



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – I : Annual – 2021

Roll No.

Subject: Organizational Behavior

Paper: MC-501

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

Q.1 What is meant by the term motivation? Explain enforcement theory of motivation

Q.2 How employees express their job dissatisfaction?

Q.3 Explain transformational, charismatic, and authentic styles of leadership

Q.4 What is conflict and how managers can use the knowledge of OB in overcoming it?

Q.5 Define personality and explain the personality code of ISTJ produced by the MBTI assessment.

Q.6 What is role of organizational culture in determining individuals' behavior at work?

Q.7 What are the major components of attitude and how are those linked?

Q8. Write short notes on the following:

- a. Extroversion vs introversion
- b. Emotional vs cognitive dissonance
- c. Attitude vs behavior
- d. Coercive vs expert power



NOTE: Attempt any FIVE questions. All questions carry equal marks.

- Q.1 a) Explain the investment decisions and financing decisions that are taken in finance department of a company.
b) Define corporate social responsibility and its importance for financial manager.
- Q.2 You borrow \$10000 at 14 percent compound annual interest for four years. The loan is repayable in four equal annual installments payable at the end of each year.
a) What is the annual payment that will completely amortize the loan over four years?
b) Of each equal payment, what is the amount of interest? The amount of loan principal?
- Q.3 Burp-Cola Company just finished making an annual dividend payment of \$2 per share on its common stock. Its common stock dividend has been growing at an annual rate of 10 percent. Kelly Scott requires a 16 percent annual return on this stock. What intrinsic value should Kelly place on one share of Burp-Cola common stock under the following three situations?
a) Dividends are expected to continue growing at a constant 10 percent annual rate.
b) The annual dividend growth rate is expected to increase to 11 percent and to remain constant at the level.
c) Dividends are expected to grow at 10 percent for first three years and after that it will grow at 9 percent to infinity.
- Q.4 Consider the following two mutually exclusive projects with cash flows:

Years	Cash Flow (A)	Cash Flow (B)
0	\$ (250000)	\$ (250000)
1	90000	140000
2	90000	90000
3	90000	60000
4	90000	50000

If you require a 15 percent return on your investment, calculate:

- a) Payback period
b) Net Present Value (NPV)
c) Internal Rate of Return (IRR)
d) Based on your answers in a) through c), which investment will you finally choose? Why?
- Q.5 Sama Ltd. produces and sells 500000 units per year. Each unit produced has a variable operating cost of \$1.50 and sells for \$2.00. Fixed operating costs are \$200000. The firm has annual interest charges of \$25000, preferred dividends of \$10000, and a 35% tax rate.
a) Calculate the *operating breakeven point* in units.
b) Calculate degree of operating leverage (DOL)
c) Calculate degree of financial leverage (DFL)
d) Calculate degree of total leverage (DTL)

- Q.6** Forecast sales and purchases from January and February 2022 of *The Growth Ltd.* are given below:

<u>Months</u>	<u>Sales</u>	<u>Purchases</u>
January	\$50000	\$26000
February	55000	25000

All sales are on credit basis and the company typically collects 30 percent of its sales in the month of sales, 50 percent in the subsequent month, and 20 percent in the second month after the sale. Actual sales of November and December are \$40000 and \$45000 respectively. Rent will be received \$6000 per month. Payment of purchases is made 50 percent in the month of purchase, 30 percent in the subsequent month, and remaining 20 percent in the second month after the purchase. Actual purchases of November and December are \$18000 and \$20000 respectively. General and admin expenses will amount to \$10000 each month and miscellaneous expenses will be \$5000 each month. A machine will be purchased in the month of January at a cost of \$20000. Cash on hand at January 1st is \$10000 and a minimum cash balance of \$10000 should be maintained throughout the cash budget period.

Prepare a monthly cash budget of The Growth Ltd. from January to February 2022

- Q.7** Z Ltd. presently gives credit terms of "net 30 days". It has \$10 million in annual credit sales, and its average collection period is 40 days. Currently bad debts are 3% of sales. To stimulate sales, the company may give credit terms of "net 50 days". If it does instigate these terms, sales are expected to increase by 20%. After the change, the average collection period is expected to be 60 days. Bad debts will rise from 3% to 4% of sales. Variable costs are \$0.80 for every \$1.00 of sales, and the company's before tax required rate on investment in receivables is 20 percent. Should the company extend its credit period? (There are 360 days in a year)



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – I : Annual – 2021

Subject: International Business & Finance

Paper: MC-503

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

1. Define international business. What are the main theories of international trade? Discuss the applicability of these theories in today's world.
2. What is balance of payment of a country? Explain the factors that may affect balance of payment.
3. If Asian countries experience a decline in economic growth (and experience a decline in inflation and interest rates as a result), how will their currency values (relative to the U.S. dollar) be affected?
4. Explain how the culture of a company might influence the costs of doing business in that country
5. What is bid rate, ask rate and spread? Calculate spread percentage for following:

Name of Currency	Bid Rate (Rs.)	Ask Rate (Rs.)
US Dollar	172.2	173.2
UK Pound	232	234.5
Euro	198.5	200
Japanese Yen	1.41	1.44
Chinese Yuan	23.7	23.85
Saudi Riyal	45	45.5

6. Discuss the concept of equilibrium exchange rate. Explain the determinants of exchange rate.
7. What factors have an impact on the success of an organization trying to establish its business in a foreign country?



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – I : Annual – 2021

Subject: Business Management

Paper: MC-504

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

1. What are the basic skills required for a good manager? How manager's role is changing in contemporary world?
2. Why is it important for managers to understand the external environmental components? Describe complexity and uncertainty
3. In a short essay explain with examples feed-forward, concurrent, and feedback controls.
4. Identify the contingency factors that favor either the mechanistic model or the organic model of organizational design.
5. Briefly explain various types of decision and decision making conditions
6. What is meant by planning? What are the different types of plans?
7. Contrast motivators and hygiene factors. How these factors are related to motivation?



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – I : Annual – 2021

Subject: Principles of Marketing

Paper: MC-505

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

- Q1. What is meant by personal selling? Discuss its pros and cons with respect to advertising. Support your answer with suitable examples.
- Q2. Explain the importance of Pricing for a firm? How price of a product influences its sale? Briefly discuss the pricing policies of a firm.
- Q3. What are the major marketing mistakes? Briefly discuss that how these mistakes effect firm performance and achievement of its goals.
- Q4. Distinguish between industrial and consumer goods. As a marketer, how will you market these goods? Explain your answer with examples.
- Q5. Discuss the similarities and differences between retailing and whole-selling. What are the various opportunities and threats in whole-selling? Explain your answer with examples.
- Q6. What are the main concerns of a marketer in relation to International Marketing? Discuss the importance and hurdles of international marketing.
- Q7. Briefly discuss the channels of distribution. Why these are important for organizations? Provide comparative analyses for channels of distribution and provide examples to support your answers.



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – I : Annual – 2021

Roll No.

Subject: Banking Law & Practice in Pakistan

Paper: MC-506

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

- Q.1** Banker-Customer relationship is vital in the banking industry that can be created through deposit products or financing products (lending). Therefore, you are required to explain the principles of lending (loans and advances) and forms of lending considered by Pakistani banks.
- Q.2** (a) Explain the procedure of Countermand of payment of a cheque?
(b) Enlist the major reasons of Bouncing of cheque by a Bank?
- Q.3** As a commerce graduate, you are directly associated with banking laws and practices. Therefore, you are required to comment on the followings based upon your understanding and learning regarding Pakistan banking sector by considering (following points):
- Types of accounts offered by bank
 - Operations/Services offered by the branch
- Q.4** Banker-Customer relationship is vital in the banking industry. Therefore, you are required to list out the reasons and causes of Termination of Banker Customer Relationship.
- Q.5** Define Bank and Banking Company as per section 5 (b) and 5 (c) of Banking Companies Ordinance 1962 respectively. Elaborate the functions/operations of a bank according to Section (7) of Banking Companies Ordinance, 1962.
- Q6.** Define commercial Letter of Credit. Explain various types of commercial letter of credit used in international trade.
- Q7.** Briefly explain different sources of Funds available with the Bank. Explain statutory requirements regarding Banker's Funds.



UNIVERSITY OF THE PUNJAB

M.Com. (3 $\frac{1}{2}$ Years Program) Part – I : Annual – 2021

Subject: Interpersonal Skills

Paper: MC-507

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

Q1. Define different types of meetings. Suggest ways to make our meetings more effective.

Q2. Differentiate between self-description and Self-disclosure. What is the role of Johari Window in increasing self-awareness?

Q3. What is effective listening? Strategize how we can overcome barriers to it.

Q4. Is Conflict normal? Define different strategies to manage it.

Q5. What are different types of stress? How can we manage it?

Q6. Why is goal-setting important? Explain SMART system to set and achieve targets.

Q7. Write down NOTES on the following:

- a) Ten Managerial Tips for Developing Trust
- b) Distributive Bargaining Strategy



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – I : Annual – 2021

Subject: Non-Banking Financial Institutions

Paper: MC-508

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

- Q. No. 1 Explain in detail the measures taken for the development of debt markets in Pakistan during last 3 years.
- Q. No. 2. Explain how Islamic capital market is different from conventional capital market.
- Q. No.3 Write a detail note on the role of National Saving Bank of Pakistan.
- Q. No. 4 Explain the functions and importance of ZTBL.
- Q. No.5 Describe in detail the working and operational issues of leasing in Pakistan
- Q.No.6. What is mutual fund and describe the types of mutual funds operating in Pakistan.
- Q. No.7 Describe the scope and importance of development financial institutions in Pakistan.



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – II : Annual – 2021

Subject: Human Resource Management

Paper: MC-601

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

Q.1 What is meant by recruitment? How is it different from selection? Also explain in detail the internal sources of candidates available to an organization.

Q.2 Using an example of a suitable job, explain the process of Job analysis.

Q.3 "Orientation is very important". Explain the process of orientation and comment on this statement.

Q.4 Write detailed note with examples on any 5 appraisal techniques.

Q.5 What is the difference between direct and indirect compensation. Explain with examples. Also explain the types of incentives an organization may offer to improve employee performance.

Q.6 Explain the different types of tests.

Q.7 Describe the following:

- i. Validity and reliability of test
- ii. Semi structured interviews
- iii. Halo effect and impression management



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – II : Annual – 2021

Roll No.

Subject: Operations & Production Management

Paper: MC-602

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

- Q. 1 What is process design? What are various types of process design?
- Q. 2 Discuss the importance of operation management. In what type of decisions an operations manager is more involved?
- Q. 3 Prepare a Weighted Index for the location planning of a Sugar Mill.
- Q. 4 What is a combination/hybrid plant layout? Discuss with the help of an example.
- Q. 5 What is an inspection? Discuss the types of inspection.
- Q. 6 What is product design? Discuss the steps in designing a new product.
- Q. 7 What is a standardization? Discuss how it helps in simplification with the help of an example.
- Q. 8 Write short answers:
- a. Design Capacity
 - b. Job Shop
 - c. Just in Time
 - d. Line Layout



UNIVERSITY OF THE PUNJAB

M.Com. (3¹/₂ Years Program) Part – II : Annual – 2021

Subject: Management Accounting Paper: MC-603

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

Question No.1

JP Morgan and Company is drafting a budget on the basis of the following data:

Direct Material Rs. 32 per unit

Direct Labour Rs. 16 per unit

Variable FOH Expenses Rs.8 per unit

Fixed FOH Costs Rs. 50,000 per month

Normal output 10,000 units per month

Sales price Rs.95 per unit

Fixed Marketing and Administrative Expense Rs. 20,000 per month

Variable Marketing and Administrative Expense Rs 3 per unit sold

In order to build up inventory in anticipation of an increase in demand which is expected later in the year, production is to exceed sales in the first two months of the year as follows:

Production (units)	Sales (units)
January 8000	7000
February 10000	9500

Required: (a) Prepare profit statements for the month of February:

- On a marginal costing basis
- On a full absorption costing basis.

Question:2.

PEL produces farm equipment at several plants. The business is seasonal and cyclical in nature. The company has attempted to use budgeting for planning and controlling activities, but the variable nature of the business has caused some company officials to be skeptical of its usefulness. The chief accountant of the PEL Plant has been using a flexible budget to help plant management control operations.

The president asks for an explanation of flexible budgeting, its application, and its possible use for the entire company. Normal annual capacity of the plant is 5,000 hours and direct labour rate is Rs. 12 per hour. The chief accountant presents the following data:

Annual fixed expenses:

Property tax.....	Rs. 8,000
Supervisory staff	18,000
Depreciation.....	10,000
Insurance.....	3,000

Variable expenses;

Power & light	Rs. 0.20 per direct labor hour
Inspection (excluding indirect labour)	Rs. 0.60 per direct labor hour
Payroll taxes and fringe benefits20% of direct labour cost

Semi variable expenses (from previous five years):

Years	Direct Labor Hours	Supplies Expenses	Indirect Labour	Maintenance Expenses
2016	4,350	Rs. 2,000	Rs. 9,500	Rs. 6,000
2017	4,000	1,900	9,300	5,700
2018	4,450	2,100	9,550	6,200
2019	4,850	2,150	10,300	6,800
2020	5,000	2,200	10,500	7,100

Required:

- A flexible factory overhead budget at 70% and 100% capacity for the year 2021.
- The total factory overhead rate, variable cost rate, and fixed cost rate for 100% of capacity.

Question: 3.

The Annual Budget of The ICI Co. shows.

Sales (40,000 units)	Rs. 90,000
Fixed Production Cost	Rs. 22,000
Fixed marketing and Administrative costs	24,200
Variable Production Cost	20,000
Variable marketing and Administrative cost.	4,000
Total Cost	70,200
Profit From Operations	Rs. 19,800

Required:

- the break-even point in sales Rupees, using the figures given in the budget.
- The break-even point in units, using the figures given in the budget.
- The new break-even point in sales Rupees, assuming that fixed costs increase Rs. 1,867 and variable costs decrease Rs. 800 at the Rs. 90,000 sales level.
- The increase in sales needed to make the same Rs. 19,800 profit, assuming that fixed costs increase by Rs. 2,167 and variable costs increase by Rs. 800 at the Rs. 90,000 sales level.

- (5) The budgeted profit and the new break-even point in sales rupees assuming that the company revises the annual budget by increasing the unit sales price by 5%, which is expected to decrease volume by 15% with variable costs bearing the same relationship to sales rupees as in the original annual budget.

Question No.4

- A Explain the purposes of standard costs.
b) Explain the significance of differential costing for decision making?

Question No.5

The ICI Limited has a budgeted normal monthly capacity of 12,000 labor hours, with a standard production of 8,000 units at this capacity. Standard costs are:

Materials2 kilograms @ Rs. 0.71

LaborRs. 10 per hour

Factory overhead at normal capacity:

Fixed expenseRs. 6,000

Variable expenseRs. 2.00 per labour

During June, actual factory overhead total Rs. 30,000 and 11,500 labor hours cost Rs.

109,250. During the month, 7,500 units were produced using 16,000 kg of materials at a cost of Rs. 0.73 per kg.

Required: Two variances for materials, two variances for labor, and variances for factory

Question No.6

1. The Budget Department of the stentorian Manufacturing Company, Inc., gathered the following data concerning future sales and budget requirements:

Anticipated Sales for 19A			Expected Inventories	Desired Inventories
Products	Units	Price	January 1, 19A	December 31, 19A
A	20,000	Rs. 55	6,000 units	10,000 units
B	50,000	50	15,000 units	15,000 units
C	30,000	80	6,000 units	6,000 units

Materials used in manufacture:

Stock No.	Unit	Amount Used per Unit of Product		
		A	B	C
110	Each	3	-	5
50	Each	2	1	3
41	Pounds	-	2	-
30	Pounds	-	3	-
40	Feet	5	-	4

Anticipated Purchase Price		Expected Inventories	Desired Inventories
For Raw Materials		January 1, 19A	December 31, 19A
110	Rs.3.00 each	21,000 each	25,000 each
50	2.00 each	17000 each	23,000 each
41	2.50 per pound	10,000 pounds	15,000 pounds
30	4.00 per pound	18,000 pounds	18,000 pounds
40	3.25 per foot	25,000 feet	30,000 feet

Labor requirements and rates (direct labor):

Product	Hours per Unit	Rate per hours
A	4	4.00
B	5	3.00
C	5	4.20

Overhead is applied at the rate of 100% of direct labor cost.

- Required:
- Sales Budget (Rupees)
 - Production budget (Quantities).
 - Direct materials budget (Quantities)
 - Direct materials purchase budget (Rupees)
 - Direct labor budget (Rupees).
 - Finished goods inventory, Dec.31, 19A (Rupees).

Question No: 7

The last producing department of Adam Industry during October received 1400 units from previous department at a unit cost of Rs. 680. During the month a total of 1260 units were assembled. At the end of month 60 of the assembled units were in the department awaiting transfer. 100 units in process were estimated to be 40% complete as to material and 20 % complete as to labor and Factory overhead. Remaining units were lost during processing. The cost incurred by this department is as follows:

Material ----- Rs. 156,000

Labor ----- Rs. 128,000

Factory overhead -----Rs. 102,400

There was no work in process beginning inventory. From the above information you are required to prepare:

Required: Cost of production report.



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – II : Annual – 2021

Subject: Research Methods in Business

Paper: MC-604

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

- Q. 1 Discuss the hallmarks of scientific research.
- Q. 2 A research may be either basic or applied, while applied is more likely to be useful. How would you defend or oppose the statement?
- Q. 3 There are two sampling techniques. Explain each with its major sub types.
- Q. 4 A theoretical framework may have various types of variables; explain each type with at least one example.
- Q. 5 A data may be primary or secondary. Define both and explain various methods of primary data collection.
- Q. 6 Explain various types of scales. What is the major difference among them?
- Q. 7 What is a research report? What are the essential contents of a research report?
- Q. 8 Write a short note on followings:
- a. Rating vs ranking scales
 - b. Exploratory vs explanatory research
 - c. Various types of unit of analysis
 - d. Non directional vs directional hypothesis



UNIVERSITY OF THE PUNJAB

M.Com. (3 $\frac{1}{2}$ Years Program) Part – II : Annual – 2021

Roll No.

Subject: Accounting Information System & E-Commerce Paper: MC-605

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

1. What are payment methods with reference to electronic commerce?
2. Describe advertisement methods in electronic commerce.
3. How the internet and web changes business, strategy, structure, and process?
4. Describe management reporting system and its procedures.
5. Explain the techniques and technologies that promote lean manufacturing.
6. Give a summary of revenue cycle activities.
7. Briefly explain the following:
 - (a) The information environment
 - (b) Expenditure cycle controls



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – II : Annual – 2021

Subject: Total Quality Management

Paper: MC-606

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

Q.1 What is the use and objectives of Performance Measures to an organization? What should be the measures that are frequently asked by managers and teams?

Q.2 Explain how an organization might benefit from benchmarking organizations in a completely different industry?

Q.3 How various gurus of quality management contributed to the field of TQM?

Q.4 Define a quality policy statement. Briefly describe the purpose of an ISO 9000 quality system?

Q.5 How a firm can have continuous improvement?

Q.6 What are the major challenges faced by an organization in implementation of TQM system?

Q.7 List five common barriers to team progress and what conditions are necessary for Team empowerment?

Q8. Write short notes on the following:

- i. Cause and Effect Diagram
- ii. Synergy
- iii. Forcefield analysis
- iv. Quality awareness



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – II : Annual – 2021

Subject: Logic & Critical Thinking

Paper: MC-607

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

1. **Define the following terms:** (20)
 - (i) Metaphysics
 - (ii) Compound Proposition
 - (iii) Scientific explanation
 - (iv) Categorical Syllogism
 - (v) Language as Expressive
 - (vi) Aims of Critical thinking
 - (vii) Hypothesis
 - (viii) Mood
 - (ix) Major Term
 - (x) Mediate Inference
2. **State the broken rule and fallacy in the following** 20
 - (i) EIO- (ii). AOO-4 (iii). AEE-2 (iv). AIO-1
3. **Define Fallacy. Differentiate between Fallacies of presumption and Fallacies of Ambiguity.** (20)
4. **Use Venn Diagram to determine the validity of the following argument and also state the name of fallacy committed and the broken rule in case of invalidity.** (20)
 - (i) EEE-1 (ii) AOO-2 (iii) IAO-3
 - (iv) EIO-2
5. (A) **If A, B, C are true and X, Y, Z are false, then determine the truth value of the following.** (10)
 - (i) $(B \vee C). (Y \vee Z)$ (ii) $\sim(X. \sim Y) \vee (B. \sim C)$

(B) **Use truth table to determine whether the following symbolized statement is TAUTOLOGOUS, CONTINGENT OR SELF-CONTRADICTIONARY.** (10)

$$[P \vee (q. r)] \equiv [(p \vee q). (p \vee r)]$$
6. **Use truth table to determine the Validity or Invalidity of the following argument.** (20)
 - (i) $P \supset (q \vee r)$
 $(q. r) \supset \sim P$
 $\therefore \sim P$
 - (ii) $J \supset (K \supset L)$
 $K \supset (J \supset L)$
 $(J \vee K) \supset L$
7. **Provide the contraposition of the following statements.** (20)
 - (i) No bats are vegetarians
 - (ii) Some games of chance are bad bets
 - (iii) All designer jeans are genetically engineered
 - (iv) Some animal are not cats



UNIVERSITY OF THE PUNJAB

M.Com. (3½ Years Program) Part – II : Annual – 2021

Subject: Investment & Port Folio Management

Paper: MC-608

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

- Q.1 What is indirect investment? Explain different types of mutual funds maintained by a mutual fund company.
- Q.2 What are different forms of market efficiency? Explain also some market anomalies.
- Q.3 What is meant by security analysis? Differentiate between fundamental analysis and technical analysis.
- Q.4 Assume an initial margin requirement is 50 percent and maintenance margin requirement is 30 percent. An investor buys 400 shares of stock on margin at \$60 per share. The price of the stock subsequently drops to \$52.
- a) What is the actual margin at \$52?
 - b) If the price declines to \$48, is there a margin call?
 - c) Assume that the price declines to \$35. What is the amount of the margin call?
- Q.5 Calculate the expected return and expected risk (standard deviation) for Shan Foods for 2018, given the following information:

Possible returns	Probabilities
- 0.02	0.10
0.07	0.25
0.10	0.30
0.15	0.20
0.18	0.15

- Q.6 Consider Pfizer call and put purchased on April 20. Exercise price of call is \$21.5 and for the put \$24.85. Call option price is \$1.38 and for the put \$1.52. Calculate the payoff and gain/loss to an option buyer for each of the following June 15 possible closing prices:

\$0 \$10 \$15 \$17 \$20 \$23 \$25 \$30 \$35 \$40

- Q.7 Assume that a US investor purchased 100 shares of Siemens at £32 per share on UK market in 2018 when £1.00 = \$1.35. Later on in 2020 he sold these shares at £42 per share. At that time the exchange rate was £1.00 = \$1.45. During the holding period £6 per share dividend was received by the investor. Calculate total return on investment both in Pounds (£) and in dollars (\$).