

**M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2014****Second Semester**

Faculty of Commerce

**AF 02 C06—ADVANCED FINANCIAL ACCOUNTING—II**

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

**Section A***Answer any five out of 8 questions.**Each question carries weight 1.*

1. What is Contingency Reserve in connection with accounts of electricity companies ?
2. Define Subsidiary Company.
3. Define Double Account system.
4. What is Environmental Accounting ?
5. Write a note on Liquidator's Final Statement of Account.
6. Write short notes on Passage money and Primage.
7. Differentiate between Pre-acquisition profit and Post-acquisition profit.
8. What is Minority Interest ? Illustrate with a numerical example.

(5 × 1 = 5)

**Section B***Answer any five out of 8 questions.**Each question carries weight 2.*

9. What do you mean by liquidation ? What are the reasons for liquidation ?
10. What is Consolidated Balance sheet ? How will you prepare it ?
11. What are inter company owings ? How will you eliminate these items while preparing consolidated Balance Sheet ?
12. Explain in detail the various List of Assets and Liabilities included in statement of affairs.

**Turn over**

13. Lunar Co. Ltd. has on authorised capital of Rs. 10 lakh divided into 10,000 equity shares of Rs. 100 each. Following is the Trial Balance extracted from the books of the company on 31.12.2008.

	Dr.	Cr.
Equity share capital fully called	...	6,00,000
Calls in arrears	2,000	...
6 % debentures	...	1,00,000
Creditors	...	70,000
Reserve Fund	...	50,000
Debtors	90,000	...
Bank	95,000	...
Reserve Fund Investment (market value Rs. 53,000)	50,000	...
<i>Depreciation Fund</i>	...	...
Machinery	...	15,000
Buildings	...	10,000
Vehicles	...	8,000
Fixtures	...	2,000
Profit Loss A/c (Net Revenue A/c)	...	62,000
Machinery - 1/1/2008	1,25,000	...
Additions during the year	10,000	...
Building - 1/1/2008	2,00,000	...
Additions during the year	25,000	...
Stock	2,60,000	...
Fixtures	10,000	...
Vehicles	50,000	...
	<u>9,17,000</u>	<u>9,17,000</u>

You are required to prepare Balance Sheet under double accounts system.

14. SS Sulamehar commenced a voyage on 1.10.2012, from Bhavanagar to London and back. The voyage was completed on 30.11.2012. It carried a consignment of tea on its outward journey and of machinery on its return journey. The ship was insured and the annual premium was Rs. 12,000. Prepare voyage account from the following particulars.

	Rs.
Freight earned (outward) ...	50,000
Freight earned (return) ...	35,000
Port dues ...	2,500
Bunker cost ...	15,000
Wages and salaries ...	25,000
Stores ...	8,400
Sundry expenses ...	2,500
Passage money received ...	5,000
Lighterage charges ...	3,300
Depreciation (annual) ...	48,000

Address commission is 5% on outward and 4% on return freight. Primage is 5% on freight.

The manager is entitled to 5 % commission on the profit earned after charging such commission. Stores and coal on hand were valued at Rs. 1,500 on 30.11.2012.

15. From the information given below prepare wheat crop a/c and potato crop a/c for the year ended 31.12.2012.

Opening stock-Wheat	...	60,000
Opening stock-Potato	...	15,000
Purchase of seeds-Wheat	...	15,000
Purchase of seeds-Potato	...	10,000
Purchase of fertilisers for-Wheat	...	1,80,000
Purchase of fertilisers for-Potato	...	1,20,000
Wages paid in cash for-Wheat	...	2,20,000
Wages paid in cash for-Potato	....	1,60,000
Sales of-Wheat	....	5,20,000
Sales of-Potato	...	3,80,000
General expenses-wheat	....	25,000

Turn over

General expenses-Potato	...	15,000
Expense on farm machinery -wheat	...	12,000
Expense on farm machinery -Potato	...	18,000
Colosing stock-wheat	...	45,000
Colosing stock-Potato	...	20,000
Used in the family-wheat	...	32,000
Used in the family-Potato	...	12,000
Wheat given to workers engaged in-Wheat crop	...	18,000
Wheat given to workers engaged in-Potato crop	...	12,000

16. A railway station had to be replaced by a new one. The new station cost Rs. 8,00,000, where as the old one had cost only Rs. 200000. Materials forming  $\frac{3}{7}$ th of the total expenditure and labour accounting for the rest. Prices of the materials have doubled and wage rate have gone up by 250 %. since the old station was built. Materials worth Rs. 38,000 were used in the station and sale proceeds of materials were 11000. These materials were obtained by pulling down the old station. Pass journal entries and show the total amount capitalised and written off?

(5 × 2 = 10)

### Section C

Answer any three out of 6 questions.

Each question carries a weight of 5.

17. The following is the Trial Balance of Social Light Co. for the year 31.12.2010

31.12.2009	Particulars	Dr.	Cr.
1,00,000	Nominal capital - 10000 shares of Rs 50 each Subscribed capital - 5000 shares of Rs. 25		1,25,000
75000	Debentures - 6 % interest		75,000
5600	Depreciation Fund		5,000
	Calls in arrears	5,000	
46,500	Freehold land	46,500	
20,000	Buildings	25,000	
30,000	Machinery at station	50,000	
25,000	Mains	40,000	
5,000	Transformers, Motors etc.	10,000	



31.12.2009	Particulars	Dr.	Cr.
2,500	Metres	7,500	
1,500	Electric instruments	2,000	
8,000	General stores (cable mains etc. in stock)	11,750	
1,250	Office furniture	1,250	
	Coal and fuel	9,500	
	Oil, waste and engine room stores	3,750	
	Coal, oil waste etc in stock	500	
	Repairs and replacement	2,500	
	Rates and taxes	1,500	
	Salaries of Secretary, Managers etc	7,500	
	Wages at stations	15,000	
	Director's fees	5,000	
	Stationery, Printing, Advertisement	3,000	
	Incidental expenses	500	
	Law charges	1,000	
	Sale of Metre		43750
	Sale by contracts		25000
	Metre rent		1500
	Sundry creditors		5000
	Cash and Bank	16,500	
	Sundry debtors	15,000	
		<hr/>	<hr/>
		2,80,250	2,80,250

**Adjustments :**

- (a) Provide depreciation on buildings @ 2.5 %, machinery 7.5 % means 5 %, transformers etc. 10 % and metres 15%
- (b) A call of Rs. 5 per shares was payable on 30.06.2010 and arrears are subject to interest @ 5 per annum.

Prepare Revenue A/c, Net Revenue A/c, Capital A/c and General Balance Sheet ?

Turn over

18. 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.

- 1 Original cost of Fixed Assets.—Rs. 20000000
- 2 Formation and other expenses—Rs. 1000000.
- 3 Monthly average of current assets (net amount)—Rs. 5000000.
- 4 Reserve fund (represent 4% govt. securities)—Rs. 2000000.
- 5 Contingencies reserve from investment—Rs. 500000.
- 6 Loan from Electricity Board is—Rs. 3000000.
- 7 Total depreciation written off to the date—Rs. 4000000.
- 8 Tariff and dividend control reserve—Rs. 100000.
- 9 Security deposit received from customers—Rs. 400000.

Assume bank rate is at 6 %.

19. The following information extracted from the books of a limited company on 31<sup>st</sup> December 2008. On which date a winding up order was made.

Particulars	Amount
Cash in hand	5,000
Stock in Trade (estimated to produce Rs. 15000)	20,000
Fixtures and fittings (estimated to produce Rs. 2,100)	3,000
Plant and Machinery (estimated to produce Rs. 15600)	15,000
Freehold Land & Buildings (estimated to produce Rs. 45,000)	30,000
Book debts (estimated produce Rs. 5200)	6,200
Unsecured creditors	70,000
Preferential creditors	2,000
Creditors fully secured (value of securities Rs. 11,000)	9,000
Creditors partly secured (value of securities Rs. 6,000)	10,000
Bank O/D, Secured by second charge on all the assets of the company	8,000
10 % debentures secured by floating charge on all the Assets of the company (Interest paid to date)	50,000
Equity shares capital (6000 shares of Rs. 10 each)	60,000
11 % preference share capital (6500 shares of Rs. 10 each)	65,000
Calls in arrear on equity shares( estimated to produce Rs. 1,000)	2,500

Make out statement of affairs as regards creditors and contributories.

20. What is Green Accounting ? Explain its scope, merits and limitations.
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 a/c of Rs. 15,000 and General Reserve of Rs. 20,000. Stock held by A Ltd. includes Rs. 5,000 goods supplied by B Ltd. at a profit of 20 % on selling price. The stock of B Ltd. includes Rs. 12000 goods sold by A Ltd. at a profit of 20 % on cost. From the following Balance Sheets prepare a consolidated Balance Sheet as at 31.12.2008

<i>Balance Sheets</i>					
<i>Share capital</i>	A Ltd.	B Ltd.		A Ltd.	B Ltd.
Equity shares of Rs. 10 each	5,00,000	1,00,000	Freehold properties	2,30,000	20,000
Capital Reserve	1,00,000		Furniture	15,500	3,000
General Reserve	1,20,000	30,000	Investments (8000 shares of B Ltd.)	1,20,000	
Profit and Loss a/c	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			
	<u>9,31,000</u>	<u>1,83,400</u>		<u>9,31,000</u>	<u>1,83,400</u>

22. From the Balance Sheets given below prepare a consolidated Balance Sheet of Moti Ltd. and its subsidiary company Choti Ltd. The interest of the minority shareholders is to be shown as a separate item. Shares were acquired on 1st Jan 2007.

*Balance sheets of Moti Ltd .as on 30<sup>th</sup> June 2007.*

Share Capital		Land and Buildings	12,00,000
15000 shares of Rs. 100 /- each	15,00,000	Plant and Machinery	2,00,000
General Reserve	2,00,000	Current Assets	5,80,000
Profit and Loss a/c	3,00,000	Investments (2000 shares of Rs. 100/- each in Choti Ltd)	2,70,000
Creditors	2,50,000		
	<u>22,50,000</u>		<u>22,50,000</u>

Turn over



*Balance Sheets of Choti Ltd as on 30<sup>th</sup> June 2007*

<i>Share Capital</i>		<i>Fixed Assets</i>	
3000 shares of Rs. 100 each	3,00,000	Buildings	2,00,000
Profit and Loss a/c		Machinery	2,00,000
Balance on 1 <sup>st</sup> July 2006 45000		Current Assets	1,00,000
Net profit for the year 60000	1,05,000		
Sundry Creditors	95,000		
	5,00,000		5,00,000

(3 × 5 = 15)

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**M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2014**

**Second Semester**

Faculty of Commerce

**FM02C08—FINANCIAL MANAGEMENT STRATEGIES**

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

**Section A**

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

1. Define EOQ.
2. What is permanent working capital ?
3. Mention different types of dividend policy.
4. What is cash cycle ?
5. What is factoring ?
6. Name various factors influencing the size of receivables.
7. What is dividend payout ratio ?
8. Give sources of bonus issue.

(5 × 1 = 5)

**Section B**

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

9. A firm should have adequate working capital; it should neither be excessive nor inadequate ; explain.
10. What is meant by inventory management ? Explain how inventory turnover ratio helps in inventory management.
11. Explain different methods of accelerating cash inflows.
12. Explain various stock levels.
13. What are the objectives of inventory management ?
14. What are Bonus shares ? How do they benefit the share holders ?

**Turn over**

15. What are the factors to be considered while estimating working capital ?
16. Discuss the selection criteria of marketable securities.

(5 × 2 = 10)

### Section C

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

17. How should cash management of a company be evaluated? Discuss,
18. Discuss the various forms of dividend.
19. The management of inventory must meet two opposing needs. What are these? How is a balance brought in these opposing needs ?
20. What is receivables management ? How is it useful for business concerns ?
21. From the following information, prepare a cash budget for the months of January to April:

Expected Purchases    Expected Sales

		Rs.	Rs.
January	...	48,000	60,000
February	...	80,000	40,000
March	...	81,000	45,000
April	...	90,000	40,000

Wages to be paid to workers Rs. 5000 each month. Balance at bank on First January Rs. 8000.  
It has been decided by the management that:

- (a) In case of deficit of fund within the limit of Rs. 10,000, an arrangement can be made with the bank.
- (b) In case of deficit of fund exceeding Rs. 10,000 but within the limit of Rs. 42,000 issue of debentures is to be preferred.
- (c) In case of deficit of fund exceeding Rs. 42,000 issue of shares is preferred (considering the fact that it is within the limit of authorised capital)
22. Mr. Gopan wishes to commence a new trading business and gives the following information :
- (1) The total estimated sales in a year will be Rs. 12,000.
- (2) His expenses are estimated as fixed expenses of Rs.2,000 per month plus variable expense equal to five percent of his turnover.

- (3) He expects to fix a sales price for each product which will be 25 per cent in excess of his Cost of purchase.
- (4) He expects to turn over his stock four times in a year.
- (5) The sales and purchases will be evenly spread throughout the year. All sales will be for cash But he expects one month's credit for purchases.

*Calculate :*

- (a) His estimated profit for the year.
- (b) His average working capital requirements.

(3 × 5 = 15)

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**M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2014**

**Second Semester**

Faculty of Commerce

**HR 02 C09—HUMAN RESOURCE MANAGEMENT**

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

**Section A**

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

1. What are the basic functions of a human resource manager ?
2. What is job analysis ?
3. What is succession planning ?
4. What is traditional philosophy of recruitment ?
5. What do you mean by induction ?
6. What is TQM ?
7. What is the meaning of KAIZEN ?

8. Define motivation.

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**Section B**

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

9. Differentiate job enrichment from job enlargement. Which is more powerful as a motivator ?
10. What are the major factors affecting the employee morale ?
11. Explain the traditional methods of performance appraisal.
12. Explain the situation theory of leadership.
13. Discuss the need and limitations of HRM.
14. Discuss managerial and operative functions of personnel management.
15. What is job description ? How is it prepared ?
16. What is the basis of Human Resource Planning ?

(5 × 2 = 10)

Turn over



## Section C

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

- 17 "Personnel management is not a fire fighting function, but an integral part of total management". Discuss
- 18 Discuss the various sources of recruitment.
- 19 Explain Herzberg's two factor theory.
- 20 What do you mean by induction of an employee ? What are the elements of induction training ?
- 21 What are the methods or techniques of executive development ?
- 22 What is T and D programme ? Explain some important common T and D programmes conducted in corporate sector today.

(3 × 5 = 15)

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**M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2014****Second Semester**

Faculty of Commerce

**OR 02 C10—OPERATIONS RESEARCH**

(2012 admission onwards)

Time : Three Hours

Maximum Weight : 30

**Section A***Answer any five questions.**Weight 1 each.*

1. What are the limitations of Operations Research ?
2. What are the basic assumptions in solving the L.P.P. ?
3. Define 'slack' variable with an example.
4. What is an assignment problem ? Give two examples.
5. What is zero-sum-game ?
6. What is degeneracy in L.P.P. ?
7. What is waiting line theory ?
8. What is network analysis ?

(5 × 1 = 5)

**Section B***Answer any five questions.**Weight 2 each.*

9. What is an unbalanced transportation problem ? How is it solved ?
10. What are the steps in solving an assignment problem ?
11. Explain MODI and stepping stone method of solving transportation problem.
12. Solve the following pay-off matrix :

	Player B		
Player A	5	2	3
	6	5	7
	-7	4	1

**Turn over**

13. The cost of a machine is Rs. 4,600 and installation charge is Rs. 1,500. The scrap value is only Rs. 100. The maintenance cost are :

Year	1	2	3	4	5	6	7	8
Maintenance cost . . .	100	250	400	600	900	1250	1600	2000

When should the machine be replaced ?

14. Solve the following game :

		Player B	
		B <sub>1</sub>	B <sub>2</sub>
Player A	A <sub>1</sub>	3	5
	A <sub>2</sub>	4	1

15. Draw a network diagram to the following activities :

Activity	A	B	C	D	E	F
Predecessor	-	-	-	A, B	A, C	B, C

16. Solve the following problem graphically :

$$\text{Maximise } Z = 6x_1 + 4x_2$$

$$\text{subject to } 2x_1 + 1x_2 \leq 60$$

$$1x_1 \leq 25$$

$$x_2 \leq 35.$$

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(5 × 2 = 10)

### Section C

Answer any **three** questions.

Weight 5 each.

17. Define Operations Research and explain its applications. What are the advantages and limitations ?
18. Solve the following L.P.P. :

$$\text{Maximise } Z = 3x_1 + 5x_2 + 4x_3$$

$$\text{subject to } 2x_1 + 3x_2 \leq 8$$

$$2x_2 + 5x_3 \leq 10$$

$$3x_1 + 2x_2 + 4x_3 \leq 15$$

$$\text{where } x_1, x_2, x_3 \dots \geq 0.$$

19. ABC Limited has three production shops and products are distributed through five warehouses. The cost of product varies from shop to shop and transportation cost also varies. The cost of transportation is given below :

		Warehouse					
		1	2	3	4	5	
Shop	A	6	4	4	7	5	100
	B	5	6	7	4	8	125
	C	3	4	6	3	4	175
		30	80	85	105	70	

The cost of manufacture of the product at different production shops are :

Shop	Variable Cost	Fixed Cost
A	14	7000
B	16	4000
C	15	5000

Find the optimum quantity to be supplied from each shop to different warehouses at minimum total cost.

20. The following table gives the activities in a construction project:

Activity :	1-2	1-3	2-3	2-4	3-4	4-5
Duration :	20	25	10	12	6	10

- 1 Draw the network diagram and critical path.
  - 2 Find free total and independent float.
  - 3 Find the duration.
21. The belt snapping for conveyers in open cast mine occur at the rate of two per shift. There is only one hot plate available for vulcanising and it can vulcanise on an average 5 belts snap per shift. Find :
- (a) What is the probability that the hot plate is readily available when a belt snap ?
  - (b) What is the average number in the system ?
  - (c) What is the waiting time of an arrival ?
  - (d) What is the average waiting time plus vulcanising time ?

Turn over



22. Find EMV for all  $A_1, A_2, A_3$  acts from the table given below. Which is the optimum act ?

		Events		
		$S_1$	$S_2$	$S_3$
Strategies	$A_1$	2	8	15
	$A_2$	-3	10	20
	$A_3$	-10	20	35

$P(S_1) = 0.4, P(S_2) = 0.3$  and  $P(S_3) = 0.3$

(3 × 5 = 15)

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**M.Com. DEGREE (C.S.S.) EXAMINATION, AUGUST 2014**

**Second Semester**

Faculty of Commerce

**SM 02 C07—STRATEGIC MANAGEMENT**

(2012 Admission onwards)

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 What are the features of strategic management ?
- 2 What is TOWS Matrix ?
- 3 What is corporate social responsibility ?
- 4 Explain how integration is useful for companies to grow.
- 5 What do you mean by environmental scanning ?
- 6 What is Turnaround strategies ?
- 7 Explain value chain analysis.
- 8 What do you mean by Synergy ? What is positive and negative synergy ?

(5 × 1 = 5).

**Section B**

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

- 9 Distinguish between Horizontal and Vertical Integration.
- 10 What is strategic management ? Explain the different levels of strategy.
- 11 Discuss the steps involved in strategy formulation.
- 12 Explain the different phases of strategic management.
- 13 What is strategic control process ? What are the components of this process ?
- 14 What is strategic choice ? What factors influence strategic choice ?
- 15 What is GE Model ? What are its implications ? Explain relative merits and demerits.
- 16 What is integration ? Explain forward and backward integration concepts.

(5 × 2 = 10)

Turn over

## Section C

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

- 17 What is diversification? What are its types ? Explain reasons for diversification
- 18 Successful implementation of strategy is possible only when the strategy is backed by an appropriate organization structure and control system. Discuss.
- 19 What is Social Responsibility ? What are its objectives ? Explain the importance of Social Responsibility ?
- 20 "Strategy changes structure". Explain.
- 21 What is 7-S Model ? How it helps in reducing the difficulties in strategy implementation ?
- 22 What is strategy implementation ? What is the relationship between strategy formulation and implementation.

(3 × 5 = 15)

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