G 5939　　　　　　　　　(Pages : 6)　　　　　Reg. No...12001101910G

Name...Drisya Augustine

M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2013

Second Semester

Faculty of Commerce

AF02 C06—ADVANCED FINANCIAL ACCOUNTING—II

(2012 Admissions)

Time : Three Hours　　　　　　　　　　　　　　　　　Maximum Weight : 30

Section A

Answer any **five** *out of eight questions.*
Each question carries a weight of 1.

1. What are the components of financial statements under double account system ?

2. What is Minority Interest ? How do you calculate Minority Interest ?

3. What do you mean by Contingency reserve ?

4. Discuss the meaning and scope of Green Accounting.

5. Define Voyage Account. How is it prepared ?

6. How do you adjust 'produce' given as wages in farm accounting ?

7. Define Deficiency or Surplus account.

8. Explain Tariff and Dividend Control Reserve.

(5 × 1 = 5)

Section B

Answer any **five** *out of eight questions.*
Each question carries a weight of 2.

9. How do you ascertain Cost of Control or Goodwill or Capital Reserve while preparing a consolidated balance sheet ?

10. Discuss the advantages and limitations of Green Accounting.

11. What do you mean by Reasonable Return ? How do you calculate the reasonable return ?

12. Explain the procedure and accounting entries for replacement of asset under double accounting system.

Turn over

13. The SS odissi under took a voyage from Athens to Kolkatta starting on 1.1.2003 and reaching on 31.03.2003. The Cargo consists of 900 ton of food grains and 100 ton of Engineering goods. The freight charges were Rs. 150 per ton of food grains and 100 per ton on Engineering goods. In addition, primage was 10 %. Brokerage was payable at 5 %. The expenses were :

		Athens	Kolkatta
		Rs.	Rs.
Coal and diesel	...	20,000	
Portcharges	...	9,000	2,000
Harbour wages	...	3,000	1,000
Loading charges	...	2,000	
Other expenses :			
Stores	...	10,000	
Discharging expenses	...	2,000	
Postage	...	1,000	
Salaries of crew	...	10,000	

The ship was insured for Rs. 10,00,000 at 1 % for voyage policy of hull. The freight was insured @ ½ %. Depreciation is charged on the written down value of the ship at 5 % per annum. The value as on 01–01–2003 was Rs. 8,00,000. Prepare the Voyage account.

14. From the following information, prepare Crop Account :

		Rs.
Opening stock :		
Grain	...	26,000
Seeds	...	6,000
Fertilizers	...	4,000
Purchases :		
Seeds	...	4,000
Fertilizers	...	6,000
Wages paid in cash	...	45,000
Wages paid in kind by giving grain	...	25,000
Sales of grain	...	2,64,000
Grain consumed by the proprietor	...	6,000

		Rs.
Grain consumed by livestock section	...	24,000
Depreciation on farm machinery	...	10,000
Repairs and maintenance of farm machinery	...	15,000
Closing stock :		
Grain	...	20,000
Seeds	...	4,000
Fertilizers	...	4,000

15. The following particulars relate to a particular Company which has gone into voluntary liquidation. You are required to prepare the liquidator's final a/c allowing for his remuneration at the rate of 2 % on the amount realised and 2 % on the amount distributed among unsecured creditors other than preferential creditors.

Preferential creditors Rs. 10,000, unsecured creditors Rs. 32,000, Debentures Rs. 10,000.

Assets realised the following sums :

		Rs.
Land and Buildings	...	20,000
Plant and Machinery	...	18,650
Furniture and Fixtures	...	1,000
Liquidation expenses	...	1,000

16. A enters into a contract with X Ltd., to underwrite its 5,000 shares of Rs. 100 each in consideration of 5 % commission. He also enters into an agreement with C to sub-underwrite 2,000 shares of X Ltd. at a commission on 2 %. The public subscribes for 2,500 shares only and subsequently the shares were taken up by A who sold his shares @ Rs. 90 per share. The shares taken up by C were sold @ Rs. 100 per share. Expenses of underwriting amounts to Rs. 600. Prepare Underwriting Account in the books of A.

(5 × 2 = 10)

Section C

*Answer any **three** out of six questions.*
Each question carries a weight of 5.

17. Avons ships Ltd., Kolkatta acquired a ship M.V. Mumbai costing Rs. 25,00,000 on 1.09.2005 and got her insured at 6 %. The freight was also insured at the same rate, the amount of the policy being Rs. 16,00,000. During the 4 months to Dec. 31, 2005, the ship made one round trip to Osaka and was half through the second trip (single way) to Osaka. It carried the following Cargo.

To Osaka 10,000 tonnes @ 20 per tonne.

From Osaka 8,000 tonnes @ 30 per tonne.

To Osaka 10,000 tonnes @ 19 per tonne.

Turn over

Primage was 5 % and address commission was 10 %. The expenses incurred were :

Part dues Rs. 15,000, wages and salaries Rs. 50,000, Fuel and power Rs. 60,000. Stevedoring Rs. 56,000 (Rs.2 per tonne). Stores purchases Rs. 15,000. Stock of stores on 31.12.2005 was Rs. 3,000.

The ship is subject to depreciation @ 6 % p.a. on the original cost. Prepare voyage a/c to ascertain profit or loss for the period 1st September 2005 to 31, December 2005.

18. Define farm accounting. What are the objectives and characteristics of farm accounting. Explain how will you adjust wages in kind and drawings in kind.

19. Sri Manohar is appointed as liquidator of a company in voluntary liquidation on 1st July 2008 and the following balances were extracted from the books on that date :—

Balance Sheet

	Rs.		Rs.
Capital :		Machinery	30,000
(16,000 shares of Rs. 5)	80,000	Leasehold properties	40,000
Provision for bad debt	10,000	Stock in Trade	1,000
Debenture	50,000	Book debts	60,000
Bank O/D	18,000	Investment	6,000
Liabilities for purchases	20,000	Calls in arrear	5,000
		Cash in hand	1,000
		Profit and Loss Account	35,000
	1,78,000		1,78,000

The machinery is valued at Rs. 60,000 and leasehold properties Rs. 73,000 investments Rs. 4,000 stock in trade Rs. 2,000. Bad debts are Rs. 2,000, doubtful debts Rs. 4,000 estimated to realise Rs. 2,000 the bank overdraft is secured by the title deeds of leasehold properties. Preferential creditors for taxes and wages Rs. 1,000. Telephone rent outstanding Rs. 80. You are required to prepare ;

(a) Statement of affairs as regards creditors and contributories.

(b) Deficiency or surplus account.

20. The Balance Sheet of H Ltd. and S Ltd. on 31.12.2008 were as follows :

Balance Sheets

	H Ltd.	S Ltd.		H Ltd.	S Ltd.
	Rs.	Rs.		Rs.	Rs.
Share Capital :			Land and Buildings	3,10,000	1,60,000
10 % P.shares of Rs.100 each		1,00,000	Machinery less 10 % depreciation	2,70,000	1,35,000
Equity shares of Rs. 100 each	10,00,000	4,00,000	Investment (3,000 shares in S Ltd.)	4,50,000	
General Reserve	1,00,000	50,000	Stock at cost	2,20,000	1,50,000
Profit and Loss a/c balance on 1/1/08	40,000	30,000	Sundry Debtors	1,55,000	90,000
Profit for 2008	2,00,000	80,000	Cash and Bank		
Creditors	1,50,000	70,000	Balance	85,000	1,95,000
	14,90,000	7,30,000		14,90,000	7,30,000

H Ltd. acquired 3,000 Equity Shares in S Ltd. on 1st July 2008. As on the date of acquisition H Ltd. found the value of Land and Building and machinery of S Ltd. should be Rs. 1,50,000 and Rs. 1,92,500 respectively.

Prepare the consolidated Balance Sheet of H Ltd. and its subsidiary S Ltd. as on 31/12/2008 taking into consideration the fact that assets are to be taken at their proper value.

21. A Ltd. holds 80 % of Equity share capital of B Ltd. which was acquired on 31.12.2006 when the latter Company had a credit balance of Profit and Loss Account of Rs. 15,000 and General Reserve of Rs. 20,000. Stock held by A. Ltd. includes Rs. 5,000 for goods supplied by B Ltd. at a profit of 20 % on selling price. Sundry creditors of B. Ltd. includes Rs. 10,000 for goods supplied by the A Ltd. Bills payable of B Ltd. are all in favour of A Ltd. but the drawer company discounted the same. From the following Balance Sheets prepare a consolidated Balance Sheet at 31.12.2008.

Balance Sheet

	A Ltd.	B Ltd.		A Ltd.	B Ltd.
	Rs.	Rs.		Rs.	Rs.
Share capital :			Freehold properties	2,30,000	20,000
Equity shares of Rs.10 each	5,00,000	1,00,000	Furniture	15,500	3,000
Capital Reserve	1,00,000		Investments (8,000 shares of B Ltd.)	1,20,000	
General Reserve	1,20,000	30,000			
Profit and Loss Account	40,000	10,000	Stock	4,14,000	1,23,000
Creditors	1,49,700	36,000	Debtors	87,000	37,400
Bills Payable	21,300	1,000	Cash	64,500	
Bank O/D		6,400			
	9,31,000	1,83,400		9,31,000	1,83,400

Turn over

22. City Electricity Ltd. earned Rs. 16,90,000 during the year ended 31.03.2013. After debenture interest @ 7.5 % on Rs. 5,00,000. With the help of the figures given below show the disposal of profit.

    (a)   Original cost of fixed assets Rs. 2,00,00,000.

    (b)   Formation and other expenses Rs. 10,00,000.

    (c)   Monthly average of current assets (net amount) Rs. 50,00,000.

    (d)   Reserve fund (represent 4 % government securities) Rs. 20,00,000.

    (e)   Contingency reserve from investment Rs. 5,00,000.

    (f)   Loan from Electricity Board is Rs. 30,00,000.

    (g)   Total depreciation written off to the date Rs. 40,00,000.

    (h)   Tariff and dividend control reserve Rs. 1,00,000.

    (i)   Security deposit received from customers Rs. 4,00,000.

Assume bank rate is at 6 %.

(3 × 5 = 15)

M.Com. DEGREE (CSS) EXAMINATION, AUGUST 2013

Second Semester

Faculty of Commerce

FM02C08—FINANCIAL MANAGEMENT STRATEGIES

(2012 Admissions)

Time : Three Hours   Maximum Weight : 30

Section A

Answer any **five** *questions.*
Each question carries 1 weight.

1. What is working capital ?

2. Define the term Dividend.

3. What is Miller and Orr model ?

4. Explain the concept of 'Hard Core working capital'.

5. Name various motives for holding cash.

6. What is Stock Dividend ?

7. What is VED Analysis ?

8. Name various factors influencing the size of receivables.

(5 × 1 = 5)

Section B

Answer any **five** *questions.*
Each question carries 2 weights.

9. State the objectives of preparing a cash budget.

10. What is ABC method of Inventory control ?

11. A firm must have adequate working capital ; it should neither be excessive nor inadequate ; explain.

12. What are the considerations to be kept in mind when a company issues :

    (a) Right shares ; and   (b) Bonus shares.

13. Discuss the important considerations that influence the magnitude to receivable requirements of a firm.

Turn over

14. What is a stable dividend policy ? What are the consequences of changing a stable dividend policy ?

15. Explain the operating cycle concept in management of working capital.

16. What are the internal sources of finance for a company ?

$(5 \times 2 = 10)$

Section C

Answer any **three** *questions.*
Each question carries 5 weights.

17. What are the assumptions which underlie Gordon's model of the dividend effect ? Does dividend policy affect the value of the firm under Gordon's model ?

18. What factors determine the size of the investments a company makes in accounts receivables ? Which of the factors are under the control of the finance manager ?

19. From the following forecast the cash position at the end of April, May and June 2013.

Month	Sales	Purchases	Wages	Miscellaneous
	Rs.	Rs.	Rs.	Rs.
February 13 ...	1,20,000	84,000	10,000	7,000
March 13 ...	1,30,000	1,00,000	12,000	8,000
April 13 ...	80,000	1,04,000	8,000	6,000
May 13 ...	1,16,000	1,06,000	10,000	12,000
June 13 ...	88,000	80,000	8,000	6,000

Additional Information :

Sales : 20 % realized in the month of sales : discount allowed 2 %, balance realised equally in two subsequent periods.

Purchases : They are paid in the month following the month of supply.

Wages : 25 % paid in arrears following month.

Miscellaneous expenses : Paid a month in arrears.

Rent Rs. 1,000 per month paid quarterly in advance due in April.

Income Tax : First instalment of advance tax Rs. 25,000 due on or before 15th June.

Income from investments Rs. 5,000 received quarterly in April, July, October etc.

Cash in hand : Rs. 5,000 on first April 2013.

20. From the following information, you are required to prepare a statement showing the working capital requirements for a level of activity of 1,56,000 units os production.

A   Per unit

                                               Rs.

    Raw material   ...   90

    Direct labour   ...   40

    Overheads   ...   75

    Profit   ...   205

    Selling Price   ...   60

                                   ———

                                   265

                                   ———

B (a) Raw materials are in stock on an average of one month.

   (b) Materials are in process on an average of 2 weeks.

   (c) Finished goods are in stock on an average of one month.

   (d) Credit allowed by supplies one month.

   (e) Time lag in payment from debtors 2 months.

   (f) Lag in payment of wages—1.5 weeks.

   (g) Lag in payment of overheads is one month 20 % of the output is sold against cash. Cash in hand and at bank is expected to be Rs. 60,000. Assume that production is carried on evenly throughout the year, wages and overheads accrue similarly and a time period of 4 weeks is equal to a month.

21. Explain various tools and techniques used for inventory management.

22. Critically examine the assumptions underlining the irrelevance hypothesis of Modigliani and Miller regarding dividend distribution.

                                                                                   (3 × 5 = 15)

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Name. Drisya Augustine

M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2013

Second Semester

Faculty of Commerce

HR 02 C09—HUMAN RESOURCE MANAGEMENT

Time : Three Hours   Maximum Weight : 30

Section A

Answer any **five** *questions.*
Each question carries 1 weight.

1. What are the objectives of HRM ?

2. What is job enrichment ?

3. What are the two types of HR planning ?

4. What is the realistic philosophy of recruitment ?

5. What does placement imply ?

6. What is JIT ?

7. Define training.

8. What are non-financial motivators ?

$(5 \times 1 = 5)$

Section B

Answer any **five** *questions.*
Each question carries 2 weight.

9. What is job enrichment ? With which theory of motivation can you link enrichment ?

10. Define TQM. Describe various fundamentals of TQM.

11. Define leadership. What is its importance in management ?

12. Human Resource Management plays a vital role in the whole system of management of an industrial organisation. Explain.

13. "All executives must unavoidably be personnel managers". Explain the statement.

14. What is job specification ? How is it different from job Description ?

15. Discuss the objectives of human resource planning.

16. What is performance appraisal ? Describe its objectives.

$(5 \times 2 = 10)$

Turn over

Section C

Answer any **three** *questions.*
Each question carries 5 weight.

17. What are the recent trends in recruitment ? What challenges are faced by Human Resource Managers of today ?

18. Effective leadership is a function of three factors ; the leader, the led and the situation". Discuss.

19. Briefly discuss the various methods of performance appraisal.

20. Explain Maslow's Need hierarchy theory.

21. Define training. Discuss various types of training.

22. What do you mean by induction of an employee ? What are the elements of induction training.

(3 × 5 = 15)

M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2013

Second Semester

Faculty of Commerce

OR 02 C10—OPERATIONS RESEARCH

(2012 Admissions)

Time : Three Hours

Maximum Weight : 30

Section A

Answer any **five** *questions.*
Each question carries a weight of 1.

1. What is Operations Research ?

2. What do you mean by objective function ?

3. Define 'surplus' variable with an example.

4. What is a transportation problems ? Give two examples.

5. What is saddle point ?

6. What do you mean by Restricted Assignment ?

7. What is queuing theory ?

8. What is PERT ?

$(5 \times 1 = 5)$

Section B

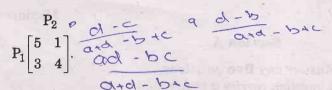*Answer any* **five** *questions.*
Each question carries a weight of 2.

9. What is duality ? Illustrate with an example.

10. Explain the Hungarian method of solving an assignment problem.

11. Distinguish between CPM and PERT.

12. Solve the following pay-off matrix

		Player A			
	9	3	1	8	0
Player B	6	5	4	6	7
	2	4	3	3	8
	5	6	2	2	1

Turn over

13. The purchase price of a machine is Rs. 5,000 and the installation charge is Rs. 1,000. At what age it should be replaced :

Year	:	1	2	3	4	5	6	7	8
Maintenance cost	:	1,000	1,200	1,400	1,800	2,300	2,800	3,400	4,000
Re-sale price is	:	3,000	1,500	750	375	200	200	200	200

14. Determine the optimum strategies and the value of the game :

$$P_1 \begin{bmatrix} 5 & 1 \\ 3 & 4 \end{bmatrix}$$

15. Construct a network diagram :

Activity	:	A	B	C	D	E	F
Predecessor	:	—	A	A	B	C	D & E

16. Solve the following problem graphically :

Maximize $Z = 2x_1 + 3x_2$

subject to

$$x_1 + x_2 \leq 30$$
$$x_2 \geq 3$$
$$x_2 \leq 12$$
$$x_1 - x_2 \leq 0$$
$$x_1 \leq 20$$

$(5 \times 2 = 10)$

Section C

Answer any three questions.
Each question carries a weight of 5.

17. Explain the usefulness of PERT and CPM technique in decision-making : which are the main difference between PERT and CPM.

18. Solve the following problem with simplex method :

Minimize $Z = 5x_1 + 6x_2$

subject to

$$2x_1 + 5x_2 \geq 1500$$
$$3x_1 + x_2 \geq 1200$$

where $x_1, x_2 \ldots \geq 0$.

19. The owner of a small machine shop has four machines to assign different jobs for the day. Five jobs are offered with expected profit in rupees for each machine on the job as follows.

Jobs

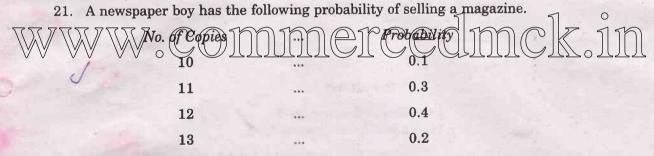|		1	2	3	4	5
	1	62	78	50	101	82
	2	71	84	61	73	59
Machine	3	87	92	111	71	81
	4	88	64	87	77	80

Determine the assignment of machine to jobs that will result in maximum profit.

20. A small project is composed of 7 activities whose time estimates are given below :

Activity	:	1–2	1–3	1–4	2–5	3–5	4–6	5–6
Optimistic time	:	1	1	2	1	2	2	3
Most likely time	:	1	4	2	1	5	5	6
Pessimistic time	:	7	7	8	1	14	8	15

   (a) Draw the network diagram and identify the path.

   (b) Expected length of the project.

21. A newspaper boy has the following probability of selling a magazine.

No. of Copies		Probability
10	...	0.1
11	...	0.3
12	...	0.4
13	...	0.2

The cost of a copy is Rs. 3 and sales price is Rs. 5. He cannot return the magazine. How many copies should be order ? Also find expected number of sales.

22. A repair shop attended by a single mechanic has an average of four customers an hour who brings small appliances. The mechanic inspects them for defects and quite often can fix them right or otherwise render a diagnosis. This takes him six minutes, on the average. Arrivals are Poisson and services time has the exponential distribution you are required to find,

   (a) Find the probability that the shop is empty.

   (b) Find the probability of at least one customer in the shop.

   (c) What is the average number of customers in the system.

   (d) Find the average time spend, including service.

                                                        (3 × 5 = 15)

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Name..Drisya Augustine

M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2013

Second Semester

Faculty of Commerce

SM 02 C07—STRATEGIC MANAGEMENT

(2012 Admissions)

Time : Three Hours   Maximum Weight : 30

Section A

I. Answer any *five* questions. Each questions carries 1 weight, answer each question not exceeding *one page* :

1   Explain the specific role of strategic management.

2   Explain the concepts of strategic management.

3   Explain Conglomerate Diversification.

4   What is Corporate strategy ?

5   What is Environmental Diagnosis ?

6   What do you mean by competitive analysis ?

7   Explain the areas of synergistic advantage.

8   Explain Vision and Mission.

(5 × 1 = 5)

Section B

II. Answer any *five* questions. Each questions carries 2 weights, answer each question not exceeding *two pages* :

9   What are the different approaches to Strategic Management ?

10   Distinguish between Strategic control from Operating control.

11   Discuss the steps involved in strategy formulation.

12   What are the barriers to strategic evaluation and control ? How do you overcome them ?

13   What is social responsibility ? Bring home arguments for and against social responsibility.

14   What is strategic management process model ? Draw a model of strategic management process.

15   What is BCG Model ? Explain its rationale in detail.

16   What is strategic choice ? What factors influence strategic choice.

(5 × 2 = 10)

Turn over

Section C

III. Answer any *three* questions. Each questions carries 5 weights, answer each question not exceedings *two* pages :

17 What is stability strategy ? Explain the variants of stability strategy.

18 Discuss Porter's Five Force Model.

19 "Strategy changes structure". Explain.

20 What is 7-S Model ? How it helps in reducing the difficulties in strategy implementation ?

21 What is strategy implementation ? What is the relationship between strategy formulation and implementation.

22 Discuss the various elements to be considered while doing the Environmental Analysis.

(3 × 5 = 15)

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