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M.Com. IV Semester (CBCS) Degree Examination, September/October - 2022

COMMERCE

HC 4.1 : International Business

100289

Time : 3 Hours

Maximum Marks : 70

SECTION - A

1. Answer **any ten** of the following sub-questions. Each sub-question carries **two** marks. **10x2=20**

   (a) What is International Business ?

   (b) Distinguish between Tariff and Non-Tariff barriers.

   (c) What are the indicators of Political Instability ?

   (d) Define Economic Environment.

   (e) State any four demerits of Multinational Companies.

   (f) What is Polycentric Approach ?

   (g) Define the term 'Foreign Collaboration.

   (h) What is Brown-field Investment ?

   (i) Write any three differences between GATT and WTO.

   (j) Define Intellectual Property Rights (IPRs).

   (k) What do you mean by Comparative Advantage ?

   (l) Expand TRIPS, TRIMS , GATS and IBRD.

SECTION - B

Answer **any four** questions. Each question carries **five** marks. **4x5=20**

2. What are the stages of International Business ? Explain.

3. Define the term ' Tariff Barriers'. Explain the various types of tariff barriers.

4. What is International Business Environment? Explain Socio-Cultural Environment of Business.

5. Explain the features and importance of MNCs.

6. What is FDI? Explain the factors influencing FDI.

7. Explain the objectives of IMF.

P.T.O.

SECTION - C

3x10=30

Answer **any three** questions. Each question carries **ten** marks.

8. Explain the Absolute advantage theory and Comparative advantage theory.

9. "Economic and Political Environment influences on International Business". Discuss.

10. Explain the structure and functions of WTO.

11. Define MNC. Elucidate the pros and cons for Host and Home country.

12. What is FDI ? Explain in detail the various types and benefits of FDI.

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M.Com. IV Semester (CBCS) Degree Examination, September/October - 2022

100289

COMMERCE

HC 4.2 : Business Ethics and Corporate Governance

Time : 3 Hours Maximum Marks : 70

Instruction : *Attempt **all** Sections.*

SECTION - A

1. Answer **any ten** of the following sub-questions. Each sub-question carries **two** marks. **10x2=20**
   (a) Differentiate between terminal values and instrumental values.
   (b) Define compliance based code of ethics.
   (c) What is ethical egoism ?
   (d) Define distributive justice.
   (e) Define Nozick's entitlement theory.
   (f) What do you mean by immoral, moral and amoral management ?
   (g) Define corporate philanthropy.
   (h) What is ethical reasoning ?
   (i) What do you mean by corporate social performance ?
   (j) What is gender sensitivity ?
   (k) Define transparency.
   (l) What do you mean by stewardship theory ?

SECTION - B

Answer **any four** of the following questions. Each question carries **five** marks. **4x5=20**

2. Define professional code. Explain the guidelines for writing an ethical code.

3. Explain the CSR issues highlights in companies Act 2013.

4. Explain the importance of corporate governance in India.

5. Discuss the recommendations of Cadbury Committee.

6. Discuss an overview of ethics enshrined in religions.

7. Define business ethics. Explain the characteristics of business ethics.

P.T.O.

SECTION - C

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

3x10=30

8. Discuss in brief about the teleological theories of ethics.

9. Critically evaluate the factors influencing on eithical decision making.

10. Is corporate social responsibility a legal issue or an ethical issue ? Explain your views.

11. Discuss the historical evolution of corporate governance in India.

12. Explain the contributions of Sri Narayanamurthy and Kumarmangalam Birla towards corporate governance.

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M. Com. IV Semester (CBCS) Degree Examination, September/October - 2022

COMMERCE

HC 4.3 : STRATEGIC COST MANAGEMENT

Time : 3 Hours Maximum Marks : 70

SECTION - A

Answer **any TEN** of the following sub-questions. Each sub-question carries **two** marks. **10x2=20**

1. (a) List out any four techniques of Cost Management.
   (b) What is Activity Based Costing ?
   (c) Define Cost Pool.
   (d) What is Kanaban Card ?
   (e) Mention any two limitations of JIT.
   (f) What do you mean by Product Life Cycle Costing ?
   (g) Give the meaning of Prototype Production Cost.
   (h) What is Learning Curve Ratio ? How do you calculate ?
   (i) Name any four applications of Learning Curve Approach.
   (j) Define Target Costing.
   (k) State any four features of Throughput Accounting.
   (l) Name any two limitations of Life Cycle Costing.

SECTION - B

Answer **any FOUR** questions. Each question carries **five** marks. **4x5=20**

2. Explain various categories of activities under Activity Based Costing.

3. Explain the features of Target Costing.

4. Examine the different categories of costs in Life Cycle Costing.

5. ABC Ltd., sells 25,000 units of SS77 annually which it purchases from PQR Ltd., its reputation for quality is the best in the industry.

ABC Ltd., is now considering adopting JIT purchasing. The purchase price of each unit of SS77 will increase by a small amount and more frequent small orders will be placed with PQR Ltd. Also, ABC Ltd., anticipates that realistically, under JIT purchasing, there will be stock-outs for about 50 units each year and each stock-out will cost about Rs. 300 to handle. The anticipated relevant changes are summarised here to enable you to compute estimated savings or loss for ABC Ltd., from the adoption of the JIT purchasing.

Particulars	Purchasing Policy	
	Current	JIT
Number of units ordered per year	25,000	25,000
Purchase price per unit (Rs.)	1800	1802
Ordering Cost per purchase order	200	200
Number of purchase orders per year	50	500
Required annual rate of return on investment (%)	20	20
Other carrying costs per unit per year (Rs.)	600	600
Expected number of stock-out units per year	-	50
Cost per stock-out unit (Rs.)	-	300

6. Raju Projects Ltd., anticipates 80% learning curve will apply to the production of a new item. The first item will cost Rs. 2000 in materials and will take 500 labour hours. The cost per hour for labour and variable overheads is Rs. 5. You are required to calculate the total cost for the first unit and for the first 8 units.

7. International Inc., manufactures game systems. It has decided to create and market a new system with wireless controls and excellent video graphics. Its managers are thinking of calling this the Yew. Based on past experience, they expect that the total life cycle of the Yew to be four years, with the design phase taking about a year. They budget the following costs for the year.

Year/s	Cost Particulars	Total Fixed Cost Over four years (Rs.)	Unit variable cost (Rs.)
1	Research and development costs	65,90,000	-
	Design costs	14,50,000	-
2 - 4	Production	1,95,60,000	50
	Marketing and distribution	52,42,000	10
	Customer service	29,00,000	-
Total		**3,57,42,000**	**60**

(a) Suppose the managers at the International Inc., price the Yew game system at Rs. 110 per unit. How many units do they need to sell to break-even ?

(b) Managers are thinking of two alternative pricing strategies as presented below :

(i) Sell the Yew at Rs. 110 each from the outset. At this price, they expect to sell 15,00,000 units over its life cycle.

(ii) Boost the selling price of the Yew in year - 2 when it first comes out to Rs. 240 per unit. At this price, they expect to sell 1,00,000 units in year - 2. In years 3 and 4 drop the selling price to Rs. 110 per unit. The managers expect to sell 12,00,000 units in years 3 and 4. Which pricing strategy would you recommend and why ?

SECTION - C

Answer **any THREE** of the following questions. Each question carries **ten** marks.

3x10=30

8. Describe the advantages and disadvantages of Cost Audit to different stakeholders.

9. Elucidate features of JIT and explain the methodology in implementation of JIT.

10. The Family store wants information about the profitability of individual product lines - Soft Drinks, Fresh Produce and Packaged Food. The Family store provides the following data for the year 2020-21 for each product line.

Particulars	Soft drinks	Fresh produce	Packaged food
Revenue (Rs.)	7,93,500	21,00,000	12,09,900
Cost of goods sold (Rs.)	6,00,000	15,00,000	9,00,000
Cost of bottles returned	12,000	0	0
Number of purchase orders placed	360	840	360
Number of deliveries received	300	2190	660
Number of hours of shelf- stocking time	540	5400	2700
Items sold	**1,26,000**	**11,04,000**	**3,06,000**

The Family Stores also provides the following information for the year 2020-21

Activity	Description of Activity	Total Cost (Rs.)	Cost-allocation Base
Bottle returns	Returning empty bottles	12,000	Direct tracing to Soft drinks
Ordering	Placing of orders for purchase	1,56,000	1560 purchase orders
Delivery	Physical delivery and receipt of goods	2,52,000	3150 deliveries
Shelf-stocking	Stocking of goods on store shelves and on-going restocking	1,72,800	8640 hours of shelf - stocking time
Customer support	Assistance provided to customers including check - out	3,07,200	15,36,000 items sold

Required :

(a) The Family Store currently allocates support costs (all costs other than cost of goods sold) to product lines on the basis of cost of goods sold of each product line. Calculate the operating income and operating income as a percentage of revenue for each product line.

(b) If Family Store allocates support costs (all costs other than cost of goods sold) to product lines using Activity-Based Costing System, calculate the operating income as a percentage of revenue for each product line.

(c) Comment on your answers in requirements (a) and (b).

11. PQ Ltd., makes and sells a labour intensive product. Its Labour force has a learning rate of 80% applicable only to direct labour and not to variable overheads. The cost per unit of the first product (i.e unit) is as follows :

Direct Materials : Rs. 10,000

Direct Labour (at Rs. 4 per hour) : Rs. 8,000

Variable Overhead : Rs. 2,000

Total Variable Cost : Rs. 20,000

PQ Ltd., has received an order from X Ltd., for four units of the product. Another customer, Y Ltd., is also interested in purchasing four units of the product. PQ Ltd., has the capacity to fulfill both the orders. Y Ltd., presently purchases this product in the market for Rs. 17,200 and is willing to pay this price per unit of PQ's product. Bit X Ltd., lets PQ choose one of the following options.

(a) A price of Rs. 16,500 per unit for the four units it proposes to take from PQ or

(b) Supply X Ltd.'s idle labour force to PQ for only four units of production with PQ having to pay only Rs. 1 per labour hour to X Ltd.'s workers. X Ltd.'s workers will be withdrawn after the first four units are produced. In this case, PQ need not use its labour for producing X Ltd.'s requirement. X Ltd. assures PQ that its labour force also has a learning rate of 80%. In this option, X Ltd. offers to buy the product from PQ at only Rs. 14,000 per unit.

X and Y shall not know of each other's offer. If both orders came before any work started, what is the best option that PQ may choose ? Under each of the two options, which order is more profitable and why ?

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M.Com. IV Semester (CBCS) Degree Examination, September/October - 2022

COMMERCE

100237

SC 4.5 (B) : International Financial Management

Time : 3 Hours Maximum Marks : 70

SECTION - A

Answer **any ten** of the following sub-questions. Each sub-question carries **two** Marks. **10x2=20**

1. (a) What do you mean by IFM ?
   (b) Define yankee bond.
   (c) What is PPP ?
   (d) What is meant by Netting ?
   (e) Which is the cheapest currency against US dollar in the world ?
   (f) What is Direct Quote ?
   (g) What is arbitrage ?
   (h) What is pip in forex rate ?
   (i) What is re-invoicing centre ?
   (j) What is Exchange Rate Risk ?
   (k) What is meant by Country Risk ?
   (l) What is GDR ?

SECTION - B

Answer **any four** questions. Each question carries **five** marks. **4x5=20**

2. Explain scope of international Financial Management briefly.

3. What is Transaction Exchange Exposure ? How it is managed ?

4. What are euro markets ? Explain its features.

5. Calculate cross rate of Rs/€ from Rs/$: 76.20/76.52, $/€ 1.2345/1.3542

6. Calculate premium/discount of Rs./\$: Spot Rate : 65.2369, 3 month forward rate: 67.2892, 6 month forward rate : 84.3256 and 9 month forward rate : 68.5812

7. The current spot exchange rate is HUF 250/\$1.00. Long - run inflation in Hungary is estimated at 10 percent annually and 3 percent in the United States. If PPP is expected to hold between the two countries, what spot exchange should one forecast five years into the future ?

SECTION - C

Answer **any three** of the following questions. Each question carries **ten** marks.
3x10=30

8. Compute covered Interest rate arbitrage from the given data as follows:

Spot Rate : Rs. 82.3465/£ , 6 month forward rate : Rs. 86.2456/£

Indian interest rate : 9% and US interest rate : 4%

9. What is Special Financial Vehicle ? Discuss its features, advantages and disadvantages.

10. Farm products is the Canadian affiliate of a US manufacturing comapany. Its balance sheet, in thousands of Canadian dollars, for January 1, 2011 is shown below. The January 1, 2011, exchange rate was C\$1.6/\$.

Farm Products Balance Sheet (Thousands of C\$)

Assets		Liabilities and Net worth	
cash	C\$ 1,00,000	Current liabilities	C\$ 60,000
Accounts Receivable	2,20,000	Long - term debt	1,60,000
Inventory	3,20,000	Capital stock	6,20,000
Net Plant and Equipment	2,00,000		
Total	**C\$ 8,40,000**		**C\$ 8,40,000**

Determine Farm Products Accounting exposure on January 1, 2012, using the Current rate method.

11. A US MNC is planning to install a manufacturing unit to produce 5,00,000 units of an automobile component in India. Setting up of the manufacturing plant will involve an investment outlay of Rs. 50 million. The plant is expected to have a useful life of 5 years with Rs.10 million salvage value. MNC will follow the straight line method of depreciation. To support the running of business, working capital of Rs. 5 million, will have to be invested ; variable cost of production and sales will be Rs.20 per unit. Additional fixed cost per annum is estimated at Rs. 2 million. The forecasted selling price is Rs.70 per unit. The MNC will be subjected to 40 percent tax rate in India and its required rate of return is 15 percent.

It is forecasted that the rupee will depreciate in relation to US dollar @ 3 percent per annum, with an initial exchange rate of Rs. 48/$. Accordingly, the exchange rates for the relevant 5 year period of the project will be as follows : Advice the MNC regarding the financial viability of the proposal.

Year	**Exchange Rate**
0	Rs.48/$
1	49.44/$
2	50.92/$
3	52.45/$
4	54.02/$
5	55.64/$

12. What is swap ? Explain different types of swaps and its features and advantages.

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M.Com. IV Semester Degree Examination, September/October - 2022

100291

COMMERCE

SC 4.5 (A) : Corporate Tax Planning and Management - II (Indirect Taxes - GST and Customs) (New)

Time : 3 Hours Maximum Marks : 70

Note : *Attempt all the questions.*

SECTION-A

1. Answer **any TEN** of the following sub-questions. Each sub-question carries **two** marks. **10x2=20**

(a) Define Indirect taxes.

(b) Differentiate between search and seizure under GST.

(c) Distinguish between Composite Supply and Mixed Supply.

(d) What do mean by Input Tax Credit ?

(e) State any two functions of GST Council.

(f) Who is a Casual Taxable Person under GST system ?

(g) Define Aggregate Turnover.

(h) List out any two benefits of composition levy scheme under GST.

(i) What is anti-dumping duty ?

(j) What is Duty Drawback Scheme ?

(k) Define Capital Goods under GST.

(l) State the types of Audit under GST.

SECTION - B

Answer **any four** questions. Each question carries **five** marks. **4x5=20**

2. 'GST' is a cure for ill effects of earlier indirect tax system' Discuss.

3. Explain the objectives and functions of GST Network in India

4. Explain the powers and functions of GST officers.

5. From the following information determine assessable value of the imported equipment.
   - (a) FOB cost of the equipment Yen 2,00,000
   - (b) Freight (Air) charges Yen 25,000
   - (c) Charges for development of equipment paid in India by importer Yen 2,000
   - (d) Insurance charges paid ₹ 10,000
   - (e) Local agents commission ₹ 20,000
   - (f) Exchange Rate as per RBI Yen 1 = ₹ 0.45
   - (g) Exchange Rate as per CBIC Yen 1 = ₹ 0.50

6. Vayu Ltd. provides you the following information relating to goods supplied by it to Agni Ltd.
   - (a) List price of the goods (exclusive of taxes and discounts) Rs. 76,000
   - (b) Special packing at the request of the customer to be charged to the customer Rs, 5,000
   - (c) Duty levied by the local authority on the sale of such goods Rs. 4,000.
   - (d) CGST and SGST charged in Invoice Rs. 14,400
   - (e) Subsidy received from an NGO (the price of Rs. 76,000 given above is after considering the subsidy) Rs. 5,000
   - (f) Vayu Ltd. offers 3% discount of the list price of the goods which is recorded in the invoice for the goods.

   Determine the value of taxable supplies made by Vayu Ltd.

7. An order is placed on Ram & Co. on 18th August for supply of a consignment of customized shoes. Ram & Co. gets the consignment ready and informs the customer and issues the invoice on 2nd December. The customer collects the consignment from the premises of Ram & Co. on 7th December and hands over the payment on the same date, which is entered in the accounts on the next day, 8th December. Determine What is the time of supply of the shoes?

SECTION - C

Answer **any three** questions. Each Sub-question carries **ten** marks.

3x10=30

8. Explain the salient features and significance of GST.

9. Explain in detail the procedure of registration under GST regime and special provisions relating to Non Resident Taxable Person.

10. Discuss various methods of valuation for determining assessable value under Customs Valuation Rules.

11. Compute the total customs duty payable under customs law on an imported machine, based on the following information.

(a) Cost of the machine at the factory of the exporter US $ 8,000

(b) Transportation Charges from the factory of the exporter to the port of shipment US $ 400

(c) Freight charges from exporting country to India US$ 3,000

(d) Buying Commission paid by the importer US$ 1,000

(e) Lighterage charges paid by the importer at port of importation Rs. 82,000

(f) Ship Demurrage (for delay in clearing goods from the port) charges paid to port of importation Rs. 20,000

(g) Date of Bill of Entry 20th January , 2021, Rate of BCD 12% , Exchange Rate as notified by CBIC US $ 1 = Rs.78

(h) Date of Entry Inward 25th March 2021, Rate of BCD 10%, Exchange Rates as notified by CBIC US$ 1 = Rs. 77

(i) Integrated Tax payable u/s 3 (7) of the Customs Tariff Act, 1975 is at 18%

Note : Give necessary explanations wherever necessary.

12. Y Ltd. owns a manufacturing unit in Karnataka. From the information given below, find out GST payable by X Ltd. for January 2022:

(a) Balance available in electronic credit ledger on January 1, 2022 ; Rs. 90,000

(b) Purchase of raw material A for Rs. 2,00,000 (+GST of Rs. 24,000) , 40 per cent of the raw material is used during January 2022 for manufacture of goods which are exempt from GST. The balance 60 percent is not used during January 2022. However, it will be used during February 2022 for manufacture of goods which are chargeable to GST.

(c) Purchase of raw material B for Rs. 50,000 (+GST of Rs. 9,000) This raw material is fully utilized for manufacture of articles during January 2022. These articles will be distributed as gift to distributors and agents.

(d) Purchase of raw material C for Rs.30,00,000 (+GST of Rs. 5,40,000) . This raw material is not used during January 2022. However, it will be used during the first quarter of next financial year for manufacture of those articles which are chargeable to GST.

(e) Installment paid to DLF of Rs. 10,00,000 (+GST of Rs. 1,20,000) . This installment pertains to a commercial flat which will be utilized as office of X Ltd. Construction, is likely to be completed during March 2022 ?

(f) Value of taxable outward supplies for January 2022: Rs. 90,00,000 (+GST @ 18 per cent)

(g) Value of outward supplies for January 2022 : Rs. 3,00,000 (GST : nil)

(h) Assume that conditions for claiming input tax credit (including conditions imposed by rule 36(4)] are satisfied

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