


**VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST**

(Autonomous &amp; Residential)

[Affiliated to Madurai Kamaraj University]

**M.Com.** Degree (Semester) Examinations, April 2015

Part – III : Core Subject : Second Semester : Paper – I

**E-COMMERCE**

Under CBCS – Credit 4

 Time: **3** Hours

 Max. Marks: **75**
**SECTION – A**
**Answer ALL Questions :**
**(10 × 2 = 20)**

1. What is known as ‘Router’?
2. What is meant by ‘Browser’?
3. Give a brief note on B2B in E-Commerce.
4. Explain the term E-Banking.
5. What is meant by IP-Address?
6. What do you mean by ‘Protocol’?
7. Explain the term EDI.
8. What is digital signature?
9. What do you mean by e-Cash?
10. What is meant by debit card?

**SECTION – B**
**Answer ALL Questions :**
**(5 × 5 = 25)**

- 11.a) What are the benefits of Internet? Explain.

**(OR)**

- b) What are the importances of World Wide Web? Explain.

- 12.a) What are the characteristics of e-Commerce? Explain.

**(OR)**

- b) Briefly explain about future of e-Commerce.

- 13.a) What are the network infrastructures required for EDI network?

Explain.

**(OR)**

- b) What are the basic concepts of internet security? Explain.

- 14.a) What are the advantages of using EDI for an organization?

Explain.

**(OR)**

- b) Distinguish between EDI and E-Mail.

- 15.a) What are the features of Electronic Payment System? Explain.

**(OR)**

- b) Explain the various issues involved in e-Cash transactions.

**SECTION – C**
**Answer any THREE Questions :**
**(3 × 10 = 30)**

16. Distinguish between World Wide Web and Internet.
17. Enumerate the various types of e-Commerce.
18. What are the types of networks? Explain in detail.
19. Explain in detail about the components of EDI.
20. Discuss in detail about the different types of electronic payment system.



14. a) A, B and C are in partnership sharing profits and losses in the ratio of 4:3:2 respectively. Their balance sheet as on 31.12.2014 stood as follows:

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	7,000	Cash	3,000
Capital accounts:		Debtors	2,000
A	8,000	Stock	4,000
B	4,000	Building	11,000
C	1,000		
	<b>20,000</b>		<b>20,000</b>

The firm was dissolved on the above date. Mr. A agreed to take over the stock at an agreed value of Rs.3,000 and debtors at Rs.1,400.

The building was sold at auction for Rs.5,400. Prepare realisation account.

**(OR)**

- b) A, B and C were partners sharing profits and losses in the ratio of 4:4:2. The partnership was dissolved on December 31, 2014 and their balance sheet on that date was as follows.

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Sundry creditors	6,000	Cash in hand	2,000
Capital accounts:		Other assets	38,000
A	16,000		
B	10,000		
C	3,000		
Profit and Loss A/c	5,000		
	<b>40,000</b>		<b>40,000</b>

The assets were realized gradually:  
Rs.10,000 was received in first instalment  
Rs.10,000 the second time and  
Rs.13,000 finally

Show how the cash was distributed under Maximum Loss method.



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**M.Com.** Degree (Semester) Examinations, April 2015

Part – III : Core Subject : Second Semester : Paper – II

### ADVANCED ACCOUNTING

Under CBCS – Credit 5

Time: **3 Hours**

Max. Marks: **75**

### SECTION – A

**Answer ALL Questions :**

**(10 × 2 = 20)**

1. Define Accounting.
2. State the external users of accounting information.
3. What is single entry system?
4. List out any four differences between single entry system and double entry system.
5. List out any four objectives of maintaining branch accounts.
6. Write a note on goods in transit.
7. What is sacrificing ratio?
8. What is amalgamation of firms?
9. What is inflation accounting?
10. Write a note on Current Cost Accounting Method.

### SECTION – B

**Answer ALL Questions :**

**(5 × 5 = 25)**

11. a) What are the different accounting conventions? Briefly explain.

**(OR)**

- b) Give the list of Indian Accounting Standards.

12. a) From the following details, find out the net credit sales for the year:

	Rs.
Opening balance of sundry debtors (Dr)	20,000
Cheque collection during the year	1,80,000
Cash collection during the year	25,000
B/R received during the year	5,000
Closing balance of sundry debtors (Dr)	24,000
Bad debts written off	2,500
Discount allowed	1,000
Goods returned by customers	2,500
Cheque dishonoured	500

**(OR)**

b) Mohan, a retail merchant commenced business with a capital of Rs.12,000 on 1.1.2014. Subsequently on 1.5.2014, he invested further capital of Rs.5,000. During the year, he has withdrawn Rs.2,000 for his personal use. On 31.12.2014, his assets and liabilities were as follows:

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

Calculate the profit or loss made during the year 2014.

13. a) From the following particulars relating to Hyderabad branch for the year ended 31.12.2014, prepare Branch account in the books of head office:

	Rs.
Stock at the branch on 1.1.2014	15,000
Debtors at the branch on 1.1.2014	30,000
Petty cash at the branch on 1.1.2014	300
Goods sent to branch during 2014	2,52,000
Cash sales 2014	60,000
Received from debtors 2014	2,10,000
Credit sales during 2014	2,28,000
Cheque sent to branch during 2014 for expenses	11,600
Goods returned by the branch	2,000
Stock at the branch on 31.12.2014	25,000
Debtors at the branch on 31.12.2014	48,000
Petty cash at the branch on 31.12.2014	200

**(OR)**

b) A head office in Kerala sends goods to its branch at Chennai. Prepare branch account to calculate profit.

	Rs.
Debtors on 1 <sup>st</sup> January 2014	6,000
Stock on 1 <sup>st</sup> January 2014	5,000
Goods sent to branch	16,000
Cash sales	8,000
Cash received from debtors	14,500
Stock on 31 <sup>st</sup> December 2014	6,000
Debtors on 31 <sup>st</sup> December 2014	11,500

15. a) What are the different methods of accounting for price level changes?

(OR)

- b) Explain the steps in the preparation of financial statements under Current Purchasing Power method.

**SECTION – C**

**Answer any THREE Questions :**

**(3 × 10 = 30)**

16. Explain the different accounting concepts in detail.
17. The following is the statement of affairs of Shri as on December 31, 2014 who kept his books on the single entry system.

**Statement of Affairs as on 31.12.2014**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Creditors	8,000	Fixtures	4,000
Capital	62,750	Stock	28,000
		Debtors	35,600
		Cash at bank	3,150
	<b>70,750</b>		<b>70,750</b>

His capital on 31.12.2013 was Rs.42,960. He transferred to his personal account from the bank account of the firm Rs.500 every month during the year and took for private use, stock worth Rs.300. He sold his house for Rs. 10, 000 during the year and introduced the proceeds into the business. Depreciation on fixtures at 5% and provision for doubtful debts at 2 ½ % is to be provided.

Prepare the Statement of profit of Shri and redraft the Statement of affairs as on December 31, 2014.

18. The following purchases were made by a business house having three departments

Department A 1,000 units	at a total cost of Rs.1,00,000
Department B 2,000 units	
Department C 2,400 units	

Stock on January 1, were
Department A 120 units
Department B 80 units
Department C 152 units
The sales were
Department A 1, 020 units at Rs.20 each
Department B 1, 920 units at Rs.22.50 each
Department C 2, 496 units at Rs.25 each

The rate of gross profit is same in each case. Prepare the Departmental trading accounts.

19. A and B are partners in a firm sharing profits and losses in 7 : 3. Their balance sheet as on 31<sup>st</sup> March 2014 is as follows:

Liabilities	Amount	Assets	Amount
Sundry creditors	40,000	Cash in hand	36,000
Bank overdraft	20,000	Sundry debtors 46,000	
Reserve	10,000	Less: Provision for	
Capital accounts:		doubtful debts 2,000	44,000
A	50,000	Furniture	30,000
B	40,000	Stock in trade	50,000
	<b>1,60,000</b>		<b>1,60,000</b>

On 1<sup>st</sup> April 2014, C joins the firm as a third partner for 1/4<sup>th</sup> share of the future profit on the following terms and conditions:

- Goodwill is valued at Rs.40,000 and C is to bring the necessary amount in cash as Premium for Goodwill.
- 20% of the Reserve is to remain as a provision against Bad and Doubtful debts.
- Stock in trade is to be reduced by 40% and furniture is to be reduced to 40%.
- A is to payoff the Bank Overdraft.
- C is to introduce Rs.30,000 as his share of capital to which amount other partner's capitals shall have to be adjusted.

Prepare capital accounts of the partners and amended balance sheet.

20. Explain the advantages of inflation accounting.



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**M.Com.** Degree (Semester) Examinations, April 2015

Part – III : Core Subject : Second Semester : Paper – III

**FINANCIAL MANAGEMENT**

Under CBCS – Credit 5

Time: **3** HoursMax. Marks: **75****SECTION – A****Answer ALL Questions :****(10 × 2 = 20)**

1. What is financial management?
2. What is Debenture?
3. What is operating leverage?
4. What is optimum capital structure?
5. What is cost of capital?
6. What is specific cost?
7. Define capital budgeting.
8. Explain the IRR Method.
9. What is a stable dividend?
10. What is stock dividend?

**SECTION – B****Answer ALL Questions :****(5 × 5 = 25)**

11. a) Examine the scope of financial management.

**(OR)**

- b) Distinguish between shares and debentures.

12. a) What are the factors determining the optimum capital structure?

(OR)

b) The company has the following capital structure:

10% Preference share capital Rs.1,00,000

Equity share capital (Rs.10 Shares) Rs.1,00,000

The amount of operating profit Rs. 60,000

The company is in 50% tax bracket. Calculate the financial leverage.

13. a) Explain the importance of cost of capital.

(OR)

b) A company issues Rs.10,00,000, 10% redeemable debentures at a discount of 5%. The costs of floatation amount to Rs.30,000. The debentures are redeemable after 5 years. Calculate before – tax cost of debt assuming a tax rate of 50%.

14. a) Enumerate the significant of capital budgeting.

(OR)

b) ABC Ltd. is considering two projects. Each requires an investment of Rs.10,000. The cash inflows from investment in the two projects X and Y are as follows:

Years	X	Y
1	5,000	1,000
2	4,000	2,000
3	3,000	3,000
4	1,000	4,000
5	---	5,000
6	---	6,000

The company has fixed three years pay-back period as the cut-off point.

15. a) What are the various types of dividend?

(OR)

b) The Apex company which earns Rs.5 per share, is capitalized at 10% and has a return on investment of 12%. Using Walter's dividend policy model, determine

i) the optimum payout and ii) the price of share at this payout

## SECTION – C

Answer any THREE Questions :

(3 × 10 = 30)

16. Examine the various sources of finance.

17. Explain the different theories of capital structure.

18. It is proposed to start a business requiring a capital of Rs.10,00,000 and an assured return of 15% on investments. Calculating the EPS, give your decision to choose the profitable financing, if

i) The entire capital is raised by means of Rs.100 equity shares; and

ii) 50% is raised from equity shares and 50% capital is raised by means of 10% debentures.

Assume the tax rate at 35%.

19. From the following information calculate the net present value of the two projects and suggest which of the two projects should be accepted assuming a discount rate of 10%.

	Project X	Project Y
Initial investment	Rs.20,000	Rs.30,000
Estimated life	5 Years	5 Years
Scrap value	Rs.1,000	Rs.2,000

The profit before depreciation and after taxes are as follows

	Year 1	Year 2	Year 3	Year 4	Year 5
Project X Rs.	5,000	10,000	10,000	3,000	2,000
Project Y Rs.	20,000	10,000	5,000	3,000	2,000
PV factor @ 10%	.909	.826	.751	.683	.621

20. The following information is available in respect of a firm:

Capitalization rate ( $K_e$ ) = 10%

Earning per share (E) = Rs.10

Assumed rate of return on investments

i)  $r = 15\%$       ii)  $r = 8\%$       iii)  $10\%$

Show the effect of dividend policy on the market price of shares, using Walter's Model.





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**M.Com.** Degree (Semester) Examinations, April 2015

Part – III : Core Subject : Fourth Semester : Paper – I

**FINANCIAL MARKETS AND SERVICES**

Under CBCS – Credit 5

Time: **3** Hours

Max. Marks: **75**

**SECTION – A**

**Answer ALL Questions :**

**(10 × 2 = 20)**

1. What is a primary market?
2. What is a money market?
3. What is a capital market?
4. Expand SEBI.
5. What do you mean by financial service?
6. What is a mutual fund?
7. Define leasing.
8. What is venture capital?
9. Define merchant banker.
10. What is factoring?

**SECTION – B**

**Answer ALL Questions :**

**(5 × 5 = 25)**

- 11.a) State the functions of financial system.

**(OR)**

- b) What are the features of Indian Money Market?

- 12.a) List out the functions of New Issue Market.

**(OR)**

- b) What are the advantages of listing?

- 13.a) What are the features of Financial services?

**(OR)**

- b) What are the functions of credit ratings?

- 14.a) Explain the features of hire purchase.

**(OR)**

- b) What are the facilities offered to credit card holders?

- 15.a) Distinguish between commercial bank and merchant bank.

**(OR)**

- b) List out the various functions involved in factoring.

**SECTION – C**

**Answer any THREE Questions :**

**(3 × 10 = 30)**

16. Explain the classification of financial markets.
17. Describe in details the method of trading in a stock exchange.
18. What is a mutual fund? Explain the classification of funds.
19. Discuss the importance of venture capital.
20. Explain the services of merchant bankers.





The quantities produced during the period under consideration were:

XY 400 kg and Y 100kg. the selling price of Y is Rs.240 per kg on which the profit earned is estimated at 30% of the selling price

15. a) Calculate material variances (cost variance, price variance and total usage variance) from the following data.

material	Standard price of material per kg (Rs)	Standard Usage of material per unit of output per kg.	Actual Usage (kg)	Actual price per kg. of material (Rs)
X	5	3	300	9
Y	4	5	250	3
Z	10	4	218	8
		<b>12</b>	<b>768</b>	

(OR)

- b) Calculate variable overhead variance from the following data:

Budgeted Production for January, 2008	3000 units
Budgeted Variable Overhead	Rs.15,000
Standard Time for one unit	2 hours
Actual production for January, 2008	2,500 units
Actual Hours Worked	4,500 hours
Actual Variable Overhead	Rs.13,500

### SECTION – C

**Answer any THREE Questions :** (3 × 10 = 30)

16. Describe the merits of perpetual inventory system.
17. Raja Sekhar building contractors began to trade on 1-1-94. The following was the expenditure on a contract for Rs.12,00,000.



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Part – III : Core Subject : Fourth Semester : Paper – II

### **APPLIED COST ACCOUNTING**

Under CBCS – Credit 5

Time: **3 Hours**

Max. Marks: **75**

### SECTION – A

**Answer ALL Questions :**

(10 × 2 = 20)

1. What are elements of costs?
2. What is a cost Sheet?
3. List Out the methods of costing.
4. Define Batch costing.
5. What is work uncertified?
6. What are standing charges? Give examples.
7. Mention some industries in which process costing is usually employed.
8. What do you understand by 'Abnormal Loss' and 'Abnormal Gain' in process costing?
9. What is idle time variance?
10. What is capacity variance?

### SECTION – B

**Answer ALL Questions :**

(5 × 5 = 25)

11. a) What is EOQ? How is it computed?

(OR)

- b) What is meant by 'Overheads'?

What are its various classifications?

12. a) Define Job costing. What are its prerequisites?

(OR)

b) Modern Printers undertook two jobs during the 1<sup>st</sup> week of June 1998. The following details are available.

	Job 110 (Rs)	Job 120 (Rs)
Materials Supplied	4,000	2,000
Wages paid	900	600
Direct expenses	200	100
Materials Transfer from job 120 to 110	200	200
Materials returned to stores	-	100

Find the cost of each job and profit or loss if any, assuming that job 120 is completed and invoiced to the customer at Rs.3,000.

13. a) Compute cost per running kilometer from the following data of a truck. Estimated life of vehicle 1,00,000 Kms.

Annual running 15,000Kms	Rs.	P
Cost of vehicle	25,000	00
Road Licence (Annual)	750	00
Insurance(Annual)	700	00
Garage rent (Annual)	900	00
Supervision & salaries (Annual)	2,700	00
Drivers 'wages per hour	3	00
Cost of fuel per liter	3	00
Repairs and maintains per k.m.	1	75
Tyre allocation per k.m.		90

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20kms. Per hour on an average and one litre of fuel gives 20 km.

(OR)

b) Write up Contract No. 303 account in the contract ledger of saravana & Co., from the following details:

	Rs.
Direct Materials	16,200
Wages	10,800
Special Plant	8,000
Stores issued	2,880
Loose tools	1,500
Tractor expenses	3,420
Contract price	40,000

The contract was completed in 20 weeks. The special plant was returned subject to depreciation at 20% on original cost. The value of loose tools and stores returned were Rs.1,000 and Rs.400 respectively . the book value of the tractor used for the contract was Rs.19,500 and depreciation to be harged to this contract is at 20% per annum on the book value. Provide 7% for administrative expenses on works cost.

14. a) What are wastage and scrap? How it is treated in profit & loss Account?

(OR)

b) A by- product Y is derived from the manufacture of the main product XY. The by-product is further processed for sale. From the following data prepare an account showing the cost per kilogram of products XY and Y.

	Joint expenses	Separate expenses	
	(Rs)	XY (Rs)	Y (Rs)
Materials	20,000	12,000	1,000
Labour	14,000	10,000	4,000
Overheads	5,000	3,000	1,200

	Rs.
Material issued from stores	3,00,000
Material purchased for the contract	80,000
Plant installed at cost	1,40,000
Wages paid	4,80,000
Direct expenses paid	44,000
Establishment expenses	20,000
Direct expenses accrued due on 31-12-94	6,000
Wages accrued due on 31-12-94	4,000

Of the plant and materials charged to the contract, plant which cost Rs.10,000 and materials costing Rs.8000 were lost. Some part of the materials costing Rs.5,000 were sold at a profit of Rs.1,000. On 31<sup>st</sup> Dec .1994 plant which cost Rs.4,000 was returned to stores and plant which cost Rs.3,000 was transferred to some other contract.

The work certified was Rs.9,60,000 and 80% of the same was received in cash. The cost of work done but uncertified was Rs.6,000. Charge depreciation on plant at 10% p.a. you are required to prepare the contract account for the year ended 31<sup>st</sup> Dec.1994 by transferring to the profit and Loss account the portion of profit, if any, which you consider reasonable.

18. On August 15, 1991 a manufacturer Soman desired to quote for a contract for the supply of 500 radio sets. From the following details prepare a statement showing the price to be quoted to give the same percentage of net profit on turnover as was realized during 6 months ending on 30<sup>th</sup> June 1991:

	Rs.
Stock of material as on 1 <sup>st</sup> Jan. 1991	20,000
Stock of material as on 30 <sup>th</sup> June 1991	25,000
Purchase of materials during 6 months	1,50,000
Factory wages during 6 months	1,20,000
Indirect charges during 6 months	25,000
Opening stock of completed sets	Nil
Closing stock of completed sets	100
Sales during 6 months	3,24,000

The number of radio sets manufactured during these six months was 1450 sets including those sold and those stocked at the end of the period. The radios to be quoted are of uniform quality and size as were manufactured during the six months to 30<sup>th</sup> June 1991. As from August 1, the cost of factory labour has gone up by 10%.

19. A product passes through two processes and then to finished stock. The normal wastage of each process is as follows:

Process A 3% and Process B 5%

The wastage of process A was sold @ Rs.5 per unit and that of process B at Rs.10 Per unit. 20,000 units were introduced into process A at the beginning of January 1998 at a cost at Rs.40 Per unit.

**Other expenses were as under:**

	Process A Rs	Process B Rs
Sundry materials	40,000	60,000
Wages	2,00,000	3,20,000
Manufacturing expenses	30,000	28,500

- The output of process A was 19,000 units and that of process B 18,200 units. Prepare the process Accounts, Normal loss Account, Abnormal Loss Account and Abnormal Gain Account.
20. The following data is taken out from the books of a manufacturing concern:

Budgeted labour composition for producing 100 articles

20 Men @ Rs.1.25 per hour for 25 hours

30 Women @ Rs.1.10 per hour for 30 hours

Actual labour composition for producing 100 articles

25 Men @ Rs.1.50 per hour for 24 hours

25 Women @ Re. 1.20 per hour for 25 hours

- Calculate :
- i) Labour cost Variance
  - ii) Labour Rate Variance
  - iii) Labour Efficiency Variance
  - iv) Labour Mix Variance.



**SECTION – C****Answer any THREE Questions :****(3 × 10 = 30)**

16. From the following particulars furnished by Mr. Deshpande, who is the Karta of a HUF for the previous year ending 31.3.2013, compute the income for the Assessment Year 2014-15.

		Rs.
a.	Profit from business (after charging Rs.20,000 as salary to Karta)	1,00,000
b.	Salary received by Mr.Anand from a company	60,000
c.	Director's fees received by Karta (He became director In his personal capacity)	10,000
d.	Rental value of the property letout	50,000
e.	Municipal taxes paid	5,000
f.	Professional income of Mr. Rajanna, (who is another Member) form legal profession	80,000
g.	Agricultural income of the family	4,000
h.	Interest on bank deposit	18,000
i.	Karta donated Rs.4,000 to approved local college	30,000
j.	Lottery income (of the family)	
k.	Mr. Anand lost Rs.20,000 in race horse	

17. From the following P&L A/C of a firm, calculate Book Profit, remuneration and taxable income.

		Rs.		Rs.
	Interest on Capital @12%		Gross Profit	29,000
A	15,000		Net Loss A	50,000
B	14,000	29,000	B	50,000
Salary A	40,000			
B	40,000	80,000		
Other expenses in relation to firm	20,000			
	<b>1,29,000</b>			<b>1,29,000</b>

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**M.Com.** Degree (Semester) Examinations, April 2015

Part – III : Core Subject : Fourth Semester : Paper – III

**INCOME TAX LAW AND PRACTICE – II & WEALTH TAX**

Under CBCS – Credit 4

Time: **3 Hours**Max. Marks: **75****SECTION – A****Answer ALL Questions :****(10 × 2 = 20)**

1. What is Hindu Undivided Family?
2. What is a partition of a HUF?
3. When a firm can be assessed as firm?
4. How the interest on capital is taxable in the hands of partners?
5. What is a Foreign Company?
6. What is Minimum Alternate Tax (MAT)?
7. What do you mean by income tax assessment?
8. When the Best Judgement Assessment is carried out?
9. What do you mean by Wealth Tax?
10. What do you understand about valuation of assets?

**SECTION – B****Answer ALL Questions :****(5 × 5 = 25)**

- 11.a) Following are the particulars given by a HUF in its income return for the assessment year 2014-15. You are required to compute the total income of the family.

		Rs.
a.	Dividend (Gross)	10,000
b.	Collection charge of above	200
c.	Salary received by a member of the family	7,500
d.	Business profits of the family (after deduction of Rs.10,000 as salary to Karta, and Rs.3,500 as loan granted to one of the relatives in the past which became bad during the previous year)	80,000
e.	Taxable income from House Property	12,000

**(OR)**

b) What are the incomes which are not chargeable to a HUF? Explain.

12. a) A Partnership firm has a book profit of Rs.4,60,000.

Remuneration allowable to working partners as per partnership deed is Rs.1,00,000. Compute the allowable remuneration under Income Tax Act.

**(OR)**

b) The profit and loss account of a firm shows a profit of Rs.20,000 after debit the following items:

	Rs.
Income tax paid	20,000
Travelling expenses (business)	50,000
Penalty and fees	10,000
Sales tax	50,000
Remuneration to partners	80,000

Compute the taxable profit of the firm for the assessment year 2014-15

13. a) From the following particulars, compute the total income of Z Ltd., an Indian Company.

- |                           |          |
|---------------------------|----------|
|                           | Rs.      |
| a) Interest on securities | 2,000    |
| b) Business income        | 3,00,000 |

c) Interest on debentures of

- |                             |        |
|-----------------------------|--------|
| i. Indian paper Mills Ltd., | 50,000 |
| ii. Another Indian Company  | 20,000 |

Compute total income of Z Ltd. It has distributed dividend of Rs.50,000 only.

**(OR)**

b) What are the salient features of assessment of companies under Income Tax Act, 1961? Explain.

14. a) What are the stages involved in the process of assessment of income tax? Explain.

**(OR)**

b) Explain the provisions relating to Self Assessment.

15. a) What are the assets which are exempted for the computation of net wealth of an assessee? Explain.

**(OR)**

b) An Indian company has the following assets and liabilities on the valuation date:

S.N.	Details	Amount in Rs.
1	Stock in trade	200000
2	Business premises occupied for own business purposes	3800000
3	Residential houses given to employees [gross salary of each employee is less than Rs 500000]	2200000
4	Residential house for full time director with gross annual salary of Rs 720000	1200000
5	Cars held as stock in trade	1800000
6	Cars for use of officers of the company	1000000
7	Bank Balance	1200000
8	Cash in hand recorded in books	200000
9	Guest House	1500000
10	Loan taken for construction of house	1000000
11	Loan taken for construction of residential houses of employees	1700000

18. Shivam Ltd., is a manufacturing Company. The profit and loss account of the company for the year ending March 31, 2014 is given below:

	Rs.		Rs.
Excise duty	75,000	Sales	10,00,000
Other expenses	5,10,000		
Net Profit	4,15,000		
	<b>10,00,000</b>		<b>10,00,000</b>

**Additional information**

- i. Out of excise duty of Rs.75,000 only 70,000 is paid.  
The payment is made as follows:
  - a) Rs.30,000 on July 5, 2013
  - b) Rs.40,000 on November 15, 2014
- ii. During the previous year 2013-14 the following payments are made in respect of expenses relating to earlier years:
  - a) Bonus of Rs.20,000 pertaining to the previous year 2011-12 paid on May 31, 2014
  - b) Electricity bill pertaining to previous year 2013-14 paid on March 5, 2014 Rs. 20,000

These payments are not recorded in the profit and loss account given above. Compute the net income of the company

19. What are the various procedures involved for assessment of income tax according to Income Tax Act, 1961? Explain.

20. Mr. Monty is in the business of construction and sale of residential flats. From the given information compute the Net Wealth and wealth tax.

S.N.	Details	Amount in Rs.
1	Land in Rural Area	1500000
2	Land in urban area [construction is not permitted as per municipal laws]	2500000
3	Land in urban area [held as stock in trade since 2000]	4200000
4	Motor Cars [Not held as stock in trade]	1250000
5	Jewellery [Not held as stock in trade]	1500000
6	Bank Balance	800000
7	Cash in hand	150000
8	Flats constructed and remaining unsold [ not being held as stock in trade]	4200000
9	Residence provided to 5 employees with one employee's gross annual salary exceeding Rs.500000	2500000
10	Loan taken to acquire land	1200000
11	Loan taken to acquire jewellery	1100000
12	Loan taken for construction of flats	3000000





**SECTION – C****Answer any THREE Questions :** (3 × 10 = 30)

16. A certain drug was administered to 456 males out of a total 720 in a certain locality to test its efficacy against typhoid. The incidence of typhoid is shown below. Find out the effectiveness of the drug against the disease. (The table value of  $\chi^2$  for 1 degree of freedom at 5% level of significance is 3.84)

	Infection	No Infection	Total
Administering the drug :	144	312	456
Without administering the drug :	192	72	264
Total :	336	384	720

17. Use simplex method to solve LPP

$$\text{Min } Z = X_2 - 3X_3 + 2X_5$$

$$\text{Subject to } 3X_2 - X_3 + 2X_5 \leq 7$$

$$-2X_2 + 4X_3 \leq 12$$

$$-4X_2 + 3X_3 + 8X_5 \leq 10$$

$$X_2, X_3, X_5 \geq 0$$

18. The distribution of the commodity from warehouses A, B, C & D is planned to three sources P, Q & R. The level of surpluses and requirements at various sources are given in the following matrix with related cost of transportation.

	P	Q	R	Surpluses
A	2	7	4	5
B	3	3	1	8
C	5	4	7	7
D	1	6	2	14
Requirements	7	9	18	34

Work out the optimal cost of distribution.

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**M.Com.** Degree (Semester) Examinations, April 2015

Part – III : Elective Subject : Second Semester : Paper – I

**QUANTITATIVE TECHNIQUES**

Under CBCS – Credit 4

Time: 3 Hours

Max. Marks: 75

**SECTION – A****Answer ALL Questions :** (10 × 2 = 20)

1. What are the purposes for which  $\chi^2$  – distribution is used?
2. Mention the large sample tests.
3. What is key element in simplex method?
4. What is Degeneracy in Transportation problem?
5. How game theory models be classified?
6. Define a queue.
7. What are the objectives of net work analysis?
8. Define the time estimates in PERT.
9. What are the areas of maintenance?
10. What is economic replacement policy?

**SECTION – B****Answer ALL Questions :** (5 × 5 = 25)

11. a) A random sample of 100 items taken from a large batch of articles contains of defective items,
  - i) Set up 96% confidence limits for the proportion of the defective items in the batch,
  - ii) If the batch contains 2696 items, set up 95% confidence interval for the proportion of the defective items.

(OR)

b) A random sample of 27 pairs of observations from a normal population gives a correlation coefficient 0.42. Is it likely that the variables in the population are uncorrelated?

- 12.a) A company is making two products A & B. The cost of producing one unit of product A & B is Rs.60 and Rs.80 respectively. As per the agreement, the company has to supply at least 200 units of product B to its regular customers. One unit of product A requires one machine hour whereas product B has machine hours available abundantly within the company. Total machine hours available for product A are 400 hours. One unit of each product A & B requires 1 labour hour each and total of 500 labour hours are available. The company wants to minimize the cost of production by satisfying the given requirements. Formulate the problem as a linear programming problem.

(OR)

- b) Assign workers 1, 2, 3, 4 to jobs A, B, C, D. Time taken by workers for different jobs are given in the matrix.

Workers	JOBS			
	A	B	C	D
1	45	40	51	67
2	55	40	61	53
3	49	52	48	64
4	41	45	60	55

- 13.a) Apply rule of dominance to the following matrix.

	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>
A <sub>1</sub>	9	8	-7
A <sub>2</sub>	3	-6	4
A <sub>3</sub>	6	7	7

(OR)

- b) A departmental store has a single cashier. During the rush hours, customers arrive at the rate of 20 customers per hour. The average number of customers that can be processed by the cashier is 24 per hour. Assume that the condition for the use of single channel model apply. What is the

- Probability that the cashier is idle?
- Average number of customers in the queuing system?
- Average time a customer spends in the system?
- Average number of customers in the queue?
- Average time a customer spends in the queue waiting for service?

- 14.a) Construct a network for each of the projects whose activity and their precedence relationships are given below.

Activity	A	B	C	D	E	F	G	H	I	J	K
Predecessor	-	-	-	A	B	B	C	D	E	H,I	F,G

(OR)

- b) A small maintenance project consists of the following jobs whose precedence relationships are given below. Draw the network diagram.

Job	1-2	1-3	2-3	2-5	3-4	3-6	4-5	4-6	5-6	6-7
Duration(days)	15	15	3	5	8	12	1	14	3	14

- 15.a) A company has recorded the following breakdown frequencies over the last two years. Work out the maintenance policy from cost effective point of view.

Number of breakdowns : 5 7 2 3 3 6 5

Number of months : 2 3 2 5 5 3 4

Average breakdown cost is Rs.5,000 per month

Present breakdown cost Rs.6,000 per month

(OR)

- b) Solve the following game:

A's strategy	B's strategy		
	b <sub>1</sub>	b <sub>2</sub>	b <sub>3</sub>
a <sub>1</sub>	12	-8	-2
a <sub>2</sub>	6	7	3
a <sub>3</sub>	-10	-6	2

19. A project schedule has the following characteristics.

Activity	1-2	1-3	2-4	3-4	3-5	4-9	5-6	5-7	6-8	7-8	8-10	9-10
Time (days)	4	1	1	1	6	5	4	8	1	2	5	7

From the above information, you are required to-

- (a) Construct a network diagram
- (b) Compute the earliest event time and latest event time
- (c) Determine the critical path and total project duration
- (d) Compute total, free float of each activity.

20. a) Machine A costs Rs.9000. Annual operating costs are Rs.200 for the first year, and then increases by Rs.2000 every year. Determine the best age to replace the machine. If the optimum replacement policy is followed, what will be the average yearly cost of owning and operating the machines?

b) Machine B costs Rs.10, 000. Annual operating costs are Rs.400 for the first year, and then increases by Rs.800 every year. You now have a machine of type A which is one year old. Should you replace it with B? If so, when?




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**M.Com.** Degree (Semester) Examinations, April 2015

Part – III : Elective Subject : Fourth Semester : Paper – I

**INVESTMENT MANAGEMENT**

Under CBCS – Credit 4

 Time: **3** Hours

 Max. Marks: **75**
**SECTION – A**
**Answer ALL Questions :**
**(10 × 2 = 20)**

1. What is an investment?
2. What is speculation?
3. What is New issue market?
4. What is credit rating?
5. What is online security trading?
6. Expand the terms NSE and OTCEI.
7. What is bond?
8. What do you mean by shares?
9. What is Fundamental analysis?
10. What is technical analysis?

**SECTION – B**
**Answer ALL Questions :**
**(5 × 5 = 25)**

- 11.a) What are the features of an investment?

**(OR)**

- b) Explain the importance of investments.

- 12.a) List out the role of new issue market.

**(OR)**

- b) Point out the disadvantages of credit rating.

- 13.a) Bring out relationship between New issue market and Stock exchange.

**(OR)**

- b) State the procedure for listing the securities.

- 14.a) How can you value the bonds?

**(OR)**

- b) Differentiate bonds from shares.

- 15.a) Explain the assumptions of efficient market.

**(OR)**

- b) What are the benefits of Technical analysis?

**SECTION – C**
**Answer any THREE Questions :**
**(3 × 10 = 30)**

16. Enumerate the structure of financial markets.
17. Explain the mechanics of floating new issues.
18. Discuss the role of SEBI with regard to stock exchange.
19. Analyse the various basic valuation models in brief.
20. Examine the different approaches to Investment management.

