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PGIIIS-N 1752 B-2K13

M.F.C. IIIrd Semester(CBCS) Degree Examination

Commerce

(Management Accounting)

Paper - HC - 301

(New)

Time : 3 Hours Maximum Marks : 80

Instructions to Candidates:

Attempt all the sections.

Section - A

Answer **all** the sub-questions. Each sub-question carries **2** marks. **(5×2=10)**

1. a) What is an internal analysis?

b) Define margin of safety ratio.

c) How do you calculate capacity ratio?

d) Define investment centre.

e) Current Ratio=2.50 times, Net working capital Rs.60,000. Determine current assets and current liabilities.

Section - B

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

2. Explain the merits and demerits of management accounting.

3. What is zero-base budgeting? What are the main defects of ZBB?

4. Explain the ratios employed to analyse short-term financial position of the concern.

5. The following information relates Zed company:

Materials purchased	3000kgs
Value of materials purchased	Rs.9000

Standard quantity	25kg for one kg of finished goods.
Standard price	Rs.2.00 per kg
Closing stock of material	500kg
Finished Goods produced	80kg

Calculate a) Material Cost Variance
b) Material Price Variance
c) Material Usage Variance

6. Acc Trading Ltd., manufactures one identical product "Sunder". The following figures are available for two consecutive years:

	Year I	Year II
Sales (Rs.)	3,00,000	3,60,000
Fixed Costs (Rs.)	90,000	1,20,000
Variable Costs (Rs.)	1,50,000	2,16,000

Calculate for both period: a) P/V Ratio
b) Break-even point
c) Margin of safety
d) Margin of Safety Ratio

Section - C

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

7. Discuss in detail the nature and scope of management accounting.

8. "Variance analysis and variance reporting are the integral part of standard costing." Elaborate

9. What is Fund Flow Statement? Describe briefly the procedure for preparing a fund flow statement from the financial statements of a company.

10. The following information has been made available from the accounting records of payment precision Tools Limited for the last six months of 2008 (and of only the sales for january 2009) in respect of fish plate. X produced by it.

i) The units to be sold in different months:

July	2,200
August	2,200
September	3,400

October	3,800
November	5,000
December	4,600
January2009	4,000

ii) There will be no work-in-progress at the end of any month

iii) Finished units equal to half the sales for the next month will be in stock at the end of every month (including June 2008)

iv) Budgeted production and production cost for the year ending December 2008 are as thus:

Production(Units)	44,000
Direct Materials per Unit	Rs.10.00
Direct Wages per Unit	Rs.4.00
Total factory overheads apportioned	Rs.88,000

You are required to prepare:

(1) Production Budget for the last six months of 2008; and

(2) Production Cost Budget for the same period

11. The accounts of Blue star Ltd; consist of fixed assets and current assets while its current liabilities comprise bank credit and trade credit in the ratio of 2:1. There are no long term liabilities. From the following figures relating to the company for the year 2012, prepare its Balance sheet showing the details of working:

Share Capital	Rs.1,99,500
Working Capital	Rs. 45,000
Gross Margin	20%
Inventory Turnover	6times
Average collection period	2months
Current Ratio	1.50times
Quick Ratio	0.90times
Reserves and Surplus to working capital	0.90times

Section - D

(Compulsory) **(1×10=10)**

12. Aruna Industries Ltd; manufactures and sells five different products using one common raw material which is available according to requirements at Rs.8.00 per kg. But the skilled labour required for the production is in short supply and is currently limited to 35,000 hours per month at Rs 15.00 per hour.

Variable production overhead is Rs.5.00 per labour hour and fixed production cost amounts to Rs.1,00,000 per month.

Variable selling and distribution overhead is 10% of sales value while fixed selling and distribution cost is Rs. 80,000 per month

Further details regarding production and sales of these products are as follows:

Product	Current demand	Selling price per unit (Rs.)	Raw-materials required per unit (Kg.)	Direct Labour hour required per unit
A	6,000	40.00	1.00	1.00
B	4,000	60.00	1.50	1.40
C	5,000	80.00	2.00	1.80
D	4,800	90.00	2.50	2.00
E	4,500	100.00	3.00	2.40

Required : a) Optimum product-mix you would recommend

b) Profit earned as per mix in (a)

c) The company has just received an urgent export order for 5,000 units of E to be supplied within a month. The company proposes to accept the order and if confirmed by the customer, thinks of executing the same by engaging labour on overtime, paying double the normal rate. An extra amount of Rs. 10,000 has to be incurred on production overhead. If the company wants 10% profit on sales, what price shall it quote?

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PGIIIS - N 1754 B-2K13

M.F.C. IIIrd Semester (CBCS) Degree Examination
Commerce
(Accounting Systems)
Paper - HC-303
(New)

Time : 3 Hours Maximum Marks : 80

Instructions to candidates:

Answer all Sections

Section - A

1. Answer **all** the sub-questions. Each sub-question carries **2** marks. **(5×2=10)**

   a) State the meaning of going concern

   b) Differentiate between revenue expenditure and capital expenditure

   c) Give the meaning of depreciable assets.

   d) What is inflation accounting?

   e) What is meant by external reporting.

Section - B

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

2. Explain various users of accounting information.

3. Discuss the concept of accounting entity.

4. What are IFRS? State benefits of adopting IFRS in India.

5. Bring out the importance of corporate financial reporting.

6. What is social accounting? State the objectives of social accounting

Section - C

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

7. Explain various fundamental accounting concepts and conventions.

8. Explain briefly various methods of valuation of human resources.

9. Discuss qualitative characteristics of financial reporting.

10. The following is a partial list of account balances of Raju Sports. Mart, Gulbarga for the year ended 31st March, 2012.

	Rs.
Sales	4,73,000
Sales returns	48,400
Sales discounts	4,300
Purchases	3,81,900
Purchase returns	15,600
Purchase discounts	1,100
Office salaries	6,300
Sales salaries	9,800
Stores rent	16,000
Freight inward	9,300
Delivery expenses	1,800
Advertisement expenses	3,200

The beginning and ending merchandise inventories were Rs. 23,100 and Rs. 46,900 respectively. You are required to prepare the statement of profit or loss of Raju Sports Mart.

11. On September 1, 2013 sanjay company had debtors and a provision for doubtful debts as follows:

Debtors	Rs.2,12,400
provision for doubtful debts	Rs.10,450

During the month, the following transactions took place:

i) Sales on account Rs.6,97,200

ii) Sales returns on credit sales Rs.9,700

iii) Collections from customers Rs.4,12,200

iv) Amount written off as bad debts Rs.8,280

Based on the company's past experience, the provision for doubtful debts is maintained at 3% of net credit sales.

Prepare the debtors and provision for doubtful debts accounts for the month ending September, 2013

Section -D

Compulsory

12. Mars limited is a manufacturing company based in Gulbarga. It purchases a machinery on 1st January 2009 at a cost of Rs. 1,50,000 and spent Rs.5,000 on transportation and Rs. 15,000 on installation. The initial estimated useful life of the machinery is 6 years with an estimated salvage value of Rs.20,000 at the end of its useful life. After three years of the use of the machinery, on 1st January, 2012 the management revises its estimation of the remaining useful life of the machinery as 5 years and salvage value as Rs. 10,000.

Required:

a) Compute the annual depreciation according to initial estimation of life and salvage value.

b) What is the book value of the machinery as on 1st January, 2012?

c) Find amount of depreciation for the year ending 31st December 2012 and book value on that date. **(1×10=10)**

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PGIIIS-N 1753 B-2K13

M.F.C. IIIrd Semester(CBCS) Degree Examination

Commerce

(Corporate Tax Planning-II)

Paper - HC - 302

(New)

Time : 3 Hours Maximum Marks : 80

Section - A

Answer the following questions. Each question carries 2 marks. **(5×2=10)**

1. a) State the features of indirect taxes.

   b) What conditions are to be fulfilled for levy of Central Excise Duty?

   c) Define 'service provider'

   d) State the advantages of VAT

   e) Define the term 'import' for customs purpose

Section - B

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

2. Write a brief note on CETA

3. Define the term inter-state sale and explain its conditions.

4. Explain the revenue trends of Indirect Taxes in India.

5. Calculate the value of taxable service of 'X' transport company engaged in the business of transport of goods by road. No freight is received from any of the specified category of consigner/consignee suitable assumptions may be made wherever required. The assessee does not avail cenvat credit.

a) Total freight charges received during the year Rs.13,50,000

b) Freight charges received for transporting fruits Rs.1,50,000

c) Freight collected from persons which is less than Rs. 750/- in each case Rs. 80,000.

d) Freight collected for transporting goods in small vehicles for persons who paid less than Rs. 1500/- per trip Rs. 1,22,000

6. A material was imported by air at CIF price of 10,000 US $. Freight paid was 3000 US $ and insurance cost was 600 US $. Exchange rate Rs. 56 per US $. Find the assessable value of the material for levy of customs duty.

Section - C

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

7. Discuss in detail the method adopted in computing assessable value of customs.

8. What do you mean by transaction value for excise purposes? What it includes and excludes?

9. Write a detailed note on taxation of services in India.

10. PQR Ltd cleared certain excisable products on 2/9/2012. The transaction value of the products is Rs. 10,74,000. The company cleared on 18/9/12 products of the value of Rs. 2,22,000

The company procured certain input goods on 20/9/2012 and paid excise duty of Rs. 96,000. The company also paid service tax of Rs. 16,000 on input services during the month of september/2012. If the Basic Excise rate is 10% and Cesses as applicable, find out the duty payable after adjusting credit.

11. Calculate the VAT liability of an assessee for the period based on the following:

a)	Inputs purchased within the state	Rs. 2,10,000
b)	Capital goods used for manufacture of the taxable goods	Rs. 62,000
c)	High seas purchases of inputs	Rs. 2,00,000
d)	Finished goods sold within state	Rs. 2,28,000
e)	Finished goods sold outside state	Rs. 1,92,000

f) VAT rate on capital goods 12.5%; Input tax rate with in state 12.5%; out put tax rate with in the state 12.5%; CST rate 2%.

You can make assumptions, if required.

Section - D

Analyse the **case** by solving the problem. **(1×10=10)**

12. XYZ Ltd. has imported one machine from England. The particulars are as under:

FOB value ħ 8000

Air freight ħ 2800

Design charges paid in England ħ 400

Selling commission paid in India Rs. 10,000

Exchange rate 1 ħ = Rs. 70

BCD 10%, CVD 10%, Cess 3% special CVD 4%.

Compute the assessable value and total customs duty payable. Give analysis and explanations for your treatment

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PGIIIS-N 1756 B-2K13

M.F.C. IIIrd Semester(CBCS) Degree Examination

Commerce

(Strategic Financial Management)

Paper - SC - 304(B)

(New)

Time : 3 Hours Maximum Marks : 80

Instructions to Candidates:

Attempt all sections.

Section - A

Answer **all** sub-questions in one or two sentences. Each sub-question carries **2** marks. **(5×2=10)**

1. a) What is meant by strategic planning?

   b) What is impact of splitting the share on Eps

   c) What is the differences between Economic value and market value?

   d) What is enterprise value?

   e) What is the difference between Price-Earnings Ratio and Price-Exchange Ratio?

Section - B

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

2. Write a brief note on CFROI

3. What are the steps involved in acquiring the bussiness? Explain.

4. What are the ways of returning cash to shareholders? Explain .

5. How do you find shareholders value Addition? Explain

6. What are the contents of financial policy?

Section - C

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

7. Explain in detail The measures of value Addition

8. Write a detailed note on strategic planning process.

9. Why do you think Economic Value Added(EVA) is superior to other Value Adding Measures? Explain.

10. Cell incorporation is a manufacturer of pianos. It earned an after- tax return on capital of 10% last year and expects to maintain this next year. If the current year's after tax operating income is 100 crore and firm reinvests 50% of this income back, estimate the free cash flow to the firm next year.

11. You have been asked to value A/c and have come up with the following inputs.

    The stock has a beta of 0.90, estimated over the last 5 years. During this period, the firm had an average debt/equity ratio of 20% and an average cash balance of 15%.

    The firm's current market value of equity is 1.6 billion and its current market value of debt is 800 million. The current cash balance is Rs. 500 million.

    The firm earned EBIT of Rs. 450 million, which includes the interest income on the current cash balance of Rs. 50 million. The firm's tax rate is 40%.

    The firm is in stable growth, and its earnings from operations are expected to grow 5% a year. The net capital expenditures next year are expected to be 90 million.

    The risk free rate is 6% and the firm can borrow at 7%. Estimate the value of the non cash assets of the firm, its total value and the value of its equity.

Section - D

(Compulsory) (1×10=10)

12. From the following information of five Nifty companies, you are required to determine the margin of safety.

Name of the company	Eps	Dps	Rps	RoE	CMP	Ke
Bajaj Auto	50	25	25	50%	1500	15%
BHEL	30	-	30	26%	230	18%
Airtel	15	-	15	12%	315	14%
CIPLA	14	-	14	15%	325	15%
Coal India	13	-	13	30%	360	30%