VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST

(Autonomous & Residential)

[Affiliated to Madurai Kamaraj University]

M.Com. Degree (Semester) Examinations, April 2016

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

E – COMMERCE

Under CBCS – Credit 3

Time: **3** Hours   Max. Marks: **75**

SECTION – A

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

1. What is meant by Web Server?

2. What is Software?

3. Define E-Commerce.

4. What is B2E Electronic Commerce?

5. What is Wide Area Network?

6. What is Domain Name?

7. What is meant by EDI?

8. What is Protocol?

9. What is meant by Credit Card?

10. What is Electronic Wallet?

SECTION – B

Answer ALL Questions :   **(5 × 5 = 25)**

11. a) What are the uses of Internet?

(OR)

b) Differentiate Hardware from Software.

12. a) Distinguish between Traditional Commerce and Electronic Commerce.

(OR)

b) What are the benefits of E-Commerce?

13. a) What is topology? and explain its types.

(OR)

b) Explain the working of Public Key Encryption.

14. a) Explain the features of EDI.

(OR)

b) What are the various types of EDI files?

15. a) What is e-cash? and explain its properties.

(OR)

b) What are the advantages of Credit Cards and payment over the Internet?

SECTION – C

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

16. Define World Wide Web and explain its benefits.

17. Describe the various classification of E-Commerce with examples.

18. What is meant by security transaction? Explain how a secure payment systems work.

19. What are the advantages and limitations of using EDI?

20. What is Electronic Fund Transfer? What are the different types of Electronic Payment System?

* * * * * *
** ** ** **

VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST
(Autonomous & Residential)
[Affiliated to Madurai Kamaraj University]
M.Com. Degree (Semester) Examinations, April 2016
Part – III : Core Subject : Second Semester : Paper – II

ADVANCED FINANCIAL ACCOUNTING
Under CBCS – Credit 5

Time: **3** Hours   Max. Marks: **75**

SECTION – A

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

1. What is Accounting equation?

2. Specify the importance of money measurement Concept.

3. Mention any two salient features of Single Entry system.

4. State any difference between Single entry and Double entry system.

5. What are the different kinds of branches?

6. How do you allocate the following expenses in departmental accounts?

    a) Rent and Rates   b) Lighting

7. State any two benefits of amalgamation of firms.

8. A firm earned net profits during the last three years as follows:

	Rs.
I Year	36,000
II Year	40,000
III Year	44,000

The capital investment of the firm is Rs.1,20,000. A fair return on the capital having regard to the risk involved is 10%. Calculate the value of Goodwill on the basis of 3 years purchase of super profits.

9. What is Inflation Accounting?

10. Name the two methods of Inflation Accounting.

SECTION – B

Answer ALL Questions :   **(5 × 5 = 25)**

11. a) Briefly explain any three accounting conventions.

(OR)

b) List out any five Indian Accounting Standards.

12. a) Mohan, a retail merchant comments business with the capital of Rs.12,000 on 1/1/94. Subsequently on 1/5/94 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs.2,000 for his personal use. On 31/12/94, 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 1994.

(OR)

b) From the following information, you are required to calculate total sales:

	Rs		Rs.
Bills Receivable in the beginning	7,800	Bad debts written off	2,800
Debtors in the beginning	30,800	Returns inwards	8,700
Bills Receivable encashed during the year	20,900	Bills receivable at the end	6,000
Cash received from Debtors	70,000	Debtors at the end	25,500
		Cash sales (as per cash book)	40,900
		Bills Received dishonoured	1,800

13. a) From the following particulars relating to Hyderabad branch for the year ended 31/12/90, prepare Branch A/c in the head office books:

	Rs.	Rs.
Stock at the Branch on 1/1/90		15,000
Debtors at the branch 1/1/90		30,000
Petty cash at the Branch 1/1/90		300
Goods sent to Branch during 1990		2,52,000
Cash sales 1990		60,000
Received from Debtors 1990		2,10,000
Credit sales during 1990		2,28,000
Cheques sent to branch during 1990: For salaries For rent & rates For petty cash	9,000 1,500 1,100	11,600
Stock at the branch on 31/12/90		25,000
Petty cash 31/12/90		200
Goods returned by the branch		2,000
Debtors on 31/12/90		48,000

(OR)

b) From the following details, prepare departmental trading accounts.

	Department A	Department B
Opening stock	9,000	8,400
Total purchases	27,000	21,600
Total sales	42,000	36,000
Closing stock	10,800	4,800
Credit purchases	17,000	10,600
Credit sales	5,000	6,000

14. a) A and B are partners sharing profits in the ratio of 3:1. Their balances sheet stood as under on 31/3/2004.

Liabilities		Rs.	Assets		Rs.
Salary due		5,000	stock		10,000
Creditors		40,000	Prepaid Insurance		1,000
Capital			Debtors		
A:	30,000		Less: Provision	8,000	
B:	20,000	50,000		500	7,500
			Cash		18,500
			Machinery		22,000
			Buildings		30,000
			Furniture		6,000
		95,000			**95,000**

C is admitted as a new partner introducing a capital of Rs.20,000, for his ¼ th share in future profits.

Following revaluations are made:
   i)   Stock be depreciated by 5%
   ii) Furniture be depreciated by 10%
   iii) Building be revaluated at Rs. 45,000
   iv) The provision for doubtful debts should be increased to Rs.1,000.Prepare revaluation A/c, Capital A/c and Balance Sheet after admission.

(OR)

b) A, B and C are partners in a firm sharing profits and losses in the ratio of 1/3:1/2:1:6 respectively. Their Balances Sheet at on 31/3/2006 was as follows.

Liabilities	Rs.	Assets		Rs.
Reserve Fund	16,000	Building		50,000
Capital		Machinery		40,000
A	30,000			
B	40,000	Furniture		10,000
C	25,000	Stock		25,000
Loan payable	15,000	Debtors	18,000	
		Less: Provision	500	17,500
Sundry creditors	25,000	Cash		8,500
	1,51,000			**1,51,000**

C' retires on 31/3/2006 subject to the following conditions:
a) Goodwill of the firm is valued at Rs. 24,000
b) Machinery to be depreciated by 10%
c) Furniture to be depreciated by 5%
d) Stock to be appreciated by 15% and buildings to be appreciated by 10%
e) Reserve for doubtful debts to be raised to Rs. 2,000.
Prepare Revaluation account and Capital Account.

15. a) What is Inflation Accounting? What are the salient features of Inflation Accounting?

(OR)

b) List out the merits of Inflation Accounting.

SECTION – C

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

16. Define Accounting. Explain various accounting concepts briefly.

17. The position of a business man who keeps his books on single entry was as under on 31/12/90 and 31/12/91.

	1990 Rs.	1991 Rs.
Cash in hand	400	480
Cash at bank	6000	2500
stock	6500	5000
debtors	4000	5200
furniture	300	350
Sundry creditors	4100	3100

He withdraws Rs.7,500 from business on 2/1/91 out of which he spends Rs.5,200 for purchase of a motor truck for the business.

Adjustments:

a) Depreciation on closing balance of furniture and truck at 10%.
b) Write off Rs. 220 as bad debts
c) 5% provision for bad and doubtful debts is needed.
Find out the profit or loss for the year.

5

18. A Madras head office has a branch at Salem to which goods are invoiced at cost plus 20%. From the following particulars, prepare Branch A/c in the head office books;

	Rs.
Goods sent to branch	2,11,872
Total sales	2,06,400
Cash sales	1,10,400
Cash received from branch debtors	88,000
Branch debtors on 1/1/96	24,000
Branch stock on 1/1/96	7,680
Branch stock on 31/12/96	13,440

19. P, Q and R share profits in proportion of ½, ¼ and ¼. On the date of Dissolution their Balance Sheet was as follows:

liabilities	Rs	Assets	Rs
creditors	14,000	Sundry assets	40,000
P's capital	10,000		
Q's capital	10,000		
R's capital	6,000		
	40,000		40,000

The assets realized Rs.35,500. Creditors were paid in full. Realization expenses amounted to Rs.1,500. Close the books of the firm.

20. Discuss the different methods of Inflation Accounting.

******

VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST
(Autonomous & Residential)
[Affiliated to Madurai Kamaraj University]
M.Com. Degree (Semester) Examinations, April 2016
Part – III : Core Subject : Second Semester : Paper – III

FINANCIAL MANAGEMENT
Under CBCS – Credit 5

Time: **3** Hours   Max. Marks: **75**

SECTION – A

Answer ALL Questions :   (10 × 2 = 20)

1. Define financial management.

2. What is a trade credit?

3. What is optimal capital structure?

4. What is operating leverage?

5. What is cost of capital?

6. What is weighted average cost of capital?

7. What is IRR?

8. What is capital budgeting?

9. What is meant by dividend?

10. What is scrip dividend?

SECTION – B

Answer ALL Questions :   (5 × 5 = 25)

11. a) List out the objectives of Financial Management.

(OR)

b) Explain the various scope of Financial Management.

12. a) Discuss the factors determining optimum capital structure.

(OR)

b) A firm sells products for Rs. 100 per unit, has variable operating costs of Rs.50 per unit and fixed operating costs of Rs.50,000 per year. Show the various levels of EBIT that would result from sale of   i) 1,000 units   ii) 2,000 units and   iii) 3,000 units.

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

(OR)

b) A company issues 10% irredeemable debentures of Rs.1,00,000. The company is in the 55% tax bracket. Calculate the cost of debt (before as well as after tax) if the debentures are issued at

i) par   ii) 10% discount and   iii) 10% premium.

14. a) Enumerate the importance of capital budgeting.

(OR)

b) X Ltd. is considering the purchase of a new machine which will carry out operations performed by labour. A and B are alternative models. From the following information, you are required to prepare a profitability statement and work out the pay-back period in respect of each machine :

	Machine A	Machine B
Estimated life of machine	5 years	6 years
Cost of machine	Rs.1,50,000	Rs.2,50,000
Cost of indirect materials	6,000	8,000
Estimated savings in scrap	10,000	15,000
Additional cost of maintenance	19,000	27,000
Estimated savings in direct wages :		
Employees not required (number)	150	200
Wages per employees	600	600

Taxation is to be regarded as 50% of profit (ignore depreciation for calculation of tax). Which model would you recommend? State your reasons.

15. a) What are the different forms 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. The following is the capital structure of a company.

shares of Rs.100 each	Rs.2,00,000
Reserves and Surplus	80,000
9% Preference Shares	1,20,000
7% Debentures	1,00,000
Total Capital	5,00,000

The company earns 12% on its total capital. The company proposes to invest Rs.2,50,000 in an expansion programme. The following alternatives are available :

Plan A   Issue of 2,000 equity shares at a premium of Rs.25

Plan B   Issue of 10% preference shares

Plan C   Issue of 8% debentures.

The price earning ratios are estimated as follows :

Plan A – 13; Plan B – 12; Plan C – 10.Evaluate the financing plans and make your recommendation, assuming a corporate tax rate of 50%.

18. Discuss the merits and demerits of Weighted average cost of capital.

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	5,000	10,000	10,000	3,000	2,000
Project Y	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 the rate of return on investments (r), the capitalization rate (Ke) and earnings per share (E) of Hypothetical Ltd.

      i) r = 12%   ii) r = 11%   iii) r = 10%

      Ke = 11%   E = Rs. 20.

Determine the value of its shares, assuming the following

	D/P ratio (1-b)	Retention ratio (b)
a)	10%	90%
b)	40%	60%
c)	70%	30%

* * * * * *
** ** ** ** **

VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST
(Autonomous & Residential)
[Affiliated to Madurai Kamaraj University]
M.Com. Degree (Semester) Examinations, April 2016
Part – III : Core Subject : Fourth Semester : Paper – I

FINANCIAL MARKETS AND SERVICES
Under CBCS – Credit 4

Time: **3** Hours   Max. Marks: **75**

SECTION – A

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

1. What is money market?

2. List out any four types of financial instruments.

3. What do you mean by Over The Counter Exchange of India (OTCEI)?

4. Write any four objectives of SEBI.

5. Define the term 'Mutual Fund'.

6. What do you mean by 'Securitization'?

7. Who is a 'Lessor'?

8. Define 'Venture Capital'.

9. Who is a merchant banker?

10. What do you mean by 'Maturity Factoring'?

SECTION – B

Answer ALL Questions :   **(5 × 5 = 25)**

11. a) What are the classifications of financial markets? Explain.

(OR)

b) What are the features of money market? Explain.

12. a) What are the types of issue of securities in Indian Capital Market? Explain.

(OR)

b) What are the objectives of listing of securities? Explain.

13. a) What are the types of financial services? Explain.

(OR)

b) Briefly explain the benefits of mutual funds.

14. a) What are the types of leasing? Explain.

(OR)

b) Briefly explain the various stages involved in venture capital financing? Explain.

15. a) Narrate the role of merchant bankers in the corporate sector.

(OR)

b) What are the benefits of factoring? Explain.

SECTION – C

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

16. Discuss the role of financial system in economic development of a country.

17. What are the functions of stock exchange? Explain.

18. Describe the importances of financial services in India

19. Explain the role of venture capital financing.

20. What are the different types of factoring system existing in India? Explain.

* * * * * *
****

VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST
(Autonomous & Residential)
[Affiliated to Madurai Kamaraj University]
M.Com. Degree (Semester) Examinations, April 2016
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 is labour cost?

2. What is production account?

3. What is job costing?

4. What is cost sheet?

5. What is operating costing?

6. What is work certified?

7. What is equivalent production?

8. Write any two features of joint products.

9. What is standard costing?

10. What is variance?

SECTION – B

Answer ALL Questions :   **(5 × 5 = 25)**

11. a) Explain the different elements of cost.   **(OR)**
    b) Write the classification of overhead.

12. a) What steps are involved in job costing?   **(OR)**
    b) From the following information relating to the manufacturing of a product in a cost centre, prepare a cost sheet showing both production and setting up costs, total and per unit, when the batch consists of 200 units.

Cost of materials 12 paise per unit

Operator's wages Rs. 1.44 an hour

Machine hour rate Rs. 3.00

Setting up time of the machine 4 hours and 40 minutes

Manufacturing time 20 minutes per unit.

13. a) Write the objectives of transport costing. **(OR)**

b) Laxmi travels, a transport company is running a fleet of six buses between two towns 75 km apart. The seating capacity of each bus is 40 passengers. The following particulars are available for the month of April 2015.   **Rs.**

Wages of drivers, conductors etc	3,600
Salaries of office and supervisory staff	1,500
Diesel, oil etc	10,320
Repairs and maintenance	1,200
Taxes and insurance	2,400
Depreciation	3,900
Interest and other charges	3,000

The actual passengers carried were 80% of the capacity. All the buses run all the days in the month. Each bus made one round trip per day. Find out the cost per passenger kilometer.

14. a) 200 units of raw materials were introduced in a process and the expenses incurred in that process were as follows:

Materials	Rs.5,000
Wages	Rs.2,000
Overheads	Rs.1,000

Normal wastage took place in that process -10% of introduced material.

It was sold @ Rs. 10 per unit.

Calculate the cost of remaining units and the cost per unit.

(OR)

b) The following information is available in respect of Process B

Material	1,000 kg @ Rs.6 per kg
Labour	Rs.5,000
Direct expenses	Rs.1,000
Indirect expenses allocated to Process B	Rs.1,000

Normal wastage 10% of input

Prepare Process B account when scrap value of normal loss is nil.

15. a) Product X requires 20 kgs of material at Rs. 4 per kg. The actual consumption of material for the manufacturing of product X came to 24 kgs of material at Rs. 4.50 per kg. Calculate material variances.

(OR)

b) Calculate labour variance for the two departments from the followings:

	Department A	Department B
Actual gross wages (Direct)	Rs.2,000	Rs.1,800
Standard hours produced	8,000	6,000
Standard rate per hour	30 paise	35 paise
Actual hours worked	8,200	5,800

SECTION – C

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

16. Explain the practical difficulties involved in installing a costing system in a manufacturing company.

17. Ram products limited produces Tin sheets for industrial use, all of standards size and shape.

Stock of materials on 1.7. 2015	55,000
Stock of materials on 30.09. 2015	35,000
Factory wages	8,30,000
Materials purchased	6,15,000
Sales	18,00,000
Indirect expenses	1,30,000
Finished goods on 1.7.2015	NIL
Finished goods on 30.09.2015	200 units
Number of tin sheets manufactured during the quarter was 2,000	

Prepare a statement showing cost per sheet, total cost and profit for the period.

18. The following cost data is available from the books of ABC Power Company limited for the year 2015.

Prepare cost sheet showing cost of power generation per unit of K.W.H

	Rs.
Operating labour	16,500
Plant supervision	5,250
Lubricants and supplies	10,500
Repairs	21,000
Administration overheads	9,000
Capital cost	1,50,000

Total units of power generated 15,00,000. Coal consumed per K.W.H. for the year is 1.5 ponds and the cost of coal purchased is Rs. 33.06 per metric ton. Depreciation is at 4% per annum and the interest on capital is to be taken at 7% per annum.

19. A product passes through three processes X, Y and Z for completion. During September 2015, 5, 000 units of finished products were produced and the following expenses were incurred.

	Process X (Rs.)	Process Y (Rs.)	Process Z (Rs.)
Materials	5,000	10,000	5,000
Direct Wages	25,000	20,000	15,000
Direct expenses	2,500	3,000	5,000

Indirect expenses amount Rs.30,000 which are to be apportioned to the processes on the basis of direct wages. Raw materials worth Rs.30,000 were issued to process X. Ignore the question of process stocks and prepare the process accounts, showing cost per unit in each process.

20. Calculate material variance from the following:

Material	SQ (kg)	SP (Rs)	Total	AQ (kg)	AP (Rs)	Total
P	10	2	20	5	3	15
N	20	4	80	15	5	75
R	30	5	150	25	6	150
	60		250	45		240

* * * * *
** **** **

4

VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST

(Autonomous & Residential)

[Affiliated to Madurai Kamaraj University]

M.Com. Degree (Semester) Examinations, April 2016

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

INCOME TAX LAW & PRACTICE – II & WEALTH TAX

Under CBCS – Credit 4

Time: **3** Hours   Max. Marks: **75**

SECTION – A

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

1. Who is 'Karta'?

2. List out any four types of incomes in which HUF is not liable for tax.

3. What do you mean by 'Book Profit'?

4. What are the limits prescribed U/S 40(b) for payment of remuneration to the working partners?

5. What is 'Minimum Alternate Tax (MAT)?

6. Write the meaning of companies registered U/S 25 of the Companies Act, 1956.

7. What do you mean by Self Assessment?

8. What is PAN?

9. Mention the types of assesses who are not charged with wealth tax.

10. Why valuation date is important for assessing wealth tax?

SECTION – B

Answer ALL Questions :   **(5 × 5 = 25)**

11. a) How do you assess the tax liability of a HUF? Explain.

(OR)

b) Following are the particulars given by a HUF in its income return for the assessment year 2015-16. You are required to compute the total income of the family.

a. Dividend (Gross)   Rs.10,000

b. Collection charge above   Rs.200

c. Salary received by a member of the family   Rs.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 Rs.80,000

e. Taxable income from House property Rs.12,000

12. a) The P&L A/C of a firm shows a profit of Rs.20,000 after debiting 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

(OR)

b) Calculate the firm's income under the head profit and gains from business and profession from the data given below:

	Rs.
Net Profit as per P&L A/C (after debiting the following)	20,000
Salary to Partner A	60,000
Salary to Partner B	40,000
Commission to A	20,000
Interest on Capital @ 21% to A	14,000
Interest on Capital @ 21% to B	7,000

The payment to partners have been made in accordance with partnership deed.

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) Ashwani Company Pvt Ltd., furnish the following information.

	Rs.
Interest on Securities (Computed)	10,000
Income from House Property (Computed)	20,000
a. Textile manufacturing:	
Profit as per P&L a/c before depreciation	2,00,000
Depreciation	95,000
b. Hosiery manufacturing:	
Profit as per P&L a/c before depreciation	75,000
Depreciation	18,000
Agency business loss b/f from 2008-09	15,000
Income from other sources	25,000

Compute total income of the company for the assessment year 2015-16

14. a) Explain the provisions relating to Best Judgement Assessment.

(OR)

b) What are the enquiries to be carried out before assessment U/S 142? Explain.

15. a) What are the deemed assets to be included in computation of net wealth? Explain.

(OR)

b) Mr. Ravi has the following assets and liabilities on the valuation date:

Sl No.	Details	Rs.
1	Residential House	40,00,000
2	Cars for personal use	10,00,000
3	Jewellery	16,00,000
4	Aircrafts and boats for personal use	1,30,00,000
5	Farm house 15 Kms away from local limits of Mumbai	12,00,000
6	Cash in hand	2,20,000
7	Shops given on rent	12,00,000
8	Loan taken to purchase aircrafts	50,00,000
9	Loan taken to purchase residential house	22,00,000

Compute Net Wealth

SECTION – C

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

16. The following details have been supplied by the Karta of a HUF, you are required to compute the Gross Total Income of the family members for the assessment year 2015-16:

		Rs.
i.	Profit from business	1,52,000
ii.	Salary received by a member of the family from his service elsewhere	30,000
iii.	Director's fees received by the Karta by his personal exertion	6,000
iv.	Annual value of the property let	12,000
v.	Municipal taxes paid	600
vi.	Dividend received	450
vii.	Long term capital gains from transfer of building	9,880
viii.	Long term capital gains from transfer of investments	10,000
ix.	Donation to NDF	18,000
x.	Share of profit from a firm	10,000

17. X,Y and Z are partners in a firm sharing equally, for the assessment year 2014-15, following particulars are available: **Rs.**

Loss as per P& L A/c (after debiting partners Remuneration and interest)   2,44,000

Remuneration to partners (as per deed)

X	90,000
Y	60,000
Z	30,000

Interest on Capital at 12% as per deed,

X (1,00,000 * 12%)	12,000
Y (1,00,000 * 12%)	12,000
Z (1,00,000 * 12%)	12,000

Compute the firm's income for the assessment year 2015-16.

18. Enumerate different kinds of companies as classified in the Income Tax Act, 1961.

19. Explain the stages involved in the procedure for assessment according to the provisions of Income Tax Act, 1961.

20. 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

Compute net wealth and wealth tax

* * * * * *
* * * * * * * *

VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST
(Autonomous & Residential)
[Affiliated to Madurai Kamaraj University]
M.Com. Degree (Semester) Examinations, April 2016
Part – III : Elective Subject : Second Semester : Paper – I

QUANTITATIVE TECHNIQUES
Under CBCS – Credit 5

Time: **3** Hours   Max. Marks: **75**

SECTION – A

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

1. What is standard error?

2. Define Sample.

3. What are the application areas of operations research?

4. Define unbalanced Transportation problem.

5. Define two persons zero sum game.

6. What is Queue length?

7. What is Predecessor activity?

8. What is float of an activity?

9. What are the types of replacement policies?

10. What is Gradual failure?

SECTION – B

Answer ALL Questions :   **(5 × 5 = 25)**

11. a) Solve the following LP problem using graphical method:

Maximize $Z = 5x_1 + 3x_2$

Subject to constraints $3x_1 + 5x_2 \leq 15$

$5x_1 + 2x_2 \leq 10$ *and* $x_1, x_2 \geq 0$.

(OR)

b) Alpha Limited produces and sells two different products under the brand –names black white. The profit per unit on these products is Rs.50 and Rs.40, respectively. Both the products employ the same manufacturing process, which as a fixed total capacity of 50,000 man-hours. As per the estimate of the marketing research department of Alpha Limited, there is a market demand for 8000 units of black and 10,000 units of white. Subject to overall demand the products can be sold in any possible combination. If it takes 3 hours to produce one unit of black and 2hours to produce one unit of white, formulate the model of linear programming.

12. a) Sample of sales in similar shops in two towns are taken for a new products with the following results:

Town	Mean sales	Variance	Size of sample
A	57	5.3	5
B	61	4.8	7

Is there any evidence of difference in sales in the two towns? Use 5 percent level of significance for testing this different between the means of two samples.

(OR)

b) At a certain date in a large city 400 out of a random sample of 500 men were found to be smokers After the tax on tobacco had been heavily increased, another random sample of 600 men in the same city included 400 smokers. Was the observed decrease in proportion of smokers significant? Test at 5% level of significance.

13. a) Following is the pay of matrix for player A

Player B

		B1	B2	B3	B4	B5
	A1	2	4	3	8	4
Player A	A2	5	6	3	7	8
	A3	6	7	9	8	7
	A4	4	2	8	4	2

Using dominance property, obtain the optimum strategies for both the players and determine the value of the game.

(OR)

b) The data collected in running a machine the cost of which is Rs. 60,000 are given below:

Year	1	2	3	4	5
Real value (Rs.)	42000	20000	18400	14400	9650
Cost of spares(Rs.)	4000	4270	4880	5700	6800
Cost of labour (Rs.)	14000	16000	18000	21000	25000

Determine optimum period for replacement of the machine.

14. a) Five jobs 1, 2, 3, 4 and 5 are to be assigned to five persons A, B, C, D, and E. The time taken (in minutes) by each of them on each job is given below

	1	2	3	4	5
A	16	13	17	19	20
B	14	12	13	16	17
C	14	11	12	17	18
D	5	5	8	8	11
E	5	3	8	8	10

Work out the optimal assignment and the total minimum time taken.

(OR)

b) Workers come to a tool store room to enquire about the special tools (required by them) for a particular job. The average time between the arrivals is 60 seconds and the arrivals are assumed to be in position distribution. The average service time is 40 seconds. Determine:

    a) Average queue length,

    b) Average length of non-empty queue,

    c) Average number of workers in the system including the workers being attended.

    d) Mean waiting time of an arrival,

    e) Average waiting time of an arrival (workers) who waits.

15. a) The following table gives the activities of a project and their duration in days.

Activity	1-2	1-6	2-3	2-4	3-5	4-5	6-7	5-8	7-8
Duration	7	6	14	5	11	7	11	4	18

    Draw the network diagram and find critical path.

(OR)

b) A company manufactures 3 types of products which use precious metals, platinum and gold. Due to the shortage of these metals, the government regulates the amount that may be used per day. The relevant data with respect to supply, requirements and profits are summarised in the table below:

products	Platinum Required/units(gms)	Gold Required/unit(gms)	Profit /unit
A	2	3	500
B	4	2	600
C	6	4	1200

Daily allotment of platinum and gold is 160 gms and 120 gms respectively. How should the company divie the supply of scarce precious metals? Formulate the mathematical model.

SECTION – C

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

16. Solve the following LPP by Simplex method

$$\text{Max} \quad z = x_1 + 4x_2 + 5x_3$$

$$\text{St} \quad 3x_1 + 3x_2 \leq 22$$

$$x_1 + 2x_2 + 3x_3 \leq 14$$

$$3x_1 + 2x_2 \leq 14$$

$$x_1, x_2, x_3 \geq 0.$$

17. A company has three plants at locations A, B and C which supply to warehouses located at D, E, F, G and H. Monthly plant capacities are 800, 500 and 900 units respectively. Monthly warehouses requirements are 400, 400, 500, 400 and 800 units respectively. Unit transportation costs (in Rs.) are given below:

		To				
		D	E	F	G	H
	A	5	8	6	6	3
From	B	4	7	7	6	6
	C	8	4	6	6	3

Determine an optimum distribution for the company in order to minimize the total transportations cost.

18. Set up an analysis of variance table for the followings per acre production data for three varieties of wheat, each grown on 4 plots and state if the variety differences are significant.

Plot of land	Per acre production data		
	Variety of wheat		
	A	B	C
1	6	5	5
2	7	5	4
3	3	3	3
4	8	7	4

19. The following information is obtained concerning an investigation of 50 ordinary shops of small size:

	Shopes		Total
	In towns	In villages	
Run by men	17	18	35
Run by women	3	12	15
Total	20	30	50

Can it be inferred that shops run by women are relatively more in villages than in towns? Use x^2 test.

20. An electro –mechanical equipment has a purchase price of Rs. 7000. The running costs per year and resale values are given below:

Year	1	2	3	4	5	6	7	8
Running cost(Rs.)	2000	2100	2300	2600	3000	3500	4100	4600
Resale value (Rs.)	4000	3000	2200	1600	1400	700	700	700

At which year is the replacement due?

* * * * * *

VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST
(Autonomous & Residential)
[Affiliated to Madurai Kamaraj University]
M.Com. Degree (Semester) Examinations, April 2016
Part – III : Elective Subject : Fourth Semester : Paper – II

INVESTMENT MANAGEMENT
Under CBCS – Credit 5

Time: **3** Hours   Max. Marks: **75**

SECTION – A

Answer ALL Questions :   (10 × 2 = 20)

1. What do you mean by financial investment?

2. Define 'Speculation'.

3. What do you mean by underwriting?

4. What is meant by credit rating?

5. Define the term 'Stock Exchange'.

6. What do you mean by listing of securities?

7. List of out the types of share valuation.

8. How to value the share under present value approach?

9. What is fundamental analysis?

10. State the levels of market efficiency.

SECTION – B

Answer ALL Questions :   (5 × 5 = 25)

11. a) What are the characteristics of investment? Explain.

(OR)

b) Distinguish between investment and speculation.

12. a) Briefly explain the role of new issue market.

(OR)

b) What are the types of credit rating? Explain.

13. a) What are the characteristics of stock exchange? Explain.

(OR)

b) What are the objectives of listing of securities? Explain.

14. a) What are the assumptions of valuation of equity shares? Explain.

(OR)

b) Briefly explain the concept of valuation of bond.

15. a) What are the steps involved in fundamental analysis? Explain.

(OR)

b) Narrate the assumptions involved in efficient market theory.

SECTION – C

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

16. Describe the importances of investment for an individual.

17. What are the functions of credit rating? Explain.

18. Enumerate the functions of stock exchanges in India.

19. Discuss the various methods of security valuation with suitable examples.

20. Distinguish between fundamental analysis and technical analysis.

* * * * * *
** ** ** **