

--	--	--	--	--	--	--	--	--	--

St Aloysius (Deemed to be University)**Mangaluru****School of Commerce, Finance and Accountancy****(PG Programme)****M.Com.(Finance & Analytics) Semester III –P.G Examination****October/November - 2025****EQUITY RESEARCH AND SECURITY MARKET OPERATION**Time: 2¹/₂ Hours

Max Marks: 60

SECTION – A**Answer any FIVE of the following:****(5x2=10)**

1. Differentiate between Investment and Speculation.
2. Discuss the two types of equity research. What is the main purpose of equity research?
3. In an industry where a few large suppliers control the price of key components, how does this supplier power affect manufacturers?
4. During a trading session, a trader uses Japanese candlestick charts and spots a pattern indicating a possible bullish reversal. Explain how candlestick patterns help in predicting market trends.
5. Differentiate between simple moving average (SMA) and exponential moving average (EMA).
6. An investor buys shares of a company from another investor through the stock exchange. Identify the market where this transaction takes place.

St Aloysius (Deemed to be University) LIBRARY
MANGALURU - 575003

SECTION - B**Answer any FOUR of the following:****(4x5=20)**

7. During an economic downturn, Rahul notices that some fundamentally sound companies have seen their stock prices decline sharply. He wants to invest in companies with stable earnings but currently undervalued. What investment strategy should Rahul use and why?
8. Describe the importance of global economy analysis in making investment decisions.
9. Describe the nature of sector analysis and the factors that investors should consider when analyzing a sector.
10. What are the key technical tools used for predicting market trends based on supply and demand?

11. Consider the data for a sample of 4 shares for two years, the base year and year t. What is the price weighted index, equal weighted index, and value weighted index for year t?

Share	Price in base year (₹)	Price in year t (₹)	No of outstanding shares(in million)
X	40	30	3
Y	60	75	12
Z	20	40	6
P	75	90	5

SECTION - C

Answer any **THREE** of the following:

(3×10=30)

12. Explain the meaning of Fundamental Analysis in the context of investment decisions. Discuss the different approaches used in Fundamental Analysis and how they help investors in evaluating a company's intrinsic value.
13. Explain how competitive strategy analysis helps in evaluating a company's market position and future prospects.
14. Calculate a five-day exponential moving average.

Days	Closing Prices
1	48
2	36
3	39
4	43
5	45
6	47
7	40
8	38
9	44
10	41
11	35
12	46
13	37
14	34
15	42

St Aloysius (Deemed to be University) LIBRARY
MANGALURU - 575003

15. Explain the typical trading procedure followed on a stock exchange.

--	--	--	--	--	--	--	--

St Aloysius (Deemed to be University)

Mangaluru

School of Commerce, Finance and Accountancy

(PG Programme)

M.Com.(Finance & Analytics) Semester III –P.G Examination

October/November - 2025

MERGERS, ACQUISITIONS AND CORPORATE RESTRUCTURING

Time: 2¹/₂ Hours

Max Marks: 60

SECTION - A

Answer any **FIVE** of the following:

(5x2=10)

1. Define the term "merger" in the context of business combinations with an example.
2. Explain how a merger can impact the financial structure of a company.
3. Identify the purpose of corporate restructuring in simple terms.
4. List 2 differences between takeover tactics and takeover defences.
5. Define the term bargain purchase in the context of acquisitions.
6. Describe how due diligence helps in risk assessment during corporate restructuring.

St Aloysius (Deemed to be University) LIBRARY
MANGALURU - 575003

SECTION - B

Answer any **FOUR** of the following:

(4x5=20)

7. Interpret how a company can follow all 5 stages of merger while merging.
8. Z Ltd wants to acquire C Ltd by exchanging it's 1.6 shares for every shares of C Ltd. It anticipates to maintain the existing P/E ratio subsequent to merger also. The relevant financial data are furnished below

	Z Ltd	C Ltd
Earnings after taxes (Rs)	30,00,000	9,00,000
Number of equity shares outstanding	6,00,000	1,50,000
Market price per share (Rs)	70	80

1. What is the exchange ratio based on market price?
2. What is the pre-merger earnings per share and P/E ratio for each company?
3. What is the acquiring P/E ratio used in acquiring C Ltd?
9. Analyse the reasons why managers may prefer to buy out their own company instead of letting outsiders take over like Management Buyouts.
10. Demonstrate the concept of takeover defences.
11. Examine when an open offer becomes mandatory under the SEBI takeover code.

Contd....2

SECTION – C

Answer any **THREE** of the following:

(3x10=30)

12. Develop a detailed explanation of merger classifications, including key characteristics of each type.
13. Q Ltd wants to acquire Target Ltd. Balance Sheet of Target Ltd as on 31/12/2022 has the following assets & liabilities

LIABILITIES	Rs Amt (Lakhs)	ASSETS	Rs Amt (Lakhs)
Equity share capital (8,00,000 shares of Rs 100 each)	800	Cash	20
Retained Earnings	200	Debtors	130
10.5% Debentures	400	Inventories	270
Creditors & other liabilities	320	Plant & Equipment	1300
	1720		1720

Additional Information:

- a) Shareholders of Target Ltd will get 1.5 shares in S Ltd for every 2 shares
- b) The shares of S Ltd would be issued at its current market price of Rs 180 per share
- c) Debenture holders will get 11% debentures of the same amount External liabilities are expected to be settled at Rs 450 lakhs Dissolution expenses of Rs 45,00,000 are meant to be paid by H Ltd
- d) The following are the projected incremental free cash flows expected for 6 years

Year	1	2	3	4	5	6
Rs in lakhs	450	600	780	900	660	360

- e) Free cash flows of Target Ltd is expected to grow at 3% per annum after 6 years

f) Given the risk complexion of Target Ltd, cost of capital relevant to Target Ltd cash flows is decided at 13%

St Aloysius (Deemed to be University) LIBRARY
MANGALURU - 575003

g) There is an unrecorded liability of Rs 20 lakhs

Advise the company regarding the financial feasibility of Acquisition.

14. Create a detailed explanation showing how due diligence is carried out during the restructuring process.
15. Argue the role of the Competition Commission of India (CCI) in regulating mergers under the Act.

--	--	--	--	--	--	--	--	--	--

St Aloysius (Deemed to be University)

Mangaluru

School of Commerce, Finance and Accountancy

(PG Programme)

M.Com.(Finance & Analytics) Semester III –P.G Examination

October/November - 2025

INVESTMENT BANKING AND FINANCIAL SERVICES

Time: 2¹/₂ Hours

Max Marks: 60

SECTION – A

Answer any **FIVE** of the following:

(5x2=10)

1. Describe any 2 financial sector reforms in the recent years that led to the growth of financial services industry in India.
2. Demonstrate the meaning of Safety Net.
3. Differentiate between Firm Underwriting and Best-Efforts Underwriting.
4. Differentiate between Factoring and Forfeiting.
5. Expand the abbreviation CRISIL and ICRA
6. Demonstrate any 2 features of Non-Banking Financial Institutions.

SECTION - B

Answer any **FOUR** of the following:

(4x5=20)

7. Distinguish between investment banking and commercial banking.
8. Discuss the types of Private Equity.
9. Demonstrate the types of pricing IPO.
10. Critically evaluate the problems and prospects of leasing industry in India.
11. Examine the steps involved in Credit Rating Process.

SECTION – C

Answer any **THREE** of the following:

(3x10=30)

12. Examine the different types of functions performed by investment banker under issue management.
13. Hypothetical Limited is contemplating having an access to a machine for a period of 5 years. Discussions with various financial institutions have shown that the company can have the use of machine for the stipulated period through leasing arrangement, or the requisite amount can be borrowed at 14 per cent to buy the machine. The firm is in the 50 per cent tax bracket. In case of leasing, the firm would be required to pay an annual end-of-year rent of Rs. 1,20,000 for 5 years. All maintenance, insurance and other costs are to be borne by the lessee. In the case of purchase of the machine costs ₹3,43,300. The firm would have a 14 per cent, 5-year loan, to be paid in 5 equal instalments, each instalment becoming due at the end of each year. The machine would be depreciated on a straight-line basis for tax purposes, with no salvage value. Investigate whether the company should buy the asset or lease it for the period of 5 years.

Contd...2

14. Appraise the role of SEBI in regulating Depository Services in India .
15. Weigh the effectiveness of NABARD's rural development programs in reducing agricultural distress in India .

**St Aloysius (Deemed to be University) LIBRARY
MANGALURU - 575003**

--	--	--	--	--	--	--	--

St Aloysius (Deemed to be University)

Mangaluru

School of Commerce, Finance and Accountancy

(PG Programme)

M.Com.(Finance & Analytics) Semester III –P.G Examination

October/November - 2025

INSURANCE AND RISK MANAGEMENT

Time: 2¹/₂ Hours

Max Marks: 60

SECTION – A

Answer any FIVE of the following:

(5x2=10)

1. An insured individual smokes in bed, increasing the risk of fire. Identify the type of hazard.
2. After a car accident, the insurance company pays for repairs, and the damaged car parts are handed over to the insurer. Which principle is applied here?
3. A manufacturing company trains its employees on workplace safety procedures to reduce accident frequency. Identify the type of objective (Pre-loss or Post-loss).
4. What is the role of a surveyor in claims settlement?
5. An applicant for health insurance fails to disclose a history of heart disease. What underwriting concern does this situation illustrate?
6. Name any two functions of IRDAI.

St Aloysius (Deemed to be University), UERMO
MANGALURU - 575003

SECTION - B

Answer any FOUR of the following:

(4x5=20)

7. A person refuses to travel by air because they "feel" it's unsafe, despite statistics showing low accident probability. Identify and explain the type of risk in this situation.
8. A growing e-commerce company handles online payments, warehouses goods, employs hundreds of delivery agents, and rents office space in a commercial hub. Recommend at least five insurance plans suitable for their operations, covering both physical and intangible risks.
9. Anika lives in a flood-prone area and recently heard about rising medical costs. Identify and explain five factors that could affect her insurance decisions.
10. Sum Assured is Rs 1,00,00,000; Policy Type: Endowment policy with profits; Mode of premium payment is half yearly; Adjustment factor for large SI and half yearly mode is Rs 1.5 per thousand; Tabular premium rate is Rs 36.70 per thousand; Accident Extra 1%; Health Extra 0.5%. Compute the life insurance premium.

Contd...2

11. "The Insurance Ombudsman is a cost-effective and speedy mechanism for dispute resolution." — Discuss.

SECTION – C

Answer any THREE of the following:

(3x10=30)

12. Discuss the methods of managing risks.
13. In a city prone to floods, the government has made insurance mandatory for homeowners. Evaluate the benefits and potential drawbacks for society.
14. An IT services company is losing skilled employees to competitors, which is hurting project delivery and client satisfaction. Explain how the risk management process can be applied to reduce this turnover.
15. A property insurer reported the following financial information for a specific line of insurance:

Premiums written – Rs 2,60,00,000

Expenses incurred – Rs 60,00,000

Incurred losses and loss adjustment expenses – Rs 1,50,00,000

Earned premiums – Rs 2,10,00,000

St Aloysius (Deemed to be University) LIBRARY
MANGALURU - 575003

1. What was the insurer's loss ratio for this line of coverage?
2. Calculate the expense ratio for this line of coverage.
3. What was the combined ratio for this line of coverage?
