

Seat No. : _____

NJ-106

November-2017

M.Com., Sem.-III

501 : Investment Management



Time : 3 Hours]

[Max. Marks : 70

- Instructions :** (1) All questions carry equal marks.
(2) Please state question number in column which you are answering.

1. (A) Explain difference between Investment and Speculation. 7

OR

Explain difference between Futures and options.

- (B) Answer any **two** of the following : 4

(1) State any four objectives of investment.

(2) What is meant by put-option ?

(3) What is meant by Hybrid Security ?

- (C) Answer in short : 3

(1) What is meant by Derivatives ?

(2) What is meant by Treasury Bills ?

(3) What is meant by Mutual Fund Close-ended Scheme ?

2. (A) Explain role of Securities Market.

OR

Following details relates to the Security Market Price and Bombay Stock Exchange Index between the two time period.

As per 'Rise over Run' method, calculate Beta Value of the security.

Particulars	Opening condition ₹	Closing condition ₹
Market Price of Equity Share	860	1,250
Bombay Stock Exchange Index	16,540	17,220

- (B) Answer any **two** of the following : 4

(1) What is meant by Company analysis ?

(2) What is meant by Industry analysis ?

(3) State forms of Efficient Market Hypothesis.

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(C) Answer in short :

- (1) What is meant by floating rate bonds ?
- (2) What is meant by Zero coupon bonds ?
- (3) What is meant by Systematic risk and unsystematic risk ?

3. (A) Explain William Sharpe's Modern Portfolio Theory.

OR

Following details relates to the expected earning on the equity share under probability of three state of market expectations :

Situation	Probability	Expected Rate of Return
Good	0.3	30%
Moderate	0.6	14%
Bad	0.1	-8%

Answer the following questions :

- (1) Find out Expected Rate of Return of the security i.e. $E(R_s)$.
- (2) Find out standard deviation of the return on the security i.e. σ_s .

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

- (1) Who developed Arbitrage Pricing Theory in year 1976 ?
- (2) What is meant by portfolio diversification ?
- (3) As per Treynor method, state formula of Treynor Index.

(C) Answer in short :

- (1) What is meant by Security Market Reports ?
- (2) State any three benefits of invest in mutual fund portfolio.
- (3) As per income type mutual fund, what is allocation form of fund between Debt and Equity.

4. (A) Explain assumptions of Capital Asset Pricing Model (CAPM).

OR

The following details relate to the two securities ABC and XYZ and the market conditions :

Risk Free Return (R_f) = 6.5%

Returns on Market (R_m) = 16.5%

Beta of Security ABC (β_A) = 0.4

Beta of Security (β_B)XYZ = 2.5

As per CAPM Model, answer the following :

- (1) Calculate the expected return on security ABC and security XYZ.
- (2) Among the both securities in which security the Risk price is more ? Why ?



- (B) Answer any **two** of the following : 4
- (1) What is meant by Efficient Frontiers ?
 - (2) What is meant by Capital Market Line (CML) ?
 - (3) What is meant by maximization of Portfolio return and minimization of portfolio risk ?
- (C) Answer in short : 3
- (1) What is meant by Security Market Line (SML) ?
 - (2) State any two demerits of CAPM.
 - (3) In which theory of the portfolio management takes into account the multiple factors affecting the security prices.

5. In the following sub-questions more than one options are given, select the right options. (One mark each) : 14

- (1) One of the following is not characteristics of the security selection process :
 - (a) To select the maximum numbers of securities.
 - (b) Sector selection.
 - (c) Decision about allocation of funds among equity and debt securities.
 - (d) Selection of the specific securities.
- (2) One of the following is not the functional classification of the capital market :

(a) Efficient Market	(b) Primary Market
(c) Secondary Market	(d) Capital Market
- (3) SEBI does not do one of the following :
 - (a) It regulates the primary market through regulating public offer of securities.
 - (b) It regulates secondary market deals at stock exchanges.
 - (c) It acts as a judiciary for setting disputes in the stock market.
 - (d) It regulates the operations of various bodies involved in the capital market transactions.
- (4) The market for securities does not provide the market for one of the following :

(a) Warrants	(b) Insurance policies
(c) Equity shares	(d) Preference shares
- (5) One of the following clarifies risk of a Beta value of a return on security :

(a) Business Risk	(b) Total Risk
(c) Systematic Risk	(d) All of the above
- (6) One of the following formulas shows the equity valuation based on Sharpe's Single Index Model :

(a) $\frac{D_1}{K_e - g}$	(b) Market Price/Book Value
(c) P/E Multiplier	(d) $R_f + \beta_s (R_m - R_f)$



- (7) One of the following is considered as a father of technical Analysis :
- (a) Harry Markowitz (b) William Sharpe
(c) Stephen Ross (d) Charles Dow
- (8) One of the following does not include in the form of efficient market :
- (a) Weak form (b) Strong form
(c) Semi-strong form (d) Semi-weak form
- (9) Under the high inflation rate economy, one of the following bond investment is preferable :
- (a) Bearer Bond (b) Convertible Bond
(c) Zero Coupon Bond (d) Floating Rate Bond
- (10) One of the following is not the true value of coefficient of co-relation.
- (a) -1 (b) +1
(c) 0 (d) -25
- (11) The fund allocation of income funds is presented by one of the following :
- (a) 100% Debt Securities (b) 100% Equity Securities
(c) Debt : Equity = 90% : 10% (d) Debt : Equity = 50% : 50%
- (12) The portfolio theory was developed in year 1957 by one of the following thinkers :
- (a) William Sharpe (b) John Maynard Keynes
(c) Harry Markowitz (d) Stephen Ross
- (13) The expected return on a security under three market conditions are 50%, 30%, 10% with respective probability assignment of 0.2, 0.7 and 0.1, the expected average return on security is one of the following :
- (a) 27% (b) 32%
(c) 28% (d) 29.5%
- (14) If risk free rate of return (R_f) is 12%, expected rate of return (R_m) is 18% and Beta value (β_1) is 1.2 then Capital Asset Price will be one of the following :
- (a) 18% (b) 19.20%
(c) 12% (d) 84%



Seat No. :

NP-106

November-2017

M.Com., Sem.-III

504 EA : Management Accounting – I

Time : 3 Hours]

[Max. Marks : 70

1. (A) Give the difference between Management Accounting and Financial Accounting. 7

OR

Discuss the techniques of Management Accounting.

- (B) Calculate and explain operating variances from the details given below : 7

Standard Material Cost : 8 kg per unit at ₹ 15 per kg

Actual Production : 3000 units

Actual usage of materials : 28000 kg, at a cost of ₹ 4,76,000

A change in the import export policy of Government has made it possible to purchase the above material at ₹ 12 per kg.

What would be the situation if Traditional variance Analysis is applicable ?

OR

Explain planning variances and operating variances.

2. The following details have been taken from the books of Sonal Ltd. for the year ended on 31st March, 2016. 14

	₹
Sales (20000 units)	32,00,000
<u>Less : Trade discount</u>	<u>1,60,000</u>
Net sales	<u>30,40,000</u>
<u>Cost of Sales :</u>	
Direct materials	8,00,000
Direct wages	6,00,000
Factory overheads (variable)	2,00,000
Administrative Overheads (fixed)	4,00,000
Selling & distribution Overheads (variable)	5,00,000

The forecast for the next year ending on 31st March, 2017 are as under :

- (1) Sales units to be increased by 25%.
- (2) Material price to be increased by 25%.
- (3) Direct wages to go up by 20%.
- (4) Factory overheads will increase by 15%.
- (5) Administrative overheads will increase by 25%.
- (6) Selling and distribution overheads will increase by 10%.
- (7) Profit target for the year has been fixed at ₹ 11,25,000.

You are required to prepare a budget for the year ending 31st March, 2017 and find out selling price per unit with the assumption that no change in the rate of trade discount.

OR

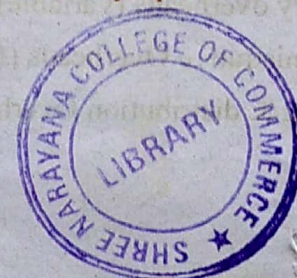
- (a) Write short notes on Master Budget. 7
- (b) Explain Capital Budget. 7

3. The following particulars are obtained from the records of Shivam Ltd. 14

Particulars		Budgeted ₹	Actual ₹
Sales Value :	at ₹ 50 per unit	20,00,000	
	at ₹ 55 per unit		19,25,000
Material Cost :	at ₹ 5 per kg and 4 kgs per unit	8,00,000	
	at ₹ 6 per kg and 4 kgs per unit		8,40,000
Labour cost :	at ₹ 2 per hour and 5 hours per unit	4,00,000	
	at ₹ 2.50 per hour and 4 hours per unit		3,50,000
Variable Overheads :	at ₹ 1.50 per hour and 5 hours per unit	3,00,000	
	at ₹ 2 per hour and 4 hours per unit		2,80,000
Fixed Overheads :	at ₹ 3 per unit	1,20,000	
	at ₹ 4 per unit		1,40,000
Total cost :		16,20,000	16,10,000

You are required to calculate necessary variances and also prepare reconciliation statement.

OR



7



Answer any two of the following :

- (1) Explain the single plan method of recording variances.
- (2) Compare single plan and partial plan.
- (3) Explain favourable variances.

4. (A) Misha Ltd. using a detailed system of Standard Costing finds that the cost of investing of variance is ₹ 40,000. If after investigation an out of control situation is discovered, the cost of correction is ₹ 60,000. If no investigation is made, the extra cost involved is ₹ 3,00,000. The probability of the process being in control is 0.80 and the probability of the process being out of control is 0.20. 7
You are required to advise.

- (1) Whether investigation of the variance should be undertaken or not.
- (2) The probability at which it is desirable to company investigation into variance.

OR

Write notes on materiality significance model.

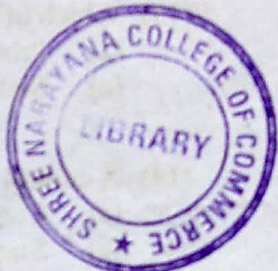
(B) Explain cost-benefit model with illustration. 7

OR

Explain objectives of variance analysis.

5. For each of the following sub-questions, more than one answers are given, out of which only one answer is correct. Select the correct answer. Give necessary calculation of explanation : 14

- (1) The _____ accounting needs to be dynamic and forward looking.
 - (a) Cost
 - (b) Management
 - (c) Financial
 - (d) None of these
- (2) Which of the following method is not a method of Management Accounting ?
 - (a) Standard Costing
 - (b) Single Entry System
 - (c) Budgetary Controlled
 - (d) Marginal Costing
- (3) As per opportunity cost approach wage rate variance = _____
 - (a) Actual Hours (Standard rate - Actual rate)
 - (b) Actual Hours (Revised Rate - Actual rate)
 - (c) Standard Hours (Actual rate - Standard rate)
 - (d) None of these
- (4) Original standards - Revised standards means _____
 - (a) Operating variance
 - (b) Planning variance
 - (c) Both (a) and (b)
 - (d) None of these
- (5) In a flexible budget format, at the output level of 5000 units depreciation is ₹ 15,000, the depreciation per unit at 6000 unit level would be
 - (a) ₹ 3
 - (b) ₹ 2.50
 - (c) ₹ 2.75
 - (d) None of these



(6) Sales as per sales budget 80000 units, estimated stock at the beginning of the year 5000 units, estimated stock at the end of the year 10,000 units. Estimated production units would be ?

- (a) 75000 units (b) 85000 units
(c) 70000 units (d) None of these

(7) At 50% capacity level factory overheads are ₹ 70,000 and at 70% capacity level factory overheads are ₹ 90,000. Amount of fixed factory overhead included in above amount would be

- (a) ₹ 50,000 (b) ₹ 20,000
(c) ₹ 30,000 (d) None of these

(8) Actual costs can be compared with _____ in order to evaluate operating performance.

- (a) Standard costs (b) Actual revenue
(c) Predetermined costs (d) None of these

(9) Sales value variance = _____

- (a) $(Aq \times Ap) - (Sq \times Sp)$ (b) $(Sq \times Sp) - (Aq \times Ap)$
(c) $(Sq \times Ap) - (Aq \times Sp)$ (d) None of these

(10) Fixed Overhead Budget variance = _____

- (a) Budgeted cost - Actual cost (b) Actual cost - Budgeted cost
(c) Budgeted cost + Actual cost (d) None of these

(11) Material price variance is = _____

- (a) $Aq (Sp - Ap)$ (b) $Sq (AP - Sp)$
(c) $Sq (Sp - Ap)$ (d) None of these

(12) In the formula $C < (1 - P) L$, "L" denote for

- (a) Net benefit from investigation (b) Net loss from investigation
(c) Cost of investigation (d) None of these

(13) Which of the following is not a cost-variance investigation model ?

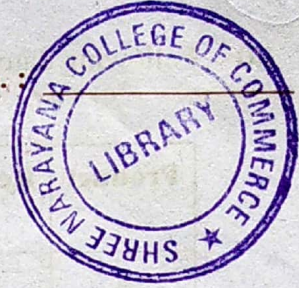
- (a) Profit-volume model (b) Control charts model
(c) Materiality significance model (d) Cost-benefit decision model

(14) \bar{X} control chart is used for

- (a) Control charts model (b) Material control model
(c) Statistical significance model (d) None of these



Seat No. :



NR-101

November-2017

M.Com., Sem.-III

505-EA/EB/EC/EE : Corporate Financial Reporting

Time : 3 Hours]

[Max. Marks : 70

1. (a) Discuss utility of Corporate Financial Reporting for different stake holders. 7

OR

Define corporate financial reporting and discuss its characteristics.

- (b) Answer any **two** in brief : 4

- (1) State two qualitative characteristics of corporate financial reporting.
- (2) State how corporate financial reporting helps the potential investors.
- (3) Explain – 'True and fair' view.

- (c) Answer any **two** in **one** sentence : 3

- (1) What is 'Going Concern' ?
- (2) What is a concept of 'Consistency' ?
- (3) State different bodies to regulate corporate financial reporting.

2. (a) State difference between mandatory disclosure and voluntary disclosure. 7

OR

Discuss statutory provisions of financial reporting system in India.

- (b) Answer any **two** in brief :

- (1) Give four illustrations of mandatory disclosure.
- (2) What is the significant of voluntary disclosure ?
- (3) Explain Human resource accounting as a part of voluntary disclosure.

- (c) Answer any **two** in **one** or **two** sentences : 3

- (1) State two characteristics of mandatory disclosure.
- (2) Give two illustrations of voluntary disclosure.
- (3) Which part of the Annual report of company is related to disclosure of financial accounts ?

NR-101

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P.T.O.



3. (a) Following dates in provided by the chief accountant of a company.

7

(₹ in Lakhs)

Product	Revenue (₹)	Segment Assets (₹)	Segment Profit / loss (₹)
A	10	20	04
B	06	20	02
C	12	15	(03)
D	26	50	(10)
E	32	90	20
F	10	10	2.5
G	14	20	5.5
H	50	75	16
	160	300	37

You are asked to identify the minimum reportable segments as per provisions of AS-17.

OR

Write short note on disclosure of segment reporting in India.

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

4

- (1) State factors affecting Business Segment.
- (2) State objectives of disclosure of segment reporting.
- (3) Give classification of geographical segment.

(c) Answer any **two** in **one** sentence :

3

- (1) State the accounting standard and method which is applicable to prepare cash flow statement.
- (2) Which accounting std. is applicable in India for the disclosure of segment reporting.
- (3) What is subsidiary segment ?

4. (a) (i) Calculate earning per share from the following information :

7

Earnings (After tax)	₹ 27,800
Shares out standing on (1-4-2016)	6,000
Shares issued on (1-9-16)	2,400
Buy back of Shares on 31-12-16	1,800
Buy back of Shares on 31-3-17	1,200



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(ii) From following details calculate EPS.

	No. of Shares
'A' Equity shares of ₹ 10 each fully paid up	50,00,000
'B' Equity shares of ₹ 25 each fully paid up	10,00,000
'C' Equity shares of ₹ 5 each fully paid up	60,00,000

Profit after tax is – ₹ 2,10,00,000

OR

Explain AS 1 – 'Disclosure of Accounting policies'.

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

- (1) Explain concept of 'Related Parties'.
- (2) Explain events occurring after balance sheet date.
- (3) Explain 'Potential equity share'.

(c) Answer any **two** in **one** sentence :

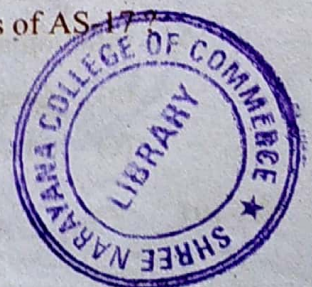
- (1) What is Favorable events ?
- (2) Give formula for calculating basic earning per share and diluted earning per share.
- (3) State the accounting std. for "Earning Per Share" and show scope of it.

5. Select the most appropriate answer from alternatives given for each question :

- (1) Mandatory disclosure are done through _____ .
 - (a) Legislation
 - (b) Statutory Bodies
 - (c) Professional Bodies
 - (d) All of the above
- (2) Which of the following item is not included in the cash flow statement as per AS-3.
 - (a) Cash flow from Operating activities.
 - (b) Cash flow from Investing activities.
 - (c) Cash flow from Financial activities.
 - (d) Cash flow from Non-economic activities.
- (3) Which of the following are included in voluntary disclosure ?
 - (a) Change in price level
 - (b) Value added report
 - (c) Environmental information
 - (d) All of the above
- (4) Inflation accounting is _____ disclosure.
 - (a) Qualitative
 - (b) Voluntary Qualitative
 - (c) Mandatory Qualitative
 - (d) Both Qualitative and Quantitative

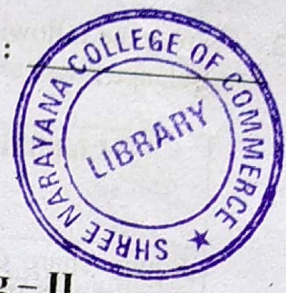
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- (5) _____ earning per share takes in to account potential equity shares.
- (a) Basic (b) Diluted
(c) Weighted average (d) None of these
- (6) SEBI is _____.
- (a) Regulatory Body (b) Public Company
(c) Stock exchange (d) Department of ministry of commerce
- (7) Which of the following is exception of related party ?
- (a) Providers of finance
(b) Trade Union
(c) Government department and agencies
(d) All of the above
- (8) Which of the following is not fundamental accounting assumption as per AS 1 ?
- (a) Going Concern (b) Consistency
(c) Accrual (d) Materiality
- (9) Which of the following is considered for determination of significant influence ?
- (a) Representation in BOD (Board of Directors)
(b) Participation in the policy making decision.
(c) Interchange of managerial personnel.
(d) All of the above
- (10) AS 17 is applicable for _____.
- (a) Segment reporting (b) Related party disclosure
(c) Earning per share (d) Amalgamation
- (11) Indian corporate accounts are regulated by _____.
- (a) Companies Act (b) Regulatory Bodies
(c) Professional bodies (d) All of the above
- (12) "Method of providing depreciation should be same followed from year to year."
The statement indicates _____ assumption.
- (a) Accrual (b) Going concern
(c) Consistency (d) Matching cost with revenue
- (13) At present – presentation and submission of consolidated financial statements are _____ for Holding company.
- (a) Mandatory
(b) Voluntary
(c) Mandatory only in the year of profit
(d) Mandatory only in the year of loss
- (14) Which of the following enterprise has no concern with provisions of AS 17 ?
- (a) Financial securities (b) Registered securities
(c) Un registered securities (d) Co-operative bank



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Seat No. :



DB-101

December -2017

M.Com., Sem.-III

506 (EE) : Financial Accounting and Auditing – II

Time : 3 Hours]

[Max. Marks : 70

1. The Balance Sheet of Heena Ltd. and Bhoomi Ltd. as on 31-3-2017 are as under :

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Balance Sheet

Liabilities	Heena Ltd. ₹	Bhoomi Ltd. ₹	Assets	Heena Ltd. ₹	Bhoomi Ltd. ₹
Equity Share Capital of ₹ 10 each fully paid up	1,60,000	60,000	Fixed Assets	2,20,000	94,600
12% Preference Share of ₹ 10	-	20,000	Stock	50,000	19,400
General Reserve	92,200	19,600	Debtors	25,000	12,000
Investment Rebate Reserve	7,800	2,500	Cash/Bank	5,000	8,000
Profit and Loss A/c.	11,260	7,100			
12% Debenture	-	5,000			
Creditor	20,000	14,000			
Bills payable	8,740	5,800			
	3,00,000	1,34,000		3,00,000	1,34,000

Heena Ltd. have decided to absorb the business of Bhoomi Ltd. on 1-4-2017 with following condition :

- (1) The equity share holders of Bhoomi Ltd. will be given fully paid-up 7000 equity share of ₹ 10 each Heena Ltd.
- (2) The Preference share holders of Bhoomi Ltd. will be given 12% 220 Preference share of Heena Ltd. of ₹ 100 each.
- (3) Debenture holders of Bhoomi Ltd. will be given 15% new debenture of Heena Ltd. so that the company can receive the same interest as per last year.
- (4) Investment Rebate Reserve is to be kept for another two year.

Write Journal Entries and Prepare Balance Sheet after amalgamation assuming that the Amalgamation is in the nature of purchase.

OR

As per above write a Journal Entries and Prepare Balance Sheet after Amalgamation assuming that the Amalgamation is in the nature of merger. (AS-14).

2. From the following Balance Sheet of Reshma Ltd. and Rekha Ltd. prepare consolidated Balance Sheet as on 31-3-2017.

14

Balance Sheet

Liabilities	Reshma Ltd.	Rekha Ltd.	Assets	Reshma Ltd.	Rekha Ltd.
	₹	₹		₹	₹
Equity share capital of ₹ 100 each fully paid-up	5,00,000	2,00,000	Goodwill	1,50,000	50,000
General Reserve	1,00,000	80,000	Investment in Rekha Ltd.	2,40,000	—
Capital Reserve	20,000	—	Goods in Stock	1,60,000	1,80,000
Profit and Loss A/c.	60,000	40,000	Debtors	1,35,000	1,49,000
Creditors	60,000	60,000	Cash/Bank	55,000	1,000
	7,40,000	3,80,000		7,40,000	3,80,000

On 1st April 2016 Reshma Ltd. acquired equity share of Rekha Ltd. at ₹ 150 per share. On that date, the position of balance of some of the accounts are as follows :

General Reserve ₹ 30,000, Profit and Loss A/c. (Cr) ₹ 10,000. Debtors of Rekha Ltd. include ₹ 40,000 due for goods sold to Reshma Ltd. at a profit of 10% on selling price. Out of these goods 1/4th of the goods are still in stock of Reshma Ltd. on 31st March, 2017.

OR

2. (A) Jaimin Ltd. is a subsidiary company of Rahul Ltd. given below are certain details of both the companies.

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- (i) Share capital of Jaimin Ltd. 10,000 share of ₹ 10 each.
(ii) Profit of Jaimin Ltd. and dividend paid are as under :

Year	Profit	Rate of dividend
2013	50,000	10%
2014	52,500	10%
2015	56,250	12.5%
2016	56,250	15%
2017	60,000	Not declared

(ii) No. of share of Rahul Ltd. had by Jaimin Ltd. from beginning of each calendar year.

2013	6,000	(Bought on 1-1-2013)
2014	7,500	(Additional share bought on 1-1-2014)
2015	7,500	—
2016	7,000	(After sales of ₹ 500 share on 1-1-2016)
2017	8,000	(Additional share bought on 1-1-2017)

Calculate the details of Rahul Ltd. Profit to be shown in published accounts of Jaimin Ltd. for the year 2017.

- (B) What is Holding Company ? Discuss its advantages.

4

OR

What is "Profit dealt with" and "profit not dealt with" in statement of Section 212 ?

3. (A) What is meaning of controls process ? Explain its types in detail.

7

OR

Explain Nature of Audit in Government Audit.

(B) (i) What is meaning of EDP Audit ?

4

(ii) Write any four duties of the Comptroller and Auditor General of India.

(C) (i) What is main Internal Structure in EDP system ?

(ii) What is Primary Auditors ?

(iii) What is CAG ?

4. (A) What is Cost Audit ? Explain characteristics and objectives of it.

OR

What is Management Audit ? Explain its Techniques.

(B) (i) Write any three points of difference between Financial Audit and Cost Audit.

4

(ii) Explain objectives of Management Audit.

(C) (i) Who and how do recruitment of Cost Auditors ?

3

(ii) What is meaning of Operating Audit ?

(iii) How Management Audit helps the business entity ?

5. Select correct option from given options for each question :

14

(1) The excess of purchasing price over net assets is

(A) Capital Reserve

(B) Goodwill

(C) Revenue Loss

(D) General Reserve

(2) Which one of the following Reserve of the transfer company should be included in the Financial Statement of the transferee company ?

(A) General Reserve

(B) Statutory Reserve

(C) Capital Reserve

(D) Dividend Equalisation Reserve

(3) A company has 20,000 equity share of ₹ 10, each new company will be given 4 share of every 5 share of ₹ 10 at ₹ 12. Calculate purchase consideration.

(A) ₹ 2,40,000

(B) ₹ 1,92,000

(C) ₹ 1,60,000

(D) ₹ 2,00,000

(4) Y Company has been absorb by X Company

On the basis of intrinsic value of its share net assets of both company are ₹ 18,00,000 and ₹ 8,40,000 respectively. The share capital of both the company are 1,20,000 and 60,000 respectively. In the share capital of X. Y company hold 20,000 shares. How many share has to be given by X company to Y ?

(A) 36,000 shares

(B) 20,000 shares

(C) 56,000 shares

(D) None of the above

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- (5) Profit not dealt with means
(A) the part in capital gain in the subsidiary company of holding company.
(B) part of the Revenue gain in subsidiary of holding company.
(C) part in the non-distributer Revenue gain in the subsidiary company of holding company.
(D) All of the above
- (6) Interim Dividend
(A) Show at liabilities side in Consolidated Balance Sheet.
(B) Do not show in Consolidated Balance Sheet.
(C) Show at assets side in consolidated Balance Sheet.
(D) None of these
- (7) Full name : CAAT
(A) Centrally Associated Accounting Technique
(B) Central Accounting and Audit Technique
(C) Computer Assisted Audit Technique
(D) Computerized Account Analysis Technique
- (8) _____ appoints the first auditor in the Public Ltd. Company.
(A) Board of Director of Public Ltd. Company.
(B) In 60 days by establishment of the company by CAG.
(C) Central Government
(D) Member of Public Ltd. Company
- (9) How many sections are in Government Accounting ?
(A) 3 (B) 4
(C) 5 (D) 6
- (10) Which of the following includes in General IT Control ?
(A) Administrative Control (B) Specific Control
(C) Policy Oriented Control (D) Both (A) and (B)
- (11) What is the main objectives of Management Audit ?
(A) To give advise as well as to Report to the Management.
(B) To evaluate and improve efficiency of the Management.
(C) To get familiar with drawbacks of Management.
(D) All of the above.
- (12) In which section of Company law, the qualification of Audit is given
(A) Section 212 (B) Section 277
(C) Section 210 (D) Section 226
- (13) As per Central Government the company which has to carry audit programme, for them cost Audit is _____
(A) Voluntary (B) Self approve
(C) Mandatory (D) None of the above
- (14) To which company performance Audit is more applicable ?
(A) Public Ltd. Company (B) Private Ltd. Company
(C) Government Company (D) Foreign Company

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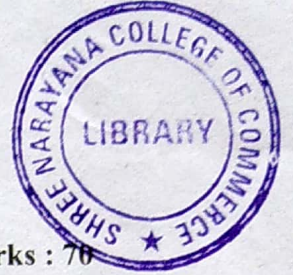
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NN-123

November-2017

M.Com., Sem.-III

503 : Management Control System



[Max. Marks : 70]

Time : 3 Hours]

1. (a) Explain the Formal management control process.

7

OR

What is Management Control? Discuss nature and scope of Management Control Systems.

- (b) Answer any **two** in brief :

4

(i) Discuss the functions of the controller.

(ii) Difference between Management Control Process and other Control Process.

(iii) Discuss the relationship among planning and control function.

- (c) Answer in **one** or **two** sentences.

3

(i) What is self control ?

(ii) What is Responsibility Center ?

(iii) State the elements of control system.

2. (a) Describe in detail the Cybernetic paradigm of control process.

OR

Explain the issues in designing Management Control.

- (b) Answer any **two** in brief :

4

(i) Explain the factors influencing the design of Management Control System.

(ii) State the impact of information technology on control system.

(iii) What is Control Process Hierarchy ?

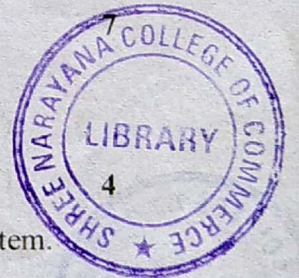
- (c) Answer in **one** or **two** sentences.

3

(i) What is Value premise ?

(ii) What is Factual Premise ?

(iii) State the characteristics of Cybernetic System.



NN-123

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P.T.O.

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3. (a) Discuss the main principles of Total Quality Management. 7

OR

How does management style affect the management control process?

(b) Answer any **two** in brief: 4

- (i) What is Corporate Culture?
- (ii) Discuss characteristics of Interactive Control.
- (iii) What is Design Quality?

(c) Answer in **one** or **two** sentences: 3

- (i) What is Critical success factor?
- (ii) What is Customer Loyalty?
- (iii) What is Learning Organization?

4. (a) Explain management control system of non-profit organizations. 7

OR

Explain control issues in multinational corporations.

(b) Answer any **two** in brief: 4

- (i) Explain various types of exchange rate exposure.
- (ii) Discuss different transfer pricing methods used by MNCs.
- (iii) What is cultural difference?

(c) Answer in **one** or **two** sentences. 3

- (i) What is Funds Accumulation?
- (ii) What is exchange rate?
- (iii) What is Contributed Capital?

5. Choose the correct option: 14

(1) Deciding the inventory level is _____ activity while reordering an item is _____ activity.

- (a) Strategy formulation, Management control
- (b) Management control, Task control
- (c) Task control, Management control
- (d) Management control, Strategy formulation

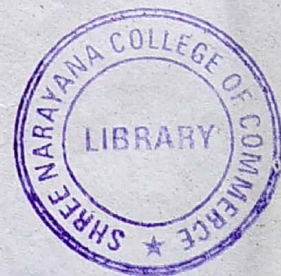
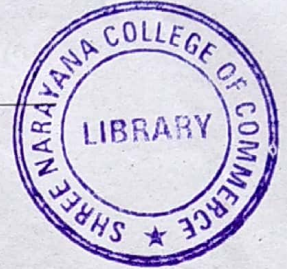
(2) Management control focuses primarily on strategy _____.

- (a) Formulation
- (b) Implementation
- (c) Objectives
- (d) All of the above



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- (3) _____ center is an organization unit in which both revenues and expenses are measured in monetary terms.
- (a) Cost (b) Revenue
(c) Expense (d) Profit
- (4) In _____ structure, functional units have dual responsibilities.
- (a) Functional (b) Business
(c) Matrix (d) Divisional
- (5) _____ measure is a lagging indicator of past performance while _____ measure is a leading indicator of future performance.
- (a) Financial, Non-Financial
(b) Non-Financial, Financial
(c) Internal, External
(d) External, Internal
- (6) _____ control alerts management to strategic uncertainties.
- (a) Internal (b) Interactive
(c) Formal (d) Informal
- (7) _____ are important in control system design to implement the chosen strategy while _____ guide the use of management control information in developing new strategies.
- (a) Critical success factors, Strategic uncertainties
(b) Strategic uncertainties, Critical success factors
(c) Internal control, Interactive control
(d) Interactive control, internal control
- (8) _____ are important to explain the difference in control systems between the organizations.
- (a) Cultural norms
(b) Management Style
(c) Total Quality Management
(d) All of the above



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- (9) A _____ organization has two sets of financial statements relating to operating activities and relating to contributed capital.
- (a) Profit organization
 - (b) Non-profit organization
 - (c) Service organization
 - (d) all of the above
- (10) _____ culture employees are likely to prefer reward based on individual performances while in _____ culture employees prefer group based rewards.
- (a) Individualistic, Collectivist
 - (b) Collectivist, Individualistic
 - (c) High context, low context
 - (d) Low context, high context



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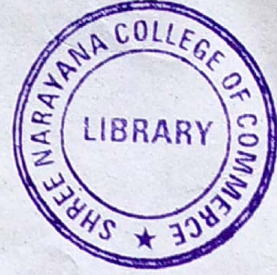
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NL-133

November-2017

M.Com., Sem.-III

502 (EA/EB/EC/ED/EE) : Tax Planning and Management (New Course)



Time : 3 Hours]

[Max. Marks : 70

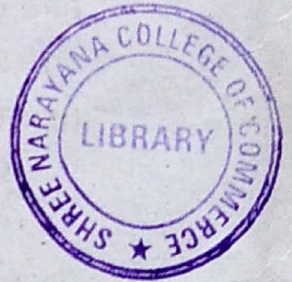
1. (a) Discuss factors affecting Tax planning. 7
- (b) Explain objectives of Tax planning. 7

OR

- (a) Explain income tax slabs with illustration in the context of income of individual keeping in mind finance bill of 2017-18.
 - (b) Explain difference between Tax planning, avoidance and evasion.
2. Shri Prashantbhai is Indian Citizen. He had planned to go abroad for service in the first week of October, 2017. Prior to this he never visited abroad. Advice Prashantbhai for Tax planning. 14

His estimated income for the year 2017-18 are as follows :

	₹
(i) Business income realized in America.	3,00,000
(ii) Profit on sale of building in Bangalore, out of which 3/4 amount was received in America.	6,00,000
(iii) Dividend income received in America for investment in Japanese Company.	90,000
(iv) Business income of Japan received in America which is controlled in India.	3,20,000
(v) Car sold in America, income of which received in India.	1,20,000
(vi) Interest income on deposit of Indian Company	20,000



OR

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- (a) Discuss provisions of section 80 D in the context of Finance Bill 2017-18. 7
- (b) Give explanation for Capital Gain. 7

OR

The salary income of Shri Suresh Trivedi is ₹ 10,00,000. He has paid ₹ 20,000 of premium under section 80 D for himself, his wife and daughter. His age is 58 years. He is competent and prepared to invest ₹ 2,00,000 under section 80 C. In the context of his income from house property detail is as follows :

Rent received for let-out house, monthly is ₹ 40,000

Municipal Valuation is ₹ 3,60,000

Municipal Taxes paid ₹ 60,000 out of which included ₹ 20,000 of previous year and ₹ 10,000 of next year.

Compute his taxable income of house property and advise him for tax planning for the previous year 2017-18. Observe provisions of Financial Year 2017-18.

3. Answer any **two** from the following : 14

(a) Shri Purohit sold his residential house on 1-1-17 for ₹ 35,06,000. He had acquired this house in 1981-82 for ₹ 2,00,000. He has spent ₹ 6,000 on sale of this house. In this regard he has paid ₹ 6,00,000 for construction of new house and deposited ₹ 2,00,000 in the Scheme of Capital Gain Account on 28-3-2017. The price index of 1981-82 and 2016-17 were 100 and 1125 respectively.

Evaluate decision of Shri Purohit from the view point of tax planning.

- (b) Explain short term and long term capital assets. Explain exceptions of capital asset.
- (c) Give explanation of tax deducted of sources.
- (d) Explain Section 234 (A).
- (e) Explain Section 234 (B).
- (f) The estimated tax liability of Shri Ramesh for the year 2017-18 is ₹ 60,000. Compute his payable advance tax for each predetermined instalments.

4. Answer any **two** from the following : 14

- (a) Discuss concept, characteristics and benefits of Goods and Services Tax.
- (b) Explain concepts input tax credit.

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- (c) Explain the following definitions. (any two)
- (i) Aggregate turnover
 - (ii) Business
 - (iii) Central tax
 - (iv) Goods
 - (v) Services
- (d) Describe any seven exempted services.
- (e) Explain Centre – State financial relations for Goods and Service Tax.
- (f) Explain role of Central Board of Excise and Custom for Goods and Services Act.



5. Select appropriate option.

14

- (1) Who is Tax Payer ?
- (a) Assessee
 - (b) Business man
 - (c) Trust
 - (d) Farmer
- (2) Education Cess on payable tax is
- (a) 2%
 - (b) 1%
 - (c) 3%
 - (d) 5%
- (3) The maximum exempted income limit for individual female tax payer is
- (a) ₹ 2,50,000
 - (b) ₹ 3,00,000
 - (c) ₹ 2,00,000
 - (d) None of the above
- (4) Income received in India during the previous year is taxable for
- (a) Resident
 - (b) Non-Resident
 - (c) Ordinary Resident
 - (d) All of the above
- (5) Section 24(a) and 24(b) is for
- (a) Income of Salary
 - (b) Capital Gain
 - (c) Income from other sources
 - (d) None of the above
- (6) Long term profit on sale of listed shares is
- (a) Tax free
 - (b) Taxable
 - (c) Partial tax free
 - (d) Partial taxable



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- (7) Exemption under Section 54 is for
- (a) on sale of land
 - (b) on sale of shares
 - (c) on sale of residential house
 - (d) None of the above
- (8) Standard deduction for income from house property is
- (a) 10% of Net Annual Value
 - (b) 20% of Net Annual Value
 - (c) 30% of Net Annual Value
 - (d) 40% of Net Annual Value
- (9) To corporate assessee for payable Advance Tax
- (a) 4 instalments are applicable.
 - (b) 3 instalments are applicable.
 - (c) 5 instalments are applicable.
 - (d) None of the above
- (10) Section 234 (A)
- (a) is for Income Tax return filing.
 - (b) is for Advance Tax payment.
 - (c) both (a) and (b)
 - (d) None of the above
- (11) Section 80 E is for
- (a) Interest on loan of higher education
 - (b) Medical treatment
 - (c) Donation
 - (d) Royalty
- (12) Which of the following is irrelevant in the context of Goods and Services Tax ?
- (a) The Central Goods and Services Tax Act, 2017
 - (b) The Integrated Goods and Services Tax Act, 2017
 - (c) The Union Territory Goods and Services Tax Act, 2017
 - (d) None of the above
- (13) Integrated Tax is levied on the
- (a) Supply of goods or Services or both taken between two States.
 - (b) Supply of goods or services or both taken between a State and a Union Territory.
 - (c) Supply of goods or services or both taken between two Union Territories.
 - (d) All of the above.
- (14) Input tax credit is allowed based on certain conditions on
- (a) Central tax
 - (b) State tax
 - (c) Union Territory tax
 - (d) All of the above

