

June 25

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NEW SYLLABUS

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 16

NOTE : Answer ALL Questions.

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PART-I

1. Case Study :

- (a) UKD Steel's Vision strikes a balance between economic value as well as ecological and societal value by aspiring to be "A Global Benchmark in Value Creation and Corporate Citizenship". Since its inception, UKD Steel's CSR interventions have been more of a 'provider' to society, where the community was given support for its overall needs, both for sustenance and development. Gradually, the shift in approach led to UKD Steel being an 'enabler' focusing on building community capacity through training programs. The Company supports and propagates the principles of the United Nations Global Compact as a Founder Member. It acts as a signatory to the World Steel Sustainability Charter and supports the Affirmative Action program of the Confederation of Indian Industry. UKD Steel's approach to business has evolved from the concept that the wealth created must be continuously returned to society. The responsibility of combining the three elements of society—social, environmental, and economic—is of utmost importance to the way of life at UKD Steel. Today UKD Steel's CSR activities in India encompass the Company's Steel Works, Iron ore mines, and collieries, reaching out to the cities of Jharkhand, Odisha, and West Bengal.

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UKD Steel's CSR Initiatives :

Community involvement is a characteristic of all UKD Group companies around the world. It can take the form of financial support, provision of materials, and the involvement of time, skills, and enthusiasm of employees. The Group contributes to a very wide range of social, cultural, educational, sporting, charitable, and emergency assistance programs. The Group works in partnership with the Government, national and international development organizations, local NGOs, and the community to ensure sustainable development. The Corporate Social Responsibility Division of UKD Steel delivers these responsibilities through several institutionalized bodies :

UKD Steel Rural Development Society (URDS)

UKD Steel Rural Cultural Society (URCS)

UKD Steel Family Welfare Foundation (UFWF)

UKD Steel Skill Enhancement Federation (USEF)

Recent Developments : [Insta/Telegram :- @cacmacsstudyhub](#)

In its recently concluded Board meeting, the directors of UKD Steel have approved the appointment of Mr. Kumar as a Consultant to the Board. Mr. Kumar has a rich experience in the field of Corporate Governance and CSR. Further, Mr. Nimeet has been appointed by UKD Steel to act as the Company Secretary. His appointment comes against the backdrop of the recent concerns pointed out by the Independent Director Mr. Shobhit about the Corporate Governance practices within UKD Steel. The Board of UKD Steel wishes to seek professional guidance and leverage the expertise of Mr. Kumar in the areas of CSR and Corporate Governance.

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A special board meeting was scheduled on 25th May 2025 where Mr. Kumar was invited to brief the board on certain matters. The agenda for the meeting was as under :

- (A) To discuss about Mr. Kumar's report to the Board on the factors influencing the CSR activities undertaken by UKD Steel.
- (B) To receive a briefing from Mr. Kumar on the interface between CSR and Corporate Governance.
- (C) To discuss the steps to be undertaken in the implementation of a robust corporate governance framework within UKD Steel.

Required :

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- (i) As a newly qualified company secretary, assist Mr. Kumar in compiling a report giving an account of the factors that shall influence the CSR activities undertaken by UKD Steel.
- (ii) List out the important matters related to CSR where the Board of Directors of the Company takes decision.
- (iii) Assuming yourself as Mr. Nimeet, kindly list down the points, which according to you, define the role of a Company Secretary in the implementation of a robust Corporate Governance framework.

(5+2+3=10 marks)

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(b) ✓ Manmeet Motor Company (MMC) was started in 1984 to manufacture and sell motorcars across India and the globe. Manmeet Motor Company's Total Quality Management (TQM) practices started in 1986. Mr. Arvind Singh, the founder of MMC had given the slogan "Quality is our Top Priority" which laid the foundation for implementation of TQM within MMC. Mr. Avadesh Singh took over as the new Managing Director of MMC in 2024.

Total Quality Management at MMC :

Quality has been a pioneering element in the success of MMC since its foundation. During the initial years, MMC's business was impacted by global tariffs on automobile spare parts which led to an increase in the cost of production for MMC and a subsequent decline in its margins. To combat this situation, Mr. Arvind initiated the TQM movement across MMC. The results of this movement were stunning at MMC. After racking up ₹ 3 crore in losses from 1984 to 1986, MMC started trial runs to manufacture the spare parts in-house to reduce the cost of production. By 1989, on completion of three years after the implementation of TQM principles in its value chain, MMC had turned into the most profitable company in the automobile segment with margin percentages beating the industry standards considerably.

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Current Developments at MMC :

A series of setbacks are tarnishing MMC's hard-won reputation for quality. There has been a media controversy over substantial environmental degradation due to the

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in-house production of spare parts. Further, the recent customer survey also revealed that the customer satisfaction index proved to be below industry standards, which was detrimental to MMC's reputation. In light of these developments, Mr. Avadesh attended a symposium at NYU Stern on the success of Six Sigma implementation in mature enterprises. He was impressed by the ideology and felt its relevance for MMC. On his return to India, he asked Ms. Nivedita, his Executive Assistant to schedule a roundtable of all the Senior Executives of MMC to deliberate on the Six Sigma implementation in MMC. Ms. Nivedita is a recently qualified management graduate from the Indian Institute of Management Bangalore and has joined as an Executive Assistant to Mr. Avadesh at MMC. Considering her recent academic stint, Mr. Avadesh has specifically asked her to present her views in the roundtable.

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- (i) Assuming yourself as Mr. Avadesh, explain the principles of TQM to the senior executives that led to the success of TQM at MMC.
- (ii) Assuming yourself as Mr. Rolston, a Senior Vice President and a member of the roundtable, state the reasons that necessitate the adoption of Six Sigma at MMC.
- (iii) Assuming yourself as Ms. Nivedita, brief the members of the roundtable on the steps involved in the implementation of Six Sigma using the DMAIC approach.

(5+3+2=10 marks)

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Attempt all parts of either Q. No. 2 or Q. No. 2A

2.

(a)

The concept of Strategic planning gained prominence in strategic management in corporate sector and it has maintained its importance in contemporary times too. It follows a cycle known as the strategic planning cycle.

Explain the steps followed in the strategic planning cycle and how strategic planning can help your organization ?

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(b)

The term business environment is defined by several business experts and economists. What is the definition given by Keith Davis in this context ?

How can the demographic environment influence business growth ?

(5 marks)

(c)

Vision leads to mission and mission leads to objectives (which are designed to achieve the mission), objectives lead to goals (which are designed to achieve the objectives) and goals lead to targets (which are set to achieve the goals). How will you compare the Vision and Mission statements of a business unit ?

(5 marks)

(d)

BCG analysis is mainly used for Multi-Category/Multi Product companies. All categories and products together are said to be the part of Business Portfolio. It aims to evaluate

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each product, i.e., the goods and services of the business in two dimensions and the combination of both dimensions creates a matrix into which the products from the portfolio are placed below :

Business growth rate	Product category	Product category
High	STAR	QUESTION MARK
LOW	CASH COW	DOG
Market share	High	Low

Name the two dimensions and explain the terms “STAR, QUESTION MARK, CASH COW and DOG”.

(1+4=5 marks)

OR (Alternative question to Q. No. 2)

- 2A. (i) Blockchain technology is an advanced database mechanism that allows transparent information sharing within a business network. A blockchain database stores data in blocks that are linked together in a chain. Name the three pillars of Blockchain Technology and also list out any seven new business applications that block chain gives to internet users.

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- (ii) Prax Ltd. wants to expand its supply chain operations to Europe and USA where company has its strong customer base and need to form a logistics strategy for ease of operations. Advise the company on the elements to be included in its effective logistics strategy plan.

(5 marks)

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- (iii) “Financial Technology (Fintech) has emerged in the 21st Century as a new tech that seeks to improve and automate the delivery and use of financial services”. Name the four broad categories of users for fintech. What are the most active areas of fintech innovation ?

(2+3=5 marks)

- (iv) Michael Porter’s five forces model is an analysis tool that uses five industry forces to determine the intensity of competition in an industry and its profitability level which has turned into one of the most popular and highly regarded business strategy tools. Among those tools, strategies to face the threat of new entrants is very important. Explain the situations where the threat of new entrants is very high.

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(5 marks)

PART-II

3. (a) Casino Ltd. is a newly incorporated manufacturing company in Gujarat desiring to procure raw materials (RM) from within the country and some machine tools from Japan. They have entered into an agreement with a leading public sector bank for letter of credit for the said purpose. Up to 80% of the purchases will be under LC of which 30% shall be used for imports and balance for inland purchases. On the basis of the information provided, calculate the limit of LC for the financial year 2025-26 :

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Sl. No.	Particulars	Amount ₹
1	RM to be procured during the year	400 crore
2	Lead time for purchases within India	1 month ✓
	Lead time for imports	2 months
3	Goods will be in transit	
	– for domestic purchases	1 month ✓
	– for imports	2 months
4	Credit available from	
	– Indian suppliers	1 month ✓
	– Japanese suppliers	3 months

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(5 marks)

(b) ✓ Casino Ltd. in another incidence has given the loan details extracted from its Balance Sheet as on 31st March ,2025 and other available information.

Calculate the fund based and non-fund-based facilities availed from bank/financial institutions :

Sl. No.	Loan facilities	₹ In crore
1	Bank Guarantee (against 75% cash margin)	2
2	Cash Credit (against hypothecation of book debts)	4

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3	Vehicle loan (availed from Reliant Finance Ltd. an NBFC)	0.50
4	Housing Loan (availed from TALA Housing Finance Ltd. – house mortgaged)	2
5	Key Loan Cash Credit (godown jointly opened by Bank & company)	5
6	Performance bank guarantee (for contracts executed). Period expired & bank reversed the entry in its books	5.50
7	Standby letter of credit	2.50
8	Pre-shipment packing credit	3
9	Supplier's credit	4
10	Bank Guarantee invoked by the beneficiary	2
11	Bill discounting facility with a limit of ₹ 2 crore. At present Bill discounted for ₹ 50 lakhs yet to be realised and Rs. 25 lakhs worth bills were sent for collection	
12	The company is in discussion with a group of consortium banks for a project loan (documents yet to execute) (3 crore Bank Guarantee & 7 crore term loan.)	10

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(5 marks)

Contd.

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✓ (v) In Board Meeting of Casino Ltd., it was decided to raise ₹ 10 crore by issuing 200000 shares through a book building process. As the Company Secretary advise the Board on the following :

(a) What would be the allocation pattern if the company fulfils the eligibility criteria regarding net tangible assets, average operating profit, net worth etc. ?

(b) Will there be any change in allocation, if the company does not fulfil the above-mentioned criteria ?

3cr 20cr
GIB-50 NII-15 RII-35
NII-15 GIB-75 RII-10
(3+2=5 marks)

4. ✓ (a) An Infrastructure Investment Trust (InvITs) is a Collective Investment Scheme similar to a mutual fund, which enables direct investment of money from individual and institutional investors in infrastructure projects to earn a small portion of the income as return.

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Is it mandatory to list InvITs as per SEBI (Regulations) ? What are the situations when delisting of InvIT units are permitted ?

(5 marks)

(b) Renaissance Ventures Ltd announced issue of bonus shares in the ratio of 1 : 4 (1 share for every 4 shares held). At present the shares have a market value of ₹ 1000 per share. Besides the bonus issue, company also announced to split the shares by reducing the face value from ₹ 10 to ₹ 2.

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(b) Calculate the value per share if :

- (i) Bonus shares were issued before splitting the shares.
- (ii) Bonus shares were issued after splitting the shares.

Determine the difference between above scenarios and comment on price.

(2+2+1=5 marks)

(c) What is Special Purpose Acquisition Company (SPAC). What are the eligibility criteria for listing of SPAC ?

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(5 marks)

5. (a) The annual sales of ABC Ltd. are ₹ 60 lakhs of which 20% is on cash and balance on credit. Debtors are allowed one month to clear off the dues. A factor is willing to advance 90% of the book debts for a fee of 1% per month plus a commission of 4% on total debtors (besides the interest charged). If this arrangement is made, the company is able to make a gain of ₹ 21,600 annually in debt management costs and bad debts of 1%. Factor charges interest on the loans. Bank offers working capital finance against book debts with 10% margin at 12% interest per annum and a processing fee of 2% on total debts.

As the CFO of the company, advise the company on the best option.

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(480000)
(576000)

(5 marks)

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- (b) ✓ Globalisation has opened doors and opportunities that were never explored before. International Financing is also known as International Macroeconomics as it deals with finance on a global level.

In the light of above statements, explain the importance of External Commercial Borrowing (ECB). Which are the areas where the ECB proceeds can be parked ?

(2+3=5 marks)

- (c) ✓ Intermediaries are an integral part of securities market. They are the facilitators ensuring seamless functioning of securities market. SEBI regulates various intermediaries in the primary markets through Regulations for these intermediaries. These Regulations allow SEBI to inspect the functioning of these intermediaries and to ensure that their conduct is market appropriate and fair.

Based on the above statements answer the following questions :

- (i) ✓ Whether insurance agent or insurance broker is exempted from obtaining registration under SEBI (Investment Advisers) Regulations 2013.
- (ii) ✓ Whether a person acting in multiple capacities such as insurance agent, pension advisor, mutual fund distributor, etc. is exempted from obtaining registration under IA Regulations ?
- (iii) ✓ How does an Investment Advisor redress grievance of the investor clients ?

(2+2+1=5 marks)

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Attempt all parts of either Q. No. 6 or Q. No. 6A

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6. (a)

A company came out with an issue of 1000 shares at a price band of ₹ 300 to ₹ 360. The minimum lot size is 50. The company received the following bids :

Bid	Number of Shares	Bid Price per share (₹)
1	250 ✓	360 ✓
2	250 ✗	355
3	100 ✗ (50)	350
4	450 ✗	360 ✓
5	150	330
6	250	320
7	150	300

From the above :

- Decide how the allotment shall be made to each applicant under Book Building process, if the final issue price is ₹ 300.
- What is the amount to be charged from the applicant of Bid 1 and Bid 3 ?

(3+2=5 marks)

- Sun Ltd. offers new shares of ₹ 100 each at 25% premium to existing shareholders on one for four basis. The cum-right market price of a share is ₹ 150.

Calculate : 1.4

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- Value of a right
- Ex-right market price of a share

Interpret the results.

$$\frac{\text{No of RS (MP - RIP)}}{\text{Existing shares + RIS}}$$

(2+2+1=5 marks)

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(c) XYZ Ltd. wants to make a public issue of 10,00,000 equity shares of ₹ 100 each at par. The applications are received for 15,00,000 shares. The company wants to explore the Green Shoe Option (GSO). IPO Price, i.e. listing price is ₹ 120.

- (i) ✓ What is the ^{15/}maximum number of shares which can be issued through Green Shoe Option ?
- (ii) ✓ If the market price post listing comes down to ₹ 90, what the stabilizing agent can do in this situation ?
- (iii) ✓ If the market price post listing goes up to ₹ 110, what is the option before the stabilizing agent ?

(1+2+2=5 marks)

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OR (Alternative question to Q. No. 6)

6A. (i) Define briefly the following in context of Indian Equity Private Funding :

- (a) Hedge Fund
- (b) SME Fund
- (c) Corpus
- (d) Start up
- (e) Venture Capital Undertaking.

(1×5=5 marks)

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- (ii) What is placement memorandum ? Discuss briefly the contents of placement memorandum. (5 marks)
- (iii) SEBI vide notification dated 16th October, 2024 introduced Liquidity Window Facility for investors in debt securities through Stock Exchange Mechanism. Explain Liquidity Adjustment Facility. What are the features and conditions governing the same ? (5 marks)

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