



# UNIVERSITY OF THE PUNJAB

Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A. (Hons.)

Roll No. ....

Subject: Cost Accounting  
PAPER: 1

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

**NOTE: Attempt any FIVE questions. Each question carry equal marks.**

Q. No.1	<p>Two materials A and B are used in company as follow: Minimum usage-----50 units per week each Maximum usage -----150 units per week each Normal \Average usage -----100 units per week each EOQ\Re-order quantity-----A:600 units and B:1000units Delivery period-----A;4 to 6 weeks, B: 2 to 4 weeks</p> <p><b>Required:</b></p> <p>Calculate various stock levels:</p> <ul style="list-style-type: none"><li>a) Re-order level</li><li>b) Minimum level</li><li>c) Maximum Level</li></ul>	20																												
Q. No.2	<p>It is estimated that during the coming year Shannaz Auto Industry will buy 50,000 units of a certain component at a price of Rs. 30 per unit. Annual storage cost per unit is estimated as Rs.1 .90 per unit. It is policy of company to impute 15% interest on capital invested in inventory. Ordering cost is expected to be Rs.40 per order. Presently the company buys in four quarterly orders of 12,500 units.</p> <p><b>Required:</b></p> <ul style="list-style-type: none"><li>a) EOQ</li><li>b) Savings for coming year if company buys in economic order quantity.</li></ul>	20																												
Q.No.3	<p>The Records of Amjad and company show following information for the three months ended December 31, 2009:</p> <table><tr><td></td><td>Rs.</td></tr><tr><td>Material purchased</td><td>1,946,700</td></tr><tr><td><b>Inventories, January1, 2009</b></td><td></td></tr><tr><td>Finished goods (100 refrigerator)</td><td>43,000</td></tr><tr><td>Material</td><td>268,000</td></tr><tr><td>Direct labor</td><td>2,125,800</td></tr><tr><td>Factory overhead (40% variable)</td><td>764,000</td></tr><tr><td>Marketing Expenses (All fixed)</td><td>516,000</td></tr><tr><td>General and Admin. Expenses (all fixed)</td><td>461,000</td></tr><tr><td>Sales (12,400 Refrigerators)</td><td>6,634,000</td></tr><tr><td><b>Inventories , December 31, 2009.</b></td><td></td></tr><tr><td>No unfinished work on hand</td><td></td></tr><tr><td>Finished goods (200 refrigerators) ,costed at Rs. 395 each</td><td></td></tr><tr><td>Materials</td><td>167,000</td></tr></table> <p><b>Required:</b></p> <ul style="list-style-type: none"><li>a) An income statement for the period</li><li>b) The number of units manufactured</li><li>c) The unit cost of refrigerators manufactured</li><li>d) The gross profit per unit</li><li>e) The income per unit sold</li></ul>		Rs.	Material purchased	1,946,700	<b>Inventories, January1, 2009</b>		Finished goods (100 refrigerator)	43,000	Material	268,000	Direct labor	2,125,800	Factory overhead (40% variable)	764,000	Marketing Expenses (All fixed)	516,000	General and Admin. Expenses (all fixed)	461,000	Sales (12,400 Refrigerators)	6,634,000	<b>Inventories , December 31, 2009.</b>		No unfinished work on hand		Finished goods (200 refrigerators) ,costed at Rs. 395 each		Materials	167,000	20
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Q.No.4	<p>Record of the Umair company shows the following purchases and issues of material s during December.</p> <p>December 1. Beginning balance 2, 800 units @ Rs.12/unit  December 4. Issued 1200 units  December 6. Received 1000 units @Rs.13.30/unit  December 8. Issued 1000 units  December 14. Received 400 units @Rs.14/unit  December 17. Issued 800 units  December 20. Received 500 units @14.16/ unit  December 25. Issued 900 units  December 27. Received 1200 units @Rs.13/ unit</p> <p><b>Required:</b></p> <p>Prepare store ledger cards using:</p> <ol style="list-style-type: none"> <li>LIFO Costing</li> <li>FIFO Costing</li> </ol>	20
Q. No.5	<p>The Mohmal company made the following data available from its accounting records and reports:  Rs, 600,000 estimated factory overhead/ 200,000 estimated direct labor hours=Rs.3 is Predetermined factory overhead arte.  Further analysis indicates that one third of the rate is variable cost oriented.  During the year, the company worked 210,000 direct labor hours and actual factory overhead expenditures were Rs. 631,000.</p> <p><b>Required:</b></p> <p>The Spending Variance and idle capacity variance.</p>	20
Q. No.6	<p>The following information has been extracted from the plans of Monawar Company for the year 2003.</p> <p>Budgeted FOH-----Rs.75,000  Budgeted Material Cost-----Rs.50,000  Budgeted Labor Cost -----Rs.1,000,000  Budgeted Labor Hours ----- 75,000 hours  Budgeted Machine Hours----- 60,000 hours</p> <p><b>Required:</b></p> <p>Pre-determined FOH rate based upon Material cost, Labor cost, Prime cost , labor hours and Machine hours.</p>	20
Q.No.7	<p>What is cost accounting? State briefly the scope of cost accounting.</p>	20
Q.No.8	<p>Distinguish between:</p> <ol style="list-style-type: none"> <li>Cost center and Cost unit</li> <li>Product cost and Period cost</li> <li>Direct cost and Indirect cost</li> <li>Capital cost and Revenue Cost</li> <li>Prime cost and Conversion Cost.</li> </ol>	20



# UNIVERSITY OF THE PUNJAB

Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A. (Hons.)

Roll No. ....

Subject: Financial Management (Basic)  
PAPER: 2

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

**NOTE:** (i) Attempt any FIVE questions. Question No. 1 is compulsory.  
(ii) Extra attempt will not be considered.

## Section 1.

Q 1 a) write short notes on the following

(5\*4=20 marks)

- a) Cross section analysis
- b) Annuity due
- c) Present value
- d) Debentures
- e) Zero coupon bond

b) Briefly answer the following questions

(4\*5=20 marks)

- a) Differentiate between controller and treasurer
- b) Differentiate between liquidity and profitability
- c) Differentiate between current assets and liquid assets
- d) Differentiate between dividend and interest

## Section 2

Question 2.

(15 marks)

A person borrows \$200 to be repaid in 8 years with 14% annually compounded interest. The loan may be repaid at the end of any earlier year with no prepayment penalty.

- a. What amount will be due if the loan is repaid at the end of year 1?
- b. What is the repayment at the end of year 4?
- c. What amount is due at the end of the eighth year?

**Question 3.** McDougal Printing, Inc. had sales totaling \$40,000,000 in fiscal year 2003. Some ratios for the company are listed below. Use this information to determine the dollar values of various income statement and balance sheet accounts as requested.

McDougal Printing, Inc. Year Ended December 31, 2003	
Sales	\$40,000,000
Gross profit margin	80%
Operating profit margin	35%
Net profit margin	8%
Return on total assets	16%
Return on common equity	20%
Total asset turnover	2
Average collection period	62.2 days

Calculate values for the following:

- a. Gross profits      b. Cost of goods sold      c. Operating profits      d. Operating expenses
- e. Accounts Receivable      f. Total assets      g. Total common stock equity      (15 marks)

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**Question 4.****(15 marks)**

Hal Thomas, a 25-year-old college graduate, wishes to retire at age 65. To supplement other sources of retirement income, he can deposit \$2,000 each year into a tax-deferred individual retirement arrangement (IRA). The IRA will be invested to earn an annual return of 10%, which is assumed to be attainable over the next 40 years.

- a. If Hal makes annual end-of-year \$2,000 deposits into the IRA, how much will he have accumulated by the end of his 65th year?
- b. If Hal decides to wait until age 35 to begin making annual end-of-year \$2,000 deposits into the IRA, how much will he have accumulated by the end of his 65th year?
- c. Using your findings in parts a and b, discuss the impact of delaying making deposits into the IRA for 10 years (age 25 to age 35) on the amount accumulated by the end of Hal's 65th year.

**Question 5.** A company has issued 20000 corporate bonds of Rs. 1000 each at a premium of 10%. The coupon rate is 15%. The bond will be redeemed after 5 years at par value.

**(15 marks)**

Requirements:

- a) Annual interest payment
- b) How much company will receive at the time of issuance of bonds
- c) How much company will have to pay at the time of redemption
- d) After tax cost of debt to the company if tax rate is 30%

**Question 6.****(15 marks)**

- a. A trader carries an average inventory valued at cost Rs.40,000 and his inventory turnover is 5 times. If he marks his stock by 20% on selling price, what is the gross profit for the year?
- b. Current liabilities of a company are 300,000. Its current ratio is 3:1 and quick ratio is 1:1. Calculate the value of inventory in current assets.
- c. Decent limited has inventory of Rs.60,000. Total current liabilities are of Rs.120,000. Quick ratio is 2:1. Calculate Current Ratio.

**Question 7.**

- a. Approximately how many years must one wait for an initial investment of \$10000 to triple in value if the investment earns 9% compounded annually?
- b. If a \$10,000 investment will return \$25,000 to you in five years, then to the nearest percent what annual interest rate is being offered?
- c. Your retirement fund's balance is \$50,000 right now. You want to retire in 30 years with \$1,000,000. You add \$6000 annually, but what interest rate do you need to earn in order to reach your goal?

**(15 marks)**

**Question 8.** Compare and Contrast Debt and Equity.

**(15 marks)**





# UNIVERSITY OF THE PUNJAB

Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A (Hons.)

Roll No. ....

Subject: Principles of Marketing  
PAPER: 3

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

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

Q1.	Define Marketing. Discuss the importance of understanding customers and marketplace.	[20]
Q2.	Name the four major factors that influence consumer buyer behavior.	[20]
Q3.	Define the business market and explain how business markets differ from consumer markets.	[20]
Q4.	Discuss how companies position their products for maximum competitive advantage in the marketplace.	[20]
Q5.	Identify the four characteristics that affect the marketing of a service and the additional marketing considerations that services require.	[20]
Q6.	List and explain the steps in the new-product development process.	[20]
Q7.	Describe the environmental forces that affect the company's ability to serve its customers.	[20]



# UNIVERSITY OF THE PUNJAB

Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A (Hons.)

Roll No. ....

Subject: Visual Programming Concept  
PAPER: 4

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 80

**Question # 01** Write the selected option (A,B,C,D) on your answer sheet against each of the following. [1\*10=10]

1. \_\_\_\_\_ bar contains a set of tools to provide controls in the Form.
  - A. Status
  - B. Tool
  - C. Menu
  - D. Progress
2. \_\_\_\_\_ is a data type that can be used to declare a text of maximum 10 million characters.
  - A. String.
  - B. Numeric
  - C. Single precision
  - D. Date
3. The \_\_\_\_\_ statement checks in the module for usage of any undeclared variables and reports an error to the user.
  - A. Looping
  - B. Iteration
  - C. Dim
  - D. External
4. Dynamic arrays can be declared when the user may not know the \_\_\_\_\_ of the array at design time.
  - A. Exact column.
  - B. Exact variable
  - C. Exact value
  - D. Exact size
5. Variables are named storage locations in memory, the value of which does not change during program \_\_\_\_\_.
  - A. Design
  - B. Execution
  - C. Debug
  - D. Modification
6. In event-driven programming an event is generated by:
  - A. The system
  - B. A user's action.
  - C. The program itself.
  - D. Both a and b.
  - E. All of the above.
7. Which is a valid statement for declaring a variable?
  - A. Const Form As Integer
  - B. Const myForm As Integer
  - C. Dim Form As Integer
  - D. Dim myForm As Integer

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8. Where you write Visual Basic code for your application?

- A. Form Layout Window
- B. The Code Editor Window
- C. The Project Explorer Window
- D. Form designer

9. When variables are passed by reference (ByRef) to a SUB program,

- A. Only the memory addresses of the variables are passed.
- B. A value of a variable is passed.
- C. A copy of the variable is passed.
- D. None of the above

10. The left side of an assignment statement will hold:

- A. A variable.
- B. An object property.
- C. An expression.
- D. Both a and b.

**Question # 2. Write True or False as your answer for the following.**

- 1. We have three (3) types of procedures in Visual Basic.
- 2. A function procedure returns a value to the calling code which is different from a sub procedure.
- 3. The arguments are the values passed to the parameters of a procedure or function.
- 4. The private access modifier is the default access mode in Visual Basic.
- 5. The statement `Dim intGrades(1 To 10) As Integer` reserves memory for exactly 10 elements.
- 6. The statement `intCount = intCount + 1` is a counter statement.
- 7. The statement `Dim intGrades (1 to 10) As integer` reserves memory for exactly 10 elements.
- 8. A Select Case statement must have at least 3 cases
- 9. Visual Basic projects can have more than one form
- 10. We can call a sub procedure by using the function name.

**Question # 3 Write a brief description about each of the following.**

- 1. Write a statement that declares an array named `intGames` which can store exactly 50 integers. The first element of the array should have a subscript of 12.
- 2. What do you understand by event-driven programming in VB? Write down a few events of a VB form.
- 3. What are the decision structures in VB? Describe Do While loop structure with an example
- 4. What is IDE (Integrated Development Environment) of VB? Write down five major elements of VB IDE.
- 5. What is a Combo box? When to use a Combo Box instead of a List Box?
- 6. What is the difference in passing values ByRef or ByVal to a procedure?
- 7. What are the different types of error? explain briefly
- 8. What is the diff. Between function and sub procedures?
- 9. What are the different types of control in VB? Explain?
- 10. What are the different looping statements used in Visual Basic?

**Question # 4 Attempt any three questions from the following.**

1-Write a program which takes input from user until user entered -1 and display the average of input number.

2-Input an integer value representing the weekday(1,2,...,7) and give the day of the week. (Monday, Tuesday, ... Sunday).

3-input two numbers 'a' and 'n' from user And calculate a n.  
where  $n = a \times a \times \dots \times a$

4-input a number and display its length. for Example, for number=89732, 5 will be display

5-input a 4 digit number and display each digit of it on separately on screen.

Sample Run:

Enter 4 digit Number: 5619

5  
6  
1  
9

# UNIVERSITY OF THE PUNJAB



Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A (Hons.)

Roll No. ....

**Subject: Introduction to Micro Economics**  
**PAPER: 5**

**TIME ALLOWED: 3 hrs.**  
**MAX. MARKS: 100**

## Section 1

Attempt all Questions

- |   |    |
|---|----|
| 1. Define the following terms. All questions carry equal marks. | 20 |
| i. Absolute Advantage   | 2  |
| ii. Exports   | 2  |
| iii. Competitive Market   | 2  |
| iv. Surplus   | 2  |
| v. Substitutes  | 2  |
| vi. Excludability   | 2  |
| vii. Accounting Profit  | 2  |
| viii. Efficient scale   | 2  |
| ix. Average Revenue   | 2  |
| x. Natural monopoly   | 2  |

## Section 2

Attempt any Four Questions.

- |  |    |
|--|----|
| 2. Write the statement of Law of Supply. What are the determinants of supply? What happens to the supply curve when any of these determinants changes? Distinguish between a change in supply and a change in the quantity supplied, noting the cause(s) of each.  | 20 |
| 3. Define Price Elasticity of Demand. What are the major determinants of price elasticity of demand? Use those determinants and your own reasoning in judging whether demand for each of the following products is probably elastic or inelastic: (a) bottled water; (b) toothpaste; (c) diamond bracelets | 20 |
| 4. Differentiate private goods and public goods. Discuss the problem of free rider and discuss some important public goods.  | 20 |
| 5. Define externality. Define negative externality and positive externality and explain why outcomes are inefficient in the presence of externalities.   | 20 |
| 6. What is the relationship of short run and long run average total cost curves? Why these cost curves differ in shapes? Define economies and diseconomies of scale and why might they arise?  | 20 |
| 7. What is meant by competitive firm? Draw the cost curves for a typical firm. For a given price, explain how the firm chooses the level of output that maximizes profit.  | 20 |

# UNIVERSITY OF THE PUNJAB



Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A. (Hons.)

Roll No. ....

Subject: Financial Accounting (Advanced)  
PAPER: 7

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

**NOTE:** Attempt FIVE (5) questions including question No. 1 which is compulsory. All questions carry equal marks.

## Objective Part

Q.No. 1

Briefly explain any ten (10) terms given below:-

1. Voluntary Association
2. Common Seal
3. Article of Association
4. Preliminary Expenses
5. Called up Capital
6. Over Subscription
7. Sources of Bonus Issue
8. Formula of Quantum of Bonus
9. Underwriting Commission
10. Fixed Assets Ratio
11. Creditors Turnover Ratio
12. Naked Debentures
13. Right Issue
14. Redeemable Debenture
15. Average collection period

## Subjective Part

Q.No. 2

The extracts are taken from the draft Balance Sheet of Modern Appliance Limited as on 31<sup>st</sup> December 2014.

### Authorized Capital:

30,000 ordinary shares of Rs. 100 each

Rs. 30,00,000

### Issued, Subscribed and paid up capital:

12,500 shares of Rs. 100 each

12,50,000

Reserve Fund

8,25,000

Profit & Loss Account

3,30,000

The Board of Directors recommended to issue bonus shares at the rate 15 shares of Rs.100 each for every 50 shares held at present. For this purpose, Rs. 200,000 are to be provided out of profit & loss account and the balance out of reserve fund.

The Board also recommended to issue right shares of the company @ 30 shares of Rs. 100 each for every 50 shares at a premium of Rs. 20 per share. The approval of controller of Capital issue had already been obtained.

### Required:

Make necessary journal entries to give effect to the recommendation of Board of Directors and show how would they effect the Balance sheet.

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### Q.No. 3

A company has outstanding 12% debentures of Rs.500,000 on 1<sup>st</sup> January 2008. The company pays interest on 30<sup>th</sup> June and 31<sup>st</sup> December. It purchased debentures of Rs.30,000 for cancellation on 30<sup>th</sup> June @ Rs.98 each. It further purchases for investment debentures of Rs.20,000 on 1<sup>st</sup> July @ Rs. 97 each. On 31<sup>st</sup> December 2000 the company decides to cancel the own debentures purchased by it earlier.

**Required:** You are required to pass the necessary journal entries in the books of company for the year 2008.

### Q.No. 4

Following are the ratios relating to the trading activities of National Traders Limited.

Debtors Velocity	3 months
Stock Velocity	8 months
Creditors Velocity	2 months
Gross Profit Ratio	20%

- Gross profit for year ended 31<sup>st</sup> December 2012 amounting to Rs. 5,00,000.
- Closing Stock of the year is Rs. 20,000 above the opening stock.
- Bills Receivable and bills payable were Rs.60,000 & Rs. 36,667 respectively.

**Required:** Find out the following figures:

- |                  |                     |
|------------------|---------------------|
| a) Sales         | b) Sundry Debtors   |
| c) Closing Stock | d) Sundry Creditors |

### Q.No. 5

From the summarized balance sheet given below of a company calculate:

- |                                     |                                 |
|-------------------------------------|---------------------------------|
| i) Stock turnover ratio             | ii) Debtors turnover ratio      |
| iii) Working capital turnover ratio | iv) Fixed assets turnover ratio |

LIABILITIES	Rs.	ASSETS	Rs.
Equity	124,000	Fixed assets	2,08,000
Long term loans	110,000	Stock	46,000
Current liabilities	74,000	Debtors	44,000
		Cash	10,000
<b>Total</b>	<b>3,08,000</b>	<b>Total</b>	<b>3,08,000</b>

#### Additional information:

Sales	Rs. 400,000
Gross Profit	20%

### Q.No. 6

The management of a departmental store decided to ascertain separate profits for two departments X and Y for the month ending 31<sup>st</sup> January 2013, stock on 31<sup>st</sup> January could not be valued for certain unavailable reasons but the rates of gross profit (calculated without reference to direct expenses) on sales for the two departments are 40% and 30% respectively.

Particulars	Deptt. X (Rs.)	Deptt. Y (Rs.)
Stock (1-1-2007)	18,000	16,800
Sales	84,000	72,000
Purchases	54,000	43,200
Direct expenses	10,980	17,040

Indirect expenses for the whole business (containing five departments) are Rs. 21,600 which is to be charged in proportion to departmental sales, except as to 1/6<sup>th</sup> which is to be charged equally. Total sales for the remaining three departments were Rs. 204,000.

#### **Required:**

Prepare a statement showing profits for Departments X and Y respectively.

### Q.No. 7

What do you mean by ratio analysis? Explain the various objectives or uses of ratio analysis.



# UNIVERSITY OF THE PUNJAB



Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A. (Hons.)

Roll No. ....

Subject: Corporate Law/Company Law  
PAPER: 8

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

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

Q 1) Write brief Notes on the following

- a) Promoters
- b) Redeemable Capital
- c) Chief Executive
- d) Subsidiary

(4\*5)

Q 2) What are the contents of Memorandum of Association, how can the business clause be changed. (20)

Q 3) What are the in eligibilities to become a director of Public Ltd company. (20)

Q 4) What are the contents of prospectus, explain each. (20)

Q 5) What is an Annual General Meeting (AGM). Explain the matters to be discussed ordinarily in an AGM (20)

Q 6) What is transfer & transmission of share. Explain each & elaborate the difference between the two. (20)

Q 7) What are the applicable provisions for allotment of shares against application, also narrate any limitations mentioned as to allotment in ordinance. (20)

# UNIVERSITY OF THE PUNJAB



Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A. (Hons.)

Roll No. ....

Subject: Introduction to Macro Economics  
PAPER: 9

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

**NOTE: Attempt any FIVE questions including Q.1, which is compulsory.**

Serial no. Of questions	Questions	No. of marks
Q-1	<b>SECTION 1</b> i. Differentiate between Gross Domestic product and Gross National Product. ii. Define Consumer Price Index and write down the formula of calculating it. iii. Define Nominal and Real GDP. iv. Why Productivity is important. v. Briefly explain the Bond market and Stock market. vi. Briefly discuss the concept of Minimum Wage Laws. vii. What is the meaning of money? viii. Differentiate Real and Nominal interest rate. ix. Briefly explain the concept of Diminishing returns and catch-up effect. x. List down and discuss the three problems that arise in measuring the cost of living.	4*10=40
Q-2	<b>SECTION 2</b> Define Gross Domestic product? Discuss in detail the definition of GDP and its components.	15
Q-3	Explain the concept of Consumer price Index. How the Consumer price Index is calculated? Also discuss the problems in measuring Cost of Living.	15
Q-4	Define Productivity? List down and discuss the determinants of Productivity.	15
Q-5	Explain the Theory of efficiency wages.	15
Q-6	Discuss the Saving and Investment in National Income Accounts.	15
Q-7	Explain the meaning of nominal interest rate and real interest rate.	15

# UNIVERSITY OF THE PUNJAB



Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A (Hons.)

Roll No. ....

Subject: Statistics (Elementary)  
PAPER: 10

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

## Section 1

Attempt all Questions

1. Define the following terms. All questions carry equal marks. 20
  - i. Parameter 2
  - ii. Continuous Variable 2
  - iii. Negatively Skewed Distribution 2
  - iv. Geometric Mean 2
  - v. Simple Correlation 2
  - vi. Exhaustive Events 2
  - vii. Non-Random Sampling 2
  - viii. Hypothesis 2
  - ix. Level of Significance 2
  - x. Binomial Distribution 2

## Section 2

Attempt any Four Questions.

2. The following data represent the number of appointments made per 15-minute interval by telephone solicitation for a lawn-care company. Assume these are population data. 20

Number of Appointments	Frequency of Occurrence
0-under 1	31
1-under 2	57
2-under 3	26
3-under 4	14
4-under 5	6
5-under 6	6

Calculate Median and draw frequency polygon.

- 3a. Calculate Variance for above data. 10
- b. According to the Bureau of Labor Statistics, the average annual salary of a worker in Detroit, Michigan, is \$35,748. Suppose the median annual salary for a worker in this group is \$31,369 and the mode is \$29,500. Is the distribution of salaries for this 10

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group skewed? If so, how and why? Which of these measures of central tendency would you use to describe these data? Why?

- 4a. According to the U.S. Bureau of Labor Statistics, 75% of the women 25 through 49 years of age participate in the labor force. Suppose 78% of the women in that age group are married. Suppose also that 61% of all women 25 through 49 years of age are married and are participating in the labor force. What is the probability that a randomly selected woman in that age group is married or is participating in the labor force? 10
- b. A random variable is binomially distributed with mean 16 and variance 4. Find  $n$  and  $p$ . 10
5. The following data are the claims (in \$ millions) for BlueCross BlueShield benefits for nine states, along with the surplus (in \$ millions) that the company had in assets in those states. 20

State	Claims	Surplus
Alabama	1,425	277
Colorado	273	100
Florida	915	120
Illinois	1687	259
Maine	234	40
Montana	142	25
North Dakota	259	57
Oklahoma	258	31
Texas	894	141

Use the data to compute a correlation coefficient,  $r$ , to determine the correlation between claims and surplus.

6. Given the following population distribution: 20

X	1	2	3	4
F(x)	1/7	3/7	2/7	1/7

Find the sampling distribution of the mean if a sample of two numbers is taken with replacement. How does the variance of the sampling distribution compare with the population variance?

- 7a. A random sample of nine individuals from a large city gave a mean height of 68 inches and the unbiased estimate  $s^2$  of population variance found from the same sample was 4.5 inches. Test the hypothesis that the mean height of the individuals of the city is 68.5 using a level of significance of 0.05. 10
- b. A certain drug was given to 10 patients and the following increments in their blood pressures were observed: 7, 3, -1, 4, -3, 5, 6, -4, 1, 2. Show that the data do not indicate that the drug was responsible for these increments at 5% level of significance. 10



# UNIVERSITY OF THE PUNJAB

Second Year 2<sup>nd</sup> A/2015  
Examination: B.B.A. (Hons.)

Roll No. ....

Subject: Money & Banking  
PAPER: 11

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

## Section – 1

Max Marks: 60

**NOTE:** Attempt any four questions from Section 1. All Questions carry equal Marks.

Q: 1	Define Money and explain in detail the origin of money and also explain qualities of good money.	15
Q: 2	'Commercial Banks create credit'. Discuss in detail alongwith limitations.	15
Q: 3	What are different types of credits given by a Commercial Bank?	15
Q: 4	Define inflation explain its causes and how it can be controlled?	15
Q: 5	Explain in detail the role of Central Bank in development of an economy.	15
Q: 6	Write a note on Primary and Secondary functions of a Commercial Bank.	15
Q: 7	Define Letter of Credit, parties to letter of credit and also explain benefits of Letter of Credit.	15

## Section – 2

**NOTE:** Give short note / brief answer to all of the following.

Max Marks: 40

1-	Current Account	4
2-	Saving Account	4
3-	Fixed Deposit	4
4-	Foreign Currency Deposit	4
5-	Deflation	4
6-	Red Clause Letter of Credit	4
7-	Clearing House	4
8-	Open Market Operation	4
9-	Barter System	4
10-	Cash Balance Theory	4