M.Com. DEGREE EXAMINATION, APRIL – 2024

Second Semester

Commerce

ADVANCED MANAGEMENT ACCOUNTING

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 1 = 10)

Answer **all** the following objective type questions by choosing the correct option.

1. The term management accounting was first coined in
    _____.   (CO1, K2)

    (a) 1940   (b) 1960

    (c) 1950   (d) 1970

2. The primary objective of Management accounting is
    _____.   (CO1, K2)

    (a) Furnish management complete and true information

    (b) Supply profit and loss details to stakeholders

    (c) Manage company account and improve sales

    (d) Cut the operation cost to provide more saving

3. The ratios which reveal the final result of the managerial policies and performance is (CO2, K2)

   (a) Turnover Ratio

   (b) Profitability Ratio

   (c) Short term solvency Ratio

   (d) Long term solvency Ratio

4. The ratio which shows the proportion of profits retained in the business out of the current year's profits is _____. (CO2, K2)

   (a) Retained earnings ratio

   (b) Price earnings ratio

   (c) Earnings per share

   (d) Payout ratio

5. Cash flow example from an operating activity is _____. (CO3, K4)

   (a) Purchase of Own Debenture

   (b) Sale of Fixed Assets

   (c) Interest Paid on Term-deposits by a Bank

   (d) Issue of Equity Share Capital

R1098

6. In cash flows, when a company invests in fixed assets and short-term financial investments results in _____.
    (CO3, K4)

    (a) Increased Equity

    (b) Increased Liabilities

    (c) Decreased Cash

    (d) Increased Cash

7. Budgetary control facilitates easy introduction of the _____.
    (CO4, K4)

    (a) Marginal costing

    (b) Ratio analysis

    (c) Standard costing

    (d) Subjective matter

8. A budgeting process which demands each manager to justify his entire budget in detail from beginning is
    (CO4, K4)

    (a) Functional budget

    (b) Master budget

    (c) Zero base budgeting

    (d) None of these

9. The margin of safety, which is the difference between actual sales and break-even point, can be improved by _____.
    (CO5, K2)

    (a) Lowering variable costs

    (b) Lowering fixed costs

    (c) Increasing sales volumes

    (d) All of the above

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10. Marginal cost is equal to _____.   (CO5, K2)

    (a) Variable overheads

    (b) Prime cost plus variable overheads

    (c) Prime cost minus variable overheads

    (d) None of the above

Part B $(5 \times 5 = 25)$

Answer **all** questions not more than 500 words each.

11. (a) Brief the objectives of management accounting.
                                              (CO1, K2)

                      Or

    (b) Distinguish between management accounting and financial accounting.   (CO1, K2)

12. (a) State the tools of financial analysis.   (CO2, K2)

                      Or

    (b) From the following figures calculate the creditor's turnover ratio and the average payment period of accounts payable.   (CO2, K2)

Particulars	Rs.
Credit Purchases in 2022	10,00,000
Creditors on 01.01.2022	2,00,000
Creditors on 31.12.2022	1,00,000
Bills payable on 01.01.2022	40,000
Bills payable on 31.12.2022	60,000

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13. (a) Statement of financial position of Mr. Ram are given below. (CO3, K4)

Liabilities	1.1.2022	31.12.2022	Assets	1.1.2022	31.12.2022
	Rs.	Rs.		Rs.	Rs.
Accounts payable	29,000	25,000	Cash	40,000	30,000
Capital	7,39,000	6,15,000	Debtors	20,000	17,000
			Stock	8,000	13,000
			Buildings	1,00,000	80,000
			Fixed	6,00,000	5,00,000
	7,68,000	6,40,000		7,68,000	6,40,000

Additional information:

(i) There were no drawings

(ii) There were no purchases or sale of either buildings or fixed assets.

(iii) Prepare cash flow statement

Or

(b) Explain the importance of cash flow and cash flow statement. (CO3, K4)

14. (a) Compare Budget, Budgeting and Budgetary control. (CO4, K4)

Or

(b) A company which supplies its output on contract basis as component top an assembling firm has a contract to supply 10,000 units of its only product during 2022. The following were the budgeted expenses and revenue. (CO4, K4)

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Material	Rs. 15 per unit
Wages	Rs. 10 per unit
Works expenses–(Fixed)	Rs. 40,000
Variable	Rs. 4 per unit
General expenses (all fixed)	Rs. 60,000

Profit is 20% on sale price

Prepare the budget for 2022 showing the costs and profit.

15. (a) From the following information calculate (CO5, K2)

(i) BEP

(ii) Margin of safety

(iii) Contribution and

(iv) Profit

Particular	Rs.
Fixed cost	36,000
Variable cost	60,000
Sales	1,20,000
Sale in units	40,000

Or

(b) The following particulars are extracted from the records of a company (CO5, K2)

Particulars	Product A	Product B
Sales (per unit)	Rs. 100	Rs. 120
Consumption of material	2kg	3kg
Material cost	Rs. 10	Rs. 15
Direct wages cost	15	10
Direct expenses	5	6
Machine hour used	3	2
Overhead expenses		
Fixed	5	10
Variable	15	20

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Direct wages per hour is Rs. **5** comment on the profitability of each product (both use the same raw material) when:

(i)   Total sales potential in units is limited

(ii)   Production capacity (in terms of machine hours) is the limiting factor.

(iii) Material is in short supply

(iv)   Sales potential in value is limited

Part C $(5 \times 8 = 40)$

Answer **all** questions not more than 1000 words.

16. (a) Explain the tools and techniques of Management Accounting.   (CO1, K2)

Or

(b) What are the advantages and limitations of Management Accounting?   (CO1, K2)

17. (a) Explain the methods of financial statement analysis.   (CO2, K2)

Or

(b) Following are the ratios relating to the trading activities of national traders for the year ended on 31st December.   (CO2, K2)

Debtors velocity	3 months
Stock velocity	8 months
Creditors velocity	2 months
Gross profit ratio	25%
Gross profit for the year	Rs. 4,00,000

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Closing stock is Rs. 10,000. Above the opening stock

Bills Receivable	Rs. 25,000
Bills Payable	Rs. 10,000

Find out :

(i) Sales

(ii) Sundry Debtors

(iii) Closing Stock

(iv) Sundry Creditors

18. (a) Balance sheets of M/s. Black and White as on 1st Jan 2023 and 31St Dec. 2023 were as follows

(CO3, K4)

Liabilities	1.1.2023	31.12.2023	Assets	1.1.2023	31.12.2023
Creditors	40,000	44,000	Cash	10,000	7,000
White's loan	25,000	-	Debtors	30,000	50,000
Loan from bank	40,000	50,000	Stock	35,000	25,000
Capital	1,25,000	1,53,000	Machinery	80,000	55,000
			Land	40,000	50,000
			Buildings	35,000	60,000

During the year a machine costing Rs. 10,000 (accumulated depreciation Rs. 3,000) was sold of Rs. 5,000. The provision for depreciation against machinery as on 1st Jan. 2023 was Rs. 25,000 and on 31st Dec 2023 Rs. 40,000. Net profit for the year 2023 amounted to Rs. 45,000. Prepare cash flow statement.

Or

(b) What is called responsibility accounting? And explain the concept of responsibility accounting.

(CO3, K4)

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19. (a) Draw up flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70% 80% and 90% plan capacity. (CO4, K4)

Capacity levels

	70%	80%	90%
	Rs.	Rs.	Rs.
Variable overheads: Indirect labour	-	12,000	-
Indirect materials	-	4,000	-
Semi-variable overheads: Power (30% fixed)	-	20,000	
Repair (60% fixed) Fixed overheads:	-	2,000	-
Depreciation	-	11,000	-
Insurance	-	3,000	-
Salaries	-	10,000	-
Total overhead expenses	-	62,000	
Estimated direct labour hours	-	1,24,000	-

Or

(b) What is meant by ZBB and how its relevance in decision making? (CO4, K4)

20. (a) Explain the application of marginal costing and CVPA in decision making as a product. (CO5, K2)

Or

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(b)   The sales turnover and profit during two years were
      as follows.   (CO5, K2)

	Year	Sales	profit
	2007	1,40,000	15,000
	2008	1,60,000	20,000

Calculate:

(i)   P/V Ratio

(ii)   Break even point

(iii) Sales required to earn a profit of Rs.40,000

(iv)   Fixed expenses and

(v)   Profit when sales are Rs. 1,20,000

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M.Com. DEGREE EXAMINATION, APRIL – 2024

Second Semester

Commerce

PORTFOLIO AND INVESTMENT MANAGEMENT

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 1 = 10)

Answer **all** the following objective type questions by choosing the correct option.

1. Investment is the ——————.   (CO1, K2)

    (a) Net addition made to the nation's-capital stock

    (b) Person's commitment to buy a flat

    (c) Employment of funds on assets to earn return

    (d) Employment of funds on goods and services that are used in production processes

2. Gambling is ——————.   (CO1, K2)

    (a) An intelligent speculation

    (b) Based on rumours

    (c) Successful speculation

    (d) All of the above

3. Which of the following risks emerges from the debt component of the capital structure?   (CO2, K4)

    (a) Systematic risk   (b) Financial risk

    (c) Market risk   (d) Business risk

4. A measure of 'risk per unit of expected return   (CO2, K4)

   (a) Standard deviation
   (b) Coefficient of variation
   (c) Correlation coefficient
   (d) Beta

5. Aggressive portfolio consist of bond : stocks in the ratio of
                                                        (CO3, K4)

   (a) 60:40   (b) 70:30
   (c) 40:60   (d) 50:50

6. Technical analysis is useful ——————.   (CO3, K4)
   (a) To make an estimate of growth in a stock market
   (b) To find out the market forces influencing stock
        market
   (c) To indicate the direction of the overall market
   (d) To analyze the economic activity of government

7. Weak form market efficiency   (CO4, K4)

   (a) Implies that the expected return on any security is
        zero

   (b) Incorporates semi-strong form efficiency

   (c) Involves price and volume information

   (d) Is compatible with technical analysis

8. Markowitz approach has roots in   (CO4, K4)

   (a) Good portfolio management

   (b) Proper entry and exit in the market

   (c) Estimating of stock return

   (d) Analyzing the risk and return related to stocks

9. The disadvantage of swaps is that they   (CO5, K4)

   (a) Lack of liquidity   (b) Suffer from default risk

   (c) Both (a) and (b)   (d) (b) only

R1099

10. Margin money of the future contracts depended on

                                                     (CO5, K4)

(a) the nature of the buyer and seller

(b) the stock market indices movement

(c) speculative activity

(d) both (a) and (b)

Part B   (5 × 5 = 25)

Answer **all** the questions not more than 500 words each.

11. (a) State the importance of investment.   (CO1, K2)

                      Or

    (b) Explain the types of investment based on the nature of assets.   (CO1, K2)

12. (a) What are the key methods used for debt investment valuation?   (CO2, K4)

                      Or

    (b) Discuss the risk-return relationship in investment.   (CO2, K4)

13. (a) Describe different methods of valuing equity investment.   (CO3, K4)

                      Or

    (b) How is Price Earnings ratio used in investment analysis?   (CO3, K4)

14. (a) Explain the concept of a portfolio in investment.   (CO4, K4)

                      Or

    (b) Define Mutual funds and explain their role in investment.   (CO4, K4)

15. (a) What are the key terminologies used in the options market?   (CO5, K4)

                      Or

    (b) Explain different types of futures contracts.

                                (CO5, K4)

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Part C $(5 \times 8 = 40)$

Answer **all** questions not more than 1000 words each.

16. (a) Explain the concept of investment and distinguish between saving and investment. (CO1, K2)

Or

(b) Outline the key functions of investment management. (CO1, K2)

17. (a) Discuss the importance of matching short-term goals with low-risk investment. (CO2, K4)

Or

(b) Differentiate between systematic risk and unsystematic risk. (CO2, K4)

18. (a) Discuss the Dow theory and its significance in technical analysis. (CO3, K4)

Or

(b) What are the key components of Fundamental analysis for investment evolution? (CO3, K4)

19. (a) What are the measures used to assess Portfolio return and risk? (CO4, K4)

Or

(b) Explain the different forms of Market efficiency. (CO4, K4)

20. (a) Discuss the Role of technology in making stock and commodity exchange information more accessible to investors. (CO5, K4)

Or

(b) Define Derivatives and explain their role in investment markets. (CO5, K4)

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R1100		Sub. Code
		611203

M.Com. DEGREE EXAMINATION, APRIL – 2024

Second Semester

Commerce

LOGISTICS MANAGEMENT

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 1 = 10)

Answer **all** the following objective type questions by choosing the correct option.

1. In the recent years- the major gain in logistical efficiency have come from which one of the following?   (CO1, K1)

    (a) Advances in information Technology

    (b) Reduction in petroleum prices

    (c) Fast order processing

    (d) Increase in production of commercial vehicles

2. Logistics is the part of supply chain involved with the forward and reverse flow of   (CO1, K1)

    (a) Goods

    (b) Services

    (c) Cash

    (d) All of the above

3. India is divided into how many pin code zones? (CO2, K2)

    (a) Six   (b) Seven

    (c) Ten   (d) Eight

4. Which of the following is not the management category of roads in India? (CO2, K2)

    (a) District Highways

    (b) Border Roads

    (c) National Highways

    (d) State highways

5. Vasco-da-Game came to India and Landed at (CO3, K3)

    (a) Kozhikode

    (b) Gujarat

    (c) Patna

    (d) None of the Above

6. Kabul and Qandahar were linked to which route? (CO3, K3)

    (a) Suez Canal Route

    (b) Cap route

    (c) Silk Route

    (d) Cotton Route

R1100

7. ——————— represents a chain of businesses or intermediaries through which the final buyer purchases a goods or services. (CO4, K4)

   (a) Place

   (b) Production

   (c) Distribution channel

   (d) Price

8. Firms that help the company to promote, sell and distribute its goods to final buyers are known as ——————. (CO4, K4)

   (a) Sales intermediaries

   (b) Marketing intermediaries

   (c) Product promotion intermediaries

   (d) Finance intermediaries

9. Which of the following is not a distinguishing feature for cargo aircrafts (CO5, K4)

   (a) Wide Fuselage

   (b) Number of Engines

   (c) High wings

   (d) Large number of wheels

10. Which of the following was the first purpose built cargo aircraft? (CO5, K5)

   (a) Arado Ar 232

   (b) MD 80

   (c) Handley page Hp.42

   (d) Boeing 747-8F

R1100

Answer **all** questions not more than 500 words each.

11. (a) Explain the importance of Logistics management.

      (CO1, K1)

Or

   (b) Distinguish between domestic and international marketing logistics. (CO1, K1)

12. (a) Briefly explain the modes of transportation.

      (CO2, K2)

Or

   (b) What do you mean by charters? And describe the types of charters. (CO2, K2)

13. (a) What is port? And explain the types of port.

      (CO3, K3)

Or

   (b) Write a short note on warehouse management.

      (CO3, K3)

14. (a) Elucidate the clearing and forwarding Agents.

      (CO4, K4)

Or

   (b) Explain the role of shipping agents.   (CO4, K4)

R1100

15. (a) Explain the advantages and disadvantages of international air cargo transportation. (CO5, K4)

Or

(b) Briefly explain the IATA rules. (CO5, K4)

Part C (5 × 8 = 40)

Answer **all** questions not more than 1000 words each.

16. (a) What are world class supply chains and how does location influence these supply chains? (CO1, K1)

Or

(b) Elucidate the reverse logistics management. (CO1, K1)

17. (a) Explain the Multi-model transport system. (CO2, K2)

Or

(b) Describe the multi-model transport document and combined transport document. (CO2, K2)

18. (a) Explain the types of containerization. (CO3, K4)

Or

(b) Explain the automated shipment status. (CO3, K3)

19. (a) Describe the consulting assistance relevant one or two case studies. (CO4, K4)

Or

(b) Explain the functions of Intermediaries. (CO4, K4)

5 R1100

20. (a) Explain the role of rail-Road ways in Global Marketing. (CO5, K4)

Or

(b) Explain the problems and prospectus of Air cargo transport. (CO5, K4)

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M.Com. DEGREE EXAMINATION, APRIL – 2024

Second Semester

Commerce

GST AND CUSTOMS LAW

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 1 = 10)

Answer **all** the following objective type questions by choosing the correct option.

1. The President of India constituted GST Council as per Article of the constitution   (CO1, K2)

    (a) 246A   (b) 269A

    (c) 279A   (d) 276

2. Authority to levy and collect taxes n India is given to the central and state government by   (CO1, K2)

    (a) Article 246 of Constitution of India

    (b) Article 265 of Constitution of India

    (c) Article 269 of Constitution of India

    (d) Article 279A of Constitution of India

3. The Maximum rate of CGST is (CO2, K5)

   (a) 28 (b) 12

   (c) 18 (d) 20

4. A supply consisting of two or more goods/ services which are naturally bundled, one being principal supply is called —————. (CO2, K5)

   (a) Composite Supply

   (b) Continuous Supply

   (c) Mixed Supply

   (d) Taxable Supply

5. E-Commerce Operators have to file monthly. (CO3, K3)

   (a) GSTR 7 (b) GSTR 6

   (c) GSTR 6A (d) GSTR 8

6. What is the time limit for claiming the refund? (CO3, K3)

   (a) The time limit for claiming a refund is 2 years from relevant date

   (b) The time limit for claiming a refund is 1 years from relevant date

   (c) All of the above

   (d) None of the above

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7. Which of the following taxes will be levied on imports?

(CO4, K4)

(a) CGST   (b) SGST

(c) IGST   (d) CGST and SGST

8. Maximum rate prescribed under UTGST/SGST?(CO4, K4)

(a) 14%   (b) 20%

(c) 28%   (d) 30%

9. Which section of the Customs Act. 962 provides for levy of Customs duty on import and export of goods? (CO5, K4)

(a) Section 3   (b) Section 12

(c) Section 14   (d) Section 28

10. Valuation for Customs Duty begins with (CO5, K4)

(a) Determination of Import Value

(b) Determination of Transaction Value

(c) Determination of Invoice Value

(d) Interrogation of Importer

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Answer **all** the questions not more than 500 words each.

11. (a)   Explain the concept of "Dual GST".   (CO1, K2)

Or

(b)   Write a short note on GST Council.   (CO1, K2)

12. (a)   What are the circumstances when registration certificate is required to be cancelled?   (CO2, K5)

Or

(b)   Bring out the mechanism for Input Tax Credit (ITC) under the GST law.   (CO2, K5)

13. (a)   What is the difference between Search and Inspection?   (CO3, K3)

Or

(b)   Bring out the common offence and their penalties under GST.   (CO3, K3)

14. (a)   How to find out the location of supplier of services?   (CO4, K4)

Or

(b)   How to find the location of supplier and place of supply for interstate supply?   (CO4, K4)

R1101

15. (a) What are the provisions regulating Baggage?

(CO5, K4)

Or

(b) What are the functions of customs department?

(CO5, K4)

Part C (5 × 8 = 40)

Answer **all** the questions not more than 1000 words each.

16. (a) How is GST different from the previous tax regime?

(CO1, K2)

Or

(b) Explain the roles and responsibilities of GST Council. (CO1, K2)

17. (a) Explain the different types of supply. (CO2, K5)

Or

(b) What is the procedure for registration? (CO2, K5)

18. (a) Explain the various types of return under GST.

(CO3, K3)

Or

(b) What are the different assessments under GST?

(CO3, K3)

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R1101

19. (a) Explain the provisions of IGST act pertaining to place of supply of goods. (CO4, K4)

Or

(b) How would you find out whether supply of services in relation to an immovable property is situated in India? (CO4, K4)

20. (a) Define the following (CO5, K4)

   (i)   Coastal goods

   (ii)   Customs station

   (iii) Exclusive economic zone

   (iv)   Indian Customs waters

Or

(b) What is significance of IGST in case of import? (CO5, K4)

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M.Com. DEGREE EXAMINATION, APRIL – 2024

Second Semester

Commerce

Elective — MANAGEMENT OF HUMAN RESOURCES

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A $(10 \times 1 = 10)$

Answer **all** the following objective type questions by choosing the correct option.

1. HRM is ————————   (CO1, K2)

   (a) A staff functions

   (b) A line functions

   (c) A staff function, line function and accounting function

   (d) All of the above

2. Human factor can be defined as ————————   (CO1, K2)

   (a) The entire concept of human behavior

   (b) Interrelated Physiological, Psychological and Socio-ethical aspects of a human being.

   (c) Micro and macro issues of socioeconomic factor

   (d) None of the above

3. ———————— can be derived from Job Analysis. (CO2, K5)

    (a) Job Specification

    (b) Job Description

    (c) Job requirement

    (d) Both (a) and (b)

4. A written summary of KSA required to perform a job is
    ———————— (CO2, K5)

    (a) Resume   (b) Job specification

    (c) Job Description (d) Job posting

5. Promotion is a ———————— source Recruitment. (CO3, K3)

    (a) External   (b) Internal

    (c) Macro   (d) None of the above

6. ———————— involves a one-to-one discussion between the
    participant and administrator.   (CO3, K3)

    (a) Counselling   (b) Training

    (c) Motivation   (d) All of the above

7. A/An ———————— is a plan or a program scheme that
    helps to motivate an individual or a group to deliver
    outstanding performance.   (CO4, K5)

    (a) Promotion Scheme

    (b) Incentive Scheme

    (c) Reward

    (d) None of the above

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8. A/An ————— is considered to be a vertical move in terms of rank and responsibilities. (CO4, K5)

   (a) Appraisal   (b) Reward

   (c) Increment   (d) Promotion

9. Which of the following emerged when individuals realised the strength, they could gain by joining together to negotiate with employers (CO5, K5)

   (a) Trade Unions

   (b) Human Relation Movement

   (c) Employee Legislations

   (d) Employee relationship Management

10. How are the union leaders elected at different federations? (CO5, K5)

   (a) Based on employer's recommendations

   (b) Based on the seniority

   (c) Based on political considerations

   (d) Based on the democratic principle

Part B (5 × 5 = 25)

Answer **all** questions not more than 500 words each.

11. (a) Write the functions of Human resource management. (CO1, K2)

   Or

   (b) Explain the objectives of Human resource management. (CO1, K2)

3   **R1102**

12. (a) What do you mean by Human Resource Planning? Explain the steps involved in Human Resource Planning. (CO2, K5)

Or

(b) What is job analysis? What are the components of job analysis? (CO2, K5)

13. (a) Explain the various steps involved in selection process. (CO3, K3)

Or

(b) Elucidate the importance of training. (CO3, K3)

14. (a) What are fringe benefits? Explain the different kinds of fringe benefits. (CO4, K5)

Or

(b) Discuss the various financial and non-financial rewards in motivating modern employees. (CO4, K5)

15. (a) What do you mean by grievance? Explain the effective grievance handling procedures that manager can use in the organizations. (CO5, K5)

Or

(b) What are the measures for improving industrial relations? (CO5, K5)

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Part C   (5 × 8 = 40)

Answer **all** the questions not more that 1000 words each.

16. (a) What is the meaning of Human resource management? Bring out its scope and importance.
                                        (CO1, K2)

Or

(b) Write the difference between personnel management and human resources management.
                                        (CO1, K2)

17. (a) What is recruitment? What are the various internal and external sources of recruitment?   (CO2, K5)

Or

(b) Difference between job description and job specification.   (CO2, K5)

18. (a) What is Promotion? Explain the Pros and Cons of Promotion.   (CO3, K3)

Or

(b) Discuss the different types of selection tests.
                                        (CO3, K3)

19. (a) What is performance appraisal? Discuss the process of performance appraisal.   (CO4, K5)

Or

(b) What is Cafeteria Approach? Explain the Advantages and Disadvantages of Cafeteria Plans.
                                        (CO4, K5)

5   R1102

20. (a) What are the stages of the grievance redressal process? (CO5, K5)

Or

(b) What are Trade unions? What are the Characteristics of a Trade Union? (CO5, K5)

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R1102

M.Com. DEGREE EXAMINATION, APRIL – 2024

Fourth Semester

Commerce

ADVANCED COST ACCOUNTING

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 1 = 10)

Answer **all** the following objective type questions by choosing the correct option.

1.   Which of these is not an objective of Cost Accounting?
                                                    (CO1, K1)

   (a)   Ascertainment of Cost

   (b)   Determination of Selling Price

   (c)   Cost Control and Cost reduction

   (d)   Assisting Shareholders in decision making

2.   Cost Unit is defined as :   (CO1, K1)

   (a)   Unit of quantity of product. service or time in relation to which costs may be ascertained or expressed

   (b)   A location, person or an item of equipment or a group of these for which costs are ascertained and used for cost control.

   (c)   Centres having the responsibility of generating and maximizing profits

   (d)   Centres Concerned with earning an adequate return on investment

3. Blanket overhead rate is : (CO2, K3)

   (a) One single overhead absorption rate for the whole factory

   (b) Rate which is blank or nil rate

   (c) Rate in which multiple overhead rates are calculated for each production department, service department etc.

   (d) Always a machine hour rate

4. In process costing, if an abnormal loss arises, the process account is generally (CO3, K2)

   (a) Debited with the scrap value of the abnormal loss units

   (b) Debited with the full production cost of the abnormal loss

   (c) Credited with the scrap value of the abnormal loss units

   (d) Credited with the full production cost of the abnormal loss units

5. Which type of costing do toy-manufacturing companies use? (CO3, K2)

   (a) Multiple costing   (b) Process costing

   (c) Unit costing   (d) Batch costing

6. In the Net realizable value method, for apportioning joint costs over the joint products, the basis of apportionment would be: (CO3, K5)

   (a) Selling price per unit of each of the joint products

   (b) Selling price multiplied by units sold of each of the joint products

   (c) Sales value of each joint product less further processing costs of individual products

   (d) Both (b) and (c)

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7. Which of the following activities is the Standard Costing System used for? (CO4, K4)

   (a) It is a basis for implementing cost control and fixing the price of products through variance analysis

   (b) It helps to ascertain the cost-volume relationship between products manufactured by the business

   (c) It helps to establish the breakeven point for the products manufactured by the company

   (d) None of the above

8. Which of the following activities is true about the Cost variance under the Standard Costing System? (CO4, K4)

   (a) Cost variance is the difference between the standard cost and the actual cost

   (b) Cost variance is the difference between the standard cost and the budgeted cost

   (c) Cost variance is the difference between the standard cost and the marginal cost

   (d) Cost variance is the difference between the actual cost and the marginal cost

9. What is the term for allocating overhead based on a predetermined rate and actual activity level? (CO5, K4)

   (a) Absorption Costing

   (b) Variable Costing

   (c) Overhead Absorption

   (d) Activity-Based Costing

10. What is the primary characteristic of contract costing? (CO5, K4)

   (a) Large-scale production

   (b) Mass production

   (c) Unique projects or contracts

   (d) Standardized products

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Part B   (5 × 5 = 25)

Answer **all** questions not more than 500 words each.

11. (a) Explain the Objectives of cost accounting. (CO1, K2)

Or

(b) From the following particulars prepare a cost sheet.
(CO1, K2)

Stock of finished goods (1.4.2018)	Rs.36,400
Stock of finished goods (30.4.2018)	Rs.39,400
Stock of raw materials (1.4.2018)	rs.16,640
Stock of raw materials (30.4.2018)	Rs.17,680
Purchase of raw materials	Rs.3,79,600
Production wages	Rs.2,58,440
Sales of finished goods	Rs.7,69,600
Works overheads	Rs.64,610
General overheads	Rs.35,080

12. (a) A Stores Ledger Account from the following information adopting FIFO method of pricing of issues of materials. (CO2, K3)

March 1 1998   Opening balance 500 tonnes at Rs. 100
     3   Issue 60 tonnes
     4   Issue 100 tonnes
     8   Issue 70 tonnes
     13   Received from supplier 300 tonnes at Rs.180
     16   Issue 140 tonnes
     20   Received from supplier 240 tonnes at Rs.200
     24   Issue 300 tonnes
     25   Received from supplier 320 tonnes at Rs.200
     26   Issue 125 tonnes
     28   Received from supplier 100 tonnes at Rs.200

Or

(b) Explain the general techniques used to control labour cost. (CO2, K2)

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13. (a) From the following information relating to the manufacturing of a product in a cost centre, prepare a cost sheet showing both consist of 200 units:

(CO3, K5)

Cost of materials 12 paise per unit

Operators wages Rs.1.44 an hour

Machine hour ate Rs.3.00

Setting up time of the machine 4 hours and 40 minutes

Manufacturing time 20 minutes per unit.

Or

(b) Explain the characteristic features of contracts and contract costing. (CO3, K5)

14. (a) The standard material cost for 100 kg of chemical 'D' is made up of : (CO4, K4)

Chemical A   – 30 kg @ Rs.4 per kg
Chemical B   – 40 kg @ Rs.5 per kg
Chemical C   – 80 kg @ Rs.6 per kg

In a batch 500 kg of chemical 'D' were produced from a mix of :

Chemical A   – 140 kg @ a cost of Rs.588
Chemical B   – 220 kg @ a cost of Rs.1,056
Chemical C   – 440 kg @ a cost of Rs.2,860

How do the yield, mix and the price factors contribute to the variance in the actual cost per 100 kg of chemical 'D' over the standard cost?

Or

(b) "Standard costing is the most effective cost control system for manufacturing organizations." Explain the statement. (CO4, K4)

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15. (a) Why is Activity Based Costing important for businesses? (CO4, K4)

Or

(b) How does target costing contribute to a company's competitiveness? (CO4, K4)

Part C (5 × 8 = 40)

Answer **all** questions not more than 1000 words each.

16. (a) Describe the various methods of Costing and state the particular industries to which they can be specified. (CO1, K1)

Or

(b) On August 15th 2022 a manufacture SRI desired to quote for a contract for the supply of 500 ratio sets. From the following details prepare a statement showing the price to he quoted to give the same percentage of net profit on turnover as was realized during 6 months ending on 30th June 2022: (CO1, K2)

	Rs.
Stock of material as on 1st January 2022	20,000
Stock of material as on 30th January 2022	25,000
Purchase of materials during 6 months	1,50,000
Factory wages during 6 months	1,20,000
Indirect charges during 6 months	25,000
Opening stock of completed sets	Nil
Closing stock of completed sets	100
Sales during 6 months	3,24,000

The number of radio sets manufactured during these six months was 1,450 sets including those sold and those stocked at the end of the period. The radios to be quoted are of uniform quality and size as were manufactured during the six months to 30th June 2022. As from August 1st, the cost of factory labour has gone up by 10%.

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17. (a) From the following particulars prepare the stores ledger account showing the pricing of materials issue, by adopting the FIFO method, with base stock of 400 units, out of opening stock. (CO2, K3)

2022
December

 1 Opening stock 1,000 units at Rs.2.00 each

 3 Purchased 800 units at Rs.2.10

 5 Issued 800 units

 12 Purchased 1,600 units at Rs.2.10 each

 17 Issued 1,500 units

 20 Purchased 900 units at Rs.2.50 each

 25 Issued 600 units

Or

(b) Modern manufacturers Ltd., have three production departments P_1, P_2 and P_3 and two service departments S_1, S_2, the details pertaining to which are as under: (CO2, K3)

	P_1	P_2	P_3	S_1	S_2
Direct wages Rs.	30,000	20,000	30,000	15,000	5,000
Working hours	3,070	4,475	2,419	–	–
Value of machines (Rs.)	6,00,000	8,00,000	10,00,000	50,000	50,000
H.P of machine	60	30	50	10	–
Light points	100	150	200	100	50
Floor Space (Sq.feet)	20,000	25,000	30,000	20,000	5,000

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The following figures extracted from the accounting records are relevant. Rent Rs.15,000; General Lighting Rs.6,600: indirect wages Rs.20,000: Power Rs.15,000; Depreciation on machine Rs.1,00,000 and sundries Rs.10,000.

The expenses of service departments are allocated as under

	P₁	P₂	P₃	S₁	S₂
S₁	20%	30%	40%	–	10%
S₂	40%	20%	30%	10%	–

18. (a) Suman industries produces a product which passes through two processes I and II and then to finished stock. It is ascertained that in each process 5% of the total weight put in is lost and 10% is scrap which realizes Rs.5 per ton and Rs.15 per ton respectively in processes I and II. The following details are available. (CO3, K5)

	Process I	Process II
Material consumed in tons	2,000	140
Cost of materials per ton Rs.	200	300
Wages Rs.	20,000	15,000
Manufacturing expenses Rs.	6,000	5,000

Prepare process accounts showing the cost of the output of each process and cost per ton.

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(b) A factory producing article P also produces a by product Q which is further processed into finished product. The joint cost of manufacture is given below: (CO3, K5)

Material	5,000
Labour	3,000
Overhead	2,000

Subsequent costs are given below:

	P (Rs.)	Q (Rs.)
Material	3,000	1,500
Labour	1,400	1,000
Overhead	600	500
	5,000	3,000

Selling prices are P – Rs.16,000

Q – Rs.8,000

Estimated profits on selling price are 25% for P and 20% for Q. assume that selling and distribution expenses are in production on sales prices.

Show how would apportion joint costs of manufacture and prepare a statement showing cost of production. of P and Q.

19. (a) From the following data provided by Vimal ltd for the month of August 2022. Calculate (CO4, K4)

   (i) Total overhead cost variance

   (ii) Fixed overhead cost variance and

   (iii) Variable overhead cost variance

	Budget	Actual
Output in units	30,000	32,500
Fixed overhead (Rs.)	45,000	50,000
Variable overhead (Rs.)	60,000	68,000

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(b) The following is the information relating to Contract No 123. (CO4, K4)

	Rs.
Contract Price	6,00,000
Wage	1,64,000
General expenses	8,000
Raw material	1,20,000
Plant	20,000

As on date, cash received was Rs. 2,40,000 being 80% of work certified. The value of materials remaining at site was Rs. 10,000. Depreciation plant by 10%. Prepare contract account showing profit to be credited to P and L A/c.

20. (a) What is the role of Cost Accounting standards in financial reporting? (CO5, K4)

Or

(b) Explain the Back Flush Coasting provide scenarios where it is commonly used. (CO5, K4)

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M.Com. DEGREE EXAMINATION, APRIL – 2024

Fourth Semester

Commerce

BUSINESS LEGISLATIONS

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 1 = 10)

Answer **all** the following objective types questions by choosing the correct option.

1. An agreement enforceable by law is _____

                                                          (CO1, K2)

    (a)   A voidable contract

    (b)   Void

    (c)   A contract

    (d)   A void contract

2. Consent is said to be free when it is not caused by _____   (CO1, K2)

    (a)   Very much influence

    (b)   Undue influence

    (c)   Slightly influence

    (d)   Influence

3. Liability of surety is _____ (CO2, K1)

   (a) Co-extensive with that of the principal debtor

   (b) Independent of default

   (c) Can be conditional or independent

   (d) None of the above

4. In which forum is it compulsory to have a female member? (CO2, K1)

   (a) National commission

   (b) State commission

   (c) District commission

   (d) All of the above

5. Conditions and Warranties in a contract may be ——————— (CO3, K3)

   (a) Express

   (b) Implied

   (c) Express or implied

   (d) None of the above

6. _____ states that a consumer should know the reliefs available to him in case of product or service falls short of his expectations. (CO3, K3)

   (a) Right to Safety

   (b) Right to Seek Redressal

   (c) Right to be informed

   (d) Right to Consumer Education

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7. The Carriage of Goods by Sea Act is enacted in the year
    _____   (CO4, K4)

    (a) 1865   (b) 2007

    (c) 1989   (d) 1925

8. The _____ Act relates to the common carriers.
                                                   (CO4, K4)

    (a) The Carriers Act

    (b) The Carriage by Road Act

    (c) The Railways Act

    (d) The Carriage by Air Act

9. The name of the Company can be changed by
    _____.   (CO5, K4)

    (a) Ordinary resolution

    (b) Special resolution

    (c) A special resolution with approval of Central
         Government

    (d) With approval of Union Government

10. A person cannot act as a managing director in more than
    _____ Company.   (CO5, K4)

    (a) One   (b) Two

    (c) Four   (d) Five

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Part B (5 × 5 = 25)

Answer **all** the questions not more than 500 words each.

11. (a) List out the factors that make an agreement void? Explain. (CO1, K2)

Or

(b) What are the different types of breach of contract? (CO1, K2)

12. (a) Explain the liability of a surety in a contract. (CO2, K1)

Or

(b) Explain the difference between indemnity and indemnity holder. (CO2, K1)

13. (a) What is meant by Doctrine of Caveat Emptor? Explain its exceptions. (CO3, K3)

Or

(b) Explain the rights of consumers in detail. (CO3, K3)

14. (a) Describe the contents of the Carriage by Road Act in detail. (CO4, K4)

Or

(b) State the means in which the Carriage of Air Act helps its consumers. (CO4, K4)

15. (a) What are the duties and powers of the director of the company? (CO5, K4)

Or

(b) Define Company. Describe the types of companies in detail. (CO5, K4)

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Part C $(5 \times 8 = 40)$

Answer **all** the questions note more than 1000 words each.

16. (a) In what ways the contract can be discharged? Explain. (CO1, K2)

Or

(b) Describe the essential elements required to form the basic contract. (CO1, K2)

17. (a) Differentiate between the bailment and pledge. (CO1, K2)

Or

(b) Who can appoint an agent? List out and explain the various types of agents. (CO2, K1)

18. (a) Explain the Procedure for redressal of complaints under Consumer Protection Act. (CO3, K3)

Or

(b) What are the implied conditions and warranties under the Sale of Goods Act? (CO3, K3)

19. (a) Explain the provisions regarding the Indian Carriage of Goods Act? (CO4, K4)

Or

(b) List out the various Acts that comes under the Law of Carriage of Goods. Explain. (CO4, K4)

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20. (a) Explain the difference between the Memorandum of Association and Association of Articles. (CO5, K4)

Or

(b) What is a prospectus? Is it necessary for every company to file a prospectus? (CO5, K4)

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M.Com. DEGREE EXAMINATION, APRIL – 2024

Fourth Semester

Commerce

QUANTITATIVE TECHNIQUES

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 1 = 10)

Answer **all** the following objective type questions by choosing the correct option

1. The objectives functions of a linear programming problem are;   (CO1, K2)

    (a)   A constraint

    (b)   Function to be optimized

    (c)   A relation between the variables

    (d)   None of these

2. Which of the following is a type of linear programming problem?   (CO1, K2)

    (a)   Manufacturing problem

    (b)   Diet problem

    (c)   Transportation problems

    (d)   All of the above

3. Set which contains all possible outcomes is   (CO2, K4)

    (a)   Event   (b)   Empty set

    (c)   Sample space   (d)   Probability

4. Which symbol denote impossible event? (CO2, K4)

   (a) S (b) θ

   (c) β (d) μ

5. Which of the following best describe queuing theory?
   (CO3, K4)

   (a) The study of arrival rates

   (b) The study of service times

   (c) The study of waiting lines

   (d) The evaluation of service time costs

6. Time between two successive requests arriving, called the
   (CO3, K4)

   (a) Inter arrival time

   (b) Arrival time

   (c) Poisson distribution

   (d) Average residual service time

7. Which of the following criterion is not used for decision —
   making under uncertainty? (CO4, K4)

   (a) Maximin (b) Maximax

   (c) Minimax (d) Minimize expected loss

8. The minimum Expected Opportunity Loss (EOL) is
   (CO4, K4)

   (a) Equal to EVPI (b) Minimum regret

   (c) Equal to EMV (d) Both (a) and (b)

9. Which of the following methods of contouring is most
   suitable for a hilly terrain? (CO5, K4)

   (a) Direct Method

   (b) Square method

   (c) Cross – sections method

   (d) Tachometric method

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10. Three-point problem can be solved by   (CO6, K4)

    (a) Tracing paper method

    (b) Bessel's method

    (c) Lehman's method

    (d) All of the above

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Part B $(5 \times 5 = 25)$

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Answer **all** questions not more than 500 words each.

11. (a) Consider a chocolate manufacturing company that produces only two types of chocolate require Milk and Choco only. To manufacture each unit of A and B. the following quantities are required; (i) Each unit of A requires 1 unit of Milk and 3 unit of Choco. (ii) Each unit of B requires 1 units of Milk of and 2 units of Choco. The company kitchen has a total of 5 units of Milk and 12 units of Choco. On each sale, the comp makes a profit of (1) Rs.6 per unit A Sold (2) Rs. 5 per unit B sold. Now the company wishes to maximize its profit. How many units of A and B should it produce respectively?   (CO1, K2)

<div align="center">Or</div>

    (b) One kind of cake requires 200 g of flour and 25 g of fat, and another kind of cake requires 100 g of flour and 50 g of fat Find the maximum number of cakes that can be made from 5 kg of flour and 1 kg of fat assuming that there is no shortage of the other ingredients, used in making the cakes.   (CO1, K2)

12. (a) Two coins are tossed 500 times, and we get:

    Two heads: 105 times;

    One head: 275 times;

    No head: 120 times. Find the probability of each event to occur.   (CO2, K4)

<div align="center">Or</div>

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(b)   The percentage of marks obtained by a student in the monthly tests are given below: (CO2, K4)

Test: 1   2   3   4   5

Percentage of marks obtained: 69   71   73   68   74

Based on the above table, find the probability of students getting more than 70% marks in a test.

13.   (a)   If in a particular single-server system, the arrival rate, $\lambda=5$ per hour and service rate, $\mu = 8$ per hour. Assume the conditions for use of the single channel queuing model, find out: (CO3, K4)

(i)   The Probability that the server is idle.

(ii)   The probability that there are at least two customers in the system.

(iii)   Expected time that a customer is in the queue.

Or

(b)   Customers arrive at the first class Ticket counter of a Theater at a rate of 12 per hour. There is one clerk serving the customers at a rate of 30 per hour. Assuming the conditions for use of the single – channel queuing model, evaluate: (CO3, K4)

(i)   The probability that there is no customer at the counter (i. e) that the system is idle),

(ii)   The probability that there are more than 20 customers at the counter,

(iii)   The probability that there is no customers at the counter,

(iv)   the probability that a customer is being served and nobody is waiting.

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14. (a) Given the following Pay-off matrix (in rupees) for three strategies and two states of nature. (CO4, K4)

Strategy Status – of nature

	E1	E2
S1	40	60
S2	10	−20
S3	−40	150

Select a strategy using each of the following rule (i) Maximin (ii) Minimax.

Or

(b) A farmer wants to decide which of the three crops he should plant on his 100- acre farm. The profit from each is dependent on the rainfall during the growing season. The farmer has categorized the amount of rainfall as high medium and low. His estimated profit for each is show in the table.

(CO4, K4)

Rainfall   Estimated conditional profit (Rs.)

	Crop A	CropB	Crop C
High	8000	3500	5000
Medium	4500	4500	5000
Low	2000	5000	4000

If the farmer wishes to plant only Crop, decide which should be his best crop using (i) Maximin (ii) Minimax?

15. (a) Calculate the linear correlation coefficient for the following data. (CO5, K4)

$X = 4, 8, 12, 16$ and $Y = 5, 10, 15, 20$.

Or

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(b) Calculate the correlation coefficient for the following data (CO5, K4)

$X = 4, 8, 12, 16$ and $Y = 5, 10, 15, 20$.

Part C $(5 \times 8 = 40)$

Answer **all** questions not more than 1000 words each.

16. (a) A company produces two types of TVs, one is black and white, while the other is colour. The company has the resources to make at most 200 sets a week. Creating a black and white set costs Rs. 2,700 and Rs. 3,600 to create a colored set. The business should spend no more than Rs. 6,48,000 a week producing TV sets. If it benefits from Rs. 525 per set of black and white and Rs. 675 per set of colours, how many sets of black/white and colored sets should it produce in order to get maximum profit? Formulate this using LPP. (CO1, K2)

Or

(b) A health enthusiast wishes to mix two types of foods in his diet, in such a way that vitamin content of the mixture contains at least 10 units of vitamin B and 13 units of vitamin C. Food (F1) contains 1 unit/kg of vitamin B and 2 units/kg of vitamin C. Food (F2) contains 2 unit/kg of vitamin B and contains 1 unit/kg of vitamin C. F1 costs Rs. 60/kg and F2 costs Rs. 80/kg. Frame his diet plan making a linear programming problem in order to minimize the cost of the mixture. (CO1, K2)

17. (a) A tyre manufacturing company kept a record of the distance covered before a tyre needed to be replaced. The table shows the results of 1000 cases. (CO2, K4)

Distance (in km)	Less than 4000	4000 to 9000	9001 to 14000	More than 14000
Frequency	20	210	325	445

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If a tyre is bought from this company, what is the probability that:

(i) It has to be substituted before 4000 km is covered?

(ii) It will last more than 9000 km?

(iii) It has to be replaced after 4000km and 14000 km is covered by it?

Or

(b) A man and a woman appear in an interview for two vacancies for the same post. The probability of the man's selection is 1/3, and that of the woman's selection is 1/2. What is the probability that neither of them will be selected? (CO2, K4)

18. (a) A repairman is to be hired to repair machines that breakdown following a Poisson process with an average rate of four per hour. The cost of non- productive machine is Rs. 9 per hour. The company has the option of choosing either a fast repairman or a slow repairman. The fast repairman charges Rs. 6 per hour arid will repair machines at an average rate of 7 per hour. The slow repairman charges Rs. 3 per hour and will repair machines at an average rate of 5 per hour. Which repairman should be hired? (CO3, K4)

Or

(b) In a bank, every 15 minutes one customer arrives for cashing the cheque. The staff in the only payment counter takes 10 minutes for serving a customer on average. State suitable assumptions and find: (CO3, K4)

The average queue length.

Increase in the arrival rate in order to justify a second counter (when the waiting time of a customer is at least 15 minutes the management will increase one more counter)

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19. (a) The research department of Hindustan Ltd. Has recommended to pay marketing department to launch a shampoo of three different types. The marketing types of shampoo to be launched under the following estimated pay-offs for various level of sales. (CO4, K4)

Types of shampoo	Estimated sales (in units)		
	15,000	10,000	5,000
Egg shampoo	30	10	10
Clinic shampoo	40	15	5
Deluxe shampoo	55	20	3

What will be the marketing manager's decision if Maximin and Minimax principle applied?

Or

(b) What is the relationship between decision theory and game theory? (CO4, K4)

20. (a) Find linear regression equation for the following two sets of data. (CO5, K4)

X	2	4	6	8
Y:	3	7	5	10

Or

(b) Calculate the regression coefficient and obtain the lines of regression for the following data (CO5, K4)

X	1	2	3	4	5	6	7
Y	9	8	10	12	11	13	14

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M.Com. DEGREE EXAMINATION, APRIL – 2024

Fourth Semester

Commerce

Elective – FOREX MANAGEMENT

(CBCS – 2022 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 1 = 10)

Answer **all** the objective type questions by choosing the correct option.

1. What is the significance of the Foreign Exchange market? (CO1, K2)

    (a) It facilitates international trade and investment

    (b) It regulates domestic interest rates

    (c) It controls government spending

    (d) It monitors stock market fluctuations

2. What is the function of Fixed Income Money Market Derivative Association of India(FIMMDA)? (CO1, K2)

    (a) To develop the Indian fixed income and derivatives markets

    (b) To regulate the foreign exchange market in India

    (c) To monitor stock market activities

    (d) To provide investment advice to individuals

3. If a basket of goods costs US $ 200 in US and Rs. 20,000 in India, the $/Rs. exchange rate should be $ 0.01. per rupee. This calculation is done based on (CO2, K4)

   (a) Competitive cost theory

   (b) Floating exchange rate

   (c) Fixed exchange rate

   (d) Purchasing parity theory

4. Which model suggests that exchange rates are determined by the relative supply and demand for financial assets? (CO2, K4)

   (a) Flow models

   (b) Assets Market Models

   (c) Purchasing Power Pant

   (d) Interest rate parity

5. Exchange control measures are primarily used by governments to: (CO3, K4)

   (a) Regulate domestic interest rates

   (b) Stabilize stock market fluctuations

   (c) Mange the flow of foreign exchange and protect currency values

   (d) Encourage international trade

6. What does the term "Sterilization" refer in the context of Foreign Exchange inflows? (CO3, K4)

   (a) Balancing the government budget

   (b) Absorbing excess liquidity from the market

   (c) Limiting foreign investment

   (d) Encouraging international trade

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7. What is the primary objective of internal strategies for managerial transaction risk? (CO4, K4)

   (a) To shift the risk to external parties

   (b) To share the risk with other entities

   (c) To reduce the exposure through hedging techniques

   (d) To offset the risk through exposure netting

8. Which model suggests that exchange rates are determined by the relative supply and demand for financial assets? (CO4, K4)

   (a) Flow Models

   (b) Asset Market Models

   (c) Purchasing Power Parity

   (d) Interest Rate Parity

9. What are the objectives of FEMA (Foreign Exchange Management Act)? (CO5, K4)

   (a) Facilitate external trade and payments

   (b) Promote the ordinary development and maintenance of the foreign exchange market

   (c) Regulate capital account transactions

   (d) All of the Above

10. What is the current status of rupee convertibility in India? (CO5, K4)

    (a) Fully convertible on the current account, partially on the capital account

    (b) Partially convertible on both the current and capital account

    (c) Non-convertible on both the current and capital account

    (d) Fully convertible on the both current and capital accounts

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Part B $(5 \times 5 = 25)$

Answer **all** questions not more than 500 words each.

11. (a) Explain the concept of foreign Exchange in global economy. (CO1, K2)

Or

(b) Explain the difference between Direct and Indirect Exchange Rate Quotations. (CO1, K2)

12. (a) Discuss the conditions required for parity to hold and implications for international trade and investment. (CO2, K2)

Or

(b) Explain the Mundell-Fleming Model and its Significance. (CO2, K2)

13. (a) Discuss the features of Fixed and Floating Exchange Rates Systems. (CO3, K4)

Or

(b) What are the different forms of Exchange Controls? (CO3, K4)

14. (a) Explain the features of forward and future contracts for businesses exposed to exchange rate fluctuations. (CO4, K4)

Or

(b) Explain the concepts of Currency swaps and interest rate swap. (CO4, K4)

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15. (a) Explain the objectives of the Foreign Exchange Management Act, enacted in 1999. (CO5, K4)

Or

(b) How does FEMA regulate foreign investments in real estate, land and assets? (CO5, K4)

Part C (5 × 8 = 40)

Answer **all** questions not more than 1000 words each.

16. (a) Explain the concept of Telegraphic Transfer (T.T) rates and their role in international remittances and payments. (CO1, K2)

Or

(b) Discuss the role and functions of the Foreign Exchange Dealers Association of India. (CO1, K2)

17. (a) Compare and contrast Flow Models and Asset Model in forecasting exchange rate. (CO2, K4)

Or

(b) Discuss the methods used for computing forward exchange rates and their role in hedging currency risk. (CO2, K4)

18. (a) Explain the Advantages and Disadvantages of Fixed and Floating Exchange Rate Systems. (CO3, K4)

Or

(b) Evaluate the need for Exchange Control Measures in managing a country's Balance of Payments and Exchange Rate stability. (CO3, K4)

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19. (a) Discuss the difference between accounting and economic risks in the context of international business operations. (CO4, K4)

Or

(b) Explain the concepts of risk shifting and risk sharing in the context of international finance and risk management. (CO4, K4)

20. (a) Outline the functions and Responsibilities of RBI under the Foreign Exchange Management Act.
(CO5, K4)

Or

(b) Explain the Guidelines and Requirements for the establishment of Branch offices, Liaison office and project offices by foreign entities in India under FEMA. (CO5, K4)

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