Roll No. ______________________ [Total No. of Pages : 2

PGIIIS - N 1711 B-15
M.F.C. IIIrd Semester (CBCS) Degree Examination
Commerce
(Management Accounting)
Paper : HC 301

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. **(5×2=10)**
   a) Mention the objectives of financial statement analysis.
   b) What is angle of incidence?
   c) List out the features of a budget.
   d) Mention the reasons for Labour Efficiency variance.
   e) What is average collection period?

SECTION - B

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

2. Define management accounting. Explain the factors that reduce the utility of management accounting.
3. Explain the concept of zero-base budgeting.
4. What are the differences between marginal costing and absorption costing.
5. Mr. Rakesh & Company supplies you the following information for the year ending 31st December 2014: Credit Sales Rs. 1,50,000; Cash sales Rs. 2,50,000; Returns inward Rs. 25,000; Opening Stock Rs. 25,000. Closing stock Rs. 35,000.
   Find out :
   a) Inventory Turnover when Gross profit ratio is 20%
   b) Inventory conversion period.
6. Sale of a product amounts to 200 units per month at Rs. 10 per unit. Fixed overhead cost is Rs. 400 per month and variable cost is Rs. 6 per unit. There is a proposal to reduce prices by 10 percent. Calculate the present and future p/v ratio. How many units must be sold to earn the present level of profits?

SECTION - C

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

7. "Management accounting is an integral part of management". Discuss.
8. Define the working capital concept of fund. How do you identify a business transaction as

a fund item according to working capital concept. Explain the preparation of a fund flow statement.

9. Define standard costing. Explain in detail the advantages and drawbacks of standard costing.

10. The following data presents the ratios pertaining to X company Ltd. for the year ending 31:03:2008:

Annual sales	Rs. 40.00.000
Sales to Net worth	4 times
Current liabilities to Net worth	50%
Total Debts to Net worth	80%
Current Ratio	2.2 times
Sales to Inventory	8 times
Average Collection Period	40 days
Fixed Assets to Net Worth	70%

From the above mentioned particulars, prepare the balance sheet of X Co. Ltd as on 31:03:2008. Assume that all sales are made on credit.

11. Production costs of oriental Enterprises ltd are as follows:

	Level of Activity		
	60%	70%	80%
	Rs.	Rs.	Rs.
Output (in units)	1,200	1,400	1,600
Costs (Rs.)			
Direct materials	24,000	28,000	32,000
Direct Labour	7,200	8,400	9,600
Factory overhead	12,800	13,600	14,400
Works cost	44,000	50,000	56,000

A proposal to increase production to 90% level of activity is under the consideration of management. The proposal is not expected to involve any increase in fixed factory overheads. Prepare a statement showing the prime cost, total marginal cost and total factory cost at 90% level of activity.

SECTION - D

(Compulsory) **(1×10=10)**

12. Mr. X has Rs. 2,00,000 investments in his business firm. He wants a 15% return on his money. From the analysis of recent cost figures, he finds that his variable cost of operating is 60% of sales, his fixed costs are Rs. 80,000 per year.
   i) What must be the sales volume to break-even?
   ii) What sales volume must be obtained to get 15% return on investment.
   iii) Mr. X estimates that even if he closed the doors of his business, he would incur Rs. 25,000 as expense per year. At what sales level would he be better off by locking his business.

Roll No. ______________________________ [Total No. of Pages : 3

PGIIIS-N 1712 B-15
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

1. Answer the following sub-questions. Each sub question carries 2 marks. **(5×2=10)**
   a) State the features of indirect taxes.
   b) What do you mean by 'Landing charges'?
   c) State the advantages of central sales tax.
   d) Define service tax.
   e) Define deemed manufacture under central excise.

Section-B

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

2. Explain the revenue trends pertaining to central excise for the last 10 years.
3. Write a note on K-VAT.
4. Explain in brief how goods are classified under CETA-1985.
5. ABC Ltd. Manufactured and cleared certain excisable goods taxable on MRP basis. The MRP of the goods is Rs. 26,92,000. Abatement rate notified is 20%. Basic Excise duty rate is 12% cesses as applicable. Find out the Excise Duty liability.
6. XYZ Ltd. a trading company, imports a machine from USA. The details are as under.

   FOB value : Rs. 24,00,000

   Freight : Rs. 8,00,000

   Insurance : Rs. 42,000

   Selling commission : Rs. 24,000.

   Find out the assessable value for customs.

Section-C

Answer any **three** of the following questions. Each questions carries **15** marks.

(3×15=45)

7. Discuss in relation to service Tax exempted services and negative list of services.

8. What is transaction value under central Excise? Discuss, what is included in and what is excluded from transaction value.

9. Determine the customs Duty liability on the basis of the following particulars:

FOB value of machinery imported 3,00,000 yen

Freight charges : 70,000 yen.

Design and development : Rs. 61,000

(Paid in India)

Insurance charges : 3000 yes

Selling commission payable in India: Rs. 15,000

Exchange rate : 1 yen = 0.70 Re.

Basic Duty : 10%, CVD : 8%, Sp .CVD : 3% cesses as applicable

10. PQR Ltd. is a manufacturing company. It sells a machine for Rs. 6,50,000 to P Ltd. The price of the machine does not include the following:

a) Installation charges : Rs. 5000

b) Packing charges : Rs. 4800

c) Design charges : Rs. 29000

d) Cost of material supplied by the buyer at free of cost : Rs. 61,000.

e) Pre-delivery inspection charges: Rs. 3250

PQR Ltd. gives cash discount to P Ltd @ 2% of the sale price. The central Excise rate is 10% (cesses as applicable). Find the duty liability.

11. Educational Enterprises P. Ltd. furnishes following information.

a) Coaching to students of class X: Rs. 40 lakh

b) Coaching to students of class XII : Rs. 30 lakh

c) Training in dance : Rs. 5 lakh

d) Placement for other coaching centre : Rs. 6 lakh

e) Coaching poor students @ 50% fees Rs. 9 lakhs.

f) Sale of study materials to the students of Educational enterprises P. Ltd : Rs. 14 lakhs.

g) Royality for writing books. Rs. 4 lakhs.

h) Preparation of study material for CA institute : Rs. 16 lakhs.

Compute the value of taxable service and service tax liability of the educational enterprises P. Ltd.

Section-D (1×10=10)

12. Discuss and solve the problem.

X Ltd. a dealer registered in Bangalore manufactures certain consumer goods. The product is liable to VAT at 5%.

The company purchased the following raw materials:

Raw material 'A' from Maharashtra for Rs. 24,00,000 (including CST @3%).

Raw material 'B' from Belgaum for Rs. 1,25,000 (including VAT @12.5%).

Raw material 'C' from west Bengal for Rs. 13,39,000 (including CST at 3%)

Raw material 'D' from mangalore for Rs. 1,10,000 (inclusive of VAT @10%)

The company incurred manufacturing and other expenses of Rs. 19,20,000. Profit margin of the assessee is 25% on cost. Compute the output VAT liability. Output VAT rate is 12.5%.

Roll No. ______________________ [Total No. of Pages : 3

PGIIIS-N 1713 B-15
M.F.C. IIIrd Semester (CBCS) Degree Examination
Commerce
(Accounting Systems)
Paper : HC - 303
(New)

Time : 3 Hours Maximum Marks : 80

Instructions to Candidates:

Attempt all the sections

Section-A

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

   a) Define Accounting.

   b) What is duality concept?

   c) Name few users of accouting information.

   d) Define Revenue

   e) What is GAAP?

Section-B

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

2. Explain the various objectives of Accounting.

3. Describe the contributions of accounting for economic development.

4. Explain the objectives of providing depreciation.

5. Explain the methods of inflation accounting.

6. Describe the various types of financial reports.

Section-C

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

7. Discuss various principles of accounting.

8. Discuss the qualitative characteristics of general purpose financial report.

9. Explain the benefits of Global accounting standards.

10. Naresh commenced business in march 2010. He acquired some machines for Rs. 2,00,000 on April 1, 2010. He aquired another machine for Rs. 50,000 on march, 2012. He sold machine original cost of which was Rs. 60,000 for Rs. 35,000 on October 31,2011. Assuming depreciation at 15% under writtendown value basis. Compute the depreciation for five years ended march 31, 2011 to 2015.

11. From the following Trial Balance. Prepare Trading and profit & loss Account for the year ended 31st Dec 2014 and Balance sheet as on that date.

	Dr (Rs.)	Cr (Rs.)
Sundry Debtors	32,000	-
Stock (1st Jan 2014)	22,000	-
Cash in hand	35	-
Cash at Bank	1,545	-
Plant and Machinery	17,500	-
Sundry creditors	-	10,650
Trade Expenses	1,075	-
Sales	-	1,34,500
Salaries	2,225	-
Carriage outwards	400	-
Rent	900	-
Bills payable	-	7,500
Purchases	1,18,870	-

Discounts	-	1.100
Business premises	34.500	-
Capital	-	79.500
	2.32.150	**2.32.150**

Additional Information:

The stock on 31st December 2014 was Rs. 12.450. Rent was unpaid to the extent of Rs. 85 and Rs. 150 were outstanding for trade expenses. Rs. 400 are to be written off as bad debts out of the above debtors: and 5% is to be provided for doubtful debts. Depreciate plant and machinery by 10% and business premises by 2%.

Section-D **(1×10=10)**

(Compulsory)

12. On the Ist January 2012 alimited company purchased a machinery for Rs. 12.000 and on 30th June 2013 it acquired additional machinery at a cost of Rs. 2.000. On 31st march 2014, one of the original machines which cost Rs. 500 was found to have became obsolete and was sold as scrap for Rs. 50. It was replaced on that date by a new machine costing Rs.800.

Depreciation to be provided at 15% p.a. on the written down value. Show ledge account for the first three years.

Roll No. ____________________ [Total No. of Pages : 3

PGIIIS-N 1714 B-15
M.F.C. IIIrd Semester (CBCS) Degree Examination
Commerce
(Strategic Financial Management)
Paper : SC 304B
(New)

Time : 3 Hours Maximum Marks : 80

Instructions to Candidates:

Attempt all the Sections

Section-A

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

   a) What is meant financial policy?

   b) How do you determine Market Value Added (MVA)?

   c) What is meant by concentric merger?

   d) What is the impact of buyback of shares on Earnings Per Share (EPS)?

   e) How do you determine the cost of capital?

Section-B

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

2. What are the value creating actions? Explain.

3. What is stock split? Why do companies report to stock splits?

4. What are the differences between share holders values added and enterprise value added?

5. Write a brief note on the Cash Flow Return on Investment (CFROI).

6. What are the effects of share buyback? Explain.

Section-C

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

7. Explain in detail the strategic planning process.

8. Write a detailed note on SEBI's takeover code

9. How do you resolve potential conflicts between CFROI and firms value? Explain.

10. From the following data, you are required to calculate the Economic Value Added (EVA) of AK MIIES company Ltd and also Market Value Added (MVA)

    Operating profit (EBIT) Rs. 7,00,000

    10% Debentures Rs. 50,00,000

    Market value of share holders' Equity Rs. 50,00,000

    Market return (%) - 20%

    Risk-free rate of return - 8%

    Beta of the stock - 1.1

    Effective tax rate - 30%

11. Moon light is considering buyback of its equity shares to control deteriorating financials. The following information is available before the announcement of buyback decision.

Earnings after tax (Rs.)	5,00,000
Number of equity shares	2,00,000
Price/Earnings ratio	10
Dividend payout ratio	60%
Depreciation provided in the books (Rs.)	1,50,000

The firm intends to buyback 25% of its outstanding equity shares at 20% premium to market price required

1) Determine EPS and market price per share before buyback

2) Determine the number of shares bought back and price paid for buyback

3) Calculate the total cash distributed as a result of buyback

4) What is the EPS after the back

5) What is MPS after buyback if P/E ratio remains constant?

Section-D (1×10=10)

(Compulsory)

12. Financial information about ABC Ltd is summarized below:

	Year 1	Year 2	Year 3	Year 4
Networth	1140	1470	1610	1850
Tax Adjusted profits	114	16.2	194	240

	Valuation Date (Rs.)
Networth on valuation Date	2075000
Equity	1200000
5.5% preference	800000
Face value of one equity share	100
Market Return on Investment	7%
Non - Trade Investment	134000

Determine the maximise price that you may wish to pay for one share of the company.