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PGIIS-591 B-19
M.Com. III Semester (CBCS) Degree Examination
COMMERCE
Corporate Taxation - I
Paper : SC 3.4(A)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:Attempt **all** sections.**SECTION - A**

1. Answer the following sub-questions. Each sub-question carries 2 marks.

(10×2=20)

- a. How do you decide residential status of a company.
- b. How do you compute capital gain on transfer of bonus shares issued after 1 - 4 - 2001?
- c. When Best judgement Assessment is done?
- d. Define domestic company.
- e. What do you mean by presumption tax?
- f. What do you mean by deemed dividend?
- g. Why safe harbour rules introduced?
- h. How cost inflation index is structured?
- i. What do you mean by source rule?
- j. Define tax management.

SECTION - B

Answer any **Three** questions. Each question carries **5** marks.

(3×5=15)

2. How do you decide advance tax liability of a company.
3. How do you compute Book profits of a company?
4. Explain the deduction available to a company u/s 80 G of income tax Act.
5. Y Ltd is a company in which 70% of the shares are held by Z Ltd. Y Ltd declares a dividend of Rs. 35 lakh to shareholders for the financial year 2017-18 in its annual general meeting held on May 10, 2018. Dividend distribution tax is paid by Y Ltd. on May 15, 2018. Z Ltd declares an interim dividend amounting to Rs. 50 lakh on October 15, 2018 for the year ending March 31, 2019. Compute the amount of tax on dividend payable by Z Ltd.
6. X Ltd owns the following assets.

Particulars	Goodwill	Shares (Non - listed)	House Property
Cost of acquisition	Self generated	Rs. 1,38,600	Rs. 96000
Date of acquisition	Business commenced on 1-11-1981	Mar 10, 2013	Mar 10, 2017

The capital assets (On which no depreciation is claimed) are transferred by X Ltd. to its wholly owned Indian subsidiary company S Ltd on 1-4-2017. On 7-7-2018 these assets are transferred by S Ltd. For consideration of Rs. 11,50,500 (i.e. goodwill Rs. 6,50,000, shares Rs. 2,65,700, House property Rs. 2,34,800). Compute the capital gain chargeable to tax in the case of S Ltd.

SECTION - C

Answer any **Three** questions. Each question carries **15** marks :

(3×15=45)

7. Define tax planning. How it differs from tax avoidance? Discuss the broad areas of tax planning in case of a company assessee.
8. Examine the Indian initiatives facilitating the taxation of international transactions.
9. How do you compute minimum Alternate tax of a company? Discuss.

10. Following is the information supplied by A Ltd. It is a widely held company. It is considering major expansion of its production facilities. The following alternatives are available.

Particulars	Alternative	Alternative	Alternative
	I(Rs.)	II(Rs.)	III(Rs.)
Share capital	10 crore	4 crore	2 crore
Debentures (14%)	—	4 crore	3 crore
Term Loans (16%)	—	2 crore	5 crore

Expected rate of return (before tax) is 25% company needs to declare at least 20% dividend. Current rates of income tax and dividend tax are likely to continue. Suggest the suitable alternative.

11. Z Ltd is a domestic company engaged in manufacturing activity. It has the following profit and loss account as on 31-3-2019.

	Rs.		Rs
Salary	20,00,000	Gross profit	57,00,000
Depreciation	10,00,000	Refund of income tax	150000
Interest	5,00,000	Refund of sales tax	1,00,000
Taxes	10,00,000	Bad debt recovered	50,000
Bad debts	2,00,000		
Repairs	5,00,000		
Insurance	1,00,000		
Dividend	6,00,000		
Net Profit	1,00,000		
	<u>60,00,000</u>		<u>60,00,000</u>

Other information :

1. Depreciation as per Sec. 32 of income tax act is Rs. 9,50,000.
2. Interest on money borrowed includes Rs. 2,50,000 which is due but not paid to SBI.

3. Taxes include :
- a. Income tax Rs. 3,00,000.
 - b. VAT Rs.3,00,000 (Paid Rs. 1,00,000 and due Rs. 2,00,000)
 - c. Excise duty Rs. 4,00,000 (Paid Rs. 3,00,000 and due Rs. 1,00,000)
4. Bad debts allowed by the ITO is Rs. 1,50,000.
5. Bad debts recovered relate to the year 2014-15. In that year the company claimed bad debts to the tune of Rs. 2,00,000 but the ITO allowed only Rs. 1,00,000. Company now recovered Rs. 50,000. Compute the taxable income and tax liability of the company. Assume that the provisions of Minimum Alternate tax are not applicable. Make reasonable assumptions wherever necessary.
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PGIIS-594 B-19
M.Com. III Semester (CBCS) Degree Examination
COMMERCE
Risk Management
Paper : SC 3.4(D)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:Attempt **all** the sections.**SECTION - A**

1. Answer **ALL** the sub-questions. Each sub-question carries 2 marks. (10×2=20)
- a. Give meaning of currency futures and options.
 - b. What is bilateral netting?
 - c. Define exchange risk.
 - d. What is Basel committee?
 - e. What is operational risk?
 - f. Define geographical arbitrage.
 - g. What is risk adjusted return on capital?
 - h. Bring out the difference between Liquidity risk and Operational risk.
 - i. Define transaction exposure.
 - j. What is CAR?

SECTION - BAnswer any **Three** questions. Each question carries 5 marks. (3×5=15)

2. What are credit risk derivative instruments? Explain its types.
3. State the Functions of ALM committee.
4. Briefly explain the three pillars of Basel - II?
5. Explain the simulation and duration gap analysis as a tool to mitigate risk.

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PGIIS-596 B-19
M.Com.(Financial - Analysis) III Semester Degree Examination
COMMERCE
Management Accounting
Paper : HC 301

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates: Attempt **all** Sections.

SECTION - A

1. Answer all sub-questions in one or two sentences. Each sub-question carries **2** marks. (10×2=20)
- a. What is the difference between management accounting and financial accounting?
 - b. How do you calculate the inventory Turnover Ratio?
 - c. What is meant by operating break even point?
 - d. What is cash budget?
 - e. What is budgeted cost?
 - f. What is material price variance?
 - g. What is funds from operations
 - h. What is cash flow statement?
 - i. What is marginal cost? What are its components?
 - j. What is P/V Ratio?

SECTION - B

Answer any **Three** questions. Each question carries **5** marks. (3×5=15)

2. What are the activity ratios? Explain.
3. What are the differences between Balance sheet and funds flow statement?
4. What are the assumptions of Break Even Analysis?
5. How do you prepare a cash budget?
6. What are the types of material cost variances?

SECTION - C

Answer any **Three** questions. Each question carries **15** marks :

(3×15=45)

7. Explain in detail the tools and techniques of management accounting.
8. Explain in detail the procedure for the preparation of cash flow statement.
9. What is standard costing? What are the processes of standard costing?
10. Prepare a funds flow statement of ABC Ltd from the following information :

Balance sheets as at Jan 1, and December 31, 2017

	Jan 1	Dec 31
Cash and bank balance	40,000	44,400
Accounts Receivable	10,000	20,700
Inventories	15,000	15,000
Land	4,000	4,000
Business premises	20,000	16,000
Plant and Equipment	15,000	17,000
Accumulated depreciation	(5,000)	(2,800)
Patents and trademarks	1000	900
	1,00,000	1,15,200
Current Liabilities	30,000	32,000
Bonds payable	22,000	22,000
Bonds payable discount	(2,000)	(1,800)
Capital stock	35,000	43,500
Retained Earnings	15,000	19,500
	1,00,000	1,15,200

Additional Information :

- i. Income for the period Rs. 10,000.
- ii. A building that costs Rs.4000 and which had a book value of Rs. 1000 was sold for Rs. 1400.
- iii. The depreciation charge for the period was Rs. 800.
- iv. There was a Rs. 5000 issue of capital stock.
- v. Cash dividends of Rs.2000 and a stock dividend of Rs.3500 were declared.

11. The Reliable Battery Co furnishes you the following income information : Year 2017

	First half (Rs.)	Second half (Rs.)
sales	8,10,000	10,26,000
profit Earned	21,600	64,800

From the above, you are required to compute the following, assuming that the fixed cost remains the same in both the periods.

- i. Profit volume Ratio.
- ii. Fixed cost
- iii. Amount of profit or loss when sales are Rs. 6,48,000.
- iv. Amount of sales required to earn a profit of Rs. 1,08,000.

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PGIIS-597 B-19
M.Com. (F.A.) III Semester Degree Examination
COMMERCE
Taxation - II
Paper : HC 302

Time : 3 Hours**Maximum Marks : 80****Instructions to Candidates :** Attempt **all** Sections.**Section - A**

1. Answer all the sub-questions. Each sub-question carries 2 marks. (10×2=20)
- a. Define mixed supply.
 - b. Who is liable for registration under GST?
 - c. State the features of Tax Invoice.
 - d. What do you mean by electronic way bill?
 - e. State the benefits of Customs Tariff Act.
 - f. What do you mean by Social Welfare Surcharge?
 - g. What are the supplies not eligible for ITC?
 - h. What do you mean by territorial waters?
 - i. State any five exempted supply (goods/service) under GST.
 - j. State the rate structure under GST.

Section - BAnswer any **Three** questions. Each questions carries 5 marks. (3×5=15)

2. What is inter State supply? How do you tax it under GST?
3. How do you compute value of supply under GST?
4. Briefly explain the functions of GST Council.
5. CIF value of certain imported goods is 10,000 U.S \$. Freight 3000 \$ and Insurance - 500 \$. BCD @ 10% and SWS @10%

Find the assessable value and customs duty.

6. From the following particulars of a manufacturer compute the GST liability.

Price of goods (excluding CGST and SGST @ 9%. each)

Rs. 6,28,000. Price does not include the following.

- a. Selling expenses Rs. 22000
- b. Loading and handling charges Rs. 12000
- c. Outward freight and insurance at buyer's request Rs. 15000.
- d. Discount @10% on the price of the goods shown in Invoice.

Section - C

Answer any **Three** questions. Each question carries **15** marks :

(3×15=45)

7. What do you mean by transaction value of supply? How do you value the supply applying valuation rules under GST?
8. Discuss the methods and rules applicable while valuing imported goods.
9. Critically examine the journey of GST in India after its implementation.
10. A supplier has the following transactions of input and output. Compute the net CGST/SGST/IGST payable.
 - a. Value of output Rs. 2,00,000.
 - b. Value of input Rs. 1,00,000

Situation :

- i. Intra - State purchase and supply of input and output respectively and GST rate 18%.
- ii. Input supply intra - State, output supply inter - State and GST rate 12%.
- iii. Input supply inter - State, output supply intra State and GST rate 5%.
- iv. Input supply and output supply both inter State and GST rate 18%.
- v. Input supply intra - State and output supply is export - GST rate 28%.

11. Z Ltd a registered dealer in Karnataka has the following particulars for the month of November - 2018.

- a. Chocolates worth Rs. 22,00,000 sold to a registered dealer of Tamil Nadu (IGST @28%).
- b. Mineral water worth Rs. 18,00,000 were transferred to a dealer in Kochin (IGST @18%).
- c. Ayurvedic medicines worth Rs. 82,00,000 sold to a registered dealer of Maharashtra (IGST @12%)
- d. Skimmed milk powder worth Rs. 2,80,000 sold to a registered dealer of U.P (IGST@5%).
- e. Goods of the value of Rs. 32,00,000 supplied to a firm in London in the course of export outside India.
- f. Coffee beans worth Rs. 10,00,000 transferred to a Unit in SEZ.
- g. Sale of petroleum products to a dealer in U.P. for Rs. 7,81,000.

Find out the taxable value of supply and the tax liability of Z Ltd.

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PGIIS-598 B-19
M.Com. (Financial Analysis) III Semester (CBCS) Degree Examination
COMMERCE
Accounting Systems
Paper : HC 303

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Attempt all the Sections.

Section - A

1. Answer all the sub-Questions. Each sub- question carries 2 marks. (10×2=20)
- a. What is Accounting?
 - b. What is matching principle?
 - c. What is money measurement concept?
 - d. What is IFRS?
 - e. Define depreciation.
 - f. What is trial balance? Why it is prepared?
 - g. What is social accounting?
 - h. Define accounting standard.
 - i. Define financial reporting.
 - j. What is meant by green accounting?

Section - B

- Answer any **three** questions. Each question carries 5 marks. (3×5=15)
2. What are the advantages and disadvantages of accounting? Explain.
 3. Briefly explain the basic objectives of accounting.
 4. Explain the relevance of HRM accounting.
 5. What are the methods of providing depreciation? Explain.
 6. Explain AS-9 on disclosure relating to revenue recognition.

Sales	1,85,000	Dividends received	535
Motor Van	12,500	Drawings	2,000
Cash in hand	335	Bills Payable	10,000

Adjustments to be taken into account

- a. Write off further Rs.300 as bad out of Sundry Debtors and create a Provision for Doubtful Debtor at 20% on Debtors.
- b. Dividends accrued and due on Investments is Rs.135. Rates paid in advance Rs.100 and wages owing Rs.450.
- c. On 31.3. 2019 stock was valued at Rs. 15,000 and Loose Tools were valued at Rs. 800.
- d. Write off 5 per cent for depreciation on Buildings and 40 per cent on Motor Van.
- e. Provide for interest at 12 per cent per annum due on Loan taken on 1.6.2019.
- f. Income tax paid has to be treated as Drawings.

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PGIIS-599 B-19
M.Com. III Semester (F. A) Degree Examination
COMMERCE
Financial Derivatives
Paper : SC 304 (A)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Attempt All the Sections.

SECTION - A

1. Answer All the sub - questions in one or two sentences. Each sub - question carries **Two** marks. **(10×2=20)**
- a. What is Arbitraging?
 - b. What is Hedging?
 - c. What is Index Future?
 - d. What is the difference between Standard Deviation and Beta?
 - e. What is option Break Even Price?
 - f. What is meant by expected value of call option?
 - g. What is option Vegha?
 - h. What is the difference between Forward and Future Contracts?
 - i. How do you determine the value of call under Stock Equivalent Approach?
 - j. What is future value of money?

SECTION - B

Answer any **Three** questions. Each question carries **Five** marks.

(3×5=15)

2. What are the reasons for development of Derivative Markets?
3. Write a brief note on the option Strangle.
4. What are the differences between Forwards and Options?

5. A company offers an interest rate of 20% per annum on its debentures and offers to redeem them after 4 years along with an interest of Rs. 107.36 for every Rs. 100 deposited. Calculate the continuously compounded risk free rate of interest.
6. A Portfolio Manager expects to receive Rs. 10 lakh after 2 months. He intends to use the fund to buy shares of 30 companies that represent the market. He wants to Hedge against possible price rise without sacrificing the possibility of gain that may arise if price falls. Describe a Hedging Strategy for the Portfolio Manager.

SECTION - C

Answer any **three** questions. Each question carries **fifteen** marks : (3×15=45)

7. Do you agree the statement that the "Derivatives are instruments of Mass Destruction",? If yes, comment.
8. Describe in detail the economic functions of Derivatives Market.
9. What are the strategies of call option contracts? Explain.
10. A portfolio manager expects to receive Rs.6,30,000 after 3 months from now. He wants to use this fund to buy 30,000 shares of A Ltd, which are currently traded at Rs.20 per share but expected to rise to Rs.21 per share in 3 months. Beta for this share is 1. The current value of share nifty is 1,500 and the 3-month nifty futures are traded at current price 1,545.
Show the way that the portfolio manager can utilize stock index futures to his position, if
 - i. Nifty is 1560 after 3 months
 - ii. Nifty is 1530 after 3 months.
11. Current price of P Ltd share is Rs.300. The continuously compounded risk free rate of return is 12%. The value of 3 - month call option at a strike price of Rs.315 if possible prices on maturity are Rs.350 and 270 respectively. Calculate the value of call using Binomial model.