

**M.Com. DEGREE (CSS) EXAMINATION, JANUARY 2015****Third Semester****Faculty of Commerce****BE 03 C15—BUSINESS ENVIRONMENT****(2012 admission onwards)****Time : Three Hours****Maximum Weight : 30****Section A***Answer any five questions.**Each question carries a weight of 1.**Each answer not to exceed 1 page.*

1. Define business. State its concepts.
2. State the uses of business environmental study.
3. Define mixed economy.
4. What is environmental cost ?
5. What are the limitations of environmental analysis ?
6. Explain the institutions under democratic political environment.
7. What is CSR ?
8. What is judicial activism ?

**(5 × 1 = 5)****Section B***Answer any five questions.**Each question carries a weight of 2.**Each answer shall not exceed 2 pages.*

9. State the objectives of business.
10. Explain environmental ethics.
11. Define socialism. State its merits and demerits.
12. Describe the elements of culture.
13. Describe the responsibilities of Government towards business.
14. How does natural consignment affect business in India ?

**Turn over**

15. Discuss the causes of political risk.
16. Describe the macro-environment of business.

(5 × 2 = 10)

### Section C

Answer any **three** questions.

*Each question carries a weight of 5.*

*The answer should not exceed 5 pages.*

17. Describe the uses and types of environmental accounting.
18. Discuss why business should participate in cultural affairs.
19. Define globalisation. Why do companies go international ?
20. What is project life cycle ? Discuss its various stages.
21. Discuss CSR models.
22. Outline and explain the different environmental factors that create a profound impact on business.

(3 × 5 = 15)

**F 6601**

**(Pages : 2)**

**Reg. No.....**

**Name.....**

**M.Com. DEGREE (CSS) EXAMINATION, JANUARY 2015**

**Third Semester**

**Faculty of Commerce**

**CG 03 C14—CORPORATE GOVERNANCE**

**(2012 admission onwards)**

**Time : Three Hours**

**Maximum Weight : 30**

**Section A**

*Answer any five questions.*

*Each question carries a weight of 1.*

*Each answer not to exceed 1 page.*

1. State the importance of corporate governance.
2. What is audited committee ?
3. Define subsidiary company.
4. What is HRM ?
5. Define organisational culture.
6. What is knowledge management ?
7. What is whistle blowing ?
8. What is CSR ?

**(5 × 1 = 5)**

**Section B**

*Answer any five questions.*

*Each question carries a weight of 2.*

*Each answer not to exceed 2 pages.*

9. Explain the objectives of corporate governance.
10. Write a note on QWL.
11. Describe the benefits of corporate governance.
12. Discuss the activities involved in knowledge management implementation.
13. Discuss non-mandatory requirements of corporate governance.
14. How can exploitation of employees by employers be avoided ?

**Turn over**

15. Describe remuneration committee.
16. What are the steps involved in building corporate image ?

(5 × 2 = 10)

### Section C

*Answer any three questions.  
Each question carries a weight of 5.  
Each answer not to exceed 5 pages.*

17. What is corporate excellence ? Discuss the role of Chairman in corporate excellence.
18. Explain the stakeholders and corporate governance.
19. What is business ethics ? Explain its importance and needs ?
20. Discuss the significance of corporate governance in India.
21. What is cultural diversity ? Describe the features in Indian culture.
22. Explain the stages of knowledge management process.

(3 × 5 = 15)



**F 6600**

**(Pages : 2)**

**Reg. No.....**

**Name.....**

**M.Com. DEGREE (CSS) EXAMINATION, JANUARY 2015**

**Third Semester**

**Faculty of Commerce**

**IB 03 C13—INTERNATIONAL BUSINESS**

**(2012 admission onwards)**

**Time : Three Hours**

**Maximum Weight : 30**

**Section A**

*Answer any five questions.*

*Each question carries a weight of 1.*

*Each answer not to exceed 1 page.*

1. Define International Marketing.
2. Distinguish between domestic and international business.
3. Define global enterprise.
4. State the features of legal environment of international business.
5. What is FPI ?
6. What is open account ?
7. What is Euro ?
8. State the advantages of international acquisition.

**(5 × 1 = 5)**

**Section B**

*Answer any five questions.*

*Each question carries a weight of 2.*

*Each answer not to exceed 2 pages.*

9. Explain trade barriers.
10. Explain the motives of firms internationalisation.
11. Discuss Foreign Investment Implementation Authority.
12. State the challenges of international business.
13. Define Flexible exchange rate. State its merits.
14. Discuss SDR.

**Turn over**

15. Explain international monetary system.
16. Describe various types of FDI.

(5 × 2 = 10)

### Section C

*Answer any three questions.*

*Each question carries a weight of 5.*

*The answer not to exceed 5 pages.*

17. Why do firms enter international business ?
18. What are the salient features of the international monetary system under the Bretton Woods ?  
What were the factors responsible for its breakdown ?
19. Describe different methods of international trade payment.
20. Discuss the challenges of international business.
21. Discuss the functions and role of WTO.
22. Describe the features, objectives and powers of Asian Development Bank.

(3 × 5 = 15)

**M.Com. DEGREE (C.S.S.) EXAMINATION, JANUARY 2015****Third Semester****Faculty of Commerce****DT 03 C12—DIRECT TAXES—LAW AND PRACTICE****(2012 Admission onwards)****Time : Three Hours****Maximum Weight : 30****Section A**

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

1. Discuss the following terms :—
  - (a) Previous Year.
  - (b) Assessee.
  - (c) Income.
2. What are the provisions of the Income Tax Act regarding leave travel concession ?
3. What do you understand by Unabsorbed Depreciation ?
4. Write a note on Bond Washing Transactions.
5. What do you understand by Aggregation of Income ?
6. State the provisions regarding set-off speculation losses.
7. Who is a Deemed Assessee ?
8. Mr. Arun is employed in Alpha Co. at Rs. 12,000 per month. He is a member of Recognized Provident Fund to which he and his employer contribute 14 % of his salary. During the year he was given credit of Rs. 4, 200 as interest on the provident fund balance of Rs. 40,000. Calculate the taxable amount of annual accretion to be included in his income under the head 'salaries' for assessment year 2013-14 ?

**(5 × 1 = 5)****Turn over**

**Section B**

*Answer any five questions.*

*Each question carries a weight of 2.*

9. Income tax is charged on the income of the 'Previous Year'. Do you fully agree with this statement ? If not, what are the exceptions ?
10. Following are the particulars of taxable income of Shri Manu for the previous year ended 31<sup>st</sup> March, 2013 : Calculate his total income if he is a Not Ordinarily Resident.
  - (a) Royalty received from Govt. of India—Rs. 25,000.
  - (b) Income from business earned in Srilanka—Rs.10,000 of which Rs. 5,850 were received in Kanpur. Business is controlled from India.
  - (c) Interest on U.K. Development Bonds—Rs. 19,000.
  - (d) Dividend from an Indian Company—Rs. 50,000.
  - (e) Share of profit from a firm in India, Rs. 50,000.
11. Mr. Manoj is appointed at Mumbai. He stayed in a hotel for 50 days and thereafter shifted in a house provided by the employer. From the following information determine the taxable value of perquisite, stay in hotel
  - (a) Room rent in hotel Rs. 2,000 per day.
  - (b) Salary for valuation of accommodation during the P.Y. Rs. 7,30,000.
  - (c) The employer recovered Rs. 200 per day from Mr. Manoj regarding stay in hotel.
12. After serving for 32 years and 8 months in Solar Ltd. ; Mr. Joy who is covered under the payment of Gratuity Act retires from service on 30<sup>th</sup> December 2012. The employer pays him a gratuity of Rs. 10,00,000 . His monthly basic salary at the time of retirement was Rs. 32,500, D.A. Rs. 12,000 and HRA Rs. 5,900. Compute the exempted amount of gratuity ?
13. Briefly explain the rule of Earned Leave Salary.



14. Mr. Kiran is the owner of a house at Delhi, particulars in respect of which for the year ended 31<sup>st</sup> March, 2013 are as below :

|   |               |
|---|---------------|
| (a) Actual rent received  | ... Rs. 9,000 |
| (b) Municipal Value   | ... Rs. 8,400 |
| (c) Total Municipal Tax   | ... Rs. 1,260 |
| (d) Municipal Tax paid by Mr. Kiran                                       | ... Rs. 840   |
| (e) Municipal Tax paid by tenant  | ... Rs. 420   |
| (f) Interest on loan taken for renewing the house                         | ... Rs. 300   |
| (g) Unrealised rent allowed in the A.Y. 2009-10 recovered during the year | ... Rs. 4,000 |

Compute Mr. Kiran's Income from House Property for the A.Y. 2013-14.

15. The Net profit of Mr. Rajeev of Madurai as per his profit and loss are for the year ended 31<sup>st</sup> March 2013 after charging the following item was Rs. 4,80,000:

|                              |              |
|------------------------------|--------------|
| (a) Interest on capital      | Rs. 40,000   |
| (b) Salary to staff          | Rs. 2,32,000 |
| (c) Office Expenses          | Rs. 6,000    |
| (d) Bad debts written-off    | Rs. 26,000   |
| (e) Provision for bad debts  | Rs. 20,000   |
| (f) Provision for income tax | Rs. 32,000   |
| (g) Donation                 | Rs. 20,000   |
| (h) Depreciation             | Rs. 34,000   |

Depreciations allowable as per the Act is only Rs. 24,000.

Compute income from business.

16. Mr. Raju purchases 1000 Equity Shares of Rs. 10 each for Rs. 80 per share in 1987-88 and incurs an expenditure of Rs. 800 on brokerage. In May 1991, he receives 200 bonus shares. In Sept. 2011 he gets 200 right shares for Rs. 40 each. He sold 200 bonus shares in Nov. 2011 at Rs. 180 per shares and 200 rights shares at 60 per share in Dec. 2011. Find out the capital gains for the Assessment Year 2012-13. The cost of inflation index for 1991-92 is 199 and for 2011-12 it is 785.

(5 × 2 = 10)

Turn over

## Section C

Answer any **three** questions.

Each question carries a weight of 5.

17. Briefly explain the provisions for deductions from Gross Total Income under chapter VIA of the Income Tax Act.
18. Mrs. Mohan has the following investments for the previous year ended 31<sup>st</sup> March 2013
- 10 % Rs. 30,000 tax free Govt. Securities.
  - 10 % Rs. 40,000 Karnataka Govt. loan.
  - 10 % Rs. 36,000 tax-free debentures (listed) of a company.
  - 10 % Rs. 20,000 debentures (listed) of a tea company.
  - Rs. 7,200 received as interest on debentures of a company (not listed)
  - Interest (gross) on deposits with a company Rs. 10,000
  - University remuneration for working as examiner Rs.16,000.
  - Royalty for writing books Rs. 80,000, actual expenses spent by him for writing the book is Rs.20,000.
  - Dividend declared by a domestic company on 1-3-2013, but paid on 1-5-2013 (Gross) Rs. 12,000.
  - Interim Dividend declared on 1-3-2013, but paid on 1-5-2013 Rs. 6,000.
  - Family pension received – Rs. 48,000.
  - Interest on NSC VIII<sup>th</sup> issue Rs. 5,900.
  - Gift of jewellery from a friend Rs. 60,000.

She paid commission to her bank Rs. 500 for collecting the amounts. Compute the taxable "Income from other sources" for the A.Y.2013-14.

19. Dr. Rajan is a Medical Practitioner. He gives you the following summary of cash book for the previous year :

|                         | Rs.                  |                      | Rs.                  |
|-------------------------|----------------------|----------------------|----------------------|
| To Balance              | ... 10,000           | By Rent of clinic    | ... 18000            |
| Consultation fee        | ... 60,000           | Purchase of medicine | ... 38,000           |
| Visiting fees           | ... 45,000           | Staff salaries       | ... 24,000           |
| Gifts and presents      | ... 8,000            | Surgical equipments  | ... 40,000           |
| Sale of medicine        | ... 42,000           | Motor car expenses   | ... 8,000            |
| Dividends from UTI      | ... 6,000            | Purchase of car      | ... 1,40,000         |
| Life Insurance maturity | ... 1,00,000         | Household expenses   | ... 7,000            |
| Dividend on shares      | ... 6,000            | Closing balance      | ... 2,000            |
|                         | <hr/> 2,77,000 <hr/> |                      | <hr/> 2,77,000 <hr/> |

## Other information :

- 1 50 % of the motor car expenses are incurred in connection with profession. Car was purchased in December 2011.
- 2 Household expenses include Rs. 6,800 insurance premium.
- 3 Gift and presents include Rs. 3,000 from relatives.
- 4 Closing stock for medicine Rs. 12,000 and Opening stock on 1-4-2012 was Rs. 4,000.
- 5 Depreciation of car as per Rules 20 % and surgical equipment 25 %.

Compute his taxable income from profession.

20. Mr. Deepak gives the following particulars of his income for the year ending 31-3-2013 :

*Determine the taxable income of Deepak for the AY 2013-14.*

|   | Rs.      |
|---|----------|
| 1 Salary (after deduction of tax at source and own contribution to RPF at 15 % of basic salary) ...       | 1,57,700 |
| 2 Tax deducted at source ...  | 3,500    |
| 3 Employers contribution to provident fund ...  | 10,800   |
| 4 Interest credited on 31-3-2012 at 10.5 % to RPF ...   | 1,050    |
| 5 Allowance for holiday trip ...  | 1,800    |
| 6 Academic research allowance for training of Deepak (expenditure incurred Rs. 4,000) ...                 | 10000    |
| 7 House Rent Allowance (Rent paid for a house at Poona Rs. 9,000) ...                                     | 17000    |
| 8 Deepak pays life insurance premium of Rs. 16600 on own Life Insurance Policy and Rs. 3,000 towards ULIP |          |
| 9 His income from other sources ...   | 86,920.  |

21. Anand owns a house in Bangalore. During the Previous year 2012-13, 3/4th portion of the house was self occupied and 1/4th portion was let out for residential purposes at a rent of Rs 12,000 p.m. The tenant vacated the property on 28 February 2013. The property was vacant during March 2013. Rent for the months of January and February 2013 could not be realized in spite of owner's efforts. All the conditions prescribed under Rule 4 are satisfied.

The other details of the entire property are given below :

|                             |     |           |
|-----------------------------|-----|-----------|
| Municipal value             | p.a | 4, 00,000 |
| Fair rent                   | p.a | 4, 00,000 |
| Standard rent               | p.a | 4, 80,000 |
| Municipal tax paid By Anand |     | 40,000    |

Turn over

A loan of Rs. 30,00,000 was taken by him during the year 2006 for acquiring property, interest on loan paid during the PY 2012—13 was Rs. 1,48,000. Compute Anand's income from House property for the AY 2013—14.

22. Briefly explain the following :—

- (a) Rule for Rent Free Accommodation.
- (b) Difference between Capital and Revenue Expenditure.
- (c) Rule for the perquisite Motor Car.
- (d) Rule for Key man insurance policy.
- (e) Transferred Balance

(3 × 5 = 15)



**M.Com. DEGREE (C.S.S.) EXAMINATION, JANUARY 2015****Third Semester**

Faculty of Commerce

**MA 03 C11—MANAGEMENT ACCOUNTING**

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

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

1. Define management Accounting
2. What are financial statements ?
3. What are leverage Ratio ?
4. What is P.E. Ratio ?
5. What is fund from operation ?
6. How will you calculate cash from operation ?
7. Explain the merits of Price level accounting ?
8. What do you mean by inflation accounting ?

(5 × 1 = 5)

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

9. What are the differences between management accounting and cost accounting ?
10. "Ratio analysis is a tool to examine the health of a business with a view to make the financial results more intelligible". Explain?
11. Calculate cash from the operation :

|                                       |     | 31-3-2012 | 31-3-2013 |
|---------------------------------------|-----|-----------|-----------|
| Profit and loss appropriation account | ... | 20000     | 30000     |
| Bills Receivable                      | ... | 14000     | 18000     |
| Provision for depreciation            | ... | 30000     | 32000     |
| Outstanding Rent                      | ... | 1600      | 4000      |
| Prepaid insurance                     | ... | 1400      | 1200      |
| Goodwill                              | ... | 20000     | 16000     |
| Stock                                 | ... | 14000     | 18000     |

**Turn over**

12. Gross profit ratio-10 %, Stock Velocity-5 times, Debtors velocity-4 months, Creditors velocity-3 months, Gross profit during the period—1,20,000, Closing stock is 10,000 more than opening stock. Calculate :
- (a) Sales ; (b) Closing stock ; (c) Sundry debtors ; and (d) Sundry creditors.
13. From the following information, prepare a statement of sources and application of funds for the year 2013
- (a) Increase in working capital Rs. 8,000.
- (b) Netprofit, before writing off goodwill and charging dividend Rs. 10,750.
- (c) Depreciation provided Rs. 1,750.
- (d) Dividend paid Rs. 4,500.
- (e) Goodwill Rs. 8,000 written off out of profit.
- (f) Rs. 7,000 share capital was issued for cash.
- (g) Machinery was purchased for cash Rs. 18,000.
14. From the following information calculate debtors turnover ratio and stock turnover ratio
- Total sales—2,00,000, Stock (1-4-2012)—20,000, Debtors (1-4-2012)—20,000, Cash sales—40,000, Carriage inwards—5,000, Debtors (31-3-2013)—60,000, Stock (31-3-2013)—10,000, Purchases—50,000.
15. Prepare a common size income statement from the following information :
- Sales—8,00,000, Cost of sales—5,40,000, Commission paid—40,000, Net profit—1,60,000, Interest received—50,000, Salaries and wages—80,000, Interest paid—30,000.
16. Discuss briefly the essentials of good reporting system ?

(5 × 2 = 10)

### Section C

Answer any **three** questions.

Weight 5 each.

17. From the Balance Sheet given below prepare a Statement showing application and Sources of funds for the year 2013

#### Balance Sheet as on 31-12-2013

| Liabilities          | 2012     | 2013      | Assets             | 2012     | 2013      |
|----------------------|----------|-----------|--------------------|----------|-----------|
| Equity Share Capital | 3,00,000 | 350,000   | Fixed Assets (net) | 5,10,000 | 6,20,000  |
| 8 % Preference Share | 2,00,000 | 100,000   | Investments        | 30,000   | 80,000    |
| Capital              | 1,00,000 | 200,000   | Current Assets     | 2,40,000 | 3,75,000  |
| Debentures           | 1,10,000 | 270,000   | Discount on        | 10,000   | 5,000     |
| Reserves & Surplus   | 80,000   | 160,000   | Debentures         |          |           |
| Current Liabilities  |          |           |                    |          |           |
|                      | 7,90,000 | 10,80,000 |                    | 7,90,000 | 10,80,000 |

You are informed that during the year :

- (i) Machine with a book value of Rs. 40,000 was sold for Rs. 2500.
- (ii) Preference shares redemption was done at a premium of 15 % on 31.12.2013.
- (iii) Dividend at 15 % was paid on equity share for 2013.
- (iv) Depreciation charged during the year was Rs. 60,000

18. Summarised Balance Sheets of a Company for the years ended 31<sup>st</sup> March 2012 and 31<sup>st</sup> March 2013 are reproduced as under

| <i>Particulars</i>                           | 31-03-2012 | 31-03-2013  |
|--|------------|-------------|
| <i>Liabilities</i>                           |            |             |
| Equity Capital ...                           | 60,00,000  | 60,00,000   |
| General Reserve ...                          | 30,90,000  | 34,10,000   |
| Profit and Loss Account ...                  | 1,50,000   | 1,80,000    |
| 9 % Debentures ...                           |            | 15,00,000   |
| Sundry Creditors ...                         | 1,30,000   | 3,70,000    |
| Proposed Dividend ...                        | 1,80,000   |             |
|  | <hr/>      | <hr/>       |
|  | 95,50,000  | 1,14,60,000 |
| <i>Assets</i>                                |            |             |
| Land and Building less Depreciation ...      | 14,20,000  | 17,50,000   |
| Plant and Machinery less Depreciation ...    | 31,00,000  | 37,50,000   |
| Furniture and Fixtures less Depreciation ... | 8,40,000   | 9,80,000    |
| Investment ...                               | 50,000     | 60,000      |
| Stock ...                                    | 3,40,000   | 4,20,000    |
| Debtors ...                                  | 30,00,000  | 36,00,000   |
| Cash at Bank ...                             | 8,00,000   | 9,00,000    |
|  | <hr/>      | <hr/>       |
|  | 95,50,000  | 1,14,60,000 |

Turn over

Additional information for the year ended 31-03-2013

- (a) Dividend of Rs. 1,80,000 for the year ended 31-03-2012 was paid during 2013
- (b) Investment costing Rs. 10,000 was sold for Rs. 12,000
- (c) Depreciation charged to Profit and Loss Account for the year ended 31-03-2013 as follows :  
Land and Building—Rs. 42,000, Plant and Machinery—Rs. 4,74,000 Furniture and Fixtures—Rs. 1,84,000.
- (d) Sale of fixed assets—Machinery Sale value Rs. 1,00,000 (WDV Rs. 2,20,000)  
Furniture Sale Value Rs. 30,000 (WDV Rs. 20,000)

Prepare the cash flow statement for the year ended 31-03-2013 together with the relevant ledger accounts.

19. From the following information, prepare a Summarised Balance Sheet as on 31-3-2013 :—

- (a) Annual sales Rs. 50,00,000.
- (b) Sales/Fixed assets : 6 times.
- (c) Total assets/Networth : 3.5 times.
- (d) Sales/Current assets : 8 times.
- (e) Sales/Inventory: 15 times.
- (f) Current ratio 2.5 times.
- (g) Sales/Debtors : 18 times.

20. Discuss briefly about important ratios under the head (a) Liquidity ratio ; (b) Leverage ratio, (c) Activity ratio ; and (d) Profitability ratio

21. Discuss briefly about the various Techniques and Tools of Financial Statement Analysis ?

(3 × 5 = 15)