

M.Com. DEGREE EXAMINATION, APRIL 2011

Commerce

PERSONNEL MANAGEMENT

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

1. What is the purpose of HRM ?
2. Define Job Specification.
3. Define the term Personnel Policy.
4. What are the sources of recruitment ?
5. What is structured interview ?
6. Define Paystructure. How is it designed ?

7. Briefly explain HRIS.
8. Why workers participation in Management is necessary?
9. What are incentives? Give any two examples.
10. State the meaning of grievances.

Part B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) Explain the challenges in HRM.

(Or)

- (b) Explain the structure of Human Resource function in an organisation.

12. (a) Differentiate Job description and Job specification.

(Or)

(b) What are the concepts of job planning ?

13. (a) Indicate ways in which the recruiting process can be evaluated.

(Or)

(b) What is induction ? Why it is necessary ?

14. (a) What are the factors affecting employee compensation ?

(Or)

(b) What are the objectives of wages and salary administration ?

15. (a) What are the factors determine the Industrial Relations ?

(Or)

(b) What are the characteristics of Trade Unions ?

Part C

(3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

16. In what ways can effective Human Resource Management contribute to profits ?
17. Define Job analysis and explain the uses of job analysis.
18. What are the modern sources and techniques of recruitment ?
19. Define the term “Human Resource Information System”. Explain the uses of HRIS.
20. What is industrial relations ? What are the different approaches to industrial relations ?

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M.Com. DEGREE EXAMINATION, APRIL 2011

Commerce

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.

1. Define Research.
2. What is review of literature ?
3. Explain Sampling.
4. What is Primary data ?
5. What is a questionnaire ?

6. What is pilot study ?
7. Explain coding.
8. Write about ANOVA.
9. What is interpretation in Research report ?
10. What do you mean by layout of a report ?

Part B

(5 × 5 = 25)

Answer **all** questions by choosing **either** (a) **or** (b).
All questions carry equal marks.

11. (a) Discuss the need for research.

(Or)

- (b) What is research methodology ?

12. (a) What is an observation method ? Explain it with examples.

(Or)

(b) What is frequency distribution ? Give an example.

13. (a) Describe the criteria of a good hypothesis.

(Or)

(b) Briefly explain the case study method of collecting data.

14. (a) Examine the requirements of a good sample.

(Or)

(b) What is Tabulation ? Describe the rules for preparing statistical tools.

15. (a) Write a note on analysis and interpretation of data.

(Or)

(b) Describe the essential features of a good research report.

Part C

(3 × 10 = 30)

Answer any **three** questions.
All questions carry equal marks.

16. Prepare a research design for conducting a research on brand preference of rural consumers in the fast moving consumer goods market.
17. Elucidate the steps involved in a research process.
18. The procedure for testing hypothesis requires a researcher to adopt several steps. Describe all such steps.
19. Why probability sampling is generally preferred in comparison to non probability sampling ?
20. What are the four levels of measurement ? What statistics can be used with each type of measurement ?

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M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****ADVANCED MANAGEMENT ACCOUNTING**

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry two marks

1. State the relationship of management accounting with financial accounting.
2. State the usefulness of comparative statements?
3. What are common size statements?
4. What is meant by fund from operations?
5. Differentiate cash flow from fund flow statement.
6. What are functional budgets?

7. How marginal costing is useful managerial decision making?
8. What is margin of safety?
9. What is the nature of zero base budgeting?
10. What are the limitations of budgetary control?

Part B

(5 × 5 = 25)

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

All questions carry equal marks

11. (a) Explain the advantages and limitations of management accounting.

(Or)

- (b) Explain any five financial and profitability ratios.
12. (a) A manufacturer is planning to drop one item from his product line and replace it with another. Present cost and output data are as under:

Item	Price : Rs.	Variable cost per item : Rs	Per cent total of sales volume %
A	20	10	40
B	25	15	35
C	30	18	25

Total fixed cost per year Rs. 1,50,000. Total sales for the previous year Rs.5,00,000. The item proposed to be dropped is A. Do you agree with proposal of the management?

(Or)

- (b) A company is considering expansion. Fixed cost amount to Rs.4,20,000 and are expected to increase by Rs. 1,25,000 when plant expansion is completed. The present plant capacity is 80,000 a year. Capacity will increase by 50% with the expansion. Variable cost are currently Rs.6.80 per unit and expected to go down by Rs.0.40 per unit with the expansion. The current selling price is

Rs.60 per unit and expected to remain same under either alternative. What are Break Points under either alternative? What alternative is better and why?

13. (a) Prepare flexible budget for production at 80% and 100% activity on the basis of the following data:
Production at 50% capacity - 5000 units
Raw materials - Rs.80 per unit
Direct labour - Rs.50 per unit
Expenses - Rs. 15 per unit
Factory expenses - Rs.50,000 (50% fixed)
Administrative expenses - Rs.60,000 (60% variable)

(Or)

- (b) From the following information prepare a production budget of a firm. Stock for the budgeted period is:

Product	as on 1 st January	as on 30th June
A	8000	10000
B	9000	8000
C	12000	14000

Requirements to fulfill sales target (in units):

Product A: 60000

Product B: 50000

Product C:80000

Normal Loss in production: A: 4%, B: 2%, C: 6%.

14. (a) The following is an extract from a balance sheet.

	31.3.2009	31.3.2010
Balance of profit and loss account Rs.	1,00,000	1,50,000

Additional information:

- (a) Depreciation charged on assets Rs. 10,000
- (b) Preliminary expenses written off Rs.5,000
- (c) Amount transferred to Reserve Rs. 15,000
- (d) A machine of a book value of Rs.60,000 sold for Rs.65,000
- (e) Interim dividend paid Rs. 10,000

Calculate funds from operations

(Or)

- (b) The statement of financial position of Mr.K is given below:

	2008	2009		2008	2009
	Rs.	Rs.		Rs.	Rs.
Creditors	14500	12500	Cash	20000	15000
Capital	369500	307500	Debtors	10000	8500
			Stock	4000	6500
			Buildings	50000	40000
			Plant	300000	250000
Total	384000	320000		384000	320000

There were no drawings or purchase of assets.

Prepare cash flow statement.

15. (a) Explain the objectives and usefulness of financial statements.

(Or)

- (b) Discuss the tools of financial statement analysis with examples.

Part C**(3 × 10 = 30)**Answer any **three** questions

All questions carry equal marks

16. Prepare a fund flow statement from the following data:

Liabilities	2008 Rs.	2009 Rs.	Assets	2008 Rs.	2009 Rs.
Share capital	5,000	5,300	Cash	2,000	2,500
Long-term debt	1,400	1,300	Accounts receivable	2,400	2,700
Retained earnings	2,800	3,700	Inventories	3,100	3,200
Accumulated depreciation	2,100	2,500	Other assets	800	700
Accounts payable	2,000	2,100	Fixed assets	5,000	5,800
	13,300	14,900		13,300	14,900

Additional information:

- (a) Fixed assets cost Rs. 1,200 purchased for cash.
- (b) Fixed assets (original cost Rs.400 accumulated depreciation Rs.150), were sold at book value,

- (c) Depreciation for the year 2009 amounted to Rs.550 and duly debited to profit and loss account.
- (d) Dividends paid amounted to Rs.300 in 2009.
- (e) Reported income for 2009 was Rs. 1,200.

17. From the following prepare a statement of proprietary fund: i) capital turnover ratio: 2, ii) fixed asset turnover ratio: 4, iii) gross profit turnover ratio: 20%, iv) stock velocity: 5, v) debtors velocity is 3 months and vi) creditors velocity is 2 1/2 months. The gross profit is Rs.50,000 , reserves and surpluses is Rs. 15,000, and closing stock was at a value of Rs.5,000 lesser than the opening stock.

18. The following are the summarized Balance Sheets of a company as 31st Dec. 2002 and 2003.

Liabilities	2002	2003	Assets	2002	2003
	Rs.	Rs.		Rs.	Rs.
Share capital	2,00,000	2,50,000	Land & Buildings	2,00,000	1,90,000
General reserve	50,000	60,000	Machinery	1,50,000	1,69,000

Liabilities	2002	2003	Assets	2002	2003
	Rs.	Rs.		Rs.	Rs.
Profit & Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank loan (long-term)	70,000		Sundry Debtors	80,000	64,200
Sundry creditors	1,50,000	1,35,200	Cash	500	600
Provision for tax	30,000	35,000	Bank	-	8,000
			Goodwill	—	5,000
	—————	—————		—————	—————
	5,30,500	5,10,800		5,30,500	5,10,800
	—————	—————		—————	—————

**Additional information during the year ended 31st
December 2003**

- (a) Dividend of Rs.23,000 was paid.
- (b) Assets of another company were purchased for a consideration of Rs.50,000 payable in share. The following assets were purchased: Stock Rs.20,000, and Machinery Rs.25,000.
- (c) Machinery was further purchased for Rs.8,000

- (d) Depreciation written off on machinery Rs. 12,000.
- (e) Income tax provided during the year Rs.33,000
- (f) Loss on sale of machinery Rs.200 was written off to general reserve. You are required to prepare cash flow statement.

19. The cost an article at a capacity of 10,000 units is given “A” below. For a variation in capacity above or below this level, the individual expenses vary as indicated “B” below:

Details	A (in Rs.)	B - (Variance %)
Material cost	50000	100
Labour	30000	100
Power	3000	80
Repairs	3500	80
Stores	2000	100
Inspection	800	25
Depreciation	10000	100
Administrative exp.	3600	25
Selling exp.	4500	50

Find out the unit cost of the product under each individual expenses at production levels of 8,000, 12000 and 19,000 units.

20. An analysis of a company cost records gives the following information

Cost	Variable cost (%of sales)	Fixed cost Rs.
Direct material	32.8	-
Direct labour	28.4	-
Factory overhead	12.6	1,89,000
Distribution overhead	4.1	58,400
General administration overhead	1.1	66,700

Budgeted sales for the next year Rs.18.5 lacs You are required to determine a) Break even sales value b) Profit at the budgeted sales volume and c) Profit if the actual sales i) Drop by 10% ii) Increase by 5% from the sale.

M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****PROCEDURE AND
DOCUMENTATION OF EXPORTS**

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks

1. What are the classifications of export documents?
2. Explain GSP.
3. What are the main features of 1EC?
4. You are exporting your goods under CIF contract. Enumerate the major documents required for this purpose.
5. Enumerate major legal documents required for exports from India.

6. What is documentary credit? Explain the mechanism of realizing payment under the documentary credit.
7. Explain various methods and procedures for chartering a ship.
8. Explain the procedure for claiming the rebate of central excise duty under the central excise Rule 12 (i) (A).
9. Explain Foreign Exchange Management Act in export control on exports.
10. Why is quality control required for exports of goods? Describe various systems for quality control and pre-shipment inspection.

Part B

(5 × 5 = 25)

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

All questions carry equal marks

11. (a) Explain various types of losses under marine insurance with suitable examples.

(Or)

(b) What is post - shipment finance? Explain various types of post shipment finance available to Indian exporters.

12. (a) Why is customs clearance of export cargo required? Explain the procedures of customs clearance of export cargo.

(Or)

(b) Enumerate the steps involved in the processing of an export order. Explain any three steps.

13. (a) Describe various technical and specialized services available to Indian importers and exporters.

(Or)

(b) What are the objectives of Foreign Trade Policy of Government of India? Describe the general provisions regarding the exports?

14. (a) Distinguish between domestic sales contract and exports sales contract. Discuss general conditions in Exports contract.

(Or)

(b) Explain the duty exemption/remission schemes.

15. (a) Explain the procedure for availing credit insurance and the rules over the necessary documents.

(Or)

(b) Briefly discuss the various Central Excise Benefit Schemes.

Part C

(3 × 10 = 30)

Answer any **three** questions

All questions carry equal marks

16. Write notes on any two of the following:

(i) Deemed exports

- (ii) Import documents
- (iii) Fiscal incentives for exports
- (iv) ISO 9000

17. Describe the procedure for taking a policy from ECGC.
18. Enumerate the role of Indian Trade Promotion Organization in enhancing the exports from India.
19. Comment on the role of Agriculture and processed Food Export Development Authority.
20. Describe the role and functions of Export Promotion Councils.

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M.Com. DEGREE EXAMINATION, APRIL 2011

Commerce

**ELECTIVE : INSURANCE AND
RISK MANAGEMENT**

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks

1. Define insurance.
2. What do you mean by control of risks?
3. What do you understand by “Economic protection”?
4. What is assignment?
5. What is rating?
6. what is reinstatement value policy?

7. Enumerate the methods of measuring financial risks.
8. What is “ Value at risk” ?
9. What is strategy?
10. What is hedging?

Part B

(5 × 5 = 25)

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

All questions carry equal marks

11. (a) Explain the elements of insurable risks?

(Or)

- (b) Bringout the significance of insurance.

12. (a) Explain the need for social insurance.

(Or)

- (b) Listout the steps involved in settling life policy claims.

13. (a) State the principles of motor insurance.

(Or)

(b) State the salient features of engineering insurance.

14. (a) How will you measure financial risks under Beta method?

(Or)

(b) How will you measure financial risks under standard deviation method?

15. (a) Distinguish between futures and options.

(Or)

(b) Enumerate the characteristic features of static hedging.

Part C

(3 × 10 = 30)

Answer any **three** questions

All questions carry equal marks

16. Discuss the impact of LPG on insurance industry in India.
17. Explain the steps followed in issuing life insurance policy.
18. Explain the risks associated with new projects.
19. Discuss the methods of managing financial risks.
20. Explain the methods of managing credit risks.

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M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****DISCIPLINARY : QUANTITATIVE TECHNIQUES**

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks

1. What do you mean by variables?
2. Explain constants.
3. Explain the merits of Transportation problem.
4. Explain the term Linear Programming.
5. Briefly explain Independent Events.
6. Explain Addition Theorem of Probability.
7. What are the properties of Game Theory.

8. Explain Zero-sum games.
9. Explain decision under risk.
10. Explain decision making process.

Part B

(5 × 5 = 25)

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

All questions carry equal marks

11. (a) Discuss the nature of quantitative analysis in the Practice of Management.

(Or)

- (b) Explain Linear and Non-linear functions

12. (a) Explain the concept of optimization in Linear programming.

(Or)

(b) Solve the following L.P.P's graphically :

Maximize

$$Z = 45x_1 + 80x_2$$

Subject to the constraints :

$$5x_1 + 20x_2 \leq 400$$

$$10x_1 + 15x_2 \leq 450$$

$$x_1, x_2 \geq 0.$$

13. (a) Write short notes on

(i) Multiplication Theorem

(ii) Simple and compound events

(iii) Mutually Exclusive event.

(Or)

(b) A bag contains 6 white and 4 black balls and a second one 4 white and 8 black balls. One of the bags is chosen at random and a draw of 2 balls is made from it. Find the probability that one is white and the other is black.

14. (a) Determine the range of value of p and q that will make the payoff element a_{22} a saddle point for the game whose payoff matrix (a_{ij}) is given below :

$$\begin{array}{c} \text{Player B} \\ \left[\begin{array}{ccc} 2 & 4 & 5 \\ 10 & 7 & q \\ 4 & p & 8 \end{array} \right] \\ \text{Player} \end{array}$$

(Or)

- (b) At a toll office, a sample of arrivals of vehicles gives the following frequency distribution of inter-arrival and service items :

<i>Time between arrivals</i> (Minutes)	<i>Frequency</i>
2	5
3	22
4	25
5	30
6	10
7	5
8	3

<i>Service Time</i> (Minutes)	<i>Frequency</i>
1	15
2	35
3	27
4	14
5	8

There is only one clerk at the toll office. Simulate the process for 25 arrivals. Estimate the percentage average vehicle waiting time and percentage idle time of clerk.

15. (a) A man has the choice of running either a hot-snack stall or an ice-cream stall at a seaside resort during the summer season. It is a fairly cool summer, he should make Rs. 5,000 by running the hot-snack stall, but if the summer is quite hot he can only expect to make Rs. 1,000. On the other hand, if he operates the ice-cream stall, his profit is estimated at Rs. 6,500 if the summer is hot, but only Rs. 1,000 if it is cool. There is a 40% chance of the summer

being hot should be opt for running the hot-snack stall or the ice-cream stall? Give mathematical argument.

(Or)

- (b) Discuss the decision tree approach to choose optimal course of Action. Explain the various criteria for decision.

Part C

(3 × 10 = 30)

Answer any **three** questions

All questions carry equal marks

16. A wholesaler of sports goods has an opportunity to buy 5,000 pairs of skills that have been declared surplus by the government. The wholesaler will pay Rs. 40 per pair and can obtain Rs. 100 a pair by selling skill to retailers. The price is well established, but the wholesaler is in doubt as to just how many pairs he will be able to sell. Any skills left over, he can sell 80

discount out lets at Rs. 20 a pair. After a careful Consideration of the historical data, the wholesaler assign probabilities to the demand as follows :

Retailer's demand	probability
1000 pairs	0.6
3000 pairs	0.3
5000 pairs	0.1

- a) Compute the conditional momentary and expected momentary values
- b) Compute the expected profit with a perfect predicting device.
- c) Compute the EVPI.

17. Discuss the features and applications of queuing theory.

18. Explain the detail the various applications of quantitative techniques in management. Also explain the concept of slope and its relevance.
19. Solve the following transportation problem.

Origin	Destination				Availability
	D ₁	D ₂	D ₃	D ₄	
O ₁	1	2	1	4	30
O ₂	3	3	2	1	50
O ₃	4	2	5	9	20
Requirment	20	40	30	10	

20. Bright Bakery keeps stock of a popular brand of cake. previous experience indicate the daily demand as given here :

Daily Demand : 0 10 20 30 40 50

Probability : .01 .02 .15 .50 .12 .02

Consider the following sequence of random numbers :

48, 78, 19, 51, 56, 77, 15, 14, 68, 09.

Using this sequence, simulate the demand for the next 10 days. Find out the stock situation if the owner of the bakery decides to make 30 cake every day. Also estimat ethe daily average demand for the cakes on the basis of simulated data.

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M.Com. DEGREE EXAMINATION, APRIL 2011

Commerce

INDIRECT TAX LAW AND PLANNING

(CBCS– 2008 Onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks

1. What is Indirect tax ?
2. Define “Export tax”.
3. What do you understand by Central Excise Tax ?
4. List out any *four* types of Excisable goods.
5. What is Gate passes ?

6. What is meant by Set-off of duties ?
7. What is Customs duty ?
8. What is a common point between central excise and customs duty ?
9. List out any *four* provisions regarding recovery.
10. What is Assessment ?

Section B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) Briefly explain the features of Indirect tax ?

(Or)

(b) Write short notes on “ Tax on Production ”.

12. (a) What are nature of levy Excise duty ?

(Or)

(b) Explain the procedure for getting registration under the Central Excise Act.

13. (a) What are the different duty drawback schemes of goods imported and exported ?

(Or)

(b) State the provisions regarding exemption of goods imported and exported.

14. (a) Briefly explain the nature of restrictions on import and export under the customs Act.

(Or)

- (b) What are the different types of customs duty ?

15. (a) When does liability to tax in respect of sale of goods in the course of inter-States trade arise.

(Or)

- (b) Write short notes on “ Central Sales Tax ”.

Section C

(3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

16. Discuss the tax planning for tax avoidance and optimization under indirect tax.

17. Enumerate the types of duty based on their nomenclature and basis of levy.

18. Explain VAT and MODVAT systems.

19. Describe the procedure relating to entry on import.

20. Explain the Inter-State and Intra-state sales tax provisions.

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M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****ADVANCED COST ACCOUNTING**

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

1. Define cost Accounting.
2. What is LIFO method of pricing of issue of material ?
3. What is unit costing ?
4. What is Quotation ?
5. What is process costing ?

6. What is Abnormal Gain ?
7. What do you mean by cost-plus contract ?
8. What is Operating costing ?
9. What is Direct Labour Efficiency variance ?
10. Define Activity based costing.

Part B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) Explain about various elements of cost.

(Or)

- (b) From the following prepare a stores ledger by adopting LIFO method.

Date	Receipts	Issues
2010		
January 1	300 units at Rs. 10 per unit	
10	200 units at Rs. 12 per unit	
15		250 units
18	200 units at Rs. 14 per unit	
20		300 units
25	100 units at Rs. 16 per unit	
31		100 units

12. (a) The accounts of ABC. Co. Ltd. Show the following:—

	Rs.
Material used	7,00,000
Direct labour	5,40,000
Works overhead	1,62,000
Establishment overhead	1,12,600

(Or)

What price should the company quote to manufacture a machine which will require an expenditure of Rs. 1,000 in materials and Rs. 800 in wages so that it will yield a profit of 20 % on selling price ? Make necessary assumptions regarding percentages.

(Or)

(b) A factory produces article 'A' which process yields 'B' and 'C' as by-products. The costs are :

	Actual joint costs Rs.	Subsequent costs		
		A	B	C
Material	10,000	1,500	1,300	1,000
Labour	1,600	200	150	100
Overhead	8,000	800	550	400
	19,600	2,500	2,000	1,500

Estimate sales	30,000	24,000	20,000
Estimated profit	30 %	25 %	20 %

Show how would you apportion joint cost of manufacture.

13. (a) From the following particulars, prepare process 'X' Accounting showing cost per ton of output.

	Rs.
Materials (Tons)	: 1,000
Cost of material per ton	: 125
Wages	: 28,000
Manufacturing expenses	: 8,000
Output (tons)	: 830

Normally 5% of the weight is lost in the process and 10 % is scarp which realises Rs. 80 per ton. There was no stock or work-in-progress.

(Or)

(b) Production details of process 'A' for the month of February 2002 are given below :

Opening work-in-progress 15,000 units (70 % complete)

Units introduced into the process 1,00,000 ;

Closing work-in-progress 25,000 units (60 % complete)

You are required to calculate equivalent production under :

(i) Average cost method.

(ii) FIFO Method.

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

	Rs.
Materials	: 1,20,000 ;
Wages	: 1,64,400;
Plant	: 20,000;
Business charges	: 8,600.

Cash received on account up 31st December 2010 amounted to Rs. 2,40,000 being 80 % of work certified. The value of materials on hand at 31-12-10 was Rs. 10,000. Prepare 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)

- (b) From the following data relating to a lorry of 4 ton capacity, you are required to compute the operating cost per ton mile.

	Rs.
Truck cost	1,00,000
Estimated life in years	10
Maintenance	500 p.m.
Payment to Driver and cleaners	750 p.m.
Annual insurance	1,200
Establishment charges	650 p.m.
Fuel per month	600
Sundry expenses en route	2,000 p.a.

The lorry goes to a town 50 miles away with full load and comes back empty for 20 days in a month.

15. (a) A company produces one product and the standard cost card contains the following information

	Budgeted data	Actual Information
Output for the month	4,000 units	4,400 units
Fixed overhead	Rs. 24,000	Rs. 26,000
Variable overhead	Rs. 24,000	Rs. 34,000

Calculate

- (a) Total overhead cost variance.
- (b) Fixed overhead cost variance.
- (c) Variable overhead cost variance.

(Or)

- (b) What are the managerial uses of variance analysis ?

Part C

(3 × 10 = 30)

Answer any **three** questions.
All questions carry equal marks.

16. Explain the method of cost classification.
17. From the following particulars prepare stores ledger account showing the pricing of material issues under weighted average methods.

2-8-2010	Opening stock	800 units at 4.20.
3-8-2010	Purchased	800 units at 4.20.
4-8-2010	Issued	1,200 units.
6-8-2010	Purchased	1,600 units at 4.80.
7-8-2010	Issued	1,000 units.
9-8-2010	Purchased	400 units at 6.00.
11-8-2010	Issued	800 units.
13-8-2010	Issued	100 units.
15-8-2010	Purchased	500 units at 800

18. The product of a company passes through three distinct processes to completion. From the past experiences, it is found that wastage is incurred in the process as follows.

Process A 2 % process B 5 % and process C 10 %. The wastage of process A and B is sold at Rs. 20 per 100 units and that of process C at Rs. 160 per 100 units. Following are the production results in March 2010.

	Process A	Process B	Process C
	Rs.	Rs.	Rs.
Materials	24,000	16,000	8,000
Direct labour	32,000	24,000	12,000
Machine expenses	4,000	4,000	6,000
Other factory expenses	7,000	7,600	8,400

20,000 units have been issued to process at a cost of Rs. 40,000. The output of each process is as follows :

Process A 19,500 units ; process B 18,000 units and process C 16,000 units. There was no stock in any process in the beginning or at the end of March. Prepare process and other relevant accounts.

19. A firm of building contractors began to trade on 1st April 2010. The following was the expenditure on the contract for Rs. 3,00,000.

	Rs.
Materials issued to contractor	51,000
Plant used for contract	15,000
Wages incurred	81,000
Other expenses incurred	5,000

Cash received on account to 31st March 2011 amounted to Rs. 1, 28, 000 being 80 % of the work certified. Of the plant and materials charged to the contract, plant which cost Rs. 3,000 and materials which cost Rs. 2,500 were lost. On 31st March 2011 plant which cost Rs. 2,000 were returned to stores. The

cost of work done but uncertified was Rs. 1,000 and materials costing Rs. 2,300 were in hand on site.

Charge 15 % depreciation on plant, and take to the profit and loss account $\frac{2}{3}$ rd of the profit received. Prepare a contract account, contractee's account and extracts from balance sheet from the above particulars.

20. A company manufactures a particular chemical, the standard material cost being :

40 % material X at Rs. 20 per kg.

60 % material Y at Rs. 30 per kg

A standard loss of 10 % is expected in production. During one month 182 kgs of chemical were produced from the use of 90 kgs. of chemical X at Rs. 18 per kg. and 110 kgs of material Y at Rs. 34 per kg.

Calculate

- (a) Material price variance.
- (b) Material mix variance.
- (c) Material yield variance.
- (d) Material cost variance.

RW-6656

611403

M.Com. DEGREE EXAMINATION, APRIL 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.

1. Explain the term Universal Banking.
2. What is NPA ?
3. List down the various forms of 'Advances'.
4. What is Venture Capital ?
5. What is a Credit Card ?

6. Explain the term 'Variable Reserve Ration'.
7. What is Tele-banking ?
8. What do you mean by Collateral Security ?
9. What do you understand by Service Lease ?
10. What do you mean by Credit Syndication ?

Part B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) What are the benefits of Depository system to the investors ?

(Or)

- (b) Explain the concept of Micro Insurance.

12. (a) Differentiate between Factoring and Forfaiting.

(Or)

(b) What are the disadvantages of Leasing ?

13. (a) Explain the role of played by RBI in open Market Operations.

(Or)

(b) What is the importance of Customer Relations in Commercial Banks ?

14. (a) Write a note on Capital Adequacy Norms.

(Or)

(b) What are the various types of risks involved in commercial banking ?

15. (a) Write a note on the concept and utility of Development Banking.

(Or)

- (b) What are the advantages of Core Banking to Commercial Banks ?

Part C

(3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

16. Write an essay on the Traditional Modern functions of a Commercial Bank.
17. What are the various sources of competition faced by commercial banks ? Explain the various strategies adopted by modern commercial banks in facing competition.

18. Write an essay on the types of funding for commercial banks stating the advantages and disadvantages of each type.

19. Define 'Financial Services' and discuss the various services involved in it.

20. Explain the processes involved in Dematerialisation. What are the advantages of Dematerialisation ?

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M.Com. DEGREE EXAMINATION, APRIL 2011

Commerce

STRATEGIC BUSINESS MANAGEMENT

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

1. Deinf “ Strategic Management”.
2. What are the aims of cost leadership in business strategies ?
3. How are SBU-level strategies linked to corporate level strategies ?
4. What do you mean by environmental scanning ?

5. What do you understand by “ Strategic Management Process”.
6. Explain the term “ Competitive advantage”.
7. Why are values and ethics specially important to strategists ?
8. What are the factors relating to organisational climate ?
9. What is meant by the term “ strategic groups” ?
10. Differentiate clearly between related and unrelated diversification.

Part B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) Briefly discuss the difference between corporate level and business level strategic concern.

(Or)

- (b) How can SWOT analysis help in shortlisting strategic alternatives ?

12. (a) Give an account on “Mckinsey’s Growth Pyramid Model ” for business strategy.

(Or)

- (b) Briefly discuss about the scenario “ On forecasting and mapping”.

13. (a) Write short notes on each of the following issue relating to merger.

(i) Strategic.

(ii) Financial.

(Or)

(b) Foreign subsidiary as strategic growth model
Discuss.

14. (a) Write a note on market leadership and market challenges in quality improvement.

(Or)

(b) “Zero defect strategy”– Explain with hypothetical examples

15. (a) How can strategists limit the scope of social responsibility.

(Or)

- (b) What do you mean by “ Organisational culture” and its significance in strategic management.

Part C

(3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

16. Discuss in detail about business strategies according to the concepts of Michael Porter.
17. Explain in detail about BCG’s Matrix strategy.
18. Write a detailed essay on “recent trends in BPO”.

19. Discuss about the contribution of Prahalad under strategic management.
20. What is 'SBU' ? How the corporate governance is used as a strategy for growth ?

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RW-6658

611507

M.Com. DEGREE EXAMINATION, APRIL 2011

Commerce

Elective : INVESTMENT MANAGEMENT

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

1. Define the term “Investment” ?
2. What do you meant by Gambling ?
3. What is meant by “Return” ?
4. Define “Risk” ?
5. What is the concepts is “Dow Theory” ?

6. How do you value Debt ?
7. Write a short note on portfolio Construction ?
8. What is a mutual fund ?
9. Explain the concept of Derivatives ?
10. What is futures market ?

Part B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) Difference between Investment and Speculation.

(Or)

- (b) What are the factors favourable for Investment ?

12. (a) Explain various kinds of risk.

(Or)

(b) How do you allocate funds to different Investment avenues ?

13. (a) Find risk and return for the following five securities. Give an analysis should the investor keep all these securities.

Securities	Return (%)	Probability
1	25	0.7
2	30	0.5
3	35	0.6
4	40	0.4
5	45	0.3

(Or)

(b) An investor buys a bond in 2008 maturity in 2008. Maturity in 2010 at Rs. 900. It has a maturity

value 10 years and par value of Rs. 1,000. It fetches of Rs. 90. Every year.

Calculate the Yield.

14. (a) What does Random walk Theory project in weak form, Semi-strong form and strong form ?

(Or)

- (b) A mutual fund collected Rs. 75,00,000 by issuing Rs. 7,50,000. units of Rs. 10 each. The amount has been invested in different securities. The market value of these security is Rs. 1,00,00,00 and the mutual fund has a liability of Rs. 6,00,000.

Calculate NAV of the fund.

15. (a) The following information is available for the equity stock of Prakash Ltd :

$$S_0 = \text{Rs. } 120 \quad : F = \text{Rs. } 110 ;$$

$$r = 0.12 \quad : \sigma = 0.40.$$

Calculate the price of 6 month call options as per the Black - Scholar models.

(Or)

(b) The following information is available for the call and put option on the stock of zenith Ltd.,

Particulars	Call	Put
Time to expiration (months)	3	3
Risk free rate	10 %	10 %
Exercise price	Rs. 50	Rs. 50.
Stock price	Rs. 60.	Rs. 60.
Price	Rs 16.	Rs. 2.

Determine if the put - Call parity is working.

Part C

(3 × 10 = 30)

Answer any **three** questions.
All questions carry equal marks.

- 16. What are features of Ideal investments and explain the functions of investment management.

- 17. How do you measure risk ? and explain the related Concepts.

- 18. The market price of a share is Rs. 155. Following information is available about market conditions, dividend and market price after one year.

Market Condition	Probability	Market price	Dividend Condition
Bullion	0.25	200	15
Stable	0.50	160	10
Bearish	0.25	150	5

Find the return of the share and the Variability of the share.

19. Calculate Net Asset Value of the mutual fund when the following information is provided :

<i>Particulars</i>	Rs.
Cash Balance	4,00,000
Bank Balance	2,00,000
Bond (Realizable value of equity shares).	10,00,000
Equity shares (Realizable value)	10,00,000
Expenses accrued	10,00,000
No. of units outstanding	2,00,000

20. Following information is available to calculate the Binomial model.

$$S = \text{Rs. } 60 ; E = \text{Rs. } 55 ; C = \text{Rs. } 15 \quad R = 1.12 ; d = 0.7.$$

M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****DISCIPLINARY : E-BUSINESS MODELS**

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(10 × 2 = 20)

Answer **all** questions.
All questions carry equal marks.

1. Define the term E-Business.
2. What is E-banking ?
3. Write a note on credit card.
4. What is debit card ?
5. What is smart card ?

6. What is Internet banking ?
7. Write a note on Tele-banking.
8. What is E-Advertising ?
9. What is E-Cheque ?
10. Write a note on E-cash.

Section B

(5 × 5 = 25)

Answer **all** questions by choosing **either** (a) **or** (b).
All questions carry equal marks.

11. (a) State the features of E-business models.

(Or)

- (b) State the significance of E-Business models.

12. (a) Explain the functions of E-Commerce.

(Or)

(b) Explain the functions of E-Banking.

13. (a) Explain the the Terminology of E-Advertising.

(Or)

(b) Explain Push and Pull concepts of E-Advertising.

14. (a) Explain the various classification of intruders.

(Or)

(b) Explain the methods of cryptography in E-Payments.

15. (a) Discuss the benefits of EDI.

(Or)

(b) Explain the business relationship in EDI.

Section C

(3 × 10 = 30)

Answer any **three** questions.
All questions carry equal marks.

16. Explain the various models in available in E-business in detail.
17. What are the problems faced by the users while implementing of E-business models ?
18. Discuss the reasons for growth of E-commerce and its impact.
19. Explain the Pros and Cons of E-Advertising.
20. Write a note on :
 - (i) Security of Internet banking.
 - (ii) Electronic Fund Transfer
 - (iii) Online catalogue.
 - (iv) Securities tools.

M.Com. DEGREE EXAMINATION, APRIL 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 the term 'Scientific Management'.
2. What is System Approach ?
3. What is Project ?
4. What is Decision-Making ?
5. Define span of Management.

6. What is delegation of authority ?
7. What do you mean by communication ?
8. Define Staffing.
9. Write a short note on : 'Bench Marking '
10. List out any two objectives of control.

Section B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) Explain the functions of management.

(Or)

(b) Describe the Taylor's principles of management.

12. (a) Distinguish between Procedures and Rules.

(Or)

(b) What are the importance of Departmentation ?

13. (a) Explain the merits of Line organisation

(Or)

(b) Describe the process of delegation in an organisation.

14. (a) What are the elements of staffing ?

(Or)

(b) Explain Maslow's hierarchy of needs.

15. (a) State the principles of co-ordination.

(Or)

(b) Describe the nature of control.

Section C

(3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

16. Discuss the scope of management.

17. Examine the process of decision-making in business undertakings.

18. Explain the strengths and weaknesses of Line and staff organisation.

19. What are the types of Communication ? and Elucidate the importance.

20. What is Total Quality Management ? and Explain its main features.

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RW-6662

611103

M.Com. DEGREE EXAMINATION, APRIL 2011

Commerce

INTERNATIONAL BUSINESS ENVIRONMENT

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

1. Define Globalisation.
2. Explain Foreign Direct Investment.
3. What is National GDP ?
4. What is economic risk ?
5. Write about Corruption in Governance.

6. What is the main role of MIGA ?
7. Describe Conflict resolution.
8. “Hedging Forex Risk”—Explain.
9. Define Futures.
10. What is Spot market ?

Part B

(5 × 5 = 25)

Answer **all** the questions choosing **either** ‘a’ or ‘b’.

All questions carry equal marks.

11. (a) Describe the Cultural and political environment of business.

(Or)

- (b) Explain Tariff and Non-Tariff Barriers ?

12. (a) Explain the various functions of UNO ?

(Or)

(b) Explain the Role of MNC's in International Business.

13. (a) How monetary expansion and inflation affect interest rates and exchange rates ?

(Or)

(b) State the various methods of Lodging Forex risk.

14. (a) Evaluate the merits and demerits of FDI.

(Or)

(b) Describe the various Trends in Technology Transfer.

15. (a) Write about the impact of regional integration or FDI determinants.

(Or)

(b) Describe the Role of World Bank.

Part C

(3 × 10 = 30)

Answer any **three** questions.
All questions carry equal marks.

16. Emphasise the importance of International business to firms.

17. Discuss the recent trends in foreign investment in the World.

18. Elaborate the functions of foreign exchange market.

19. Explain the important Social issues in International business.

20. Identify the changes in the global economic environment after 1990.

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M.Com. DEGREE EXAMINATION, APRIL 2011

Commerce

ADVANCED FINANCIAL ACCOUNTING

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks.

1. Define accounting.
2. What is accounting equation ?
3. What are the cases of depreciation ?
4. What is repossessed stock ?
5. What is goodwill ?
6. What is sacrifice ratio ?

7. What are different types of branches ? What are the different types of branches ?
8. What is the need for apportioning expenses between different departments ?
9. How to configure day book ?
10. How do you create stock item ?

Section B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) Explain any five accounting concepts.

(Or)

- (b) Mohan, a retail merchant commenced business with a capital of Rs. 12,000 on 1.1.10. Subsequently on 1.5.10 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs. 2,000 for his personal use. On 31.12.10 his assets and liabilities were as follows :

	Rs.
Cash at Bank	3,000
Debtors	4,000
Stock	16,000
Furniture	2,000
Creditors	5,000

Calculate the Profit or Loss made during the year 2010.

12. (a) A machine purchased on 1st July 2007 at a cost of Rs. 14,000 and Rs. 1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December each year. The machine was sold for Rs. 9,500 on 31st March 2010. Show the Machinery account for all the years.

(Or)

- (b) A firm purchases a 5 years lease for Rs. 80,000 on 1st January. It decides to write off depreciation on the Annuity method, presuming the rate of interest to be 5% per annum. The annuity tables show that a sum of Rs. 18,478 should be written off every year. Show the lease account for five years. Calculations are to be made to the nearest rupee.
13. (a) X and Y are partners sharing profit in the ratio of 2 : 1 and as from 1st January 2010, they admit Z who is to have 1/10th share of profits with a guaranteed minimum of Rs. 32,000. X and Y continue to share profits as before. The profit of the firm in respect of the year in question is Rs. 2,00,000. Prepare Profit and Loss appropriation account.

(Or)

- (b) A, B and C are partners sharing profits in 4 : 2 : 4 ratio. You are required to calculate the gaining ratio when (i) 'A' retires. (ii) 'B' retires (iii) 'C' retires.

14. (a) Loyal Shoe Company opened a branch at Madras on 1.1.2009. From the following particulars, prepare the Madras Branch account for the year 2009 and 2010.

	2009 Rs.	2010 Rs.
Goods sent to Madras Branch	15,000	45,000
Cash sent to Branch for		
Rent	1,800	1,800
Salaries	3,000	5,000
Other expenses	1,200	1,600
Cash received from the Branch	24,000	60,000
Stock on 31st December	2,300	5,800
Petty cash in hand on 31st Dec.	40	30

(Or)

- (b) From the following particulars, prepare a branch account showing the profit or loss at the branch.

	Rs.
Opening stock at the branch	15,000
Goods sent to the branch	45,000
Sales	60,000
Salaries	5,000
Other expenses	2,000

Closing stock could not be ascertained but it is known that the branch usually sells cost plus 20 %. The branch manager is entitled to a commission of 5% on the profit of the branch before charging such commission.

15. (a) What are the differences between Manual accounting and Computerized Accounting ?

(Or)

- (b) What are the uses of accounting packages in financial management ?

Section C

(3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

16. Rama commenced business on 1.1.2009 with a capital of Rs. 25,000. He immediately bought furniture for Rs.4,000. During the year, he borrowed Rs. 5,000 from his wife and introduced a further capital of Rs. 3,000. He has withdrawn Rs. 600 at the end of each month for family expenses. From the following particular obtained from his books, you are required to prepare Trading and Profit and Loss account and Balance Sheet as on 31.12.2009.

	Rs.
Sales (Including cash sales of Rs. 30,000)	1,00,000
Purchases (Including cash purchases of Rs/ 10,000	75,000
Carriage	700
Wages	300
Discount allowed to debtors	800
Salaries	6,200
Bad debts written off	1,500
Trade expenses	1,200
Advertisement	2,200

Rama has used goods worth Rs. 1,300 for private purposes and paid Rs. 500 to his son which is not recorded anywhere. On 31.12.2009 his debtors, were worth Rs. 21,000 Creditors Rs. 15,000 and stock in trade Rs. 10,000. Furniture to be depreciated at 10% p.a.

17. Knight purchased a truck for Rs. 1,60,000 on 1.1.2007 payment to be made Rs. 40,000 down and Rs. 46,000 at the end of first year. Rs. 44,000 at the end of the second year and Rs. 42,000 at the end of the third year. Interest was charged at 5%. Knight depreciated the truck at 10% per annum on written down value method. Knight, after having paid down payment and first instalment at the end of the first year, could not pay second instalment. The seller took possession of the truck, and after spending Rs. 4,000 on repairs of the asset, sold it away for Rs. 1,500.

Give Ledger accounts in the books of Knight.

18. Arul and Balu are partners sharing profits in the ratio of 3 : 2 . Their Balance Sheet as on 1st January 2010 was as follows :

Liabilities	Rs.	Assets	Rs.
Sundry creditors	15,000	Plant and Machinery	30,000
Capital accounts :			
Arul	30,000	Furniture	10,000
Balu	25,000	Stock	20,000
General Reserve	10,000	Debtors	18,000
		Cash	2,000
	80,000		80,000

Charu is admitted as a partner on the above date on the following terms :

- (i) He will pay Rs. 10,000 as goodwill for 1/4th share in profits.
- (ii) The assets are to be valued as under :
Plant and Machinery Rs. 32,000. Stock Rs. 18,000,
Provision on Debtors at 5%.

- (iii) It was found that creditors included a sum of Rs. 1,400 which was not to be paid.
- (iv) There was a liability for compensation to workers amounting to Rs. 2,000.
- (v) Charu was to introduce Rs. 20,000 as capital and the capital of the other partners were to be adjusted in the profit sharing ratio. For this purpose, current accounts were to be opened.

Give Journal entries, Partner's capital accounts and the Balance Sheet of the new firm.

19. A firm had two departments, cloth and readymade garments. The garments were made by the firm itself out of cloth supplied by the cloth department at its usual selling price. From the following figures, prepare Departmental Trading and Profit Loss account for the year ended 31.3.2010.

	Cloth Department Rs.	Readymade Department Rs.
Opening stock on 1.4.2009	3,00,000	50,000
Purchases	20,00,000	15,000
Sales	22,00,000	4,50,000
Transfer to readymade department	3,00,000	—
Manufacturing expenses	—	60,000
Selling Expenses	20,000	6,000
Stock 31.3.2010	2,00,000	60,000

The stock in the readymade garments department may be considered as consisting of 75% cloth and 25% other expenses. The cloth department earned gross profit @ 15% in 2008– 09. General expenses of the business as a whole came to Rs. 1,10,000.

20. How do you generate and print various reports using computer package ?

M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****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.

1. What is capital market ?
2. What is meant by time value of money ?
3. Define an IPO.
4. Define Temporary Working Capital.
5. What is a levered firm ?

6. How the cost of retained earnings is calculated ?
7. Define MVA.
8. What is Capital Rationing ?
9. What is meant by ploughing back of earnings ?
10. Give the meaning of constant payout.

Part B

(5 × 5 = 25)

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

All questions carry equal marks.

11. (a) Briefly explain the environment of finance in the Indian context.

(Or)

(b) Suppose you have borrowed a 3 years loan of Rs. 2,00,000 at 9% from your employer to buy a car. If your employer requires five equal end-of-year repayments calculate the annual instalment.

12. (a) What are fixed interest bearing securities ? and Explain their features.

(Or)

(b) Explain the conservation approach to financing of working capital requirements.

13. (a) Briefly explain the features of Graham's dividend model.

(Or)

(b) The earnings per share of a company are Rs. 10. It has an internal rate of return of 15% and the capitalisation rate of its class is 12.5%. If Walter's model is used :

(i) What should be the optimum payout ratio of the firm ?

(ii) What would be the price of the share at this payout ?

14. (a) Consider the following information for K Ltd.,

(Rs in '000)

EBIT	...	1120
PBT	...	320
Fixed cost	...	700

Calculate Degree of operating leverage, Degree of Financial leverage and Degree of Combined leverage.

(Or)

(b) A firm finances all its investments by 40% debt and 60% equity. The estimated required rate of return on equity is 20% after taxes and that of the debt is 8% after taxes. The firm is considering an investment proposal costing Rs. 4,00,000 with an expected return that will last for ever. What amount the proposal must yield per year so that the market value of the share does not change ?

15. (a) Consider the following three investments :

Cash flow (Rs.)

Projects	C_0	C_1	C_2
X ...	(-) 25,000	0	(+) 33,050
Y ...	(-)25,000	(+) 15,400	(+) 15,400
Z ...	(-) 25,000	(+) 28,750	0

The discount rate is 12% Compute the NPV and rank them.

(Or)

(b) Project P has the following cash flows :

Cash flows (Rs.)		
C_0	C_1	C_2
(-) 80,000	(+) 1,20,000	(-) 40,000

Calculate the projects IRR. If the required rate of return is 25% would you accept the project ?
Why ?

Part C (3 × 10 = 30)

Answer any **three** questions.

All questions carry equal marks.

16. Explain the different sources of short term finance.
17. Explain the assumptions and implications of the NI approach and the NOI approach to capital structure.
18. Your father has promised to give you Rs.1,00,000 in cash on your 30th birthday Today is your 21st birthday

He wants to know :

- (a) If he decides to make annual payments into a fund after one year how much will each have to be if the fund pays 8% ?
- (b) If he decides to invest a lump sum in the account after one year and let it compound annually, how much will the lump sum be ?

Clarify him.

19. A company is considering the following investment projects :

		Cash flow (Rs.)			
Projects		C_0	C_1	C_2	C_3
A	...	(-)10,000	(+)10,000		
B	...	(-)10,000	(+)7,500	(+)7,500	
C	...	(-)10,000	(+)2,000	(+)4,000	(+)12,000
D	...	(-)10,000	(+)10,000	(+)3,000	(+)3,000

Rank the project according to each of the following methods :

- (a) Payback.
- (b) ARR and
- (c) NPV assuming
- (d) Discount rate of 10%

20. A company has a total investment of Rs. 5,00,000 in assets and 50,000 outstanding ordinary shares at Rs.10 per share (per value). It earns a rate of 15% on its investment and has a policy of retaining 50% of the earnings. If the appropriate discount rate of the firm is 10% determine the price of its share using Gordon's Model. What shall happen to the price of the share if the Company has a payout of 80% or 20% ?

M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****I/O : MANAGERIAL COMMUNICATION**

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.
All questions carry equal marks.

1. What do you mean by ethics in communication ?
2. What is e-mail ?
3. What do you understand by goodwill message ?
4. What is Periodic report ?
5. What do you mean by business presentation ?

6. Write any two visual aids in business presentation.
7. What is complementary close ?
8. What is executive summary ?
9. What do you mean by letter of credit ?
10. What is cargo insurance ?

Part B

(5 × 5 = 25)

Answer **all** questions by choosing **either** (a) **or** (b).
All questions carry equal marks.

11. (a) Briefly explain the ethical dimensions in communication.

(Or)

- (b) How can you solve group problems ?

12. (a) Write a short note on 'Negative news'

(Or)

(b) What are the qualities of good report ?

13. (a) How will you organise business presentation ?

(Or)

(b) Write a note on 'Work team presentation'.

14. (a) What do you mean by the physical appearance of a letter ?

(Or)

(b) Draft a letter to Hindustan Watch Company, Mumbai-1, asking for a copy of their latest catalogue.

15. (a) What are the purpose of letter of transmittal ?

(Or)

(b) What are the documents used in global trade correspondence.

Part C

(3 × 10 = 30)

Answer any **three** questions.
All questions carry equal marks.

16. Explain the electronic methods used in Managerial communications.
17. Explain the various types of report with suitable examples.
18. Draft a work team presentation for a business.
19. What is report? State the main points to be considered in drafting a report.
20. Draft a letter to Standard Traders, New York, advising them for their order for some handicraft items and asking them detailed despatch instructions and an irrevocable confirmed letter of credit.

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M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****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.

1. What is Average rate of tax ?
2. What is Agriculture Income ?
3. What is Perks ?
4. What is Annual value ?
5. Write a note on 'Amortization of preliminary expenses.

6. What do you mean by Inflation index' ?
7. Write a note on 'Bond washing' transaction.
8. What do you mean by revised return of Income ?
9. Write a note on 80 G of Income Tax Act 1961.
10. What do you mean by 'MAT' ?

Part B

(5 × 5 = 25)

Answer **all** questions by choosing **either** (a) **or** (b).
All questions carry equal marks.

11. (a) Explain the tax planning measures with regard to the head salaries.

(Or)

- (b) Explain the various Taxable perquisites under the head salaries.

12. (a) Determine the Residential status of Mr. Ram for the previous year 2009-2010 who left India for the first time on 15-9-2005 and came back on 1-9-2008. He again left for Dubai on 15-6-2009 and back on 14-2-2010 to settle in India.

(Or)

- (b) Mr. Suresh is getting a pension of Rs. 2000 per month from a company. During the previous year he got his two-third pension commuted and received Rs. 1,23,000. Compute the exempted amount if: (a) he also received gratuity, (b) he did not received gratuity.

13. (a) Mr. A is the owner of a house property in Delhi. The construction of the property was completed on 30th November, 2006. The property consist of 4 units. Actual rent received for each unit is Rs. 48,000 per annum. Standard rent of the property under Delhi Rent Control Act is Rs. 2,20,000. Municipal valuation of the property is Rs. 1,65,000. Rent of the similar property in the same locality is Rs. 2,00,000. Municipal tax paid for whole house by Mr. A during the previous is Rs. 35,000. Three units are let out for residential purpose and one for professional purpose. Find out the annual value of the property for the Assessment Year 2010-11.

(Or)

- (b) A Cotton Mills Ltd. purchased plant and machinery for Rs. 5 lakh in 2007-08. The purchase was subsidised by the Small scale Industries department of the State Government by a sum of Rs. 1 lakh.

A fire in the mill destroyed a part of the plant and Machinery in November 2009 and Insurance company paid a claim of Rs. 1,50,000.

The damaged Plant and Machinery was sold for Rs. 5000 only. Compute the normal depreciation amount for the accounting years 2007-08, 2008-09 and 2009-10, if the rate of depreciation has been 25%.

14. (a) Mr. Prasad's Gross Total Income for the previous year ending on 31st March 2010 is Rs. 40,15,000. He donated the following amounts :

- (i) Prime Minister's National Relief fund Rs. 1 Lakh.
- (ii) National Childrens Fund Rs. 2 lakh.
- (iii) Rs. 2,00,000 for repairs of a temple of public worship so notified.
- (iv) Rs. 1,00,000 to a local college for construction of a class rooms.

(v) Rs. 20,000 given as aid to poor students.

(vi) Rs. 1,00,000 to Municipality.

(vii) Rs. 50,000 to U.P. Government for family planning.

He deposited Rs. 15,000 in PPF. Determine his total income for the Assessment Year 2010-11.

(Or)

(b) Mr. 'K' is the owner of a house property which he purchased in June, 1987 for Rs. 90,000. He sold it for Rs. 5,80,000 on 15th May, 2009 and incurred an expenditure of Rs. 10,000 on brokerage. He bought a residential house on 15th January 2010 for a sum of Rs. 2,50,000 and sold this house on 15th March 2010 for a sum of Rs. 3,00,000 and paid a sum of Rs. 3,000 as commission.

Compute the Capital gains chargeable for the Assessment Year 2010-11.

15. (a) Explain Tax planning, Tax Avoidance and Tax Evasion.

(Or)

(b) Explain the provisions for Set off and Carried forward of losses.

Part C

(3 × 10 = 30)

Answer any **three** questions.
All questions carry equal marks.

- 16. Discuss the Powers, Rights and Duties of CBDT.

- 17. Enumerate any ten of the Incomes which are neither included in Gross total income not tax payable on it.

- 18. From the following, compute the Business income of Sh. Vinod for the year 2009-10.

Income Statement

	Rs.		Rs.
To Bad debts	7,000	By Gross profit	2,66,100
Bad debts		„ Interest from debtors	3,000
provision	1,500	„ Discount from creditors	2,500
„ Audit fees	3,500	„ Interest on Loan to Ashok	5,000

	Rs.		Rs.
, , Employee's		„ Bad debts recovered	8,000
welfare expenses	4,200	„ Enhanced compensation	25,000
„ Entertainment of			
customers	3,400		
„ Social welfare			
expenses	3,000		
„ Excise duty	20,000		
„ Income tax	14,000		
„ Establishment	50,000		
„ Depreciation	38,000		
„ Interest paid			
to Bank	13,000		
„ Car expenses	72,000		
„ Net profit	80,000		
	<u>3,09,600</u>		<u>3,09,600</u>

Additional information :

- I. Rs. 50,000 was given as loan to Ashok. During the year Rs. 5,000 interest was received.
- II. Bad debts recovered were earlier disallowed.
- III. Enhanced compensation is related to acquisition of land.
- IV. Bad debts include Rs. 4,000 to his brother.
- V. Excise duty was paid on 24.11.2009.
- VI. Establishment includes Rs. 10,000 paid to personal servant to Sh. Vinod.
- VII. Car is used 1/3rd for business and 2/3rd for Sh. Vinod.
- VIII. Depreciation admissible as per Income Tax Act Rs. 41,500.

19. Smt. Rani is the Manager of the Delhi Cloth Mill, Delhi. She receives every month Rs. 9,000 as basic pay, Rs. 500 as entertainment allowance and Rs. 2,000 as dearness allowance.

She owns a house, but the company has provided her the following amenities :

- * A gardener, a sweeper and a servant who are each paid Rs. 300 per month.
- * Free use of the refrigerator costing Rs. 5,000.

The following obligation of her were paid by the company.

- * Gas, electricity and water bill amounting to Rs. 2,000.
- * Annual membership fee of Rotary Club Rs. 2,400.
- * The company has provided the facility of a small car. The car is used for private purposes also besides official purposes and all the expenses including the driver's salary are borne by the company.

- * Her son is studying in a school run by the company. The annual expenses incurred by the company per student is Rs. 3,600 but had been sent for education to a similar school, a sum of 1200 would have been payable during the year.
- * She proceeded on one month's leave to Shimla by car where she stayed in the holiday home maintained by the company.
- *. The company allotted her 100 share at Rs. 100 each. The fair market value per share on the date on which the option vests with the employee was Rs. 350. Compute her Taxable Income from salary for the Assessment Yea 2010-11.

20. Shri Dinesh is owner of three houses

Particulars	House A	House B	House C
	Rs.	Rs	Rs.
Annual fair rent	18,000	15,000	12,000
Municipal valuation	15,000	20,000	10,000
Let out (per month)	2,000	1,500	1,250
Use by tenant	Residential	Office	Residential
Construction started	30.05.2000	01.01.2002	02.03.1999

	Rs.	Rs	Rs.
Construction			
Completed	01.04.2005	01.06.2005	31.03.2000
Repair expenses	1,000	–	4,000
Collecting charges	2,000	500	–
Interest on Loan :			
1) For construction	10,000	–	–
2) For marriage of daughter	–	–	–
3) For repair	–	–	1,000

Municipal Tax paid 10% of Municipal Valuation, Municipal tax of house 'A' was paid by owner but Municipal Tax of House 'B' was not paid upto 31st March 2008. Municipal tax of House C was paid by the tenant. The third house was remained vacant for 4 months. Compute Income from House property for the Assessment Year 2010-11.

M.Com. DEGREE EXAMINATION, APRIL 2011**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

1. What is the accounting treatment for issue of bonus shares ?
2. State the provisions of the Companies Act 1956 regarding issue of shares at a discount.
3. Write about minority interest in holding company accounts.
4. What is profit prior to and after incorporation ?
5. What are the legal provisions relating to managerial remuneration ?

6. Distinguish between amalgamation by merger and by purchase as per accounting standard 14.
7. What do you meant by External Reconstruction of company?
8. What is Statutory Reserve”
9. What do you meant by Commission on reinsurance eeded?
10. What do you meant by inflation accounting?

Part B

(5 × 5 = 25)

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

All questions carry equal marks

11. (a) In Devi Ltd.. on 1st Januany, 2007, 10,000, 6% redeemable preference shares of Rs. 100'- each tuny paid up, are outstanding. These shares are redeemable at Rs. 110/- each, 8,000 equity shares of Rs. 50/- each are issued at Rs. 52. 50 for cash for

redemption of preference shares, The balance of profit and loss appropriation account is Rs. 15,20,000 Pass entries in the books of Devi Ltd. to record redemption of preference shares.

(Or)

(b) Krishna Ltd. which had Rs. 50,00,000. 10 % debentures outstanding, made the following purchase in the open market for immediate cancellation :

(a) 1-4-2007 - 1,000 debentures at Rs.99 ex-interest.

(b) 1-9-2007 - 2,000 debentures at Rest. 97 cum-interest.

Pass necessary journal entries assuming interest is payable every year on 3th June and 31 st December.

12. (a) ABC Company Ltd. passed resolution and got Court permission for' the reduction of its share capital by Rs. 5,00,000 for the purposes mentioned as under :

- i. To write off the debit balances of P & L A/c
Rs. 2,10,000
- ii. To reduce the value of Plant and Machinery
by Rs. 90,000 and goodwill by Rs. 40,000.
- iii. To reduce the value of investments by
Rs. 80,000

The reduction was made by converting 50,000 preference shares of Rs. 20 each fully paid to the same number of preference shares of Rs. 15 each fully paid and by converting 50,000 equity shares of Rs. 20 each on which Rs. 15 is paid up into 50,000 equity shares of Rs. 10 each fully paid up. Pass journal entries to record the capital reduction.

(Or)

- (b) Ganesh Ltd. was registered on 1st October 2007 to acquire the running business of Suneel & Co., with effect from 1st April 2007. The following was the profit and loss account of the company on 31st March 2008.

	Rs.		Rs.
To Office expenses	54,00,000	By Gross profit b/d	2.25,00,000
To Formation expenses (written off)	10,00,000		
To Stationery and Postage	5,00,000		
To Selling Expenses	60,00,000		
To Directors' Fees	20,00,000		
To Net Profit	76,00,000		
	2,25,00,000		2,25,00,000

You are required to prepare a statement showing profit earned by the company in the pre and post incorporation periods. The total sales for the year took place in the ratio of 1:2 before and after incorporation respectively.

13. (a) Ganesh Insurance Co. Ltd. has furnished the following information for the preparation of Revenue Account for fire insurance business for the year ended 31st March, 2009.

	Rs.
Claim admitted but not paid	42,376
Commission paid	50,000
Commission or reinsurance received	12,000
Share transfer fees	12,000
Expenses of Management	5,000
Bad debts	78,000
Claims paid	2,500
P&L A/c Appropriation	15,000
Premium Received (Less Reinsurance)	10,000
Reserve for unexpired Risks	
as on 1-4-2008	5,52,000
Claims outstanding as on 1-4-2008	2,30,000
Dividend on share capital	27,000

The following further information has also to be considered.

- i) Premium Outstanding at the end of the year is Rs. 40,000.
- ii) It is the policy of the company of maintains 50% of premium towards reserve for unexpired risks.

(Or)

(b) Following in the Balance Sheet of Abi Ltd.

	Rs.		Rs.
Share Capital:		Fixed Assets	16,25,000
10% Preference Shares		Investments	3,00,000
ofRs. 100 each	3,75,000	Current Assets	2,50,000
Equity shares of			
Rs. 10 each	7,50,000		
General Reserve	4,50,000		
7% Debentures	3,50,000		
Current Liability	2,50,000		
	<hr/>		<hr/>
	21,75,000		21,75,000
	<hr/>		<hr/>

Calculate purchase consideration under Net Payments Method on the following basis:

1. The vendee Company agrees to discharge the 7% debentures at a premium of 10% by issuing 9% debentures of vendee company.
2. Preference shares are discharged at a premium of 10% by issuing 15% Preference Shares of Rs.100 each in Vendee Company.

3. For every 2 Equity shares in Abe Ltd. 3 Equity shares of Rs. 10 each in Vendee Company will be issued, in addition to cash payment of Rs.3 per Equity share in Abi Ltd.

14. (a) The Life fund of a Life Insurance Company on 31st March 2008 showed a balance of Rs.54,00,000. However, the following items were not taken into account while preparing the Revenue Account for 2007-08

	Rs.
(i) Interest and dividends accrued on investments	20,000
(ii) Income tax deducted at source on the above	6,000
(iii) Reinsurance claims recoverable	7,000
(iv) Commission due on reinsurance premium paid	10,000
(v) Bonus in reduction of premiums	3,000

Prepare the statement showing True Life Fund of Life Insurance Co. as on 31.3.08.

(Or)

- (b) On 31st March 1994 a bank held the following bills discounted by it earlier.

Date of bills 1994	Terms of bills months	Discounted @%p.a	Amount of bills Rs.
i) January 17	4	17	3,65,000
ii) February 7	3	18	7,30,000
iii) March 9	3	17.5	1,82,000

You are required to calculate the rebate on bills discounted. Also show the necessary journal entry for the rebate.

15. (a) What are the limitations of historical accounting in a period of inflation?

(Or)

- (b) State the importance of human resource accounting.

Part C

(3 × 10 = 30)

Answer any **three** questions

All questions carry equal marks

16. Explain the various conditional issues of debentures and give the journal entries at the time of issue.

17. Following are the Balance Sheets of H Ltd., and S Ltd., as at 31st March 2007.

	H Ltd	S Ltd.		H Ltd	S Ltd.
	Rs.	Rs.		Rs.	Rs.
Share Capital :			Good will	40,000	30,000
(Shares of			Fixed Asseis	3,60,000	2,20,000
Rs. 100 each)	5,00,000	2,00,000	Stock	1,00,000	90,000
General Reserve as on			Debtors	20,000	75,000
01.04.06	1,00,000	60,000	1500 shares		
P & L a/c	1,40,000	90,000	in S Ltd		-
Creditors	80,000	50,000	at cost	2,40,000	
Bills payable	-	40,000	Bank	60,000	25,000
	<hr/>	<hr/>		<hr/>	<hr/>
	8,20,000	4,40,000		8,20,000	4,40,000
	<hr/>	<hr/>		<hr/>	<hr/>

Profit and Loss Account of S Ltd., showed a balance of Rs. 50,000 on 01.04.06. A dividend of 15% was paid in December 2006 for the year 2005-06. The dividend was credited by H Ltd. to its P and L a/c. H. Ltd., acquired shares on 01.07.2006 included in the creditors of S Ltd.,

is Rs. 20,000, for goods supplied by H Ltd., The stock of S Ltd. included goods to the value of Rs. 8,000 which were supplied by H Ltd., at a profit of $33 \frac{1}{3}\%$ on cost. Prepare Consolidated Balance Sheet of H Ltd.. and S Ltd as on 31st March 2007.

18. A Co Ltd. sells its business to B Co.Ltd. as on 31st March 1998 on which date its Balance Sheet was as under:-

	Rs.		Rs.
Share Capital:		Building	2,00,000
40,000 Shares of		Machinery	2,63,000
Rs. 100 each	4,00,000	Furniture and Fittings	70,000
General Reserve	80,000	Stock	85,500
Profit and loss Account	28,000	Trade Debtors	37,500
10% Debentures	2,00,000	Cash at Bank	86,000
Trade Creditors	42,000	Underwriting	
		Commission	8,000
	—————		—————
	7,50,000		7,50,000
	—————		—————

B Co. Ltd. agreed to take over the assets except cash at bank at book values, except that furniture and fittings were valued at Rs.56,000 and to take over trade creditors. The consideration was discharged by the allotment at par of 40,000 fully paid equity shares of Rs.10 each. B. Ltd., converted 10% debentures into 2,000 fully paid 12% debentures of Rs.100 each allotted at par. A Co. Ltd., met the expenses of liquidation totaling Rs.6,000. Prepare ledger accounts of A Co. Ltd.

19. From the following details, prepare the Revenue a/c, Profit and Loss a/c and Balance Sheet of Moon Shine Insurance Co. Ltd. carrying on Marine Insurance business, for the 12 months ended 31.3.2006.

	Rs.'000		Rs.'000
Agents balance (dr.)	1,46,400	Share capital	15,00,000
Interest accrued but not due	8,200	Balance of marine fund (1.4.05)	7,60,000
Furniture & fixtures (cost Rs.12,600)	8,400	Unclaimed dividends	2,400
Stock of stationery	2,500	P & L a/c (Cr.)	2,40,000
Expenses of management	2,20,000	Sundry creditors	12,600

	Rs. '000		Rs. '000
Foreign taxes & Insurance	12,300	Due to reinsures	60,000
Outstanding premium	21,200	Premium less reinsurance	12,40,000
Donations paid	8,600	Interest & Dividends	2,40,000
Advance income tax payments	62,000	Transfer fees received	600
Sundry debtors	9,200		
Govt. of India securities	9,20,000		
Debenture of public bodies	1,80,000		
Shares in limited companies	3,60,000		
State govt. securities	8,80,000		
Claims less re insurance	10,60,000		
Commission paid	62,400		
Cash & Bank balance	94,400		

Outstanding claims on 31.3.06 were Rs. 1,40,000 thousands. Depreciation on furniture to be provided at 20% per annum.

20. Explain the methods of valuation of human resources.

M.Com. DEGREE EXAMINATION, APRIL 2011**Commerce****ELECTIVE : BUSINESS LEGISLATIONS**

(CBCS—2008 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

All questions carry equal marks

1. Define Pledge.
2. What is agency by holding out?
3. Define a void agreement.
4. What is an implied contract?
5. Define a warranty.
6. Write a note on quantum merit.
7. Who is a bailee.

8. Explain consumer protection council.
9. Define a private company.
10. Define corporate veil.

Part B

(5 × 5 = 25)

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

All questions carry equal marks

11. (a) State the legal rules relating to a valid offer

(Or)

- (b) “A contract without consideration is void”. Explain

12. (a) Differentiate between a contract of insurance and a wager.

(Or)

- (b) Explain the rights of a surety in a contract of guarantee.

13. (a) What are the requisites of bailment?

(Or)

(b) Distinguish sale from agreement to sell.

14. (a) State the rights of consumer protection councils.

(Or)

(b) Explain with examples the different kinds of consumer disputer.

15. (a) Explain the exceptions to doctrine of indoor management.

(Or)

(b) Explain the kinds of board meeting.

Part C

(3 × 10 = 30)

Answer any **three** questions

All questions carry equal marks

16. Discuss the different types of termination of agency.

17. Discuss the rights and duties of bailee in a contract of bailment.
18. State the provisions of the sales of goods act in respect of delivery of goods.
19. Explain the role of redressal forums regarding redressal fo complaints.
20. Explain the important clauses of memorandum of association.

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