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60451

**I Semester M.Com. (F&A) Examination, February 2019
(CBCS)**

1.1 : ACCOUNTING CONVENTIONS AND STANDARDS

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any seven** questions out of **ten**. Each question carries **two** marks. (7×2=14)
- Define 'Accounting Standards'.
 - State any two reasons why Government should set the Accounting Standards.
 - Name the three fundamental accounting assumptions as per AS-1.
 - How do you treat Government Grants in the nature of promoters' contribution ?
 - What are the two acceptable methods for recognition of revenue under AS- 9 ?
 - What are interim financial statements ?
 - What is a qualifying asset ? And how do you treat borrowing costs relating to such qualifying assets ?
 - State any two differences between Accounting Standards (in India) and International Accounting Standards (IAS/IFRS).
 - What is the prescribed accounting treatment for Research Expenditure ?
 - How do you treat post-employment benefits : Defined Contribution Plans ?

SECTION – B

Answer **any four** questions out of **six**. Each question carries **five** marks. (4×5=20)

- What are the difficulties faced by the Standard Setters ?
- Explain the principles for preparation of first balance sheet of a transferee company under an amalgamation in the nature of merger.
- Explain Deferred Tax.

P.T.O.



5. List out the steps involved in issuing Accounting Standards in India.
6. What are the standards relating to Government Grants under AS-12 ?
7. Give the formula for calculating Basic and Diluted Earnings per Share.

SECTION – C

Answer **any three** questions out of **five**. Each question carries **twelve** marks. (3×12=36)

8. Explain the provisions of AS - 2 – Valuation of Inventories.
9. Explain the principles of accounting for fixed assets based on “AS-10 : Accounting for Fixed Assets”.
10. How do you treat the following items in the financial statements based on AS -11 ?
“Effects of changes in foreign exchange rates”.
a) Transactions in Foreign Currency
b) Foreign Operations.
11. What are the two types of Leases ? Explain the accounting treatment of these ‘Leases’ by Lessor and Lessee.
12. Prepare Cash Flow Statement of Rapid Limited in accordance with AS-3 from the following summary cash account for the year ending 31st March 2016. You may use either direct method or indirect method.

Rapid Limited Balance Sheet as at 31-3-2016

	Rs. In lakhs	
I. Equity and Liabilities	As at 31-3-2016	As at 31-3-2015
1) Shareholders Funds		
a) Share Capital	1,500	1,000
b) Reserves and Surplus	1,075	550
2) Non-Current Liabilities		
a) Long-Term Borrowings	1,300	1,000
3) Current Liabilities		
a) Trade Payables	1,000	850
b) Interest Payable	100	75
c) Income Tax Payable	150	100
Total	5,125	3,575



II. Assets

As at 31-3-2016

As at 31-3-2015

1) Non-Current Assets

a) Tangible Fixed Assets	2,000	1,500
b) Non-Current Investments	400	250
c) Long Term Loans and Advances	425	325

2) Current Assets

a) Inventories	825	625
b) Trade Receivables	1,100	825
c) Cash and Cash Equivalents	375	50

Total	5,125	3,575
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Profit and Loss Account for the Year ended 31-3-2016

Rs. In lakhs

Income :

Sales	5,500	
Interest	75	
Dividend	50	
Total		5,625

Expenditure :

Cost of Sales	3,300	
Administrative and Selling Expenses	1,060	
Interest	200	
Depreciation	240	
Total		4,800

Net Profit before Taxation		825
Less : Tax Expense		300
Net Profit after tax		525
Balance brought forward		550
Balance carried to Balance Sheet		1,075

Additional Information :

- Repayment of Term Loan amounted to Rs. 100 lakhs.
- Amount realized on disposal of old fixed assets Rs. 200 lakhs (Book Value Rs. 200 lakhs).



560

60452

I Semester M.Com. (F&A) Examination, February 2019
(CBCS)

FINANCE AND ACCOUNTING

Paper – 1.2 : Managing People in Organisations

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer any seven questions out of ten, each question carries two marks. (7×2=14)

1. a) What do you mean by performance appraisal ?
- b) What is inter-personal conflict ?
- c) Define organisational development.
- d) What do you mean autocratic leadership ?
- e) List out the personality traits.
- f) What do you mean by glass ceiling ?
- g) List out any four causes for accidents.
- h) Define the role of 'culture' in organisation.
- i) What do you mean by Johari Window ?
- j) What is meant by Organisational Design ?

SECTION – B

Answer any four questions. Each question carries five marks. (4×5=20)

2. Briefly explain the types of organisational culture.
3. Write a note on role of organisations in improving employee relations.
4. What do you mean by conflict ? How to resolve interpersonal conflict ?
5. What is stress ? Explain the causes for stress.
6. Elaborate the methods of recruitment.
7. "Employees are assets of the organisation" – Discuss.

P.T.O.



SECTION – C

Answer **any three** questions out of **five**. Each question carries **twelve** marks.

(12×3=36)

8. Explain the need and importance of studying 'Managing People in Organisations' as a discipline in the present era.
9. Discuss the applicability of Herzberg's two factor theory for managing people in service organisations.
10. Explain the process of HR planning.
11. Define Training and Development. Elaborate the different methods of training.
12. What do you mean by accidents ? Write short notes on :
 - a) Consequences of accidents and Remedial Measures.
 - b) Preventive Measures for accidents.



60453

560

**I Semester M.Com. (FA) Examination, February 2019
(CBCS Scheme)**

Finance and Accounting

Paper – 1.3 : MICRO AND MACRO ECONOMICS FOR BUSINESS DECISIONS

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any 7** sub-questions. **Each** sub-question carries **2** marks. **(7×2=14)**
- What are the determinants of demand ?
 - Distinguish between individual and market demand.
 - Define production.
 - What is income effect ?
 - What is 'Giffen Paradox' ?
 - What is the difference between marginal cost and incremental cost ?
 - Classify the market on the basis of competition.
 - What is first degree price discrimination ?
 - Mention the features of Oligopoly market.
 - What is GNP ?
 - State the objectives of Fiscal Policy.
 - What is exchange rate stability ?

SECTION – B

Answer **any four** questions. **Each** question carries **5** marks. **(4×5=20)**

- Do you think demand and supply always play equally important roles in the determination of price ? Justify your answer.
- Explain the law of demand. Are there any exceptions to the law of demand ?
- What are isoquants ? Why does an isoquant slope downward ?

P.T.O.

60453



5. Explain the relationship between fixed cost, variable cost, total cost and marginal cost.
6. What is meant by economies of scale ? Give example.
7. Explain the various concepts of National Income.

SECTION – C

Answer **any three** questions. **Each** question carries **12** marks. **(3×12=36)**

8. Explain price rigidity under oligopoly in terms of kinked demand.
9. State the law of diminishing returns. Why does diminishing marginal returns to a variable input occur eventually ?
10. 'Money is quite indispensable for the functioning of market economy'. Discuss.
11. Discuss the principle of aggregate demand and aggregate supply. What is their role in determining the volume of employment in an economy ?
12. Discuss the effectiveness of monetary policy in controlling inflation.

SECTION – B

Answer **any four** questions. **Each** question carries **5** marks. **(4×5=20)**

1. Do you think demand and supply always play equally important roles in the determination of price ? Justify your answer.
2. Explain the law of demand. Are there any exceptions to the law of demand ?
3. What are isopoints ? Why does an isopoint slope downward ?



60454

560

I Semester M.Com. (F.A.) Examination, February 2019
(CBCS)

COMMERCE (F & A)

Paper – 1.4 : Managerial Finance

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer any seven questions. Each question carries two mark: (7×2=14)

1. a) What is capital rationing ?
- b) What is optimum capital structure ?
- c) What do you mean by stock dividend ?
- d) What is profitability index ?
- e) What is trading on equity ?
- f) What is Economic Order Quantity ?
- g) What is the intrinsic value of a call option ?
- h) What is cost of capital ?
- i) Define futures contract.
- j) What is sensitivity analysis ?

SECTION – B

Answer any four questions. Each question carries 5 marks. (4×5=20)

2. Explain the goals of financial management.
3. Explain the operating cycle.
4. Explain "Miller-Orr" model of cash management.
5. What are the merits and demerits of IRR ?

P.T.O.



6. Calculate the cost of equity from the following data :

Dividend per share – Rs. 7.50

Estimated growth rate – 10%

Market price per share – Rs. 95

Face value of the share – Rs. 10

Book value of share – Rs. 45

7. The investments in Projects A and B are Rs. 50 lakh each. The Cash Flow After Tax (CFAT) are as under :

Year	Project – A	Project – B (Rs. lakh)
	CFAF	Year CFAT
1	8	25
2	10	20
3	15	15
4	20	10
5	25	8

Cost of capital – 18%. Which project should be accept under NPV method ?

SECTION – C

Answer any three questions. Each question carries twelve marks.

8. ABC Ltd. wishes to raise additional finance of Rs. 10 lakh for meeting investment plan. It has Rs. 2,10,000 in the form of retained earnings available for investment. The following are the further details.

Debt/Equity mix (mix) – 30 : 70

Cost of debt-up to Rs 1,80,000 – 10% before tax

Cost of debt. – upto Rs. 1,80,000 – 16% before tax

above Rs. 1,80,000 – 16% before tax

E.P.S.– Rs. 4, dividend payout – 50% of earnings

Expected growth rate in dividend – 10%

Current market price – Rs. 44, tax rate – 50%



Determine :

- a) Pattern of raising the additional capital
- b) Post tax cost of debt
- c) Cost of retained earnings
- d) Cost of equity
- e) Overall cost of capital.

9. Explain the factors influencing working capital requirement of a manufacturing firm.

10. Explain the determinants of dividend policy.

11. The following data have been furnished by A Ltd. and B Ltd. for the year ended 31-3-2015 :

	A Ltd.	B Ltd.
a) Operating leverage	3 : 1	4 : 1
b) Financial leverage	2 : 1	3 : 1
c) Interest charge per annum	Rs. 12 lakh	Rs. 10 lakh
d) Corporate tax	40%	
e) Variable cost to sales	60%	50%

Prepare income statement for the companies.

12. Explain the sources of long term and short term capital requirement of manufacturing firms.

SECTION - B

Answer any four questions. Each question carries 5 marks.

(4x5=20)

2. Explain the goals of financial management.

3. Explain the operating cycle.

4. Explain "Miller-Orr" model of cash management.

5. What are the merits and demerits of IRR ?



60455

560

First Semester M.Com. (F&A) Examination, February 2019
(CBCS Scheme)

FINANCE AND ACCOUNTING

Paper – 1.5 : QT for Accounting & Finance

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all Sections.

SECTION – A

Answer any seven sub questions.

(7×2=14)

1. a) What is geometric progression ?
- b) What is random variable ?
- c) Differentiate between node and activity.
- d) What is carrying cost ?
- e) What is a uncertainty ?
- f) What is variance ?
- g) What is total float ?
- h) List the different time estimates in PERT.
- i) What are mutually exclusive events ?
- j) What do you mean by crashing in a project ?

SECTION – B

Answer any four questions of the following.

(4×5=20)

2. Explain the managerial application of geometric progression.

P.T.O.



3. Consider the following problem :

$$\text{Minimize } Z = 3X_1 + 4X_2 - 5X_3$$

Subject to

$$2X_1 + 3X_2 - 5X_3 = 10$$

$$X_1 - 2X_2 - 3X_3 = 8$$

$$X_1, X_2, X_3 > 0$$

Define the dual of this problem.

4. Discuss the different types of decision making situations.
5. A bag contains 5 red balls, 6 green balls and 7 white balls. If you draw three balls at random what is the probability that you get all green colour balls ?
6. Draw a project network for the following data.

1-2	1-3	2-4	3-4	4-5	5-6	2-6	6-7
7	8	3	5	4	5	6	7

7. Discuss the properties of a normal distribution.

SECTION - C

Answer **any three** questions. **Each** question carries **twelve** marks. **(3×12=36)**

8. A paper mill produces two grades of paper namely X and Y. Because of raw restrictions, it cannot produce more than 400 tons of grade X and 300 tons of grade Y in a week. There are 160 production hours in a week. It requires 0.2 and 0.4 hours to produce a ton of products X and Y respectively with corresponding profits of Rs. 200 and Rs. 500 per ton. Formulate the above as a linear programming problem to maximize profit and solve it.
9. Discuss any two inventory models with diagram.
10. A company needs 1000 electric drills per year. The ordering cost for these is Rs. 100/- per order and carrying cost is assumed to be 40% of the per cost unit. In orders of less than 120 drill costs Rs. 78/-. For orders of 120 or more the cost drops per Rs. 50/- per unit. Should the company take advantage of quantity discount ?



- 11. Explain the significance of inventory management in an organization.
- 12. A project has activities with the following normal and crash times and cost.

Activity	Predecessor	Normal Time	Crash Time	Normal cost ₹	Crash cost ₹
A	-	4	3	8,000	9,000
B	A	5	3	16,000	20,000
C	A	4	3	12,000	13,000
D	B	6	5	34,000	35,000
E	C	6	4	42,000	44,000
F	D	5	4	16,000	16,500
G	E	7	4	66,000	72,000
H	G	4	3	2,000	5,000

Determine a crashing scheme for the above project so that the total project time is reduced by 3 weeks.

- a) What is geometric progression ?
- b) What is the difference between PERT and CPM ?
- c) Differentiate between node and activity.
- d) What is carrying cost ?
- e) What is a uncertainty ?
- f) What is variance ?
- g) What is total float ?
- h) List the different time estimates in PERT.
- i) What are mutually exclusive events ?
- j) What do you mean by crashing in a project ?

SECTION - B

Answer any four questions of the following. (4x5=20)

- 2. Explain the managerial application of geometric progression.
- P.T.O.



560

60456

I Semester M.Com. (F.A.) Examination, Feb. 2019
(CBCS Scheme)

FINANCE AND ACCOUNTING

Paper – 1.6 : Financial Markets and Services

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer any seven sub-questions. Each sub-question carries 2 marks. (7×2=14)
- What is Financial intermediation ?
 - Define financial system.
 - Explain the term "NASDAQ".
 - Bring out the features of third market and fourth market.
 - Who is an angel investor ?
 - Why credit rating is important ? Name 2 credit rating agencies.
 - What is the difference between bank rate and repo rate ?
 - List out the role of SEBI.
 - What is the importance of CAMEL rating ?
 - How the BASEL norms are fixed ?

SECTION – B

Answer any four questions. Each question carries 5 marks.

(4×5=20)

- Elucidate the structure of Indian financial system.
- Explain the role and functions of stock market.
- Write short notes on the following :
 - Factoring
 - IDR
 - Custodial Service.

P.T.O.

60456



5. Define the term derivatives and explain its types.
6. Differentiate fixed and floating rate theories of Interest.
7. What is the relevance of IRAC Norms with respect to financial sector reforms ?

SECTION – C

Answer **any three** questions. **Each** question carries **12** marks.

(3×12=36)

8. What is the relationship between financial and economic development of a country ?
9. Discuss the various financial market instruments that are available in the Indian financial markets.
10. Discuss the role and functions of Depositories.
11. How financial markets and institutions are regulated in India ?
12. Who is a merchant banker ? What are the legal services which he can render ?

SECTION – B

Answer any four questions. Each question carries 5 marks.

2. Elucidate the structure of Indian financial system.

3. Explain the role and functions of stock market.

4. Write short notes on the following :

- i) Factoring
- ii) IDR
- iii) Custodial Service.



560

60457

I Semester M.Com. (F and A) Examination, February 2019

(CBCS Scheme)

FINANCE AND ACCOUNTING

Soft-Core : Business Legal Systems

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all Sections.

SECTION – A

I. Answer **any seven** questions out of ten, **each** carrying **two** marks. (7×2=14)

- 1) What is precedent ?
- 2) What is Intellectual property rights ?
- 3) What is four in one Act under MRTP Act ?
- 4) What is licensing ?
- 5) What is Patent ?
- 6) Who is a Consumer ?
- 7) What is Fundamental Duties under the Constitution ?
- 8) State any four objectives of licensing.
- 9) What is pollution ?
- 10) State Source of Law.

SECTION – B

II. Answer **any four** questions out of six, **each** carries **5** marks. (4×5=20)

- 1) State the functions of Developmental Council in Accordance to IRDA Act.
- 2) State Fundamental Rights in Accordance to our Constitution.
- 3) State functions of SEBI.

P.T.O.



- 4) State the Enforcement Machinery under FEMA.
- 5) What is dispute settlement ?
- 6) State the functions of WTO.

SECTION - C

III. Answer **any three** questions out of five, **each** carries **12** marks.

(3×12=36)

- 1) Constitution is everything to the country. Discuss.
- 2) Consumer is the king and queen of the market. Discuss.
- 3) What is Environment to Legal System ? Discuss.
- 4) Why is Water and Air under the statute ? Discuss.
- 5) Explain the salient features and major provision of SEBI.