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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Third Semester MCOM Degree Examination, November 2024
MCM3C11 – Financial Econometrics
(2022 Admission onwards)

Time: 3 hours   Max. Weightage : 30

Section-A
(Answer any four questions. Each question carries 2 weightages)

1. What is financial time series? what are its key characteristics?

2. Define stationary and nonstationary stochastic processes.

3. Explain the concept of spurious regression in financial time series analysis.

4. What are the limitations of the Linear Probability Model (LPM)

5. Why OLS can't be directly applicable to Dynamic Econometric model?

6. Differentiate between the Fixed Effects (LSDV) model and the Random Effects model in panel data analysis.

7. Describe the Durbin h test for detecting autocorrelation?

Section-B
(Answer any four questions. Each question carries 3 weightages)

8. What is Augmented Dickey-Fuller (ADF) test, and how does it improve upon the Dickey-Fuller test?

9. Explain the Box-Jenkins methodology for econometric forecasting

10. Discuss the significance of count data models in finance. What are some common types of count data that can arise in financial contexts

11. What are the key assumptions behind the Koyck approach to distributed lag models, and how does it simplify the estimation of lagged relationships?

12. Discuss the benefits of using panel data when analyzing firm-level financial performance over time (e.g., profitability, leverage). How does panel data help control for unobserved firm-specific factors?

13. Explain the method of instrumental variables in the context of autoregressive models. When is it necessary to use IV, and what are the criteria for selecting appropriate instruments?

14. Explain two stage Least square Method ?

Section-C
(Answer any two questions. Each question carries 5 weightages)

15. Discuss the significance of stationarity in financial time series analysis and the consequences of using non-stationary data. What tests are commonly used to assess stationarity ?Explain how to convert a non-stationary time series into a stationary one ?

16. Explain how the GARCH (Generalized Autoregressive Conditional Heteroskedasticity) model can be applied to model and forecast financial market volatility.

17. What is the logit model, and how does it differ from the LPM? Discuss its suitability for estimating the probability of a binary outcome in financial applications, such as credit scoring.

18. In the context of finance, explain the problem of endogeneity when estimating the effect of corporate governance on firm performance. How can Instrumental Variables (IV) estimation address this issue?

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MCOM Degree Examination, November 2024

MCM3C12 – Income Tax Law, Practice and Tax Planning – I

(2022 Admission onwards)

Time: 3 hours   Max. Weightage : 30

Section A

Answer any four questions. Each question carries two weightage

1. What are the differences between Tax Evasion and Tax Avoidance?

2. Explain the following terms:

   (a) Tax Management (b) Tax Planning

3. What are the provisions regarding set-off the following losses:

   (i) Short-term capital losses (ii) Losses of lottery and card games

4. Write a note on:

   (i) Best Judgment Assessment (ii) Self-Assessment

5. What is Collection of Tax at Source?

6. What do you mean by Alternative Minimum Tax (AMT)

7. Explain Rebate of Tax.

(4 x 2=8 weightage)

Section B

Answer any four questions. Each question carries three Weightage

8. In what circumstances is the income of one person treated as the income of another?

9. Write a note on Advance Payment of Income Tax.

10. Agricultural land situated in Agra purchased in 2004 -05 for ₹ 1,13,000 sold for ₹ 8,00,000 on 1.5.2023. The assessee purchased another piece of agricultural land on 1.8.2023 for ₹ 3,70,000. Compute the capital gains chargeable to tax for the Assessment Year 2024 - 25. The cost inflation index in 2004-05 was 113 and in 2023-24 it was 348.

11. Mr. Ram owns a house property. Its annual letting value is ₹ 80000.During the previous year it was let out to a tenant on a monthly rent of ₹ 7000.He claimed the following expenses:

(i) Municipal taxes paid ₹ 8000.

(ii) Expenses for recovery of rent ₹ 600.

The house remained vacant for one month during the previous year. Compute the income from house property for the Assessment Year 2024-25.

12. Mr. Rahul Bose has estimated the following incomes for the Financial Year 2024 - 25:

Income from House Property (Taxable) ₹ 65000

Income from Profession (Taxable) ₹707500

Dividend from X &Co. (Foreign company) ₹10000

    Determine the amount of installments payable as advance tax.

13. From the following information compute the amount entitled to deduction u/s 80 C of the Income Tax Act of Mr. Bharath for the Assessment Year 2024-25:

(i) Premium paid ₹ 5000 on life policy of his own life

(ii) Premium paid ₹ 16000 on life policy of his major son's life.

(iii) Premium paid ₹ 1000 on life policy of married daughter's life.

(iv) Contribution to RPF ₹5000

(v) Contribution to PPF ₹4000

(vi) Investments in NSC VIII issue ₹ 10000.

(vii) Deposits in Home Loan Account ₹8000

(viii) Contribution to ULIP ₹5000.

(ix) Life insurance policy ₹ 50000 taken in 2019 on wife's life, premium paid ₹4000 out of Agricultural Income.

14. Mr. Swami Prasad furnishes the following particulars of his income for the previous year ending 31ˢᵗ March 2024:

(i)Dividend from tea company ₹ 2500 Gross (60% of the income of the company is agricultural income)

(ii) Amount won from horse race ₹ 2500

(iii) Winning from lottery ₹ 62500

(iv) Interest received on deposit with a firm ₹ 5400

(v) Dividend received from a co-operative society ₹500

(vi) Income from Non-agricultural land ₹1500.

    Compute the taxable income of Mr. Swami Prasad under 'Income from Other Sources' for the Assessment Year 2024-25.

(4 x 3=12 weightage)

Section C

Answer any two questions. Each question carries five Weightage.

15. Under the Income Tax Act some incomes are totally exempt from tax while some incomes are partially exempt. Discuss this statement.

16. Discuss the provisions of Income Tax Act regarding deduction to be made in computing the total income of an assessee in respect of certain payments.

17. From the following particulars of Mr. Balakrishnan, working in a firm at Jaipur, compute his taxable income from salary for the Previous Year 2023-24:

(i) Basic salary	18000 p.m.
(ii) Contribution to Recognised Provident Fund	26320
(iii) Employer's contribution	26320
(iv) Interest on P.F. @ 9.5%	36000
(V) House Rent Allowance	24000
Rent paid for the house	48000
(vi)Medical allowance	50000
Medical expenses	42000
(vii) Free service of water and gas for which the payment was done by the employer	12000
(viii) He is provided with a cook whose salary was borne by the employer	72000

(ix) He claims the following deductions:

(a) ₹ 700 in connection with purchase of books

(b) He paid ₹ 600 as tax on employment.

18. Mr. Sundaram is a businessman. From the following particulars of his income, you are requested to compute his net tax liability for the Assessment Year 2024-25: ₹

(i) Business Income	544500
(ii) Income from house property computed	24000
(iii) Interest on government securities	20000
(iv) Long-term Capital Gains	12000
(v) Winning from horse race	7000
He paid life insurance premium amounting to	₹ 5000.

(2 x 5=10 weightage)

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MCOM Degree Examination, November 2024

MCM3C13 – Research Methodology

(2022 Admission onwards)

Time: 3 hours   Max. Weightage : 30

Section-A
Answer any four questions. Each question carries 2 weightage

1. What is Accidental sampling?

2. What is ordinal scale?

3. What is the purpose of Focus groups?

4. What is plagiarism

5. What is Multi-stages Cluster sampling?

6. What is Z test?

7. What is bibliography?

                                                                     (4x2 = 8 weightage)

Section B
Answer any four of the questions. Each question carries 3 weightage

8. What are the objectives of social science research?

9. Explain the criteria for selection of a good hypothesis.

10. What are the types of sampling Errors?

11. What precautions are to be taken by the researcher while using secondary data?

12. What are the different types of Measurement Scale?

13. What are the different types of graphs?

14. Describe the layout of a research report covering all relevant points.

                                                                     (4x3 = 12weightage)

Section C
Answer any two questions. Each question carries 5 weightage.

15. What are the important statistical tools used for analysis of data?

16. What are the factors to be considered while selecting the methods of data collection?

17. There are different types of research. What are they?

18. Explain the process of a research?

                                                                     (2x5 = 10 weightage)

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MCOM Degree Examination, November 2024

MCM3EF01 – Investment Management

(2022 Admission onwards)

Time: 3 hours
Max. Weightage : 30

Section-A
Answer any four questions. Each question carries (2 weightage)

1. Write a short note on Dow Theory

2. Discuss the role of P/E ratio in making the sell and buy decision.

3. What is technical analysis?

4. How does technical analysis different from fundamental analysis?

5. "Stock price are like random numbers" Examine.

6. What is expected return? How it is calculated?

7. What is investment accounting?

(4x2=8 Weights)

Section-B
Answer any four of the questions. Each question carries (3 Weightage)

8. Explain the Efficient Market Theory of security analysis.

9. Define investment. Explain the different types of risk associated with investment.

10. Discus the factors considered for portfolio selection.

11. A bond with face value of Rs. 1000 pays a coupon rate of 9%. The maturity period is 9 years

    i)Find out the approximate yield of maturity. ii) Current yield and interest rate.

12. Mr. X wants to buy a company's stock and hold on it for 5 years. He estimate that Rs.3.45 dividend would be paid by the company continuously for the next 6 years. He hopes to sell the shares at Rs.60 at the end of the sixth year. His required rate of return is 10% . What is the present value?

13. Mr. John is a risk cautious person. He is advised by a friend to buy stock the following stock in equal proportion the information regarding the stocks is given below.

Company	Beta	Residual value
A	.84	5
B	1.27	12
C	1.17	18

The market variance is .25. What is the portfolio risk?

14. Assume that the risk free rate of return is 7%. The market portfolio has an expected return of 14% and SD of return of 25%. Under equilibrium condition as described by CAPM, what would be the expected return for a portfolio having no unsystematic risk and 20% SD of return.

(4x3=12 Weights)

Section C
Answer any two questions. Each question carries (5 weightage).

15. Discuss the role of behavioral biases in investment decision-making. How can understanding behavioral finance principles help investors make better decisions?

16. Analyze the advantages and disadvantages of active and passive investment management strategies. How has the rise of index funds and ETFs influenced this debate?

17. What do you mean by fundamental analysis? Discuss the various steps and tools in fundamental analysis?

18. Stock A and B have the following returns for the past two years.

Years	Returns %	
	A	B
2021	10	12
2022	16	18

i)What is the expected return on portfolio made up of 50% A and 50% of B

ii)Find out the standard deviation of each stock

iii)What is the covariance of stock A and B.

iv)Determine the coefficient of correlation between stock A and B

v)What is the portfolio risk?

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MCOM Degree Examination, November 2024

MCM3EF02 – Financial Markets & Institutions

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

Section A

Answer any four questions. Each question carries two weightage

1. Explain the certificate of deposit.

2. What is crypto currency

3. What is Sensex?

4. What is IRDA?

5. What is public provident fund?

6. Explain Euro bonds.

7. What do you mean by American option

(4 x 2=8 weightage)

Section B

Answer any four questions. Each question carries three Weightage

8. What is IDR? and also explain about the intermediaries involved in issuing IDR.

9. Write a note on major international stock markets.

10. What are the functions of NABARD?

11. What are the SEBI guidelines on mutual fund.

12. What is FII? and also explain the role of FII in Indian capital market.

13. Discuss the importance of debt market in an economy.

14. What are the differences between capital market and money market

(4 x 3=12 weightage)

Section C

Answer any two questions. Each question carries five Weightage.

15. Discuss the role of financial market in an economy.

16. What is primary market? What are the different methods for issuing shares in primary market.

17. Explain the role of foreign capital in Indian financial system.

18. Discuss the functions and general mechanism of commodity exchanges.

(2 x 5=10 weightage)