

M.Com. DEGREE (CSS) EXAMINATION, JANUARY 2014**Third Semester****Faculty of Commerce****IB 03C 13—INTERNATIONAL BUSINESS****Time : Three Hours****Maximum Weight : 30****Section A***Answer any five questions.**Each answer not to exceed one page.**Each question carries a weight of 1.*

1. Define International Business.
2. What is globalisation ?
3. State the features of political environment of International Business.
4. What is Transnational enterprise ?
5. What is FDI ?
6. What is cash in advance ?
7. State objectives of IMF.
8. State the advantages of international mergers.

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

9. Write a note on UNCTAD.
10. Discuss different types of letters of credit.
11. Explain the hurdles for FDI in India.
12. What is fixed exchange rate ? State its merits.
13. What are the criticisms against international enterprises ?
14. Write a note on capital account convertability.
15. Explain foreign investment promotion board.
16. Write a note on FEMA.

(5 × 2 = 10)**Turn over**

Section C

Answer any three questions.

Each answer should not exceed five pages.

Each question carries a weight of 5.

17. Discuss the different methods of international trade payment.
18. Give a brief account of currency exchange risks and their management.
19. Explain the motives of firms going international.
20. Describe international business environment.
21. Discuss the functions and role of IMF.
22. Examine the impact of WTO on business.

(3 × 5 = 15)

M.Com. DEGREE (CSS) EXAMINATION, JANUARY 2014**Third Semester****Faculty of Commerce****DT 03C 12—DIRECT TAXES—LAW AND PRACTICE****Time : Three Hours****Maximum Weight : 30****Section A***Answer any five questions. Each question carries a weight of 1.*

1. What do you mean by Maximum Marginal Rate ?
2. Enumerate any five items of income which are totally exempt from the payment of income tax ?
3. List out any five tax free allowances.
4. What do you understand by Block of Assets ?
5. Write a note on Profit or loss on Sale of securities.
6. State the provisions regarding set-off capital losses?
7. What is the relevant income tax rate applicable to individual during the Assessment year 2013-14 ?
8. From the following information compute the exempted amount of House Rent Allowance of Mr. Arun, who resides at Chennai :
Salary per month—Rs.12,000, H.R.A. received per month—Rs. 2,100, Rent paid per month Rs. 750.

(5 × 1 = 5)**Section B***Answer any five questions. Each question carries a weight of 2.*

9. Briefly explain the important provisions related to clubbing of incomes?
10. Following are the particulars of taxable income of Shri Raju for the previous year ended 31st March, 2013: Calculate his total income if he is a Non-Resident :
 - (a) Salary received from Govt. of India—Rs. 35,000.
 - (b) Income from business earned in Australia - Rs. 30,000 of which Rs. 15,000 were received in Kochi. Business is controlled from India.
 - (c) Interest on savings bank deposits in SBI—Rs. 15,000.
 - (d) Dividend from a German Company controlled in America—Rs. 50,000.
 - (e) Income from house property in India (Computed)—Rs. 26,000.

Turn over

11. An employer has taken a house on rent at Rs. 30,000 p.m. He allotted half the house to Mr. Anand and the other half to Mr. Murali for residential purposes. The annual salary of Mr. Anand is Rs. 6,00,000 and of Mr. Murali is Rs. 14,00,000. Find out the value of rent-free house of Mr. Anand and Mr. Murali.
12. Mohan an employee of Tata Ltd. is drawing a salary of Rs. 24,000 p.m. including Dearness Allowance of Rs. 4,000 p.m. He is drawing Rs. 1,400 as Entertainment Allowance. The other perquisites are Rs. 2,000 p.m. He was getting uniform allowance at Rs. 6,000 twice a year. It was claimed that whole of it has been spent on uniform. He received Rs. 16,000 as bonus during the Year. Calculate his taxable salary.
13. Mr. Anil is getting a pension of Rs. 24,000 per month from a company. During the previous year he got his two-third pension commuted and received Rs. 14,76,000. Compute the exempted amount, if : (a) He also received gratuity (b) He did not receive gratuity.
14. From the following information determine the annual value of the house :
 - (a) Municipal Value-Rs. 1,60,000 ; (b) Fair Rent-Rs.2,40,000 ;
 - (c) Standard Rent-Rs. 2,00,000.

The house was self-occupied for three months and then let-out, if : (a) Rs. 20,000 p.m., (b) Rs. 30,000 p.m. Municipal tax paid by the owner is Rs. 20,000.
15. From the following information determine the depreciation allowance for the Assessment Year 2013-14.

(a) W.D.V. of plant and machinery on 1.4.2012	12,00,000
(b) P & M purchased on 15-5-2012 for production department	10,00,000
(c) In June, 2012 the assessee purchased the following assets :	
(i) Office appliances	2,00,000
(ii) Air-conditioners for guest house	1,20,000
(iii) Car	6,00,000
(iv) P & M purchased on 10-11-2012 for production department	6,00,000

16. Mr. Ajith purchases 2000 Equity Shares of Rs. 20 each for Rs. 160 per share in 1988-89 and incurs an expenditure of Rs. 1600 on brokerage. In May 1992, he receives 400 bonus shares. In September 2012 he gets 400 right shares for Rs. 80 each. He sold 400 bonus shares in Nov. 2012 at Rs. 360 per shares and 400 rights shares at 120 per share in Dec. 2012. Find out the capital gains for the Assessment Year 2013-14. The cost of inflation index for 1988- 89 is 161, 1992-93 is 223 and for 2012-13 it is 852.

(5 × 2 = 10)

Section C

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

17. Mrs. Prasad is a member of Parliament, gives the following particulars. Compute her taxable income from other sources for the A.Y. 2013-14 :
 - (a) M.P. Salary Rs. 30,000 p.m.
 - (b) He won Rs. 20,000 (Gross) from crossword puzzles.

- (c) Winning from Karnataka lottery (net) received Rs. 70,000.
- (d) Cash gift of Rs. 60,000 from his friend.
- (e) Rent received from letting out a building along with plant, machinery and furniture therein Rs. 50,000.
- (f) Interest on tax free listed debentures of a company Rs. 20000.
- (g) Winning from horse races Rs. 4,000.
- (h) Royalty for writing books Rs. 60,000, actual expenses spent by him for writing the book is Rs. 15,000.
- (i) Dividend declared by a domestic company on 1-3-2013, but paid on 1-5-2013 (Gross)—Rs. 24,000.
- (j) Family pension received- Rs 78,000 P.Y.
- (k) Interest paid includes an amount of Rs. 25,000 remitted outside India to a non-resident. No TDS was made on the interest
18. From the following particulars submitted by Mr. Suresh for the year ended 31-3-2013, compute his Business Income :

Profit and Loss Account for the Year ended 31-3-2013

	Rs.		Rs.
To Staff salaries	70,000	By Gross Profit	3,39,000
Rent & rates	40,000	Life policy amount	5,000
Advertisement	10,000	Sale of machinery	2,000
Audit fees	30,000	Interest & dividends	4,000
Donations	20,000		
Provision for bad debts	20,000		
Sales tax	10,000		
Printing & stationery	20,000		
Contribution to staff welfare fund	10,000		
Purchase of patents	90,000		
Interest on capital	10,000		
Net Profit	20,000		
	<u>3,50,000</u>		<u>3,50,000</u>

Additional Informations :

- Opening stock of goods was Rs. 72,000. It has been valued at cost minus 10%. But closing stock was valued at cost.
- Purchase includes a payment of Rs. 40,000 by a bearer cheque to supplier.
- Depreciation allowable as per Rules for the year was Rs. 30,000 (including patents).
- Advertisement includes expenses by way of 30 gift articles given to selected customers at a cost of Rs. 300 each.
- Entertainment expenses of Rs. 8,000 have been spent in the PY. 2012-13, but not debited in P & L A/c.

Turn over

19. Briefly explain the following with adequate examples :

- | | |
|-----------------------------|--------------------------------|
| (A) Taxable allowance, | (B) Taxable Perquisite, |
| (C) Income Except from Tax, | (D) Bond Washing Transactions, |
| (E) Casual Income. | |

20. From the following particulars, compute gross salary of Mr. Nithin.

He is employed in textile industry in Mumbai at a monthly salary of Rs. 4,000. He is entitled to commission of 1% on sales achieved by him, which were Rs. 1 lakh for the year.

In addition, he received the following allowances from the employer during the previous year :

1. Dearness Allowance Rs. 2,000 per month which is granted under terms of employment and counted for retirement benefits.
2. Bonus Rs. 32,000.
3. House Rent Allowance Rs. 1000 per month (Rent paid for house in Mumbai Rs. 1200 per month).
4. Entertainment allowance Rs. 1,000 per month.
5. Children Education Allowance Rs. 500 per month for 2 children.
6. Transport Allowance Rs. 1,000 per month.
7. Medical Allowance Rs. 500 per month.
8. Servant Allowance Rs. 200 per month.
9. City Compensatory Allowance Rs.300 per month.
10. Research Allowance Rs. 500 per month (amount spent on research Rs. 3000)
11. A small car provided to him by employer for Nithin's official and personal use. All expenses relating to car including driver's wages met by employer.

During the P.Y, he paid employment tax of Rs. 4,000.

21. Sri. Harikrishnan constructed a house property which was completed on 30-6-2008. He borrowed Rs. 2,00,000 on 1-1-2007 from a bank for the construction of this house. The rate of interest is 10% p.a. Repayment was made only from 31-7-2008 onwards. House was let out for residential purpose on a monthly rent of Rs. 3,000. Other details of the house are given below: Compute the income from House property for the A.Y. 2013-14.

	Rs.
Municipal valuation	: 25,000
Municipal tax paid	: 1,000
Interest on loan for construction of house for the PY 2012-2013	: 6,000
Fire insurance premium paid	: 300

22. Briefly explain the provisions for deductions from Gross Total Income under chapter VIA of the Income Tax Act.

(3 × 5 = 15)

M.Com. DEGREE (CSS) EXAMINATION, JANUARY 2014**Third Semester****Faculty of Commerce****CG 03 C14—CORPORATE GOVERNANCE****Time : Three Hours****Maximum Weight : 30****Section A***Answer any five questions.**Each answer not to exceed 1 page.**Each question carries a weight of 1.*

1. Define Corporate Governance.
2. Explain independent directors.
3. What is remuneration committee ?
4. Define management of quality.
5. What is Corporate excellence ?
6. What is corporate image ?
7. Define business ethics.
8. Define knowledge workers.

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

9. Describe the principles of Corporate Governance.
10. Explain the constituents of Corporate Governance.
11. Describe audit committee.
12. Explain mandatory requirements of corporate governance.
13. Discuss the knowledge economy.
14. Write a note on work life balance.
15. Explain the duties of chairman at the meeting.
16. Explain the term disclosure in the context of Corporate Governance.

(5 × 2 = 10)**Turn over**

Section C

Answer any three questions.

The answer should not exceed 5 pages.

Each question carries a weight of 5.

17. What is Corporate Governance Report ? Describe its contents.
18. Discuss the history and growth of Corporate Governance in India.
19. Define organisational culture. How do you manage cultural diversity in organisation.
20. Discuss ethics in business functional areas.
21. Define corporate image. Describe the steps in image building.
22. 'Corporate Governance' is the means to corporate excellence". Explain.

(3 × 5 = 15)

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M.Com. DEGREE (CSS) EXAMINATION, JANUARY 2014

Third Semester

Faculty of Commerce

BE 03C 15—BUSINESS ENVIRONMENT

Time : Three Hours

Maximum Weight : 30

Section A

Answer any five questions.

Each answer not to exceed 1 page.

Each question carries a weight of 1.

1. Define Business Environment.
2. State the role of business manager in analyst of environment.
3. Define sustainable development.
4. Define economic environment of business.
5. What is market economy ?
6. Define political environment.
7. What is environmental accounting ?
8. What is a project ?

(5 × 1 = 5)

Section B

Answer any five questions.

Each answer should not exceed 2 pages.

Each question carries a weight of 2.

9. Explain the characteristics of business.
10. Define capitalism. State its merits and demerits.
11. Describe the micro environment of business.
12. State the arguments for and against CSR.
13. Discuss the environmental management.
14. Describe the components of environmental cost.
15. State the reasons for government intervention in business.
16. Discuss the social structure of Indian Society.

(5 × 2 = 10)

Turn over

Section C

*Answer any **three** questions.*

The answer should not exceed 5 pages.

Each question carries a weight of 5.

17. Explain the responsibilities of business towards different segments of Society.
18. Define culture. How does culture influence business ?
19. Describe assessing the components of Environmental costs.
20. Define privatisation. Discuss its objectives. State the argument against privatisation.
21. Discuss the benefits and limitations of MNC.
22. Describe various kinds of Legal system.

(3 × 5 = 15)

M.Com. DEGREE (C.S.S.) EXAMINATION, JANUARY 2014**Third Semester**

Faculty of Commerce

MA 03C 11—MANAGEMENT ACCOUNTING

Time : Three Hours

Maximum Weight : 30

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

1. Mention four objectives of Management Accounting.
2. What do you mean by horizontal analysis and vertical analysis ?
3. What is Capital Gearing Ratio ?
4. What do you mean by EPS ?
5. Mention any *four* Sources of fund and Application of fund.
6. Explain the items regarding inflow and outflow of cash.
7. Explain the concept of Price level accounting.
8. What do you mean by Replacement cost accounting ?

(5 × 1 = 5)

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

9. What are the tools in Management Accounting ?
10. What are interfirm and intrafirm comparison ?
11. Calculate cash from the operation :

Profit made during the year Rs. 2,50,000 after considering the following information.

- (a) Depreciation of fixed assets Rs. 10,000.
 - (b) Amortization of goodwill Rs. 5,000.
 - (c) Transfer to General Reserve Rs. 7,000.
 - (d) Profit on sale of land Rs. 3,000.
12. Is depreciation a source of fund ?

Turn over

13. From the following information, prepare a statement of sources and application of funds for the year 2013 :

- (a) Decrease in working capital Rs. 10,000.
- (b) Net profit, after writing off goodwill and charging dividend, Rs. 13,750.
- (c) Depreciation provided Rs. 2,050.
- (d) Dividend paid Rs. 6,000.
- (e) Goodwill Rs. 10,000 written-off out of profit.
- (f) Rs. 10,000 debenture was issued for cash.
- (g) Land was sold for cash Rs. 38,000.
- (h) Rs. 12,000 bonus share capital issued during the period.

14. Calculate the following ratios from the details given below :

- (a) Current ratio.
- (b) Acid test ratio.
- (c) Operating ratio.
- (d) Gross profit ratio.
- (e) Working capital.

Current Assets-70,000, Current Liabilities-35,000, Stock-30,000, Sales-1,20,000, Operating Expenses-40,000, Cost of goods sold-60,000.

15. From the following information show the results of operations of a manufacturing concern using trend percentages with 2008 as base year (Amount in '000s)

	2011	2010	2009	2008
	Rs.	Rs.	Rs.	Rs.
Sales	1,300	1,200	950	1,000
Cost of goods sold	728	696	589	600
Gross profit	572	504	361	400
Total selling expenses	120	110	97	100
Net operating profit	452	394	264	300

16. Gross profit ratio-15%, Stock velocity-6 times, Debtors velocity-3 months, Creditors velocity-3 months, Gross profit during the period-60,000. Closing stock is equal to Opening stock.

Calculate :

- (a) Sales.
- (b) Closing stock.
- (c) Sundry debtors.
- (d) Sundry creditors.

(5 × 2 = 10)

Section C

Answer any three questions.

Each question carries a weight of 5.

17. The comparative Balance sheet of Mr. Tandon for the two years were as follows :

	2012	2013
<i>Liabilities</i>	Rs.	Rs.
Capital	1,50,000	1,75,000
Loan from banks	1,60,000	1,00,000
Creditors	90,000	1,00,000
Bills payable	50,000	40,000
Loan from R.F.C	—	25,000
	<u>4,50,000</u>	<u>4,40,000</u>
<i>Assets</i>		
Land and Building	1,10,000	1,50,000
Machinery	2,00,000	1,40,000
Stock	50,000	45,000
Debtors	70,000	80,000
Cash	20,000	25,000
	<u>4,50,000</u>	<u>4,40,000</u>

Additional Information :

- Net profit for the year 2013 amounted to Rs. 60,000.
- During the year a machine costing Rs. 25,000 (accumulated depreciation Rs. 10,000) was sold for Rs. 13,000. The provision for depreciation against machinery as on 31.12.2012 was Rs. 59,000 and on 31.12.2013 Rs. 85,000.

You are required to prepare a Cash Flow Statement.

18. From the following balance sheet for the years 2012 and 2013, prepare a schedule of changes in working capital and a funds flow statement.

<i>Particulars</i>	2012	2013	<i>Particulars</i>	2012	2013
	Rs.	Rs.		Rs.	Rs.
Share Capital	1,00,000	1,00,000	Building	50,000	45,000
General Reserve	20,000	25,000	Plant	27,800	29,000
Net Profit	18,100	19,000	Investment	15,000	18,100
Sundry Creditors	8,000	5,400	Stock	35,000	40,000

Turn over

<i>Particulars</i>	2012	2013	<i>Particulars</i>	2012	2013
	Rs.	Rs.		Rs.	Rs.
Provision for taxation	22,000	31,500	Bills Receivable	3,000	4,000
Provision for			Debtors	21,000	25,000
Doubtful Debts	2,000	2,700	Bank	19,200	18,500
	<u>1,71,000</u>	<u>1,79,600</u>		<u>1,71,000</u>	<u>1,79,600</u>

The Following additional information is also available :

- (a) Depreciation Building Rs. 4,000, Plant Rs. 3,500.
- (b) Provision for taxation of Rs. 25,000 was made during the year.
- (c) Interim dividend of Rs. 10,000 was paid during the year.

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

- (a) Working capital Rs. 2,40,000.
- (b) Reserves and Surplus Rs. 1,60,000.
- (c) Bank overdraft Rs. 40,000.
- (d) Proprietary ratio Rs. 0.75 (Fixed assets : Shareholders' fund).
- (e) Current ratio 2.5 times.
- (f) Liquid ratio 1.5 times.

20. Discuss briefly about important ratios under the head :

- (a) Liquidity ratio.
- (b) Leverage ratio.
- (c) Activity ratio.
- (d) Profitability ratio.

21. What are the advantages and disadvantages of Price Level Accounting ?

(3 × 5 = 15)