**M.Com. DEGREE EXAMINATION,
NOVEMBER 2011**

Commerce

PRINCIPLES OF MANAGEMENT

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Section A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

1. Define management.

2. What is Human Approach?

3. What is planning?

4. What is strategy?

5. Define the term 'Authority'.

6. What is informal organization?

7. What is directing?

8. What do you mean by motivation?

9. What are the elements of control?

10. Define coordination.

Section B   (5 × 5 = 25)

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

All questions carry equal marks.

11. (a)   What are the nature of management?

(b)   Or

(c)   (b)   Distinguish between management and Administration.

12. (a)   What is the importance of planning for effective management?

(d)   Or

(e)   (b)   Describe the types of managerial decision.

13. (a)   What are the purpose of an organization?

(f)   Or

(g)   (b)   Explain the merits of centralization.

14. (a)   Bring out the importance of motivation.

(h)   Or

(i)   (b)   List out the barriers of communication.

15. (a)   State the objectives of control in management.

(j)   Or

(k)   (b)   Describe need and significance of coordination.

Section C $(3 \times 10 = 30)$

(l)   Answer any **three** questions.

All questions carry equal marks.

16. Explain the Emerson's contribution the management.

17. Enumerate the principal steps in   planning process.

18. Explain the principles of organization.

19. What are the qualities of an effective leader? Elucidate.

20. Describe the process of control in management.

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INTERNATIONAL BUSINESS ENVIRONMENT

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A $(10 \times 2 = 20)$

Answer **all** questions.

All questions carry equal marks.

21. What is FDI and FPI?

22. Explain Regional Blocks.

23. What is consumption?

24. What is infrastructure?

25. Write short notes on cultural environment of business.

26. Define political risk.

27. Write about WTO.

28. Write any four Indian MNCs.

29. Name the currencies of any four countries.

30. Which are the different forms of economic integration?

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

Answer **all** questions choosing either 'a' or 'b'

All questions carry equal marks.

31. (a)   Bring out the factors affecting International Business.

Or

(n)   (b)   Explain about Foreign portfolio investment.

32. (a)   Write about the transfer of technology.

Or

(o) (b) State the macro factors which will affect the International Economic environment of business.

33. (a) Discuss the important elements of culture and their impact on firm's International business operations.

Or

(p) (b) Discuss critically the role of Euro economy.

34. (a) Examine the theories of absolute advantage and comparative advantage.

Or

(q) (b) Explain the role of IMF in International business.

35. (a) Write in detail about internal and external methods of hedging forex risk.

Or

(r) (b) Explain the procedure for computation of forward and cross rates.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

36. What is Globalisation? Explain the major forces of globalisation.

37. Explain the selection process adopted by International Business firms.

38. What is WTO? Discuss benefits and drawbacks of WTO.

39. Discuss the different International Business Environmental factors.

40. Explain the theories of Exchange Rate Behaviour.

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ADVANCED FINANCIAL ACCOUNTING

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

41. What are the accounting conventions?

42. Distinguish between statement of affairs and Balance sheet.

43. What is depreciation?

44. What is annuity method of depreciation?

45. What is interest suspense account?

46. What is amalgamation of firm?

47. What is gaining ratio?

48. What is Memorandum Revaluation Account?

49. What are the classifications of accounting procedure for containers?

50. What is Tally software?

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

51. (a)   Thiru. Saravanan who does not keep proper records of his business transaction is able to give you the following details of his business.

Particulars	March 31,2006	March 31,2007
	Rs.	Rs.
Cash in hand	200	150
Cash at bank	2,250	–

Stock	15,000	22,250
Furniture	1,750	2,100
Sundry debtors	9,500	18,250
Plant and machinery	23,800	32,200
Sundry creditors	31,000	30,700
Bank overdraft	–	10,250

(t)   During the year, Saravana withdrew from the business for his private use. Rs. 15,500 and introduced a further capital of Rs. 7,500. Find out the profit made during the year 2007.

Or

(u)   (b)   Kumar keeps his books by the 'Single Entry' method. His position on 31st March, 2005 was as follows: Cash in hand Rs. 2,400; Cash at Bank Rs. 22,500 ; Debtors Rs. 18,400; Stock Rs. 28,600; Furniture Rs. 5,000; Creditors for goods Rs. 18,700; Expenses Outstanding Rs. 2,000.

(v)   On 1st October, 2005 Kumar introduced Rs. 10,000 as further capital in the business and withdrew on the same date Rs. 7,000 out of which he spent Rs. 5,000 on purchase of a machine for the business. On 31st March, 2006 his position was as follows:

(w)   Cash in hand Rs. 2,100 ; Cash at Bank Rs. 27,500 ; Stock Rs. 31,500; Debtors Rs. 24,200 ; Furniture
Rs. 6,000 ; Creditors Rs. 25,200 ; Prepaid Insurance Rs. 200.

(x)   Prepare necessary statement showing the profit or loss made by him during the year ended 31st March, 2006 after making the following adjustments :

(y)   Depreciate Furniture and Machine @ 10% P.a., write off bad debts Rs. 1,200 and provide 5% for doubtful debts. Goods taken for personal use amounted to Rs. 1,500. Also provide interest on capital @ 10% p.a.

52. (a)   Based on particulars given below, calculate the cash price of the lorry.

(z)   Saravanan – purchaser: Senthil — seller; Date of purchase — April 1, 2009;

(aa)   Down payment Rs. 20,000; three annual installments — Rs. 20,000 each;

(bb)   Rate of interest — 5%.

Or

(cc)   (b)   A company purchased a second hand plant for Rs. 30,000. It immediately spent on it Rs. 5,000. The plant was put to use on April 1, 1999. After having used it for three years it was sold for Rs. 23,000. The rate of depreciation is 10% p.a. on diminishing value method. Show plant account.

53. (a)   Ram and Rahim are in partnership sharing profits in the ratio of 5:3. They agree to admit Robert as a partner on condition that he brings Rs. 10,000 towards his capital and Rs. 8,000 towards goodwill. It is also agreed that the new profit sharing ratio will be 7:5:4. Ram and Rahim withdraw half of the goodwill. Pass Journal entries to record the transactions in the books of the firm.

Or

(dd)   (b)   A, B, and C are partners sharing profits and losses in the ratio of 3:2:1. C retires form the firm   and
A and B decide to continue the business of the firm and share profits and losses in the ratio of 5:3.

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Goodwill of the firm is valued at Rs. 12,000. What will be the entries in the books of the firm? On this date, B retired. Pass Journal Entries to record Goodwill if (a) it is not allowed to remain in books.

54. (a)   A Ranchi mill has a sale branch in Jamshedpur and charges all goods sent to the branch at cost plus 30%. It is arranged that all cash received by the branch is to be deposited daily in the Head Office Account. Branch effects credit sales.

(ee)   From the following particulars, prepare the branch account in the Head office Ledger, showing the real profit of the branch for the year ending 31st March 2009.

	Rs.
Stock 1st April 2008	6,00,000
Goods sent to branch less returns	40,00,000
Debtors, 1st April 2008	75,000
Cash deposited in H.O.A/c	62,00,000
Rent rate and taxes paid by H.O.	1,60,000
Salaries, wages etc, paid by H.O.	2,00,000
Debtors, 31st March 2009	80,000
Stock, 31st March 2009	7,40,000

Or

(ff)   (b)   A cent manufacturing company had a stock of 10,000 bottles valued at Rs. 25,000 on 1st Jan. During the year the company purchased 50,000 bottles @ Rs. 2.50 per bottle. At the close of the year 7,000 bottles were in the stock. Write the Containers Stock Account.

55. (a)   What are the causes for depreciation?

Or

(gg)   (b)   Explain about the DBMS.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

56. Explain the various Accounting standards in India.

57. X Transport Ltd. Purchased from Delhi Motors 3 trucks costing Rs. 5,00,000 each on the hire purchase system. Payment was to be made Ws3,00,000 down and the remainder in 3 equal installments together with interest @ 18 % p.a. X Transport Ltd. Write off depreciation @20% on the diminishing balance. It paid the instalment due at the end of the first year but could not pay the next. Delhi Motors agreed to leave one truck with the purchaser, adjusting the value of the other 2 trucks against the amount due. The trucks were valued on the basis of 30% deprecation annually. Prepare the necessary ledger accounts in the books of X Transport Ltd. and Delhi Motors for the years.

58. Sankari and Sudha are partners sharing profit and loss in the ratio of 3:2. Their Balance Sheet as on 31st March 2009 is as under:

Liabilities	Rs.		Assets		Rs.
capital :			Land & Buildings		1,20,000
Sankari	90,000		Plant & Machinery		90,000
Sudha	75,000	1,65,000	Stock		33,000
Profit and Loss A/c		30,000	Sundry Debtors	15,000	
Sundry creditors		48,000	Less: Provision for doubtful debts :		
				1,000	14,000
Bills payable		50,000	Cash		6,000
			Good will		30,000
		2,93,000			2,93,000

(hh) They decided to admit Santhi into the partnership with effect from 1st April 2005 on the following terms:

(ii) (a) Santhi to bring in Rs. 60,000 as Capital for 1/3 rd share of profits.

(jj) (b) Goodwill was valued at Rs. 45,000.

(kk) (c) Land was valued at Rs. 1,50,000

(ll) (d) Stock was to be written down by Rs. 8,000.

(mm) (e) The provision for doubtful debts was to be increased to Rs. 3,000.

(nn) (f) Creditors include Rs. 5,000 no longer payable and this sum was to be written off

(oo) (g) Investments of Rs. 10,000 are brought into books.

(pp) Prepare Revaluation Account, Capital Accounts and the Balance Sheet of the new firm.

59. The Trading and Profit and Loss Account of T.V and Radio Equipment Co., for the six months ended
31st March, 2009 is presented to you in the following form.

	Rs.			Rs.
Purchases:		Sales:		
T.V. sets(A)	14,07,000	T.V. sets(A)		15,00,000
Radio sets(B)	9,06,000	Radio sets (B)		10,00,000
Spare parts for servicing	6,44,000	Receipt from servicing and Repair		2,50,000
Salaries and wages	4,80,000	Stock on 31st Mar, 1991		
Rent	1,08,000	T.V. sets(A)		6,01,000
Sundry expenses	1,10,000	Radio sets(B)		2,03,000
Profit	3,45,000	Spare parts for servicing ©		4,46,000

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<center>40,00,000</center> <center>40,00,000</center>

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

(rr)   (a)   T.V. Sets and radio sets are sold at the showroom; servicing and repairs are carried out at the workshop.

(ss)   (b)   Salaries and Wages comprises as follows:

(tt)   Showroom $\frac{3}{4}$

(uu)   Workshop $\frac{1}{4}$

(vv)   It was decided to allocate the showroom Salaries and Wages in the ratio 1:2 between the Departments A and B.

(ww)   (c)   The workshop Rent is Rs. 5,000 per month. The rent of the showroom is to be divided equally between Departments A and B.

(xx)   (d)   Sundry expenses are to be allocated on the basis of the turnover of each Department.

60. Discuss the pros and cons of Computerized Accounting.

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Elective — MANAGEMENT OF FINANCE

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

61. How are financial decisions classified?

62. Who is an underwriter?

63. What is working capital gap?

64. What methods could be used for raising foreign equity capital?

65. What do you understand by operating leverage?

66. Define optimal capital structure.

67. What is meant by internal rate of return?

68. What is the concept of EVA?

69. In what forms are dividends paid?

70. What does Walter's model of dividend state?

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

71. (a)   State the nature of financial management.

Or

(zz)   (b)   Fifteen annual payments of Rs. 5,000 are made into a deposit account that pays 14 percent interest per year. What is the future value of this annuity at the end of 15 years?

72. (a)   The relevant financial information for Xavier Limited-for the year ended 1996 is given below:

Profit and loss account data   Balance sheet data

			Beginning of 2009	End of 2009
Sales	80,000	Inventory	9,000	12,000
Cost of goods sold	56,000	Accounts receivable	12,000	16,000
Accounts payable		Accounts payable	7,000	10,000

(aaa)   What is the length of the operating cycle? The cash cycle? Assume 365 days to a year.

Or

(bbb) (b)   Evaluate equity and convertible securities as source of long term financing.

73. (a)   What is 'optimum capital structure'? Is it feasible? Why?

Or

(ccc) (b)   P. Ltd., has a gearing ratio of 30%. The cost of equity is computed at 21% and the cost of debt is 14%. The corporate tax is 40%. Calculate the weighted average cost of capital of the company.

74. (a)   A company is considering an investment proposal to install a new machine at a cost of Rs. 50,000. The facility has a life expectancy of 5 years and no salvage value. The tax rate is 35%. Assume the firm uses straight line depreciation and the same is allowed for tax purposes. The estimated cash flows before depreciation and tax (CFBT) from the investment proposal are as follows

Year	CFBT
	Rs.
1	10,000
2	10,692
3	12,769
4	13,462
5	20,385

(ddd)   Compute the following

(eee)   (i)   Pay-back period

(fff)   (ii)   Post pay-back period return.

Or

(ggg) (b)   With regards to global projects, how can investment proposals be evaluated?

75. (a)   What do you understand by information content of dividends? Explain.

Or

(hhh) (b)   The following information is available in respect of the rate of return on investments (r), the capitalization rate (k_e) and earnings per share (E) of H Ltd., using Gordon's model

(iii)   R = (i) 12% (ii) 8%

(jjj) $k_e = 11\%$

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(kkk) E = Rs. 20

(lll)   Determine the value of its shares, assuming the following

(mmm)   D/P ratio = 10%.

<div align="right">Part C   (3 × 10 = 30)</div>

Answer any **three** questions.

All questions carry equal marks.

76. Profit maximization is all comprising as an objective of financial decision making. Explain the pros and cons suggesting alternatives.

77. Examine the pros and cons of equity and convertible debentures as sources of long term capital by corporate enterprises.

78. A company has a choice of raising an additional sum of Rs. 50 lakh either by sale of 10% debentures, or by issue of additional equity shares of Rs. 50 each. The current capital structure of the company comprises 10 lakh ordinary shares and no debt. At what level of EBIT after the new capital is acquired, would EPS be the same under either of the alternatives? Assume 50% rate of tax and verify your results.

79. A company is considering two mutually exclusive projects it should invest in. The company anticipates a cost of capital of 10% and the net after tax cash flow of the projects would be as follows:

Year :	0	1	2	3	4	5

Cash flows (Rs. in '000) :

Project I	(200)	35	80	90	75	20
Project II	(200)	218	10	10	4	3

Discount factors

10%		0.91	0.83	0.75	0.68	0.62
15%		0.87	0.76	0.66	0.57	0.50
20%		0.83	0.69	0.58	0.48	0.41

(nnn)   You are required to

(ooo)   (a)   Calculate the NPV and IRR of each project

(ppp)   (b)   State with reasons which project you would recommend; and

(qqq)   (c)   Explain the inconsistency in the ranking of the two projects.

80. Calculate the market price of a share of Zee Ltd., under

(rrr)   (a)   Walter's model and

(sss)   (b)   Dividend growth model from the following data:

EPS	Rs. 5
DPS	Rs. 3
Cost of capital	16%

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IRR   20%

Retention ratio   50%

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Commerce

I/D — MANAGERIAL COMMUNICATION

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

                               Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

81. What do you mean by language in good communication?

82. What is e-mail?

83. What do you mean by routine messages?

84. What is a policy?

85. What is an oral presentation?

86. Why Business presentations are called as process?

87. What do you mean by formatting in business letters?

88. What is Transmittal Document?

89. What is letter of credit?

90. What is marine insurance?

                               Part B   (5 × 5 = 25)

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

All questions carry equal marks.

91. (a)   Discuss the characteristics of group communication.

Or

(uuu) (b)   Bring out the cross cultural communication strategies.

92. (a)   What are the principles of business writing?

Or

(vvv) (b)   How do you handle routine messages and adhoc messages in writing reports?

93. (a)   Discuss the steps involved in making oral presentations.

Or

(www) (b)   Give a detailed note on organising oral presentations.

94. (a)   What do you mean by statement of the problem? And how it was made?

Or

(xxx) (b)   Write a detailed note on Executive Summary.

95. (a)   Discuss the steps involved in claims with ECGC under credit risk insurance.

Or

(yyy) (b)   As a manager of a bank, you are required to give the status report of one of your loan customers (being a customer of your bank for more than 25 years) as requested by some other banker in your area of operation.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

96. Bring out the application of Electronic Technology in managerial communication.

97. Discuss the process involved in a good report writing.

98. Illustrate any two business situations in which the visual and can be made use of with relevant contents.

99. Discuss the importance of objectives and methodology in a Report.

100.   Discuss the role of effective correspondence and documents in Global trade.

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INCOME TAX LAW AND PLANNING

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

101. Define agriculture income.

102. What do you mean by assessment year and previous year?

103. Define annual value.

104. Write a note on 'Bond washing' transactions.

105. What do you mean by "Best Judgement assessment"?

106. Write a note on "Balancing charge".

107. Define the terms salaries.

108. What are charitable donations?

109. What are the provisions governing the set-off of losses?

110. What do you understand by aggregation of Income?

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

111. (a)   What do you mean by perquisites? Explain the various exempted perquisites.

Or

(aaaa) (b)   What do you mean by tax planning, tax evasion and tax avoidance?

112. (a)   An undertaking engaged in generation and distribution of power, purchased an assets in July 2007 for Rs. 1,00,000 on which depreciation is allowed @ 7.84% on the basis of SLM. If the assessee sells the asset in 2009-10 for

(bbbb)   (i)   Rs. 1,20,000

(cccc)   (ii)   Rs. 92,000

(dddd)   (iii)   Rs. 70,000

(eeee)   Compute capital gain, balancing charge, terminal depreciation as the case may be for the A.Y. 2010-11.

<center>Or</center>

(ffff)   (b)   What is the need for tax planning? What are its limitations?

113.   (a)   Mr. Vinoth has received offers from the employers of Delhi for services as under :

	A	B
	Rs.	Rs.
Salary	2,88,000	3,60,000
DA	2,00,000	2,00,000
Bonus	24,000	60,000
Rent free house (FRV)	2,16,000	–
House rent allowance	–	1,08,000
He will pay rent Rs. 18,000	–	–
	7,28,000	7,28,000

(gggg)   Which offer should accept and why?

<center>Or</center>

(hhhh)(b)   Mr. X is a foreign citizen, since 1989, he comes to India every year in the month of April for 105 days. Find out the residential status of X for the assessment year 2010-11.

(iiii)   (i)   X is not a person of Indian origin and

(jjjj)   (ii)   X was born in Poona in 1939.

114.   (a)   Mr. Karthick, a bank officer, receives Rs. 13,000 p.m. as salary and Rs. 500 p.m. as D.A. He is also getting entertainment allowance of Rs. 400 p.m. He is also getting a bonus equal to 3 month's pay. He resides in a house taken on rent by the bank, whose rent is Rs. 2,000 p.m. Compute his income under the head salaries for the A.Y. 2010-11.

<center>Or</center>

(kkkk)(b)   Compute the taxable income for the A.Y. 2010-11. of Mr. Y from the following information made available :

(llll)   (i)   Expenses   on   race   horses   at   Hyderabad Rs. 4,00,000

(mmmm)   (ii)   Expenses   on   race   horses   at   Bangalore Rs. 2,50,000

(nnnn)   (iii)   Stake money earned by horses at :

(oooo)   Hyderabad Rs. 2,40,000

(pppp)   Bangalore Rs. 1,80,000.

(qqqq)   (iv)   He received Rs. 2,07,300 on betting during horse races at hyderabad.

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(rrrr)   (v)   He won a lottery of Rs. 50,000

(ssss)   (vi)   He earned a income of Rs. 40,000 from speculation business carried by using ancestral property available.

115. (a)   Explain the various measures available for Tax planning and the head salaries.

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

(tttt) (b)   Write a note on 'Tax Planning' in respect to the following :

(uuuu)   (i)   Make or Buy

(vvvv)   (ii)   Own or Lease.

<div align="right">**Part C** $(3 \times 10 = 30)$</div>

<div align="center">Answer any **three** questions.</div>

<div align="center">All questions carry equal marks.</div>

116. "Incidence of Taxation will differ from the residential status"-Discuss.

117. In what circumstances is the income of one person treated as the income of another?

118. Mr. Nair is working in a jute mills in Kolkata. He gets basic pay @ Rs. 7,000 p.m. DA at Rs. 2,500 p.m. entertainment allowance @ Rs. 1,500 p.m. and education allowance Rs. 350 p.m. for a child. He has been provided with a rent free house by the Mill, the fair rent of which is Rs. 60,000 p.a. He has also been provided by the mill with the facility of free use of furniture costing Rs. 40,000 and refrigerator costing Rs. 8,000–The Mill has provided him two small cars, the expenses relating to the cars are borne by the mill. The cars are used partly for private purposes also. The salary of the drivers is paid by the mill other informations relating to cars are :

(wwww)   Cost of each car – Rs. 3,00,000; Salary to each driver Rs. 5,000 p.m; Expenses – I car Rs. 70,000 and II car Rs. 50,000.

(xxxx) Rs. 15,000 for medical expenses of family members for the treatment in a private hospital were reimbured by the Mill. The company has provided the amenity of free lunch and free refreshment in office. The cost of which is Rs. 60 and Rs. 20 per day respectively for 250 days.

(yyyy) He as well as the company contributes 14% of fall basic pay half of the DA towards R.P.F.

(zzzz) Compute Mr. Nairs income for the A.Y. 2010-11.

119. Mr. Agarwal is a senior advocate in Chennai. He has prepared the following income and expenditure account for the year ended 31.3.2010.

	Rs.		Rs.
House hold expenses	1,12,000	Legal fees	3,26,000
Office expenses	7,000	Special commission appointment fees	
Charity	500		1,400
Telephone expenses	500	Cash gift received from clients	
Income-tax	900		2,000
Rent	4,000	House rent	15,000
Gift to daughter	2,000	Interest on Govt. securities	3,000

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	Rs.		Rs.
Electricity charges	1,000	Salary as part-time lecturer	
Donation to National defence		in law	6,000
fund	1,000		
Contribution to P.P.F.	2,400		
Books for profession (annual publication)			
	3,000		
Salaries	15,000		
Purchase of a Motor car	60,000		
Purchase of furniture	2,000		
Life Insurance premium	5,000		
Motor car expenses	6,000		
Purchase of a typewriter	6,000		
Surplus	1,25,100		
	3,53,400		3,53,400

(aaaaa) The following other particulars were received :

(bbbbb) (i) Mr. Agarwal lives in one-half of the house and the other-half is used for office. Rent and Electricity are in respect of this house.

(ccccc) (ii) One-half year expenses are for personal use.

(ddddd) (iii) Depreciate Motor Car @ 15%, type writer 15% and furniture @ 10%.

(eeeee) Compute his taxable from business or profession for the A.Y. 2010-11.

120. Mr. Z has received offers from companies of Delhi for services as under :

	A	B
	Rs.	Rs.
Basic salary	5,00,000	3,00,000
HRA	–	48,000
Travelling allowance (for coming to office from residence and back)	–	9,600
Car for personal purposes (Expenses on maintenance, running, fuel and depreciation)	–	1,30,000
Mobile phone	–	12,400
	5,00,000	5,00,000

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(fffff)   Other Informations are :

(ggggg)   (i)   His qualifying savings u/s 80 C will be Rs. 50,000

(hhhhh)   (ii)   He will pay house rent Rs. 6,500 p.m.

(iiiii)   (iii)   He needs a car and mobile phone for private purposes.

(jjjjj)   Which after should be accepted and why?

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Commerce

ADVANCED CORPORATE ACCOUNTING

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

121. What is buy-back of shares? Explain.

122. Bring out any two differences between shares and debentures.

123. What is redemption of shares? Give an example.

124. Give any two differences between a holding company and a subsidiary company.

125. What is absorption?

126. Write a short note on Pro-rata allotment

127. Write a Note on 'Purchase Consideration'.

128. What is Reinsurance ceded?

129. What is rebate on bills discounted?

130. Define holding company.

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

131. (a)   Batliboi Co.Ltd., issued 50,000 equity shares of Rs.10 each to the public on condition that full amount shares will be paid in a lump sum. All these shares were taken up and paid by the public. Pass journal entries in the books of company when

(lllll)   (i)   Shares are issued at per

(mmmmm)   (ii)   Shares are issued at a premium of 10% and

(nnnnn)   (iii)   Shares are issued at a discount of 10%.

Or

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(ooooo)(b)   Good Luck Ltd., invited applications for 20,000 shares of the value of Rs. 20 each. The amount payable is Rs. 5 on application, Rs. 8 on allotment and the balance when required. The whole of the above issue was applied for cash was duly received. Give the journal entries for the above transactions.

132. (a)   From the following balance sheet of Holding Company and Subsidiary Company, prepare consolidated Balance Sheet as on 31st Dec. 2004.

Liabilities	Holding Company	Subsidiary Company	Assets	Holding Company	Subsidiary Company
	Rs.	Rs.		Rs.	Rs.
Share capital			Assets	20,000	15,000
(in shares of			Investments in		
Rs. 10 each)	20,000	10,000	shares of subsidiary		
Creditors	10,000	5,000	company	10,000	
	30,000	15,000		30,000	15,000

Or

(ppppp)   (b)   Balance sheet as on 31st Dec. 2004.

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
	Rs.	Rs.		Rs.	Rs.
Share capital			Sundry assets	1,50,000	80,000
Rs. 10 each	1,00,000	50,000	Investments :		
Creditors	1,00,000	30,000	5,000 shares at par	50,000	
	2,00,000	80,000		2,00,000	80,000

(qqqqq)   Prepare a consolidated balance sheet.

133. (a)   M Ltd. and N Ltd. agreed to amalgamate on the basis of the following balance sheets as on 31.3.97.

Liabilities	M	N	Assets	M	N
	Rs.	Rs.		Rs.	Rs.
Share capital			Goodwill	30,000	–
Rs. 25 each	75,000	50,000	Fixed assets	31,500	38,800
P & L a/c	7,500	2,500	Stock	15,000	12,000
Creditors	3,500	3,500	Debtors	8,000	5,200
Depreciation		2,500	Bank	1,500	2,500

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Fund					
	86,000	58,500		86,000	58,500

(rrrr)   The assets and liabilities are to be taken over by a new company formed called P Ltd., at book values. P Ltd.,'s capital is Rs. 2,00,000 dividend into 10,000 equity shares of Rs. 10 each and 10,000 9% preference shares of Rs. 10 each.

(sssss)   P Ltd., issued the equity shares equally to the vendor companies and preference shares were issued for any balance of purchase price.

(ttttt)   Pass journal entries in the books of P Ltd. of the amalgamation is in the nature of purchase.

Or

(uuuuu)   (b)   The following are the balance sheets of Sun Ltd. and Star Ltd.

Balance Sheet as on 31.3.2004.

Liabilities	Sun Ltd	Star ltd	Assets	Sun Ltd	Star Ltd
	Rs.	Rs.		Rs.	Rs.
Share capital	4,00,000	2,00,000	Sundry fixed assets	5,00,000	3,00,000
Equity shares			Stock	80,000	60,000
of Rs. 10 each Reserves	1,60,000	1,60,000	Bank	40,000	50,000
Creditors	60,000	50,000			
	6,20,000	4,10,000		6,20,000	4,10,000

(vvvvv)   Sun Ltd. agreed to absorb the business of Star Ltd. for an agreed price of Rs. 5,00,000, payable in fully paid equity shares of Rs.10 each of Sun Ltd. at a premium of Rs. 10 per share.

(wwwww)   Trade debtors of Star Ltd. include Rs.20,000 payable by Sun Ltd. stock of Sun Ltd. includes Rs.20,000 purchased from Star Ltd. which was supplied at Profit of 25% on the sales price. Stock of Star Ltd. also includes goods supplied by Sun Ltd. at Profit of 20% on the sales price of Rs. 10,000.

(xxxxx)   Give journal entries in the books of sun Ltd. assuming that, the amalgamation is in the nature of purchase.

134. (a)   Calculate   Rebate   on   Bills   discounted   as   on 31.3.2000.

Date of Bill	Amount	Period	Rate of Discount
	Rs.		
15.1.2000	25,000	5 months	8%
10.2.2000	15,000	4 months	7%
25.2.2000	20,000	4 months	7%
20.3.2000	30,000	3 months	9%

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(yyyyy)   (b)   Compute the net premium to be credited to Revenue A/c from the following data :

	Rs.
Premium received during the year ended 31.03.06	16,00,000
Reinsurance premium paid	5,40,000
Reinsurance premium received	6,20,000
Bonus is reduction of Premium	20,000

(Not yet adjusted)

135. (a)   What is Accounting for price level changes? Explain.

Or

(zzzzz) (b)   Explain the concepts and models of Human Resource Accounting.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

136.   James & Co., Ltd offered 25,000 shares of Rs. 10 each to the public on the following terms :

(aaaaaa)   Rs. 2.50 to be paid on application:

(bbbbbb)   Rs. 3.00 to be paid on allotment.

(cccccc)   Rs. 2.00 to be paid two months after allotment and Rs. 2.50 to be paid three months after first call.

(dddddd)   The public applied for 22,000 shares which were allotted, the allotment taking on 1st April 1998. All money due on allotment was received by 15th May 1998. Calls were duly made but a shareholder holding 500 shares failed to pay the Journalise the transactions.

(eeeeee)   Also prepare ledger accounts and balance sheet.

137.   The summarized balance sheet of H Ltd. and its S Ltd. on 31st December 2004 are as follows :

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
	Rs.	Rs.		Rs.	Rs.
Share capital			Assets 8,000	5,00,000	1,70,000
(in shares of			Share in S Ltd	1,40,000	
Rs. 10 each) shares	5,00,000	1,00,000			
Reserves	80,000	30,000			
Profit and loss	60,000	40,000			
	6,40,000	1,70,000		6,40,000	1,70,000

(ffffff)   S Ltd had the credit balance of Rs. 30,000 in the reserves when H Ltd acquired shares in S Ltd. decided to make a bonus issue out of post-acquisition profits of two shares of Rs. 10 each fully paid for every five shares held. Calculate the cost of control before the issue of bonus shares and after the issue of bonus shares. Also make the consolidated balance sheet after the issue of bonus shares.

138. Prepare the Profit and Loss account for the year ended 31.12.1992 of Kasinathan Bank Ltd., from the following particulars.

	(Rs. in '000)
Interest on loans	250
Interest on savings accounts	150
Interest on cash credits	160
Interest on fixed deposit	190
Interest on over draft	50
Amount charged against current accounts	20
Rebate on bills discounted	19
Salaries and allowances	120
Discount	40
Rent, Tax, Insurance etc.,	5
Dearness allowances	35
Commission brokerage and exchange	15
Managing director's salaries	15
Contribution to provident fund	10

139. The following balances are abstracted from the books of New Bharat Life Insurance Co. Ltd., as on 31.02.2006.

	Rs. ('000)		Rs. ('000)
Life Assurance Fund (1-4-2005)	15,00,000	Claims paid during the year	64,900
Premiums	4,96,000	Annuities	2,050
Consideration for annuities granted	15,000	Bonus in reduction of premiums	1,600
Interest & Dividends	1,00,000	Medical Fees	2,400
Fines for revival of policies	750	Surrendors	4,000
Reinsurance premium	20,750	Commission	18,650

Claims	4,500	Management Expenses	22,000
outstanding (1.4.2005)		Income tax in dividends	8,500

(gggggg)   Prepare Revenue A/c after making the following adjustments :

(hhhhhh)   Rs.

(iiiiii) (a)   Outstanding balances :

(jjjjjj)   (i)   Claims   14,000

(kkkkkk)   (ii)   Premiums   4,600

(llllll) (b)   Further bonus for premium   2,400

(mmmmmm) (c)   Claim under reinsurance   8,000

140. What do you mean by Amalgamations in the nature of (a) Merger and (b) Purchase?

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MODERN MARKETING MANAGEMENT

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A $(10 \times 2 = 20)$

Answer **all** questions.

All questions carry equal marks.

141. Differentiate the two : 'Market' and 'Marketing'.

142. What is product concept?

143. What do mean by opinion leadership?

144. Explain reference group.

145. Define market segmentation.

146. Explain product policy.

147. What is product positioning?

148. What is penetration price?

149. Define the term advertisement.

150. What is promotion mix?

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

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

All questions carry equal marks.

151. (a)   What are the functions of marketing?

Or

(oooooo)   (b)   Differentiate the two selling and marketing.

152. (a)   What are the psychological factors that influence in consumer decision making.

Or

(pppppp)   (b)   What is target market? How will you select a target market?

153. (a)   Explain the different stages in the product life cycle.

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Or

(qqqqqq) (b) Describe the BCG product portfolio concept.

154. (a) Discuss the various methods of pricing product.

Or

(rrrrrr) (b) What are the procedure for price determination.

155. (a) What are the importance of advertisement?

Or

(ssssss) (b) What are the qualities required for a good salesman?

Part C (3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

156. What is marketing mix? Describe the various factors that determine it.

157. What are the bases of market segmentation? Enumerate the advantages of market segmentation.

158. Explain the various stages of new product development.

159. Explain the factors affecting pricing decision.

160. Define channels of distribution? Explain the factors determine the choices of a suitable channels of distribution.

(tttttt)

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PROJECT MANAGEMENT

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

161. How would you define a project?

162. What do you mean by preliminary screening?

163. Define project planning.

164. Explain the term "Project report".

165. What is technical appraisal?

166. What do you meant by feasibility report?

167. Define PERT.

168. What is meant by slack?

169. Define the term 'cost control'.

170. What do you mean by project review?

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

171. (a)   Explain various types of projects.

Or

(b)   Briefly explain the functions of project management.

172. (a)   What is project formulation? Explain the phases of project formulation.

Or

(b) Explain the nature and scope of project report.

173. (a) Explain the nature and purpose of project appraisal.

Or

(b) Briefly explain the contents and purpose of feasibility report.

174. (a) What is the procedure for determining the critical path?

Or

(b) What is the basic difference between PERT and CPM?

175. (a) Describe the significance of project scheduling.

Or

(b) Explain the significance of cost and time monitoring.

Part C (3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

176. Explain the various stages of project life cycle.

177. Discuss the sequential stages of project formulation.

178. Explain the features and limitations of social cost-benefit analysis.

179. What are the advantages and limitations of PERT and CPM?

180. Discuss the cost control process and explain the benefits and techniques of cost control.

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Elective — BUSINESS LEGISLATIONS

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All question carry equal marks.

181. Who is a promoter?

182. What do you mean by 'Minutes'?

183. Who is an ex-parte?

184. List down the objectives of consumer protection act, 1986.

185. Who is unpaid seller?

186. What do you know about caveat emptor?

187. What is bailment?

188. Bring out the types of agent.

189. What is contingent contract?

190. What are essentials of consideration?

Part B   (5 × 5 = 25)

Answer **all** questions.

All question carry equal marks.

191. (a)   What is prospectus? Explain the contents of prospectus.

Or

(vvvvvv)   (b)   Enumerate rights and duties of pawner and pawnee.

192. (a)   Explain briefly the different kinds of resultions.

Or

(wwwwww) (b)   Describe the procedure for giving complaints in the District Consumers Disputes Redressal Forum.

193. (a) Discuss briefly the rights and duties of the seller and buyer.

Or

(xxxxxx) (b) Explain the essentials of a valid contract.

194. (a) What is quasi contract? What are its significance?

Or

(yyyyyy) (b) "Contract without consideration is void" – Discuss.

195. (a) State and explain the rights of finder of lost goods.

Or

(zzzzzz) (b) Distinguish between the contract of indemnity and guarantee.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All question carry equal marks.

196. Elucidate the circumstance under which the agency contract may be terminated.

197. "All contracts are agreements but all agreements are not contracts" – Discuss.

198. Outline the legal provisions regarding the appointment, power and duties of directors of a reputed company.

199. Describe the salient features of consumer protection act, 1986. Explain the different rights of consumers.

200. Discuss the essential features of the sale of Goods Act, 1930. Distinguish between the sale and agreement to sell of contract.

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PERSONNEL MANAGEMENT

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

201. Write any two objectives of HRM.

202. What is the role of HRM in Industry?

203. Explain the needs of Manpower planning any two.

204. Define job analysis.

205. What is recruitment?

206. Is promotion is necessary? Why?

207. What is Fringe benefits?

208. Why bonus is necessary in any organisation?

209. How trade unions help the employees?

210. Explain briefly : Employee Retention.

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

211. (a)   What is HRM? and list out the functions of HRM.

Or

(bbbbbbb)   (b)   Explain the approaches to Human Resource Management.

212. (a)   Explain the characteristics of personnel policy.

Or

(ccccccc)   (b)   State the importance of man power planning.

213. (a)   Explain the various selection process in an organisation.

Or

(dddddd)   (b)   Briefly explain the following :

(eeeeeee)   (i)   Transfers

(fffffff)   (ii)   Separation.

214. (a)   State the job evaluation techniques followed in a manufacturing industry.

Or

(ggggggg)   (b)   Differentiate the monetary and non-monetary incentives.

215. (a)   What are the safety measures to be taken in production industries?

Or

(hhhhhhh)   (b)   Briefly explain the employee rentention and why it is happening?

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

216. Critically examine the evaluation and present state of human resource management in an industry.

217. Explain the scope and significance of personnel policy.

218. "Demotion may have a devasting impact on employee morale"-Comment.

219. Discuss the utility of job evaluation, briefly explain the various methods of job evaluation.

220. What is a grievance? And what are nature and causes of grievances?

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RESEARCH METHODS IN BUSINESS

(CBCS – 2008 onwards)

Time : 3 Hours　　　　　　　　　　　　　　　Maximum : 75 Marks

Part A　　　(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

221.　What is a research problem?

222.　How will you formulate a research problem?

223.　State the principles of sampling.

224.　Write about the benefits of secondary data.

225.　What is pre-testing?

226.　What is an interview?

227.　What do you mean by correlation?

228.　What is a technical report?

229.　Write about hypothesis.

230.　What is meant by reliability and validity of a measurement?

Part B　　　(5 × 5 = 25)

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

All questions carry equal marks.

231.　(a)　Define research and discuss the need for research.

Or

(jjjjjjj)　(b)　Distinguish between exploratory research and conclusive research.

232.　(a)　What are secondary data? and what are the internal and external sources of secondary data?

Or

(kkkkkkk)　(b)　Discuss the features of telephone interview.

233. (a) Define ANOVA and explain the term "factor".

Or

(lllllll) (b) What is conditional probability? Give an example.

234. (a) List and explain different two-sample tests.

Or

(mmmmmmm) (b) What are the rank correlation and auto-correlation?

235. (a) Discuss the guidelines for preparing bibliography.

Or

(nnnnnnn) (b) What are the items in a research report? and explain in detail.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

236. Define research design. How will formulate a research design? Explain in detail.

237. Explain editing, coding and tabulation of data with suitable examples.

238. Describe the various stages in interviewing process.

239. How are hypotheses formulated? and Explain briefly the various types of hypotheses.

240. Describe in brief the layout of a research report, covering all relevant points.

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ADVANCED MANAGEMENT ACCOUNTING

(CBCS – 2008 onwards)

Time : Three hours   Maximum : 75 marks

Part A   (10 × 2 = 20)

Answer **all** the questions.

All questions carry equal marks.

241. What is Management Accounting?

242. What do you understand by current ratio?

243. Write any four differences between management accounting and financial accounting.

244. What is return on investment?

245. What is fund flow statement?

246. What is master budget?

247. What is budgetary control?

248. What is break even point?

249. Define 'Marginal Costing'.

250. What are the various sources of fund to a joint stock company?

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

251. (a)   What are the applications of management accounting in decision making of industrial enterprises?

Or

(ppppppp)   (b)   What are the uses of ratio analysis? Explain them.

252. (a)   What are functional budgets? Explain them.

Or

(qqqqqqq)   (b)   Discuss the applications of marginal costing technique in managerial decision making.

253.   (a)   The ratios relating to the activities of National Traders Ltd. are as follows :

Debtors velocity   3 months

Stock velocity   8 months

Creditors velocity   2 months

Gross profit ratio   25%

(rrrrrr)   Gross profit for the current year ended 31st December amounts to Rs. 4,00,000. Closing stock of the year is Rs. 10,000 above the opening stock. Bills receivable amount to Rs. 25,000 and   bills   payable Rs. 10,000.

(sssssss)   Find out (i) Sales   (ii) Sundry debtors.

Or

(ttttttt)   (b)   During the current year, AB Ltd. showed a profit of Rs. 1,80,000 on a sale of Rs. 30,00,000. The variable expenses were Rs. 21,00,000. You are required to work out

(uuuuuuu)   (i)   Break even sales

(vvvvvvv)   (ii)   The break even sale to maintain the profit as at present, if the selling price is reduced by 5%.

254.   (a)   Production costs of a factory for a year are as follows :

Rs.

Direct wages   80,000

Direct materials   1,20,000

Production overheads

- Fixed   40,000

- Variable   60,000

(wwwwwww)   During the coming year it is anticipated that

(xxxxxxx)   (i)   The average rate for direct labour remuneration will fall from Rs. 0.80 per hour to Rs. 0.75 per hour.

(yyyyyyy)   (ii)   Production in the coming year will increase by 33.33%.

(zzzzzzz)   Draw up a production cost budget.

Or

(aaaaaaaa)   (b)   From the following data for a 70% capacity, prepare a budget for production at 90% and 100% capacity.

(bbbbbbbb)   Production at 70% capacity 7000 units

(cccccccc)   Materials Rs. 200 per unit (fully variable)

(dddddddd)   Labour Rs. 50 per unit (fully variable)

(eeeeeeee)   Direct expenses Rs. 20 per unit (Rs. 10 per unit fixed)

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(fffffff)   Factory expenses Rs. 60,000 (40% fixed)

(ggggggggg)   Administrative expenses Rs. 50,000 (50% fixed)

255. (a)   The financial position of a firm is given below :

Liabilities	2009	2010	Assets	2009	2010
	Rs.	Rs.		Rs.	Rs.
Capital	7,00,000	8,00,000	Cash	50,000	65,000
Long term loan	1,00,000	2,00,000	Stock	2,00,000	4,00,000
Creditors	70,000	65,000	Debtors	2,50,000	2,00,000
			Plant	1,70,000	1,50,000
			Building	2,00,000	2,50,000
	8,70,000	10,65,000		8,70,000	10,65,000

(hhhhhhhh)   Prepare cash flow statement.

Or

(iiiiiiii)(b)   The price structure of a cycle made by the ABC company is as follows :

	Rs.
Materials	60
Labour	20
Variable overheads	20
	100
Fixed overheads	50
Profit	50
Selling price	200

(jjjjjjjj)   This is based on the manufacture of 1,00,000 cycles per annum. The company expects that due to competition, they will have to reduce the sale price, but they want to keep the total profit intact. What level of production will have to be reached that is, how many cycles will have to be made to get the same amount of profit, if

(kkkkkkkk)   The selling price is reduced by 10%

Part C   (3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

256. From the following details, prepare a statement of proprietary funds with as many details as possible :

(llllllll)Stock velocity   = 6

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(mmmmmmmm)　　Capital turnover　　　　　　　　　　　　　　　　　　= 2

(nnnnnnnn)　Fixed assets turnover ratio　= 4

(ooooooo)　　Gross profit turnover ratio　= 20%

(pppppppp)　Debtors velocity　　　　　= 2 months

(qqqqqqqq)　Creditors velocity　　　　= 73 days

(rrrrrrrr)　The　gross　profit　was　Rs.　60,000.　Reserves　and　surplus Rs. 20,000. Closing stock was Rs. 5,000 in excess of opening stock.

257. From the figures given below relating to the Hypothetical Ltd., prepare a statement showing application and sources of funds during the current year ending March :

	March 31	March 31
	Previous year Rs. in thousand	Current year Rs. in thousand
Assets		
Fixed assets (net)	510	620
Investments	30	80
Current assets	240	375
Discount on debentures	10	5
	790	1,080
Liabilities and capital		
Share capital (equity)	300	350
Share capital (preference)	200	100
Debentures	100	200
Reserves	110	270
Provision for doubtful debts	10	15
Current liabilities	70	145
	790	1,080

(ssssssss)　　You are informed that during the year

(tttttttt)　(a)　A　machine　costing　Rs.　70,000　(book　value Rs. 40,000) was disposed off for Rs. 25,000.

(uuuuuuuu)　(b)　Dividend @ 15% was paid on equity shares for the previous year.

(vvvvvvvv)　　　Further

(wwwwwwww)　　　(i)　The provision for depreciation stood at the beginning　of the current year at Rs. 1,50,000 and Rs. 1,90,000 at the end of the year.

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(xxxxxxxx)   (ii)   Stock which was valued at Rs. 90,000 at the beginning of the year was written-up to its cost (Rs. 1,00,000) for preparing the profit and loss account for the current year.

258. SV Ltd. multi-product company furnishes you the following data relating to the current year :

	First half of the year	Second half of the year
	Rs.	Rs.
Sales	45,00,000	50,00,000
Total cost	40,00,000	43,00,000

(yyyyyyy)   Assuming that there is no change in prices and variable costs and that the fixed expenses are incurred equally in the two half-year periods, calculate for the year

(zzzzzzzz)   (a)   P/v ratio

(aaaaaaaa)   (b)   Fixed expenses

(bbbbbbbb)   (c)   break even sales

(cccccccc)   (d)   Percentage of margin of safety.

259. The following data relate to the working of a factory for the current year :

	Rs.	Rs.
Capacity worked 50%		
Fixed cost		
Salaries	84,000	
Rent and rates	56,000	
Depreciation	70,000	
	80,000	
Administrative expenses		2,90,000
Variable cost		
Materials	2,40,000	
Labour	2,56,000	
Other expenses	38,000	5,34,000

(ddddddddd)   Possible sales at various levels of working are

Capacity	Sales
	Rs.
60%	9,50,000
75%	11,50,000
90%	13,75,000
100%	15,25,000

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(eeeeeeee)   Prepare a flexible budget and show the forecast of profit at 60, 75, 90 and 100 percent capacity operations.

260.   The following data are obtained from the records of a factory.

	Rs.	rs.
Sales (4000 units @ Rs. 25 each)		1,00,000
Variable costs	40,000	
Materials consumed	20,000	
Labour charges	10,000	
Variable overheads	18,000	
Fixed overheads		88,000
Net profit		12,000

(ffffffff)   Calculate

(gggggggg)   (a)   Number of units by selling which the company will break-even.

(hhhhhhhh)   (b)   Sales needed to earn a profit of 20% on sales.

(iiiiiiii)   (c)   Extra units, which should be sold to obtain the present profit if it is proposed to reduce the selling price by 20% and 25%.

(jjjjjjjj)   (d)   Selling price to be fixed to bring down its break-even point to 600 units under present conditions.

M.Com. DEGREE EXAMINATION, NOVEMBER 2011

Commerce

ADVANCED COST ACCOUNTING

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Section A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

261. What is works cost?

262. What is weighted average price?

263. What is unit costing?

264. Define cost sheet.

265. What is process costing?

266. What is abnormal loss?

267. What is notional profit?

268. What do you mean by operating costing?

269. What is balanced score card?

270. What is material mix variance?

Section B   (5 × 5 = 25)

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

All questions carry equal marks.

271. (a)   Explain the need and importance of cost accounting.

Or

(lllllllll)   (b)   Following is the record of receipt and issue of a certain material in a factory during
a week

2007 April

1   Opening balance 50 tonnes @ Rs. 10 a tonne

3   Issue 30 tonnes

4	Received 60 tonnes (stock verification
	reveals loss of one tonnes)
6	Received back from complete work order 10 tonnes
	previously issued @ Rs. 10.00 a tonne)
7	Issue 40 tonnes

(mmmmmmmmm)   Assuming that the tissue of materials is priced on the weighted. Average method. Calculate the prices of issues on 3rd, 5 th and 7th April 2007.

272. (a)   From the following particulars of a manufacturing firm, prepare a statements showing

(nnnnnnnnn)   (i)   Cost of materials used

(ooooooooo)   (ii)   Works cost

(ppppppppp)   (iii)   Cost of production

(qqqqqqqqq)   (iv)   Percentage of works overhead to production wages

(rrrrrrrrr)   (v)   Percentage of general overhead to works cost

	Rs.		Rs.
Stock of material on 1.1.2009	40,000	Finished goods sold	24,00,000
Purchased of material		Works overhead	1,50,000
in January 2009	11,00,000	Office and general exp	1,00,000
Stock of finished		Stock of material on 31.1.09	1,40,000
goods on 1.1.09	50,000	Stock of finished goods on	
Productive wages	5,00,000	31.1.09	60,000

Or

(sssssssss)   (b)   From the following particulars make out a weekly cost sheet showing profit on main product of Mini Petroleum company

Cruse oil used	5,00,000 litres @ Rs. 0.50
Petrol produced (main product)	1,50,000 litres @ Rs. 2.50
By products	
(i) Lubricating oil produced	50,000 litres @ Rs. 2.00
(ii) Fuel oil produced	2,50,000 litres @ Rs. 1.00
(iii) Kerosene oil produced	30,000 litres @ Rs. 0.80

(tttttttt)   Raw   material   consumed   Rs.   48,000,   wages   paid Rs. 1,20,000; Repairs and renewals Rs. 86,000; Salaries and General charges Rs. 50,000.

(uuuuuuuu)   Show the percentage of each product to the weight of crude oil used.

273. (a)   In process B, 75 units of commodity were transferred from process A at a cost of Rs. 1,310. The additional expenses incurred by the process were Rs. 190 = 20% of the units entered are normally lost and sold @ Rs. 4 per unit. The output of the process was 70 units. Prepare process B account and abnormal gain account.

Or

(vvvvvvvv) (b)   10,000 units of raw materials are introduced into a process cost of Rs. 20,000 , wages and overheads for the process are Rs. 5,100 and Rs. 3,400 respectively. 7,500 units were completed; at the remaining 2,500 units on the average 40% work has been done.

(wwwwwwww)   Prepare

(xxxxxxxx)   (i)   Statement of equivalent production

(yyyyyyyy)   (ii)   Statement of cost

(zzzzzzzz)   (iii)   Statement of evaluation and

(aaaaaaaaa)   (iv)   Process account.

274. (a)   The following was the expenditure on a contract for Rs. 6,00,000 commenced in February 2010:

(bbbbbbbbb)   Materials Rs. 1,20,000; Wages Rs. 1,64,000 ; Plant Rs. 20,000; Business chargers Rs. 8,600.

(ccccccccc)   Cash received on account to 31st December 2010 amounted to Rs. 2,40,000 being 80 per   cent   of   work   certified   the   value   of   materials   in   hand   at 31-12-2010   was Rs. 10,000. Prepare the contract account for 2010 showing the profit to be credited to the year's profit and loss account. Plant is to be depreciated at 10%.

Or

(ddddddddd)   (b)   From the following data calculate the cost per km of a vehicle

	Rs.
Value of vehicle	15,000
Road licence fee per year	500
Insurance charges per year	100
Garage rent per year	600
Driver's wage per month	200
Cost at petrol per litre	0.80
Km per litre	8

(eeeeeeeee)   Proportionate   charge   for   tyres   and   maintenance per km Rs. 0.20

(fffffffff)   Estimated life 1,50,000 kms

(ggggggggg)   Estimated annual kilometers 6,000

(hhhhhhhhh)   Ignore interest on capital.

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275. (a)   Explain the concept of activity based costing.

Or

(iiiiiiiiii)   (b)   From the following details, calculate variable overhead variances :

	Rs.
Budgeted variable overhead	1,20,000
Budgeted output in units	20,000
Budgeted hours	60,000
Actual variable overhead	1,70,000
Actual hours	50,000
Actual output in units	22,000

Section C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

276. Describe in brief the major elements of cost.

277. Prepare the stores ledger account for the following transactions according to 'LIFO ' method of pricing issue of materials

January	1 Received	1,000 kg at Rs. 20 per kg
January	10 Received	260 kg at Rs. 21 per kg
January	20 Issued	700 kg
February	5 Received	400 kg at Rs. 25 per kg
February	21 Received	300 kg at Rs. 23 per kg
March	16 Issued	620 kg
April	12 Issued	240 kg
May	10 Received	500 kg at Rs. 22 per kg
May	25 Issued	380 kg

278. Product 'Z' is obtained after it passes through three distinet processes. The following information is obtained from the account from the month ending December 31 2010.

Items	Total	Process		
		I	II	III
	Rs.	Rs.	Rs.	Rs.

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Direct material	7,542	2,600	1,980	2,962
Direct wages	9,000	2,000	3,000	4,000
Production overhead	9,000	–	–	–

(jjjjjjjjjj) 1,000 units at Rs. 3 each were introduced to Process I. There was no stock at material or work-in-process at the beginning or end of the period. The output of each process passes direct to the next process and finally to finished stores. Production overhead is recovered on 100 per cent of direct wages. The following additions data are obtained :

Process	Outstanding the month	Percentage of normal loss to input	Value of scrap per unit Rs.
I	950	5%	2
II	840	10%	4
III	750	15%	5

(kkkkkkkkk) Prepare process costs accounts and abnormal gain or loss accounts.

279. In respect at a factory the following figures have been obtained for the year 2004 :

(llllllllll) Cost of material Rs. 6,00,000; Direct wages Rs. 5,00,000; Factory overheads Rs. 3,00,000; Administrative overheads Rs. 3,36,000; Selling overheads Rs. 2,24,000; distribution overheads Rs. 1,40,000 and profit Rs. 4,20,000. A works order has been executed in 2005 and the following expenses has been incurred material Rs. 8,000 and wages Rs. 5,000.

(mmmmmmmmmm) Assuming that in 2005 the rate of factory overheads has increased by 20% distribution overheads have gone down by 10% and selling administration overheads have each gone up by $12\frac{1}{2}$ % at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2004?

(nnnnnnnnnn) Factory overheads is based on direct wages while all other overheads are based on factory cost.

280. A company manufactures a particular product the standard material cost of which is Rs. 10 per unit. The following information is obtained from the cost records.

(oooooooooo) (a) Standard mix

Material	Quantity	Rate	Amount
	Units	Rs.	Rs.
A	70	10	700
B	30	5	150
	100		850
Loss 15%	15	–	–
	85		850

(pppppppppp) (b) Actual results for January 1987

Material	Quantity	Rate	Amount

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	Units	Rs.	Rs.
A	400	11	4,400
B	200	6	1,200
	600		5,600
Loss 10%	60		–
	540		5,600

(qqqqqqqqq) Calculate :

(rrrrrrrrr)   (i)   Material price variance

(sssssssss)   (ii)   Material mix variance

(ttttttttt)   (iii)   Material usage variance

(uuuuuuuuu)   (iv)   Material yield variance

(vvvvvvvvv)   (v)   Material cost variance.

M.Com. DEGREE EXAMINATION, NOVEMBER 2011

Commerce

BANK MANAGEMENT AND FINANCIAL SERVICES

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

281. Differentiate between savings bank account and current account.

282. What is an exchange bank?

283. Write a note on IBRD.

284. What is Islamic banking?

285. What is the role of banks in IPO?

286. Differentiate between debit card and credit card.

287. What are the sources of funding for commercial banks?

288. What do you mean by collateral security?

289. Who is banking ombudsman?

290. Write a note on RTGS.

Part B   (5 × 5 = 25)

Answer **all** questions.

All questions carry equal marks.

291. (a)   Write a note on traditional and modern functions of a commercial bank.

Or

(xxxxxxxxx) (b)   What is the significance of development banking?

292. (a)   Explain the role of technology in modern banking.

Or

(yyyyyyyyy) (b)   What are the sources of risk in banking?

293. (a) Write a note on the various reserves to be maintained by commercial banks.

Or

(zzzzzzzzzz) (b) What is the role of customer relations in the successful functioning of commercial banks?

294. (a) What are the advantages of leasing to the lessor?

Or

(aaaaaaaaaa) (b) Explain the significance of venture capital services.

295. (a) Write a note on portfolio management.

Or

(bbbbbbbbbb) (b) Differentiate between micro finance and micro credit.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

296. Write an essay on Rural Banking with special reference to micro finance, priority sector advances and agricultural debt relief.

297. What is the role of prudential norms in modern day banking? Also explain the disclosure practices.

298. Write a note on the mechanism of factoring and explain the various types of factoring.

299. Explain the role of Indian Government and banks in micro finance.

300. Write an essay on the funding and lending functions of banks bringing out the pros and cons of various types of funding for commercial banks.

M.Com. DEGREE EXAMINATION,
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Commerce

STRATEGIC BUSINESS MANAGEMENT

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A $(10 \times 2 = 20)$

Answer **all** questions.

All questions carry equal marks.

301. What is Geo-centric approach?

302. What is cost leadership?

303. What is "related diversification strategy"?

304. What is the need for strategic planning?

305. How ownership helps for quick growth?

306. What is reengineering?

307. Explain 'Zero defect strategy'.

308. What is 'market leadership'?

309. What do you understand by social responsibility?

310. 'Organic structures' – Explain.

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

Answer **all** questions choosing either 'a' or 'b'

All questions carry equal marks.

311. (a)   What are the components of strategies?

Or

(dddddddddddd)   (b)   Explain functional level strategies.

312. (a)   Explain forecasting and mapping.

Or

(eeeeeeeeeee) (b)   Explain BCG's product portfolio matrix strategy.

313. (a) How International joint ventures helps to grow?

Or

(fffffffffff) (b) How 'merger's and acquisitions' used a growth strategy?

314. (a) What are the contributions of W.E. Deming?

Or

(gggggggggg) (b) How Prahalad contributed to planning for growth?

315. (a) Explain the role of SBO's in strategic business success.

Or

(hhhhhhhhhh) (b) Explain CSR and Ethics in Indian business situation.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

316. Write an essay on GE strategic model.

317. Explain the contribution of Ansoff and Grieners.

318. What are the organisational aspects of integration of subsidiaries?

319. Explain "6 sigma" strategy and its contribution to growth.

320. Write an essay on organisation cultures using hypothetical examples.

M.Com. DEGREE EXAMINATION, NOVEMBER 2011

Commerce

Elective — INVESTMENT MANAGEMENT

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All question carry equal marks.

321. What is OTCEI?

322. What is commercial paper?

323. Define 'Risk'.

324. Explain the concept : Revenue Return.

325. What is convertible debentures?

326. What is meant by Government securities?

327. What do you mean by a mutual fund?

328. What are Real Assets?

329. What is LIBOR?

330. Write short note on :

(jjjjjjjjjjj)   'Plain Vanilla' Swap.

Part B   (5 × 5 = 25)

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

All question carry equal marks.

331. (a)   Differentiate between speculation and gambling.

Or

(kkkkkkkkkkk)   (b)   What are Money Market Instruments?

332. (a)   What do you mean by return? And what are its classification.

Or

(llllllllll) (b) Write short notes on :

(mmmmmmmmmm) (i) Risk average

(nnnnnnnnnn) (ii) Risk materials

(oooooooooo) (iii) Risk seekers.

333. (a) A board of Rs. 1,000 bearing a coupon rate of 12% is redeemable at par in 10 years. Find out the value of the bond, if required rate of return is

(pppppppppppp) (i) 12%

(qqqqqqqqqqq) (ii) 10% and

(rrrrrrrrrr) (iii) 14%.

Or

(ssssssssss) (b) ABC Ltd is currently paying dividend of Re. 1 and it is expected to grow at 7% per annum infinitely. What is the value if :

(tttttttttt) (i) The equity capitalisation rate is 15%

(uuuuuuuuuu) (ii) The equity capitalisation rate is 16%

(vvvvvvvvvv) (iii) The growth rate is 8% instead of 7% and

(wwwwwwwwww) (iv) The equity capitalisation rate is 16% and the growth rate is 4%.

334. (a) What is Dow Theory? And what are its specific trends?

Or

(xxxxxxxxxx) (b) A mutual fund has an NAV of Rs. 25 and Rs. 29 in the beginning and at the end of a period respectively. During the period, it incurred expenses at the rate of Re. 0.70 per unit. Find out the Expense Ratio.

335. (a) The current market price of XYZ Ltd. share is Rs. 140 and is expected to declare dividend of Rs. 10 after 10 days. What should be the price of two months futures, if the risk free rate is 15%?

Or

(yyyyyyyyyy) (b) Risk-free rate of interest in market is 8% and the market price of the share is Rs. 355. What is the price of a futures contract for 3 months period if the dividend yield is 4% p.a.?

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All question carry equal marks.

336. Explain the features and components of Indian capital market.

337. Describe the sources of risk.

338. Calculate the value of equity share from the following :

(zzzzzzzzzz) Equity share capital (Rs. 20 each)   Rs. 50,00,000

(aaaaaaaaaaaa)   Reserves and surplus   Rs. 5,00,000

(bbbbbbbbbbbb)   15% secured loans   Rs. 25,00,000

(cccccccccccc) 12.5% unsecured loans   Rs. 10,00,000

(dddddddddddd)   Fixed assets   Rs. 30,00,000

(eeeeeeeeeeee)	Investments		Rs. 5,00,000
(ffffffffffff)	Operating prohit	Rs. 25,00,000	
(gggggggggggg)	Tax rate		50%
(hhhhhhhhhhhh)	P/E ratio (price earnings)		12.5

339. Following information is available in respect of two securities, Thin and Fat.

Particulars	Thin	Fat
Expected return	15%	20%
Standard deviation	10%	15%
Weight	50%	50%
Covariance	100	

(iiiiiiiiiii) Find out the risk and return of the portfolio. Also find out the correlation between the returns of Thin and Fat.

340. The market lot of NIFTY Futures is 200 and the two months NIFTY Futures are available at 1700. An investor creates a long position and buys 5 lots. On the settlement, the NIFTY is 1,730. Find out the prohit or loss of the investor.

M.Com. DEGREE EXAMINATION, NOVEMBER 2011

Commerce

DISCIPLINARY : E-BUSINESS MODELS

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

341. What is E-Business?

342. What is G2G?

343. Define E-Commerce.

344. What is EFT?

345. What do you understand by interactive ads?

346. What is a catalog?

347. What is meant by "Intruders"?

348. State two security tools.

349. What is meant by Data Interchange?

350. State the costs associated with EDI.

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

351. (a)   Bring out the significance of e-business models.

Or

(kkkkkkkkkkkk)   (b)   State the different steps in the implementation of e-business.

352. (a)   Compare and contrast E-business and E-commerce.

Or

(llllllllllll)   (b)   Bring out the security issues associated with internet banking.

353. (b)   State the disadvantages of E-advertising.

(mmmmmmmmmmmm)   (b)   Explain the merits of online catalogs.

354. (b)   How do modes payment systems differ from traditional payment systems?

Or

(nnnnnnnnnnnn)   (b)   How do you classify the intruders? Write brief note on the intruders.

355. (a)   State the benefits of EDI.

Or

(oooooooooooo)   (b)   Describe the problems in EDI.

Part C $(3 \times 10 = 30)$

Answer any **three** questions.

All questions carry equal marks.

356. Enumerate the problems confronted in the implementation of E-business.

357. Explain   the   factors   favouring   the   implementation   of E-commerce.

358. Write   in   detail   the   implementing   strategies   of E-Advertising.

359. Explain the attacking methods used as part of E-security in E-banking.

360. Enumerate the steps in the installation of EDI system.

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**M.Com. DEGREE EXAMINATION,
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Commerce

DEVELOPMENT OF ENTREPRENEURSHIP

(CBCS – 2008 onwards)

Time : 3 Hours   Maximum : 75 Marks

Part A   (10 × 2 = 20)

Answer **all** questions

All questions carry equal marks

361. What is an entrepreneur?

362. What is intrapreneurship?

363. What is innovation?

364. What do you know about entrepreneurial environment?

365. Name the institutions which are promoting entrepreneurship in India.

366. Expand – THADCO

367. What is subsidy?

368. What do you mean by Green channel Clearance?

369. How will you classify projects?

370. What is meant by input analysis?

Part B   (5 × 5 = 25)

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

All questions carry equal marks.

371. (a)   "Innovation is the essence of entrepreneurship". Explain in detail.

372. Or

373.   (b)   Distinguish between entrepreneurs and managers.

374. (a)   Briefly explain the traits of successful entrepreneurs.

375. Or

376.   (b)   Explain the economic forces that influence entrepreneurship.

377. (a)   Bring out the functions performed by EDII.

378. Or

379.   (b)   Explain the functions of DIC in relations to entrepreneurship.

380. (a)   How does DRI scheme motivate entrepreneurship.

381. Or

382.   (b)   Explain the role of PMRY in development of entrepreneurship.

383. (a)   Explain the sources of suppliers in business.

384. Or

385.   (b)   How will you conduct feasibility study?

Part C   (3 × 10 = 30)

Answer any **three** questions

All questions carry equal marks.

386. Discuss the phases of entrepreneurship development.

387. Explain the social and cultural forces that influence entrepreneurship development.

388. Discuss the role and functions of NIESBUD.

389. Explain the schemes of KVIC for promoting Entrepreneurship development in India.

390. List out and explain the contents of project proposal.

391.

392.

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