

**CHOICE BASED FIRST SEMESTER M.Com. DEGREE EXAMINATION MARCH 2021**  
**Advanced Accountancy**

Duration: 3 Hours

Max Marks: 70

**I. Answer any THREE of the following : (3×5= 15 Marks)**

1. State under what headings the following items will appear in the Balance Sheet of a Company:
  - i) Deposits with Post Office
  - ii) Securities Premium
  - iii) Live Stock
  - iv) Fixed deposits accepted
2. What are the differences between 'Amalgamation' and 'Absorption'?
3. What you understand by the term intrinsic value? How is it calculated?
4. Explain Enterprise Resource Planning.

**II. Answer the following question : (1×10= 10 Marks)**

5. Following are the liabilities and assets of Mr. Chandy as on 30<sup>th</sup> September, 2020:

Liabilities	Rs	Assets	Rs
Capital	1,04,000	Land and Buildings	36,000
General Reserve	40,000	Plant	54,000
Creditors	38,040	Investments	30,000
		Stock	26,850
		Bank	75,990
		Debtors	19,200
	2,42,040		2,42,040

Following were the net profits for the year ended: Rs.

30 <sup>th</sup> September, 2018	32280
30 <sup>th</sup> September, 2019	36870
30 <sup>th</sup> September, 2020.	43350

The above amounts include income from investment, Rs. 1800 each year.

You are required to value the goodwill of the above business at 2 years' purchase of the weighted average super profit for 3 years, taking into account the fact that the standard rate of return on capital employed in such type of business is 10 per cent assuming that each year's profit is immediately withdrawn in full by Mr. Chandy. Use weighted average for calculating average profits.

III. Answer any THREE of the following :

(3×15= 45 Marks)

6. From the following Balances extracted from the books of Amar Trading Company Ltd. You are required to prepare in the statutory forms Statement of Profit and Loss for the year ended 31st March, 2020 and the Balance Sheet as on that date:

Share Capital:		Surplus Account (as on 31-3-2019)(cr)	20,000
3,00,000 Equity Shares (fully paid)	30,00,000	Interim Dividend	1,50,000
800,8% Redeemable Preference Share	80,000	Unpaid dividend	1,800
Securities Premium Reserve Account	50,000	Other current assets	11,50,000
General Reserve	2,00,000	Investments	3,90,000
Preference Share Redemption	96,000	Outstanding expenses	12,000
Block Capital (at cost less depreciation)	19,10,000	Income tax paid, under dispute, for the year ending 31/3/2015	2,00,000
Net Profit for the year(before tax)	8,42,000	Provision for taxation for the above year	1,40,000
Debtors(unsecured, considered goods)	60,000	Advance payment of income tax	4,40,000
Creditors	58,100		

You are given the following additional information:

1. Profit was calculated after charging Rs36,000 paid to the managing director as minimum remuneration but he has been given a remuneration at 5% of the net profit before tax.
2. Preference shares were redeemed on 1st October 2019 at premium of 20% but no entries were recorded in the books for giving effect thereto, except for the payment standing to the debit of preference share redemption account.
3. Income tax demanded for the year ended, March 31st, 2019 of Rs 2,00,000 has not been provided in full as an appeal is pending.
4. Market value of the investment is Rs 3,55,000
5. Income tax for the year is to be provided at 55% on the year's book profits.

7. Balance Sheet of Sun Ltd and Moon Ltd as on 31-12-2020

Liabilities	Sun Ltd.	Moon Ltd.	Assets	Sun Ltd.	Moon Ltd.
Equity share capital [Rs. 10]	5,00,000	4,00,000	Fixed Assets	8,00,000	6,00,000
6% Prof share capital [Rs. 100]	4,00,000	1,00,000	Investments 5000 Equity share of Moon Ltd	60,000	-
Reserves	1,40,000	1,00,000	Current assets	5,00,000	2,00,000
7% Debentures [Rs. 100]	-	1,00,000	Loan to Moon Ltd.	30,000	-
Loan from Sub Ltd	-	30,000			
Other Liabilities	2,50,000	70,000			
	13,90,000	8,00,000		13,90,000	8,00,000

Sun Ltd. decides to take over Moon Ltd on the following terms:-

1. Sun Ltd will issue 07 Equity shares of Rs. 10 at a premium of 20% and Rs. 5 each for 05 equity shares of Moon Ltd. Surrendered.
2. Preference Share holders of Moon Ltd are to be given one 6% Preference share of Rs. 100 in Sun Ltd for every share held. These shares to be issued at a premium of 5%.
3. 7% Debentures of Moon Ltd, are to be redeemed at 8% premium by issue of 7% Debentures of Sun Ltd at 10% discount.
4. Liquidation expenses amounting to Rs. 10,000 are to be paid by Sub Ltd.
5. Sun Ltd revalue's the fixed assets of Moon Ltd at Rs. 8,00,000 on takeover.

Close the books of Moon Ltd, and pass Journal entries in the books of Sub Ltd. And also prepare their Balance Sheets after the takeover.

8. Anthony & Co. Ltd acquired 8000 Equity shares of Canning & Co. Ltd on 1st January 2020. The following are the Balance Sheet of the two companies as on 31st December 2020.

Liabilities	Anthony & Co. Ltd.	Canning & Co. Ltd	Assets	Anthony & Co. Ltd.	Canning & Co. Ltd
Equity share capital [Rs. 100]	20,00,000	10,00,000	Land & Building	5,00,000	3,00,000
General Reserve 1 Jan 2020	4,00,000	2,00,000	Plant & Machinery	5,00,000	6,00,000
Profit and Loss a/c 1 Jan 2020	1,00,000	60,000	Stock	1,50,000	1,00,000
Profit for the year - 2020	2,00,000	80,000	Sundry debtors	1,00,000	1,20,000
Sundry Creditors	1,00,000	1,00,000	Investments shares of Canning & Co. Ltd	10,00,000	
Bills payable	30,000	10,000	Bills receivable	80,000	10,000
			Cash and Bank Balance	5,00,000	3,20,000
	28,30,000	14,50,000		28,30,000	14,50,000

1. Bills receivable of Anthony & Co. Ltd include Rs. 10,000 accepted by Canning & Co. Ltd.
2. Sundry Debtors of Anthony & Co. Ltd include Rs. 50,000 due from Canning & Co. Ltd.
3. Stock of Canning & Co. Ltd includes goods purchased from Anthony & Co Ltd for Rs. 60,000 which were invoiced by Anthony & Co. Ltd as a profit of 25% on cost.

Prepare a consolidation balance sheet of Anthony & Co. Ltd. And Subsidiary Canning & Co. Ltd. Show how your figures are made up.

9. The account of Siteraze Ltd (SL) engaged in manufacturing business, are summarised Below

Income Statement for the year ended March 31, 2019

	Amount in Crore
Sales Revenue	95.00
Less : Cost of goods sold	59.10
General Expenses	6.80
Administrative Expenses	7.80
Selling and distribution Expenses	2.90
Interest on Loan	1.80
	78.40

Earnings Before tax (EBT)	16.60
Less : Corporate Taxes (35%)	5.81
Earnings after taxes (EAT)	10.79

*LIABILITIES AND ASSETS AS AT MARCH 31, 2019*

Liabilities	Rs.	Assets	Rs.
Equity Share capital : (10 lakh shares of Rs. 10 each)	10.00	Freehold land and Buildings (Net)	20.00
Reserves and surplus	31.50	Plant and Machineries (Net)	28.50
10% Loan	18.00	Current assets :	
Creditors and other Liabilities	18.00	Stock	10.00
		Debtors	15.00
		Bank cash balances	4.00
	77.50		77.50

*Additional Information's:*

1. The risk free rate of return in the economy is 8% and the premium expected from business in general is 5%. The data of Ltd. Shares is currently 1.27.
2. The equity share of this Company (SL) quoted in the market as on 31.03.2019 on Rs. 50 per share.
3. General expense include RAD expenses of Rs. 0.50 million

*Note: For EVA computation RAD expenses are as to be considered as an investments. Responsibilities:*

1. Determine the economics value added [EVA] for the year ended March 31, 2019 and
2. Determine the amount of Market value added (MVA) for the year ended March 31,2019.

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**CHOICE BASED FIRST SEMESTER M.Com. DEGREE EXAMINATION MARCH 2021**  
**Financial Decision Making**

Duration: 3 Hours

Max Marks: 70

I. Answer any THREE of the following :

(3×5= 15 Marks)

1. Determine the future values utilizing a time preference rate of 9 per cent.
  - i. The future value of 15,000 invested now for a period of four years.
  - ii. The future value at the end of five years of an investment of 6,000 now and of an investment of 6,000 one year from now.
  - iii. The future value at the end of eight years of an annual deposit of 18,000 each year
  - iv. The future value at the end of eight years of annual deposit of 18,000 at the beginning of each year.
  - v. The future values at the end of eight years of a deposit of 18,000 at the end of the first four years and withdrawal of 12,000 per year at the end of year five through seven.
2. State the approaches to determine an appropriate financing mix.
3. Find out the Economic Order Quantity and Order Schedule for raw materials and packing materials with the following data given to you :
  1. cost of ordering: raw material Rs.1000 per order  
                   packaging material Rs. 5000 per order
  2. cost of holding inventory: raw material 1P. per unit p.m.  
                   packaging material 5P. per unit p.m.
  3. Production rate 2,00,000 units per month.
4. Give four examples of transactions covered under investing activities of a cash flow statement.

II. Answer the following question :

(1×10= 10 Marks)

5. ABC Ltd has a capital of Rs 10 lakhs in equity shares of Rs 100 each. The shares are currently quoted at par. The company proposes declaration of a dividend of Rs10 per share at the end of the current financial year. The capitalization rate for the risk class to which the company belongs is 12%.  
 What will be the market price of the share at the end of the year, if:

- A dividend is declared ?
- A dividend is not declared?

Assuming that the company pays the dividend and has profits of Rs50000 and makes new investments of Rs10 Lakhs during the period how many new shares must be issued. Use the M.M model.

III. Answer any THREE of the following :

(3×15= 45 Marks)

6. "The financial manager's primary task is to plan for the acquisition and use of funds so as to maximise the value of the firm". Do you agree? Discuss.
7. Super sports' dealing in sports goods has an annual sale of Rs. 50lakh and currently extending 30 days credit to the dealers. It is felt that sales can pick up considerably if the dealers are willing to carry increased stocks, but the dealers have difficulty in financing their inventory. Hence is there for considering shifts in credit policy. The following information is available:

The average collection period now is 30 days

Variable costs 80% of sales.

Fixed costs ₹600000 per annum

Required (pre-tax) return on investment: 20%

Credit policy	Average collection period (days)	Annual sales (₹lakhs)
A	45	56
B	60	60
C	75	62
D	90	63

8. From the following information of a textile company, complete the proforma balance sheet if its sales are Rs.32,00,000 :

Sales to worth 2.3times

Current debt to networth 42%

Total debt to networth 75%

Current ratio 2.9times

Net sales to inventory 4.7times

Average collection period 64days

Fixed assets to networth 53.2%

Proforma Balance sheet

Net worth ? Fixed assets ?

Long term debt ? Cash ?

Current debt	?	Stock	?
		Sundry debtors	?
		Total	Total

9. *Expandent Ltd had 50,000 equity shares of Rs 10 each outstanding on January 1. The shares are currently being quoted at par in the market. The company now intends to pay a dividend of Rs 2 per share for the current calendar year. It belongs to a risk class whose appropriate capitalisation rate is 15% . Using Modigliani-Miller model and assuming no taxes, ascertain the price of the company's share at it is likely to prevail at the end of the year (a) when dividend is declared, and (b) when no dividend is declared. (c) Also, find out the number of new equity shares that the company must issue to meet its investment needs of Rs 2 lakh, assuming a net income of Rs 1.1 lakh and also assuming that the dividend is paid.*

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**CHOICE BASED FIRST SEMESTER M.Com. DEGREE EXAMINATION MARCH 2021**  
**Supply Chain Management**

Duration: 3 Hours

Max Marks: 70

**I. Answer any THREE of the following :****(3×5= 15 Marks)**

1. What is supply chain? What are its objectives?
2. What is a strategic decision and its types in an organization?
3. Demand for an item is constant at 20 units a week, the reorder cost is £125 an order and holding cost is £2 an unit a week. If suppliers guarantee delivery within 2 weeks what is the best ordering policy for the item?
4. What is Return Management? Explain the different types of returns.

**II. Answer the following question :****(1×10= 10 Marks)**

5. In most major cities the amount of congestion on the roads is increasing. Some of this is due to commercial vehicles, but by far the majority is due to private cars. There are several ways of controlling the number of vehicles using certain areas. These include prohibition of cars in pedestrian areas, restricted entry, limits on parking, traffic calming schemes, and so on. A relatively new approach has roaduser charging, where cars pay a fee to use a particular length of road, with the fee possibly changing with prevailing traffic conditions. Generally, the most effective approach to reducing traffic congestion is to improve public transport. These services must be attractive to people who judge them by a range of factors, such as the comfort of seating, amount of crowding, handling of luggage, availability of food, toilets, safety, facilities in waiting areas, availability of escalators and lifts, and so on. However, the dominant considerations are cost, time and reliability. Buses are often the most flexible form of public transport, with the time for a journey consisting of four parts:

- \* Joining time, which is the time needed to get to a bus stop
- \* Waiting time, until the bus arrives
- \* Journey time, to actually do the travelling
- \* Leaving time, to get from the bus to the final destination.

Transport policies can reduce these times by a combination of frequent services, well-planned routes, and bus priority schemes. Then convenient journeys and subsidised travel make buses an attractive alternative. One problem, however, is that people have to change buses, or transfer between buses and other types of transport, including cars, planes, trains, ferries and trams. Then there are additional times for moving between one type of transport and the next, and waiting for the next part of the service. These can be minimised by an integrated transport system with frequent, connecting services at 'passenger interchanges'. Passenger interchanges seem a good idea, but they are not universally popular. Most people prefer a straight-through journey between two points, even if this is less frequent than an integrated service with interchanges. The reason is probably because there are more opportunities for things to go wrong, and experience suggests that even starting a journey does not guarantee that it will successfully finish. In practice, most major cities such as



London and Paris have successful interchanges, and they are spreading into smaller towns, such as Montpellier in France. For the ten years up to 2001 the population of Montpellier grew by more than 8.4 per cent, and it moved from being the 22nd largest town in France to the eighth largest. It has good transport links with the port of Sète, an airport, inland waterways, main road networks and a fast rail link to Paris. In 2001 public transport was enhanced with a 15 kilometre tramline connecting major sites in the town centre with other transport links. At the same time, buses were rerouted to connect to the tram, cycling was encouraged for short distances, park-and-ride services were improved, and journeys were generally made easier. As a result, there has been an increase in use of public transport, a reduction in the number of cars in the town centre, and improved air quality. When the tram opened in 2000, a third of the population tried it in the first weekend, and it carried a million people within seven weeks of opening. In 2005, a second tramline will add 19 kilometers to the routes.

1. Are the problems of moving people significantly different from the problems of moving goods or services? (3)
2. What are the benefits of public transport over private transport? Should public transport be encouraged and, if so, how? (4)
3. What are the benefits of integrated public transport systems? (3)

**III. Answer any THREE of the following :**

**(3×15= 45 Marks)**

6. Explain briefly the process views of supply chain.
7. Tactical plans – such as aggregate plans and master schedules – are useful for manufacturing, but they are not so relevant for logistics. Do you think that this is true? What happens if there is no tactical planning for a supply chain?
8. “Holding Stock is a buffer between supply and demand”. Explain this with its importance
9. “Legal Issues play a very important role in SCM”. Comment.

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**CHOICE BASED FIRST SEMESTER M.Com. DEGREE EXAMINATION MARCH 2021**  
**Managerial Economics**

Duration:3 Hours

Max Marks:70

**I. Answer any THREE of the following : (3×5= 15 Marks)**

1. Explain the concept of Incremental principle.
2. Distinguish between industry demand and consumer demand.
3. Explain the objectives of pricing policy.
4. Differentiate between real cost and opportunity cost.

**II. Answer the following question : (1×10= 10 Marks)**

5. "Time series analysis is unable to help us in future uncertainties". Comment.

**III. Answer any THREE of the following : (3×15= 45 Marks)**

6. Analyse carefully the conditions of equilibrium of an individual firm under perfect competition both in the short run and the long run period. Illustrate your answer with diagrams.
7. Explain the role of Managerial Economics in decision making with relevant illustrations.
8. Distinguish between short run and long run demand forecasting with relevant explanation.
9. Explain in detail the determinants of supply. Also explain elasticity of supply for necessities and luxury.

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**CHOICE BASED FIRST SEMESTER M.Com. DEGREE EXAMINATION MARCH 2021**  
**Business Information System**

Duration:3 Hours

Max Marks:70

**I. Answer any THREE of the following : (3×5= 15 Marks)**

1. What is your understanding on connected world? Explain
2. Is it important to have your Data Warehouse on a different system than your OLTP systems? Explain your answer
3. How can BI be leveraged to provide a 360-degree perspective on the business?
4. Write a short note on Tabular Reports and Matrix Reports? State its differences.

**II. Answer the following question : (1×10= 10 Marks)**

5. What is Metadata Management? Picture this scenario: there is an online application to buy and sell used cars. The website owner would like to have answers too the following:
  - (a) How many Visitors Visit the website in a day?
  - (b) What time of the day there is maximum traffic on the website?
  - (c) What time of the day minimum hits happen of the website?
  - (d) Do the visitors directly come in through the landing Page?
  - (e) What type of Metadata is presented in the above scenario?

**III. Answer any THREE of the following : (3×15= 45 Marks)**

6. What is your understanding on Connected world and Business Analytics? Explain.
7. What is a Dimensional Table? Explain the different types of dimensional table with suitable examples.
8. Business Intelligence supports decision making at all levels. Elucidate
9. Explain Typical Dimensional Model with best suited examples.

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