

(COM30212)

M.Com. DEGREE EXAMINATION,
OCTOBER/NOVEMBER 2017.

Third Semester

Commerce

Paper II — INSURANCE AND RISK MANAGEMENT

(Regulation 2012)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer the following.

1. (a) (i) Risk avoidance.

Or

(ii) Risk diversification.

(b) (i) Commercial risk.

Or

(ii) Rick financing.

(c) (i) Liability insurance.

Or

(ii) Personal risk.



(d) (i) Estate planning.

Or

(ii) Annuities.

(e) (i) Insurer.

Or

(ii) Insurance intermediaries.

SECTION B — (5 × 8 = 40 marks)

Answer the following

2. (a) Define risk. Explain about risk identification process.

Or

(b) Write a note on risk management techniques.

3. (a) State the features of commercial property insurance.

Or

(b) Explain the need for insurance to compensate workers at risk.

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4. (a) Discuss about risk management applications of auto owners.

Or

(b) Explain the risk management techniques of home owners.

5. (a) How can risk be compensated incase of loss of life? Explain.

Or

(b) Write a note on various retirement plans.

6. (a) Enumerate the impact of privatization on insurance sector.

Or

(b) Describe the pricing process of insurance products.

SECTION C — (1 × 15 = 15 marks)

Answer the following.

7. (a) What is meant by personal risk? Explain about applications of personal risk management.

Or

(b) List out the major functions of Insurance Regulatory Authority.

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Paper I — FINANCIAL ACCOUNTING AND PACKAGES

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer the following questions.

1. (a) Scope of Financial Accounting.
- (b) Materiality Concept.
2. (a) Bank Reconciliation statement.
- (b) Trading Account.
3. (a) Uses of Cash inflow.
- (b) Debt-service coverage Ratio.
4. (a) Benefits of Accounting Standards.
- (b) PV Ratio.
5. (a) Tally ERP9.

Or

- (b) Limitations of Tally.

SECTION B — (5 × 8 = 40 marks)

Answer the following questions.

6. (a) Difference between Management and Financial Accounting.

Or

- (b) Define Generally Accepted Accounting Principles (GAAP). Discuss the features and utility of GAAP.

7. (a) From the following summary cash account of Y.Ltd. Prepare cash flow statement for the current year ended March 31 in accordance with AS-3 using the direct method. The Company does not have any cash equivalents.

Summary Cash Account

For the current year ended March 31

Cash inflows	Rs.	Cash outflows	Rs.
Opening balance	50	Payment to Suppliers	2000
Issue of equity shares	300	Purchase of fixed assets	200
Receipts from Customers	2800	Overhead expenses	200
Sale of fixed assets	100	Wages and salaries	100
		Taxation	250
		Dividend	50
		Repayment of bank loan	300
		Closing balance	150
	3250		3250

- Or
- (b) Write about fund flow analysis.
8. (a) Define Marginal Costing. Advantages and Disadvantages of Marginal Costing.

- Or
- (b) Z Ltd Purchased a retail store and Commenced business on April 1. From the following information, You are required to prepare in as much details as possible, a trading and profit and loss account for the current year ended March 31 and a balance sheet as at the date

Capital introduced on April 1	47,000
Drawings during the year	5,000
Working capital (current assets less current liabilities at March 31)	23,000
Depreciation of fixed assets during year, based on a rate of 20% per annum on cost	3,000
Ratio of annual sales to year end values of fixed assets plus working capital	2:1
Ratio of current assets to current liabilities at the end year	2:1
Ratio of liquid assets (cash plus debtor) to current liabilities on March 31	5:4
Debtors at the yearend as percent of annual sales	12
General Expenses (excluding depreciation) as percent of annual sales	20

The current assets consist of stocks (which are unchanged throughout the year), debtors and cash. Stocks are turned over four times during the year, the current liabilities consist only of creditors.

9. (a) Explain about B E P analysis.

Or

- (b) Two companies P Ltd and Q Ltd. Producing and selling similar products forecasted their profits and loss a/c for the next year, which is as follows:

Particulars	P. Ltd	Q. Ltd
Sales	3,00,000	3,00,000
Variable cost	2,00,000	2,25,000
Fixed cost	50,000	25,000

Calculate:

- (i) PV ratio, Break Even Point and Margin of Safety for both the companies
(ii) Sales require to earn a profit of Rs. 30,000 for both companies
(iii) Under the following situations, Which company will show better result
(1) increase in sales (2) decrease in sales.

10. (a) Elucidate the features of accounts of banking companies.

Or

- (b) Describe printing and display of reports in tally.

SECTION C — (1 × 15 = 15 marks)

Answer the following questions.

11. (a) Explain about Standard costing? Advantages and Disadvantages of Standard Costing.

Or

- (b) From the following ledger balances of Mr. Dinesh, prepare a trading a/c, P & L account for the current year ended 31st March 2013 and a balance sheet as on that day, after making the necessary adjustments

Dinesh's capital	8,00,000
Dinesh's drawings	60,000
Plant and Machinery	2,00,000
Plant and Machinery additions	50,000
Stock on 1.4.2012	1,50,000
Purchases during the year	8,20,000
Carriages on purchases	20,000
Furniture and fixtures	2,00,000
Carriages on sales	25,000
Sundry expenses	8,000
Printing, stationary and postage	12,000
Rent, rates and taxes	40,000
Bad debts	5,000
Sundry Creditors	95,000

Sales	12,00,000
Purchase returns	10,000
Provision for bad and doubtful debts (1.4.2012)	8,000
Commission received	16,000
Sundry debtors	52,000
Insurance charges	10,000
Salaries	2,10,000
Cash In hand	62,000
Cash at bank	2,05,000

Adjustments are requires for the following;

- (i) Closing stock on 31.03.2013 was valued at Rs. 1,40,000
- (ii) Create provision for bad and doubtful debts @ 5 percent on Sundry debtors
- (iii) Provide for depreciation on furniture and fixtures at 10% annum and on plant and machinery at 20% per annum
- (iv) Insurance paid in advance is Rs. 1,000
- (v) Commission receivable in arrears Rs. 5000
- (vi) Salaries payable are Rs. 15,000



SECTION C — (1 × 15 = 15 marks)

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Answer the following.

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7. (a) Enumerate the use of functional language in making verbal agreements.

Or

- (b) Explain about discourse strategies used for effective relationship.

Paper II — BUSINESS COMMUNICATION

(Regulation 2016)

Maximum : 70 marks

Time : Three hours

SECTION A — (5 × 3 = 15 marks)

Answer ALL questions.

1. (a) (i) Semiformal correspondence.

Or

- (ii) Call etiquette.

- (b) (i) Communication breakdown.

Or

- (ii) Dialects.

(c) (i) Business acronyms.

Or

(ii) Product presentations.

(d) (i) Concise writing.

Or

(ii) Oral communication.

(e) (i) Feedback.

Or

(ii) Functional language.

SECTION B — (5 × 8 = 40 marks)

Answer the questions.

2. (a) Distinguish between formal and informal correspondence.

Or

(b) Give an overview on e-mail writing skills.

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3. (a) Explain the use of polite phrases of communication.

Or

(b) Write about techniques of accepting offers.

4. (a) Enumerate the use of information in presenting product features.

Or

(b) Give an overview on interpretation of numerical data.

5. (a) State the principles for describing company information.

Or

(b) Discuss about vocabulary used to describe graphical information.

6. (a) Write about use of conditionals in discussing future possibilities.

Or

(b) Explain about positive and negative feedback.

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Paper III — CORPORATE ACCOUNTING

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer the following questions.

10. (a) Explain nature and objectives of social responsibility accounting.

Or

(b) Explain the various methods of human resource accounting.

SECTION C — (1 × 15 = 15 marks)

Answer the following questions.

11. (a) Explain the need for consolidated financial statement.

Or

(b) On 31st December, 2015 the balance sheet of a Ltd. Co is as follows :

Liabilities	Rs.	Assets	Rs.
Capital @ 10 each	40,000	Fixed assets	50,000
Revenues	9,000	Current assets	20,000
PUL A/c	2,000	Good will	4,000
5% debentures	10,000		
Current liabilities	13,000		
	<u>74,000</u>		<u>74,000</u>

Net profit for the last three year were 2013 – Rs. 5,160; 2014 – Rs. 5,200 and 2015 – Rs. 5,165. 20% of the profit was placed to revenue account. The fair rate in investment earned by the companies engaged in the same company's shares by yield method and net assets method.

1. (a) Limitation of corporate accounting.

Or

(b) Inflation accounting.

2. (a) Yield method.

Or

(b) Buy back of shares.

3. (a) Financial reporting.

Or

(b) Segment reporting.

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Paper V — DIRECT TAXES

(Regulation 2016)

Maximum : 70 marks

Time : Three hours

SECTION C — (1 × 15 = 15 marks)

Answer the following questions.

SECTION A — (5 × 3 = 15 marks)

Answer the following questions.

5. (a) Explain the terms 'partition', 'partial partition', and 'co-parceners'.

Or

- (b) What is meant by Association of persons? How is it formed?

6. (a) Explain the powers of director general and commissioner of income tax.

Or

- (b) Write a brief note on recovery of tax and rectification of mistakes.

7. (a) What are capital assets? What items are not included in capital assets?

Or

- (b) What is meant by refund? Explain the provisions relating to refund.

1.

- (a) (i) Gross total income.

Or

- (ii) Non resident.

- (b) (i) Distinguish between pension and gratuity.

Or

- (ii) Speculative business

- (c) (i) Taxable Income u/s 56(2).

Or

- (ii) Set-Off Losses against Income under the Same Head.

- (d) (i) HUF.

Or

- (ii) Indian Company.

(e) (i) Income tax authorities.

Or

(ii) Assessment.

SECTION B — (5 × 8 = 40 marks)

Answer the following questions.

2. (a) What is residential status? When does a resident individual become a resident but not ordinarily resident?

Or

(b) State the conditions which are essential to support a claim for exemption of income of public charitable trust under section 11 of the income tax Act, 1961.

3. (a) Mention any four “inadmissible items” while calculating income from business.

Or

(b) Mr. Karthik Siubramanya (resident), a company employee, who is a specified employee. Therefore, gets the following emoluments during P.Y 2016-17.

Basic salary Rs. 60,000 p.m (increased to 80,000 p.m. from 1.1.2017)

DA Rs. 40,000 p.m. (50 percent of which part of salary for computing retirement benefits)

Education allowance Rs. 4000 p.m. per child for his 3 children.

Medical allowance Rs. 4000 p.m. (medical expenses Rs. 5000 p.m.).

Up to 31.10.2016 he was provided a furnished flat at Delhi (rent aid by employer Rs. 20,000 p.m. Cost of furniture provided Rs. 30,000)

With effect from 1.11.2016, he was given HRA of Rs. 20,000 p.m. (Rent paid by Karthik

Being Rs. 15,000 p.m.). LTC facility Rs. 1,0,5000 (travel by air at business class Rs. 48,000 And other expenses Rs. 18,000 but economy class air fair for covering the same distance Rs. 26,640). Income tax penalty paid the employer Rs.6,000. He enjoy the club facility (expenditure of the company Rs.6,000). Compute his taxable salary for the A.Y. 2017-18.

4. (a) What are the deductions available in computation of income from other sources?

Or

(b) Mr. Keshav a resident assessee, furnishes the following of his income/expenditure relevant for the previous year ending March 31, 2017.

Business Income Rs. 4,00,000. Winning from lottery 20,000. Donation to the PM National Relief fund 44,000 Donation to the Govt. of India for promotion of family planning Rs. 12, 500. Donation to the Public Charitable Institute Rs. 48,500. (being an approved Institution for sec. 80 G)

Compute the total income for the assessment year 2017-18.

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Paper V : ADVANCED BANKING

(Regulation 2016)

Maximum : 70 marks

Time : Three hours

SECTION A – (5 × 3 = 15 marks)

Answer ALL questions.

1. (a) (i) Central Bank

Or

(ii) Developing economics

(b) (i) Credit Creation

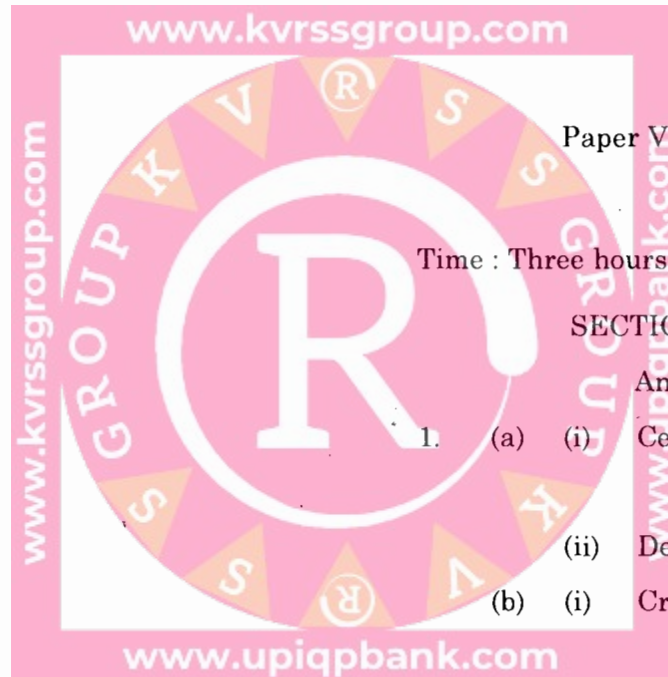
Or

(ii) Commercial banks

(c) (i) E-banking

Or

(ii) Wealth Management



- (d) (i) Fiscal Policies
Or
(ii) Debt management
- (e) (i) NEFT
Or
(ii) Core banking

- (d) (i) Define monetary policy. What are the objectives of monetary policy?
Or
(ii) Describe briefly on debt management policy.
- (e) (i) Discuss the role of technology in banking sector.

SECTION B – (5 × 8 = 40 marks)

Answer ALL questions.

2. (a) (i) Explain the origin and evolution of central banking in India.
Or
(ii) Define credit control. What are its techniques?
- (b) (i) Discuss the structure and organisation of central bank in European Union.
Or
(ii) Explain the objectives of central banking policy in developed countries.
- (c) (i) Discuss the changing role of commercial banking in UK and India.
Or
(ii) Describe the nature and structure of commercial banking in India.

- (ii) What are the challenges and issues of technology in banking sector?

SECTION C — (1 × 15 = 15 marks)

Answer ALL questions.

3. (a) Explain the role of RBI in developing nations.
Or
(b) Write a detailed note on “Next Generation Banking”.

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Paper VI — INSURANCE AND RISK MANAGEMENT

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer ALL questions.

1. (a) (i) Diversification.

Or

(ii) Loss prevention.

(b) (i) Workmen's compensation.

Or

www.upiqpbank.com (ii) Commercial insurance.

(c) (i) Auto owners insurance.

Or

(ii) Property insurance.

(d) (i) Financial planning.

Or

(ii) Pension plans.

(e) (i) Insurance agents.

Or

(ii) Insurance agent.

SECTION B — (5 × 8 = 40 marks)

Answer ALL questions.

2. (a) Describe the factors considered while selecting risk management techniques.

Or

(b) Discuss about evaluation of risk management process.

3. (a) Write about risk management applications in commercial liability insurance.

Or

(b) Enumerate the liability of businessmen in risk management.

4. (a) Explain about insurance coverage for personal risks.

Or

(b) What type of policies are available to protect property? Explain.

5. (a) What are annuities? Explain their importance.

Or

(b) Discuss about various insurance benefits available to employees.

6. (a) Bring out the functions of insurance.

Or

(b) Examine the working of IRDA.

SECTION C — (1 × 15 = 15 marks)

Answer the following.

7. (a) Enumerate the role of government in regulating insurance sector operations.

Or

(b) State the provisions related to commercial property insurance.