

1

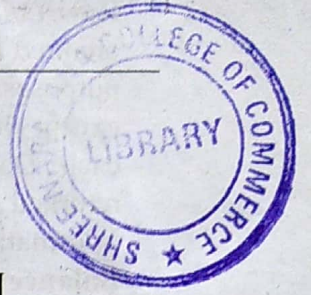
Seat No. : _____

MG-107

May-2017

M.Com., Sem.-II

**(410 EA/EE) – Financial Accounting and Auditing – I
(New Course)**



Time : 3 Hours]

[Max. Marks : 70

1. (A) Sodam Limited began construction of a new plant on 01-04-2016 and obtained a special loan of ₹ 20,00,000 to finance the construction of the plant. The rate of interest on loan was 10% per annum.

The expenditure that was made on the project of plant construction was as follows :

Date	Amount (₹)
01-04-2016	25,00,000
01-08-2016	60,00,000
01-01-2017	10,00,000

The company's other outstanding non-specific loan was ₹ 69,00,000 at an Interest of 12% per annum.

The construction of the plant was completed on 31-03-2017. You are required to calculate the amount of interest to be capitalized as per the provisions of AS-16 of the borrowing cost and pass one journal entry for capitalizing the cost and borrowing cost in respect of the plant.

7

- (B) Jyoti pharma Ltd. Ordered 80,000 kgs of certain material at ₹ 160 per kg. The purchase price includes excise duty of ₹ 10 per kgs in respect of which full CENVAT Credit is admissible. Freight incurred amounted to ₹ 7,00,800. Normal transit loss is 2%. The company actually received 77,500 kg and consumed 68,000 kg of material. Compute cost of inventory under AS-2 and amount of abnormal loss.

7

OR

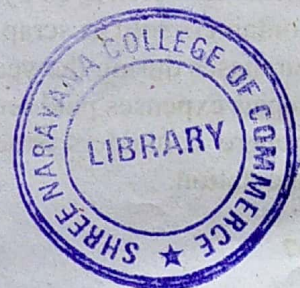
1. (A) Explain the scope of Accounting Standards.
(B) Explain the usefulness of Accounting Standards.

7

7

MG-107

9



P.T.O.

2

2. Ravi Ltd. sells its product in containers charging them out at ₹ 18 each. Customers are credited by ₹ 14 each, if the containers are returned within one month. For accounting purposes, at closing all stocks with customers and in factory are valued at ₹ 12 each, except those representing new ones, which are valued at their purchase price of ₹ 13 each. Damage Containers are to be valued at ₹ 6 each. In case, the containers are returned in damaged condition, credit is given only at ₹ 7 each. The following information is available for the year ending on 31st March, 2017.

Balance of containers as on 01-04-2016

With firm	Nos.	1,02,000
With Customers	Nos.	75,000

Balance of Containers as on 31-03-2017

With firm	Nos.	1,56,000
With Customers	Nos.	69,000

Transactions during the year 2016-17

Containers sent out to Customers	Nos.	1,57,500
Containers return by customers (including 6,000 Nos. damaged)	Nos.	51,000
Containers destroyed by fire	Nos.	3,000
Containers sold as scrap (Realised to ₹ 1,500)	Nos.	750

Purchases during the year totaled to ₹ 21,45,000

Repair expenses paid on containers returned amounted to ₹ 19,500

On 31st March, 2017, when Stock was taken a normal shortage of 750 Nos. containers was revealed.

Prepare containers trading account and containers provision accounts. Show necessary calculation.

14

OR

2. Viral Ltd. sells its product in containers charging them out at ₹ 27 each. Customers are credited by ₹ 21 each, if the containers are returned within one month. For accounting purposes, at closing all stocks with customers and in factory are valued at ₹ 18 each, except those representing new ones, which are valued at their purchase price of ₹ 20 each.

The following information is available for the year ending on 31st March 2017.

Balance of containers as on 01-04-2016

With firm	Nos.	34,000
With Customers	Nos.	25,000

Balance of Containers as on 31-03-2017

With firm	Nos.	52,000
With Customers	Nos.	23,000

Transactions during the year 2016-17

Containers sent out to Customers	Nos.	52,500
Containers return by customers	Nos.	17,000
Containers destroyed by fire	Nos.	1,000
Containers sold as scrap (Realised to ₹ 2,000)	Nos.	500

Purchases during the year totaled to ₹ 11,00,000

Repair expenses paid on containers returned amounted to ₹ 13,000

Prepare containers Stock account and containers Trading account. Show necessary calculation.

14

3

3. From the following Trial Balance of Shani Ltd. as on 31st March, 2017 and additional information prepare the final accounts in proper form as per Companies Act. 14

Trial Balance as on 31-03-2017

Particulars	Debit (₹)	Credit (₹)
Stock as on 01-04-2016		
Raw Materials	1,25,000	
Work in Progress	50,000	
Finished Goods	2,50,000	
Purchase of Raw Materials	11,25,000	
Sales		17,00,000
Salaries and Wages	75,000	
Other expenses	2,87,500	
Other Incomes		27,500
Depreciation	8,750	
Fixed assets at cost	1,57,500	
Investments	1,250	
Interest accrued	2,500	
Sundry Debtors	1,37,500	
Cash at Bank	20,000	
Cash on Hand	6,250	
Loans and Advances (short term)	3,750	
Share Capital		50,000
Development Rebate Reserve		5,000
Investment Allowance Reserve		10,000
General Reserve		62,500
Secured Loan		32,500
Public Deposit		40,000
Provision for Depreciation		70,000
Provision for doubtful debt		2,500
Sundry Creditors		2,50,000
	22,50,000	22,50,000

Additional Information :

- (1) Stocks as on 31st March, 2017 were as follows

	₹
Raw Materials	75,000
Work in Progress	62,500
Finished goods	95,000

- (2) Depreciation allowable under income tax rule for the year is ₹ 10,000.
(3) Market value of investments is ₹ 2,500.

- 4
- (4) Sundry Debtors includes ₹ 6,250 due for more than six months out of which provision has been made for doubtful debt at ₹ 1,250 during the year.
 - (5) Other expenses includes the following :
 - (a) Fees to auditors ₹ 5,000 out of which ₹ 1,250 are in other services.
 - (b) Interest on secured loan ₹ 2,500 and other interest ₹ 1,250.
 - (6) ₹ 1,250 are to be Re-transferred from development rebate reserve account.
 - (7) Income tax is to be provided at 50% of taxable income.
 - (8) Provision is to be made for Managing Director remuneration at 5% of net profit as provided under law, subject to a maximum of ₹ 1,250 per annum.
 - (9) Balance of profit is to be transferred to general reserve after providing for dividend at 20% on share capital.
 - (10) The authorized capital of the company is consist of 50,000 equity shares of ₹ 1 each.

OR

3. Following is the profit and loss account of Durgesh Ltd. for the year ending on 31st March, 2017.

14

Profit and Loss Account

Particulars	(₹)	Particulars	(₹)
Interest on Debenture	24,000	Gross Profit	10,00,000
Administrative Expenses	96,000	Subsidy Received from Govt.	80,000
Director Fees	16,000	Interest Received (Net) (TDS ₹ 20,000)	60,000
Salaries	1,90,000	Profit on Sale of Machinery (Cost price ₹ 1,80,000 & W.D.V. ₹ 1,20,000)	1,20,000
Bonus	64,000	Securities premium received	20,000
Depreciation (including initial depreciation of ₹ 10,000)	1,30,000		
Repairs & Renewal Exp.	60,000		
Scientific Research Exp.	40,000		
Debenture Issue Exp.	16,000		
Loss on Sale of furniture	20,000		
Donation	20,000		
Bad debt reserve	32,000		
Loss on sale of investment	28,000		
Provision for income tax	1,20,000		
Remuneration to trustees of debentures	10,000		
Interest on bank loan	20,000		
Development Rebate Reserve	30,000		
Propose Dividend	72,000		
Discount on debentures	12,000		
Ex-gratia payment to employees	10,000		
Net Profit	2,70,000		
	12,80,000		12,80,000



5

Additional Information :

- (1) Depreciation Allowable as per section 350 of the Companies Act is ₹ 1,00,000.
- (2) Bad debt written off against B.D.R. is ₹ 12,000.
- (3) Salary includes ₹ 28,000 paid for previous year.
- (4) Scientific Research Expenses includes purchase of instruments for ₹ 24,000.
- (5) Repairs & Renewal Expenses includes ₹ 20,000 for extension of building.
- (6) Depreciated value of furniture sold was ₹ 32,000.

You require to calculate the following :

- (1) Total maximum amount of Managerial Remuneration as per section 198 of the Companies Act.
- (2) The maximum amount of commission payable to directors.
 - (a) When not assisted by Managing Director/Manager/Whole time Director.
 - (b) When assisted by Managing Director/Manager/Whole time Director.

4. Nupur Sells goods on Hire-Purchase by adding 50% profit on cost.

From the following information calculate missing figures and prepare :

- (1) Shop stock accounts
- (2) Installment not due account
- (3) Installment due but not received account
- (4) Hire-Purchase Trading Account

Balance as on 01-04-2016

Stock in the shop (at cost price)	₹ 54,000
Installment due but not received	₹ 15,000

Transaction during the year

Cash received from customers	₹ 1,98,000
Purchases during the year	₹ 1,62,000
Goods repossessed (instalments due ₹ 7,500)	₹ 3,000

Balance as on 31-03-2017

Stock in the shop (at cost price)	₹ 36,000
Installments due but not received	₹ 27,000
Installments not due	₹ 97,500

OR

- 4. (A) Explain the characteristic of leasing.
- (B) Explain advantages of leasing.

7
7

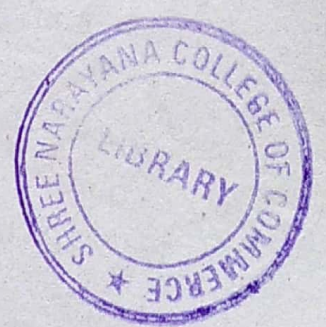
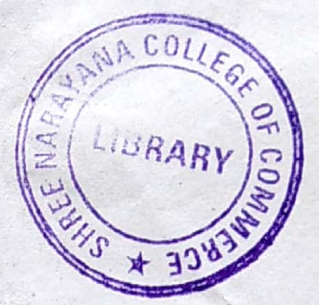


5. Select appropriate alternative.

- (1) Who prepare and disclose accountings standards ?
- (a) ICAI (b) Central Government
(c) RBI (d) State Government
- (2) What is the title of Indian Accounting Standard-2 ?
- (a) Revenue recognition (b) Valuation of inventories
(c) Government Grant (d) Borrowing cost
- (3) From which date Indian Accounting Standard-2 is came into force mandatory ?
- (a) 1st April, 1992 (b) 1st April, 1993
(c) 1st April, 1999 (d) 1st April, 1995
- (4) What is the title of Indian Accounting Standard-16 ?
- (a) Revenue recognition (b) Valuation of inventories
(c) Government Grant (d) Borrowing cost
- (5) What is the full form of ASB ?
- (a) Accounting Standard Board (b) Accounting Standard Base
(c) Accounting Standard Bureau (d) None of the above
- (6) Which of the following expenses is admissible for deduction while calculating profit for managerial remuneration ?
- (a) Loss on sale of Investment (b) Depreciation
(c) Bad debt reserve (d) Provision for taxation

7

- (7) Which of the following is not a Reserve ?
- (a) General Reserve (b) Capital Reserve
(c) Bad Debt Reserve (d) Sinking Fund
- (8) Which of the following is the contingent liability ?
- (a) Claim against the company not acknowledged as debt
(b) Guarantees
(c) Other money for which the company is contingently liable
(d) All of the above
- (9) Which of the following rate is the maximum managerial remuneration rate as per Section 198 ?
- (a) 11% (b) 10%
(c) 5% (d) None of the above
- (10) Which of the following is an advantage of leasing ?
- (a) Not flexible (b) Flexible
(c) No benefit of residual value (d) High cost of leasing
- (11) Which of the following is good sold on Hire Purchase at Hire Purchase Price. If goods are sold at 50% profit on Hire Purchase price and opening shop stock is ₹ 50,000, Purchase is ₹ 2,75,000 and Closing shop stock is ₹ 75,000 ?
- (a) ₹ 3,75,000 (b) ₹ 1,25,000
(c) ₹ 5,00,000 (d) None of the above
- (12) Which of the following is Finance Cost ?
- (a) Interest expenses
(b) Other borrowing cost
(c) Applicable net loss on foreign currency transactions
(d) All of the above



8

(13) Which of the following is the containers retained by customers, if opening balance of containers with customer 16,000 Nos, containers sent to customer 90,000 Nos, containers returned by customer 94,500 Nos and closing balance of containers with customer 10,000 Nos. ?

- (a) 1,500 Nos
- (b) 3,000 Nos
- (c) 4,500 Nos
- (d) 6,000 Nos

(14) Which of the following is the closing balance of container with firm, if opening stock of containers with firm and customer 18,500 Nos, containers purchase during the year 35,000 Nos, containers retained by customer 5,000 Nos, containers scraped 1,000 Nos, containers destroyed by accident 1,500 Nos and closing balance of containers with customer 21,000 Nos ?

- (a) 27,500 Nos
- (b) 25,000 Nos
- (c) 26,500 Nos
- (d) 26,000 Nos



9

Seat No. : _____



MK-103

May-2017

M.Com., Sem.-II

412- EE : Cost Accounting-II
(New Course)

Time : 3 Hours]

[Max. Marks : 70

- Instructions :** (1) Show necessary calculations as a part of your answer.
(2) Figures on the right hand side indicates the marks of the question.
(3) Provide Graph paper as per demand.

1. Toy limited provides you the following information for the year 2015 :

14

	First Half	Second Half
	₹	₹
Sales	20,000	30,000
Profit	7,200	13,200



You are required to calculate the following, assuming that the fixed costs remain constant during each of the half year :

- The P/V ratio, fixed cost, break-even point and margin of safety for first half, second half and for the whole year.
- The amount of profit / loss when sales for the year are ₹ 60,000.
- The amount of sales required to earn a profit of ₹ 59,040.
- The amount of sales required to earn a profit of 10% on sales.
- The amount of profit for the year 2016 assuming anticipated 10% increase in selling price but 20% decrease in physical sales volume and fixed costs.

OR

MK-103

7

P.T.O.

10
 Joy company has production capacity of 2,00,000 units per year. Normal capacity utilization is recognized as 90%, standard variable production costs are ₹ 11 per unit. The fixed costs are ₹ 3,60,000 per year, variable selling costs are ₹ 3 per unit and fixed selling costs are ₹ 2,70,000 per year. The unit selling price is ₹ 20. In the year just ended on 30th June, the production was 1,60,000 units and sales were 1,50,000 units. The closing inventory was 20,000 units. The actual variable production costs for the year were ₹ 35,000 higher than standard.

Calculate the profit for the year :

- by the Absorption costing method
- by the Marginal costing method

Also explain the difference in the profit.



2. Best Gujarat Limited is producing three products A, B and C. The data for the three products is given below :

14

Particulars	A	B	C
Maximum capacity (units)	5000	2000	3000
Direct Material @ ₹ 10 per kg (₹)	40	10	30
Other variable costs (₹)	36	25	10
Selling price (₹)	100	50	60
Fixed cost (unavoidable) (₹)	20,000	15,000	10,000

Calculate the best product mix in each of the following three independent cases :

- Total availability of raw materials is limited to 18,000 kg.
- Under a trade agreement the firm cannot produce more than 7,500 units of the three products taken together.
- Total sales value of three products cannot exceed ₹ 6,50,000.

Give complete working showing contribution and total profit.

OR

Gaurang Limited has two products A and B. To produce one unit of A, 2 units of materials X and 4 units of materials Y are required. To produce one unit of B, 3 units of material X and 2 units of material Y are required. As the raw material X is in short supply so not more than 16 units of materials X is not available, while minimum 16 units of material Y must be used in order to meet the committed production of A and B. Cost per unit of material X and material Y are ₹ 2.50 and ₹ 0.25 respectively. The selling price per unit of A and B are ₹ 12 and ₹ 16 respectively. You are required :

- (i) To formulate mathematical model.
- (ii) Undertake calculation of maximum contribution with the help of Graph.

3. PMT & Co. has a capacity to produce 10,000 units of product A in a month. The sales department gives the following schedule of sale prices :

14

Volume of Production	Selling price per unit
60%	₹ 0.80
70%	₹ 0.71
80%	₹ 0.65
90%	₹ 0.58
100%	₹ 0.53



The variable cost of production between these levels is ₹ 0.12 per unit and fixed cost is ₹ 3,000.

- (1) Prepare a statement showing incremental income and differential cost of each stage.
- (2) At what volume of output will the profit be maximum ?
- (3) If there is a bulk offer at ₹ 0.40 per unit for the remaining capacity over the maximum profit volume for export and the quoted price does not affect the internal sales, will you accept this bid and why ?

OR

12

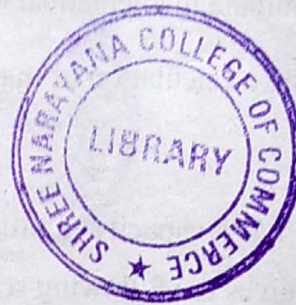
Explain the following decisions with illustrations :

- (1) Make or buy decision
- (2) Shut down decision

4. Write Notes on : (any **two**)

14

- (1) Difference between 'Traditional Purchase' and 'JIT Purchase'.
- (2) Life-cycle of a product – stages.
- (3) Target costing



14

5. Select the correct answer from given choices :

(1) Budgeted output minus break-even output gives us the :

- | | |
|---------------------|-----------------------------|
| (a) Budgeted profit | (b) Maximum profit solution |
| (c) Contribution | (d) Margin of safety |

(2) In break-even analysis we assume :

- (a) Non-linear relationship
- (b) Diminishing returns to the variable factors of production
- (c) Non-proportional relationships
- (d) Linear relationships

(3) What can we derive by using the following formula ?

$$\frac{\text{Total Fixed Costs}}{\text{Contribution Per Unit}}$$

- | | |
|----------------------|-----------------------|
| (a) Margin of safety | (b) Budgeted output |
| (c) Budgeted profit | (d) Break-Even output |

(4) The idea about target costing originated in

- | | |
|-----------|------------------|
| (a) Japan | (b) UK (England) |
| (c) USA | (d) India |

- (5) Target costing is based on :
- (a) Market price of product (b) Actual cost of product
- (c) Historical cost (d) None of these
- (6) When material (kgs) is a key factor, profitability of a product is decided on which of the following basis ?
- (a) Contribution per kilogram (b) Contribution per unit
- (c) Variable cost per unit (d) None of these
- (7) For manufacturing products X and Y by a machine, requires 2 hours and 4 hours per unit respectively. If there are only 1000 hours available, which of the following is correct ?
- (a) $2x + 4y \leq 1000$ (b) $2x + 4y = 1000$
- (c) $2x + 3y \geq 1000$ (d) None of these
- (8) A company manufactures a single product with a variable cost per unit of ₹ 110. The p/v ratio is 45%. Monthly fixed costs are ₹ 9,90,000. What is the break-even point (in units) ?
- (a) 20,000 (b) 11,000
- (c) 30,000 (d) 9,000
- (9) The following forecasts relates to a single product business for a period :

Variable costs	₹ 38,640
Fixed costs	₹ 39,975
Sales revenue	₹ 84,000
Sales units	₹ 6,000

What sales revenue is required to achieve a profit of ₹ 12,000 in a period ?

- (a) ₹ 1,12,990 (b) ₹ 96,250
- (c) ₹ 74,030 (d) ₹ 90,615



14

(10) A firm makes a single product. A budget have been prepared for the year ahead and include production and sales of 60,000 units with a break-even point of 45000 units. What is the margin of safety ratio ?

- (a) 33% (b) 25%
(c) 75% (d) 100%

(11) Budgeted sales of a company's single product in a period are 20,000 units, producing a total contribution of ₹ 1,80,000 at a selling price of ₹ 24 per unit. Fixed costs are ₹ 6 per unit based on the budget sales quantity.

What is the budgeted variable cost per unit ?

- (a) ₹ 3 (b) ₹ 9
(c) ₹ 15 (d) ₹ 18

(12) JIT is developed in _____.

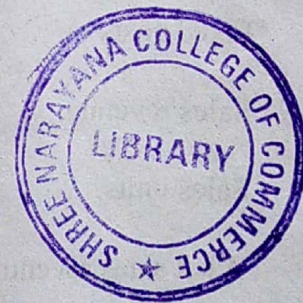
- (a) America (b) England
(c) Japan (d) India

(13) When production variable and fixed cost are included in cost accounts is known as _____.

- (a) Marginal costing (b) Standard costing
(c) Absorption costing (d) None of these

(14) MRP-II is _____.

- (a) A Traditional Approach
(b) An Inter-departmental Approach
(c) A Production scheduling Approach
(d) None of these



(15)

Seat No. : _____

MI-104

May-2017

M.Com., Sem.-II

411 EA/EE : Cost Accounting – I



Time : 3 Hours]

[Max. Marks : 70

1. Bombay Co. Ltd. Maintains Integrated System. The following relevant information is provided to you.

14

Opening Balances :		₹
Stores Ledger Control Account		50,000
WIP Ledger Control Account		40,000
Finished Stock Account		70,000
Prepaid production overheads		6,000
<u>Transactions :</u>		
Material purchased		75,000
Material issued : Production	60,000	
Maintenance	8,000	68,000
Total wages paid : Direct	50,000	
Indirect	10,000	60,000
Selling overheads paid		12,000
Production overheads paid		24,000
Sales		2,00,000
Cost of finished goods sold.		1,60,000
Cost of goods completed and transferred to finished stock account		1,30,000
Physical value of WIP at the end		?

Production overheads charged to WIP at 150% of direct wages.

Prepare the following accounts :

- (i) Stores Ledger Control Account
- (ii) Wages Control Account
- (iii) WIP Account
- (iv) Finished Stock Account
- (v) Production Overheads Account
- (vi) Selling Overheads Account
- (vii) Cost of Sales Account
- (viii) Profit and Loss Account

OR



16

- (a) Distinguish between Integrated and Non-Integrated Accounting System. 7
- (b) Which types of material related transactions are recorded in Stores Ledger Control Account ? Show these transactions with Journal Entries. 7

- 2. (a) Distinguish between Cost Control and Cost Reduction. 7
- (b) Explain EOQ model with illustration. 7

OR

- (a) During the year ended 31st March, 2017, the factory overhead costs of three production departments of organization are as under : 7

Departments	Actual (₹)
A	48,500
B	89,750
C	64,500

The basis of apportionment of overheads is given below :

Departments :

- A ₹ 5.00 per machine hour for 10,200 hours
- B 80% of direct labour cost of ₹ 1,10,000
- C ₹ 4.00 per piece for 15,000 pieces.

Calculate department-wise under or over absorption of overheads.

- (b) X Co. Ltd. anticipates that 90% learning curve will apply to the production of a new item. The first item will cost ₹ 4,000 in material, ₹ 2,000 variable overheads and will take 600 hours. Per hour labour cost is ₹ 10. This company has received an order of 8 items. The company of the policy is to earn 25% profit on total variable cost. 7
- You are asked to determine selling price to be quoted for an order of 8 items. 7

- 3. (a) What is Activity based costing ? Discuss advantages and limitations of it. 7
- (b) How activity based costing is different than Traditional costing ? Explain. 7

OR

Bhagwan Limited produces four products A, B, C and D. The following information is available.

Products	A	B	C	D
Production (Units)	200	400	1000	4000
No. of Production Runs	4	6	12	40
No. of set-ups	4	8	12	16
Labour hours/unit	2	4	2	4
Machine hours/unit	2	6	4	2
Material cost per unit (₹)	100	300	200	400
Direct labour hour cost (₹)	25	25	25	25

14

47

Support department costs and possible 'cost drivers' are as follows :

Support department costs	₹	Cost Drivers
Set up costs	2,00,000	No. of setups
Material Handling costs	1,86,000	No. of production runs
Production scheduling costs	1,55,000	No. of production runs
Other variable costs	75,000	Labour hours

Determine per unit cost of each product under Activity based costing.

4. (a) Discuss different methods of pricing.
- (b) Explain pricing strategy for new product.

OR

Swami Co. Ltd. produced and sold 10,000 machines at a selling price of ₹ 20,000 each. The cost of each machine was as under. Total variable cost is ₹ 13,400. The proportion of Direct material, Direct labour, Direct expense and Factory variable O/H was 60 : 60 : 6 : 8. This proportion is to total variable cost. Fixed overheads are ₹ 2,400. 14

Expected price increase for next year : Direct material 30%, Direct labour 15%, Direct expenses 20%, Factory variable O/H 10%, Fixed overhead 5%.

You are required, to for the coming year to :

- (a) Determine the selling price of the machine, if the number sold and the annual profits are to be remain unchanged.
- (b) Determine how many machines the company would have to sell, if it did not change the price charged but maintained the profit level achieved last year.

5. Select appropriate option for each question. 14

(1) Which of the following account is irrelevant under non-integrated accounting system ?

- | | |
|------------------------|----------------------|
| (a) Creditors' Account | (b) Debtors' Account |
| (c) Bank Account | (d) All of the above |

(2) Where the concept of under and over recovery is applicable ?

- | | |
|---------------------|-----------------------|
| (a) Direct material | (b) Direct labour |
| (c) Direct expenses | (d) Indirect expenses |

(3) Abnormal loss of material will be debited to which account ?

- | | |
|------------------------------|-----------------------|
| (a) Stores Ledger Account | (b) Factory overheads |
| (c) Work-in-Progress Account | (d) P & L Account |

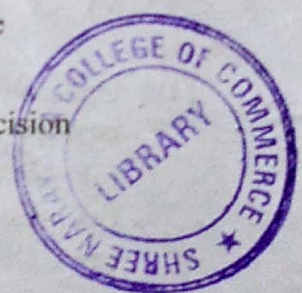
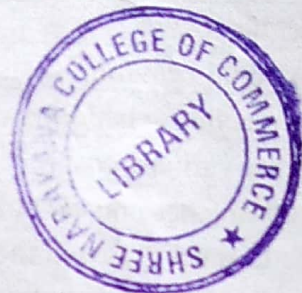
(4) Under non-integrated and integrated system, which account will be credited for payment of direct wages ?

- (a) Bank and General Ledger Control Account respectively.
- (b) General ledger control Account and Bank Account respectively.
- (c) Only Bank Account.
- (d) Only General Ledger Control Account.



18

- (5) Learning curve has no relation with
(a) Direct material (b) Factory overheads
(c) Direct expense (d) All of the above
- (6) Execution of EOQ model leads to
(a) Improvement of profitability
(b) Reduction in cost
(c) Rationality approach of material purchasing
(d) All of the above
- (7) Cost Reduction is result of
(a) Innovation (b) Cost control
(c) Both (a) & (b) (d) Neither (a) nor (b)
- (8) Activity based costing has relation with
(a) Direct material (b) Direct labour
(c) Overheads (d) None of the above
- (9) Which of the following is not terminology of Activity based costing ?
(a) Cost Pool (b) Cost Drivers
(c) MRP (d) Overheads
- (10) Which of the following is most appropriate cost driver for dispatch costs ?
(a) No. of purchase orders (b) No. of inspections
(c) No. of deliveries (d) Machine hours
- (11) Total cost plus pricing means
(a) Direct and Indirect cost
(b) Fixed and variable cost
(c) Manufacturing and Non-manufacturing cost
(d) All of the above
- (12) What is not correct for Marginal cost plus pricing ?
(a) It is contribution approach. (b) It is linked with variable cost
(c) Fixed costs are considered. (d) All of the above
- (13) A company has provided following information.
Investment in fixed assets ₹ 10,00,000, in current assets ₹ 5,00,000. Equity capital ₹ 12,00,000, Current liabilities ₹ 3,00,000. Total production cost ₹ 50,00,000 for 5,00,000 units. Company wants to earn 30% return on total investment. What will be selling price per unit ?
(a) ₹ 10.90 (b) ₹ 13
(c) ₹ 10.72 (d) None of the above
- (14) Pricing decision is
(a) Profit Planning Decision (b) Cost Planning Decision
(c) Organisation Planning Decision (d) All of the above



29

Seat No. :



MC-109

May-2017

M.Com., Sem.-II

408 : Strategic Management

Time : 3 Hours]

(Max. Marks : 70

Instruction : All questions are compulsory and figures to right indicate marks allotted to each question.

1. (A) Explain the process of strategic management. 7

OR

What is mission ? Describe the characteristics of mission.

(B) Answer any two from the following : 4

- (i) Write a note on strategic decision making.
- (ii) Discuss the characteristics of objectives.
- (iii) Explain the advantages of having a vision.

(C) Answer one-two lines only. 3

- (i) What is strategic intent ?
- (ii) Define the term 'vision'.
- (iii) What is strategy ?

2. (A) Discuss the organization capability factors. 7

OR

Briefly explain the business unit level strategy.

(B) Answer any two from the following : 4

- (i) Explain the advantages and limitations of BCG matrix.
- (ii) What do you mean by SWOT analysis ?
- (iii) How is GE nine cell model superior to BCG model ?

(C) Answer in one-two lines only. 3

- (i) What is environmental scanning ?
- (ii) What is VRIO framework ?
- (iii) What is horizontal integration strategy ?



203

(A) Describe the process of strategic choice.

7

OR

Discuss the subjective factors that influence strategic choice.

(B) Answer any **two** from the following :

4

(i) Explain the distinction between strategic plan and operational plan.

(ii) Write a note on : Strategic analysis.

(iii) Why are contingency strategies formulated ?

(C) Answer in one-two lines only.

3

(i) What is corporate portfolio analysis ?

(ii) What is rivalry among competitors ?

(iii) State the techniques of strategic analysis.



4. (A) Critically discuss the strategic business unit structure.

7

OR

Discuss the barriers to strategy implementation.

(B) Answer any **two** from following :

4

(i) Explain the difference between strategy formulation and strategy implementation.

(ii) Explain the process of operational control.

(iii) Write a note on : Difference between strategic control and operating control.

(C) Answer in one-two lines only.

3

(i) What is organizational structure ?

(ii) Write two advantages of matrix organization structure.

(iii) Which matters are included in functional plans and policies ?

5. Select the correct answer from the given alternatives.

14

(1) The term strategy was originated in _____ activities.

(a) Medical

(b) Mines

(c) Military

(d) Business



MC-109

6

(2) The strategic management does not focus on one of the following organizational structure.

- (a) Functional structure
- (b) Matrix structure
- (c) Product structure
- (d) Geographic structure

(3) The strategic intent is important for _____

- (a) Technology-oriented company
- (b) Very large company
- (c) Small company
- (d) All of the above



(4) Which factors should be considered for an environmental scanning ?

- (a) Events and Trends
- (b) Events, Trends and Issues
- (c) Events, Trends, Issues and Expectations
- (d) Issues and Expectations

(5) _____ is the highest form of objective.

- (a) Vision
- (b) Goal
- (c) Mission
- (d) Target

(6) There are two types of vertical integration which are _____ and _____.

- (a) backward and horizontal integration
- (b) backward and forward integration
- (c) forward and diversificant integration
- (d) strategic and diversificant integration



(7) One of the following does not relate to the corporate level strategy ?

- (a) Stability
- (b) Growth
- (c) Retrenchment
- (d) Feedback

(8) Which is an expansion strategy ?

- (a) Profit strategy
- (b) Liquidation strategy
- (c) Diversification strategy
- (d) Turnaround strategy

22

- (9) According to BCG matrix analysis, business generating large amount of cash but having slow market growth rate is called _____.
- (a) Stars (b) Dogs
(c) Cash cows (d) None of these
- (10) One of the following is not a technique of strategic analysis.
- (a) Trend analysis (b) Regression analysis
(c) Break-even analysis (d) Expert opinion
- (11) The most elementary form of organization structure is _____.
- (a) Divisional structure (b) Matrix structure
(c) Functional structure (d) Entrepreneurial structure
- (12) Which one of the following is not a type of strategic control ?
- (a) Implementation control (b) Special alert control
(c) Premise control (d) Quality control
- (13) The following is a method of comparative analysis used for organizational appraisal.
- (a) Balanced scorecard (b) Historical analysis
(c) SWOT analysis (d) Value chain analysis
- (14) The basic purpose for the organization's existence is called _____.
- (a) Vision (b) Mission
(c) Goal (d) Target



23

Seat No. : _____

ME-103

May-2017

M.Com., Sem.-II

409 – International Business Environment

Time : 3 Hours]

[Max. Marks : 70



- Instructions :** (1) Write to the point answers.
 (2) Figure to the right indicate marks allotted to each question.

1. (A) Explain the meaning and scope of International Business.

7

OR

Explain the factors affecting International Business.

(B) Answer any **two** in brief :

4

- (1) Meaning of business Environment.
- (2) What is Free Trade policy ?
- (3) Describe objectives of new International Economic Order.

(C) Answer any **three** in one or two sentences :

3

- (1) State any two factors affecting Trade Policy.
- (2) State any two types of Foreign Direct Investment.
- (3) State any two risks involved in International Business.
- (4) State any two advantages of Protective Trade Policy.



2. (A) Explain the meaning and benefits and limitations of Custom Union.

7

OR

State the definition of World Trade Organisation and Explain its objectives and functions.

(B) Answer any **two** in brief :

4

- (1) What is transfer of technology ?
- (2) What is ILO ?
- (3) What is UNCTAD ?

24

(C) Answer any **three** in one or two sentences :

- (1) What is BIS ?
- (2) Who are the members of NAFTA ?
- (3) What is European Union ?
- (4) How many countries are the members of ASEAN ?



3

3. (A) Discuss the laws of foreign countries which should be considered by the firm doing business in abroad.

7

OR

Explain the meaning of Political environment and components of political environment.

(B) Answer any **two** in brief :

4

- (1) Which country is called a home country in international trade ?
- (2) Which country is called a host country in international trade ?
- (3) What is IMF ?

(C) Answer any **three** in one or two sentences :

3

- (1) State any two objectives of WTO dispute settlement mechanism.
- (2) State any two components of legal environment.
- (3) What is political diversity ?
- (4) What is political risk ?

4. (A) Describe the difficulties that arise in international business due to language ?

7

OR

How does culture affect the international business ?

(B) Answer any **two** in brief :

4

- (1) What is non-verbal Communication ?
- (2) What is Cultural diversity ?
- (3) What is Culture ?



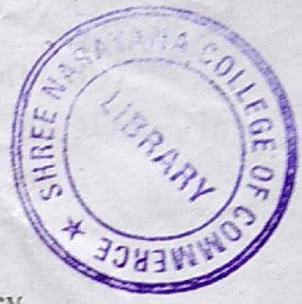
(C) Answer any **three** in one or two sentences :

3

- (1) What is masculine culture ?
- (2) What is cultural shock ?
- (3) State the Components of culture.
- (4) What is the role of religion in business ?

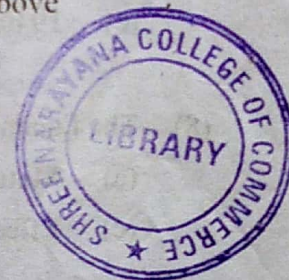
5. Select the correct option and write it :

- (1) International business is not affected by _____
(a) Cultural Diversity (b) Inflation Rate
(c) Foreign Exchange Market (d) National Defence Policy.
- (2) "In case of FDI the product becomes cheaper for the consumer of host Country"
The statement is _____
(a) True (b) False
(c) Partly True and Partly False (d) None of above
- (3) Trade mode is governed by the _____ of the country.
(a) Domestic Trade Policy (b) Foreign Trade Policy
(c) National Procurement Policy (d) Accounting Rule Regulation
- (4) There is restriction on free trade in _____
(a) Economic cooperation (b) Foreign Trade policy
(c) Protective Trade policy (d) Free Trade policy
- (5) Which of the following is not type of custom Union ?
(a) Free Trade Area (b) Common Market
(c) Economic Integration (d) Country Integration
- (6) The meeting of members of ASEAN is called the _____
(a) ASEAN Meeting (b) ASEAN summit
(c) ASEAN Visit (d) ASEAN Conference
- (7) International Labour Organisation was established in _____
(a) 1991 (b) 1919
(c) 1949 (d) 1951
- (8) The Fundamental principles of SAARC are _____
(a) Mutual respect (b) Settlement mechanism
(c) Effective regional cooperation (d) All of the above



26

- (9) The legal environment affects _____
- (a) Investment Decision
 - (b) Marketing and Advertisement Decision
 - (c) Product Design and Packing
 - (d) All of the above
- (10) "The judicial decision never affects the international business" the statement is _____
- (a) True
 - (b) False
 - (c) Partly true and Partly false
 - (d) None of the above
- (11) Refusal to honour a financial contract with a foreign company is _____
- (a) Political Risk
 - (b) Credit Risk
 - (c) Financial Risk
 - (d) Trade Risk
- (12) Which of the following is not included in culture ?
- (a) Customs
 - (b) Religion
 - (c) Laws
 - (d) Aesthetics
- (13) All aspects of cultural diversity are taken into Account in _____
- (a) Comprehensive assessment
 - (b) Partial assessment
 - (c) Investigative method
 - (d) All of the above
- (14) "The investment decision of the investor is not affected by the religious belief" The statement is _____
- (a) True
 - (b) False
 - (c) Partly true and Partly false
 - (d) None of the above



27

Seat No. : _____



MA-106
May-2017
M.Com., Sem.-II
407 – Financial Services

Time : 3 Hours]

[Max. Marks : 70

1. (A) What is factoring ? Explain the mechanism of domestic factoring. 7

OR

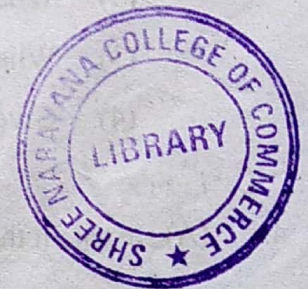
What is credit rating ? Explain the rating process used by the credit rating agency to rate an instrument.

(B) Answer any **two** : 4

- (1) Explain how physical share can be converted into a Demat share.
- (2) Define Forfeiting. State the parties involved in forfeiting transaction.
- (3) What is Financial Analysis ? State the various aspects covered by credit rating agency in financial analysis.

(C) Answer any **three** : 3

- (1) What are the documents needed to open a Demat Account ?
- (2) State the full form of CARE.
- (3) Define Default study.
- (4) What is the role of custodian in depository process ?



2. (A) Discuss the Pre-issue obligations of a Lead Merchant Banker in India. 7

OR

Discuss the various types of Housing finance institutions working in India.

(B) Answer any **two** : 4

- (1) What is Home Equity Loan ?
- (2) Where can the loan amount from Reverse Mortgage Loan be used ?
- (3) Explain the role of Compliance officer in the process of public issue.

28

(C) Answer any **three** :

3

- (1) What are boutique investment firms ?
- (2) What is the full form of IPO ?
- (3) Define Home Purchase Loan.
- (4) Who was the pioneer of Housing Finance in India ?



3. (A) Discuss in detail the various types of Scheduled Commercial Banks.

7

OR

What do you mean by Life Insurance ? Discuss the various Life Insurance products.

(B) Answer any **two** :

4

- (1) What are the benefits of Micro-finance ?
- (2) State the various areas of priority sector lending.
- (3) What is RRB ?

(C) Answer any **three** :

3

- (1) What is demand deposit in banks ?
- (2) What do you mean by premium in an Insurance Plan ?
- (3) What is Financial Inclusion ?
- (4) Give the full form of SLR.

4. (A) Explain the benefits of investing in mutual funds.

7

OR

Discuss the various types of Debt Mutual fund.



(B) Answer any **two** :

4

- (1) Define Load and explain entry and exit load.
- (2) What is SIP ? What is the benefit of investing through SIP ?
- (3) Discuss Equity Linked Saving Scheme.

29

3

(C) Answer any **three** :

- (1) What is NAV ?
- (2) What is an open ended Mutual fund Scheme ?
- (3) Who is a Sponsor ?
- (4) Give the full form of AMC.



14

5. Choose the correct option.

(1) _____ was also known as Imperial Bank of India.

- | | |
|---------------------------|-------------------------|
| (a) Reserve Bank of India | (b) State Bank of India |
| (c) Dena Bank | (d) Bank of India |

(2) The concept of Mutual Fund was introduced by which of the below institutions of India ?

- | | |
|-------------------------------|---|
| (a) Kotak Pioneer Mutual Fund | (b) SBI Mutual Fund |
| (c) Unit Trust of India | (d) Life Insurance Corporation of India |

(3) _____ is the first depository of India.

- | | |
|-----------|----------|
| (a) CDSL | (b) NSDL |
| (c) SHCIL | (d) SBI |

(4) _____ is also known as full factoring.

- | | |
|----------------------------|------------------------|
| (a) Invoice Discount | (b) Resource Factoring |
| (c) Cross border Factoring | (d) Old Line Factoring |

(5) In Domestic factoring prepayment up to _____ is given.

- | | |
|---------|---------|
| (a) 80% | (b) 50% |
| (c) 90% | (d) 70% |

(6) If a foreign bank is not able to meet the targets of priority sector lending then the amount of the shortfall is deposited in _____

- (a) Rural Infrastructure Development Fund
- (b) Regional Infrastructure Development Fund
- (c) Small Enterprises Development Fund
- (d) Small Estate Development Fund.



30

- (7) Micro finance as a concept was first introduced by _____
(a) M. Narasimham (b) Harun Rashid Khan
(c) Dr. Nachiket Mor (d) Dr. Mohammed Yunus
- (8) _____ is the largest Foreign Bank in India.
(a) ABN Amro (b) Bank of India
(c) Indian Bank (d) Standard Chartered
- (9) _____ is a facility given to a farmer to buy agricultural produce on credit.
(a) Kisan Vikas Patra (b) Kisan Bank Account
(c) Kisan Credit Card (d) Crop Insurance Scheme
- (10) In a mutual fund, if an investor wants to transfer money from one scheme to another, he should choose _____
(a) Systematic Transfer Plan (b) Simple Transfer Plan
(c) Scheduled Transfer Plan (d) Systematic Transfer Process
- (11) To avail the benefit of Reserve Mortgage Loan the age of a person should be at least _____
(a) 58 years (b) 60 years
(c) 68 years (d) 70 years
- (12) _____ is India's first credit rating agency.
(a) CRISIL (b) CARE
(c) ICRA (d) Fitch rating India Pvt. Ltd.
- (13) _____ is the regulator of Mutual Funds in India.
(a) Securities Exchange Board of India
(b) Reserve Bank of India
(c) Unit Trust of India
(d) Small Industries Development Bank of India
- (14) The National Housing Bank was set up in
(a) 1988 (b) 1989
(c) 1990 (d) 1991

