



M.Com III Semester Degree Examination, April/May - 2024

COMMERCE

**Accounting For Specialised Institutions
(NEP)**

Time : 3 Hours

Maximum Marks : 70

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

1. Explain the features and importance of Accounting for Educational Institutions. **14**
2. From the following balances of Wi-Fi General Insurance Company Ltd. as on 31st March 2023. Prepare : **14**
 - (a) Fire Revenue Account
 - (b) Marine Revenue Account
 - (c) Profit and Loss Account

Particulars	Amount ₹ 000
1. Survey Expenses regarding claims (Fire)	10,000
2. Additional Reserve (Opening-Fire)	50,000
3. Commission paid : (a) Marine	1,08,000
(b) Fire	90,000
4. Claims paid and outstanding : (a) Marine	3,80,000
(b) Fire	1,80,000
5. Fire Fund-Opening	2,50,000
6. Marine Fund-Opening	8,20,000
7. Bad debts recovered (General)	1,200
8. Share transfer fees (General)	800
9. Directors fees (General)	5,000
10. Auditors fees (General)	1,200
11. Bad debts (a) Marine	12,000
(b) Fire	5,000
12. Commission earned on reinsurance ceded : (a) Marine	60,000
(b) Fire	30,000
13. Management Expenses : (a) Fire	1,45,000
(b) Marine	4,00,000
14. Marine Premium Less Reinsurance	10,80,000
15. Fire Premium Less Reinsurance	6,00,000
16. Profit on sale of Land (General)	60,000
17. Miscellaneous Receipts (General)	5,000
18. Difference in exchange (Cr) (General)	300
19. Interest, dividends etc received (General)	14,000
20. Depreciation (General)	35,000

In addition to usual reserve, additional reserve in case of fire insurance is to be increased by 5% of net premium.



3. (a) Mention the various provisions to be made by a banking company in regard to its quality of assets. **7**
- (b) From the following information, prepare Profit and Loss Account of Vasavi Bank Ltd. for the year ended 31st March, 2023. **7**

Particulars	Amount ₹
Interest on Loans	3,00,000
Interest on fixed deposits	2,75,000
Commission	10,000
Exchange and brokerage	20,000
Salaries and allowance	1,50,000
Discount on bills (gross)	1,52,000
Interest on temporary overdrafts in current account	30,000
Interest on cash credits	2,40,000
Interest on Savings bank deposit	87,000
Postage and stamps	10,000
Printing and Stationery	20,000
Sundry Expenses	10,000
Rent	15,000
Taxes and Licenses	10,000
Audit fees	10,000

Additional Information :

- (a) Rebate on bills discounted is ₹ 30,000.
- (b) Bad Debts ₹ 40,000.
- (c) Provision for income tax is to be made @ 55%.
- (d) Interest of ₹ 4,000 on doubtful debts was wrongly credited to interest on loan account.
- (e) Provide ₹ 15,000 as dividend.
4. (a) Explain the nature of Hotel Business. Also explain the various departments in a hotel. **7**
- (b) From the following particulars pertaining to four rooms in a hotel, draw up a suitable Visitor's Ledger. **7**
- (i) Room Rent for each room ₹ 500 + 12% tax.
- (ii) Room 1 : Breakfast ₹ 45, Laundry ₹ 50. Phone call charges ₹ 15.
- (iii) Room 2 : Lunch ₹ 85, Phone calls ₹ 125, Wine ₹ 60, Previous day's outstanding amount ₹ 1,250.



- (iv) Room 3 : Private taxi hired from hotel ₹400, Phone calls ₹350, Dinner ₹125, Whisky ₹100, Deposit ₹3,500 with the hotel.
- (v) Room 4 : Opening due from the guest ₹575, Laundry ₹30, Lunch ₹120.
- (vi) The guest in Room 3 is a regular visitor and is entitled to a discount of 20% on room rent.
- All the foregoing transactions pertain to a single day.

5. (a) Define Government Accounting. Explain its objectives. **7**
- (b) Explain the General principles to be followed while preparing Government Accounts in India. **7**
6. Define Banking. Explain the legal provisions relating to the Final Accounts of a banking company. **14**
7. Following are the balances obtained from the ledger of Hotel Shivakrupa on 31st March 2023. **14**

Particulars	Amount ₹	Particulars	Amount ₹
Capital	1,50,000	<u>Purchases</u> :	
Freehold Premises	1,00,000	(a) Provisions and Stores	10,000
China Glass and Plates	10,000	(b) Liquors	15,000
Furniture and Fixtures	25,000	(c) Cigarettes	1,000
Drawings	2,500	(d) Coal	5,000
Wages and Salaries	40,000	<u>Sales</u> :	
Rates and Insurance	12,500	(a) Food items	40,000
Laundry Charges	4,000	(b) Beverages	10,000
Linen and Beddings	10,000	(c) Liquors	25,000
Electricity Light	6,500	(d) Cigarettes	1,500
General Expenses	6,000	Rent from Rooms	1,00,000
Visitors Account	5,000	Repairs and Renewals of Premises	10,000
Sundry Creditors	7,500	<u>Depreciation</u> :	
<u>Stock as on 01-04-2022</u> :		(a) On Premises	10,000
(a) Liquors	20,000	(b) On Furniture	2,500
(b) Cigarettes	500	(c) Glass and Plates	1,000
(c) Provision and Stores	4,000	(d) Linen and Beddings	1,500
(d) Coal	1,000	Cash in hand	5,000
Cash at Bank	26,000		



Adjustments :

1. Stock on 31.03.2023 are as follows : Provisions and Stores ₹5,000, Liquors ₹7,500, Cigarettes ₹250, Coal ₹1,500.
2. A sum of ₹5,000 representing accommodation and ₹4,000 representing meals is to be charged to the proprietor.
3. Insurance paid in advance ₹500.
4. Outstanding Salaries ₹2,500.

From the above details, prepare Final Accounts of **Hotel Shivakrupa** for the year ended 31st March 2023.

8. (a) "A contract of insurance is a contract of indemnity". Discuss. **5**
- (b) From the following particulars of the Life Insurance Company prepare valuation Balance sheet as on 31.03.2023 and distribution statement as on that date. (₹ in Lakhs) **5**
- | | |
|--|--------|
| (i) Life insurance fund as on 31.03.2023 | ₹3,800 |
| (ii) Net liability as per valuation | ₹3,000 |
| (iii) Interim bonus paid | ₹500 |
- (c) Write a note on Public Accounts Committee. **4**

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M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Advanced Bank Management

(NEP)

Time : 3 Hour

Maximum Marks : 70

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

1. Discuss the functions and structure of Banks. 14
2. Explain types of commercial bank loans and discuss the principles of Sound Bank Lending. 14
3. Elucidate any two theories of Liquidity Management. 14
4. Describe features and fundamentals of Customer Relationship in Banking. 14
5. Critically evaluate the tools and techniques of E-Banking. 14
6. (a) Examine the securities for Banker's Loan. 7
(b) Briefly discuss process of Assets and Liability Management. 7
7. (a) Explain portal quality management in Banks. 7
(b) Analyse latest banking apps which are used by the customers. 7
8. (a) Briefly explain pattern of Investment. 5
(b) Write a note on Bank Ombudsman. 5
(c) Highlight the challenges of E-banking. 4

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M. Com. I Semester Degree Examination, April/May - 2024

COMMERCE

Advanced Financial Management

(NEP)

Time : 3 Hours

Maximum Marks : 70

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

1. (a) Explain “Wealth maximisation” and “Profit maximisation” objectives of Financial Management. **7**
- (b) A borrower offers 16 percent nominal rate of interest with quarterly compounding. What is the effective rate of interest ? **7**
2. Phoenix Company is Considering two mutually exclusive investments, Project P and Project Q. The expected cash flows of these projects are as follows :

Year	0	1	2	3	4	5
Project P (Rs.)	(1000)	(1200)	(600)	(250)	2000	4000
Project Q (Rs.)	(1600)	200	400	600	800	100

- (a) Construct the NPV Profiles for Projects P and Q.
- (b) What is each project’s MIRR if the cost of capital is 12 percent ? **14**
3. (a) Discuss the Marginal Cost of Capital. **7**
- (b) ABC Company’s equity share is quoted in the market at Rs. 25 per share currently. The company pays a dividend of Rs. 2 per share and the investor’s market expects a growth rate of 6% per year.
You are required to :
- (i) Calculate the company’s cost of equity capital.
- (ii) If the company issues 10% debentures of face value of Rs. 100 each and realise Rs. 96 per debenture while the debentures are redeemable after 12 years at a premium of 12%. Calculate cost of debenture using YTM ? Assume Tax Rate to be 50%. **7**
4. Define Working Capital Management. Discuss the features and importance of WCM. **14**



5. With the help of following figures calculate the market price of a share of a company by using :

- (i) Walter's formula
 (ii) Dividend growth model (Gordon's formula)
- | | |
|---------------------------------------|--------|
| Earnings per share (EPS) | Rs. 10 |
| Dividend per share (DPS) | Rs. 6 |
| Cost of Capital (Ke) | 20% |
| Internal rate of return on investment | 25% |
| Retention ratio | 40% |

14

6. As a part of the strategy to increase sales and profits, the sales manager of a company proposes to sell goods to a group of new customers with 10% risk of non-payment. This group would require one and a half months credit and is likely to increase sales by Rs. 1,00,000 p.a. Production and selling expenses amount to 80% of sales and the income-tax rate is 50%. The company's minimum required rate of return (after tax) is 25%. Should the sales manager's proposal be accepted? Analyse. Also compute the degree of risk of non-payment that the company should be willing to assume if the required rate of return (after tax) were (i) 30%, (ii) 40% and (iii) 60%.

14

7. The management of Royal Industries has called for a statement showing the working capital to finance a level of activity of 1,80,000 units of output for the year. The cost structure for the company's product for the above mentioned activity level is detailed below :

	Cost per unit (Rs.)
Raw material	20
Direct labour	5
Overheads (including depreciation of Rs. 5 per unit)	<u>15</u>
Profit	40
Selling price	<u>10</u>
	50

Additional information :

- (a) Minimum desired cash balance is Rs. 20,000.
 (b) Raw materials are held in stock on an average for two months.
 (c) Work-in-progress (assume 50% completion stage) will approximate to half a month's production.
 (d) Finished goods remain in warehouse on an average for a month.
 (e) Suppliers of materials extend a month credit and debtors are provided two months credit; Cash sales are 25% of total sale.
 (f) There is a time-lag in payment of wages of a month; half a month in the case of overheads.

From the above facts you are required to prepare a statement showing working capital requirements.

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8. Write notes on :

- (a) NPV
 (b) RoI and RoE
 (c) EOQ

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M.Com III Semester Degree Examination, April/May - 2024

COMMERCE

Basics of Goods and Services Tax

(NEP)

Time : 1 Hour

Maximum Marks : 30

SECTION - A

1. Answer **all** the following questions. Each question carries **one** mark. **5x1=5**
- (a) What is GST ?
 - (b) State the types of GST.
 - (c) What is place of Supply ?
 - (d) What is GSTN ?
 - (e) State any two advantages of GST.

SECTION - B

Answer **any five** questions. Each question carries **two** marks. **5x2=10**

- 2. State Salient features of GST.
- 3. Write a note on Significance of GST.
- 4. What is Agent and Aggregate turnover ?
- 5. State types of Supply.
- 6. Who is liable for registration under GST ?
- 7. State special provision of states and union territories under GST.
- 8. What is E Way Bill ?



SECTION - C

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

3x5=15

9. What are powers and functions of GST Council ?
10. Write a note on HSN Classification of Goods.
11. Explain GST E-Filing provisions.
12. A retailer purchases goods worth Rs. 12,000 from a wholesaler. If the GST rate applicable is 12%, calculate the taxable value and the total tax liability for the retailer.
13. Compute the value of taxable supply and GST payable for the month of July 2023 from the following particulars.
 - a. Cost of inputs purchased from local markets, Rs. 1,50,000
 - b. Storage cost incurred Rs. 30,000
 - c. Transportation cost Rs. 20,000
 - d. Goods sold at a profit margin of 25% on Cost.
 - e. Applicable GST rate is 18% on sales.

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M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Business Research Methods

(NEP)

Time : 3 Hours

Maximum Marks : 70

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

1. What is a Research ? Explain in brief the different types of research with examples. **14**
2. (a) What is Research Design ? Briefly explain the features of good research design. **7**
(b) List out the various types of measurement ? Discuss the various types of scales and their importance. **7**
3. (a) What is primary data ? Differentiate between questionnaire schedules. **7**
(b) Describe the probability and Non-probability Sampling methods. **7**
4. A stock market analyst wants to study the impact of the type of company on quarterly averages of the Earnings Per Share (EPS). So, he collects four quarterly averages of four different companies during the last accounting year from capital market are as : **14**

	Company				
	Quarter	A	B	C	D
EPS	Q1	12	16	25	13
	Q2	8	18	15	8
	Q3	16	10	22	20
	Q4	19	11	9	5

Check whether there is significant difference between different companies in terms of EPS at significance level 5%.



5. (a) Indicate the general format of research report and mention its specific category of each major Section of report. **7**
- (b) Differentiate between bibliography and footnotes or references. Illustrate your answer with examples. **7**
6. (a) What are the differences between descriptive and exploratory research designs ? **7**
- (b) What do you mean by 'Sample Design' ? What points should be taken into consideration by a Researcher in developing a sample design. **7**
7. (a) Explain the critical elements of a report. **7**
- (b) From the data given in the following table, find out whether there is any relationship between gender and the preference of colour. Use LOS $0.05\% = 5.991$ **7**

Colour	Male	Female	Total
Red	25	45	70
Blue	45	25	70
Green	50	10	60
Total	120	80	200

8. (a) Memory capacity of 9 students was tested before and after training. State at 5 percent level of significance whether the training was effective from the following scores : **5**

Student	1	2	3	4	5	6	7	8	9
Before	20	25	19	13	17	22	26	27	14
After	22	27	18	15	16	21	28	30	13

- (b) What is hypothesis ? Explain characteristics of good hypothesis. **5**
- (c) Explain the procedure for the construction of a questionnaire. **4**





M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Competency Based Human Resource Management

(NEP)

Time : 3 Hours

Maximum Marks : 70

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

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1. What is Performance Management System ? Explain its scope and importance. **14**
 2. Define Competency. Discuss need and limitations for competency framework. **14**
 3. What is Competency Development ? Explain the relevance for Lancaster Model of Competency. **14**
 4. What is competency mapping ? Explain procedures of competency mapping ? **14**
 5. Define competency based succession and career planning. Discuss The Corporate Competency Driven Culture in the present scenario. **14**
 6. (a) Explain the differences between Performance and Competency. **7**
(b) Explain how to develop the Competency of the employees. **7**
 7. Narrate the key indicators to analyse the performance of employees. **14**
 8. Write a note on-
 - (a) Job Specification **5**
 - (b) KRA **5**
 - (c) Traditional Competency **4**





M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Financial Derivatives

(NEP)

Time : 3 Hours

Maximum Marks : 70

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

1. Define Derivatives. Discuss the features and types of derivatives in details. **14**
2. Write an explanatory note on types of orders and risks in derivatives trading. **14**
3. Using the following data prepare margin account if a margin call is made at any time the investor would deposit the amount called for : **14**

Position	:	Short
Contract size	:	1000 units
Unit price	:	Rs 44
No. of Contract	:	8
Initial margin	:	12%
Maintenance margin	:	75% of initial margin
Date of contract	:	June 4

Days	June 4	5	6	7	10	11	12
Prices	44.60	46.20	45.80	46.00	46.30	45.70	45.90

- (i) What is the Net gain/loss to June 12th.
 - (ii) Why it is necessary to collect margin in future trading.
4. (a) Explain how the stock index futures are used for adjusting the beta value of a portfolio (i) upward and (ii) downward. **7**



- (b) Assume that a market capitalization weighted index contains only three stocks A, B and C as shown below. The current value of the index is 1056. 7

Company	Share price (RS)	Market capitalization (Rs crores)
A	120	12
B	50	30
C	80	24

Calculate the price of the future contract with expiration in 60 days on this index if it is known that 25 days from today, company A would pay a dividend of Rs. 8 per share. Take the risk-free rate of interest to be 15% per annum. Assume the lot size to be 200 units.

5. (a) Write an explanatory note on butterfly spreads, straddle and strangle. 7
 (b) A butterfly spread is created when large price changes are not expected but instead small changes are anticipated. Consider the following data about call options of BHEL (prices taken from Economic times, April 9, 2002) for which one contract involves 1100 shares. 7

Strike price	Premium
Rs. 170	Rs. 21.10
Rs. 180	Rs. 14.00
Rs.190	Rs. 8.00

Help an investor to build a butterfly spread. Find the pay-off for him at various ranges of stock prices. Illustrate by taking stock price as Rs. 168, Rs. 176, Rs. 185, Rs. 189, and Rs. 198.

6. On January 1, 2023 an investor has a portfolio consisting of eight securities as shown below : 14

Security	Price	No. of Shares	Beta
A	29.40	400	0.59
B	318.70	800	1.32
C	660.20	150	0.87
D	5.20	300	0.35
E	281.90	400	1.16
F	275.40	750	1.24
G	514.60	300	1.05
H	170.50	900	0.76

If its current S & P CNX Nifty value is 986 and NIFTY futures have a minimum lot requirement of 200 units and the February futures are currently quoted at 1010 and the March futures being quoted at 1019. Assume that the futures are trading at their fair value. The cost of capital the investor is given to be 20% per annum. He approaches you to advice.



You are required to :

- (a) Calculate the beta of his portfolio.
- (b) Calculate the theoretical value of the futures for contract expiring in February and March.
- (c) Calculate the number of units of S & N CNX Nifty that he would have to sell if he desires to hedge until March (i) his total portfolio, (ii) 90 % of his portfolio and (iii) 120 % of his portfolio.
- (d) Determine the number of futures contract the investor should trade if he desires to reduce the beta of his portfolio to 0.9.

7. From the following calculate call option value and put option value. 14

Current market price (S)	:	₹100 per share
Exercise price (X)	:	₹80 per share
Volatility of share price (σ)	:	30%
Risk free interest rate (r)	:	10% p.a.
Time to expiration (T)	:	3 months

Use Block-Scholes formula.

8. (a) A stock is currently priced at ₹160. In one month, the stock price may go up by 25% or go down by 12.5%. The strike price is ₹180. 5

Find pay-off of a call option. Use binomial tree.

(b) Consider the following basics and calculate the payoff of put option 5

Underlying	:	Reliance stock
Type of option	:	Put option
Style of option	:	European
Position	:	Long
Exercise price	:	₹150 per share
Option Premium	:	₹10 per share
Spot price at expiration say	:	₹120, ₹130, ₹140, ₹150, ₹155, ₹160, ₹170, ₹180 per share.

(c) Discuss the characteristics of option contract. 4





M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Financial Econometrics

(NEP)

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.

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- | | | |
|----|---|----|
| 1. | What is financial econometrics ? Explain scope of econometrics. | 14 |
| 2. | (a) Write about diagnostic tests. | 7 |
| | (b) How do you get output of regression in excel ? | 7 |
| 3. | (a) Describe ARIMA model. | 7 |
| | (b) What is Stationary ? What are the methods of conversion of data into stationary ? | 7 |
| 4. | (a) What is VAR ? Discuss its advantages and disadvantages. | 7 |
| | (b) Write steps involved in calculating VAR models in Excel. | 7 |
| 5. | (a) What is non-linear model ? Outline its types. | 7 |
| | (b) Elucidate the models of volatility. | 7 |
| 6. | (a) What is OLS ? Explain its assumptions. | 7 |
| | (b) Explain Hedonic pricing model. | 7 |
| 7. | (a) Discuss methods for addressing simultaneous equation bias econometric models. | 7 |
| | (b) How do you calculate GARCH model in Excel ? Summarise them. | 7 |
| 8. | (a) Granger Causality Tests | 5 |
| | (b) P. Value | 5 |
| | (c) ARCH V/S GARCH | 4 |





M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Financial Statement Analysis (OEC)

(NEP)

Time : 1 Hour

Maximum Marks : 30

SECTION - A

1. Answer all the following questions. Each question carries **one** mark. **5x1=5**
- (a) What is an income statement ?
 - (b) What is common size statement ?
 - (c) What is current ratio ?
 - (d) What is solvency ratio ?
 - (e) What is profitability ratio ?

SECTION - B

Answer **any five** questions. Each question carries **two** marks. **5x2=10**

- 2. What do you mean by financial statement analysis ? What are its purposes ?
- 3. List out the techniques of financial statement analysis.
- 4. What are the limitations of financial statement analysis ?
- 5. What is ratio analysis and what are the types of ratio analysis ?
- 6. List out the objectives of analysis of financial statements.
- 7. Calculate the debt equity ratio from the following information :
Total debts Rs. 3,00,000; Total assets Rs. 5,40,000; Current liabilities Rs. 70,000.
- 8. What are the disadvantages of ratio analysis ?



SECTION - C

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

3x5=15

9. Distinguish between comparative statement and common-size statement.
10. Discuss the importance of financial ratios.
11. Discuss the horizontal and vertical analysis of balance sheet.
12. Calculate gross profit ratio from the following information : Opening stock Rs. 50,000, closing stock Rs. 75,000, cash sales Rs. 1,00,000, credit sales Rs. 1,70,000, return outwards Rs. 15,000, purchases Rs. 2,90,000, advertisement expenses Rs. 30,000, carriage inwards Rs.10,000.
13. Prepare a comparative statement of profit and loss from the following :

Particulars	31st March 2022	31st March 2023
Revenue from operations	9,50,000	12,00,000
Cost of materials consumed	4,50,000	6,00,000
Other expenses	40,000	50,000

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**M.Com. III Semester Degree Examination, April/May - 2024****COMMERCE****DSE 2 - : Income Tax Planning and Management
(NEP)**

Time : 3 Hours

Maximum Marks : 70

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

1. Mr. X and Mrs. X are foreign citizens. They come to India on September 3, 2022, **14** for a visit of 170 days. In the earlier previous years, they are in India as follows :

Financial year	Mr. X	Mrs. X
2021 - 22	365 days	240 days
2020 - 21	20 days	340 days
2019 - 20	15 days	Nil
2018 - 19	120 days	118 days
2017 - 18	5 days	350 days
2016 - 17	8 days	190 days
2015 - 16	15 days	160 days
2014 - 15	18 days	332 days
2013 - 14	140 days	192 days
2012 - 13	10 days	221 days



During the previous year 2022 - 23, Mr. X and Mrs. X have the following income :

	Mr. X Rs.	Mrs. X Rs.
Interest on company deposit in India	48,000	7,10,000
Income deemed to be earned in India	32,000	55,000
Income from business situated in Nepal and controlled from India (40 percent is received in India and 60 percent is received outside India)	64,000	38,000
Dividend declared by A Ltd., an Indian company	30,000	48,000
Salary (after standard deduction) received in India for service rendered outside India	92,000	86,000
Interest received from the Government of India (received outside India)	58,000	16,000
Interest received from a foreign company outside India (on capital which is utilised outside India)	70,000	5,000
Interest received from a foreign company outside India (on loan which is utilised for doing business in India)	38,000	92,000
Royalty received in India from the Government of India	10,000	5,000
Royalty received in India from a non-resident in respect of technology used by such person outside India	18,000	7,000

The following information is also available :

	Place of birth	Year of Birth
Mr. X	Dubai	1950
Mrs. X	Bombay	1951
Father of X	Muscat	1921
Mother of X	Kathmandu	1924
Grandmothers of X	Mexico and Dubai	1892 and 1895
Grandfathers of X	Taipei and Logos	1890 and 1890
Father of Mrs. X	Dubai	1925
Mother of Mrs. X	Belfast	1926
Grandmothers of Mrs. X	Chicago and Muscat	1901 and 1902
Grandfathers of Mrs. X	Karachi and Dubai	1901 and 1900

Determine the residential status and gross total income of Mr. X and Mrs. X for the assessment year 2023 - 24.



2. From the Profit and Loss Account of Z (age : 31 years, resident) for the year 14 ending March 31, 2023, ascertain his total income and tax liability for the assessment year 2023 - 24.

Particulars	Rs.	Particulars	Rs.
General Expenses	13,400	Gross Profits	14,15,500
Bad debts	22,000	Commission	8,600
Advance tax	2,000	Brokerage	37,000
Insurance	600	Sundry receipts	2,500
Salary to staff	26,000	Bad debts recovered (earlier allowed as a deduction)	11,000
Salary to Z	51,000	Interest on debentures (i.e., net amount Rs. 22,500+tax deducted at source : Rs. 2,500)	25,000
Interest on Overdraft	4,000	Interest on deposit with a company (non-trade) (net interest : Rs 11,700+tax deducted at source : Rs. 1,300)	13,000
Interest on loan to Mrs. Z	42,000		
Interest on capital of Z	23,000		
Depreciation	48,000		
Advertisement Expenditure	7,000		
Contribution to employees' recognised provident fund	13,000		
Net profit	12,60,000		
	15,12,600		15,12,600

Other Information :

1. The amount of depreciation allowable is Rs. 37,300 as per the Income-tax Rules. It includes depreciation on permanent sign board.
2. Advertisement expenditure includes Rs. 3,000 being cost of permanent sign board fixed on office premises.
3. Income of Rs 4,500 accrued during the previous year, is not recorded in the Profit and Loss Account.
4. Z pays Rs. 6,000 as a premium on own life insurance policy of Rs.7,000.
5. General expenses include (a) Rs. 500 given to Mrs. Z for arranging a party in honour of a friend who has recently come from Canada (b) Rs. 1,000 being contribution to a political party.
6. Loan was taken from Mrs. Z for payment of arrears of income-tax.



3. X, a resident individual submits the following information for the assessment year 2023 - 24 : 14

Particulars	Rs
Business A	
Loss of the previous year 2022 - 23	(-) 1,20,000
Brought forward Loss of the previous year 2021 - 22	(-) 1,45,000
Business B	
Profit of the previous year 2022 - 23	1,35,000
Business C (previous year ends on March 31, business discontinued on April 10, 2022)	
Profits of the period April 1, 2022 to April 10, 2022	Nil
Brought forward loss of previous year 2021 - 22	(-) 1,16,000
Business D (previous year ends on March 31, business discontinued on March 31, 2022)	
Brought forward loss of previous year 2021 - 22	(-) 1,04,000

Other Incomes :

1. Interest on debentures held as stock-in trade Rs. 1,48,000
2. Interest on bonds held as investments Rs. 1,60,000
3. Long-term capital loss on sale of shares Rs (-) 1,46,400
4. Income from house property Rs. 1,17,000
5. Dividend from a domestic company (shares are held as investment) Rs. 1,80,000

Determine the net income of X for the assessment year 2023 - 24. Also, calculate the amount of loss that can be carried forward for being set off to the next assessment year.

4. A Ltd. wants to acquire a machine on 1st April 2022. It will cost Rs 1,50,000. It is expected to have a useful life of 3 years. The scrap value will be Rs. 40,000. If the machine is purchased through borrowed funds, the rate of interest is 15% per annum. The loan is repayable in three annual instalments of Rs. 50,000 each. If the machine is acquired through lease, lease rent would be Rs. 60,000 per annum. Profit before depreciation and tax is expected to be Rs 1,00,000 every year. The rate of depreciation is 15%. The average rate of tax may be taken at 33.99%. A Ltd. seeks your advice whether it should : 14
- (i) acquire the machine through own fund or borrowed fund or
 - (ii) take it on lease.

Present value factor shall be taken @ 10%



5. Mr. GK has estimated the following taxable income for the financial year 2022 - 23. 14

Particulars	Rs
Income from Business	10,00,000
Long-term capital gain on 10.10.2022	25,000
Interest on Savings Bank A/c	6,000
Dividend	3,000
Interest (gross) from a branch of Punjab National Bank (F.D.R)	14,000
Total	10,48,000

Other Information :

1. He will pay life insurance premium on his own life Rs. 25,000
 2. He will deposit in PPF Rs. 70,000
 3. Paid to P.M. Relief Fund Rs. 25,000
 4. Health Insurance premium paid in cash Rs. 2,000
- Determine the amount payable as advance tax on prescribed dates during the financial year 2022 - 23.

6. (A) From the following Receipts and Payments Statements for the year ended 31-03-2023 of a **Medical Practitioner** and further information given, compute his gross total income : 7

Opening Balance	11,000	Salary to Staff	11,200
Consultation fees	50,000	Rent on Dispensary	5,000
Visiting Fees	15,000	Cost of medicines	8,000
Sale of Medicines	10,000	Membership Fees	500
Gifts from Patients	3,000	Purchase of Car	40,000
Dividend from Indian Company	2,000	Stationery	1,200
		Car Expenses	3,000
		Personal Drawings	9,000
		Income Tax	2,500
		Sundry Expenses	300
		Donations	1,000
		Life Insurance Premium	6,000
		Closing Balance	3,300
	91,000		91,000



Additional Information :

1. 1/3 of Car expenses are attributable to his personal use.
 2. Donations are paid to The National Defence Fund set up by the Central Government.
 3. His Life policy amounts to Rs. 60,000 on which he has paid Rs. 6,000 as Premium
 4. Depreciation on car amounts to Rs. 6,000 and all other blocks of assets Rs. 5,000 respectively.
- (B) Mr. Shiva aged 61 years, has a gross total income of Rs. 7,75,000 comprising of income from salary and house property. He has made the following payments and investments : **7**
- (i) Premium paid to insure the life of his major daughter (policy taken on 1.4.2019) (Assured value Rs. 1,80,000) - Rs. 20,000.
 - (ii) Medical Insurance premium for self - Rs. 12,000; Spouse - Rs. 14,000.
 - (iii) Donation to a public charitable institution registered under 80G Rs. 1,50,000 by way of cheque.
 - (iv) LIC Pension Fund - Rs. 60,000.
 - (v) Donation to National Children's Fund - Rs. 25,000 by way of cheque
 - (vi) Donation to Jawaharlal Nehru Memorial Fund - Rs. 25,000 by way of cheque
 - (vii) Donation to the approved institution for the promotion of family planning - Rs. 40,000 by way of cheque
- Compute the total income of Mr. Shiva for A.Y. 2023-24
- 7.** (A) Distinguish between Tax planning, Tax avoidance, and Tax evasion. **7**
- (B) What is assessment ? Briefly explain the types of assessment under the Income Tax Act 1961. **7**
- 8.** (A) Mr. N (a resident individual) purchased land for Rs. 1,20,000 in the previous year 2002 - 03. In the previous year 2007 - 08, he had incurred expenses of Rs. 2,35,000 towards fencing of the land. Mr. N sold his land for Rs. 15,00,000 in the previous year 2022 - 23 after incurring expenses to the extent of Rs. 20,000. You are required to compute capital gain for the Assessment Year 2023 - 24. Cost of Inflation Index in 2002 - 03 = 105, 2007 - 08 = 129, 2022 - 23 = 331. **5**
- (B) Enumerate the provisions of Advance tax and its installment for companies. **5**
- (C) Identify and explain the factors affecting Make or Buy decision. **4**





M.Com. III Semester Degree Examination, April/May- 2024

COMMERCE

Insurance Management

(NEP)

Time : 3 Hours

Maximum Marks : 70

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

1. Explain the concept and significance of Insurance. Discuss Judiciary relationship. **14**
2. Explain the policies available for children and families in India. **14**
3. Explain the different types of premium. **14**
4. Explain the various methods of claim settlements. **14**
5. Discuss the operation procedure of IRDA. **14**
6. (a) Discuss the fundamental principles of insurance product and policies. **7**
(b) Write in detail on basic methods of rate making in Life Insurance. **7**
7. (a) What is claim management ? Explain its features. **7**
(b) Discuss the powers and functions of IRDA. **7**
8. Write notes on :
 - (a) Liability and miscellaneous insurance. **5**
 - (b) Calculation of claim in insurance. **5**
 - (c) Expected claim costs. **4**





M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Personal Tax Planning and E-Filing (Open Elective)

(NEP)

Time : 1 Hour

Maximum Marks : 30

SECTION - A

1. Answer **all** the following questions. Each question carries **one** mark. **5x1=5**
- (a) What is Belated Return ?
 - (b) Who is an Assessee ?
 - (c) Expand ITR.
 - (d) Deduction u/s 80E is applicable to _____ type of Assessee.
 - (e) Capital Gain arises from the transfer of _____.

SECTION - B

- Answer **any five** questions. Each question carries **two** marks. **5x2=10**
- 2. Define the term person.
 - 3. Who are the deemed Assessee ?
 - 4. What is standard Rent ?
 - 5. Explain the term long-term capital gains.
 - 6. What is Advance Payment of Tax ?
 - 7. Explain Tax Avoidance.
 - 8. Briefly explain the meaning of e-filing of return.

SECTION - C

- Answer **any three** questions. Each question carries **five** marks. **5x3=15**
- 9. What are the different types of residential status of an individual ? How to determine ?
 - 10. What is the difference between Tax planning and Tax Management ? Explain.



11. During the previous year 2022-23, X, a foreign citizen, stayed in India for just 69 days. Determine his residential status for the assessment year 2023-24 on the basis of the following information :
- During 2021-22, X was present in India for 366 days.
 - During 2019-20 and 2020-21, X was in Japan for 359 and 348 days respectively and for the balance period in India.
 - Mrs. X is 'resident' in India for the assessment year 2023-24.
12. Shri A.K. Gupta was employed in a factory in Faridabad. He retired on 1.1.2023 after completing a service of 26 years and 5 months. He had been getting a salary of Rs. 23,000 per month and a dearness allowance of Rs. 2,000 per month (forming part of retirement benefits) for the last four years. His pension was determined @ Rs. 9,000 p.m. and 3/4 portion of it was commuted for Rs. 2,70,000. In addition to this he received a gratuity of Rs. 4,00,000 and as per entitlement of 30 days earned leave for each year of service, he also received Rs. 3,00,000 for encashment of earned leave of 12 months during the previous year. Compute gross income from salaries of Shri Gupta for the assessment year 2023-24, assuming he is not covered under Payment of Gratuity Act.
13. X, a resident individual, submits the following information, relevant to the previous year ending 31.3.2023 :

(1) Income from salary (computed)	2,12,000
(2) Income from house property	
House I	12,000
House II	(-) 2,50,000
House III (Self-occupied)	(-) 10,000
(3) Profit and gains of business or profession	
Business I	8,000
Business II	(-) 12,000
Business III (Speculative)	(-) 64,000
Business IV (Speculative)	36,000
(4) Capital gains	
Short-term capital loss	(-) 6,000
Long-term capital gains on transfer of shares	5,400
(5) Income from other sources (computed) :	
Income from card games	36,000
Income from betting	24,000
Loss on maintenance of race horses	(-) 4,600

Determine the gross total income for the assessment year 2023-24.





M.Com. III Semester Degree Examination, April/May - 2024

COMMERCE

Strategic Cost Management

(NEP)

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. Aura Company decided to apply ABC analysis to three product lines : Ice creams, Milk shakes and Food Products. It identifies four activities and activity-cost rates for each activity as :

Ordering	Rs. 1,000 per purchase order
Delivery and receipt of merchandise	Rs. 800 per order
Shelf-stocking	Rs. 200 per hour
Customer support and assistance	Rs. 2 per item sold

The revenues, cost of goods sold, store support costs and activity area usage of the three product lines are :

Particulars	Ice Creams	Milk Shakes	Food Products
Financial Data :			
Revenue (Rs.)	5,70,000	6,30,000	5,20,000
Cost of Goods Sold (Rs.)	3,80,000	4,70,000	3,50,000
Store support	1,14,000	1,41,000	1,05,000
Activity-area usage (cost-allocation base)			
Ordering (purchase orders)	30	25	13
Delivery (deliveries)	98	36	28
Shelf-stocking (hours)	183	166	24
Customer support (items sold)	15,500	20,500	7,900

Under its previous costing system, Aura allocated support costs to products at the rate of 30 percent of cost of goods sold.

You are required to prepare a product-line profitability report for Aura's using :

- Traditional costing system.
- ABC System.

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P.T.O.

2. (a) Explain the management decisions influenced by learning. 7
- (b) Global Defense manufacturers radar systems. It has just completed the manufacture of its first newly designed system, RS-32. It took 3,000 direct manufacturing labour-hours (DMLH) to produce this one unit. Global believes that a 90 percent cumulative average-time learning model for direct manufacturing labour-hours applies to RS-32. (A 90 percent learning curve means $b = -0.1520$). The variable costs of producing RS-32 are :

Direct material costs	Rs. 8,00,000 per unit of RS-32
Variable manufacturing overheads costs	Rs. 250 per DMLH
Direct manufacturing labour costs	Rs. 150 per DMLH

Calculate the total variable costs of producing 2, 4 and 8 units. 7

3. (a) What is life cycle costing ? Explain the need for use of life cycle costing. 7
- (b) Manu owns and operates Quality Craft Rentals, which offers canoe rentals and shuttle service on One River. Customers can rent canoes at one station, enter the river there and exit at one of two designated locations to catch a shuttle that returns them to their vehicles at the station they entered. Following are the costs involved in providing this service each year.

	Fixed Costs (Rs.)	Variable Costs (Rs.)
Canoe maintenance	1,95,000	213
Licenses and Permits	2,55,000	0
Vehicle leases	4,59,000	0
Station lease	5,88,200	0
Advertising	5,10,000	44
Operating costs	17,85,000	44

Quality Craft Rentals began business three years ago with a Rs. 17,85,000 expenditure for a fleet of 30 canoes. These are expected to last seven more years, at which time a new fleet must be purchased.

You are required : Manu is happy with the rental average of 5,44,000 per year. For this number of rentals, what price should he charge per rental for the business to make a 20 percent life-cycle return on investment ? 7



4. (a) Explain the benefits of implementing JIT manufacturing system. 7
- (b) An MM Medical instrument is considering JIT implementation in 2025. MM's annual demand for product XJ-200, a surgical scalpel, is 20,000 units. If MM implements JIT, the purchase price of the scalpel is expected to increase from Rs. 100 to Rs. 100.5 because of frequent deliveries by AM Manufacturing Ltd. AM enjoys a sterling reputation for quality and reliability. Ordering costs will remain at Rs. 50 per order. However, the annual number of orders placed will be 200 instead of the current 20. As a result of frequent ordering, MM's order size will decrease proportionately. MM's required rate of return on investment is 20 percent. Other carrying costs (insurance, materials handling and so on) will remain at Rs. 45 per unit. Currently MM has no stockout costs. Lower inventory levels from implementing JIT will lead to Rs. 30 per unit stockout costs on 100 units during the year. You are required to calculate the estimated savings (loss) for MM Medical Instruments from the adoption of JIT purchasing. 7
5. Explain the steps in developing target price and target costs. 14
6. Mr. A, the COO of BioDerm has asked his cost management team for a product-line profitability analysis of his firm's two products : Xderm and Yderm. The two skin care products require a large amount of research and development and advertising. After receiving the following statement from BioDerm's auditor, Mr. A CONCLUDES THAT Xderm is the more profitable product and that perhaps cost-cutting measures should be applied to Yderm.

	Xderm	Yderm	Total
Sales (Rs.)	30,00,000	20,00,000	50,00,000
Cost of Goods Sold	(19,00,000)	(16,00,000)	(35,00,000)
Gross profit	11,00,000	4,00,000	15,00,000
Research and development			(9,00,000)
Selling Expenses			(1,00,000)
Profit before taxes			5,00,000

Required :

- (i) Explain why Mr. A may be wrong in his assessment of the relative performance of the two products.
- (ii) Suppose that 80 percent of the R&D and selling expenses are traceable to Xderm. Prepare life-cycle income statements for each product. What does this tell you about the importance of accurate life-cycle costing ?
- (iii) Consider again your answers in (i) and (ii) with the following additional information R&D and selling expenses are substantially higher for Xderm it is a new product. Mr. A has strongly supported development of the new product, including the high selling and R&D expenses. He has assured senior managers that the Xderm investment will pay off in improved profits for the firm. What are the ethical issues, if any, facing Mr. A as he reports to top management on the profitability of the firm's two products ? 14



- 7. (a) Explain the philosophy of JIT and Sources of waste. **9**
- (b) Target costing vs. Traditional cost management process. **5**

- 8. (a) Explain learning curve with graphical representation using values. **5**
- (b) Briefly explain factors affecting product life cycle costing. **5**
- (c) Write a note on market driven costing. **4**

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