


**VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST**

(Autonomous &amp; Residential)

[Affiliated to Madurai Kamaraj University]

**M.Com.** Degree (Semester) Examinations, November 2018

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

**ACCOUNTING FOR MANAGERIAL DECISIONS**

Under CBCS – Credit 4

 Time: **3** Hours

 Max. Marks: **75**
**SECTION – A**
**Answer ALL Questions :**
**(5 × 1 = 5)**

1. Decision making is the primary function of
  - a) Management accountant                      b) Middle management
  - c) Top management                                d) Lower management
2. Issue of Bonus shares out of Reserve
  - a) Increases working capital                      b) Decreases working of Funds
  - c) Does not affect working Capital d) None of above
3. Dividend paid is usually treated as
  - a) An application of cash                      b) Source of cash
  - c) Loss    d) Gain
4. Performance Budget is
  - a) Laying down of objectives
  - b) Measurements of output in relation to input
  - c) Flexible Budgeting
  - d) Fixed Budget
5. Break even chart is a chart of
  - a) Sales                      b) Total cost            c) Profit            d) Sales and Total cost

**SECTION – B**
**Answer any FIVE Questions :**
**(5 × 2 = 10)**

6. Define management accounting.
7. What are financial statements?
8. What is fund flow statement?

9. What do you mean by cash flow statement?
10. Define marginal cost.
11. What is contribution?
12. What is zero base budgeting?

### **SECTION – C**

**Answer ALL Questions :**

**(5 × 6 = 30)**

13. a) What are the objectives of financial statements?

**(OR)**

- b) Calculate the trend percentages from the following figures, taking 2011 as the base and interpret them. [₹ in lakhs]

| Year | Sales | Stock | Profits before tax |
|------|-------|-------|--------------------|
| 2011 | 1,881 | 709   | 321                |
| 2012 | 2,340 | 781   | 435                |
| 2013 | 2,655 | 816   | 458                |
| 2014 | 3,021 | 944   | 527                |
| 2015 | 3,768 | 1,154 | 672                |

14. a) From the following Profit & Loss Account, Compute the Funds from Operations.

#### Profit & Loss Account

| Particulars                   | Amount   | Particulars                    | Amount   |
|-------------------------------|----------|--------------------------------|----------|
| To Salaries                   | 13,000   | By Gross Profit                | 2,00,000 |
| To Rent                       | 3,000    | By Profit on Sale of Machinery | 5,000    |
| To Provision for Depreciation | 14,000   | By Refund of Tax               | 5,000    |
| To Transfer to Reserve        | 20,000   |                                |          |
| To Provision for Tax          | 10,000   |                                |          |
| To Loss on Sale of Investment | 5,000    |                                |          |
| To Preliminary Expenses       | 5,000    |                                |          |
| To Selling Expenses           | 20,000   |                                |          |
| To Net Profit                 | 1,20,000 |                                |          |
|                               | 2,10,000 |                                | 2,10,000 |

**(OR)**

- b) Explain the procedure for making a funds flow statement.
15. a) Calculate the cash flow from operating activities from the following information.

|                      | 2006 ₹   | 2007 ₹   |
|----------------------|----------|----------|
| Bills receivables    | 20,000   | 25,000   |
| Debtors              | 1,00,000 | 80,000   |
| Outstanding Expenses | 1,600    | 2,000    |
| Creditors            | 50,000   | 40,000   |
| Accrued Income       | 12,000   | 14,000   |
| Bills payable        | 80,000   | 50,000   |
| Profit and Loss A/c  | 1,00,000 | 3,60,000 |

**(OR)**

- b) Find out the changes in the working capital from the balance sheet data given below.

|                          | December 31 <sup>st</sup> 2010 | December 31 <sup>st</sup> 2011 |
|--------------------------|--------------------------------|--------------------------------|
| Capital and Liabilities: | ₹                              | ₹                              |
| Share capital            | 3,00,000                       | 3,75,000                       |
| Trade creditors          | 1,06,000                       | 70,000                         |
| Profit & Loss account    | 14,000                         | 31,000                         |
| Total                    | 4,20,000                       | 4,76,000                       |
|                          |                                |                                |
| Assets:                  |                                |                                |
| Machinery                | 70,000                         | 1,00,000                       |
| Stock in trade           | 1,21,000                       | 1,36,000                       |
| Debtors                  | 1,81,000                       | 1,70,000                       |
| Cash                     | 48,000                         | 70,000                         |
|                          | 4,20,000                       | 4,76,000                       |

16.a) With the following data for a 60% activity, prepare a budget for production at 80% and 100% capacity.

|                            |                     |
|----------------------------|---------------------|
| Production at 60% activity | 600 units           |
| Materials                  | ₹100 per unit       |
| Labour                     | ₹40 per unit        |
| Direct expenses            | ₹10 per unit        |
| Factory overheads          | ₹40,000 (40% fixed) |
| Administration expenses    | ₹30,000 (60% fixed) |

**(OR)**

b) The budgeted expenses for the production of 10,000 units in a factory are furnished below:

|   | Per unit ₹ |
|---|------------|
| Materials                                 | 70         |
| Labour                                    | 25         |
| Variable overheads                        | 20         |
| Fixed overheads (₹1,00,000)               | 10         |
| Direct variables                          | 5          |
| Selling Expenses (15% fixed)              | 13         |
| Distribution Expenses                     | 7          |
| Administration expenses (₹50,000) (Fixed) | 5          |
|   | 155        |

17.a) From the following information, you are required to find out

- i) P/V ratio    ii) Break even point    iii) Profit  
iv) Margin of safety    v) volume of sales to earn profit of ₹6,000.

₹

|                     |        |
|---------------------|--------|
| Total fixed costs   | 4,500  |
| Total variable cost | 7,500  |
| Total sales         | 15,000 |

**(OR)**

b) Explain the term break even point. How is it determined?

### **SECTION – D**

**Answer any THREE Questions :**

**(3 × 10 = 30)**

18. From the following information, prepare a comparative income statement of Megna Ltd.

|                    | 2007                         | 2008                       |
|--------------------|------------------------------|----------------------------|
| Sales              | 120% of cost of goods sold   | 150% of cost of goods sold |
| Cost of goods sold | ₹20,00,000                   | ₹25,00,000                 |
| Indirect expenses  | 10% of gross profit          |                            |
| Rate of income tax | 50% of net profit before tax |                            |

19. From the following Balance sheets, Prepare Funds Flow Statement.

| Liabilities   | 2014<br>(₹) | 2015<br>(₹) | Assets            | 2014<br>(₹) | 2015<br>(₹) |
|---------------|-------------|-------------|-------------------|-------------|-------------|
| Share Capital | 3,00,000    | 4,00,000    | Plant & Machinery | 50,000      | 60,000      |
| Creditors     | 1,00,000    | 70,000      | Furniture         | 10,000      | 15,000      |
| P & L A/c     | 15,000      | 30,000      | Stock in trade    | 85,000      | 1,05,000    |
|               |             |             | Debtors           | 1,60,000    | 1,50,000    |
|               |             |             | Cash              | 1,10,000    | 1,70,000    |
|               | 4,15,000    | 5,00,000    |                   | 4,15,000    | 5,00,000    |

20. Prepare a Cash Flow Statement of a Corporation from the following information.

#### **Balance Sheet**

| Liabilities       | 2014<br>(₹) | 2015<br>(₹) | Assets  | 2014<br>(₹) | 2015<br>(₹) |
|-------------------|-------------|-------------|---------|-------------|-------------|
| Share Capital     | 35,000      | 43,500      | Cash    | 40,000      | 44,400      |
| Retained Earnings | 15,000      | 19,500      | Debtors | 10,000      | 20,700      |
| Bonds Payable     | 22,000      | 22,000      | Stock   | 15,000      | 15,000      |

|                     |          |          |                      |          |          |
|---------------------|----------|----------|----------------------|----------|----------|
| Current Liabilities | 30,000   | 32,000   | Land                 | 4,000    | 4,000    |
| Accumulated         | 5,000    | 2,800    | Premises             | 20,000   | 16,000   |
| Depreciation        |          |          | Plant & Machinery    | 15,000   | 17,000   |
|                     |          |          | Patents & Trademarks | 1,000    | 900      |
|                     |          |          | Discount on Bonds    | 2,000    | 1,800    |
|                     | 1,07,000 | 1,19,800 |                      | 1,07,000 | 1,19,800 |

Additional Information:

- Net Profit ₹10,000.
- A Building that costs ₹4,000 and which had a book value of ₹1,000 was sold for ₹1,400.
- The depreciation charges for the period was ₹800
- There was a ₹5,000 issue of Share Capital.
- Cash Dividend of ₹2,000 and a Stock dividend for ₹3,500 were declared.

21. A company is expected to have ₹32,000 cash in hand on 1.4.2008 and it requests you to prepare cash budget for the three months, April to June 2008. The following information is

| Month    | Sales<br>(₹) | Purchases<br>(₹) | Wages<br>(₹) | Expenses<br>(₹) |
|----------|--------------|------------------|--------------|-----------------|
| February | 70,000       | 44,000           | 6,000        | 5,000           |
| March    | 80,000       | 56,000           | 9,000        | 6,000           |
| April    | 96,000       | 60,000           | 9,000        | 7,000           |
| May      | 1,00,000     | 68,000           | 11,000       | 9,000           |
| June     | 1,20,000     | 62,000           | 14,000       | 9,000           |

Other information:

- Period of credit allowed by suppliers is two months
- 25% of sales is for cash and the period of credit allowed to customers for credit sales is one month.
- Delay in payment of wages and expenses one month.
- Income tax ₹28,000 is to be paid in June 2008.

22. The following data are available from the records of a company:

|               |   |         |
|---------------|---|---------|
| Sales         | = | ₹60,000 |
| Variable cost | = | ₹30,000 |
| Fixed cost    | = | ₹15,000 |

Your are required to Calculate:

- P/V Ratio and Break-even point.
- the effect of 10% increase in sales price.
- the effect of 10% decrease in sales price.





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M.Com. Degree (Semester) Examinations, November 2018

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

## RESEARCH METHODOLOGY

Under CBCS – Credit 4

Time: 3 Hours

Max. Marks: 75

### SECTION – A

#### Answer ALL Questions :

(5 × 1 = 5)

- Good Research is always \_\_\_\_\_.  
a) Slow                      b) Fast                      c) Narrow                      d) Systematic
- Different people hold \_\_\_\_\_ of the same thing  
a) Same and different                      b) Same  
c) different                      d) None of the above
- In a survey there is an enumerator and a \_\_\_\_\_.  
a) Guide                      b) Respondent                      c) Supervisor                      d) Messenger
- Data related to geophysical characteristics are called \_\_\_\_\_.  
a) Demographic Data                      b) Territorial Data  
c) Personal Data                      d) Organizational Data
- The aggregate of all the units pertaining to a study is called \_\_\_\_\_.  
a) Population or universe                      b) Unit  
c) Sample                      d) Frame

### SECTION – B

#### Answer any FIVE Questions :

(5 × 2 = 10)

- Define the term “Research”.
- State the meaning of research design.
- Distinguish between null hypothesis and alternative hypothesis.
- Give the meaning of one tailed and two tailed tests.
- What is meant by controlled by observation?
- Why sampling method is followed?
- Differentiate one way table from two way table.

### SECTION – C

#### Answer ALL Questions :

(5 × 6 = 30)

- List out the characteristics of a research.  
(OR)  
b) Write a note on                      i) Descriptive and                      ii) Analytical research
- Identify the various techniques used for developing measurement tools.  
(OR)  
b) Write short notes on                      i) Type – I error and                      ii) Type – II error
- What are the merits and demerits of telephone interview?  
(OR)  
b) Examine the factors to be considered for selecting the method of data collection.
- Explicate the characteristics of a good sampling design.  
(OR)  
b) Distinguish between probability and non probability sampling.
- Discover the components of a table.  
(OR)  
b) Analyse the qualities of a good report.

### SECTION – D

#### Answer any THREE Questions :

(3 × 10 = 30)

- Examine the objectives of research.
- Explain the various tests of sound measurement.
- Expound the merits and demerits of questionnaires.
- Disclose the various steps involved in sampling design.
- Explore the steps involved in processing of data.




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**M.Com.** Degree (Semester) Examinations, November 2018

Part – III : Core Subject : First Semester : Paper – IV

**HUMAN RESOURCE MANAGEMENT**

Under CBCS – Credit 3

 Time: **3** Hours

 Max. Marks: **75**
**SECTION – A**
**Answer ALL Questions :**
**(5 × 1 = 5)**

1. \_\_\_\_\_ involves choosing the most suitable applicant for a job and rejecting the other applicants  
 a) Recruitment      b) Development      c) Selection      d) Job Design
2. \_\_\_\_\_ refers to the future positions a person aims to reach in his career.  
 a) Career counseling      b) Career anchors  
 c) Career growth      d) Career goals
3. Which one of the following factors determines the wage?  
 a) Prevailing rates of wages      b) Cost of living  
 c) Ability to pay      d) All of the above
4. \_\_\_\_\_ refers to everything provided by the employer to promote the physical, economic, intellectual and moral well-being of workers.  
 a) Incentives      b) Bonus      c) Salary      d) Labour Welfare
5. The Minimum number of members required to start a trade union is \_\_\_\_\_.  
 a) 100      b) 2      c) 50      d) 7

### **SECTION – B**

**Answer any FIVE Questions :**

**(5 × 2 = 10)**

6. Define Human Resource Management.
7. Explain Job analysis.
8. State the meaning of career and list out the stages involved in career development.
9. Explain Sensitivity Training.
10. Explain Positive discipline.
11. Briefly state the meaning of conciliation.
12. Explain Job evaluation.

### **SECTION – C**

**Answer ALL Questions :**

**(5 × 6 = 30)**

- 13.a) Discuss briefly the various functions of Human Resource Management.

**(OR)**

- b) Define Recruitment and explain its purposes.

- 14.a) Explain Human Resource Development and state its need.

**(OR)**

- b) Enumerate career planning process.

- 15.a) Explain the objectives of Performance Appraisal.

**(OR)**

- b) Outline the different methods of wage payment and explain their merits.

- 16.a) Explain the causes of employee Grievances in an organisation.

**(OR)**

- b) Enumerate the statutory provisions concerning Health.

- 17.a) Explain Industrial Relations and its objectives.

**(OR)**

- b) Briefly state the functions of Trade union.

### **SECTION – D**

**Answer any THREE Questions :**

**(3 × 10 = 30)**

18. Enumerate the various steps involved in selection process.
19. Briefly explain the methods of Training.
20. Explain the different methods involved in performance Appraisal.
21. State the meaning of Absenteeism and explain the measures to control absenteeism.
22. Examine the causes of Industrial Disputes.







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**M.Com. Degree (Semester) Examinations, November 2018**

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

**INTERNATIONAL MARKETING MANAGEMENT**

Under CBCS – Credit 5

Time: **3 Hours**

Max. Marks: **75**

**SECTION – A**

**Answer ALL Questions :**

**(5 × 1 = 5)**

1. Government interference in the international market is \_\_\_\_\_.  
 a) more                      b) less                      c) moderate    d) all the above
2. Which one is not a foreign market entry strategy?  
 a) Licensing / franchising                      b) joint venturing  
 c) mergers and acquisitions                      d) readymade business
3. TRIPS stands for \_\_\_\_\_.  
 a) Trade Related aspects of Investment Property region  
 b) Trade Related aspects of Intellectual Property Rights  
 c) Tourism Related International Processing System  
 d) none
4. Which of the following is not true of a consular invoice?  
 a) provides customs officials with all information  
 b) facilitates easy customs clearance  
 c) helps customs officials assess duties  
 d) issued by the consulate of the exporting country
5. When IBM ships products to its subsidiary in Argentina, it will most likely use a \_\_\_\_\_ draft.  
 a) sight                      b) clean                      c) D/P                      d) demand

### **SECTION – B**

**Answer any FIVE Questions :**

**(5 × 2 = 10)**

6. Define the term 'International Marketing'.
7. State the importance of International business.
8. List any two merits of direct exporting.
9. Write a note on letter of credit.
10. Brief note on International Marketing channels.
11. What is meant by term customs duty?
12. What is FDI?

### **SECTION – C**

**Answer ALL Questions :**

**(5 × 6 = 30)**

13. a) Write a note on the nature and scope of International Marketing.

**(OR)**

- b) State the important objectives of International Marketing.

14. a) List the advantages of International Marketing and explain.

**(OR)**

- b) What are the factors influencing pricing strategy in International Marketing?

15. a) Describe the Merits and Demerits of appointing foreign sales agents.

**(OR)**

- b) Explain the important functions of distribution channels.

16. a) List the various types of channels in an International trade and explain.

**(OR)**

- b) State the important merits and demerits of indirect exporting.

17. a) Write a brief note on the Objectives of EXIM Policy.

**(OR)**

- b) Discuss the role of ECGC in detail.

### **SECTION – D**

**Answer any THREE Questions :**

**(3 × 10 = 30)**

18. Explain the International Marketing Environment and its factors.
19. Distinguish between International Market and Domestic market.
20. Describe the important factors affecting the entry in foreign market.
21. Explain the steps in starting an export business.
22. List the important export documents and explain in detail.




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**M.Com. Degree (Semester) Examinations, November 2018**

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

**CORPORATE FINANCIAL ACCOUNTING**

Under CBCS – Credit 4

 Time: **3 Hours**

 Max. Marks: **75**
**SECTION – A**
**Answer ALL Questions :**
**(5 × 1 = 5)**

1. Dividend is paid on
  - a) Authorised capital
  - b) Issued capital
  - c) Called up capital
  - d) Paid up capital
2. Bonus shares issued out of post-acquisition profit will:
  - a) Have no effect on CBS
  - b) Decrease the revenue profits
  - c) Decrease the total of assets side of CBS
  - d) Increase the goodwill to the extent of the holding company's share of the bonus
3. Building acquired in satisfactions of a claim and interest accrued but not due on investments are shown in the Banks Balance sheet under the head:
  - a) Fixed Assets
  - b) Investments
  - c) Advances
  - d) Other assets
4. Number of Schedules to be prepared by the insurance companies for their financial statements are:
  - a) 26 schedules
  - b) 10 schedules
  - c) 12 schedules
  - d) 15 schedules
5. Original cost of an asset is ₹50,000. Present cost of the replacement is ₹65,000. The amount spent in its replacement is ₹76,000. The amount to be capitalized will be:
  - a) ₹65,000
  - b) ₹76,000
  - c) ₹11,000
  - d) ₹50,000

## **SECTION – B**

### **Answer any FIVE Questions :**

**(5 × 2 = 10)**

6. What is meant by interim dividend?
7. Write note on deferred tax liabilities.
8. What is Cost of Control?
9. Define a Holding Company.
10. What do you mean by non-banking assets?
11. What is meant by Double Account System?
12. What is clear profit?

## **SECTION – C**

### **Answer ALL Questions :**

**(5 × 6 = 30)**

13. a) What is to be deducted from profit?

**(OR)**

- b) What are the sources of dividend?

14. a) P Ltd. acquired 65% shares of Q Ltd. on 1.10.02. P & L a/c in the books of Q Ltd. showed a debit balance of ₹40,000 on 1.4.02. On 31.3.03, the balance sheet of Q Ltd. showed P & L a/c balance of ₹1,20,000. Calculate capital profits and Revenue profits.

**(OR)**

- b) Write note on Minority Interest.

15. a) From the following information, find out the amount of provision to be shown in the Profits and Loss Account of a Commercial Bank :

|             |            |
|-------------|------------|
| Assets :    | ₹ In Lakhs |
| Standard    | 8,000      |
| Substandard | 6,000      |

Doubtful :

|                       |       |
|-----------------------|-------|
| For one year          | 1,000 |
| For three years       | 1,600 |
| For more than 3 years |       |

**(OR)**

- b) The Trial Balance of the Nedungadi Bank Ltd., as on 30<sup>th</sup> June 1984 shows the following balances.

|                                     |             |
|-------------------------------------|-------------|
| Interest and discount               | ₹ 45,50,600 |
| Rebate on bills discounted (1.7.83) | 4,750       |
| Bills discounted and purchased      | 3,37,400    |

The unexpired discount as on 30.6.84 is estimated to be ₹5,560.

Draft necessary adjusting entries and calculate the amount of interest and discount to be credited to Profit and Loss Account

16. a) A Life Assurance Company prepared its Revenue A/c for the year ended 31.3.2006 and ascertained its Life Assurance fund to be ₹28,35,000. It was found later that the following had been omitted from the accounts.

- a) Interest accrued on investments ₹39,000; Income tax liable to be deducted thereon is estimated to be ₹10,500.
- b) Outstanding premiums ₹32,800.
- c) Bonus utilised for reduction of premium ₹6,750.
- d) Claims intimated but not admitted ₹17,400.
- e) Claims covered under reinsurance ₹6,500.

What is the true Life Assurance Fund?

**(OR)**

- b) The Revenue account of a Life Insurance Company showed the

life fund at ₹73,17,000 on 31.3.2006 before taking into account the following items: ₹

|   |        |
|---|--------|
| a) Claims intimated but not admitted      | 98,250 |
| b) Bonus utilised in reduction of premium | 13,500 |
| c) Interest accrued on investments        | 29,750 |
| d) Outstanding premiums                   | 27,000 |
| e) Claims covered under re-insurance      | 40,500 |
| f) Provision for taxation                 | 31,500 |

Pass journal entries giving effect to the above adjustments and show the adjusted life fund.

17. a) Calculate the amount to be capitalised from the following particulars, under double account system. ₹

|                              |          |
|------------------------------|----------|
| Original cost of an asset    | 3,00,000 |
| Present cost or replacement  | 3,90,000 |
| Amount spent for replacement | 4,70,000 |

**(OR)**

b) Compute Reasonable return from the following information given below : ₹

|                              |           |
|------------------------------|-----------|
| Capital Base                 | 34,00,000 |
| Loan form Electricity Board  | 30,00,000 |
| Development Reserve          | 10,00,000 |
| 10% Debentures               | 8,00,000  |
| Reserve Fund Investment (6%) | 60,00,000 |

Assume the bank rate to be 8%

### **SECTION – D**

**Answer any THREE Questions :**

**(3 × 10 = 30)**

18. On 31<sup>st</sup> December 2006. The following balances stood in the books of Asian Bank Ltd., after preparation of its profit and loss account.

|   | ₹ (in '000) |
|---|-------------|
| Share capital :                                       |             |
| Issued and subscribed                                 | 4,000       |
| Reserve fund (under section 17)                       | 6,200       |
| Fixed deposits  | 42,600      |
| Savings bank deposits                                 | 19,000      |
| Current accounts                                      | 23,200      |
| Money at call and short notice                        | 1,800       |
| Investments   | 25,000      |
| Profit and loss Account (cr) 1 <sup>st</sup> Jan 2006 | 1,350       |
| Dividend for 2005                                     | 400         |
| Premises  | 2,950       |
| Cash in hand  | 380         |
| Cash with RBI   | 10,000      |
| Cash with other banks                                 | 6,000       |
| Bills discounted and purchased                        | 3,800       |
| Loans, cash credits and over drafts                   | 51,000      |
| Bills payable   | 70          |
| Unclaimed dividend                                    | 60          |
| Rebate on bills discounted                            | 50          |
| Short loans (borrowing from other banks)              | 4,750       |
| Furniture   | 1,164       |
| Other assets  | 336         |
| Net Profit for 2006                                   | 1,550       |

Prepare balance sheet of the bank as on 31<sup>st</sup> December 2006.

19. From the following balances extracted from the books of the L.I.C. as at 31.3.06, prepare a Revenue A/c for the year ending 31.3.2006 in the prescribed form.

|                                | ₹ (in '000) |                                      | ₹ (in '000) |
|--------------------------------|-------------|--------------------------------------|-------------|
| Claims by death                | 3,30,000    | Life Assurance fund (1.4.05)         | 63,31,000   |
| Claims by maturity             | 2,15,000    | Premiums                             | 20,65,000   |
| Agents & Canvasser's allowance | 26,500      | Bonus in reduction of premiums       | 1,000       |
| Salaries                       | 44,200      | Income tax on interest and dividends | 5,700       |
| Travelling expenses            | 1,200       | Printing & Stationery                | 13,900      |
| Directors' expenses            | 8,700       | Postage & telegrams                  | 14,300      |
| Auditor's fees                 | 1,000       | Receipt stamps                       | 2,300       |
| Medical fees                   | 52,000      | Reinsurance premiums                 | 40,950      |
| Commission                     | 2,18,000    | Interest & Dividend (gross)          | 2,72,000    |
| Rent                           | 2,800       | Policy renewal fees                  | 9,600       |
| Law charges                    | 200         | Assignment fees                      | 540         |
| Advertising                    | 4,300       | Endowment fees                       | 690         |
| Bank charges                   | 1,500       | Transfer fees                        | 1,400       |
| General charges                | 2,000       |                                      |             |
| Surrenders                     | 47,500      |                                      |             |

Provide ₹1,500 Thousands for depreciation of furniture and ₹2,20,000 Thousands for depreciation on investments.

20. The Balance Sheet of C Ltd. and D Ltd. as at 31<sup>st</sup> December, 2006 are as follows :

| Liabilities                        | C Ltd.<br>(₹) | D Ltd.<br>(₹) | Assets        | C Ltd.<br>(₹) | D Ltd.<br>(₹) |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Share capital – shares of ₹10 each | 2,00,000      | 1,00,000      | Sundry assets | 1,32,500      | 1,38,200      |

|           |          |          |                 |          |          |
|-----------|----------|----------|-----------------|----------|----------|
| Reserve   | 18,000   | 20,000   | Goodwill        | -        | 20,000   |
| P&L A/c   | 24,500   | 23,000   | Share in D Ltd. | 1,40,000 | -        |
| Creditors | 30,000   | 15,200   |                 |          |          |
|           | 2,72,500 | 1,58,200 |                 | 2,72,500 | 1,58,200 |

In the case of 'D' Ltd., Profit for the year ended 31<sup>st</sup> December, 2006 is ₹12,000 and transfer to reserve is 5,000. The holding of C Ltd. is 90% acquired on 30.6.2006. Draft a consolidated Balance Sheet of C Ltd. and its Subsidiary.

21. The XYZ Electricity company decided to replace some parts of its Plant by an improved Plant. The Plant to be replaced was built in 2003 for ₹54,00,000. It is estimated that it would now cost ₹80,00,000 to build a new Plant of the same size and capacity. The cost of the new Plant as per the improved design was ₹1,70,00,000 and in addition, material belonging to the old Plant valued at ₹5,50,000 was used in the construction of the new Plant. The balance of the old Plant was sold for ₹3,00,000. Compute the amount to be capitalised. Also pass the journal entries and Replacement Account.
22. Kannika Limited was registered with an authorized capital of ₹6,00,000 in equity shares of ₹10 each. The following is its Trial Balance on 31<sup>st</sup> March 2005.

| Particulars          | Debit ₹  | Credit ₹ |
|----------------------|----------|----------|
| Goodwill             | 25,000   |          |
| Cash                 | 750      |          |
| Bank                 | 39,900   |          |
| Purchases            | 1,85,000 |          |
| Preliminary Expenses | 5,000    |          |
| Share capital        |          | 4,00,000 |

|                         |                  |                  |
|-------------------------|------------------|------------------|
| 12% Debentures          |                  | 3,00,000         |
| P & L a/c               |                  | 26,250           |
| Calls – in – arrears    | 7,500            |                  |
| Premises                | 3,00,000         |                  |
| Plant & Machinery       | 3,30,000         |                  |
| Interim Dividend        | 39,250           |                  |
| Sales                   |                  | 4,15,000         |
| Stock (1.4.2004)        | 75,000           |                  |
| Furniture @ Fixtures    | 7,200            |                  |
| Sundry Debtors          | 87,000           |                  |
| Wages                   | 84,865           |                  |
| General expenses        | 6,835            |                  |
| Freight and carriage    | 13,115           |                  |
| Salaries                | 14,500           |                  |
| Directors' fees         | 5,725            |                  |
| Bad debts               | 2,110            |                  |
| Debenture Interest paid | 18,000           |                  |
| Bills payable           |                  | 37,000           |
| Sundry Creditors        |                  | 40,000           |
| General reserve         |                  | 25,000           |
| Provision for bad debts |                  | 3,500            |
| <b>Total</b>            | <b>12,46,750</b> | <b>12,46,750</b> |

Prepare Trading and P & L Account, P & L Appropriation Account and Balance Sheet after making the following adjustments.

- Depreciate plant and machinery by 15%
- Write off ₹500 from preliminary expenses.
- Provide for six months interest on debenture.
- Leave bad and doubtful debts provision @ 5% on sundry debtors.
- Provide for income tax @ 50%.
- Stock on 31<sup>st</sup> March, 2005 was ₹95,000





Under CBCS – Credit 5

Max. Marks: **75**

**(5 × 1 = 5)**

- (5 × 2 = 10)**

- 1

8. Write a note on pre-construction interest.
9. What do you understand by long term capital gain?
10. What is casual income? Give examples.
11. Write a short note on speculation loss.
12. State the rates of income tax for individuals.

### **SECTION – C**

**Answer ALL Questions :**

**(5 × 6 = 30)**

13. a) Compute salary income from the following :

- i) Salary @ ₹6,250 p.m.
- ii) D.A @ ₹3000 p.m. (50% enters into retirement benefits)
- iii) Commission @ 2% on turnover of ₹8,00,000.
- iv) Bonus ₹6,000.
- v) P.F. contribution by employer and employee @ 14% of salary.
- vi) Interest credited during the year to PF @ 11% being ₹5,500.

Calculate salary income if provident fund is Recognised provident fund.

**(OR)**

b) Mr. Nataraj is an employee in Delhi and gets the following emoluments :

|              |   |                            |
|--------------|---|----------------------------|
| Basic Salary | : | ₹8,000 p.m.                |
| DA           | : | ₹6,000 p.m. (forming part) |
| Bonus        | : | ₹1,000                     |
| CCA          | : | ₹2,000 p.m.                |

Conveyance allowance ₹500 p.m. (actual amount spent ₹4000 p.m.) He is provided with a rent free house. Calculate taxable value of rent free house on the assumption that the population is 26 lakhs.

14. a) List out any five exempted income from house property.

**(OR)**

b) From the following Profit and Loss Account of Mr. Palani for the year ended 31.3.2018. Calculate his income from business.

|                                | ₹             |                              | ₹             |
|--------------------------------|---------------|------------------------------|---------------|
| To Rent                        | 4,000         | By Gross Profit              | 86,875        |
| To Salaries                    | 32,500        | By Gift received from friend | 1,000         |
| To Household expenses          | 5,000         |                              |               |
| To Income Tax                  | 2,250         |                              |               |
| To Advertisement               | 2,000         |                              |               |
| To Employee's welfare expenses | 2,250         |                              |               |
| To Life Insurance Premium      | 5,250         |                              |               |
| To Provision for bad debts     | 2,000         |                              |               |
| To Net Profit                  | 32,625        |                              |               |
|                                | <b>87,875</b> |                              | <b>87,875</b> |

15. a) Mr. X Purchased a house property for ₹26,000 on 10<sup>th</sup> May 1962.

He got the first floor of the house constructed in 1967–68 by spending ₹40,000. He died on 12<sup>th</sup> September 1984. The property was transferred to Mrs. X by his will. Mrs. X spent ₹80,000 and ₹26,700 during 1985–86 and 1986–87 respectively for renewals / reconstruction of the property. Mrs. X sold the house property for ₹55,00,000 on 15<sup>th</sup> March 2018 (brokerage paid by Mrs. X is ₹55,000). The fair market value of house on 1<sup>st</sup> April, 1981 was ₹3,00,000. The cost inflation index of relevant years.

1981–82 = 100                      1985–86 = 133

1986–87 = 140                      2017–18 = 1140

Compute the income from capital gain.

**(OR)**

b) Mr. Chowdhary's income details from 2017–18 are as follows :

|                                   | ₹      |
|-----------------------------------|--------|
| Agriculture income from Sri Lanka | 20,000 |
| Interest on POSB a/c              | 1,000  |
| Interest on deposits              | 9,000  |
| Income from sub-letting           | 1,500  |
| Dividend from foreign company     | 15,000 |
| Horse race income (Net)           | 53,500 |

Calculate income from other sources.

16. a) Explain the provisions relating to set off of losses.

**(OR)**

b) Following are the particulars of income of Mr. Kannan for the previous year ended 31.3.2018.

|                              | ₹        |
|------------------------------|----------|
| Dividend                     | 40,000   |
| Loss from house property     | 64,000   |
| Interest from bank deposit   | 20,000   |
| Business Income              | 1,00,000 |
| Loss in speculation business | 6,000    |
| Short term capital loss      | 20,000   |
| Long term capital gain       | 30,000   |

Compute the Gross Total Income of Mr. Kannan after setting off of the different losses against other incomes.

17. a) Write a short note on Rebate U/s 87A.

**(OR)**

- b) Ashok, a lecturer in a College in Chennai furnished the following particulars on the basis of which compute his total income for the Assessment Year 2018–19.

|  | ₹      |
|--|--------|
| Salary (₹3,500 p.m.)                       | 42,000 |
| Wardenship allowance                       | 2,400  |
| Examinership remuneration                  | 5,400  |
| Royalty from books                         | 18,000 |
| Winning from card games at club            | 6,400  |
| Winning from state lotteries               | 20,000 |
| Expenditure on purchase of lottery tickets | 10,000 |

### **SECTION – D**

**Answer any THREE Questions :**

**(3 × 10 = 30)**

18. Mr. Suresh is an employee of a company in New Delhi. He submits the following particulars of his income from the company and you are asked to work out his salary income for the financial year 2017–18.

- Salary ₹18,000 per month
- Bonus : One month salary.
- Contribution to Recognised provident fund : 15% of salary.  
The company is also contributing equal sum
- Interest credited to P.F. at 10% per annum amounted to ₹2,000 during the year.
- He received entertainment allowance from the company at ₹2,000 per month, which he claims that he has fully spent for that purpose.
- He received a gift worth ₹12,000 from his employer.

19. Kumar, a lawyer by profession, keeps his cash book as per cash system of accounting. The following is the summary of his cash book for the year ended 31<sup>st</sup> March 2018.

| Receipts                    | ₹             | Payments                        | ₹             |
|-----------------------------|---------------|---------------------------------|---------------|
| To Balance                  | 5,000         | By Rent of chamber              | 2,400         |
| To Fees                     | 35,000        | By car expenses                 | 3,600         |
| To Remuneration as examiner | 3,000         | By Household expenses           | 12,000        |
| To Interest on bank deposit | 2,500         | By Local taxes for the house    | 1,200         |
| To Rent from House Property | 8,000         | By Repairs of the house         | 4,000         |
| To Dividends                | 1,600         | By LIC Premium for self         | 4,800         |
|                             |               | By Cost of Books for profession | 4,000         |
|                             |               | By Medical treatment of self    | 5,000         |
|                             |               | By Balance                      | 18,100        |
|                             | <b>55,100</b> |                                 | <b>55,100</b> |

**Additional Information :**

- 1/3 of the house is used by kumar for his own residence.
- Kumar is insured for ₹40,000.
- Kumar has to get medical treatment for an eye ailment caused by intensive study of law books.
- ½ of the car expenses relate to personal use of the car by kumar. Depreciation computed at the prescribed rate on the written down value of the car is ₹2,000

Compute his income from profession.

20. From the following particulars of Mr. Elango for the previous year ended 31<sup>st</sup> March 2018, compute his income under the head “other sources” for the assessment year 2018–19.

- Director’s fee from a company ₹10,000.
- Interest on bank deposits ₹3,000.

- Income from undisclosed sources ₹12,000.
- Winning from lotteries (net) ₹24,500.
- Royalty on a book written by him ₹8,000.
- By giving lectures in functions ₹5,000.
- Interest on loan given to a relative ₹7,000
- Interest on tax free debenture of a company [listed in stock exchange] (net) ₹3,600.
- Dividend on shares ₹6,400.
- Interest on post office savings bank a/c ₹5,000.
- Interest on govt. securities ₹2,200.

He paid ₹100 for collection of dividend and ₹1,000 for typing the manuscript of book written by him.

21. Rahul, an assessee, aged 61 years, gives the following information for the Previous Year 2017 –18.

|   | ₹        |
|---|----------|
| Loss from profession                      | 1,05,000 |
| STCL on sale of property                  | 55,000   |
| LTCG on sale of shares                    | 2,05,000 |
| Loss in respect of self occupied property | 15,000   |
| Loss in respect of let out property       | 30,000   |
| Share of loss from firm                   | 1,60,000 |
| Income from card games                    | 55,000   |
| Winning from lottery                      | 1,00,000 |
| Loss from horse races in Mumbai           | 40,000   |
| Investment in notified bonds              | 21,000   |
| Medical insurance premium paid by cheque  | 18,000   |

Compute the total income of Rahul for the Assessment Year 2018-19.

22. Explain the steps to be taken in arriving at total income and tax liability of an individual.


**VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST**

(Autonomous &amp; Residential)

[Affiliated to Madurai Kamaraj University]

**M.Com.** Degree (Semester) Examinations, November 2018

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

**GOODS AND SERVICE TAX LAW & PRACTICE**

Under CBCS – Credit 5

 Time: **3** Hours

 Max. Marks: **75**
**SECTION – A**
**Answer ALL Questions :**

(5 × 1 = 5)

1. The Union territory tax on the supply of \_\_\_\_\_ shall be levied with effect from such date as may be notified by the Central Government on the recommendations of the Council.
  - a) Petroleum Crude
  - b) High speed diesel
  - c) Motor spirit
  - d) All of the above
2. Import/Export is treated as \_\_\_\_\_ in GST.
  - a) Intra-State supply
  - b) Inter-State supply
  - c) Non- taxable supply
  - d) Exempted supply
3. Input tax credit can be taken by \_\_\_\_\_.
  - a) Registered dealer not opting for composition scheme
  - b) Registered dealer opting for composition scheme
  - c) Unregistered dealers
  - d) All of the above
4. A credit note is issued by \_\_\_\_\_ and it is a document accepted for GST purposes.
  - a) Supplier, for reducing tax or table value
  - b) Recipient, for reducing the tax or taxable value

- c) Recipient for increasing the tax or taxable value
- d) All the above
5. Accounts are required to be maintained in \_\_\_\_\_.
- a) Manual form                                      b) Electronic form
- c) Manual and electronic form                  d) Manual or electronic form

**(OR)**

- 16.a) Mention the provisions of GST for issuing tax invoice.

- b) Write a note on assessment of unregistered persons and summary assessment.

**(OR)**

## **SECTION – B**

**Answer any FIVE Questions :**

**(5 × 2 = 10)**

6. Define adjudicating Cash ledger.
7. How do you distinguish whether a particular supply involves of goods or services or both?
8. State any six products / services coming under 5% tax slab.
9. Mention any four special category states for registration under GST.
- 10.State the contents of a tax invoice.
- 11.Write a note on consumer welfare fund and its uses.
- 12.Mention any four powers of GST officers.

19. What is meant by supply, mixed supply and composite supply? Also mention how would the tax liability be determined under each cases. Also indicate who are responsible to pay the taxes?

20. Describe the process of amending, cancelling and revoking the cancelled registration under GST.

- 21.Explain the provisions relating to payment of tax, interest and penalty under GST.

22. Examine the provision relating to filing of various returns under GST.

## SECTION – C

**Answer ALL Questions :**

- 13.a) Narrate the evolution and historical background of GST in India.

- b) Discuss input, input tax and input credit.

- 14.a) Mention the various products / services coming under 12%, 18% and 28% tax slabs.

**(OR)**

- b) What will be the time of supply of goods, generally and under reverse change mechanism?

**41NE31****VIVEKANANDA COLLEGE, TIRUVEDAKAM WEST**

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**M.Sc. Degree (Semester) Examinations, November 2018**  
 Part – IV : Non-Major Subject : Third Semester : Paper – I

**BANKING TECHNOLOGY**

Under CBCS – Credit 5

Time: **3 Hours**Max. Marks: **75****SECTION – A****Answer ALL Questions :****(5 × 1 = 5)**

- E-Banking facilitates \_\_\_\_\_.  
 a) Profitability                      b) quality banking  
 c) speed banking                      d) all the above
- \_\_\_\_\_ conveys immediate information on Banks.  
 a) Anywhere banking                      b) Core banking  
 c) Quality banking                      d) Service banking
- The advantages of the smart cards are \_\_\_\_\_.  
 a) Security              b) Reliability      c) Longer life      d) All of the above
- ATM stands for \_\_\_\_\_.  
 a) All Time Money                      b) Accrued Time Money  
 c) Automated Teller Machine                      d) Automated Time Machine
- \_\_\_\_\_ means maintenance of records and information.  
 a) Database Management                      b) Management  
 c) Hardware                      d) Software

**SECTION – B****Answer any FIVE Questions :****(5 × 2 = 10)**

- What are core banking solutions?
- Write short notes on debit cards.
- Define smart card.

- What is an ATM PIN?
- Write short notes on e-banking.
- What is data management?
- Write short notes on 'INFINET'.

**SECTION – C****Answer ALL Questions :****(5 × 6 = 30)**

- a) Explain the need for technology in banking. **(OR)**  
 b) What are the advantages of using a centralized data processing system?
- a) Discuss the functions of computerized message transfer. **(OR)**  
 b) What are the disadvantages of E-banking?
- a) Discuss the features of internet banking. **(OR)**  
 b) What are the facilities available in mobile banking?
- a) State the objectives of internet banking. **(OR)**  
 b) Discuss the importance of data management.
- a) Explain the various types of NETWORKS. **(OR)**  
 b) Explain the legal framework involved in job electronic transactions.

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

- Explain the merits and demerits of branch – level computerisation in banks in India.
- Describe the different types of cards used in banking sectors in India.
- Explain the demerits of RTGS.
- Describe the merits and demerits of E-Mail in banks.
- Explain the differences between credit cards and debit cards.

