % and can borrow floating rate as six months. The SWAP dealer stands ready to enter a SWAP dealer stands ready to enter a SWAP. In both the cases the dealer's floating rate is six month LIBOR. If dealer is to be the fixed rate payer it will pay a SWAP Coupon of 10.40% and it requires a swap coupon of 10.50% semiannually

Define financial restructuring? What are the various methods of financial restructuring. Explain its significance in financial decision making.

Q7 a) Why there is need for harmonization and global convergence of accounting standards? What steps have been taken in this regard at international level? What is its progress in India?

b) What is the standard setting procedure followed by IASB? Also explain the functions of the main bodies involved in it?

Q8 a) From the following information calculate average return with arithmetic mean and calculate variability of the return?

Date	Nifty	Annual return	Date	Nifty	Annual return
Dec 24,1990	330.86	-	Dec 29,2000	1263.55	-14.65
Dec 24,1991	558.63	68.48	Dec 31,2001	1059.065	-16.18
Dec 24,1992	761.31	36.28	Dec 31,2002	1093.5	3.25
Dec 24,1993	1042.59	36.95	Dec 31,2003	1879.75	71.90
Dec 23,1994	1082.28	13.40	Dec 31,2004	2080.5	10.68
Dec 29,1995	908.53	-23.15	Dec 30,2005	2836.55	36.34
Dec 31,1996	899.1	-1.04	Dec 29,2006	3966.4	39.83
Dec 31,1997	1079.4	20.05	Dec 31,2007	6138.6	54.77
Dec 31,1998	884.25	-18.08	Dec 31,2008	2959.15	-51.71
Dec 30,1999	1480.45	67.42	Dec 31,2009	5201	75.76
			Dec 31, 2010	6134.5	17.95

b) What do you mean by risk and return? Explain with help of example how to calculate expected risk and return?