



**M.Com. III Semester Degree Examination, April/May - 2023**

**COMMERCE**

**Business Research Methods**

**(CBCS)**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any five** of the following questions with Question No. 1 (Q1) **Compulsory**, each question carries **equal** marks.

1. Define Ethics in Research. Brief out the importance of ethics in Business Research. **14**
2. What is Research Design ? Briefly explain the essentials characteristics and components of Research Design. **14**
3. What is primary data ? Briefly explain the methods of collecting primary data with their respective advantages and application. **14**
4. Answer the following sub-questions **14**
  - (a) What is F-test ? State the applications of F-Test.
  - (b) A Tea Company appoints four salesmen A, B, C and D and observes their sales in three seasons - Summer, Winter and Monsoon. The figures in lakhs are given in the following table :

Seasons	Salesmen				Total
	A	B	C	D	
Summer	36	36	21	36	129
Winter	28	29	31	31	119
Monsoon	26	28	29	29	112
Total	90	93	81	96	360

- (i) Do the salesmen significantly differ in performance ?
- (ii) Is there significant difference between summers ?
5. What is Research Report ? State the Critical Elements of Research report and precautions to be taken by the researcher in drafting the research report. **14**



6. Answer the following sub-questions :

- (a) What do you mean by measurement ? Differentiate Measurement and scaling. **4**
- (b) Differentiate Reliability and Validity. Briefly explain the tests of reliability. **5**
- (c) What is Hypothesis Testing ? Briefly explain the steps involved in Testing Hypothesis. **5**

7. Answer the following sub-questions :

- (a) A manufacturer claims that its rechargeable batteries are good for an average of more than 1,000 charges. A random sample of 100 batteries has a mean life of 1002 charges and a standard deviation of 14. Is there enough evidence to support this claim at  $\alpha=0.01$  ? **7**
- (b) A milk producers union, wishes to test whether the preference pattern of consumers for its products on income levels. A random sample of 500 individuals gives the following data : **7**

Income	Product Preferred		
	Product A	Product B	Product C
Low	170	30	80
Medium	50	25	60
High	20	10	55

Can you conclude that the preference patterns are independent of Income Levels ?

8. Answer the following sub-questions :

- (a) A consumer research organization routinely selects several car models each year and evaluates their fuel efficiency. In the year 2022, the organization selected two similar sub-compact models from two different automakers. The average gas mileage for 12 cars of brand A was 27.2 miles per gallon and the standard deviation was 3.8 mpg. The nine brand B cars that were tested and averaged 32.4 mpg and the standard deviation was 4.3 mpg at  $\alpha=0.01$ , should it conclude that Brand A cars are lower average gas mileage than do Brand B cars ? **5**
- (b) What is data processing ? Brief out the steps involved in data processing. **5**
- (c) Differentiate Sample, Sampling and Sampling design. **4**





**M.Com. III Semester Degree Examination, April/May - 2023**

**COMMERCE**

**Competency Based Human Resource Management**

**(CBCS)**

Time : 3 Hours

Maximum Marks : 70

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**Note :** (i) Answer any **Five** of the following questions with question no. **1 (Q.1) Compulsory**.  
(ii) Each question carries **Fourteen** marks.

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1. Define Performance Management System. Discuss how individual goals are linked with organizational goals in detail. **14**
2. What is competency ? Explain the different types of human resource competency. **14**
3. Discuss various competency models and suggest suitable competency model for a company to measure performance level of employees. **14**
4. Explain the various applications of competency mapping. **14**
5. What is the role of competency in career progression ? Explain in detail. **14**
6. (a) Differentiate between competence and competency. **7**  
(b) Explain the importance of competency development. **7**
7. (a) How do you map competency in selection of employees ? Explain. **7**  
(b) Define Transformational Competency. Explain its process. **7**
8. (a) Explain the factors influencing succession competency. **5**  
(b) Discuss the Lancaster model of competency. **5**  
(c) Explain the various key performance indicators of employees. **4**

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**M.Com. III Semester Degree Examination, April/May - 2023**

**COMMERCE**

**Strategic Cost Management**

**(CBCS)**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any five** of the following questions with question No. 1 (Q. 1) **Compulsory**. Each question carries **fourteen** marks.

1. A Company manufacturing two products furnishes the following data for a year : **14**

Product	Annual output (Units)	Total Machine hours	Total number of purchase orders	Total number of set-ups
<b>A</b>	10,000	40,000	320	40
<b>B</b>	1,20,000	2,40,000	768	88

The annual overheads are as under :

Volume related activity costs	₹ 11,00,000
Set-up related costs	₹ 16,40,000
Purchase related costs	₹ 12,36,000

You are required to calculate the cost per unit of each Product Star and Super Star based on :

- (a) Traditional method of charging overheads. **7**
- (b) Activity based costing method. **7**
2. (a) Explain the Factors Affecting Learning Curve. **7**
- (b) Raja Projects Ltd., anticipates 80% learning curve, will apply to the production of a new item. The first item will cost Rs. 2,000 in materials and will take 500 labor hours. The cost per hour for labor 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**



3. (a) What is Life Cycle Costing ? Explain in brief the phases of Life Cycle Costing. **7**
- (b) Vijay Fertilizers Ltd. supports the concept of the terotechnology (Life Cycle Costing) for new investment decisions covering its engineering activities. The finalized of this philosophy is now well established and its principles extended to all other areas of decision making. The company is to replace a number of its machines and the Production Manager is to run between the 'X' machine, a more expensive machine with a life of 12 years, and the 'W' machine with an estimated life of 6 years. If the 'W' machine is chosen it is likely that it would be replaced at the end of 6 years by another 'W' machine. The pattern of maintenance and running costs differs between the two types of machines and relevant data are shown below. **7**

Particulars	(Rs.)	
	X	W
Purchase price	19,000	13,000
Trade - in value	3,000	3,000
Annual repair costs	2,000	2,600
Overhead costs (p.a.)	4,000	2,000
Estimated financing costs averaged over machine life (p.a.)	10%	10%

You are required to recommend, with supporting figures, which machine to purchase, stating any assumptions made.

4. (a) What are the objectives of JIT approach ? Is JIT responsible for bringing changes in a firm ? Explain. **7**
- (b) XYZ Ltd. presently has its inventory turnover (based on cost of goods sold/ average inventory) at 10 times p.a. as compared with the industry average of 4. Average sales is Rs. 5,50,000. p.a., variable cost of sales is 70% of sales and fixed cost is Rs. 20,000 per annum. Carrying cost of inventory (excluding financing costs) is 5% per annum. Sales force complained that low inventory levels are resulting in lost sales due to stock-outs. The sales manager has made an estimate, based on stock-out reports as under : **7**

Inventory policy	Inventory turnover	Sales in Rs.
Current	10	5,50,000
A	8	6,00,000
B	6	6,40,000
C	4	6,65,000

On the basis of the above estimate and assuming a 40% tax rate and an after-tax required of 20% on investment in inventory, which policy would you recommend ?



5. (a) Explain the key principles of target costing. 7
- (b) Few details pertaining to the products of Star Company are presented below. 7  
Based on these, determine (a) target costs for each of the products and  
(b) cost-reduction targets for each of its products.

Particulars	Product			
	A	B	C	D
Expected sales quantity (Units)	1,00,000	1,50,000	2,00,000	50,000
Anticipated selling price (Rs.)	200	180	220	250
Desired rate of return on sales (%)	25	30	20	40
Current feasible cost per unit (Rs.)	160	130	190	200

6. Shree Ltd. has observed that a 90% learning curve ratio applies to all labor-related costs each time model enters production. It is anticipated that 320 units of a new model will be manufactured during 2020. Direct labor costs for the first lot of 10 units amount to 1,000 hours at Rs. 8 per hour. Variable overhead cost is Rs. 2 per direct labor hour. 14

You are required to determine the following.

- (a) Total labor and labor-related variable cost to manufacture 320 units of output.
- (b) Average cost of the first (i) 40 units produced, (ii) 80 units produced and (iii) 100 units produced.

Incremental cost of (i) units 41-80 and (ii) units 101-200.

7. (a) Explain the Methodology in Implementation of Just-In-Time. 7
- (b) Explain the methods for establishment of target cost. 7
8. Write a short note on :
- (a) Experience Curve 4
- (b) Project life cycle costing 5
- (c) Target costing Vs Traditional Cost Management 5





**M.Com. III Semester Degree Examination, April/May - 2023****COMMERCE****Accounting For Specialised Institutions  
(CBCS)**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any FIVE** of the following questions with Question No. 1 (Q1) **Compulsory**.  
Each question carries **Fourteen** marks.

1. (a) Describe the Need and Importance of Accounting for Educational Institutions. **7**  
(b) From the following particulars of Arabindo School, prepare Income and Expenditure Account and Balance Sheet as at 31<sup>st</sup> March 2022. **7**

Particulars	Amount (Dr)	Amount (Cr)
Security Deposit		2,50,000
Research Fund		5,00,000
Capital Fund		19,90,000
Tuition Fees		10,00,000
Government grants		7,00,000
Donations (Income)		1,00,000
Hostel Room rent		2,10,000
Mess Receipts		1,80,000
Salary	10,50,000	
Scholarships	1,00,000	
Student welfare expenses	40,000	
Sports expenses	60,000	
Repairs and maintenance	1,25,000	
Miscellaneous expenses	50,000	
Building	20,00,000	
Furniture	7,00,000	
Buses	5,00,000	
<b>Provision for depreciation</b>		
(a) Building		2,00,000
(b) Furniture		70,000
(c) Buses		75,000
Bank Balance	6,50,000	
<b>Total</b>	<b>52,75,000</b>	<b>52,75,000</b>





2. (a) "A contract of insurance is a contract of indemnity". Discuss. How far does the statement apply to life insurance policies ? 7
- (b) From the following balances as at March 31, 2022 in the books of General Insurance Co. Ltd. prepare a Revenue Account in respect of Fire Insurance business carried on by them : 7

Particulars	Amount ₹ in '000
1. Claims Paid	4,80,000
2. Claims outstanding on 01.04.2021	40,000
3. Claims intimated and accepted but not paid on 31.03.2022	70,000
4. Premium received	12,12,000
5. Reinsurance premium paid	1,20,000
6. Commission	2,00,000
7. Commission on reinsurance ceded	8,000
8. Reserve for unexpired risks as on 01.04.2021	4,00,000
9. Additional Reserve for unexpired risks on 01.04.2021	20,000
10. Commission on reinsurance accepted	4,000
11. Expenses of Management	3,14,000
12. Reinsurance recoveries of claims	8,000
13. Survey expenses regarding claims	5,000
14. Loss on sale of motor car	3,500
15. Bad debts	2,500
16. Refund of Double Taxation	4,500
17. Interest and Dividends	8,000
18. Legal expenses regarding claims	4,000
19. Profit on sale of investments	3,500
20. Rent of staff quarters deducted from salaries	2,400
21. Depreciation on furniture	4,600

You are required to provide for additional reserve for unexpired risk at 1 percent of the net premium in addition to the opening balance of Additional reserve.



3. Following balances were extracted on the closing date 31<sup>st</sup> March 2022 from the books of Adani Bank Ltd. You are required to prepare Balance sheet and Profit and loss A/c of the bank. 14

Particulars	Amount Rs in '000s
Current Deposits	45,500
Savings Bank Accounts	14,520
Fixed Deposits	37,180
Sundry creditors Accounts	454
Deposit due to other banks secured by Investments	12,200
Bills for collection being Bills Receivable	22,100
Acceptances and endorsements for customers	11,168
Rebate on Bills Discounted	15
Branch adjustment (Cr)	4,555
Statutory Reserve	10,000
Dividend Equalization Fund	2,500
Capital : 2 Lakh shares of Rs. 100 each, Rs. 50 paid up	10,000
Interest and Discount received	5,800
Exchange and Commission (Cr.)	1,700
General charges recovered	55
Profit and Loss A/c Balance on 01.04.2021	852
Cash in hand and with RBI	487
Cash with Bank	6,869
Money at call and short notice	1,500
Investments in Govt. Securities	45,200
Investments in shares	4,700
Interest accrued on investments	875
Cash credits and loans	44,100
Bills Discounted	33,100
Furniture, Fixtures and Equipment	500
Postage and Telegrams	500
Interest Paid	1,200
Law Charges	100
Payment to Employees	2,400
Directors Fees	100
Stationery and Advertisements	400
Miscellaneous Expenses	300
Land and Building	3,500
Depreciation Reserve	500



Provide for :

- (a) Reserve for Taxation Rs. 5 Lakhs.
- (b) Transfer to General Reserve Rs. 15 Lakhs.
- (c) Transfer to Dividend Equalization fund Rs. 5 Lakhs.

- 4.** (a) Define Accounting for Hotels. Why is the Visitor's Ledger maintained by a Hotel ? Discuss. **7**
- (b) (i) A Hotel in Mumbai has 864 rooms in total, of which 76 rooms are used by the hotel for its operations and 28 rooms are used by the staff of the hotel. On 2<sup>nd</sup> January 2022, 646 rooms were occupied by customers. Find the occupancy rate. **7**
- (ii) A hotel in Kolkata has 240 single bed rooms and 360 double bed rooms available for letting. On 26<sup>th</sup> January 2022, 520 rooms were occupied by 832 guests. Calculate the double occupancy rate.
- (iii) A hotel in Chennai has 160 single bed rooms, 240 double bed rooms and 6 dormitories having 9 beds each. On 1<sup>st</sup> February 2022, 120 single bed rooms, 180 double bed rooms and 2 dormitories were occupied by guests. Calculate the bed occupancy rate.
- 5.** (a) Define Government Accounting. Explain the General Principles of Government Accounting. **7**
- (b) Define the duties and responsibilities of the Comptroller and Auditor General of India in regard to accounts. **7**



6. The under mentioned balances form part of the trial balance of New Life Assurance Co. Ltd. As on 31<sup>st</sup> March 2022. **14**

1. Amount of Life Assurance fund at the beginning of the year	Rs. 14,70,562
2. Claims by death	Rs. 76,980
3. Claims by maturity	Rs. 56,420
4. Premiums	Rs. 2,10,572
5. Expenses of Management	Rs. 19,890
6. Commission	Rs. 26,541
7. Consideration for annuities granted	Rs. 10,712
8. Interests, dividends and Rents	Rs. 52,461
9. Income tax paid on profits	Rs. 3,060
10. Surrenders	Rs. 21,860
11. Annuities	Rs. 29,420
12. Bonus paid in Cash	Rs. 9,450
13. Bonus paid in reduction of premiums	Rs. 2,500
14. Preliminary expenses balance	Rs. 600
15. Claims admitted but not paid at the end of the year	Rs. 10,034
16. Annuities due but not paid	Rs. 2,380
17. Capital paid up.	Rs. 14,00,000
18. Government Securities	Rs. 24,90,890
19. Sundry fixed assets	Rs. 4,19,110

Prepare Revenue Account and the Balance sheet after taking into account the following.

(a) Claims covered under re-insurance by death	Rs. 10,000
(b) Further claims intimated by death	Rs. 8,000
(c) Further bonus utilised in reduction of premium	Rs. 1,500
(d) Interest Accrued	Rs. 15,400
(e) Premiums outstanding	Rs. 7,400



7. The balances in the books of Hotel Amar as at 31.03.2022 were as follows :

14

Particulars	Dr Rs.	Cr Rs.
Furniture as on 31.03.2021	33,400	---
Room Rent from Guests	---	63,000
Capital	---	1,05,600
Billiard Tables as on 31.03.2021	17,800	---
Bank Deposits	56,600	---
China Glass, Cutlery as on 31.03.2021	4,000	---
Interest on Deposit A/c	---	1,600
Stock in Bar on 31.03.2021	20,200	---
Stock in Restaurant on 31.03.2021	600	---
Purchases for Restaurant	2,15,600	---
Purchases for bar	1,64,400	---
Restaurant Takings (Sales)	---	3,23,200
Rent and Rates	69,800	---
Bar Takings (Sales)	---	2,61,000
Establishment Expenses	1,24,600	---
Billiards and sundry Receipts	---	51,200
Repairs	35,800	---
Cash in Hand	2,600	---
Fuel and Light	35,000	---
Creditors	---	35,600
Sundry Expenses	26,800	---
Bank Balance	18,200	---
Debtors	15,800	---
	<b>8,41,200</b>	<b>8,41,200</b>

You are required to Prepare Separate Trading Account for the Restaurant and Bar and Profit and Loss A/c for the year ended 31.03.2022 and Balance sheet after taking the following adjustments.

- (a) Stock on 31.03.2021 Restaurant Rs. 400, Bar Rs. 5,800.
- (b) Depreciated Furniture at 10% and Billiards 15%.



8. (a) Briefly explain the “Reserve for Unexpired Risk” under General Insurance Business. What are the percentages of such reserve to be created under IRDA Act for various General Insurance Businesses ? 5
- (b) Briefly explain the legal provisions relating to the final accounts of a banking company. 5
- (c) Write a note on Compilation of Accounts under Government Accounts in India. 4

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**M.Com. III Semester Degree Examination, April/May - 2023**

**COMMERCE**  
**FINANCIAL DERIVATIVES**  
**(CBCS)**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any five** of the following questions with Question No. 1 (Q1) **Compulsory**. Each question carries **fourteen** marks.

1. (a) Define Derivatives. Explain the usefulness and critiques against derivatives. **10**  
 (b) Describe the functions of participants in derivatives market. **4**
2. (a) What are the orders placed by the investors in futures market ? Discuss. **10**  
 (b) Trace out the evolution of derivatives market in India. **4**
3. (a) Discuss the features of different derivative instruments. **10**  
 (b) List out the shortcomings of forwards and futures. **4**
4. On January 1, 2022 an investor has a portfolio of 5 shares as given here : **14**

Security	Price	No. of Shares	Beta
A	59.50	5,000	1.05
B	81.85	8,000	0.35
C	101.10	10,000	0.80
D	125.15	15,000	0.85
E	140.50	1,500	0.75

The cost of capital to the investor is 12.5% per annum. You are required to compute :

- (a) Calculate beta of his portfolio.
- (b) Calculate the theoretical value of the NIFTY futures for February.
- (c) If its current value is 1005 and NIFTY futures have a minimum lot requirement of 200 units, obtain the number of contracts of NIFTY he needs to sell in order to get a full hedge until February for his portfolio. Assume that the futures are trading at their fair value.
- (d) Calculate the number of futures contracts, the investor should trade if he desires to reduce the beta of his portfolio to 0.9.



5. (a) The current market price of equity is Rs 80. The price may rise to Rs 100 or fall to Rs 70. The annual risk free rate is 10%, a call option on this equity has an exercise price of Rs 80 and an expiration date of one year from now. What is the fair value of call option today as per Binomial model ? **7**
- (b) The shares of BSE Ltd. are currently priced at Rs 415 and a call option exercisable at 3 months' time as an exercise rate of Rs 400. Risk free rate of interest is 5% p.a. and standard deviation is 22%, based on the assumption that BSE Ltd. is not going to declare any dividend over the next 3 months. Calculate the value of call option as per Black Scholes Model. **7**
6. (a) Describe the trading mechanism. **7**
- (b) Mr. Vikram enters into a short futures contract for two contracts consisting of 100 shares at Rs 600 per share. The exchange has fixed the initial margin at Rs 4000. The maintenance margin was fixed at Rs 75% of initial margin. Show the operation of Margin amount by taking the following information on futures prices of shares. **7**

Trading Day	Futures prices(Rs)	Trading Day	Futures prices(Rs)
1	600	8	612
2	602	9	607
3	608	10	603
4	605	11	600
5	610	12	598

7. (a) Calculate the value of stock index futures contract using following data : **7**
- (i) Assume that the spot value of the index is 3090, the continuously compounded risk free rate of return is 8% p.a and time to expiration is 76 days. Find the value of futures contract, assuming multiplier to be 100.
- (ii) Consider a three-month futures contract on NSE - 50. Assume that the spot value of the index is 1090, the continuously compounded risk free rate of return is 12% p.a and the continuously compounded yield on shares underlying the NSE-50 is 4% p.a. Find the value of futures contract, assuming multiplier to be 200.
- (b) Calculate the pay-off of Long Put and Short Put from the following data and draw the pay-off diagram. Underlying - Wipro Company Ltd stock, style of option - European, exercise price is Rs 150 per share, option premium is Rs 10 per share, assume spot price at expiration is Rs 120, Rs 130, Rs 140, Rs. 150 Rs 160, Rs. 170 Rs. 180 per share. **7**





8. (a) Calculate the forward price from the following data 5
- (i) A forward contract is entered into to purchase a coupon (interest) bearing bond
  - (ii) Current price of the bond Rs. 1,00,000
  - (iii) Coupon rate 8% p.a.
  - (iv) Interest is payable semi-annually
  - (v) Interest is payable after 3 months and 9 months respectively from the data of entering into the forward contract.
  - (vi) The maturity period of the forward contract is 10 months.
  - (vii) Risk free interest = 6% p.a.
  - (viii) Spot price of the bond is Rs 9500
- (b) Explain the features of options contract. 5
- (c) List out premier derivative exchanges operating across the world. 4

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**M.Com. III Semester Degree Examination, April/May - 2023**

**COMMERCE**

**Advanced Bank Management**

**(CBCS)**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any five** of the following questions with Question No. 1 (Q 1) **Compulsory**.  
Each question carries **fourteen** marks.

1. (a) Define Bank management. Explain the functions of Bank management. 7  
(b) Discuss the future of Indian banking system. 7
2. (a) Explain the procedure of evaluating the credit worthiness of applicants. 7  
(b) Write a detailed note on priority sector lending and socio-economic policies. 7
3. (a) Discuss the objectives and importance of liquidity management. 7  
(b) What is ALM ? Explain the process of ALM. 7
4. (a) Write the concept and importance of customer relationship management in banking. 7  
(b) Discuss the Redressal procedure of resolving customer grievances in banking. 7
5. (a) Describe the tools and techniques of e-banking services. 7  
(b) Explain the opportunities and challenges of e-banking services. 7
6. (a) Enumerate in detail the provisions and recovery measures of NPA. 7  
(b) Explain the theories of liquidity management. 7
7. (a) Mention the process of developing a good relationship with customer in Bank. 7  
(b) What is mobile banking ? Explain the objectives and relevance of mobile banking at present scenario. 7



- 8.** (a) Write a detailed note on the investment management of banking system. 5
- (b) What is KYC ? Explain the features of customer relationship management. 5
- (c) Write a note on the cyber crimes and fraud management in banking sector. 4

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**M.Com. III Semester Degree Examination, April/May - 2023**

**COMMERCE**

**Income Tax Planning and Management**

**(CBCS)**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any five** of the following questions with Question **No. 1 Compulsory**, each question carries **equal** marks.

1. (a) Define Company. Explain the provisions for determination of residential status and incidence of tax of a company under Income Tax act. **6**
- (b) Briefly describe the tax planning provisions with respect to residential status of Individual assessee. **8**
2. (a) The following information is relating to XYZ Company Ltd., Davangere. You are required to ascertain the depreciation admissible for the PY 2022-23. **7**

Particulars	Plant and Machinery in (Rs)	Buildings in (Rs)
WDV as on 1 <sup>st</sup> April, 2022	2,50,000	10,00,000
Additional purchases as on 1 <sup>st</sup> September, 2022	3,00,000	2,00,000
Sales during the year	1,50,000	4,00,000
Rate of Depreciation	15%	10%
<b>NOTE :</b> New purchase of Plant and Machinery is eligible for additional depreciation.		

- (b) Mr. 'J' provided following information and asked you to compute the taxable Capital Gain and Tax Liability thereon. **7**
- (i) Cost of acquisition of residential house in 2001-02 is ₹ 2,00,000
- (ii) Sale consideration on 02.06.2022 is ₹ 20,00,000
- (iii) Cost of new house purchased for residential purpose by due date of filing of return is ₹ 7,00,000
- (iv) CII in 2001-02 = 100 and 2022-23 = 331



3. The following is the Profit and Loss Account of 'B' Company Ltd., for the year 14 ending 31/03/2022

Particulars	Amount (₹)	Particulars	Amount (₹)
To Salaries	3,00,000	By Domestic sale	25,00,000
To Rent	2,00,000	By Export Sale	10,00,000
To Repairs	1,20,000	By Transfer from General Reserve	1,00,000
To Selling Expenses	3,50,000	By Withdrawal from revaluation reserve	1,00,000
To Depreciation (Normal)	3,00,000		
To Depreciation (Revaluation)	2,00,000		
To Income Tax	3,60,000		
To Proposed Dividend	2,70,000		
To Net Profit	16,00,000		
<b>Total</b>	<b>37,00,000</b>	<b>Total</b>	<b>37,00,000</b>

**Other Information :**

- (a) The Company has LTCG of Rs. 1,00,000 which is not credited to Profit and Loss Account.
- (b) Depreciation U/S 32 is Rs. 4,50,000
- (c) The company wants to set off the following :

Particulars	For Tax Purpose	For Accounting Purpose
Brought Forward Loss of 2019-20	₹ 5,00,000	₹ 4,00,000
Unabsorbed Depreciation	₹ 2,00,000	₹ 2,00,000

Compute the Taxable Income, Book Profit and Tax Liability of the Company for the AY 2022-23.



4. 'S' Ltd. produces most of its own parts and components. The standard wage rate in the parts department is ₹ 12 per hour. Variable manufacturing overheads is applied at a standard rate of ₹ 9 per labour hour and fixed manufacturing overheads are charged at a standard rate of ₹ 10.50 per hour. For its current year production company required a new component, this component can be made in the parts department without any expansion of existing facilities. It would be necessary to increase cost of product testing and inspection to ₹ 15,000 per month. Estimated labour time for the new component is half an hour per unit. Raw material cost has been distributed at ₹ 24 per unit. The alternative choice before the company is to purchase the required component from an outside supplier at ₹ 36 per unit. The company has estimated that it will need 2,00,000 new components during the year. 14

Advise the company, whether it would be more economical to buy or to make the new component.

5. Mr. Gopal estimated the following income for the FY 2022-23. 14
- (a) Income from House Property ₹ 3,00,000.
- (b) Income from Profession ₹ 4,00,000.
- (c) Income from Other Sources ₹ 1,00,000.

He is eligible to claim deduction U/S 80C of ₹ 80,000. Determine the amount of advance tax payable by Mr. Gopal on installment basis during the FY 2022-23, and also suggest him the due dates of installment.

6. (a) Illustrate the provisions relating to carry forward and set-off MAT Credit. 7
- (b) From the following information calculate taxable income after making necessary adjustments of losses; 7

Particulars	Situation I (₹)	Situation II (₹)
Long Term Capital Gain/Loss	1,70,000	– 3,00,000
Short Term Capital Gain/Loss	– 50,000	1,10,000
Business Income/Loss	– 80,000	– 90,000

**Note :** Give necessary explanations wherever necessary as working notes.



7. (a) ABC Company has currently all equity shares capital structure consisting of 15,000 Equity Shares of ₹ 100 each. The management is planning to raise another ₹ 25 Lakh rupees to finance a major programme of expansion and is considering the following 3 alternatives of financing. **7**
- (i) To issue 25,000 Equity Shares of ₹ 100 each
  - (ii) To issue 25,000, 8% Debentures of ₹ 100 each
  - (iii) To issue 25,000, 8% Preference Shares of ₹ 100 each
- The company's EBIT is expected at ₹ 8,00,0000. The corporate tax rate is 31.2%. Determine EPS in each alternative and comment on which alternative is best.
- (b) Briefly describe different types of assessment and procedure for E - Filing of returns. **7**
8. (a) Briefly describe tax planning provisions relating to Capital Gains. **5**
- (b) Tax Planning v/s Tax Evasion. **5**
- (c) Comment on 'Interest on delay in payment of Advance Tax'. **4**

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**M.Com. III Semester Degree Examination, April/May - 2023**

**COMMERCE**

**Financial Econometrics  
(CBCS)**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any five** of the following questions with Question No.1 (Q.1) **Compulsory**.  
Each question carries **fourteen** marks.

1. (a) What is financial econometrics ? Explain nature of financial econometrics. **7**  
(b) Discuss the differences between econometrics and financial econometrics. **7**
2. (a) What is regression analysis ? Enumerate its assumptions. **7**  
(b) Briefly explain diagnostic tests of regression analysis. **7**
3. (a) Explain the steps involved in evaluating AR and MR. **7**  
(b) Explain the forecasting approaches in econometrics. **7**
4. (a) What is VAR ? Explain its advantages and disadvantages. **7**  
(b) When VAR is calculated ? Describe. **7**
5. (a) What is non-linear model ? Explain its types. **7**  
(b) Explain the models of volatility. **7**
6. (a) Explain the steps for calculating regression output. **7**  
(b) Discuss Box-Jenkins approach. **7**
7. (a) Discuss methods for estimating simultaneous equation model. **7**  
(b) Explain the steps for calculating GARCH model. **7**
8. Write a note on :  
(a) Goodness of fit statistics **5**  
(b) Partial Auto Correlation **5**  
(c) Optimum lag **4**

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**M.Com. III Semester (CBCS) Degree Examination, April/May - 2023**

**COMMERCE**

**Insurance Management**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any five** of the following questions with Question No. **1 (Q1) Compulsory**. Each question carries **fourteen** marks.

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1. (a) Briefly explain the different types of Insurance. 7  
(b) Describe the characteristics of Insurance. 7
  2. (a) Explain the various types of health insurance policies with merits and demerits. 7  
(b) Describe the procedure to be followed for claiming total losses and general average losses. 7
  3. (a) What is rate making ? Briefly explain the objectives of rate making. 7  
(b) Discuss the basic methods of rate making life and general insurance. 7
  4. (a) Examine the importance of claims settlements. 7  
(b) Outline the general guidelines for settlement of claims. 7
  5. (a) Discuss the powers and functions of IRDA. 7  
(b) Discuss the protection of insurance policy holders under IRDA act. 7
  6. (a) Discuss the different types of life insurance products with merits and demerits. 7  
(b) Give a detailed note on premium concepts. 7



- 7.** (a) Write a note on expected claim costs. **7**
- (b) Outline the major highlights of IRDA act towards consumer protection. **7**
- 8.** Write a note on :
- (a) Life Insurance annuities **5**
- (b) Process of claim settlement **5**
- (c) Transfer of Property Act. **4**

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