

(COM30116)

M.Com. DEGREE EXAMINATION, DECEMBER 2019.

(Examination at the end of Third Semester)

Commerce

Paper-I – FINANCIAL ACCOUNTING AND PACKAGES

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer ALL following.

1. (a) (i) Cost accounting

(ii) Scope of financial Accounting

(b) (i) Bank reconciliation statement

(ii) Types of inventory valuation

(c) (i) Objectives of ratio analysis

(ii) Objectives of funds flow statement

(d) (i) Standard costing

(ii) Marginal costing

(e) (i) Applications of tally package

Or

(ii) Difference between SAP and tally?

SECTION B — (5 × 8 = 40 marks)

Answer the following questions.

2. (a) What is the difference between financial and management accounting?

Or

(b) What are the GAAP principles in accounting? What are the advantages and limitations of GAAP principles in accounting?

3. (a) What are the three depreciation methods? Explain them in brief.

Or

- (b) The following trial balance is prepared after preparation of income statement for F. Greens on 31 March 2015.

	Dr.	Cr.
	\$	\$
Prenises	30,000	
Furniture	15,000	
Vehicles	4,000	
Inventory	3,400	
Bank	2,300	
Capital		43,500
Loan from ABC Bank		10,000
Trade receivables and trade payables	2,000	2,300
Net profit		8,500
Drawings	7,600	
	<u>64,300</u>	<u>64,300</u>

You are required to prepare balance sheet for F. Green as at 31 March 2015 in both horizontal and vertical style.

4. (a) The following is the summarised Profit and Loss Account of Taj Products Ltd. for the year ended 31st December.

PROFIT AND LOSS ACCOUNT			
	Rs.	Rs.	
Opening Stock of Materials	99,500	Sales	8,50,000
Purchase of Materials	3,20,000	Stock of Materials (Closing)	89,000
Direct Wages	2,25,250	Stock of Finished Goods (Closing)	60,000
Manufacturing Expenses	14,250	Non-operating Income	3,000
		Interest	
Selling and Distribution Expenses	30,000	Profit on Sale of Shares	6,000
Administrative Expenses	1,50,000		
Finance Charges	15,000		
Non-operating Expenses :			
Loss on Sale of Assets	4,000		
Net Profit	<u>1,50,000</u>		
	<u>10,08,000</u>		<u>10,08,000</u>

Work out the following ratios

- (i) Gross Profit Ratio
- (ii) Net Profit Ratio
- (iii) Operating Ratio
- (iv) Cost Ratios (to cost or Production)
 - (1) Materials Consumed Ratio
 - (2) Labour Cost Ratio
 - (3) Production Overhead Cost Ratio

Or

- (b) Ramco Cements presents the following information and you are required to calculate funds from operations :

PROFIT AND LOSS ACCOUNT

	Rs.		Rs.
To Operation Expenses	1,00,000	By Gross Profit	2,00,000
To Depreciation	40,000	By Gain on Sale of Plant	20,000
To Loss on Sale of Building	10,000		
To Advertisement Suspense Account	5,000		
To Discount Allowed	500		
To Discount on Issue of Shares written off	500		
To Goodwill written off	12,000		
To Net Profit	52,000		
	2,20,000		2,20,000

5. (a) Pepsi Company produces a single article. Following cost data is given about its product:

Selling price per unit	Rs. 40
Marginal cost per unit	Rs. 24
Fixed cost per annum	Rs. 16,000

Calculate :

- (i) P/V ratio
- (ii) Break even sales
- (iii) Sales to earn a profit of Rs. 2,000
- (iv) Profit at sales of Rs. 60,000

Or

- (b) What are the problems associated with standard costing? How to avoid them? Suggest measures to overcome them.

6. (a) Mention what features are available in Tally ERP 9 for Accounting? Mention what are the types of ledger you can make in Tally ERP 9?

Or

- (b) Describe the process of company accounting in tally package.

SECTION C — (1 × 15 = 15 marks)

Answer the following questions.

7. (a) Bansi company manufactures a single product having a marginal cost of Rs. 1.50 per unit. Fixed cost is Rs. 30,000 per annum. The market is such that up to 40,000 units can be sold at a price of Rs. 3.00 per unit, but any additional sale must be made at Rs. 2.00 per unit. Company has a planned profit of Rs. 50,000. How many units must be made and sold?

Or

- (b) The standard cost card shows the following details relating to material needed to produce 1kg. of groundnut oil:

Quantity of groundnut oil required: 3kg

Price of groundnut oil: \$2.5/kg

Actual production data:

Production during the month: 1,000 kg

Quantity of material used: 3,500 kg

Price of groundnut oil: \$3/kg

You are required to calculate

- (i) material cost variance
- (ii) material price variance
- (iii) material usage variance.



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Third Semester

Commerce

Paper II — BUSINESS COMMUNICATION

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer ALL questions..

1. (a) (i) Informal communication

Or

(ii) Call taking etiquette.

(b) (i) Grapevine communication

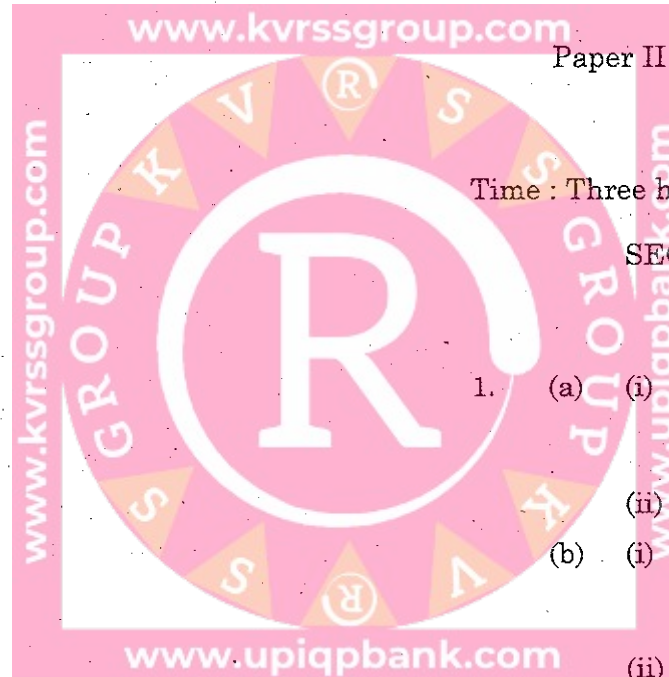
Or

(ii) Public speaking

(c) (i) Self assessment

Or

(ii) Commercial letter



(d) (i) Worst feedback

Or

(ii) Effective teams

(e) (i) Abbreviations

Or

(ii) Summary of information.

SECTION B — (5 × 8 = 40 marks)

Answer the following questions.

2. (a) Explain different types of business correspondence.

Or

(b) Discuss the significance of business correspondence in present business world.

3. (a) Write about techniques of making and accepting offers.

Or

(b) Discuss the significance of business information.

4. (a) Discuss the role of business presentations in business communication.

Or

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(b) Explain oral and written conventions for expressing numerical information in English.

5. (a) What are the precautions to be taken in summarizing the information in the preparation of reports?

Or

(b) Explain the process of report writing.

6. (a) Explain about team building skills with the help of examples.

Or

(b) Discuss the importance of "feedback" in business communication.

SECTION C — (1 × 15 = 15 marks)

Answer the following questions.

7. (a) Suggest measures to improve team building skills.

Or

(b) Suggest measures to improve e-mail writing skills.

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SECTION C — (1 × 15 = 15 marks)

Answer the following question.

11. (a) What do you mean by consolidated Balance Sheet? Why it is prepare?
Or

- (b) The following is the balance sheet of Madhu Ltd, as on 31.3.2015.

Liabilities	Amount Rs.	Assets	Amount Rs.
20,000 equity shares of Rs.10 fully paid	2,00,000	Land and Buildings	3,00,000
20,000, equity shares of Rs.10 each, Rs.8 per share paid up	1,60,000	Plant and machinery	1,00,000
20,000, equity shares of Rs.10 each, Rs.5 per share paid up	1,00,000	Cash in hand	5,000
General reserve	1,00,000	Preliminary expenses	5,000
Profit & Loss a/c	1,00,000	Furniture	40,000
Sundry creditors	10,000	Stock	1,50,000
Bills payable	10,000	Debtors	70,000
		Cash at bank	10,000
	<u>6,80,000</u>		<u>6,80,000</u>

The normal average profit of the company (after tax) will be maintained at Rs.92,000 and normal rate of return is 8%.

Calculate the value of each type of equity share by the Assets Backing Method and Yield Basis Method.

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Third Semester

Commerce

Paper III – CORPORATE ACCOUNTING

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer ALL the following questions.

- (a) Objectives of Corporate Accounting.
Or
(b) Define Inflation Accounting? Explain its meaning?
- (a) Importance of Valuation of Shares.
Or
(b) Yield Method.
- (a) User of Financial Reporting.
Or
(b) Value added Statements.
- (a) Capital Profit.
Or
(b) Subsidiary Company.
- (a) Environmental Accounting.
Or
(b) Objectives of Human Resources Accounting.

SECTION B — (5 × 8 = 40 marks)

Answer the following questions.

6. (a) What are the advantages and disadvantages of Inflation Accounting?

Or

- (b) The Income statements of a concern are given for the years ending on 31st Dec. 2015 and 2016. Rearrange the figures in a comparative form and study the profitability position of the concern.

Particulars	2015 (Rs. in '000)	2016 (Rs. in '000)
Sales	800	920
Sales returns	15	20
Cost of goods sold	450	500
General and Administrative expenses	70	72
Selling expenses	80	90
Interest paid	45	60
Dividend received	20	30
Income tax	70	80

8. (a) Explain Financial Reporting. What are the Difficulties in Corporate Reporting?

Or

- (b) Enumerate the problems associated with the preparation of interim report.

9. (a) What is meant by Holding company? Explain its advantages.

Or

- (b) The following are the Balance Sheets of H company and its Subsidiary S Company Ltd. As on 31.3.2019.

Liabilities	H. Ltd S. Ltd.		Assets	H. Ltd. S. Ltd.	
	Rs.	Rs.		Rs.	Rs.
Share Capital (Shares of Rs.10 each)	14,000	10,000	900 Shares in S Co. Ltd.	12,000	—
Sundry Creditors	10,000	5,000	Various Assets	17,000	18,000
P & L Account	5,000	3,000			
	<u>29,000</u>	<u>18,000</u>		<u>29,000</u>	<u>18,000</u>

Find out the Good will or Capital Reserve when H Co. Ltd., purchased shares in S co. Ltd., the profit and loss account of S Co. Ltd. Was showing a credit balance of Rs.2,000.

7. (a) Define Valuation of Shares? Explain the factors effecting Value of Shares.

Or

- (b) Explain the role of Technical analysis in the valuation of shares.

- (a) Explain the advantages and disadvantages of human resource accounting.

Or

- (b) Discuss the importance and Problems in social responsibility accounting.

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Paper IV – DIRECT TAXES

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer ALL questions.

1. (a) (i) Incidence of tax
Or
(ii) Residential status
- (b) (i) Previous year salaries
Or
(ii) Income from house property
- (c) (i) Tax liability
Or
(ii) Head of income from other sources
- (d) (i) Association of persons
Or
(ii) Foreign company
- (e) (i) Appeals and revisions
Or
(ii) Refunds

SECTION B — (5 × 8 = 40 marks)

Answer all the following questions.

2. (a) Define agriculture income. Explain partly agriculture income and partly business income.

Or

- (b) "The general rule is that the income of the previous year alone should be taxed in the immediately following assessment year" Explain the exceptions to this rule.

3. (a) What is capital gain and types of capital gain? How capital gain is calculated?

Or

- (b) Mr. Lal is employed in Bharat Textiles Ltd. Mumbai on a monthly salary of Rs. 20,000. In addition to this fixed salary, he is entitled to a commission @5% on the sales made by him. During the previous year 2018-19, he had received following allowances and amenities from his employer:

- (i) Dearness allowance @ Rs.2,000 per month which is granted to him under the terms of employment and counted for retirement benefits.
- (ii) Bonus equal to two months basic salary.
- (iii) House rent allowance @ Rs.5,000 per month.
- (iv) Entertainment allowance @ Rs.250 per month.
- (v) The company paid Rs.1,000 as his Income-tax penalty.
- (vi) In September, 2018 during leave he went in a visit to Kashmir with his family. The expenditure amounting to Rs.16,000 as passage money by air were paid to him by employer as leave travel assistance.
- (vii) He had been provided with the amenities of gas, electricity and water, the expenses of which amounting to Rs.12,000 were paid by the company.
- (viii) Commission on sales of Rs.10,00,000@ 5%.
- (ix) He was given titan watch worth Rs. 9,000 by his employer on the foundation day of the company.
- (x) He and his employer each contributed 12.5% of his salary to recognized provident fund. The interest credited to this fund for the previous year at 13.5% rate of interest amounted to Rs. 27,000.

Compute the taxable income from salary of Mr. Lal for the assessment year 2019-20 keeping in mind that he spent Rs. 6,000 p.m. as rent of the house hired by him.

4. (a) Decide about the person in whose hands the following incomes shall be taxable:
- R transfers 1000 debentures of Rs.100 each carrying 12% interest to S on the condition that he will have a right to receive 5% interest till his life-time.
 - Master Pranay (Age14 Years) received following incomes during 2018-1
 - R transfers a shop (monthly rent Rs. 7,000) to his relative S on the condition that shop will revert back to R on the death of S

	Rs.
(a) Interest on bank deposits	11,000
(b) Interest on debentures	7,000
(c) Dividend on shares of a company	11,000
(d) Income from a singing concert held by him	60,000
(e) His father's total income	50,000
(f) His Mother's total income	8,00,000

Or

- (b) From the following information, compute the tax liability of R, for the assessment year 2019-20.

	Rs.
Business Income	4,60,0000
Receipt from sale of trees of spontaneous growth	1,00,000
Agricultural income	60,000

5. (a) What is Hindu undivided family in income tax? How to determine the total income of HUF?

Or

- (b) Describe deductions in respect of income of Co-operative societies (under section 80P).

6. (a) Summarize the penalties and procedures under the income tax act.

Or

- (b) What are the types of assessment in income tax? Briefly describe income tax assessment procedure?

SECTION C — (1 × 15 = 15 marks)

Answer the following questions.

7. (a) Indicate whether the following acts can be considered as tax evasion / tax avoidance or otherwise.
- (i) Samarth deposits Rs.65,000 in the term deposit of 5 years with the Post Office to avail tax deduction under section 80C.
 - (ii) Sushant is using a motor car for his personal purposes, but charges as business expenditure.
 - (iii) PQR industries Ltd installed an air-conditioner costing Rs.75,000 at the residence of a director as per terms of his appointment but treats it as fitted in quality control section in the factory. This is with the objective to treat it as plant for the purpose of computing depreciation.
 - (iv) SQL limited maintains a register of tax deduction at source affected by it to enable timely compliance.
 - (v) R.Ltd issues a credit note for Rs.90,000 for brokerage payable to Suresh who is son of R, managing director of the company. The purpose is to increase his total income from Rs.1,60,000 to Rs.2,50,000 and reduce its income correspondingly.

Or

- (b) The income-tax Act, 1961 provides for taxation of a certain income earned by Shyam. The Double Taxation Avoidance Agreement, which applies to Shyam, excludes the income earned by him from the purview of tax. Will he be liable to pay tax on the income earned by him? Discuss in the light of provisions of Income Tax Act, 1961 and decided case law, if any.

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Third Semester

Commerce

Paper V — ADVANCED BANKING

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer all questions.

1. (a) (i) Monetary system

Or

(ii) Credit control

(b) (i) Central bank in UK

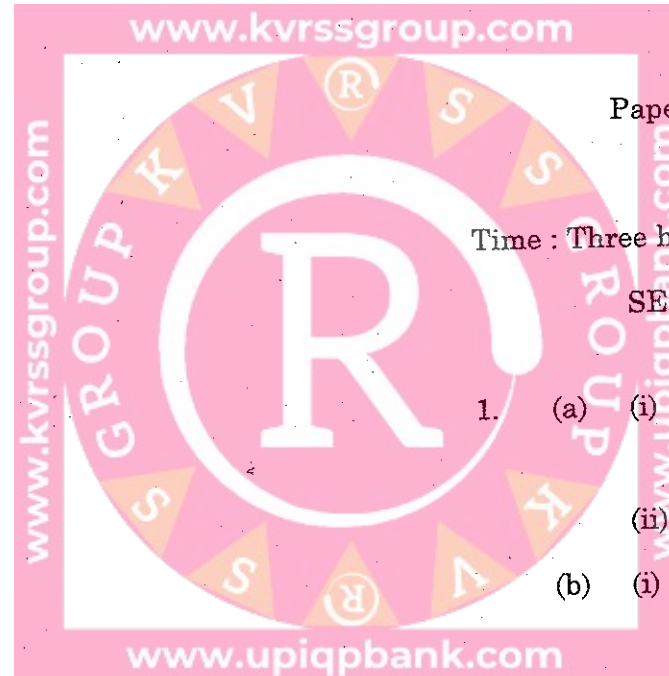
Or

(ii) RBI

(c) (i) Asset management

Or

(ii) Fiscal policy



(d) (i) Economic stabilisation

Or

(ii) Mobile banking

(e) (i) ATM

Or

(ii) Demonetisation.

SECTION B — (5 × 8 = 40 marks)

Answer the following questions.

2. (a) Describe the Central banking policy in developing country like India.

Or

(b) What are objectives of central Banks?

3. (a) Discuss the origin of Central Bank in U.K.

Or

(b) Examine the practices of central banking in USA.

4. (a) Examine the nature and structure of commercial banks in India.

Or

(b) Enumerate the recent developments of commercial banks in India.

5. (a) What is fiscal policy ? What are the objectives of fiscal policy?

Or

(b) What debt management policy? What are the objectives of debt management policy?

6. (a) What is E-banking? What are the features and objectives of E- banking?

Or

(b) What are key issues of technological advancement in banking sector?

SECTION C — (1 × 15 = 15 marks)

Answer the following questions.

7. (a) Explain the differences between fiscal policy and monetary policy.

Or

(b) Examine the impact of technology in banking sector in India.

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M.Com. DEGREE EXAMINATIONS,
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Third Semester

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Paper IV – INSURANCE AND RISK MANAGEMENT

(Regulation 2016)

Time : Three hours

Maximum : 70 marks

SECTION A — (5 × 3 = 15 marks)

Answer ALL questions.

1. (a) (i) Concept of Risk

Or

(ii) Insurance and Risk

(b) (i) Commercial Property Insurance

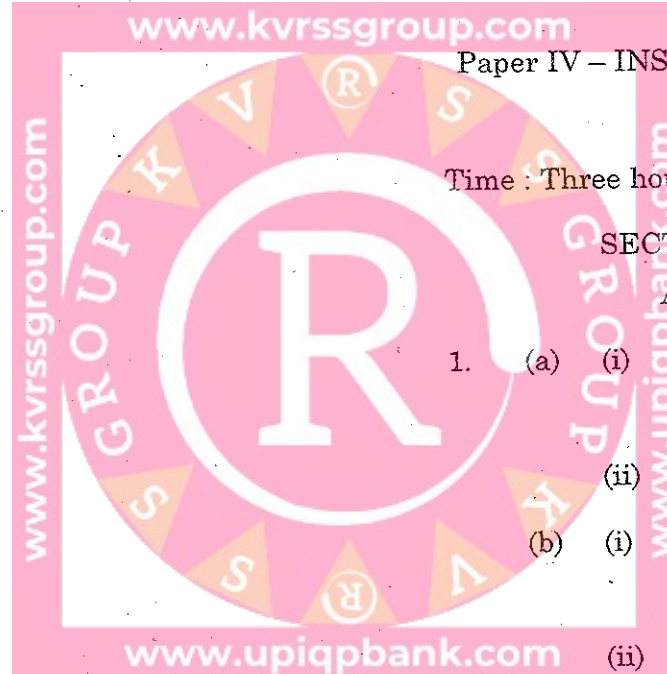
Or

(ii) Commercial Risk Management

(c) (i) Loss of life

Or

(ii) Employee Benefits



- (d) (i) Personal Risk
Or
(ii) Risk Management for Auto Owners
- (e) (i) Foreign insurance
Or
(ii) Privatization of Insurance

5. (a) What is retirement planning and annuities?
Or
(b) What are the employee benefits?
6. (a) Explain the role of government in regulating the insurance

SECTION B — (5 × 8 = 40 marks)

Answer all the following questions.

2. (a) Define Risk Management. What are the Techniques of Risk Management?
Or
(b) Explain the Risk Management Process.
3. (a) What is Commercial Property Insurance? What are the different policies and contracts?
Or
(b) What is workers compensation and Risk Financing?
4. (a) Write a concept of property and liability insurance coverage.
Or
(b) What are the methods of personal Risk Management?

- (b) Elucidate the pros and cons of privatization of insurance

Or

SECTION C — (1 × 15 = 15 marks)

Answer the following questions.

7. (a) What is the role and functions of IRDA?
Or
(b) What are the recent changes in Insurance Sector?