

**M.Com. DEGREE EXAMINATION, APRIL 2010****Fourth Semester****Commerce****Elective-INDIRECT TAXES****(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** the questions.

1. Define 'sale' under CST Act 1956.
2. Who is a dealer ?
3. What is taxable turnover under TNGST Act ?
4. What do you mean by VAT ?
5. Define Service tax.
6. Why is Service tax charged ?
7. What is 'Excise Duty' ?



14. (a) What are the merits of advalorem duty ?

*Or*

(b) Explain the concept of goods under Excise Duty Act.

15. (a) Describe the objectives of Customs Duty Act.

*Or*

(b) What are the reasons for prohibiting imports under Customs Duty Act ?

**Part - C**

(3 × 10 = 30)

Answer any **Three** questions.

16. Explain the procedure for Levy and Collection of Sales Tax.

17. What are the merits and demerits of VAT ?

18. Discuss the background and procedures to be followed in Service Tax Act 1994.

19. What is CENVAT scheme ? Differentiate between MODVAT and CENVAT.

20. Narrate the different types of Customs Import Duties.

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**M.Com. DEGREE EXAMINATION, APRIL 2010**

**First Semester**

**Commerce**

**ADVANCED CORPORATE ACCOUNTING**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **all** the Questions

1. Define Equity Share.
2. What do you mean by Underwriting ?
3. How is time ratio calculated ?
4. What is meant by proposed dividend ?
5. Give the meaning of 'Amalgamation by Purchase'.
6. Write a note on 'Internal Reconstruction'.
7. Explain the meaning of 'Contributory'.

8. Who is a Liquidator ?
9. Explain 'Intrinsic value of share'.
10. How do you ascertain 'Super Profit' ?

**Part - B**

(5 × 5 = 25)

Answer **all** the Questions

Choosing (a) or (b)

- 11 a. When can shares be forfeited ? Can forfeited shares be reissued at discount ?

(Or)

- b. A Ltd issued a prospectus inviting applications for 40,000 equity shares of Rs. 100 each. The whole issue was fully underwritten by three underwriters as follows :

Mani = 20,000 Shares; Pandian = 14,000 Shares; Ganesh = 6,000 Shares; Applications were received for 32,000 shares of which marked applications were as follows; Mani = 15,200 Shares; Pandian = 8,080 Shares; Ganesh = 6,720 Shares. State how the liability of the underwriters is Computed.

- 12 a. What is managerial remuneration ? Explain.

(Or)

- b. 'AM Private Ltd. was incorporated on 1-7-2008 to take over the business carried on by 'SR' & Co. as a going concern with effect from 1-4-2008. The following is the profit and Loss account for the year ended 31-3-2009 of 'AM' Private Ltd.

	Rs.		Rs.
To Administrative Expn.	1,80,000	By Gross Profit b/d	7,50,000
To Director's fees	30,000		
To selling expenses	3,60,000		
To Audit fee	10,000		
To Preliminary expn.	30,000		
To Net Profit	1,40,000		
	7,50,000		7,50,000

Sales Rs. 30,00,000 (upto 30-6-2008 Rs. 10,00,000) you are required to prepare a statement showing the profit earned prior to and after incorporation.

- 13 a. Distinguish between Merger method and purchase method of Accounting for Amalgamation.

(Or)

- b. The following is the Balance Sheet of Weak Co. Ltd. as on 31<sup>st</sup> March 2009.

Liabilities	Rs.	Assets	Rs.
1,00,000 Equity shares of		Land	1,00,000
Rs. 10 each	10,00,000	Plant & Machinery	2,30,000
Sundry Creditors	1,73,000	Furniture & Fittings	68,000
		Stock	1,50,000
		Debtors	70,000
		Cash at Bank	5,000
		Profit & Loss A/c	5,50,000
	11,73,000		1,17,30,000

The approval of the court was obtained for the following scheme of reduction of capital.

- a) The equity shares to be reduced to Rs. 4 per share.
- b) Plant and Machinery to be written down to Rs. 1,50,000.
- c) Stock to be revalued at Rs. 1,40,000
- d) The provision on debtors for doubtful debts to be created Rs. 2,000
- e) Land to be revalued at Rs. 1,42,000.

Pass journal entries to give effect to the above arrangement.

- 14 a. Give some guidelines for calculating the remuneration due to the liquidator.

(Or)

- b. From the following details ascertain unsecured creditors to be shown in statement of affairs.

	Rs.
Creditors for Goods	80,000
Bills Payable	8,000
Loan from Bank (unsecured)	20,000
Bank overdraft	6,000
Loan on security of Machinery	40,000
Estimated realisable value of Machinery	32,000
Bills Discounted	31,000 (20% expected to rank)
Contingent Liabilities	25,000 (10% expected to rank)

15 a. X Ltd has 10,000 equity shares of Rs. 10 each, Rs. 8 paid and 1,00,000 6% preference shares of Rs. 10 each fully paid. The company has a practice of transferring 20% of the profit to General reserve every year. The expected profit (based on past year's performance) before tax is Rs. 2,00,000 and the rate of tax is 50%. You are required to calculate the value of equity shares. It may be assumed that normal rate of dividend is 20%.

(Or)

b. From the following particulars, find out the value of goodwill as per Annuity method.

- a) Capital Employed Rs. 3,00,000.
- b) Normal rate of return -10%
- c) Present value of Re. 1 for 5 years at 10% at 3.78
- d) Normal profit for 5 years.

I Year           Rs. 30,000

II Year           Rs. 32,000

III Year          Rs. 34,000

IV Year          Rs. 36,000

V Year           Rs. 38,000

Non-recurring income       Rs. 1,600

Non-recurring expenses     Rs. 1,000

**Part - C**

(3 × 10 = 30)

Answer any **three** Questions

16. Explain the 'sinking fund method' of redeeming debentures in detail.

17. Discuss the different methods of valuing equity shares.

18. From the year - metioned Trial Balance of R Ltd. Prepare a Trading and Profit and Loss account for the year ended December 31, 2008 and the balance sheet as at that date.

	Rs.		Rs.
Opening Stock	30,000	Equity share capital	1,00,000
Rent and Taxes	6,000	(1,000 shares of Rs. 100 each)	
Purchases	60,900	5% Debentures	25,000
Wages	55,200	Sales	1,75,000
Discount	1,500	Creditors	8,000
Fuel	2,570	Bank Overdraft	12,000
Building	70,000	Discount	2,200
Carriage in	1,175	Transfer Fee	100
Sundry Debtors	20,000	Returns outward	100
Goodwill	28,000		
Plant & Machinery	25,000		
Loose Tools	6,000		
Advertisement	3,000		
General Expenses	4,400		
Bad Debts	1,030		
Debenture interest	625		
(Half year upto 30-6-2008)			
Miscellaneous expenses	3,000		
Insurance	1,000		
Cash and Bank Bal	3,000		
	<u>3,22,400</u>		<u>3,22,400</u>

- a) The Authorised Capital of the company is Rs. 2,00,000.
- b) Stock on December 31, 2008 is Rs. 35,000.
- c) Depreciate plant and Machinery at 9% and revalue loose tools at Rs. 4,100.
- d) Allow  $2\frac{1}{2}\%$  discount on debtors and 2% as bad debts reserve.

19. Following is the Balance Sheet of X Ltd. on 31-3-2009

Liabilities	Rs.	Assets	Rs.
Share Capital		Land & Buildings	10,00,000
2,00,000 Shares of		Plant & Machinery	15,00,000
Rs. 10 each	20,00,000	Furniture	25,000
General Reserve	2,50,000	Stock	6,00,000
Dividend Equilisation		Work-in Progress	3,00,000
Reserve	2,00,000	Sundry Debtors	2,50,000
P&L A/c	51,000	Cash at Bank	1,26,000
12% Debentures	10,00,000		
Sundry Creditors	3,00,000		
	38,01,000		38,01,000

The company was absorbed by A Ltd. on the above date. The consideration of the absorption is the discharge of the debentures at a premium of 5% taking over the liability in respect of the sundry creditors and a payment of Rs. 7 in cash and one share of Rs. 5 in A Ltd. at the market value of Rs. 8 per share for every share in X Ltd. The cost of liquidation of Rs. 15,000 is to be met by the purchasing company.

Close the books of X Ltd. and Pass journal entries in the books of A Ltd.

20. The Balance sheet of a company for the year ending 31-3-2009 is given below.

Liabilities	Rs.	Assets.	Rs.
2,500 6% pref. Shares		Land & Building	1,25,000
of Rs. 100 each	2,50,000	Machinery	3,12,500
1,250 Eq. Shares of		Stock	1,18,750
Rs. 100 each	93,750	Debtors	1,37,500
Rs. 75		Bank	37,500
per share paid up.		Profit & Loss A/c	1,50,000
3,750 Eq. Shares of			
Rs. 100 each			
Rs. 60			
per share paid up	2,25,000		
5% Debentures	1,25,000		
Outstanding Interest	6,250		
Creditors	1,81,250		
	<u>8,81,250</u>		<u>8,81,250</u>

- Liquidator's commission is at 3% on all assets realised except cash and 2% on amount paid to unsecured creditors.
- Creditors include Rs. 62,500 secured by Land and Building and preferential creditors Rs. 7,500.
- Assets realised; Land and Building Rs. 1,50,000; Machinery Rs. 2,50,000; Stock Rs. 1,12,500; Debtors Rs. 1,00,000.

Liquidator's expenses amounted to Rs. 15,000. Prepare Liquidator's Final statement of Accounts.

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**M.Com. DEGREE EXAMINATION, APRIL 2010**

**First Semester**

**Commerce**

**MARKETING MANAGEMENT**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **all** Questions

1. State any two definitions of the term market.
2. What do you mean by Modern Marketing Concept ?
3. Give any two reasons for the need of Marketing Management.
4. What is meant by Marketing Mix ?
5. Define the term Buyer Behaviour.
6. What is Market Segmentation ?
7. What is a distribution channel ?
8. What is personal selling ?
9. State any two differences between International Marketing and Domestic Marketing.
10. What are the special features of Rural Marketing ?

**Part - B**

(5 × 5 = 25)

Answer **all** Questions, choosing either 'a' or 'b'

11 a. What are the functions of Marketing Management ?

(Or)

b. What are the differences between Selling Concept and Marketing Concept ?

12 a. What are the various internal and external environmental factors affecting marketing ?

(Or)

b. How does marketing information system differ from Marketing Research ?

13 a. Explain the concept of product life cycle.

(Or)

b. What is product positioning ? What are its components ?

14 a. How will you select a distribution channel for your product ?

(Or)

b. What are the objectives of Advertisement ?

15 a. What are the reasons for marketing the products internationally ?

(Or)

b. What strategies do you recommend for the development of Rural Markets in India ?

**Part - C**

(3 × 10 = 30)

Answer any **three** Questions

16. Discuss the expanding scope of marketing.
17. Explain the different stages in the Marketing Research.
18. What are the factors influencing the buyer Behaviour ?
19. What is a New Product ? Explain the pricing strategies to be followed in the different phases of product Life Cycle.
20. Discuss the challenges faced by the International Marketers in the present scenario and suggest ways to meet such challenges.

**M.Com. DEGREE EXAMINATION, APRIL 2010**

**Second Semester**

**Commerce**

**ADVANCED COST ACCOUNTING**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **all** the Questions

All questions carry equal marks

1. What is Cost Control ?
2. State the meaning of 'Spoilage'.
3. What do you understand by 'Equivalent Production' ?
4. State two merits of Activity Based Costing.
5. State the objectives of Responsibility Accounting.
6. What is value analysis ?
7. State any two causes of Labour Cost variance.
8. What is a Calendar variance ?

9. Mention the qualifications of a cost Auditor.
10. State any two rights of a Cost Auditor.

**Part - B**

(5 × 5 = 25)

Answer **all** the Questions  
All questions carry equal marks

- 11a. Explain the objective of Management Information System.

(Or)

- b. What is cost reduction ? Discuss its advantages.

- 12a. In process No. 1, 2000 units were introduced during a particular month. The normal loss was estimated at 5% of input. At the end of the month 460 units were incomplete. The stage of completion is as follows :

Material	75% complete
Labour	50% complete
Overhead	50% complete

Calculate the Equipment production.

(Or)

- b. The output from process X totalled 2500 units. Abnormal loss was 200 units. Normal loss allowed was 10% other information is given below.

Material	Rs. 5 p.u
Labour	Rs. 4000
Overhead	Rs. 3350
Wastage realised	Rs. 2.30 p.u

Prepare process Account and Abnormal loss a/c.

- 13a. ABC Ltd. Operates a number of division located in different regions. Decision A incurred losses in the first half of the current year. Relevant revenue and cost data are as follows :

	Rs.
Sales Revenue	6,50,000
Controllable Variable Costs	3,50,000
Controllable fixed costs	2,00,000
Attributable segment costs	50,000
Common firm wide costs allocated to Division A	60,000
Loss	(10,000)

Prepare a performance evaluation report of division A.

(Or)

- b. Discuss the techniques of value analysis.

- 14a. From the following data, calculate labour variances.

Standard time p.u.	=	2.5 hours
Actual hours	=	2000
Standard wage rate per hour	=	Rs. 2
Actual Output	=	1000 units
Actual wage	=	Rs. 4500

20% of the time has lost due to machinery break down.

(Or)

- b. The standard quantity and standard price of raw material required for one unit of product A are given below :

	Quantity	Standard Price
Material X	2kgs	Rs. 3 per kg
Material Y	4kgs	Rs. 2 per kg

The actual production and relevant data are as follows :

Output 500 units of Product A

Material	Total Quantity for 500 units	Total Cost Rs.
X	1200 kg	3900
Y	1800 kg	4500

Calculate material variances.

- 15a. Discuss the various types of Cost Audit.

(Or)

- b. Explain the objectives of Cost Audit.

**Part - C**

(3 × 10 = 30)

Answer any **three** Questions

All questions carry equal marks

16. Explain the steps to be taken for the installation of a costing system.

17. The following information relates of Process I and Process II.

	Process I	Process II
	Rs.	Rs.
Materials	20,000	-
Wages	20,000	28,000
Overheads	8,000	20,000

The output of process I is transferred to process II at a price fixed to yield a profit of 20% on the transfer price. The output of Process II is transferred to the sales department at a profit of 25% on the transfer price. The entire output was **fold for** Rs. 2,04,000 by the sales department.

Prepare Process Accounts

Calculate the total profit assuming that there was no opening or closing stock.

18. Royal Ltd has two divisions. Division A manufactures product K and sells it in an outside market as well as Division B.

Division A has been selling 40,000 units to out siders and 10,000 units to division B at a price of Rs. 20 p.u. The outside demand is not expected to change.

The variable cost of manufacturing product 'K' is Rs. 12 p.u. and the fixed costs are Rs. 2,00,000.

The manager of division B wanted the transfer price to be reduced to Rs. 18.

If division A doesnot sell to division B, fixed cost of Rs. 30,000 and investment of Rs. 1,75,000 would be avoided.

Prepared a comparative statement of profit of Division A if

- The transfer price is Rs. 20
- The transfer price is reduced to Rs. 18
- Product K is not sold to division B.

Also calculate the SROI in each case.

19.

	Budgeted	Actual (August 2008)
No. of working days	25	27
Production in units	20,000	22,000
Fixed overheads	30,000	31,000

Budgeted overhead rate is Re. 1 per hour  
 In August 2008, the actual hours worked were 31,500.  
 Calculate overhead variances.

30. What is cost Audit ? Explain the advantages of Cost Audit.

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**M.Com. DEGREE EXAMINATION, APRIL 2010****First Semester****Commerce****Elective - SERVICES MARKETING****(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Section - A**

(10 × 2 = 20)

Answer **all** Questions

1. State any two characteristic features of service.
2. What do you mean by Intangibility ?
3. Mention any two differences between pricing tactics and strategies.
4. What is service marketing ?
5. Mention the various sources of predicting demand for a commodity.
6. What is integrated service system?
7. What is Total quality management ?
8. What do you mean by quality control ?
9. What is tourism service ?
10. State any two features of tourism services.

**Section - B**

(5 × 5 = 25)

Answer **all** Questions, choosing either 'a' or 'b'

11 a. State the reasons for growth of Service Organisation.

(Or)

b. "The Services Marketing is considered as a distinctive area of study of marketing" - Discuss.

12 a. Explain "Product decision in service sector".

(Or)

b. Explain the objectives of pricing.

13 a. What are the reasons for fluctuation in demand ?

(Or)

b. State the objectives of internal marketing.

14 a. Explain the dimensions of service quality.

(Or)

b. What are the causes for service quality problems ?

15 a. Explain the marketing mix of health services.

(Or)

b. State the need for marketing in Educational Services.

**Section - C**

(3 × 10 = 30)

Answer any **three** Questions

16. Explain the unique features of service marketing.
17. Discuss in detail the P's used in Service Organisation.
18. Distinguish between external and internal orientation of service strategy.
19. Discuss the modes of delivery of quality service.
20. Bring out the need for marketing in financial services.

**M.Com. DEGREE EXAMINATION, APRIL 2010****First Semester****Commerce****Elective : RETAIL MARKETING****(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A****(10 × 2 = 20)**Answer **all** Questions

1. What is Retailing ?
2. Define the term consumer behaviour.
3. State the meaning of retail pricing.
4. What is meant by service ?
5. Give the meaning of merchandise management.
6. What is retail marketing ?
7. Define Information Technology.
8. Mention any two areas of retail marketing where I.T. is applied.
9. What is meant by international retail structure ?
10. State the motives of internationalisation.

**Part - B**

(5 × 5 = 25)

Answer **all** Questions, choosing either 'a' or 'b'

11 a. What are the factors influencing retail environment ?

(Or)

b. Briefly explain the need for consumer behaviour in retailing.

12 a. How is quality managed in retailing ?

(Or)

b. What are the objectives of retail pricing ?

13 a. Bring out the salient features of retail logistics.

(Or)

b. State the components of retail promotion.

14 a. What are the distinctive features of electronic retailing ?

(Or)

b. State the drawbacks of IT in retailing.

15 a. Mention the motives of internationalisation.

(Or)

b. Explain the subject matter of international retailing.

**Part - C**

(3 × 10 = 30)

Answer any **three** Questions

16. “Retailing is an innovative aspect of modern day marketing” - Discuss.
17. How is management of service in retailing undertaken ? Explain.
18. Explain in detail the scope of merchandise management.
19. What are the various applications of information technology in retail marketing ?
20. Why is internationalisation necessary ? Give your own views.

**M.Com DEGREE EXAMINATION, APRIL 2010****II Semester****COMMERCE****RESEARCH METHODOLOGY****(CBCS - 2008 Onwards)**

Duration : 3 Hours

Maximum : 75 marks

**Part -A**

(10 x 2 = 20)

Answer ALL Questions

1. What is meant by Business research?
2. Explain the meaning of Conceptual research.
3. What is a research problem?
4. Define 'Hypothesis'.
5. Explain 'Sampling process'.
6. Write the meaning of Primary data.
7. What is meant by 'Measurement'?
8. Define Coding.
9. What do you mean by Interpretation?
10. Write a note on Bibliography.

**Part-B**

(5 x 5 = 25)

Answer ALL Questions choosing (a) or (b)

11. a. What are the qualities of a good researcher?

(OR)

b. Enumerate the various steps in the research process.

12. a. State the principal considerations guiding the selection of a problem for business research.

(OR)

b. Define 'Research Design'. What are its types?

13. a. In determining sample size, what factors must an analyst consider?

(OR)

b. Explain the guiding considerations in the construction of Questionnaire.

14. a. How will you construct a 'Thurstone scale'?

(OR)

b. What is Pre Testing? State its advantages.

15. a. List out the various precautions in Interpretation.

(OR)

b. Explain the significance of 'Footnotes' in the business research.

**Part-C**

(3 x 10 = 30)

Answer any THREE Questions

16. Discuss the scope of business research.
17. State and explain the various types of hypothesis.
18. Assess the importance of observation as technique of data collection.
19. What do you mean by Tabulation? What are its various types?
20. Discuss the different types of research report.

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**M.Com DEGREE EXAMINATION, APRIL 2010****II Semester****COMMERCE****INVESTMENT MANAGEMENT****(CBCS - 2008 Onwards)**

Duration : 3 Hours

Maximum : 75 marks

**Part - A**

(10 x 2 = 20)

Answer ALL the Questions

1. Define the term investment.
2. What is Secondary market?
3. What is Risk?
4. What are the elements in return?
5. What do you understand by Dow theory?
6. What are Joint Bonds?
7. What do you mean by diversification of portfolio?
8. Define lag.
9. What are portfolios?
10. Write note on-naked option.

**Part-B**

(5 x 5 = 25)

Answer ALL the Questions

11. a. Mention the various forms of investment alternatives.

(OR)

b. Classify the brokers in a stock exchange.

12. a. Why is return an important consideration for investment?

(OR)

b. Explain the various elements of return.

13. a. What are the assumptions of fundamental analysis?

(OR)

b. Explain the meaning of Blue chip shares.

14. a. Distinguish between Security analysis and Portfolio analysis.

(OR)

b. What are the policies usually followed in portfolio management?

15. a. Explain the factors determining the value of options.

(OR)

b. Write short notes on :

- i. Forward contracts
- ii. Strike price

**Part-C**

(3 x 10 = 30)

Answer any THREE Questions

16. Explain the term 'New issue market'. How does it differ from the secondary market?
17. In what way the relationship of risk and return can be established?
18. Write short notes on:
  - i. P/E ratio
  - ii. Cootner's Hypothesis
19. Make an outline on the need and types of Mutual funds in India.
20. Explain the uses of futures contracts.

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**M.Com. DEGREE EXAMINATION, APRIL 2010**

**Second Semester**

**Commerce**

**MANAGEMENT ACCOUNTING**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** Questions

1. Define Management Accounting.
2. State any two demerits of 'Management Accounting' ?
3. What do you mean by 'ZBB' ?
4. How is Production budget prepared ?
5. What are Trend Percentages ?
6. Write the formula for 'Inventory Turnover ratio' ?
7. Write the significance of P/V ratio.
8. Mention any two features of Marginal Costing.
9. Pointout any four sources of fund.
10. Explain the meaning of 'Funds From Operation'.

**Part - B**

(5 × 5 = 25)

Answer **All** questions. Chosing (a) or (b)

11. a. Explain the scope of Management Accounting.

(Or)

- b. Enumerate the functions of Management Accountant.

12. a. A manufacturing Company submits the following figures of Product 'X' for the first quarter of 2008.

Sales (in units)

January 50,000

February 40,000

March 60,000

Selling price per unit Rs. 100/-

Target of First quarter 2009;

Sales units increase by 20%

Selling price increase by 10%

Prepare the Sales Budget.

(Or)

- b. Write the following data for 60% activity, prepare a budget for 80% activity.

Materials Rs. 10 per unit

Wages Rs. 6 per unit

Factory overhead Rs. 6000 (20% Fixed)

Administration overhead Rs. 2400 (10% variable)

Assume that production at 60% activity is 240 units.

13. a. Following the Profit and Loss A/c of X Ltd for the year ended 31-03-2008 and 31-03-2009. You are required to prepare comparative income statement.

Profit and Loss A/c					
	2007-08	2008-09		2007-08	2008-09
	Rs.	Rs.		Rs.	Rs.
To cost of goods sold	300	375	By Net Sales	400	500
Operating Expenses :					
Administration	10	10			
Selling	15	20			
Net Profit	75	95			
	<u>400</u>	<u>500</u>		<u>400</u>	<u>500</u>

(Or)

- b. A trader purchases goods both on Cash and Credit terms. The following particulars are obtained from the books :

	<u>Rs.</u>
Total Purchases	200000
Cash Purchases	20000
Purchases returns	34000
Creditors at the end	70000
Bills payable at the end	40000

you are required to calculate :

- i) Creditors Turnover ratio.
  - ii) Average payment period.
14. a. What are the advantages of CVP analysis ?
- (Or)
- b. From the following data calculate :
- i) P/V ratio
  - ii) Profit when sales are Rs. 20000.
  - iii) New BEP is selling price is reduced by 20%  
Fixed expenses Rs. 4000  
Break Even sales Rs. 10000

15. a. Write a note on 'International Accounting Standard'.

(Or)

b. Calculate Cash from business operations from the following Profit and Loss A/c.

	Rs.		Rs.
To Expenses Paid	300000	By Gross Profit b/d	450000
To Depreciation	70000	By Profit on sale of land	50000
To Loss on sales of machine	4000	By Dividends	4000
To discount	200	By Interest on Investments	6000
To Goodwill	20000		
To Net Profit	115800		
	<u>510000</u>		<u>510000</u>

**Part - C**

(3 × 10 = 30)

Answer any **Three** questions

16. State and explain the differences between 'Management Accounting and Financial Accounting'.
17. Discuss the different ways of classifying ratios and their respective purposes.
18. 'S' Ltd Wishes to arrange overdraft facilities with its bankers during the period April to June 2009 when it will be manufacturing mostly for stock. Prepare a cash budget for the above period from the following data, indicating the extent of the bank facilities the company will require at the end of each month :

	Credit Sales	Purchases	Wages
	Rs.	Rs.	Rs.
February 2009	180000	124800	12000
March 2009	192000	144000	14000
April 2009	108000	243000	11000
May 2009	174000	246000	10000
June 2009	126000	268000	15000

50% of credit sales are realised in the month following the sales and the remaining 50% in the second month following.

Creditors are paid in the month following the month of Purchase.

Wages are paid in the next month.

Cash at Bank on 1-4-2009 (estimated). Rs. 25,000.

19. A Company shows the following results for two periods.

Period	Sales	Profit
	Rs.	Rs.
I	20000	1000
II	10000	400

Calculate (i) PV ratio (ii) Fixed cost. (iii) BEP (iv) Profit when sales are Rs. 30,000.

20. Prepare cash flow statement from the following balancesheets and additional information of Mr.X

**BALANCE SHEET**

Liabilities	2007-08	2008-09	Assets	2007-08	2008-09
	Rs.	Rs.		Rs.	Rs.
Capital	80000	41000	Land and Building	70000	100000
Loan from SFC	-	30000	Plant and Machinery	35000	20000
Bank overdraft	60000	96000	Inventory	40000	58000
Creditors	42000	60000	Debtors	30000	40000
Expenses due	8000	130000	Cash	15000	22000
	<u>190000</u>	<u>240000</u>		<u>190000</u>	<u>240000</u>

Additional data :-

- i) During the year 2008-09, Mr. X sold a machine costing Rs. 11,000 (accumulated depreciation thereon Rs. 3,000) for Rs. 4000. The accumulated depreciation on Plant and Machinery was Rs. 8000 on 31-3-2008 and Rs. 12000 on 31-3-2009.
- ii) Profit and Loss showed a net loss of Rs. 24000 for the year 2008-2009.

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**M.Com DEGREE EXAMINATION, APRIL 2010****II Semester****COMMERCE****FINANCIAL MARKETS AND SERVICES****(CBCS - 2008 Onwards)**

Duration : 3 Hours

Maximum : 75 marks

**Part - A**

(10 x 2 = 20)

Answer ALL Questions

1. What are financial services?
2. State any two functions of the financial system.
3. Mention any two defects on Indian Money Market.
4. What is a Discount Market?
5. Give the meaning of the term 'Screen Based Trading'.
6. What is a New Issue market?
7. Who is a Merchant Banker?
8. What is Mutual Fund?
9. What is forfeiting?
10. Who is a Depository?

**Part-B**

(5 x 5 = 25)

Answer ALL Questions

11. a. How will you classify financial markets? What are the functions of financial markets?

(OR)

- b. Explain the significance of financial services.

12. a. What are the constituents of money market in India?

(OR)

- b. What are the differences between money market and financial market?

13. a. What is Listing of shares? What are its advantages?

(OR)

- b. What is D-mat? What are its advantages?

14. a. What is open ended and closed ended schemes of Mutual fund? How do they differ?

(OR)

- b. What are the different types of Venture capital funds available in India?

15. a. Explain any five types of factoring.

(OR)

b. What are the functions of Depositories?

**Part-C**

(3 x 10 = 30)

Answer any THREE Questions

16. Explain the structure of the Indian Financial System.

17. What are the characteristics of a developed money market?

18. How On Line Trading has become advantageous to Investors?  
What are the risks involved in it?

19. Discuss the various services rendered by the Merchant bankers.

20. Explain the meaning and importance of Securitization.

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**M.Com DEGREE EXAMINATION, APRIL 2010****II Semester****COMMERCE****ELECTIVE - HUMAN RESOURCE MANAGEMENT****(CBCS - 2008 Onwards)**

Duration : 3 Hours

Maximum : 75 marks

**Part - A**

(10 x 2 = 20)

Answer ALL Questions

1. Define Human Resource management.
2. State any two features of HRM.
3. What is Job analysis?
4. Mention the objectives of Human Resource Planning.
5. Write a note on aptitude test.
6. Why is medical examination of a candidate necessary?
7. What is meant by case study?
8. What does training mean?
9. Differentiate between wages and salary.
10. Give examples for non-monetary incentives.

**Part-B**

(5 x 5 = 25)

Answer ALL Questions

11. a. Distinguish human resource management from personnel management.

(OR)

- b. Explain the qualities of HR manager.

12. a. State the objectives of job analysis.

(OR)

- b. Explain the characteristics of manpower planning.

13. a. Briefly explain different types of interviews.

(OR)

- b. Explain the terms:

- i. Promotion
- ii. Demotion

14. a. What are the merits and demerits of on-the-job training?

(OR)

- b. Explain the need for training.

15. a. Write on the circumstances that normally lead to employee transfer.

(OR)

- b. Why do pay differences arise?

**Part-C**

(3 x 10 = 30)

Answer any THREE Questions

16. Discuss the various functions of HRM.
17. What are the limitations of HR planning? Suggest remedies.
18. Explain the pros and cons of 'seniority' and 'merit' criteria of promotion.
19. Discuss the importance of training.
20. What are 'Fringe benefits'? Explain its importance.

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**M.Com DEGREE EXAMINATION, APRIL 2010****II Semester****COMMERCE****ELECTIVE - LABOUR LEGISLATION****(CBCS - 2008 Onwards)**

Duration : 3 Hours

Maximum : 75 marks

**Part -A**

(10 x 2 = 20)

Answer ALL the Questions

1. Define the term adolescent.
2. Who is Inspector under Factories Act?
3. List out any four injuries covered under partial disablement.
4. Define the term Total disablement.
5. What is Appropriate Government?
6. State any two powers of Inspectors under minimum wages Act?
7. Explain the term Registered Trade Union.
8. Define the term Registered Office.
9. Define - Apprenticeship council.
10. Who is an Apprenticeship Advisor?

**Part-B**

(5 x 5 = 25)

Answer ALL the Questions

11. a. What are the duties of Inspectors?

(OR)

b. Write short notes on Competent person.

12. a. State the rules regarding the notice of accident.

(OR)

b. Explain the term Employer under Workmen's Compensation Act.

13. a. What are the provisions relating to the composition of Advisory Board?

(OR)

b. What are the safeguard in payment of minimum wages?

14. a. Explain the legal status of a registered Trade Union.

(OR)

b. What are the disqualifications of the office bearers of Trade Union?

15. a. What is the scope of the apprentices Act 1969?

(OR)

b. State the obligations of Employers.

Answer any THREE Questions

16. Discuss the provisions of the Factories Act, 1948 with regard to safety of the workers.
17. State the rule regarding penalty Forde Fault in payment of compensation in Time.
18. Explain the procedure for fixing and revising minimum wages.
19. What are the privileges of a registered Trade Union? Explain.
20. What are the provisions of Apprentices and Employees under a contract of Apprenticeship?

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**M.Com. DEGREE EXAMINATION, APRIL 2010**

**Third Semester**

**Commerce**

**MANAGERIAL ECONOMICS**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** the questions.

1. What is decision making ?
2. Define probability.
3. State the meaning of demand forecasting.
4. State any two statistical tools employed in demand forecasting.
5. Give the meaning of linear homogeneous production function.
6. What is Contribution ?
7. Define pricing.

8. What is meant by monopoly ?
9. Give the meaning of gross profit.
10. What is profit forecasting ?

**Part - B**

(5 × 5 = 25)

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

11. (a) Distinguish between risk and uncertainty.

*Or*

- (b) Explain the nature of managerial economics.

12. (a) State and explain the law of demand with illustration.

*Or*

- (b) Distinguish between Consumer goods and Capital goods.

13. (a) What are the assumptions of input output analysis ?

*Or*

(b) Discuss the nature of short run average cost curve.

14. (a) What are the degrees of price discrimination ?

*Or*

(b) Explain the monopolies restrictive agreements.

15. (a) How would you measure profit ? Explain.

*Or*

(b) Explain briefly the techniques of profit forecasting.

**Part - C**

(3 × 10 = 30)

Answer any **Three** questions.

16. “Managerial Economics is an integration of economic concepts with a business purpose”—Explain this statement.
  
17. Describe the methods of demand forecasting for existing goods.
  
18. Explain break even analysis. What are its managerial applications ?
  
19. How are pricing and output decisions made under perfect competition ? Explain.
  
20. What is profit planning ? Explain its significance.

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**M.Com. DEGREE EXAMINATION, APRIL 2010**

**Third Semester**

**Commerce**

**ADVANCED BUSINESS STATISTICS**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** the questions.

1. Point out two functions of statistics in the field of business and commerce.
2. Define Secondary data.
3. What is multiple correlation ?
4. What is meant by multi-variate analysis ?
5. Explain the term Chisquare test.
6. Distinguish between Large sample and Small sample.

7. What is Normal distribution ?
8. Point out any two features of binomial distribution ?
9. What is linear programming ?
10. Write any two uses of assignment models.

**Part - B**

(5 × 5 = 25)

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

11. (a) Distinguish between primary and secondary data. What precautions would you take before using secondary data ?

(Or)

- (b) You are given the following data of the number of lecturers, readers and professors in a university.

<i>Length of service</i>	<i>Lecturers</i>	<i>Readers</i>	<i>Professors</i>	<i>Total</i>
Less than 5 years	2000	250	50	2300
5-10 years	3000	220	80	3300
10-15 years	1500	170	30	1700
More than 15years	880	80	40	1000
Total	7380	720	200	8300

If the size of the sample is 10% of the universe, but the lecturers, readers and professors are to be in the ratio of 5:3:2 and weightage of the length of service is 15 be in the ratio of 4:3:2:1, work out how many lecturers, readers and professors would be selected from each category

12. (a) The correlation between a general intelligence test and school achievement in a group of children from 6 to 15 years old is 0.80. The correlation between the general intelligence test and age in the same groups is 0.70 and the correlation between school achievement and age is 0.60. What is the correlation between general intelligence and school achievement in children of the same age ?

(Or)

- (b) If  $r_{12} = 0.77$ ,  $r_{13} = 0.72$  and  $r_{23} = 0.52$  find the partial correlation co-efficient  $r_{123}$  and multiple correlation co-efficient  $R_{123}$ .

13. (a) In a hospital 480 female and 520 male babies were born in a week. Do these figures confirm the hypothesis that males and females are born in equal numbers ?

*(Or)*

- (b) A random sample of 27 pairs of observations from normal population gives a correlation coefficient of 0.42 is it likely that the variable in the population are uncorrelated (for  $V = 25$  to  $0.5 = 1.78$ ).
14. (a) Suppose on an average 1 house in 1000 in a certain district has a fire during a year. If there are 2000 houses in that district, what is the probability that exactly 5 houses will have a fire during the year ?

*Or*

- (b) Suppose that a manufactured product has 2 defects per unit of product inspected. Using poisson distribution, calculate the probabilities of finding a product without any defect, 3 defects and 4 defects (Given  $e^{-2} = 0.135$ ).

15. (a) Solve the following transportation problem using Vogle's approximation method :

	A	B	C	Supply
1	6	8	4	14
2	4	9	8	12
3	1	2	6	5
Demand	6	10	15	

(Or)

- (b) Solve the Assignment problem

	1	2	3	4
A	10	12	19	11
B	5	10	7	8
C	12	14	13	11
D	8	15	11	9

**Part - C**

(3 × 10 = 30)

Answer any **Three** questions.

16. Distinguish between the census and sampling methods of collection of data and compare merits and demerits. Why is sampling method unavoidable in certain situations ?

17. Calculate : (a)  $R_{123}$ . (b)  $R_{312}$  (c)  $R_{213}$  for the following data.

$$\begin{array}{lll} \bar{X}_1 = 6.8 & \bar{X}_2 = 7.0 & \bar{X}_3 = 74 \\ S_1 = 1.0 & S_2 = 0.8 & S_3 = 9 \\ r_{12} = 0.6 & r_{13} = 0.7 & r_{23} = 0.65 \end{array}$$

18. The following contingency table shows the classification of 1000 workens in a factory, according to the disciplinary action taken by the management and their promotional experience.

Disciplinary action	Promotional Experience		Total
	Promoted	Not promoted	
Offenders	30	670	700
Non-offenders	70	230	300
Total	100	900	1000

Use  $\chi^2$ - test to ascertain whether the disciplinary action taken and promotional experience are associated

$$(\text{for } V = 1 \chi^2_{0.05} = 3.64).$$

19. Calculate the frequencies of the normal distribution which was the same mean, standard deviation and total frequency as the distribution given below or the intervals 60-65, 65-70 etc.

X	60-	65-	70-	75-	80-	85-	90-	95-
f	3	21	150	335	325	135	26	4

20. Use Graphical method to solve the LPP problem.

$$Z = 5x_1 + 4x_2$$

Subject to the constraints

$$4x_1 + 5x_2 \leq 10$$

$$3x_1 + 2x_2 \leq 9$$

$$8x_1 + 3x_2 \leq 12$$

$$x_1, x_2 \geq 0$$

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**M.Com. DEGREE EXAMINATION, APRIL 2010**

**Third Semester**

**Commerce**

**INTERNATIONAL BUSINESS ENVIRONMENT**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** the questions.

1. Define globalisation.
2. State the meaning of portfolio investment.
3. Define G.D.P
4. What do you mean by technology ?
5. State the meaning of culture.
6. Mention any two types of political risks.
7. Expand : MIGA; IMF.

8. Name any two agencies involved in conflict resolution.
9. Define the term foreign exchange.
10. What is hedging ?

**Part - B**

(5 × 5 = 25)

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

11. (a) State the need for regional trade blocks.

*(Or)*

- (b) Mention the factors led to globalisation.

12. (a) Discuss the need for technology transfer.

*(Or)*

- (b) Briefly explain the trend in global GDP.

13. (a) Explain the need for political stability.

*(Or)*

(b) How would you measure political risks ?

14. (a) What is the role of negotiations in international business ?

*(Or)*

(b) Point out the problems by international agencies.

15. (a) Distinguish between spot and forward markets.

*(Or)*

(b) Briefly explain the factors influencing Forex environment of business.

**Part - C**

(3 × 10 = 30)

Answer any **Three** questions.

16. What are the merits and drawbacks of globalisation ?
  
17. Analyse the macro economic factors that influence international business.
  
18. Explain the cultural factors affecting international business.
  
19. Discuss the role and functions of world trade organisation in the global development.
  
20. Describe the methods of hedging Forex risk.

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**M.Com. DEGREE EXAMINATION, APRIL 2010****Third Semester****Commerce****COMPUTERISED ACCOUNTING****(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Section - A**

(10 × 2 = 20)

Answer **All** the questions.

1. State any four drawbacks of manual accounting system ?
2. What is Tally vault ?
3. State the sub menus of single ledger.
4. What is sales voucher ?
5. How to activate Godown in Tally software ?
6. What is the use of F12 key ?
7. What are different types of unit measures ?
8. State the sub menus of stock item.
9. How to view the service tax reports ?
10. What is outstanding management ?

**Section - B**

(5 × 5 = 25)

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

11. (a) What are the advantages of computerized accounting ?

*Or*

- (b) What are the popular accounting softwares in India ?

12. (a) Write down the procedure for alteration of company information.

*Or*

- (b) State the various button bars and menus in the gateway of Tally.

13. (a) What are the various primary groups available in Tally software ?

*Or*

- (b) Write down the procedure for single ledger creation and alteration.

14. (a) What are the various types of pure inventory vouchers ?

*Or*

(b) Discuss the various F11 features relating to taxation.

15. (a) What are the principal ratios in Tally ?

*Or*

(b) State the reports available from the gateway of Tally.

**Section - C**

(3 × 10 = 30)

Answer any **Three** questions.

16. Distinguish between Computerized accounting and Manual accounting system.

17. Describe the procedure for creation of company in Tally.

18. Enumerate the groups and ledger needed to construct the Balance Sheet and Profit and Loss account.

19. Describe the steps for enabling the payroll module and its ledgers.

20. Explain the various kinds of inventory reports in detail.

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**M.Com DEGREE EXAMINATION, APRIL 2010****Third Semester****Commerce****ELECTIVE : PORTFOLIO MANAGEMENT****(CBCS-2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Section - A**

(10 × 2 = 20)

Answer **All** Questions

1. What is meant by 'Portfolio'?
2. What is a Mutual Fund?
3. State the meaning of Portfolio goal?
4. What is Portfolio Return?
5. What is a leveraged Portfolio?
6. State the meaning of diversification.
7. What is an efficient Portfolio?
8. What is an overpriced asset?
9. What is rupee cost averaging?
10. State the meaning of bench mark.

**Section - B****(5 × 5 = 25)**Answer **All** Questions

11. (a) Explain the need for a Portfolio

(OR)

(b) Describe the different types of portfolio managers.

12. (a) Explain Systematic Risk and Unsystematic Risk.

(OR)

(b) Mr. Jitendra gives you an estimate of possible returns from a security and their probability. Calculate the expected return.

Economic Condition	Rate of Return(%)	Probability
Decline	-5	0.25
Stagnation	1	0.25
Expansion	12	0.25
Growth	20	0.25

13. (a) What is Beta? How is it calculated?

(OR)

(b) State the various constraints in portfolio construction.

14. (a) What is Security Market Line? How is it different from Capital Market Line?

(OR)

(b) Explain the Arbitrage Pricing Theory.

15. (a) Explain the problems in Portfolio revision

(OR)

(b) Explain how Sharpe's Index for portfolio evaluation is calculated.

**Section - C**

(3 × 10 = 30)

Answer any **Three** Questions

16. Discuss the functions of Portfolio Management.

17. Explain the strategies for portfolio construction

18. Explain the Markowitz model of identifying an optimal portfolio

19. Discuss the assumptions and implications of Capital Asset Pricing Model.

20. Explain the following formula plans:

a) Constant Rupee Value Plan

b) Constant Ratio Plan

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**M.Com. DEGREE EXAMINATION, APRIL 2010**

**Third Semester**

**Commerce**

**ELECTIVE - MODERN BANKING**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** Questions

1. Who are indigenous bankers ?
2. What are foreign banks ?
3. State the meaning of lender of last resort.
4. Define central banking.
5. Give the meaning of banking Ombudsman.
6. State any two customer grievances.
7. What is meant by crossing of cheque ?

8. Define negotiable instrument.
9. What is e-banking ?
10. Give the meaning of mobile banking.

**Part -B**

(5 × 5= 25)

Answer **All** Questions

11. (a) Briefly explain the functions of co-operative banks.

*(Or)*

- (b) Trace the evolution of banking system in India.

12. (a) Write briefly the administrative framework of Reserve Bank of India.

*(Or)*

- (b) Explain the scope of Banking Regulation Act, 1949.

13. (a) State the purposes of banking commission.

*(Or)*

- (b) How are customer grievances redressed ?

14. (a) What are the obligations of collecting banker ?

*(Or)*

(b) Mention the principles of bank lending.

15. (a) Discuss the utility of internet banking.

*(Or)*

(b) What are the drawbacks of telephone banking.

**Part - C**

(3 × 10 = 30)

Answer any **Three** Questions

16. Assess the role and functions of NABARD.

17. Describe the functions of Reserve Bank of India.

18. Discuss in detail the banking sector reforms in the globalised era.

19. Explain the different kinds of endorsement with illustration.

20. Critically examine Indian Financial Network

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**M.Com. DEGREE EXAMINATION, APRIL 2010****Commerce****SPECIAL ACCOUNTING****(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** the questions.

1. Define Holding company.
2. What is unrealised profit ?
3. Explain the meaning of Interest Suspense account.
4. Write a note on 'Non-Banking Assets'
5. What is valuation Balance Sheet ?
6. Explain the meaning of surrender value.
7. How do you calculate clear profit ?
8. What is meant by Double Account system ?

9. State any two principles of Government Accounting.

10. What is Back-log depreciation ?

**Part - B**

(5 × 5 = 25)

Answer **All** the questions.

11. (a) On 30.6.09, 2/3rd of the shares of 'S' Ltd ( with a total capital of Rs.12,00,000) were acquired by H Ltd. The Balance Sheet of 'S' Ltd. showed a debit balance of Rs.6,00,000. On 1.1.09 and a credit balance of Rs.3,60,000 on 31.12.09. The investment made by 'H' in 'S' Ltd shares is Rs.9,00,000. Calculate the cost of control or Goodwill.

(Or)

(b) Consolidate the following Balance Sheets :—

	H	S		H	S
Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital Rs.1	1,400	1,000	900 shares in	1200	-
shares					
Creditors	-	500	S at cost		
P&L A/c	-	300	Sundry assets	200	1800
	<hr/>	<hr/>		<hr/>	<hr/>
	1,400	1,800		1400	1800
	<hr/>	<hr/>		<hr/>	<hr/>

When H Ltd., acquired the Shares in S Ltd.the Profit and Loss account of the latter had a credit balance of Rs. 200.

12. (a) On 31st Dec. 2009, P Bank Ltd. has the following Bills :—

Date 2009	Amount Rs.	Term in months	Discounting @% P.A
Nov.11	50,000	4	6
Nov.16	60,000	3	5
Nov.7	40,000	4	5.5

Calculate the rebate on bills discounted and give necessary Journal entry assuming accounts are closed on the date.

(Or)

- (b) From the following information, find out the amount of provision to be shown in the Profit and Loss Account of a Commercial Bank.

Assets :	Rs. in.Lakhs.
Standard	8000
Sub standard	6000

Doubtful :

For one year	1000
For three years	1600
For more than 3 years	400
Loss Assets	1200

13. (a) A Life Assurance Company prepared its Revenue account for the year ended 31.3.2008 and ascertained its Life Assurance fund to be Rs.28,35,000. It was found later that the following had been omitted from the accounts.
- (i) Interest accrued on investments Rs.39,000.  
Income tax liable to be deducted thereon is estimated to be Rs. 10,500.
  - (ii) Outstanding premiums Rs.32,800
  - (iii) Bonus utilised for reduction of premium Rs. 6,750
  - (iv) Claims intimated but not admitted Rs. 17,400
  - (v) Claims covered under reinsurance Rs. 6,500

What is the true Life Assurance fund ?

*(Or)*

- (b) From the following figures appearing in the books of Fire Insurance division of a General Insurance Company, show the amount of claim as it would appear in revenue account by preparing schedule 2, claims incurred.



(b) The PG Gas Co. rebuilt and reequipped part of their works at a cost of Rs. 15,00,000. The part of the old works thus superseded cost Rs. 9,00,000, Rs. 60,000. is realised by the sale of old materials and old materials valued Rs. 2,000 are used in the reconstruction and included in the cost of Rs. 15,00,000 mentioned above.

The cost of labour and materials is 20% higher now than when the old works were constructed. Give Journal entries.

15. (a) From the following information, calculate the Cost of Sales Adjustment (COSA) under CCA method :—

Particulars	Historical cost	Index for Goods
Opening stock	4,00,000	200
Purchases	14,40,000	240 (average)
	18,40,000	
Less closing stock	6,72,000	280
Cost of sales	11,68,000	

(Or)

(b) What is Government Accounting ? State its features.

**Part - C**

(3 × 10 = 30)

Answer any **Three** questions.

16. On 31st March, 2009 the Balance Sheets of H Ltd and its subsidiary S Ltd stood as follows.

Liabilities	H Ltd Rs.	S Ltd Rs.	Assets	H Ltd Rs.	S Ltd Rs.
Equity Share					
Capital	8,00,000	2,00,000	Fixed Assests	5,50,000	1,00,000
General					
Reserve	1,50,000	70,000	75% Shares in S Ltd(at Cost)	2,80,000	-
Profit &					
Loss A/c	90,000	55,000	Stock	1,05,000	1,77,000
Creditors	1,20,000	80,000	Other Current Assets	2,25,000	1,28,000
	<u>11,60,000</u>	<u>4,05,000</u>		<u>11,60,000</u>	<u>4,05,000</u>

Draw a Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009 after taking into consideration the following information :

- i) H Ltd acquired the shares on 31<sup>st</sup> July, 2008.
- ii) S Ltd earned profit of Rs. 45,000 for the year ended 31<sup>st</sup> March, 2009.
- iii) In January 2009. S Ltd., Sold to H Ltd , goods costing Rs.15,000 for Rs.20,000. On 31 st March, 2009 half of these goods were lying as unsold in the godown of H Ltd. Give your Working notes.

17. The following figures are extracted from the books of Bheema Bank Ltd as on 31.12.2007.

	Rs.
Interest and discount received	36,95,738
Commission, exchange and brokerage	2,00,000
Director's fees and allowances	55,000
Postage and telegrams	62,313
Stationary	17,625
Preliminary expenses	15,000
Interest paid on deposits	20,32,542
Rent received	55,000
Salaries and allowances	1,75,000
Rent and taxes paid	87,973
Profit on sale of investments	2,00,000
Depreciation on building	27,375
Audit fees	5000

Additional information :

- (1) A customer to whom a sum of Rs.10,00,000 has been advanced has become insolvent. It is expected that only 50 % can be recovered from his private estate.
- (2) For the remaining debts, a provision of Rs.1,50,000 was necessary.
- (3) Rebate on bills discounted as on 31.12.2006 Rs.12,000 and on 31.12.2007 Rs.16,000.
- (4) Provide Rs.6,50,000 for taxation.
- (5) Write off all preliminary expenses.

Prepare Profit and Loss account in accordance with the law.

18. Z Insurance Co.Ltd. has furnished the following information for preparation of revenue account for fire insurance business for the year ended 31.3.2009 and its Profit and Loss account for the year.

	(Rs in 000)		(Rs in '000)
Claims admitted but not paid	42,376	Bad debts	2500
Commission paid	50,000	Claims paid	15,000
Commission on re-insurance		P&L Appn.A/c	10,000
received	12,000	Premium received Less	
Share transfer fees	5000	reinsurance	5,52000
Expenses of management	78,000	Claims outstanding as on	
		1.4.2008	27,000
Reserve for unexpired risk as on 1.4.2008	2,30,000	Dividend on share capital	18,500
Additional reserve on 1.4.2008	40,000		

The following further information has also to be considered :

- (i) Premium outstanding at the end of the year Rs.40,000 Thousands.
- (ii) Additional reserve at 10% of net premium to be maintained
- (iii) It is the policy of the company to maintain 50% of premium towards reserve for unexpired risks.

19. The following are the balances on 31.03.2009 in the books of the Ernakulam Power and Light Company Ltd.

	Rs.	Rs.
Land on 31.03.2008	1,20,000	-
Lands expended during 2008-09	4,000	-
Machinery on 31.3.08	4,80,000	-
Machinery expended during 2008-09	4,000	-
Mains including cost of laying	1,60,000	-
Mains expended during 2008-09	40,800	-
Equity shares	-	4,39,200
Debentures	-	1,60,000
Sundry Creditors	-	800
Depreciation Fund A/c	-	2,00,000
Sundry debtors for current supplied	32,000	-
Other debtors	400	-
Cash	4,000	-
Cost of generation of electricity	28,000	-
Cost of distribution of electricity	4,000	-
Rent, rates and taxes	4,000	-
Management Expenses	9,600	-
Depreciation	16,000	-
Sale of current	-	1,04,000
Rent of Meters	-	4000
Interest on Debentures	8,000	-
Interim dividend	16,000	-
Net Revenue A/c Balance on 31.3.2009	-	22,800
	9,30,800	9,30,800

From the above Trial Balance, Prepare Revenue A/c Net Revenue A/c, Capital A/c and General Balance Sheet.

20. Enumerate the steps in finalising accounts under CPP method of Inflation Accounting.

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**M.Sc. DEGREE EXAMINATION, APRIL 2010**

**Fourth Semester**

**Commerce**

**FINANCIAL MANAGEMENT**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** the questions.

1. Define Financial Management.
2. Write a short note on 'Rule of 69'
3. What is cost of capital ?
4. How do you arrive NPV ?
5. What is meant by Combined Leverage ?
6. What is an optimum capital structure ?
7. Write the meaning of cash dividend.
8. State the various concepts of working capital.
9. What is Lock-box system ?
10. Explain the meaning of 'Danger Level'

**Part - B**

( 5 × 5 = 25)

Answer **All** the questions.

11. (a) State the functions of a financial manager.

*Or*

- (b) Mr. Manoj invests Rs. 1,00, 000 inn a bank at 10 % for 5 years. Calculate the maturity value if interest is compounded annually. Will he get more if interest is compounded half-yearly ?

12. (a) How is Accounting rate of return calculated ?

*Or*

- (b) A firm issues debentures of Rs. 1,00,000 and realises Rs. 98 ,000 after allowing 2 % commission to brokers. The debentures carry an interest rate of 10 %. The debentures are due for maturity at the end of the 10<sup>th</sup> year. calculate the effective cost of debt before tax.

13. (a) Explain the traditional approach to capital structure.

*Or*

- (b) The operating and cost data of Ashok Ltd., are as follows :

Sales 40000 units at Rs.10 per unit.

Variable costs at Rs.7.50 per unit

Fixed costs Rs.80000 (including 15% interest on Rs.200000)

Calculate the operating, financial and combined leverages.

14. (a) Narrate the various sources of working capital.

*Or*

(b) Normal Ltd gives you the following information.

Earning per share (EPS) = Rs.12

Cost of capital (K) = 10 %

Return on investment (r) = 10 %

Find out the market price per share using Gardon's model, if the payout is. (a) 25 %. (b) 50 %.

15. (a) What are the various factors influencing the size of receivables ?

*Or*

(b) State the benefits of holding inventories.

**Part - C**

(3 × 10 = 30)

Answer any **Three** questions.

16. What are the various sources available to Indian businessmen for raising funds ? Explain.

17. Explain the meaning of the term capital structure and discuss the factors affecting capital structure.

18. What is meant by working capital Management ? Discuss the various determinants of working capital needs of an enterprise.

19. A company has to choose one of the following two mutually exclusive projects. Investment required for each project is Rs.15,000. Both the projects have to be depreciated under WDV basis. The tax rate is 50 %.

Year	Profit before depreciation	
	Project A	Project B
	Rs.	Rs.
1	4200	4200
2	4800	4500
3	7000	4000
4	7000	5000
5	2000	10000

Calculate pay-back period

20. A company's collection pattern is as follows :

10% of the sales in the same month.

20% of the sales in the 2nd month.

40% of the sales in the 3rd month.

30% of the sales in the 4th month.

The sales of the company for the first 3 quarters of the year are as follows :

Month	Quarter 1	Quarter 2	Quarter 3.
	Rs.	Rs.	Rs.
First	15000	7500	22500
Second	15000	15000	15000
Third	15000	22500	7500
	45000	45000	45000
Working days	90	90	90

You are required to calculate the average age of receivables.

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**M.Com. DEGREE EXAMINATION, APRIL 2010**

**Fourth Semester**

**Commerce**

**Elective-TAX PLANNING AND MANAGEMENT**

**(CBCS—2008 Onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **All** questions.

1. Who is called a deemed assessee ?
2. What are exempted incomes ?
3. Explain the meaning of General head of income.
4. State the deductions made from salary income.
5. What is GTI ?
6. Write a note on 'Carry Forward and set off of losses.
7. What do you mean by HUF ?
8. When a company is said to be widely held company ?
9. What is meant by Re assessment ?
10. When does the refund become due ?

**Part - B**

(5 × 5 = 25)

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

11. (a) What is meant by 'Tax planning' ? State its features ?

*Or*

- (b) Raj an Indian citizen leaves India for the First time in the last 20 years on 25.11.2006. During the calender year 2007, he comes to India on 1<sup>st</sup> September and stays for a period of 20 days. During the calender year 2008, he does not visit India at all but comes to India on January 15, 2009 and stays on. Determine his residential status for the Assessment Year 2009-10

*Or*

12. (a) Mr. Kailash is an employee in D.C.M Delhi. He draws a salary @ Rs.5,000 p.m. He gets Rs. 2,000 p.m. as DA. 50% of DA is a part of super annuation benefits. He earns 10% commission on sales achieved by him. The sales target achieved by him during the financial year 2008-09 is Rs.40,000. He also gets house rent allowance of Rs.2,000 p.m. The rent paid by him is Rs.2,500 p.m. Compute the taxable HRA for the Assessment Year : 2009-10.

*Or*

- (b) Ascertain Income from house property from the following particulars : Rent received for 10 months Rs.15,000; Fair Rental value Rs. 20,000 p.a. Municipal valuation Rs. 15,000 p.a. Municipal Tax 10% on Municipal value Repair expenses Rs. 2000; House remained vacant for 2 months; Fire insurance Rs.1,000.

13. (a) State any five deductions made from GTI in respect of payments.

*Or*

- (b) The business income of an individual for the assessment year 2009-10 has been determined by the Assessing Officer at Rs.1,50,000. Later, it is found that he has not considered the following while determining the income :

	Rs.
(a) Depreciation for the current year	= 12,000
(b) Unabsorbed depreciation brought forward	= 15,000
(c) Unabsorbed business loss carried forward from assessment year 2008-09	= 3,000

Determine the total income for the Assessment year 2009-10.

14. (a) From the following particulars, compute the total income of Z ltd., an indian company :

	Rs.
(i) Interest on securities	2,000
(ii) Business Income	3,00,000
(iii) Interest on debentures of	
(1) Indian paper Mills Ltd	50,000
(2) Another Indian company	20,000

Compute Total Income of Z Ltd. It has distributed dividend of Rs.50,000 only.

*Or*

(b) How do you assess the tax liability of a HUF ?

15. (a) Enumerate the provisions in Income Tax Act 1961 relating to TDS on rental income.

*Or*

(b) What is PAN ? Explain its significance.

**Part - C**

(3 × 10 = 30)

Answer any **Three** the questions.

16. The “Tax liability of an individual is determined on the basis of his residential status”. Discuss.
17. Explain the procedure for computation of “Advance Tax” to be paid when the calculation is made by the assessee himself.
18. Dr. Ganesh is a Registered Medical Practitioner. He gives the following summary of cash book for the year ending 31.3.2009.

	Rs.		Rs.
To Opening Balance	10,000	By Rent of clinic	18,000
To Consultation Fee	60,000	By purchase of Medicines	38,000
To Visiting Fee	45,000	By staff salary	24,000
To Gifts and presents	8000		
To sale of medicines	42,000	By surgical equipment	40,000
To Dividend From UTI	6,000	By Motor car expenses	8,000
To Life insurance Maturity	1,00,000	By purchase of car	1,40,000
To Dividend from NDS	6,000	By Household expenses	7,000
		By Closing balance	2,000
	<u>2,77,000</u>		<u>2,77,000</u>

Other information :

- (i) 50% of the motor car expenses were incurred in connection with profession. Car was purchased in Dec.2008.
- (ii) Household expenses include Rs.6,800 as insurance premium.
- (iii) Gift and presents include Rs. 3,000 from relatives.
- (iv) Closing stock for medicine Rs.12,000 and opening stock on 1.4.2008 was Rs.4,000.

Compute his professional income for the AY 2009-10.

19. Mr. 'R' submits the following particulars of his income and loss for the assessment year 2009-10 :

	Rs.
(i) Income from house property (computed)	18,000
(ii) Profits and gains of personal business	25,000
(iii) Share of profit from an APO, which has paid tax at the maximum marginal rate	10,000
(iv) Short term capital gains	8,000
(v) Long term capital gains on sale of buildings	17,000
(vi) Long term capital loss	24,000

The following items have been brought forward from Assessment Year 2008-09

	Rs.
Business loss	30,000
Loss from house property	10,000

Compute his Gross total income and deal with carry forward losses.

20. X and Co., a Partnership firm assessed as such furnishes the following Profit and Loss Account for the Pervious Year ending 31<sup>st</sup> Mach2009.

	Rs.		Rs.
To Cost of Goods	2,80,000	By Sales	2,92,000
To Other expenses	91,000	By Net Loss	1,72,000
To Interest to partners	25,000		
To Remuneration to partners	68,000		
	4,64,000		4,64,000

The other expenses debited includes Rs. 13,600 not allowable U/S. 37 (i) of the Act. Interest to partners is in excess by Rs. 7,100.

You are required to compute for the Assessment Year 2009-10.

- (i) Book profits of the firm.
- (ii) Permissible remuneration to partners U/S 40 (b)
- (iii) The income of the firm.
- (iv) Remuneration and interest is paid as per the deed.

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**M.Com DEGREE EXAMINATION, APRIL 2010**

**I Semester**

**COMMERCE**

**PRINCIPLES OF MANAGEMENT**

**(CBCS - 2008 Onwards)**

Duration : 3 Hours

Maximum : 75 marks

**Part - A**

(10 x 2 = 20)

Answer ALL the Questions

1. Write any two functions of Management.
2. State the two merits of Management.
3. Define Planning.
4. Mention any two Principles of Planning.
5. Define 'Formal organization'.
6. What is meant by Delegation?
7. Name the sources of 'Recruitment'.
8. Write the meaning of Coordination.
9. What is Political-Behavioural Approach?
10. What are Strategic Changes?

**Part-B**

(5 x 5 = 25)

Answer ALL Questions choosing (a) or (b)

11. a. Write the Principles of Management.

(OR)

b. Explain the contribution of Follet to management thought.

12. a. What are the various steps in Planning?

(OR)

b. State the types of Plan.

13. a. Enumerate the Principles of organization.

(OR)

b. What is line and staff organization? State its merits.

14. a. List out the advantages of Proper staffing.

(OR)

b. Bring out the various techniques of control.

15. a. What are the limitations of Strategic management?

(OR)

b. State the features of Strategic leadership.

Answer any THREE Questions

16. Assess the contribution of Scientific management to the development of management thought. How did Taylor propose to verify the functioning of foremen?
17. Explain the pros and cons of Planning.
18. Define Centralization and Decentralization. Bring out their relationship.
19. Explain the term 'Leadership'. Discuss the various types of leadership stress.
20. What is Strategic decision making? Discuss the different approaches involved in it?

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