

R-3181

Sub. Code

611201

M.Com. DEGREE EXAMINATION, APRIL 2019

Second Semester

ADVANCED MANAGEMENT ACCOUNTING

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. What is the term 'Return on Investment'?
2. What are the Advantages of Zero Base Budgeting?
3. What is meant by Cost-volume Profit analysis?
4. Given the following information :

	Rs.
Revenue from Operations	3,40,000
Cost of Revenue from Operations	1,20,000
Selling expenses	80,000
Administrative Expenses	40,000

Calculate Gross Profit Ratio.

5. You are required to calculate : Margin of safety.

Fixed cost	Rs. 12,000
Profit	Rs. 1,000
Break even sales	Rs. 60,000

Section B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Briefly discuss the role of Management Accounting in Decision making.

Or

- (b) Differentiate between Financial Accounting and Management Accounting.

7. (a) Calculate degree of (i) Operating Leverage (ii) Financial Leverage and (iii) Combined Leverage from the data :

Sales 1,00,000 units @ Rs. 2 per unit = Rs. 2,00,000

Variable cost per unit @ Re. 0.70

Fixed cost Rs. 1,00,000

Interest charges Rs. 3,668

Or

- (b) From the following balance sheets of Amrit Ltd., as on March 31, 2015 and 2016, prepare a Comparative Balance Sheet :

Particulars	Note No.	2016 (Rs.)	2015 (Rs.)
I. Equity and Liabilities			
1. Shareholders' Funds			
(a) Share capital		20,00,000	15,00,000
(b) Reserve and surplus		3,00,000	4,00,000
2. Non-current Liabilities			
Long-term borrowings		9,00,000	6,00,000
3. Current liabilities			
Trade payables		3,00,000	2,00,000
Total		35,00,000	27,00,000

II. Assets

1. Non-current assets

(a) Fixed assets

– Tangible assets	20,00,000	15,00,000
– Intangible assets	9,00,000	6,00,000

(b) Current assets

– Inventories	3,00,000	4,00,000
– Cash and cash equivalents	3,00,000	2,00,000

Total	<u>35,00,000</u>	<u>27,00,000</u>
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8. (a) Prepare a statement of changes in Working Capital from the following balance Sheet of Manjit and Co. Ltd.

Liabilities	2010	2011	Assets	2010	2011
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Equity capital	5,00,000	5,00,000	Fixed assets	6,00,000	7,00,000
Debentures	3,70,000	4,50,000	Long term		
Tax payable	77,000	43,000	investments	2,00,000	1,00,000
Accounts payable	96,000	1,92,000	Work in progress	80,000	90,000
Interest payable	37,000	45,000	Stock in trade'	1,50,000	2,25,000
Dividend payable	50,000	35,000	Accounts receivable	70,000	1,40,000
			Cash	30,000	10,000
Total	<u>11,30,000</u>	<u>12,65,000</u>	Total	<u>11,30,000</u>	<u>12,65,000</u>

Or

- (b) From the following Profit and Loss account, Calculate Cash from Operations under Direct Method.

Profit and Loss account for the year ended 31/03/2012

	Rs.		Rs.
To opening stock	16,000	By sales	3,00,000
Purchases (all cash)	1,40,000	Closing stock	20,000
Wages	20,000	Dividend	
Add : outstanding	<u>4,000</u>	received	5,000
Salaries	18,000		
Add : outstanding	<u>2,000</u>		
Rent	12,000		
Less : Prepaid	<u>2,000</u>		
Office expenses	5,000		
Depreciation	15,000		
Selling expenses	3,000		
Loss on sale			
of asset	2,000		
Provision for tax	30,000		
Net profit	<u>60,000</u>		
	<u>3,25,000</u>		<u>3,25,000</u>

9. (a) The expenses budgeted for production of 10,000 units in a factory are furnished below :

	Per Unit Rs.
Material	70
Labour	25
Variable factory Over heads	20

	Per Unit Rs.
Fixed factory Overheads (Rs. 1,00,000)	10
Variable expenses (Direct)	5
Selling Expenses (10% fixed)	13
Distribution Expenses (20% fixed)	7
Administrative Expenses (Fixed – Rs. 50,000)	5
Total Cost of Sales per unit	<u>155</u>

You are required to prepare a flexible budget for the production of 6,000 units and 8,000 units.

Or

- (b) ABC manufacturers can produce 4,000 units of a certain product at 100% capacity. The following information is obtained from the books of accounts :

	August, 2015	September, 2015
Units produced	2,800	3,600
	Rs.	Rs.
Repair and maintenance	500	560
Power	1,800	2,000
Shop labour	700	900
Consumable stores	1,400	1,800
Salaries	1,000	1,000
Inspection	200	240
Depreciation	1,400	1,400

The rate of production per hour is 10 units. Direct material cost per unit is Re. 1 and direct wages per hour is Rs. 4.

You are required to :

- (i) Compute the cost of production at 100%, 80% and 60% capacity showing the variable, fixed and semi-fixed items under the flexible budget; and
 - (ii) Find out the overhead absorption rate per unit at 80% capacity.
10. (a) Assuming that the cost structure and selling prices remain the same in Period I and II. Find out :
- (i) Profit volume ratio
 - (ii) Fixed cost
 - (iii) Break Even Point for sale
 - (iv) Profit when Sales are of Rs. 1,00,000
 - (v) Sales required to earn a profit of Rs. 20,000 and
 - (vi) Margin of safety at a Profit of Rs. 15,000
 - (vii) Variable cost in period II.

Period	Sales Rs.	Cost Rs.	Profit Rs.
I	1,20,000	1,11,000	9,000
II	1,40,000	1,27,000	13,000

Or

- (b) A company has fixed expenses of Rs. 90,000 with sales at Rs. 3,00,000 and a profit Rs. 60,000 during the first half year. If in the next half year, the company suffered a loss of Rs. 30,000.

Calculate :

- (i) The P/v ratio, Breakeven point and margin of safety for the first half year.
- (ii) Expected Sales volumes for next half year assuming that selling price and fixed expenses remain unchanged.
- (iii) The Breakeven point and margin of safety for the whole year.

Section C

(1 × 10 = 10)

Compulsory.

11. ABC Co. wished to arrange overdraft facilities with its bankers during the period April 2008 to June 2008 when it will be manufacturing mostly for the stock. Prepare a Cash Budget for the above period from the following data, indicating the extent of the bank facilities the company will require at the end of each month.

Particulars	Sales Rs.	Purchases Rs.	Wages Rs.
February 2008	1,80,000	1,24,800	12, 000
March 2008	1,92,000	1,44,000	14,000
April 2008	1,08,000	2,43,000	11,000
May 2008	1,74,000	2, 46,000	10,000
June2008	1,26,000	2,68,000	15,000

Additional Information :

- (a) 50% of the credit sales are realized in the month following the sales and remaining 50% in the second month following. Creditors are paid in the month following the month of purchases. There are no cash sales or cash purchases.
 - (b) Cash at bank [overdraft] estimated on 1st April 2008 is Rs. 25,000.
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R-3182

Sub. Code

611202

M.Com. DEGREE EXAMINATION, APRIL 2019

Second Semester

Commerce

BUSINESS RESEARCH METHODS

(CBCS – 2016-2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Describe the layout of the Research Report.
2. Differentiate Type I error and Type II error.
3. Write a short note on Pilot Study.
4. Briefly outline Research Process.
5. Explain Regression Analysis.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks..

6. (a) What do you mean by Research? Explain its significance.

Or

- (b) What is Research Problem? Define the main issues which should receive the attention of the researcher in formulating the research problem. Give suitable examples to elucidate your points.

7. (a) How would you differentiate Simple Random Sampling and Complex Random Sampling Designs? Explain by giving examples.

Or

- (b) Explain the meaning and significance of a Research Design.

8. (a) Distinguish between an Experiment and Survey methods of collecting data.

Or

- (b) "Scaling describes the procedures by which numbers are assigned to various degrees of opinion, attitude and other concepts" Discuss. Also point out the bases for scale classification.

9. (a) Write short notes on Cross Tabulation and Discriminant Analysis.

Or

- (b) (i) What are the alternative approaches of determining a sample size? Explain.
- (ii) If we want to draw a simple random sample from a population of 4000 items, how large a sample do we need to draw if we desire to estimate the per cent defective within 2 % of the true value with 95.45%probability

10. (a) Critically analyze the different stages when preparing a Research Report.

Or

- (b) The mean of a certain production process is known to be 50 with a standard deviation of 2.5. The production manager may welcome any change in mean value towards higher side but would like to safeguard against decreasing values of mean. He takes a sample of 12 items that gives a mean value of 48.5. What inference should the manager take for the production process on the basis of sample results? Use 5 per cent level of significance for the purpose.

Part C (1 × 10 = 10)

Compulsory.

11. "Research design in exploratory studies must be flexible but in descriptive studies, it must minimise bias and maximise reliability." Discuss and bring out suitable example from your research work.
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Sub. Code

611203/ 611504

M.Com. DEGREE EXAMINATION, APRIL 2019

Second Semester

Commerce

EXPORT-IMPORT DOCUMENTATION

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Explain Export Credit Insurance.
2. Define Open Policy.
3. State the Duty Free Import Authorization.
4. Explain Bio-Tech-Park Scheme.
5. Describe the Export Inspection Policy.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) What are the documents required for Export Credit?

Or

- (b) Explain the necessary documents and procedures need for availing credit Insurance.

7. (a) State the features and functions of Shipment of Cargo.

Or

- (b) Write short notes on:
(i) Cargo Insurance.
(ii) Vessel Insurance.
(iii) Marine Insurance.

8. (a) Illustrate the general provisions regarding Exports and Imports.

Or

- (b) Explain the Duty Free Replenishment Certificate (DFRC) and Duty Entitlement Pass Books scheme.

9. (a) Briefly explain Electronic Hardware and Software Technology Park Scheme.

Or

- (b) What do you mean by Duty Draw back? Explain its procedures and related documentation.

10. (a) Discuss the different kinds of Commodity Boards in India and explain its functions.

Or

- (b) State the role and functions of the Indian trade promotion organization.

Part C

(1 × 10 = 10)

Compulsory question.

11. Illustrate the Export benefits and functions of Agricultural and processed Food Products Export Development Authority.

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Sub. Code

611204

M.Com. DEGREE EXAMINATION, APRIL 2019

Second Semester

Commerce

MANAGERIAL COMMUNICATION

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. List the merits and demerits of electronic communication.
2. Briefly write about the features of making reader-oriented report.
3. Explain Acronyms by giving examples.
4. Write a note on transmittal document.
5. What do you mean by offer?

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Discuss the modern means of communications practiced today.

Or

- (b) Elaborate that communication differs with culture give examples.

7. (a) Bring out the care in use of language for better communication.

Or

- (b) Prepare a powerful impressive oral presentation to address your company employees on may 1st.

8. (a) Distinguish between periodic report and situational report. Discuss briefly the principle that are to be applied in preparing special report.

Or

- (b) Prepare a report for a magezine about a very successful restaurant in your area.

9. (a) Name the parts of a good business letter and sketch a model letter of business.

Or

- (b) Write a letter to your clearing agent to clear your goods sent for your manufacturing unit.

10. (a) Write a letter to your insurance company claming the damage due to T-sunami affected imported machinery worth a crore.

Or

- (b) Write a letter to your banker asking for an advance against your life insurance policy.

Part C (1 × 10 = 10)

Compulsory

11. Sketch a executive summary of your annual report.

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Sub. Code

611504/ 611203

M.Com. DEGREE EXAMINATION, APRIL 2019

Second Semester

FINANCIAL MANAGEMENT TECHNIQUES

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. State the significance of Investment decisions.
2. Critically evaluate the Pay-back method of Capital budgeting.
3. Cost of Capital is the function of Management preferences — Comment.
4. How does an Operating Leverage differ from Financial Leverage?
5. Discuss the advantages of Stock split or Stock dividend over Cash dividend.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Explain the objectives of 'profit maximization' and 'wealth maximization'. Which of these, do you think is a better operational criteria for a finance manager?

Or

- (b) Explain the functional areas involved in the modern approaches to Financial Management.
7. (a) Explain the determinants of Working Capital for firms.

Or

- (b) Describe the nature of short-term and long-term requirement of finance in a business and the sources from which they can be managed.
8. (a) What are the factors to be considered in determining the capital structure of a firm?

Or

- (b) Define 'capital budgeting'. What are the principles to be kept in mind while identifying the costs and benefits relating to a capital budgeting decision?

9. (a) Highlight the significance of cost of capital in financial decision making. Explain the various methods for computing the cost of equity capital.

Or

- (b) Aries limited wishes to raise additional finance of Rs.10 lakh for meeting its investment plans. It has Rs.2,10,000 in the form of retained earnings available for investment purposes.

The following are further details:

- (i) Debt-Equity mix 30:70,
- (ii) Cost of debt: upto Rs.1,80,000, 10% (before tax); beyond Rs.1,80,000, 12% (before tax),
- (iii) Earnings per share, Rs.4,
- (iv) Dividend payout, 50% of earning,
- (v) Expected growth rate in dividend, 10%,
- (vi) Current market price pershare, Rs.44,
- (vii) Tax rate, 35%.

You are required

- (1) To determine the pattern for raising the additional finance, assuming the firm intends to maintain existing debt/Equity mix,
- (2) To determine the post-tax cost of additional debt,
- (3) To determine the cost of retained earnings and cost of equity.

10. (a) From the following information, prepare a statement in columnar form showing the working capital requirements.

- (i) in total, and
 (ii) as regards each constituent part of working capital.

Budgeted sales (Rs.10 per unit)	Rs.2,60,000 per annum
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Analysis of one rupee of sales :

Raw material	0.30
Direct Labour	0.40
Overheads	0.20
Total cost	<u>0.90</u>
Profit	0.10
Sales	<u>1.00</u>

It is estimated that :

- (1) Raw materials are carried in stock for three weeks and finished goods for two weeks.
- (2) Factory processing will take three weeks.
- (3) Suppliers will give full five weeks credit.
- (4) Customers will require eight weeks credit.

It may be assumed that production and overheads accrue evenly throughout the year.

Or

- (b) Following are the details regarding three companies A Ltd., B Ltd. and C Ltd.,

A LTD.	B LTD.	C LTD.
$r = 15\%$	$r = 5\%$	$r = 10\%$
$K_e = 10\%$	$K_e = 10\%$	$K_e = 10\%$
$E = \text{Rs.}8$	$E = \text{Rs.}8$	$E = \text{Rs.}8$

Calculate the value of an equity share of each of these Companies applying Walter's formula when dividend payment ratio (D/P ratio) is:

- (i) 50%,
(ii) 75% and
(iii) 25%.

Part C (1 × 10 = 10)

(Compulsory)

11. The Alpha company ltd. is considering the purchase of a new machine. Two alternative machines (A and B) have been suggested each having an initial cost of Rs.4,00,000 and requiring Rs.20,000 as additional working capital. Earnings after taxation are expected to be as follows:

Year	1	2	3	4	5
Machine A					
Cash inflows	Rs.40,000	Rs.1,20,000	Rs.1,60,000	Rs.2,40,000	Rs.1,60,000
Machine B					
Cash inflows	Rs.1,20,000	Rs.1,60,000	Rs.2,00,000	Rs.1,20,000	Rs.80,000

The company has target of return on capital of 10% and on this basis, you are required to compare the profitability of the machines and state which alternative you consider financially preferable under NPV method.

Note: The following table gives the present value of Re.1.00 due in 'n' number of years.

Year	1	2	3	4	5
Present value at 10%	0.91	0.83	0.75	0.66	0.62

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Sub. Code

611401

M.Com. DEGREE EXAMINATION, APRIL 2019

Fourth Semester

Commerce

ADVANCED COST ACCOUNTING

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Outline the elements of cost.
2. Calculate prime cost from the following particulars for a production unit : Rs.
 Cost of material purchased 30,000
 Opening stock of material 6,000
 Closing stock of material 4,000
 Wages paid 3,000
 Rent of hire of a special machine for production 5,000.

3. The account of Fair Deal Ltd. shows for 1998 :

Particulars	Rs.
Materials used	18,000
Manual and Machine Labour Wages directly chargeable	16,000
Works overhead Expenditure	4,000
Establishment and General Expenses	1,900

- (a) Show the works cost and total cost, the percentages that the works overhead cost bears to the Manual and Machine Labour Wages and the percentage that the Establishment and General Expenses bear to the works cost.
- (b) What price should the Company quote to manufacture a machine which, it is estimated, will require an expenditure of Rs. 8,000 in material and Rs. 6,000 in wages, so that it will yield a profit of 25% on the total cost or 20% on the selling price.
4. The processing of a product requires a standard of 0.8 direct labor hours per unit for operation 4-802 at a standard wage rate of Rs.6.75 per hour. The 2,000 units actually required 1,580 direct labour hours at a cost of Rs. 6.90 per hour.
- Calculate: labour rate variance or Labour price variance.
5. Dark Corp. budgeted Rs. 1,000,000 of overhead cost for 2000. Actual overhead costs for the year were Rs. 9,60,000. Light's allocation base, machine hours, was budgeted at 5,00,000 hours. Actual machine hours were 4,50,000. Budgeted units to be produced are 4,00,000 units. How much is Light's factory overhead rate for 2,000 using traditional cost allocation?

Part B

(5 × 10 = 50)

Answer **all** questions choosing either (a) or (b).

6. (a) Discuss the Methods of Pricing Material Issue.

Or

- (b) Use the following information to calculate the value of inventory on hand on Mar 31 and cost of goods sold during March in FIFO periodic inventory system and under FIFO perpetual inventory system.

Mar 1,	Beginning Inventory	68 units @
	Rs. 15.00 per unit	
Mar 5,	Purchase	140 units @ Rs. 15.50 per unit
Mar 9,	Sale	94 units @ Rs. 19.00 per unit
Mar 11,	Purchase	40 units @ Rs. 16.00 per unit
Mar 16,	Purchase	78 units @ Rs. 16.50 per unit
Mar 20,	Sale	116 units @ Rs.19.50 per unit
Mar 29,	Sale	62 units @ Rs. 21.00 per unit.

7. (a) E Ltd. furnishes the following information for 10,000 units of a product manufactured during the year 2013 :

Material Rs. 90,000

Direct wages Rs. 60,000

Power and consumable stores Rs. 12,000

Indirect wages Rs. 15,000

Factory lighting Rs. 5,500

Cost of rectification of defective work Rs. 3,000

Clerical salaries and management expenses
Rs. 33,500

Selling expenses Rs. 5,500

Sale proceeds of scrap Rs. 2,000

Repairs, maintenance and depreciation of plant
Rs. 11,500

The net selling price was 31.60 per unit sold and all units were sold. As from 1-1-2014, the selling price was reduced to 31 per unit. It was estimated that production could be increased in 2014 by 50% due to spare capacity. Rates for materials and direct wages will increase by 10%.

You are required to prepare :

- (i) Cost sheet for the year 2013 showing various elements of cost per unit, and
- (ii) Estimated cost and profit for 2014.

Assume that 15,000 units will be produced and sold during the year and factory overheads will be recovered as a percentage of direct wages and office and selling expenses as a percentage of works cost.

Or

- (b) Mr. Sohan Singh has started transport business with a fleet of 10 taxis. The various expenses incurred by him are given below:

- (i) Cost of each Taxi Rs.75,000.
- (ii) Salary of Office staff Rs.1,500. p.m.
- (iii) Salary of garage staff Rs.2,000. p.m.
- (iv) Rent of garage Rs.1,000. p.m.
- (v) Drivers salary (per taxi) Rs.400. p.m.
- (vi) Road Tax and Repairs per taxi Rs.2,160. p.a.
- (vii) Insurance premium @ 4% of cost p.a.

The life of a taxi is Rs.3,00,000 km. and at the end of which it is estimated to be sold at Rs.15,000. A taxi runs on an average 4,000 km. per litre of petrol costing Rs.6.30 per litre. Oil and other sundry expenses amount to Rs.10 per 100 km. Calculate the effective cost of running a taxi per kilometre. If the hire charge is Rs.1.80 per kilometre, find out the profit Mr. Sohan Singh may expect to make in the first year of operation.

8. (a) A product passes through 3 distinct processes to completion. During January, 1998, 500 units were produced. The cost books show the following information:

Particulars	A	B	C
Materials	3000	1500	1000
Labour	2500	2000	1500
Direct Expenses	500	2160	905

The indirect expenses for the period were Rs.1,400. The by-products of process B were sold for Rs.145. Residue of process C was sold for Rs.166. Prepare the accounts in respect of the processes showing its cost and cost of production of finished product per unit.

Or

- (b) From the following information prepare the process A/cs.

	Process I	Process II	Process III
Wages	15,000	8,000	17,250
Materials	15,400	4,000	12,000
Overhead	5,600	5,250	6,000
Units produced	36,000	37,500	48,000
Opening stock	—	4,000	16,500
Closing stock	—	1,000	5,500

9. (a) Vinak Ltd. produces an article by blending two basic raw materials. It operates a standard costing system and the following standards have been set for raw materials:

Material	Standard Mix	Standard price per kg
A	40%	4.00
B	60%	3.00

The standard loss in processing is 15%. During April, 1980, the company produced 1,700 kg of finished output. The position stock and purchases for the month of April, 1980 is as under:

Material	Stock on	Stock on	Purchased during	
	1.4.80 of kg	30.4.80 kg	April 1980	
			Kg	Cost (₹)
A	35	5	800	3,400
B	40	50	1,200	3,000

Calculate the following Variances :

- (i) Material Price Variance
- (ii) Material Usage Variance
- (iii) Material Yield Variance
- (iv) Material Mix Variance
- (v) Total Material Cost Variance.

Or

- (b) The details regarding the composition and the weekly wage rates of labour force engaged on a job scheduled to be completed in 30 weeks are as follows :

Category or workers	Standard		Actual	
	No. of labourers	Weekly wage rate per Labourer (₹)	No. of labourers	Weekly wage rate per Labourer (₹)
Skilled	75	60	70	70
Semi-skilled	45	40	30	50
Unskilled	60	30	80	20

The work is actually completed in 32 weeks.

Calculate the various labour variances.

10. (a) Give an account on the benefits of applying Kaizen as a continuous improvement tool in Organizations?

Or

- (b) Identify the differences between relevant cost and irrelevant costs and also explain its role in decision making.

Part C (1 × 10 = 10)

Case study

Compulsory

Read the following case and answer the questions given at the end.

11. ZKB Company manufactures a unique device that is used by internet users to boost Wi-Fi signals. The following data relates to the first month of operation:

- Beginning inventory: 0 units
- Units produced: 40,000 units
- Units sold: 35,000 units
- Selling price: Rs. 120 per unit

Marketing and administrative expenses:

- Variable marketing and administrative expenses per unit: Rs.4
- Fixed marketing and administrative expenses per month: Rs. 1,120,000

Manufacturing costs:

- Direct materials cost per unit: Rs.30
- Direct labour cost per unit: Rs.14
- Variable manufacturing overhead cost per unit: Rs.4

- Fixed manufacturing overhead cost per month:
Rs.12,80,000

Management is anxious to see the success as well as profitability of newly designed unique booster.

Required :

- (a) Calculate unit product cost and prepare income statement under variable costing system and absorption costing system.
- (b) Prepare income statement under two costing system.
- (c) Prepare a schedule to reconcile the net operating income under variable and absorption costing system.

R-3188**Sub. Code****611403****M.Com. DEGREE EXAMINATION, APRIL 2019****Fourth Semester****Commerce****PORTFOLIO MANAGEMENT****(CBCS – 2016/2017 onwards)**

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Distinguish between Primary and Secondary markets.
2. Suppose an investment provides the following periodic return over last four years as below:

Year	1	2	3	4
Return (%)	10	12	6	12

What is the holding period return?

3. What are the methods to evaluate the equity and debt instruments?
4. Write a short note on Random walk theory.
5. State the uses of future contract.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Explain in detail the features of various financial investment instruments.

Or

- (b) Discuss in detail the distinction between Investment, Speculation and gambling.

7. (a) The following three portfolios provide the particulars given below.

Portfolio	Average annual Returns	Standard Deviation	Correlation Co-efficient
A	18	27	0.8
B	14	18	0.6
C	15	8	0.9
Market	13	12	—

Risk free rate of interest is 9%.

Rank these portfolios using Sharpe's and Treynor method. Compare both the indices.

Or

- (b) The weights, returns, standard deviation of returns of three stocks (A, B and C) along with the correlation matrix of returns of such stocks are as below. Find the portfolio return and risk.

Stock	E (R _i)	W _i	Standard Deviation (i)
A	0.16	0.3	0.12
B	0.2	0.4	0.14
C	0.24	0.3	0.16

8. (a) Discuss in detail about Dow Theory and how is it used to determine the direction of stock market.
Or
(b) Enumerate the different Components of Fundamental Analysis and how does it differ from Technical Analysis.
9. (a) Govind Enterprises recently paid an annual dividend of Rs.3.50 per share. Earnings for the same year were Rs.7.00 per share. The required return on equity with similar risk is 12%. Dividends are expected to grow 10% per year indefinitely. Calculate Govind 'normal' price-earnings ratio.
Or
(b) What do you mean by Mutual Fund? Explain in detail about various types of Mutual Fund Schemes.
10. (a) Explain in detail the features and types of Futures contract.
Or
(b) Discuss the concept and types of Derivative instruments.

Part C (1 × 10 = 10)

Compulsory.

11. As far as the Indian Stock Market is concerned, the well informed investors periodically observe technical, fundamental and overall market conditions including rating instructions etc., before they invest. The moderately informed investors never observe fundamental and technical analysis as much as necessary and they simply observe the market trend alone. And uninformed investors follow the investment instruction given by the broking companies or their own investment decision alone. In all these situations, well informed investors are never successful in their investment dealings and moderate and uninformed investors never failed. From the markets observation point of view, how do you view this and ratify your answer?

R-3189

Sub. Code

611404/ 622704

M.Com./M.B.A. DEGREE EXAMINATION, APRIL 2019.

Fourth Semester

Commerce/Corporate Secretaryship

GST AND CUSTOMS LAW

(Common for M.Com./M.B.A. (CS))

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer all questions.

1. What are the GST slab rates that will be imposed in India on different goods and services?
2. How can Input tax credit be applied?
3. How would you treat unavailed CENVAT under CGST?
4. How will you adopt advance ruling in GST?
5. State the objectives and scope of customs law.

Part B

(5 × 10 = 50)

Answer all questions, choosing either (a) or (b).

6. (a) Describe the Salient features of the GST model adopted in India.

Or

- (b) What are the reasons for having multiple tax rates? What are the possible advantages and disadvantages of having multiple tax rates?

7. (a) Why have some goods/services been kept outside the ambit of GST and what could be the repercussions?

Or

- (b) Write note on :
- (i) Time and Valuation of Supply
 - (ii) Debit and Credit Note

8. (a) Why did India adopt a model with dual GST?

Or

- (b) How would a particular transaction of goods and services be taxed simultaneously under Central GST (CGST) and State GST (SGST)?

9. (a) How will you pay GST in India? Explain the methods of payment.

Or

- (b) Explain the salient features of UTGST and exemptions prevailing UTGST.

10. (a) Explain the various types of customs duty.

Or

- (b) Describe the valuation of goods under Customs Act with suitable examples.

Part C

(1 × 10 = 10)

Compulsory.

11. How will GST impact my business in India?

R-3190

Sub. Code

611507

M.Com. DEGREE EXAMINATION, APRIL 2019.

Fourth Semester

Commerce

STRATEGIC BUSINESS MANAGEMENT

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. What do you mean by strategic planning?
2. Write a note about balance score and approach.
3. State the differences between mergers and acquisition.
4. What do you mean by zero defect strategy?
5. What do you mean by corporate social responsibility?

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Elucidate the need for strategic planning in the present business context.

Or

- (b) Discuss in detail the various components of strategies.

7. (a) Discuss the features of BCG matrix.
- Or
- (b) Evaluate the contribution of Ansoff towards the development of growth strategy.
8. (a) Critically evaluate the concept of foreign subsidiary as strategic growth model.
- Or
- (b) Elucidate the need of Business Process Reengineering and how it supports the strategic growth.
9. (a) What are the deadly diseases associated with the traditional management practices according to Deming? Suggest cure to any of the three diseases as recommended by Deming.
- Or
- (b) “Innovative companies have a competitive edge in the marketplace” — Discuss the importance of core competence and market leadership.
10. (a) What is the impact of organizational climate and culture on strategic growth?
- Or
- (b) What are your suggestions to improve the strategic adaption process to the local conditions?

Part C (1 × 10 = 10)

Compulsory.

11. Read the case given below and answer the questions given at the end.

Tata motors have been eyeing the Indian passenger market for a long time. During earlier times, their brands such as

Tata Sumo were well received; the company had a very low share in the Indian passenger car market due to stiff competition from Maruti.

Tata motors came up with Tata Indica, which mirrored Maruti's products and challenged Maruti's dominance in small car market. Inspired by the success of Indica Tata launched the Tata Nano. Critics were of the view it could not be possible due to the low cost of the car.

Tata Nano's modular design is one of the most innovative aspects, it can be shipped separately and assembled in any region.

However the fanfare with which Nano was launched did not show much result, the car was not well accepted by the masses despite the low prices, it started selling in discounts like any other car in the Indian market.

Tata's as a company are concerned about the same and are still trying to rework out strategies for revival of the market share and to fit into the vision of the company.

Questions :

- (a) What was the type of strategy Tata's adopted during the launch of Nano?
- (b) How do you help the company in working out a suitable strategy for the success of the car?
- (c) What in your opinion is the future of such cars in Indian markets?

R-3309

Sub. Code

611101

M.Com. DEGREE EXAMINATION, APRIL 2019

First Semester

Commerce

ADVANCED FINANCIAL ACCOUNTING

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. State any three advantages of financial accounting.
2. Point out any two differences between straight line and diminishing balance methods of depreciation.
3. Interpret any three factors determining the goodwill of a partner.
4. Outline the interdepartmental transfer of goods in accounts.
5. State the development of accounting standards.

Part B

(5 × 10 = 50)

Answer **all** questions choosing either (a) or (b).

6. (a) Assess the significance of financial accounting.

Or

- (b) Illustrate the methods to determine profit and loss in statement of affairs.

7. (a) Compare the hire purchase with instalment systems.

Or

- (b) On 1st April, 2008, Bihar Collieries obtained a machine on the hire purchase system, the total amount payable being Rs. 2,50,000. Payment was to be made Rs. 50,000 down and the balance in four annual instalments of Rs. 50,000 each. Interest charged was at the rate of 15 per cent. At what value should the machine be capitalised?
8. (a) X, Y and Z were in partnership sharing profits in the ratio of 3:2:1 they had taken a Joint Life Policy of Rs. 50,000, whose surrender value on 1st Jan. 2007 was Rs. 18,000. On this date B/S is as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Provision for doubtful debts	1,300	Cash at bank	10,000
Sundry creditors	15,000	Debtors	16,000
Capitals :		Stock	20,300
X	78,750	Machinery	60,000
Y	70,000	Land and Building	1,20,000
Z	<u>61,250</u>		
	<u>2,10,000</u>		
	<u>2,26,300</u>		<u>2,26,300</u>

Z retires on the above date and the new profit sharing ratio between X and Y will be 5:4 following terms were agreed:

- (i) Land and buildings be reduced by 10%.
- (ii) Out of the Insurance premium paid during the year Rs. 5,000 be carried forward as unexpired.
- (iii) There is no need of any provision for doubtful debts.

- (iv) Goodwill of the firm be valued at Rs. 36,000 and adjustment in this respect be made without raising a goodwill a/c. The joint life policy was also not to appear in the Balance sheet.
- (v) X and Y decided that their capital will be adjusted in their new profit sharing ratio by bringing in or paying cash to the partners is a/c will be transferred to his loan a/c.

Pass necessary journal entries. Prepare the capital accounts and the new balance sheet.

Or

- (b) From the following Trial Balance of M/s. Ganesh and Kartik, you are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2011 and Balance sheet as on that date after taking into account the additional information.

Trial Balance as on 31st March, 2011

Debit Balances	Amt. (Rs.)	Credit Balances	Amt. (Rs.)
Opening stock	18,000	Capital A/c - Ganesh	50,000
Purchases	24,000	Kartik	30,000
Wages	2,400	Sundry creditors	10,000
Carriage inward	1,200	Bills payable	7,800
Cash in hand	3,800	Rent received	2,200
Insurance	1,200	Sales	52,500
Postage and Telegram	700		
Sundry debtors	21,000		
Land and building	40,000		
Furniture	28,000		

Debit Balances	Amt. (Rs.)	Credit Balances	Amt. (Rs.)
Travelling expenses	1,300		
Discount allowed	900		
Bad debts	2,000		
Bills receivable	8,000		
	<u>1,52,500</u>		<u>1,52,500</u>

Additional information:

- (i) Closing stock on 31st March, 2011 was valued at Rs. 20,000.
 - (ii) Outstanding wages was Rs. 1,000.
 - (iii) Depreciate furniture by 10%.
 - (iv) Insurance paid in advance Rs. 300.
9. (a) The proprietor of a large retail store wished to ascertain approximately the net profit of the X, Y and Z departments separately for the three months ended 31st March 2006. It is found impracticable actually to take stock on that date, but an adequate system of departmental accounting is in use, and the normal rates of gross profit for the three departments concerned are respectively 40%, 30% and 20% on turnover before charging the direct expenses. The indirect expenses are charged in proportion to departmental turnover.

The following are the figures for the departments:

	X	Y	Z
Opening stock (as on 01.01.2006)	10,000	14,000	7,000
Purchases	12,000	13,500	9,700
Sales	20,000	18,000	16,000
Direct expenses	2,000	1,500	700

The total indirect expenses for the period (including those relating to other departments) were Rs. 5,400 on the total turnover of Rs. 1,08,000. Prepare a statement showing the approximate net profit, making a stock reserve of 10% for each department on the estimated value on 31.3.2006.

Or

- (b) The Kanpur Shoe Company opened a branch at Delhi on 1st April 2010. From the following figures, prepare all the necessary accounts for the year ended 31st March, 2011 and Delhi Branch Account for the year ended 31st March 2012:

	2010–2011	2011–2012
Goods sent to Delhi branch	2,15,000	6,45,000
Goods sent to branch for:		
Rent	31,800	31,800
Salaries	33,000	45,000
Other expenses	11,200	21,600
Cash received from the branch	3,24,000	8,60,000
Closing stock	32,300	65,800
Closing petty cash in hand	1,040	2,030

10. (a) Elaborate the purpose of accounting standards.

Or

- (b) Show the objectives of International Financial Reporting Standards.

Part C (1 × 10 = 10)
(Compulsory)
Case Study

11. Read the following case and answer the questions given at the end.

On 1st Jan. 2003 machinery was purchased for Rs. 80,900. On 1st Jan. 2004 additions were made to the machinery of Rs. 40,000. On 31st March 2005, machinery purchased on 1st January 2004, costing Rs. 12,000 was sold for Rs. 11,000, and on 30th June 2005, machinery purchased on 1st Jan. 2003 costing Rs. 32,000, was sold for Rs. 26,700. On 1st Oct. 2005 additions were made to the amount of Rs. 20,000. Depreciation was provided at 10% p.a. on the Diminishing Balance Method. Prepare Machinery account.

R-3310

Sub. Code

611102

M.Com. DEGREE EXAMINATION, APRIL 2019

First Semester

Commerce

ENTREPRENEURSHIP DEVELOPMENT

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** the questions.

All questions carry equal marks.

1. State the qualities of a successful entrepreneur.
2. Specify the merits and demerits of family business.
3. Write the objectives of ITCOT.
4. Write a short note on micro enterprises.
5. Give short notes on business process partners.

Part B

(5 × 10 = 50)

Answer **all** questions choosing either (a) or (b).

All questions carry equal marks.

6. (a) Explain the factors that affect the growth of entrepreneurship.

Or

- (b) Developing countries need imitative humble entrepreneurs than innovative entrepreneurs - Do you agree? Support your answer.

7. (a) Discuss the social cost benefit analysis.

Or

- (b) What are the steps that government has taken to develop entrepreneurship?

8. (a) Explain the significance of DIC in the content of single window clearance.

Or

- (b) Explain the role of SIDCO in the entrepreneurial development in the Tamil Nadu.

9. (a) Describe the service rendered by Small Industries Service Institutes for the development of SSIS.

Or

- (b) Write in detail about Khadi and Village Industries commission.

10. (a) Discuss the various classifications of the projects.

Or

- (b) Specify feasibility studies on various aspects before starting a project.

Part C (1 × 10 = 10)

Compulsory.

11. Prepare a project proposal for small scale unit of your choice.

R-3311

Sub. Code

611103

M.Com. DEGREE EXAMINATION, APRIL 2019

First Semester

Commerce

PRINCIPLES AND PRACTICE OF MANAGEMENT

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **ALL** questions.

All questions carry equal marks.

1. Differentiate Management from Administration.
2. What is decision making under uncertainty?
3. Explain span of control.
4. What do you mean by transformational leadership?
5. Explain Break-even analysis.

Part B

(5 × 10 = 50)

Answer **ALL** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Explain the contribution made by Henri Fayol.

Or

- (b) Discuss the types of organizations and its suitability to industries.

7. (a) Explain fully the external planning premises that you would take into consideration while making plans for your organization.

Or

- (b) Decision making is the primary task of management. Discuss this statement and explain the process of decision making.
8. (a) What is the basic framework of neo-classical organization theory? Do classical writers treat organization as a closed system?

Or

- (b) Discuss the meaning and importance of organizing as a function of management. What steps have to be taken in designing an organization?
9. (a) What does the directing function of management involve? Discuss the importance of directing in the management process.

Or

- (b) Explain McClelland's theory of motivation. Can achievement motives be developed? If so, how?
10. (a) Total quality management is a coordinating function or controlling activity. Discuss in detail.

Or

- (b) How can coordination be used as an instrument of effective management action? Discuss the various techniques through which coordination can be achieved.

Part C

(1 × 10 = 10)

(Compulsory)

11. Ram Limited Company function between 10.30 a.m. to 5.30 p.m. Mr. Narayanan completed M.B.A. at U.S.A. with Human Resource Management. After joining he wanted to make it uniform as other organization. He decided as 10 a.m. to 5 p.m. He officially announced it. There was no opposition immediately. But, after two days there was written representation asking for old timings. To personally convince he planned to have family get together. Asked him to bring food from home and could be shared with company's food. But nobody liked it.

Questions :

- (a) What were the reasons for not supporting the action of Mr. Narayanan?
- (b) Advice Mr. Narayanan how to proceed in change of time.

R-3312

Sub. Code

611104

M.Com. DEGREE EXAMINATION, APRIL 2019

First Semester

Commerce

MANAGEMENT OF HUMAN RESOURCES

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Distinguish between personnel management and human resources management.
2. What is job description?
3. What is induction?
4. What is ESOPs?
5. Define industrial relations.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Explain the significance of human resources in modern business.

Or

- (b) Enumerate the key roles that are played by HR practitioners.

7. (a) Discuss the activities that are required for succession planning.

Or

- (b) What are the advantages and disadvantages of internal sources of recruitment?

8. (a) What are the problems encountered while arriving at 'correct decisions' during employee selection?

Or

- (b) Explain the various modes of 'separation' from organizations.

9. (a) What are the requirements for a wage incentive system to be successful?

Or

- (b) Discuss the errors that extensively hinder objective evaluation of performance.

10. (a) Discuss the safety provisions that are to be provided to prevent accidents in an industrial organization.

Or

- (b) What are the functions are to be performed by trade unions to achieve their objectives?

Part C (1 × 10 = 10)

(Compulsory)

11. Read the following case and answer the questions.

Sukh Ram, aged 50 and owner of a three star hotel in Agra, employed 50 persons to man various positions in his hotel in 2006. Most employees were educated up to 10th standard and were able to understand commands in English. The salaries paid by Sukh Ram were reasonably

high compared to other hotels in Agra. He provided various benefits including free boarding, lodging, medical, festival advances etc. to all employees. He was held in high esteem by all employees in the hotel industry in Agra. He did not, however, allow his employees to interact freely with each other, while at work. Work related issues were most important to him. He never wanted his workers to say something about their families and private lives. For that matter he never asked them to reveal the other side of the coin. He used to proudly declare that he is the model employer in Agra and others usually followed him. Workers never hesitated to present their personal problems to him in spite of himself having dismissed such issues as not related to their work.

Another three star hotel started in 2008 in Agra under the ownership of a young hotel management diploma holder Rajesh Khanna. This hotel made its mark very soon in Agra, visitors generally praising its service and homely atmosphere. People commented that Rajesh took charge of everything and treated his employees well. He, however, did not offer wages and benefits comparable to other employers in the industry.

Surprisingly, 9 employees working with Sukh Ram including the Manager and Accountant joined Khanna's hotel recently.

Questions :

- (a) Do you think that Sukh Ram's employees were really satisfied with their jobs? If yes, why? If not, why did they keep quiet till 2008?
- (b) Why did 9 employees leave Sukh Ram despite higher wages and benefits compared to all other hotel employees in Agra?
- (c) Are there any other factors responsible for the changing trends in employees' preferences toward work, work environment, employer etc.?

R-3313

Sub. Code

611501

M.Com. DEGREE EXAMINATION, APRIL 2019

First Semester

Commerce

BUSINESS ENVIRONMENT

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Distinguish between efficiency and competition.
2. How would you explain the 'catalytic role' of the government?
3. Distinguish between GDP and GNP.
4. Enumerate the routes to technology transfer.
5. What is the need for consumer protection?

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Discuss the economic factors that affect the business policies.

Or

- (b) Explain the social responsibilities of business towards shareholders, consumers and government.

7. (a) What is political maturity and how does it affect business environment?

Or

- (b) What are the major differences between private and public sectors?

8. (a) Explain the role of FDI in economic development.

Or

- (b) What are the measures adopted by the central bank in containing inflation?

9. (a) What is an entrepreneurial society and how does such a society impacts business?

Or

- (b) Explain how do dynamics of technological changes bring business opportunities.

10. (a) Briefly describe the legal modes of entering business opportunities in the secondary market.

Or

- (b) What do you mean by 'reduction of carbon footprint'? What is the need for such reduction?

Part C

(1 × 10 = 10)

(Compulsory)

11. Read the following case and answer the questions.

Indian leather exports, an important foreign exchange earner for the country has been reportedly hit hard by the decision of some major US retail chains like Eddie Bauer, LL Bean, Timberland and Casual Corner, and a German company Bader to boycott leather goods from India in protest against ill-treatment of animals here. This move

came shortly after a decision by global retail chains Gap, Marks and L. Spencer, Liz Claiborne and J Crew not to buy Indian leather goods. This development has a lot to do with the lobbying by the US-based animal rights group People for Ethical Treatment of Animals (PETA) for a ban on leather goods from India by documenting evidence of 'cruelty of animals' killed for making leather. It has been reported that the overseas firm have officially communicated to the Indian outfit of PETA that they will not be sourcing leather products from India until there is strict enforcement animal protection laws. Following this, the Mumbai-based Teja Industries, the official supplier of leather goods for Marks and Spencer in India, started out-sourcing leather from other countries to manufacture products for the global chain.

Questions :

- (a) In the light of the above, discuss the implications of social activist groups for business.
 - (b) With reference to this case, discuss the failure of the governments, Council for Leather Exports and the leather industry.
 - (c) What should the governments, Council for Leather Exports and the leather industry do to overcome the problem?
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R-3314

Sub. Code

611301

M.Com. DEGREE EXAMINATION, APRIL 2019

Third Semester

Commerce

ADVANCED CORPORATE ACCOUNTING

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. Write a note about book building of shares.
2. The accounting year of PQR Ltd ends on 31st March. The company made a loss of Rs. 2,00,000 for the year ending 31.3.2015. For the years 31.3.2016 and 31.3.2017 it made profits of Rs. 1,00,000 and Rs. 1,20,000 respectively. If it is assumed that the loss of a year can be carried forward for eight years and tax rate is 40%. By the end of 31.3.2015, the company feels that there will be sufficient taxable income in the future years against which carry forward loss can be set off. There is no difference between taxable income and accounting income except that the carry forward loss is allowed in the years ending 2016 and 2017 for tax purposes. Prepare a statement of Profit and loss for the years ending 2015, 2016 and 2017.
3. How amalgamation is different from External reconstruction?

4. What do you mean by Holding Companies and Subsidiary Companies?
5. State the concepts of Human resource Accounting.

Part B (5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Shashi Ltd. Issued 50,000 equity shares of Rs. 10 each payable in full on application. The company received applications for 50,000 shares. Applications were accepted in full. Show the journal entries in the books of Shashi Ltd.

Or

- (b) H. Ltd was incorporated with a share capital of Rs. 12,00,000 in Rs. 10 shares. The Company purchased machinery from XZ Co for Rs. 6,00,000 payable in fully paid shares of the company at a premium of Rs. 2 per share. The directors also decided to allot 6,000 shares credited as fully paid to the promoters for their services. The rest of the shares were issued for cash at a discount of 10% and were taken up by the public. Give journal entries and show the balance sheet.
7. (a) Prepare Profit and Loss Account and Balance Sheet in the prescribed format for Bengal Bank Ltd as on 31-03-2016.

Trial Balance as on 31-03-2016

Particulars	Debit Rs. in '000	Particulars	Credit Rs. in '000
Money at call and short notice	5,000	Share capital	10,000
Cash in hand	1,000	Statutory reserve	5,000
Balance with other banks	15,000	Deposits	55,000
		Borrowings from other banks	10,000

Particulars	Debit Rs. in '000	Particulars	Credit Rs. in '000
Govt. Securities	2,000	P and L A/C as	
Loans and Advances	40,000	on 01.04.2015	5,300
Bills discounted	10,000	Interest and Discount	5,000
Premises less depreciation	2,000	Commission and Brokerage	500
Furniture	500		
Balance with RBI	10,000		
Computer	200		
Salary and Bonus	1,400		
Interest on borrowings and deposits	2,000		
Audit fees	100		
Director fees	200		
Silver	1,000		
Printing and Stationeries	200		
Advertisements	200		
	<u>90,800</u>		<u>90,800</u>

Additional Information :

- (i) Rebate on bills discounted for unexpired term is Rs. 3,00,000/-
- (ii) Interest accrued on investments is Rs. 2,00,000/-
- (iii) Charge 5% depreciation on Premises and 20% on Furniture.
- (iv) A provision for doubtful debts amounting to Rs. 1,00,000/- is required.

- (v) Bills for collection amounted to Rs. 2,00,000/-
- (vi) Acceptance for customers Rs. 3,00,000/-
- (vii) The directors desired to declare 5% dividend.

Or

- (b) The Prateek Ltd. Has issued 20,000 Equity shares of Rs. 20,00,000, Rs. 10,00,000 paid-up, and Rs. 3,60,000, 10% Preference Shares, fully paid-up. For the year ending 31st March, 2009 it has earned a profit of Rs. 5,00,000 which is appropriate as follows.

- (i) Rs. 25,000 towards Sinking fund
- (ii) 10% Preference Dividend, Tax – free, tax being 20%
- (iii) 12% Equity Dividend, Tax being 20%
- (iv) Rs. 60,000 to General Reserve
- (v) Balance to be carried forward.

Prepare Profit and Loss Appropriation A/c.

8. (a) The following is the balance sheet of weak Ltd. as on 31.3.2016.

Liabilities	Amount	Assets	Amount
Equity share of		Land	1,00,000
Rs. 10 each	10,00,000	Cash at bank	5,000
Sundry creditors	1,73,000	Plant	2,30,000
		Furniture	68,000
		Stock	1,50,000
		Debtors	70,000
		P and L a/c	5,50,000
	11,73,000		11,73,000

Scheme of capital reduction :

- (i) The equity shares to be reduced to Rs. 4 per share
- (ii) Plant to be written down to Rs. 1,50,000.
- (iii) Stock to be revalued at Rs. 1,40,000 and Land at Rs. 1,42,000
- (iv) The provision for doubtful debts to be created Rs. 2,000

Pass journal entries to give effect to the above arrangement and also prepare reconstruction a/c.

Or

- (b) Distinguish between Internal Reconstruction and External Reconstruction.

9. (a) H Ltd. Acquires 3/4 of the share capital of S Ltd. On 31 December 2016, Then the balance sheet of two companies are as under :

Balance sheets as on 31 December, 2016

Liabilities	H Ltd	S Ltd	Assets	H Ltd	S Ltd
	Rs.	Rs.		Rs.	Rs.
Share capital (in Rs. 10 shares)	20,000	10,000	Fixed assets	20,000	10,000
General reserve	5,000	3,000	Current assets	13,000	12,000
Profit and loss a/c	3,000	2,000	Shares in S Ltd	10,000	—
10% debentures	10,000	5,000			
Sundry creditors	5,000	2,000			
	<u>43,000</u>	<u>22,000</u>		<u>43,000</u>	<u>22,000</u>

You are required to prepare the consolidated balance sheet as on 31 December, 2016.

Or

- (b) S Ltd. has the capital of Rs. 3,00,000 in shares of Rs. 10 each out of which H Ltd. Purchased 80% at Rs. 3,80,000. The profits of S Ltd. at the time of purchase of shares by H Ltd. Were Rs. 1,20,000. S Ltd, decided to make a bonus issue out of pre acquisition profits of one share of Rs. 10 each fully paid for every three shares held. Calculate the cost of control for H Ltd. Before and after the issue of bonus shares.

10. (a) Discuss various models of Human Resources Accounting.

Or

- (b) Discuss the Convergence of Indian Accounting Standards with International Financial Reporting Standards.

Part C

(1 × 10 = 10)

Compulsory.

11. X Ltd and Y Ltd are two companies carrying on business in the same line of activity.

Liabilities	Balance sheets		Assets	X Ltd	Y Ltd
	X Ltd	Y Ltd			
	Rs.	Rs.		Rs.	Rs.
Equity shares			Land	1,00,000	–
of Rs.10 each	6,00,000	2,00,000	Cash	1,00,000	1,00,000
Reserve	4,00,000	2,00,000	Stock	9,00,000	4,00,000
Current			Debtors	3,00,000	1,00,000
liabilities	6,00,000	4,00,000	Plant	7,00,000	300,000
Secured loan	6,00,000	1,00,000	Investments	1,00,000	–
	<u>22,00,000</u>	<u>9,00,000</u>		<u>22,00,000</u>	<u>9,00,000</u>

The two companies decided to amalgamate into XY Ltd. the following adjustments are given :

- (a) X Ltd. holds 8,000 shares in Y Ltd. @ Rs. 12.50 each.
- (b) All assets and liabilities of the two companies except investments are taken over by XY Ltd.
- (c) Each share in Y Ltd, is valued at Rs. 25 for the purpose of the amalgamation.
- (d) Shareholders in X Ltd. and Y Ltd. are paid off by issuing to them a sufficient number of equity shares of Rs. 10 each in XY Ltd. as fully paid up at par.
- (e) Each share in X Ltd. is valued at Rs. 15 for the purpose of amalgamation.

Show the important ledger accounts in the books of X Ltd. and Y Ltd, and show the balance sheet of XY Ltd.

R-3315

Sub. Code

611302

M.Com. DEGREE EXAMINATION, APRIL 2019

Third Semester

Commerce

MODERN MARKETING MANAGEMENT

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Explain marketing strategy of niche marketer.
2. What are the bases for market segmentation?
3. What is planned obsolescence? Explain with examples.
4. Write a short note on malls and their significance in India.
5. Why is a publicity and public relations strategy important?

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Discuss the differences between industrial and consumer marketing and the marketing mixes you adopt for them.

Or

- (b) Discuss marketing planning process for consumer products.

7. (a) Discuss the determinants of consumer behaviour in case of durable electronic goods.

Or

- (b) Explain the methods of demand forecasting.

8. (a) Explain product development stages with suitable examples.

Or

- (b) Discuss the management of a product line with relevant examples.

9. (a) What are the objectives and methods of pricing decisions?

Or

- (b) What are the considerations in channel decision? How do you manage channel conflicts?

10. (a) Explain the key decisions in management of sales force.

Or

- (b) What is advertising? How do you determine the budget for advertising?

Part C

(1 × 10 = 10)

Compulsory

11. Ariel is a high quality product popularized as a detergent that has enzymes for the removal of stain without hampering the clothes. It is a product of “Procter and Gamble”. Its competitors are: Surf Excel and Henkel. It is a biological product free from any form of bleach and is able to protect the natural colours of the clothes. The company has re launched with various innovations in order to keep pace with the changing times. In order to cater to the consumers who belong to the medium income group they have launched “Ariel Super Soaker”, a new product, without compromising on its quality. The various products of this brand are:

- Ariel 3 in 1 Pods is the latest and most up-to-date innovative idea of the brand. This detergent is able to work together in three capacities for lifting stains, cleaning and brightening the garments.
- Ariel Washing Liquid is for doing the laundry and pre-treating the stains in one wash.
- Ariel Excel Washing Gel is for excellent cleaning at low temperatures. The unique bottle of the detergent is very convenient as the gel dissolves easily even if the temperature is very low. This liquid is able to clean many stains like tomato sauce and chocolate.
- Ariel washing powder is for whites as well as colored clothes and it is for direct cleaning in the washing machine.
- Ariel Washing Tablets also offers convenient and easy washing of garments.

Ariel has provided its distributors better incentives so that efficient and fast work pace can be maintained. Its distribution channel consists of wholesalers, retailers and consumers. Various warehouses are at strategic locations at national level so that the products can be conveniently stored over there. Ariel has adopted a penetration policy to capture the rural market. It has increased the number of wholesale dealers in towns and other small rural areas so that they can penetrate the remote areas and hence gain access to the nearby villages. Ariel can be easily available at every retail outlet because it has an in-store strategy of placement. Ariel products are also available at online shopping stores for the convenience of the consumers.

At first Ariel had targeted the brand conscious and upper middle class market where technological superiority is more important than the prices. Later the company decided on a penetration policy to the rural area and it launched products with a variety of pricing ranges. The

brand has been keeping a competitive pricing policy in most of the cases.

To reach mass market, the brand has ads on hoardings, newspapers, billboards and magazines as well as on television channels and radio. Ariel has also utilized the internet medium and all the ads can be viewed at the various sites.

The brand has created some very good punch lines like “Ariel KiDhulai Dilo Ko paas Lai”. The ad campaign “Clothed in Confidence” emphasizes the importance of clean and fresh clothes for the level of confidence in an individual. The brand has used various fragrances in the detergent to attract the consumers and this concept has proved a huge promotional booster for the company. It has signed up for a social program called “Shiksha Programme” that helps in providing education for the needful.

It maintained a strong association with celebrities. The brand ambassador for this product is the actor Soha Ali Khan.

Questions

- (a) Critically examine the marketing mix of Ariel
- (b) Make suggestions for making it effective in future.

R-3316

Sub. Code

611303

M.Com. DEGREE EXAMINATION, APRIL 2019

Third Semester

Commerce

BUSINESS LEGISLATIONS

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. What is meant by
 - (a) Lapse of an offer
 - (b) A counter-offer.
2. What are the different kinds of Agents?
3. Distinguish between a Sale and a Hire Purchase Agreement.
4. What is a Charter Party? Mention the kinds of Charter Party.
5. Define Prospectus'. When is a company not required to issue a prospectus?

Part B

(5 × 10 = 50)

Answer **all** questions choosing either (a) or (b).

6. (a) What is the object and nature of the Law of Contract?

Or

- (b) Discuss the Doctrine of Public Policy. Give examples of agreements contrary to Public Policy.

7. (a) Explain and illustrate the distinction between a Contract of Indemnity and a Contract of Guarantee.

Or

- (b) Define Pledge. What are the respective rights and duties of Pawnor and Pawnee?

8. (a) Briefly explain the Conditions and Warranties implied by law in a contract for the sale of goods.

Or

- (b) Write a note on Consumer Disputes Redressal Commission (the State Commission) as to its composition, jurisdiction and procedure to be followed by it.

9. (a) What is the minimum liability of a carrier by air under the Indian Carriage by Air Act? Can it be varied by a Special Contract?

Or

- (b) How does the liability of a Railway Administration in India differ from that of other carriers?

10. (a) 'The Memorandum of Association is the fundamental law or a charter defining the objects limiting the powers of a company. Explain.

Or

- (b) What are the duties and liabilities of a Promoter? How is he remunerated?

Part C (1 × 10 = 10)

Compulsory.

11. Case:

- (a) Ram orders 140 bags of rice from shyam, pays for them and asks for delivery. Shyam sends him a delivery order for 125 bags and writes saying that the remaining 15 bags are ready for delivery at his place of business. Ram waits for a month before sending for the 15 bags and in the meantime they are stolen. On whom will the loss fall?
- (b) A purchased some chocolates from a shop. One of the chocolate contains a poisonous matter and as a result A's wife who has eaten it falls seriously ill. What remedy is available to A against the shopkeeper.
- (c) Cement was shipped under a bill of lading which stipulated payment of freight within three days of the ship's arrival. On arrival a fire broke out on board and the ship had to be scuttled. When the ship was raised, it was found that the cement was useless. Is the ship owner entitled to claim freight?

R-3317

Sub. Code

611304

M.Com. DEGREE EXAMINATION, APRIL 2019

Third Semester

Commerce

INCOME TAX LAW AND TAX PLANNING

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Distinguish between direct and indirect taxes.
2. Are prerequisites taxable?
3. When capital gains are exempted?
4. What are the advantages of on line filing?
5. What is income escaping assessment u/s 148?

Part B

(5 × 10 = 50)

Answer **all** questions choosing either (a) or (b).

All questions carry equal marks.

6. (a) Define: assessment year, income and residential status.

Or

- (b) What are heads of income?

7. (a) Ms Vaishali an employee in an IT firm has provided the following information for the year ended 31st March 2015. Computer her total income for the assessment year 2015-16.

	Rs.
Income from salary computed	3,45,000
Bank interest on fixed deposits	15,000
Tax on non-monetary prerequisite paid by employer	20,000
Contribution to recongised Provident fund	60,000
Health insurance premium for self (paid by crossed cheque	7,000
Medical expenditure on dependent sister with disability	20,000

Or

- (b) Shri Ramesh is owner of three houses.

Particulars	House A (Rs)	House B (Rs)	House C (Rs)
Annual fair rent	18,000	15,000	12,000
Municipal valuation	15,000	20,000	10,000
Rent per month	2,000	1,500	1,250
Use by tenant	Residential	Office	Residential
Construction started	30-5-2007	01.01.2009	02.03.2006
Construction completed	01.4.2012	01.06.2013	31.03.2009
Repair expenses	1,000	-	4,000
Collection charges	2,000	500	-
Interest on loan For construction	10,000		
For marriage of daughter		6,000	
For repair			1,000

Municipal tax is 10% of valuation. Municipal tax of House A owner was paid by owner but Municipal tax of House B was not paid up to 31st March 2015. Municipal tax of C was paid by the tenant. House C was vacant for four months during the year 2014-15. Compute income from house property for the year 2015-16.

8. (a) State the incomes chargeable to tax under head profit and gains from business. Identify the deductions applicable under sections 30 to 37.

Or

- (b) X submits the following particulars:

	Years	
	2016-17 (Rs)	2017-18 (Rs)
Income from salary	1,50,000	3,10,000
Business profits (before depreciation)	2,00,000	2,30,000
Current depreciation	3,80,000	4,15,000
Income from other sources	12,000	50,000

Determine the taxable income of X for their respective assessment years.

9. (a) Mr Chandran aged 38 years is owner of six heavy goods vehicles as on 01.04.2013. He acquired two more good vehicles on 1-7-2013. He is solely engaged in the business of plying goods vehicles since financial year 2008-09. He did not opt for presumptive provision contained in section 44 AE for the financial year 2012-13. His books were audited under section 44 AB and return of income was filed on 5-8-2013. He has unabsorbed depreciation of Rs,70,000 and business loss of Rs. 1,00,000 for the financial year 2012-13. Following further information is provided to you.

- (i) Deposited Rs. 20,000 in Tax saver deposit with UCO bank in the name of married son.
- (ii) Paid medical insurance premium of Rs. 23,000 for his parents both aged above 70 years, by means of bank demand draft.

- (iii) Paid premium on life insurance policy of his married daughter Rs. 25,000. The policy was taken on 1.4.2012 and the minimum sum assured was Rs. 2,00,000.
- (iv) Repaid principal of Rs. 40,000 and interest of Rs. 15,000 to Canara bank towards education loan of his daughter who completed B. Tech two years ago. She is now employed. Assuming Mr Chandran opted for presumptive provision contained in Section 44E of the Income tax act 1961, compute the total income of Mr Chandran for the assessment year of 2014-15.

Or

- (b) Explain the meaning, objectives and types of tax planning. Is it part of tax management?

10. (a) Explain the procedure for assessment and types of assessment.

Or

- (b) State the significance and provisions of Direct tax code 2011.

Part C (1 × 10 = 10)
Compulsory.

11. Balamurugan furnishes the following information for the year ended on 31-03-2018.

	Rs
Income from Business	1,35,000
Income from house property	15,000
Lottery winning (Gross)	5,00,000
Speculation business income	1,00,000
Income by way of salary	60,000
Long term capital gain	70,000

Compute his total income, tax liability and advance tax obligation.

R-3318

Sub. Code

611506

M.Com. DEGREE EXAMINATION, APRIL 2019

Third Semester

Commerce

PRINCIPLES OF FOREX MANAGEMENT

(CBCS – 2016/2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. State the significance of Foreign Exchange.
2. What do you mean by Flow models?
3. Write the causes of Exchange Rate Volatility.
4. Differentiate the Futures from Forward Contracts.
5. List out the objectives of FEMA.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Explain in detail the various types of Foreign Exchange Market.

Or

- (b) Describe the Functions of Foreign Exchange Dealers Association of India.

7. (a) Discuss in detail the concepts of Nominal Effective Exchange Rate and Real Effective Exchange Rate.

Or

- (b) You have booked forward sale contract for USD 1,50,000 at 49.52 covering a TT remittance against a bill for collection received by you.

You covered yourself in the local interbank market at 49.4525. However on the maturity date, the bill was not yet realized and your customer requested you to cancel the contract. Assuming that on going market rate for US dollar were as under:

Spot USD 1 = 49.3525/3750

Three months forward 2400/2600

Six months forward 4200/4500

You require an exchange margin of 0.08%. What will be the cancellation charges payable by our customer

8. (a) Explain the features of Fixed and Floating rates systems in Forex.

Or

- (b) Discuss the needs of Sterilization of Excessive Forex Inflow and what are the methods available for sterilize of excessive Forex Inflow.

9. (a) Explain in detail the various Strategies of Forex Risk Management.

Or

- (b) The French exporter to UK has 90 day USD receivable. He purchases a put option on £2,50,000 at a strike of EUR 1.6500 per £ at a premium of EUR 0.02 per pound. The current spot rate is GBP/EUR 1.6710 and the 90 day forward is 1.6550. The interest opportunity cost for the firm is 5% pa.
- (i) Calculate the maximum GBP/EUR rate at the end of 90 days below which the firm will make a net gain from the put.
- (ii) Calculate the range of maturity spot over which the option would be better than the forward and vice versa.
10. (a) How we acquire and Transfer the property in and outside India under the FEMA? Explain.

Or

- (b) Discuss the Trends of Foreign Exchange Reserves of India.

Part C

(1 × 10 = 10)

Compulsory

11. Electronics Corporation Ltd. your customers, have imported 5,000 cartridges at landed cost in Mumbai, of USD 20 each. They have the choice of paying for goods immediately or in three months time. They have a clean overdraft limit with you where 10% p.a rate of interest is charged. Calculate which of the following methods would be cheaper to your customer.
- (a) Pay in three months time with interest at 7% and cover the exchange risk forward for three months.
- (b) Settle now at the current spot rate and pay interest of the overdraft for three months.

The rates are as follows:

Mumbai \$/INR Spot: 48.75-48.80

3-month swap:25/35

R-3321

Sub. Code

611402

M.Com. DEGREE EXAMINATION, APRIL 2019.

Fourth Semester

Commerce

FINANCIAL SERVICES

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. List down any four fund based activities of a financial services company.
2. State the qualities required for a merchant banker.
3. Write a note on “Sale and lease back”.
4. Define forfeiting, Is it similar to international factoring?
5. Securitization is a financial boon to commercial banks, Do you agree? Support your answer with valid points

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Discuss briefly some of the innovative financial instruments introduced in recent in the financial service sector.

Or

(b) What factors have retarded the growth of the financial service sector during the period of pre-economic liberalization? Discuss its position during the post economic liberalization period.

7. (a) Distinguish between a commercial bank and merchant bank.

Or

(b) Explain the services of merchant bankers.

8. (a) Discuss the advantages and disadvantages of leasing.

Or

(b) Explain the structure of leasing industry in India.

9. (a) Mutual funds provide stability to share prices, safety to investors and resources to prospective entrepreneurs. Discuss.

Or

(b) Discuss the present state of the mutual funds in India and outline the causes for their slow growth.

10. (a) Distinguish between factoring and forfeiting and state the scope for the introduction of sub services in India.

Or

(b) Trace out the development in the field securitization in abroad and in India and discuss its future prospectus in India.

Part C

(1 × 10 = 10)

Answer the following case.

(Compulsory).

11. Southern electronics had decided to go for a diesel generating set costing Rs. 5 Million. It has an economic life of 8 years at the end of which it is expected to fetch a net (post-tax) salvage value of Rs. 1.5 Million. The firm is considering two options.

(a) Taking the diesel generating set on lease

(b) Buying a diesel generating set with a loan

If the firm chooses the lease option, the annual lease rental will be Rs. 10,80,000, payable in arrears.

- If the firm chooses the purchase option, it will take a loan of Rs. 5 Million at an interest of 16 per cent. The loan will be amortized in equal annual installments, payable at the end of the year, over a period of 8 years.
- The tax rate applicable to the firm is 30 percent. Assume that straight line method of depreciation will be adopted for tax purpose and depreciation rate is 12.5 percent.
- Which option is financially advantageous to southern electronics?