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PGIII S - N 1761 B-14
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** sub - questions. Each question carries 2 marks

(5 × 2 = 10)

1. a) What is vertical analysis?

   b) What do you mean by key or limiting factor?

   c) Define performance budgeting.

   d) Define cost centre.

   e) What are the reasons of material usage variance?

SECTION - B

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

2. Explain the differences between management accounting and financial accounting.

3. Explain the merits and demerits of the ratio analysis.

4. Write a note on responsibility accounting.

5. From the following data calculate the break - even point.

Direct material per unit	Rs. 3
Direct labour per unit	Rs. 2
Fixed overhead (Total)	Rs. 10,000
Variable overhead	100% on direct labour

Selling price per unit	Rs. 10
Trade discount	5%

Also determine the net profits, if sales are 10% above the break-even point.

6. During the year 2012, Soni Ltd. earned a profit of Rs. 1,85,720 after adjusting the following:

	Rs.
Provision for bad debts	1,500
Salaries	8,500
Depreciation written off	15,300
Profit on sale of fixed assets	14,000
Discount on debentures written off	20,000
Loss on sale of investments	2,000
Preliminary expenses written off	8,000
Proposed dividend	50,000
Transfer to debenture redemption fund	20,000
Dividend received	4,500

Calculate funds from operations.

SECTION - C

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

7. Discuss in detail the functions of management accounting.

8. What are the objectives of budgetary control? Explain the essentials of an effective budgetary control system.

9. What is cash flow statement? Explain the procedure involved in the preparation of cash flow statement.

10. The following information is given:

Current ratio	2.5
Liquidity ratio	1.5
Net working capital	Rs. 3,00,000

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PGIIIS-O 1766 B-14
M.F.A. IIIrd Semester Degree Examination
Commerce
(Management Accounting)
Paper - 301
(Old)

Time : 3 Hours Maximum Marks : 80

Instructions to Candidates:

Answer **all** sections

Section - A

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

a) What is performance budgeting?

b) Define life cycle costing

c) What is value chain analysis?

d) Define profit centre.

e) List out the items of cash flows from financing activities.

Section - B

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

2. Explain the significance of responsibility accounting.

3. State the merits and demerits of budgetary control.

4. What is reporting to management? Explain its objectives.

5. Write a short note on activity based costing.

6. From the following information, prepare a cash budget for the months of January to April:

Particulars	Expected Purchases(Rs.)	Expected Sales(Rs.)
January	48,000	60,000
February	80,000	40,000
March	81,000	45,000
April	90,000	40,000

Wages to be paid to workers Rs. 5,000 each month. Balance at Bank on 1st January Rs. 8,000

It has been decided by the management that:

a) In case of deficit of fund within the limit of Rs. 10,000 an arrangement can be made with the bank.

b) In case of deficit of fund exceeding Rs. 10,000 but within the limit of Rs. 42,000 issue of debentures is to be preferred.

c) In case of deficit of fund exceeding Rs. 42,000, issue of share is preferred.

Section - C

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

7. Define management accounting. Discuss in detail the role of management accounting in decision making.

8. Define budget, budgeting and budgetary control. Explain various types of budgets.

9. Write a descriptive note on reporting needs and reporting at different levels of management.

10. The following information was takes from the books of mini Ltd;

Acid Test Ratio	0.92
Average finished Goods Inventory	Rs.52,000
Average no. of days sales uncollected	77 days (360 days in a year)
Expenses	Rs. 2,12,000
Finished Goods Turnover	12.20
Ratio of Net Income to average total current assets 9.80%	
Net Sales	Rs. 9,00,000
Total Current Assets	Rs. 4,25,000
Working capital Turnover (Net Sales/Working capital) 4.50 times	

You are required to find out:

a) Working capital Ratio

b) Total Quick Assets

c) Accounts receivables at the end of the year

d) Turnover of average total current assets.

11. The following are summarized Balance sheets of a company as on 31-12-2006 and 2007

Liabilities	2006	2007	Assets	2006	2007
Share capital	1,00,000	1,25,000	Land and Buildings	1,00,000	95,000
General Reserve	25,000	30,000	Machinery	75,000	85,500
Profit and Loss A/c	15,250	15,300	Stock	50,000	37,000
Bank Loan(Long-term)	35,000	-	Sundry Debtors	40,000	32,100
Sundry creditors	75,000	67,600	Cash	250	300
Provision for Taxation	15,000	17,500	Bank	-	4,000
			Good-will (at-cost)	-	1,500
	2,65,250	2,55,400		2,65,250	2,55,400

Additional Information during the year ended 31-12-2007:

1) Dividend of Rs. 11,500 was paid.

2) Depreciation charged on land and Building Rs. 5,000

3) Machinery was further purchased for Rs. 19,000

4) Depreciation written off on machinery Rs. 6,000

5) Income-tax provided during the year Rs. 16,500

6) Loss on sale of machinery Rs. 100 was written off to general reserve.

you are required to prepare a cash flow statement.

Section - D

(Compulsory) **(1×10=10)**

12. A production department of a large manufacturing organization has furnished the following data for may 2009:

	Budget (Rs.)	Actual (Rs.)
Direct Materials	4,00,000	5,10,000
Direct wages	2,50,000	3,25,000
Repairs & Maintenance (Rs. 1,00,000 fixed)	2,00,000	2,20,000
Supervision (fixed)	1,00,000	1,10,000
Consumable stores	75,000	95,000
Factory rent (fixed)	50,000	50,000
Depreciation (fixed)	1,00,000	1,00,000
Tools (variable)	25,000	30,000
Power and fuel(variable)	1,50,000	1,80,000
Administration (fixed)	2,50,000	2,65,000

Department has 50 identical machines. During May 2009 the budgeted and actual production of the department are 10,000 and 12,500 units respectively. However, if the department was closed and the machine production services are hired from outside, the cost of hiring the services of similar machines would be Rs. 150 per unit.

You are required to present reports showing the evaluation of the performance of the department based on the concept of

a) Cost Centre

b) Profit Centre; and

c) Responsibility centre.

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PGIIIS-N 1762 B-14

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 significance of CVD ad Sp. CVD under customs.

b) State the features of VAT.

c) How MRP based Excise Duty is calculated?

d) What is selective approach and comprehensive approach towards service tax.

e) Distinguish direct and indirect taxes.

Section - B

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

2. What do you mean by declared services? Explain.

3. Write a brief note on CETA - 1985.

4. What do you mean by goods of special importance or declared goods under CST? Explain.

5. P Ltd. submits the following information:

a) Import of raw material (including 10% import duty) Rs. 1,10,000

b) Raw material purchased from Rajasthan

(including excise duty of 10%)

CST @ 2%on the purchases is Rs. 24,000

c) Raw material purchased from Karnataka-Rs. 1,00,000 (inclusive VAT @ 4%).

d) Transportation and manufacturing expenses - Rs. 54,000

e) Entire stock sold @ a profit of 12% to Q Ltd. Vat rate on such sale 4% Find out the Vat liability.

6. Assessable value of certain imported goods is Rs. 20,00,000. Basic customs Duty rate is 10%. If the goods produced in India, Excise Duty leviable would be 10%. Sp CVD is applicable @ 4%. Find out the customs Duty. Cesses as applicable.

Section - C

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

7. What is CENVAT credit? How is it created and utilised? Discuss.

8. Discuss with reference to service tax valuation of service provided, duty liability and payment of tax.

9. ABC ltd. Imports certain goods from Japan for FOB value of 5,00,000 yen. Following other particulars are available:

i)	Transportation by air	20,000	yen
ii)	Insurance	2500	yen
iii)	Design and Development Charges incurrected (apart from FOB value)	5000	yen
iv)	Exchange rate	1yen = 0.70 Rupee	

v) Basic Duty 10%, CVD 12%, sp CVD 4% and cases as applicable.

Find out the assessable value and duty liability under customs.

10. Following are the details of P Ltd., a company involved in manufacturing activity:

i)	Price of Machine	Rs. 5,00,000
ii)	Installation expenses	Rs. 42,000
iii)	Packing charges	Rs. 5,000
iv)	Design and engineering charges	Rs. 20,000

v) Cost of material supplied by buyer Rs. 1,00,000

vi) Pre-delivery inspection Rs. 4,000

vii) Other information:

a) Cash discount to customer 2% of the price.

b) Excise Duty rate 10% + Cesses.

Compute the excise duty liability of P Ltd, the manufacturer.

11. Compute the K-Vat liability of Z ltd for the month of July 2014:

a) High seas purchases of inputs Rs. 5,00,000

b) Capital goods used in the manufacture of goods Rs. 3,00,000

c) Purchase of inputs within the state Rs. 8,00,000

d) Finished goods sold within the state Rs. 24,00,000

Applicable VAT rate on capital goods is 12.5%

Output tax rate within the state 12.5%

CST rate 2%

Input tax rate within the state 5%

Whether the assessee is liable for registration under K-VAT? If yes, give an outline of procedure of registration.

Section - D

Answer the case by solving the problem: **(1×10=10)**

12. Calculate the value of taxable service of X co. engaged in transportation of goods by road:

a) Freight charges received from consignor companies Rs. 13,50,000

b) Freight charges received from consignor proprietary firms - Rs. 50,000

c) Freight charges received for transporting fruits - Rs. 2,00,000

d) Freight collected at less than Rs. 750 per consignment Rs 69,000

e) Freight collected for transporting goods in small vehicles for less than Rs. 1500 per trip Rs. 92,000

Make the necessary assumptions and give explanation for your treatment.

PGIIIS-N 1763 B-14
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) Define accounting

   b) What do you mean by trade discount?

   c) What is the difference between bad debts and provision for bad debts?

   d) Define depreciation

   e) Why trial balance is prepared?

Section - B

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

2. Explain the advantages of accounting standards.

3. What are the objectives of providing depreciation?

4. Explain the nature of HRM accounting.

5. Explain the benefits of financial reporting.

6. Who are the users of accounting information? Explain.

Section - C

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

7. Discuss the advantages and limitations of accounting.

8. What are the objectives and qualitative characteristics of Financial Reporting? Discuss.

9. What is revenue recognition? Explain the revenue recognition criteria.

10. Guru Raj Enterprises purchased some second hand machinery on Ist April 1993 for Rs. 3,70,000 and installed it at a cost of Rs.30,000. On Ist October 1994 it purchased another machine for Rs. 1,00,000 and on Ist October 1995, it sold off the first machine purchased in 1993 for Rs. 2,80,000.

    On the same date it purchased a machinery for Rs. 2,50,000. On Ist October 1995, the second machinery purchased for Rs. 1,00,000 was sold off for Rs. 20,000.

    In the begining depreciation was provided on machinery at the rate of 10% p.a. on the original cost each year on 31st March. From the year 1994-1995, however, the trader changed the method of providing depreciation and adopted the written down value method, the rate of depreciation being 15%.p.a. prepare the Machinery Account form 1993 to 1997.

11. The trial balance of Kalburagi Ltd. for the year ended 31st December 2013 is given below. Prepare Trading and profit and Loss Account for the year ended 31st December 2013 and the Balance sheet on that date:

Trial Balance	Debit	Credit
Furniture	640	-
Building	7,500	-
Machinery	6,250	-
Capital	-	12,500
Bad debts	125	-
Baddebt Reserve	-	200
Debtors & Creditors	3,800	2,500
Stock on 1-1-2013	3,460	-
Purchases and Sales	5,475	15,450
Bank overdraft	-	2,850
Sales and purchase Return	200	125

Advertisement	450	-
Interest	118	-
Cash	650	-
Commission	-	375
Tax and Insurance	1250	-
General Expenses	782	-
Salary	3300	-
	34,000	34,000

Additional Information:-

a) Stock on 31-12-2013 was valued at Rs. 3250

b) Depreciate Buildings at 5%, Furniture at 10% and Machinery at 20%.

c) Interest Rs. 85 is payable on Bank O.D.

d) Salary Rs. 300 and Tax Rs. 120 are outstanding.

e) Insurance prepaid Rs. 100 and one-third of the commission is received in advance.

f) Furniture purchased in January 2013 worth Rs. 100 included in purchases.

g) Write off Rs. 100 as further bad debts and Reserve for Doubtful debts is to be made equal to 5% on Debtors.

Section - D

(Compulsory) **(1×10=10)**

12. a) Explain the various methods of recognising revenue from the construction works.

b) From the following information Calculate the revenue to be recognised from the construction works.

Year	Project cost Incurred	Payments received from customer	Works completed (in percentage)
2011	1,60,000	1,20,000	20%
2012	4,00,000	4,10,000	70%
2013	2,40,000	3,70,000	100%
Total	8,00,000	9,00,000	

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PGIIIS - N 1765 B-14

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

Commerce

(Strategic Financial Management)

Paper : S.C - 304

(New)

Time : 3 Hours Maximum Marks : 80

Instructions to Candidates:

*Attempt **all** Sections*

SECTION - A

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

1. a) What is strategic planning?

   b) State the meaning of economic value.

   c) What are conglomerate mergers?

   d) Distinguish between stock split and bonus shares.

   e) What is market value added?

SECTION - B

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

2. Bring out the relationship between financial policy and strategic planning.

3. 'Dividends are value neutral.' Comment on the statement.

4. Define strategy. Explain various sources of synergy involved in mergers.

5. Give meaning of buyback and various objectives of using buyback method.

6. Explain the process of determining the shareholder value added.

SECTION - C

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

7. Explain how financing policy creates value to the enterprise.

8. Explain meaning, objectives and important provisions of SEBI's Takeover Code.

9. State the reasons for various corporate restructuring exercises undertaken by corporate entities.

10. Sunrise Limited is intending to acquire Sunshine Limited. The recent financial details of these two are as given below:

	Sunrise Ltd.	Sunshine Ltd.
Earnings after tax (Rs.)	2,50,000	80,000
Number of equity shares	50,000	40,000
Market price per share (Rs.)	75	20

Required:

a) Determine Earnings Per Share and Price - Earnings Ratio

b) What is the exchange ratio of shares based EPS method?

c) Calculate the post - acquisition EPS of the combined entity.

d) What is the market price share and total market capitalization if P/E ratio of Sunrise Ltd. after merger remains constant?

e) Calculate gains to the shareholders of Sunshine Ltd.

11. Moonlight 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 (times)	10
Dividend payout ratio	60%
Depreciation provided in the books	1,50,000

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

Required:

a) Determine earnings per share and market price per share before buyback.

b) Determine number of shares bought back and price paid for buyback.

c) Calculate the total cash distributed as a result of buyback.

d) What is the EPS after buyback?

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

SECTION - D

Compulsory

$(1 \times 10 = 10)$

12. Akash Limited is a conglomerate firm with a multiple business activities. Because of this multiple activities and other reasons, the firm is losing value in recent years. For the year ended 31st March, 2013 the firm has reported profits before depreciation and taxes of Rs. 3,00,000 with an expected rate of return of 18%.

The firm adopts several measures restructuring - like spins-off, split-ups, divestitures, etc. These measures are expected to increase profits before depreciation of the company from present Rs. 3,00,000 to Rs. 5,00,000 and reduce the depreciation on its assets from Rs. 1,00,000 to Rs. 50,000. The restructuring measures are expected to reduce the riskiness of the firm and reduce the minimum expected rate of return to 15%.

The firm is in tax bracket of 40%. Find the value created by the firm as a result of corporate restructuring activities.
