

(Please write your Exam Roll No.)

Exam Roll No.

END TERM EXAMINATION

FOURTH SEMESTER [BCOM(HONS)] JUNE 2024

Paper Code: BCOM-202

Subject: Management Accounting

Time: 3 Hours

Maximum Marks: 75

Note: Attempt all questions as directed. Internal choice is indicated.

- Q1 Attempt **any Five** of the following questions: (5x5=25)
- (a) Define operating activities as per cash flow statement.
 - (b) Which ratios are used for short term and long-term solvency of a firm?
 - (c) Distinguish between absorption costing and marginal costing.
 - (d) What are the assumptions of break-even point analysis?
 - (e) State the important features of zero-based budgeting.
 - (f) What are common size statements?

- Q2 Define management accounting. Explain, how it differs from financial accounting. Discuss the importance of management accounting for managerial decision making. (12.5)

OR

- Q3 What do you understand by funds flow statements? How are they prepared? What are their uses? (12.5)

- Q4 The expenses for budgeted production of 10,000 units in a factory are furnished below: (12.5)

	Per Unit (Rs.)
Materials-----	70
Labour-----	25
Variable overhead -----	20
Fixed Overhead (Rs.1,00,000)-----	10
Variable Expenses (Direct)-----	5
Selling Expenses (10% fixed)-----	13
Distribution Expenses (20% fixed)-----	7
Administration expenses (Rs. 50,000)-----	5
Total Cost per unit (to make and sell)	<u>155</u>

Prepare a budget for production of:

- (a) 8,000 units
- (b) 6,000 units and
- (c) Indicate cost per unit at both the levels.

Assume that administration expenses are fixed for all levels of production.

OR

- Q5 Calculate the labour variances from the following information: (12.5)

Standard Wages:

Grade X: 90 Labourers at Rs. 2 per hour.

Grade Y: 60 Labourers at Rs 3 per hour.

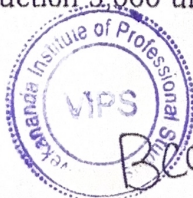
Actual Wages:

Grade X: 80 Labourers Rs. 2.50 per hour.

Grade Y: 70 Labourers at Rs. 2.00 per hour.

Budgeted Hours 1,000; Actual Hours 900.

Budgeted Gross Production 5,000 units; Standard Loss 20%; Actual loss 900 units.



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- Q6 A factory manufacturing sewing machines has the capacity to produce 500 machines per annum. The marginal (variable) cost of each machine is Rs. 200 and each machine is sold for Rs. 250. Fixed overheads are Rs. 12,000 per annum. Calculate the break- even points for output and sales and show what profit will result if output is 90% of capacity?(12.5)

OR

- Q7 "Cost-Volume-Profit" relationship provides the management with a simplified framework for an organization which is thinking on a number of its problems. Discuss. (12.5)

- Q8 Cost benefit analysis is needed for resolving many managerial problems. List the various items of cost and benefit that will quantify in respect of managerial decisions concerning (12.5)

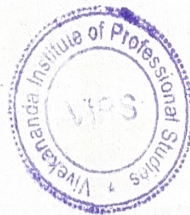
- (a) Change versus status quo
- (b) Retain or replace
- (c) Shut down or continue

OR

- Q9 A radio manufacturing company finds that while it costs Rs. 6.25 each to make component X 273 Q, the same is available in the market at Rs. 5.75 each, with an assurance of continued supply. The breakdown of costs is: (12.5)

Materials -----	Rs. 2.75 each
Labour-----	Rs. 1.75 each
Other variable costs-----	Rs. 0.50 each
Depreciation and other fixed cost--	<u>Rs. 1.25 each</u>
	<u>Rs. 6.25 each</u>

- (a) Should you make or buy?
- (b) What would be your decision if the supplier offered the component at Rs. 4.85 each?



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FOURTH SEMESTER [B.COM (HONS.)] JUNE 2024

Paper Code: B.COM-204

Subjects: Corporate Finance

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

Q1 "Financial management is nothing but managerial decision making on asset mix." Discuss the role and functions of modern finance manager in case of a large diversified firm. Discuss the organization of finance function in such large and diversified firm.

Q2 (a) Financial institutions in India play an important role in providing finance to industrial units in India. Discuss long term and short term sources of raising finance.

(b) Critically explain the Capital Asset Pricing Model.

Q3 (a) Determine the market price of equity shares of the company from the following information as per Walter's Model:

Earnings of the company	Rs. 5,00,000
Dividend Paid	Rs. 3,00,000
Number of shares outstanding	1,00,000
Price earnings ratio	8
Rate of return on investment	15%

Are you satisfied with the current dividend policy of the firm? If not, what should be the optimal dividend payout ratio?

(b) "Dividend is irrelevant while valuing the companies." Critically examine the statement in light of the dividend decision.

Q4 Companies X and Y are in the same risk class, and are identical in every respect except that Company X uses debt, while Company Y does not. The leveraged firm has Rs.9,00,000 debentures, carrying 10% rate of return. Both the firms earn 20% operating profit on their total assets of Rs. 15,00,000. Assume perfect capital markets, rational investors and so on, a tax rate of 35% and capitalization rate of 15% for an all-equity company. Compute:

(a) Value of firms X and Y using Net Income (NI) Approach.

(b) Value of firms X and Y using Net Operating Income (NOI) Approach.

(c) Which of these two firms has an optimum capital using NOI approach and why?



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Q5 (a)

Kamani Ltd. is planning to raise Rs.100 crores by the issue of 13% debentures of Rs.100 each at 10% discount. The underwriting expenses are expected to be 4%. Find out the cost of debentures in each of the following case:

- I) If debentures are irredeemable.
- II) If debentures are redeemable at the end of 10th year at 15% premium. Use short-cut method. Assume tax rate is 35%.

(b) Enumerate the factors which affect the cash needs of the firm. What are the objectives of cash management.

Q6

Prepare the Income Statement and calculate EPS with the help of following information:

Contribution to Sales ratio	50%
Operating leverage	1.45
Financial Leverage	1.34
Corporate tax rate	40%
Number of equity shares	10,000
Fixed Interest charges	Rs. 5,000

Q7

Risk is an important component of every business, comment. Distinguish between business risk and financial risk of a firm. How are they measured?

Q8

The following information has been extracted from the records of the company:

<u>Product cost sheet</u>	<u>Rs.</u>
Raw materials	45
Direct labour	20
Overheads	40
Total costs	105
Profit	15
Selling price	120

- I) Raw materials are in stock on an average for two months.
 - II) Materials are in process on an average for one month.
 - III) Degree of completion is 50% for all elements of cost.
 - IV) Time lag in payment of wages and overheads is one-month.
 - V) Time lag in receipt of payment from debtors is two months.
 - VI) Credit allowed by suppliers is one month.
 - VII) 20% of output is sold for cash.
 - VIII) Finished material in stock for one month.
 - IX) The company wants to keep minimum cash of Rs.1,00,000. The company is expected to produce 1,44,000 units in the next year.
- Prepare a statement of working capital requirement of the company.



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FOURTH SEMESTER [B.COM] JUNE-2024

Paper Code: B.Com-206

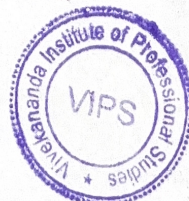
Subject: Business Ethics and Corporate Social Responsibility

Time: 3 Hours

Maximum Marks: 75

Note: Attempt all questions as directed. Internal Choice is indicated.

- Q1 Answer **any Five** from the following: (5x5=25)
- (a) Discuss the concept of Normative Ethics.
 - (b) Explain how Knowledge is different from Wisdom.
 - (c) What are the steps involved in setting the standard of ethical behavior in an organisation?
 - (d) Describe the concept of Vedanta.
 - (e) Elucidate how organizations are practicing spiritual values.
 - (f) Write a short note on Consumerism.
 - (g) Explain the role of CSR Committee.
 - (h) Distinguish between Social and Aesthetic Values.
- Q2 Explain the role of Karma in a human's life describing the various kinds of Karma. (12.5)
- OR
- Q3 Discuss whether truth and morality practiced in advertising or not? Give suitable examples to substantiate your argument.
- Q4 Explain the relevance of Whistle Blower Policy in a company. (12.5)
- OR
- Q5 With suitable examples highlight how Corporate Philanthropy is prevalent in India.
- Q6 What are the various activities involved under the purview of Insider Trading. (12.5)
- OR
- Q7 Discuss the provisions of Corporate Social Responsibility in Companies Act 2013.
- Q8 Elucidate the role of social media in shaping the Values of a person. (12.5)
- OR
- Q9 Explain the concept of ISO 26000 and its benefits.



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FOURTH SEMESTER B.COM [H] JUNE 2024

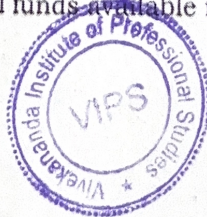
Paper Code: B.COM -208 Subjects: Investment & Portfolio Management

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1. "No investment is risk-free." In the light of this statement, write an essay on the meaning and types of investment risks. Can this risk be eliminated or minimized? (6)
- Q2. "Investment is well-grounded and carefully planned speculation." In the light of the above statement, explain and differentiate between "Investment" and "speculation". How do they differ from gambling? (7)
- Q3. Explain the rationale behind "fundamental analysis" of stock valuation. What are the procedures, challenges and limitations in conducting Fundamental Analysis?
- Q4. Substantiate Modern Portfolio Theory as proposed by Harry Markowitz for creating a minimum variance portfolio.
- Q5. "Beta of a security helps in determining the volatility associated with it." Highlight the given statement by explaining the significance of Beta. The expected return in the market is 18% and the risk-free rate of return is 6%. If you aiming for a return of 15%, what should be the Beta of the security that you will be investing in?
- Q6. "Green investing refers to investing activities aligned with environmentally friendly business practices and the conservation of natural resources." Explain in detail. (5)
- Q7. What is Efficient Market Hypothesis and what are its different forms? (4)
- Q8. "The Market is flooded with different types of mutual funds." Mention the relevance and different types of mutual funds available in India. (5)



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FOURTH SEMESTER [B.COM (HONS.)] JUNE 2024

Paper Code: BCOM-214

Subjects: Income Tax Laws

Time: 3 Hours

Maximum Marks: 75

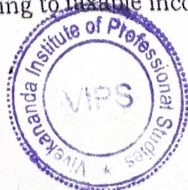
Note: Attempt any five questions. All questions carry equal marks.

- Q1. (a) What is agricultural income? In what circumstances non agricultural income is partially integrated with the agricultural income and taxed.
(b) Write any three Exempted Incomes as per the Income Tax Act, 1961.

Q2. For the assessment year 2023-24 (previous year 2022-23) Mr. Vedanta gives following information regarding his income. Find out the taxable income if he is (a) Resident and ordinarily Resident (b) Resident but non ordinarily Resident (c) Non Resident

1	Salary from an Indian company for rendering services in Mumbai after standard deduction	23,00,000
2	Technical fees from Govt. of India (Received in Moscow)	18,00,000
3	Royalty from an Indian company received in Tokyo	200,000
4	Profit on sale of plant at London (1/3 received in India)	90,000
5	Profit from a business in Delhi managed from London	230,000
6	Dividend received in London from a company registered in India but mainly operating in UK.	100,000
7	Interest on UK Development Bonds received in London	120,000
8	Income earned from a business in Newzealand which is controlled from Kolkata.	
9	Cheque received from his father in law on Diwali.	100,000
10	Rental income from a property in Nepal deposited by tenant in a foreign branch of an Indian bank operating there.	18,000

- Q3. Write Note on;
(a) Depreciation on Block of assets.
(b) Gifts Income taxability.
(c) Section 80 E and its sub parts.
- Q4. Mr. Karan owns a house property which is let out and has MV= 145000; Fair rent=136000; Standard Rent =124000; actual rent Rs.8000/-per month up to Nov15, 2022 and Rs 14,000 per month afterwards. Municipal taxes paid Rs 5000. Karan transfers the house to Ms Aditi on January 31, 2023. Calculate Income from House Property for the AY 2023-24.
- Q5. What is the meaning of 'Transfer'? How is the long term capital gain calculated?
- Q6. Explain the residual head of Income "Income from Other Sources". What are the 'special provisions' relating to taxable income under this head?



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What is the circumstances when income of other persons' included in the Assessee's total income. What are the Provisions and reasons behind it?

Compute the tax liability of Prof. Swati Goel for the Assessment Year 2023-24 from the following Information. She doesn't opt for alternate tax regime.

- (a) Basic Salary Rs 12,00,000. Dearness Allowance = Rs 200,000; Bonus=Rs 120,000.
- (b) Transport allowance for commuting between office and residence: Rs 25600.
- (c) House rent allowance Rs 120,000.
- (d) Prepaid food vouchers (60*300 working days) Rs 18000.
- (e) Telephone and Water bills paid by the company Rs 20000 and Rs 8000 respectively.
- (f) Seminar fees paid by the company Rs 2500.

She has received Rs 169,000 as interest from deposits in savings bank account.

She has received different gifts from Kiran her friend -Rs 25000 and Rs 26000 in the PY 2022-23. She makes the following expenditures and investments:

Contribution towards recognized provident fund	Rs 140,000
Payment of Premium on Insurance policy on own life policy	Rs 14000
Donation to National Defence Fund	Rs 3200

