

**M.Com. 1st Semester Examination, 2024**

**COMMERCE**

*( Corporate Laws and International Business )*

**PAPER — COM-105.1 & 105.2**

*Full Marks : 50*

*Time : 2 hours*

**Answer all questions**

*The figures in the right hand margin indicate marks*

*Candidates are required to give their answers in their own words as far as practicable*

**PAPER — COM-105.1**

**1. Answer any two questions from the following :**

**5 × 2**

- (a) Describe in brief the steps involved from the finalization of accounts to the determination of unclaimed dividend with the help of a flowchart.

*( Turn Over )*

(b) Write notes on :

(i) Small company

(ii) One-person company.

(c) State briefly, the essentials of a valid general meeting.

2. Answer any *one* question from the following :

10 × 1

(a) Discuss the different clauses associated with the Memorandum of Association as per Section 4(1) of the Companies Act, 2013.

(b) Give the structure of the Corporate Board with different types of directors and composition as per Companies Act, 2013.

### PAPER – COM-105.2

3. Answer any *two* of the following :

5 × 2

(a) Define and explain the difference between the following pairs of terms :

(i) Spot market and Forward Market

(ii) Uncovered Interest Arbitrage and Covered Interest Arbitrage.  $2\frac{1}{2} + 2\frac{1}{2}$

(b) Give an overview of the participants in a forex market.

(c) The following are the transactions carried out by residents of country A with the rest of the world :

Transactions	Amt. in USD (mn.)
Interest received on investments abroad	32
Tourism outflow	62
Remittances from abroad	19
Foreign portfolio investment inflows	125
FDI outflows	65
Loan received from World Bank	49

Transactions	Amt. in USD (mn.)
Export of goods	90
Net receipt on account of banking services	45
Payments made to shipping companies	18
Increase in home country's ownership of assets abroad	31
Aid provided to neighbouring country due to flood	10

Compute the balance in the current account and capital account of the Balance of Payment.

4. Answer any *one* of the following :  $10 \times 1$

(a) (i) What are the advantages of FDI to the host country ?

(ii) With the help of a diagram, explain any one factor that affects exchange rate.

(iii) The following are the exchange rates in three different markets :

In location L1 : Rs. 84 / \$

In location L2 : Rs. 90 / €

In location L3 : € 0.888 / \$

Compute the percentage profit using three-point arbitraging process.

3 + 3 + 4

(b) (i) The following information is given to you :

Spot rate : Rs. 82 / \$

12-month forward rate : Rs. 85 / \$

Interest rate in India : 5% p.a

Interest rate in US : 3% p.a

Will an Indian investor gain more by adapting covered interest arbitraging strategy ? Show necessary calculations.

(ii) Mention any three functions of IMF.

(iii) Based on the following information, you are required to compute the spot rate after one year using Purchasing Power Parity theory.

Spot rate is Rs. 105 / £

Inflation rate in India : 5.5%

Inflation rate in UK : 2.5%

Interest rate in India : 6%

Interest rate in UK : 4.8%      4 + 3 + 3

**[ Internal Assessment — 10 Marks ]**

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