



# UNIVERSITY OF THE PUNJAB

Second Year A/2016  
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> <ol style="list-style-type: none"><li>Re-order level</li><li>Minimum level</li><li>Maximum Level</li></ol>	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> <ol style="list-style-type: none"><li>EOQ</li><li>Savings for coming year if company buys in economic order quantity.</li></ol>	20
Q.No.3	<p>In an accounting conference , discussion turned to the possibility of preparing financial statements from a few key accounts, together with financial or cost ratios.</p> <p>The assistant controller of participating firm provided the following data: Income before tax-----Rs.1,200,000 Income before tax is 10% of sales</p>	20
	<p>Gross profit is 40% of sales Marketing expenses are 15% of sales 5% bonds payable represents 37.5% of total liabilities of Rs.2,000,000.</p> <p><b>Required:</b></p> <p>Prepare an income statement for the year based on above information.</p>	

**P.T.O.**

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 Umar company was totally destroyed by fire during June: However certain fragments of its cost records were recovered with the following data: Idle capacity variance Rs.1,266 favorable le; Spending Variance Rs.779 Unfavorable and applied FOH Rs. 16, 234.</p> <p><b>Required:</b></p> <ol style="list-style-type: none"> <li>Calculate budgeted allowance based on capacity utilized.</li> <li>Actual Factory overhead.</li> </ol>	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	What is cost accounting? State briefly the scope of cost accounting.	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 A/2016  
Examination: B.B.A. (Hons.)

Roll No. ....

Subject: Financial Management (Basic)  
PAPER: 2

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

**NOTE: Attempt any FIVE questions including question # 1 which is compulsory.**

## Section 1

Q 1 a) write short notes on the following

(5\*4=20 marks)

- a) Effective Rate of Interest
- b) Nominal Rate of Interest
- c) Yield to Maturity
- d) Stock Dividend

b) Briefly answer the following questions

(4\*5=20 marks)

- a) Differentiate between Cash basis and accrual basis of accounting
- b) Differentiate between profit and operating cash flow
- c) Differentiate between cash dividend and stock dividend
- d) Differentiate between time series and cross section analysis

## Section 2

Question 2.

(15 marks)

Elliot Enterprises' bonds currently sell for \$1,150, have an 11% coupon interest rate and a \$1,000 par value, pay interest *annually*, and have 18 years to maturity.

- a. Calculate the bonds' yield to maturity (YTM).
- b. Compare the YTM calculated in part a to the bonds' coupon interest rate, and use a comparison of the bonds' current price and their par value to explain this difference.

Question 3

(15 marks)

Charter Corp. has issued 2,500 bonds with a total principal value of \$2,500,000. The bonds have a coupon interest rate of 7%.

- a. What dollar amount of interest per bond can an investor expect to receive each year from Charter Corp.?
- b. What is Charter's total interest expense per year associated with this bond issue?
- c. Assuming that Charter is in a 35% corporate tax bracket, what is the company's net after-tax interest cost associated with this bond issue?

Question 4.

(15 marks)

René Levin wishes to determine the future value at the end of 2 years of a \$15,000 deposit made today into an account paying a nominal annual rate of 12%.

- a. Find the future value of René's deposit, assuming that interest is compounded (1) annually, (2) quarterly, (3) monthly, and (4) continuously.
- b. Compare your findings in part a, and use them to demonstrate the relationship between compounding frequency and future value.
- c. What is the maximum future value obtainable given the \$15,000 deposit, the 2-year time period, and the 12% nominal annual rate? Use your findings in part a to explain.

Question 5.

(15 marks)

Misty need to have \$15,000 at the end of 5 years in order to fulfill her goal of purchasing a small sailboat. She is willing to invest the funds as a single amount today but wonders what sort of investment return she will need to earn. Use your calculator or the time value tables to figure out the approximate annually compounded rate of return needed in each of these cases:

- a. Misty can invest \$10,200 today.
- b. Misty can invest \$8,150 today.
- c. Misty can invest \$7,150 today.

P.T.O.

## Question 6.

(15 marks)

McDougal Printing, Inc., had sales totaling \$40,000,000 in fiscal year 2013. 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.

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:

- Gross profits
- Cost of goods sold
- Operating profits
- Operating expenses
- Earnings available for common stockholders
- Total assets
- Total common stock equity
- Accounts receivable

Question 7. Cordillera Carson Company has the following balance sheet and income statement for 20X2 (in thousands):

(15 marks)

BALANCE SHEET		INCOME STATEMENT	
Cash	\$ 400	Net sales (all credit)	\$12,680
Accounts receivable	1,300	Cost of goods sold	8,930
Inventories	2,100	Gross profit	\$ 3,750
Current assets	\$3,800	Selling, general, and	
Net fixed assets	3,320	administration expenses	2,230
Total assets	\$7,120	Interest expense	460
		Profit before taxes	\$ 1,060
Accounts payable	\$ 320	Taxes	390
Accruals	260	Profit after taxes	\$ 670
Short-term loans	1,100		
Current liabilities	\$1,680		
Long-term debt	2,000		
Net worth	3,440		
Total liabilities and net worth	\$7,120		

Notes: (i) current period's depreciation is \$480; (ii) ending inventory for 20X1 was \$1,800.

On the basis of this information, compute (a) the current ratio, (b) the acid-test ratio, (c) the average collection period, (d) the inventory turnover ratio, (e) the debt-to-net-worth ratio, (f) the long-term debt-to-total-capitalization ratio, (g) the gross profit margin, (h) the net profit margin, and (i) the return on equity.

Question 8. Briefly describe various methods of Bond and Stock valuation.

(15 marks)





# UNIVERSITY OF THE PUNJAB

Second Year A/2016  
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.	Discuss how to design business portfolios and develop growth strategies.	[20]
Q2.	Define the consumer market and construct a simple model of consumer buyer behavior.	[20]
Q3.	Identify the major factors that influence business buyer behavior.	[20]
Q4.	List and discuss the major bases for segmenting consumer and business markets.	[20]
Q5.	Discuss branding strategy; the decisions companies make in building and managing their brands, discuss.	[20]
Q6.	Describe the four stages of the product life cycle.	[20]
Q7.	List and define the steps in the new-product development process.	[20]



# UNIVERSITY OF THE PUNJAB

Second Year A/2016  
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. (1x10=10):

1. A..... is used to display information entered at design time, by a user at runtime ,or assigned within the code
  - a. LabelBox
  - b. TextBox
  - c. ListBox
  - d. ComboBox
2. .... Method adds a row to an MSHFlexGrid.
  - a. Add
  - b. New
  - c. Add item
  - d. None of these
3. .... Method is used to clear the contents of MSHFlexGrid control.
  - a. Clr
  - b. Remove
  - c. RemoveItem
  - d. Clear
4. ....files contain bitmaps, strings, and other data that we can change without having to reedit and recompile the program code.
  - a. Class file
  - b. Resource file
  - c. Forms
  - d. None of these
5. .... is used to select a particular record.
  - a. Dataprovider
  - b. Database
  - c. VDM
  - d. File pointer
6. .... Is a collection of code which translates application request into physical operation on data store?
  - a. Database
  - b. Data provider
  - c. Interface
  - d. None of these
7. .... is a Microsoft product for windows platform
  - a. Jet database engine
  - b. ODBC
  - c. OLEDB
  - d. None of these
8. .... Allows access to the client server databases on a network
  - a. OLEDB
  - b. Jet database engine
  - c. ODBC
  - d. None of these

**P.T.O.**

9. .... Method of record set object can be used to allocate memory for a new blank record.

- a. Addnew
- b. Add
- c. Edit
- d. Update

10. .... Is the top level object in DAO hierarchy?

- a. DB Engine
- b. Database
- c. Data provider
- d. None of these

**Question # 2 Write True or False as your answer for the following: (1x10=10)**

- 1. New keyword is used to create an object for the class.
- 2. Array is a group of objects gathered together as a single object.
- 3. The Visible property is usually used with message boxes to make them disappear.
- 4. Visual Basic projects can have more than one form.
- 5. File Is an important property of a file list box
- 6. Module-level variables have wider scope than global variables.
- 7. List index property is used to return the index of a selected item in a list box.
- 8. Option button property is used to return the Boolean value.
- 9. One class can create many objects.
- 10. File is a pointer in to a set of records.

**Question # 3 Write a brief description about each of the following: (3x10=30)**

- 1. What is control array in VB? Explain its silent features?
- 2. Explain the function of Debug window in Visual Basic.
- 3. What is the difference between pull-down and pop-up menus?
- 4. Define array explain its types in detail briefly.
- 5. Differentiate label box and text box in detail.
- 6. What are the different looping statements used in VB?
- 7. What is combo box and list box explain it?
- 8. What are the decision structure in VB describe do while loop?
- 9. Define and explain VB strings?
- 10. Define arithmetic operators in detail.

**Q # 4 attempts any three questions from the followings. (3x10=30)**

- 1. Write a program which takes input of two numbers show floating values.
- 2. Input an integer which displays subtraction and sum of two values.
- 3. Write a program which show even and odd numbers separately..
- 4. Input two number which display the length for example 98985, 5 will be displayed.
- 5. Display 5 digits which display separately on the screen

Demo run:

7  
0  
8  
9  
1

# UNIVERSITY OF THE PUNJAB



Second Year A/2016  
Examination: B.B.A (Hons.)

Roll No. ....

Subject: Introduction to Micro Economics  
PAPER: 5

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

**NOTE:** Attempt any *FIVE* questions in all. Question No. 1 is compulsory.

## SECTION 1

Q No.1: Define The Following Terms. All Questions Carry Equal Marks

(2\*10=20)

1. Implicit cost
2. Comparative advantage
3. Consumer's equilibrium
4. Complementary goods
5. imports
6. competitive markets
7. Inferior goods
8. Negative externality
9. Market equilibrium
10. Production function

## SECTION 2

Q No 2: Explain market equilibrium using demand and supply analysis? Express the effects of increase in quantity demanded on equilibrium? (20)

Q No 3: Explain price elasticity of demand? State various determinants of elasticity of demand? How it can be measured for a given commodity? (20)

Q No4: Explain consumer's surplus? how buyer's willingness to pay and demand curves are related?(20)

Q No5: Define monopoly? State characteristics of a monopoly? How prices and output are determined under monopoly when a firm faces Profit and loss in the short run? (20)

Q No6: Differentiate between public goods and common resources? Explain your answer using examples ? (20)

Q No7: write a note on any *TWO* of the followings? (20)

- a. Externalities
- b. Law of supply
- c. Laws of returns

# UNIVERSITY OF THE PUNJAB



Second Year A/2016  
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. Collateral Security
2. Perpetual Succession
3. Statutory company
4. Underwriter
5. Statement in lieu of Prospectus
6. Paid up Capital
7. Contingent Assets
8. Over Subscription
9. Net Worth of business
10. Naked Debenture
11. Debt Equity Ratio
12. Stock Turnover Ratio
13. Separate legal Entity
14. Average collection Period
15. Cum-Interest

## Subjective Part

Q.No. 2

Z Ltd. With an authorized capital of Rs. 5,00,000 divided into 5,000 Equity Shares of Rs. 100 each. The company issued 4,000 shares of Rs. 100 each at a discount of 5 per cent. The company received applications for 3,000 shares. All applicants paid their money due. During the year the company made a capital profit of Rs. 20,000. It was decided to write off the discount of Rs. 10,000 out of this profit.

**Requirement:** Pass the necessary journal entries and show the balance sheet.



### Q.No.3

The extracts are given from the draft balance sheet of XYZ company as on 31<sup>st</sup> December 2012:

Authorized Capital: 50,000 shares of Rs. 100 each

Rs. 50,00,000

Issued, Subscribed and Paid up capital:

20,000 Ordinary shares of Rs. 100 each

20,00,000

Share Premium

1,00,000

General Reserve

16,00,000

Profit & Loss Account

4,00,000

The board of directors pass a resolution to capitalize a part of existing reserves and profit by issuing bonus shares. Four bonus shares are being issued for every ten shares of Rs. 100 each already held in the company. For the purpose of bonus issue, to utilize the share premium account, Rs. 3,00,000/- out of profit & loss account and balance out of general reserve.

Company also offers to its shareholders the right to buy 3 shares of Rs. 100 each at Rs. 125 each for every 5 shares held. All the rights were taken up:

**Required:** You are required to pass the Journal entries and also redraft the balance sheet after the above arrangements.

### Q.No. 4

On 1<sup>st</sup> January 2013 Metal Products Ltd. Issued Debentures for Rs. 1,00,000 redeemable at par at the end of 5 years and it was resolved that a Sinking Fund should be formed and invested in tax-free securities.

Give journal entries and draw up the necessary ledger accounts for 5 years, assuming that the interest received on the investments was at the rate of 5 per cent on cost, that the interest was received yearly and immediately invested and that the investment were realized at a loss of Rs. 300 at the end of five years. Assume investments are made in multiple of hundred rupees.

Reference to the Sinking Fund Table shows that Rs. 0.180975 invested at the end of each year, at 5% compound interest will produce Rs. 1 at the end of 5 years.

### Q.No. 5

The following is the Balance Sheet of A Limited as on 30.06.2014.

LIABILITIES	RS.	ASSETS	RS.
Share Capital (10,000 Shares of Rs. 10/- each)	1,00,000	Land & Building	1,25,000
Reserves & Surpluses	65,000	Plant & Furniture	75,000
6% Debentures	1,00,000	Stock	50,000
Creditors	18,000	Debtors	10,000
Bills Payable	7,000	Bills Receivable	5,000
		Cash and Bank	20,000
		Preliminary Expenses	5,000
<b>Total</b>	<b>2,90,000</b>	<b>Total</b>	<b>2,90,000</b>

Rearrange the above balance sheet in a form suitable for analysis and calculate the following ratios:-

- Debt/Equity Ratio
- Proprietary Ratio
- Current Ratio
- Acid Test Ratio

**Q.No. 6**

The Trading and Profit and Loss Account of Radio and Gramophone equipment Co., for the six months ended 31<sup>st</sup> March, 1993 is presented to you in the following form:-

Particulars	Amount Rs.	Particulars	Amount Rs.
Purchases:		Sales	
Radio (A)	1,40,700	Radio (A)	1,50,000
Gramophones (B)	90,600	Gramophone (B)	1,00,000
Spare Parts for Servicing (C)	64,400	Receipts form servicing and Repair Jobs (C)	25,000
Salaries & Wages	48,000	Stocks on 31 <sup>st</sup> March, 1993	
Rent	10,800	Radio (A)	60,100
Sundry Expenses	11,000	Gramophones (B)	20,300
Profit	34,500	Spare Parts for servicing (C)	44,600
	<u>4,00,000</u>		<u>4,00,000</u>

Prepare Departmental Accounts for each of the three departments A,B and C mentioned above after taking into consideration the following information:

- Radio and Gramophones are sold at the show-room: Servicing and repairs are carried out at the workshop.
- Salaries and Wages comprise as follows:

Showroom  $\frac{3}{4}$

Workshop  $\frac{1}{4}$

It was decided to allocate the showroom salaries and wages in the ratio of 1:2 between Departments A & B.

- The Workshop Rent is Rs. 500 per month. The rent of the showroom is to be divided equally between the Departments A & B.
- Sundry expenses to be allocated on the basis of turnover of each Department.

**Q.No. 7**

Describe in detail merits and demits of Bonus issue and Right issue.

# UNIVERSITY OF THE PUNJAB



Second Year A/2016  
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) Chief Executive
- b) Body Corporate
- c) Prescribed
- d) Doctrine of Ultra Vires (4\*5)

Q 2 List any Fifteen (15) things which should be part of Table "A". (20)

Q 3) What are the powers which the directors of the company can-not exercise without getting approval from the members of the company.

b) What are the functions of the Chief Executive of the company. (12+8)

Q 4) a) What are the reports in prospectus, which are to be certified by the Auditor.

b) What is common seal. Why, When & where is it used? (10+10)

Q 5) What is an Annual General Meeting (AGM). Draft a notice of AGM to be sent to members of the company, with special business being the change of name of company from "Papers Ltd" to Easy Paper Ltd" (20)

Q 6) ) What conditions are to be met by company, to obtain "Certificate of Commencement of Business"? (20)

Q 7) What are the remedies available for the applicant if his application for allotment of shares is unsuccessful. (20)

# UNIVERSITY OF THE PUNJAB



Second Year A/2016  
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.**

## SECTION 1

**Q No.1:** Answer the following short questions. Use examples and graph where necessary. (4\*10=40)

1. Differentiate between Gross Domestic Product and Gross National Product?
2. Define CPI-Consumer Price Index? Write down its formula?
3. Briefly define the catch-up-effect?
4. State any four causes of inflation?
5. Differentiate between paper and metallic money?
6. Differentiate between nominal and real interest rate?
7. Define Fisher effect?
8. Define productivity? State its determinants?
9. Define Fiscal policy? State some objectives of Fiscal policy?
10. State any four types of Unemployment?

## SECTION 2

- Q No 2:** Define monetary policy? Explain various objectives and tools of monetary policy? (15)
- Q No 3:** Define inflation? What are its major causes of inflation? Explain some measures to control on inflation? (15)
- Q No4:** Explain the theory of efficiency wages in detail? (15)
- Q No5:** explain the consumer's price index? What are the problems in measurement Of cost of living index ? (15)
- Q No6:** Discuss the minimum wage laws? Are these better explanation for structural Unemployment? (15)
- Q No7:** write a note on any **ONE** of the followings? (15)
- a. Fisher Effect
  - b. Unemployment

# UNIVERSITY OF THE PUNJAB



Second Year A/2016  
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. Statistics 2
  - ii. Frequency 2
  - iii. Positively Skewed Distribution 2
  - iv. Mode 2
  - v. Simple Correlation 2
  - vi. Mutually Exclusive Events 2
  - vii. Stratified Random Sampling 2
  - viii. One Tail Hypothesis 2
  - ix. Type One Error 2
  - x. Binomial Distribution 2

## Section 2

Attempt any Four Questions.

2. Construct frequency distribution and draw frequency curve of following data 20

139	126	114	100	88	62	77	99	103	108
144	129	148	63	69	148	132	118	142	116
123	104	95	80	85	106	123	133	140	134
3. The following table shows the age (in years) distributions of subscribers to the two magazines in thousands of subscribers 20

Age	10-19	20-29	30-39	40-49	50-59	60-69	70-79
Magazine A	10	48	58	38	28	10	8
Magazine B	8	18	18	28	54	46	28

Calculate Mean for A, Median for B and variance for A.

- 4a. An increasing number of consumers believe they have to look out for themselves in the marketplace. According to a survey conducted by the Yankelovich Partners for USA WEEKEND magazine, 60% of all consumers have called an 800 or 900 telephone number for information 10

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about some product. Suppose a random sample of 25 consumers is contacted and interviewed about their buying habits. What is the probability that more than 20 of these consumers have called an 800 or 900 telephone number for information about some product?

- b. Arthur Andersen Enterprise Group/National Small Business United, Washington, conducted a national survey of small-business owners to determine the challenges for growth for their businesses. The top challenge, selected by 46% of the small business owners, was the economy. A close second was finding qualified workers (37%). Suppose 15% of the small-business owners selected both the economy and finding qualified workers as challenges for growth. A small-business owner is randomly selected. What is the probability that the owner believes the economy is a challenge for growth if the owner believes that finding qualified workers is a challenge for growth? 10
5. The following data are the Assets (in million rupees) and Taxes (in million rupees) of PVT companies. 20

Assets	Taxes
1,425	277
273	100
915	120
1687	259
234	40
142	25
259	57
258	31
894	141

Use the data to compute a linear regression line for taxes and interpret the meaning of a and b.

6. Given the following population distribution: 20

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

Find the sampling distribution of the odd number if a sample of two numbers is taken with replacement. How does the mean of sampling distribution related with population proportion?

- 7a. The breaking strength of cables produced by a company has a mean of 180 pounds and standard deviation of 10 pounds. By new techniques in the production processes, it is claimed that the breaking strength can be increased. To test this claim, a sample of 60 cables is tested and it is found that the mean breaking strength is 185 pounds. Can we support the claim at the 0.05 significance level? 10
- b. A process is in control when the average amount of soft drink that is packed in a jar, is 6 oz. The standard deviation is 0.2 oz. A sample of 80 jars is selected at random and the sample average is found to be 5.8 oz. Is the process out of control? 10

# UNIVERSITY OF THE PUNJAB



Second Year A/2016  
Examination: B.B.A. (Hons.)

Roll No. ....

Subject: Money & Banking  
PAPER: 11

TIME ALLOWED: 3 hrs.  
MAX. MARKS: 100

**NOTE: Attempt any FIVE questions. Question # 7 is compulsory.**

Q: 1	Define Barter System and Explain in detail the inconveniences of barter system.	15
Q: 2	Define Commercial Bank and Explain in detail the role of Commercial Bank in Economic Development.	15
Q: 3	What are different types of Deposit received by a Bank? Explain in detail.	15
Q: 4	Define Central Bank and discuss major functions of a Central Bank.	15
Q: 5	Define Paper Money. Explain its kinds, advantages and disadvantages to the economy.	15
Q: 6	Define Letter of Credit? Explain its Types and Parties to the Letter of Credit.	15
Q: 7	Write Short Notes on: a) Cash Balance Theory b) Mortgage c) Open Market Operation d) Cash Reserve Ratio e) Inflation f) ATM g) Modarba h) SLR i) Over Draft j) Cash Credit	(4X10) 40