

CHOICE BASED CREDIT SYSTEM SECOND SEMESTER M.COM. DEGREE EXAMINATION,
APRIL 2019
MANAGEMENT ACCOUNTING

Time : 3 Hrs

Max. Marks: 70

SECTION – A

1. Answer any FIVE of the following:

(5 x 2 = 10)

- a) State the different techniques of Management Accounting.
- b) During the current year, AB Ltd. showed a profit of ₹ 1,80,000 on a sale of ₹ 30,00,000. The variable expenses were ₹ 21,00,000. Find out the Break Even Sales.
- c) What is a Master Budget?
- d) From the following data, calculate Variable Overhead Efficiency Variance:

	Budgeted ₹	Actual ₹
Variable overhead	2,50,000	2,60,000
Output in Units	25,000	20,000
Working hours	1,25,000	1,10,000

- e) Give the meaning of cost drivers and cost pools.
- f) What is the suitability of the measure of performance in an expense centre?
- g) State any four features of a good Pricing Policy.

SECTION – B

Answer any TWO of the following:

(2 x 5 = 10)

2. "There is no externally imposed Generally Accepted Accounting Principles for Management Accounting". In the light of the above statement, discuss the nature and scope of Management Accounting.
3. From the data given below, calculate the following labour variances for the two departments:
 - a) Labour cost variance
 - b) Labour rate variance
 - c) Labour Efficiency variance

Particulars	Department-A	Department-B
Actual gross wages	₹ 2,00,000	₹ 1,80,000
Standard hours for production	8,000	6,000
Standard rate per hour	₹ 30	₹ 35
Actual hours worked	8,200	5,800

4. Details about the single product marketed by a company are as under:

Per unit	₹
Selling price	100
Direct Material	60
Direct Labour	10
Variable overheads	10

No. of units sold in the year 5,035. Pursuant to an agreement reached with the Employee's Union there would be next year a 10% increase in wages across the board for all those directly engaged in production.

Workout:

- i) the number of units that have to be sold next year to maintain the same quantum of profit.
- ii) the percentage by which the selling price has to be raised to maintain the same P/V

SECTION – C

Answer any TWO of the following:

(2 x 15= 30)

5. M/s Sangyog Industries currently manufacture three products P, Q and R. The projected figures as per budget are as follows;

Product	Sales Value (₹)	P/V Ratio (%)
P	6,00,000	40
Q	10,00,000	30
R	24,00,000	50

The fixed overheads for the corresponding period are estimated at ₹ 19,14,000.

You are required to prepare a statement showing projected loss, if any, on the basis of the above information and suggest to the Management the change in the volume of sales for each product assuming the same sales mix as considered in the budget in order to eliminate the loss.

6. a) Discuss the determinants of Pricing Decisions.
b) Explain new product Pricing strategies.
7. a) What is Responsibility Accounting? Discuss its significance in divisional performance measurement.
b) 'ROI' is the best measure of overall performance. Do you agree? Justify your argument.

SECTION – D (COMPULSORY QUESTION)

(1x20= 20)

8. A company is drawing its production plan for the next year in respect of two of its products 'Gamma' and 'Delta'. The company's policy is not to carry any closing work-in-progress (WIP) at the end of any month. However, its policy is to hold a closing stock of finished goods at 50% of the anticipated quantity of sales of the succeeding month. For the next year, the company's budgeted production is 20,000 units of 'Gamma' and 25,000 units of 'Delta'. The following is the estimated cost data:

Particulars	Gamma	Delta
Direct Material per unit	₹ 50	₹ 80
Direct labour per unit	₹ 20	₹ 80
Other manufacturing expenses apportionable to each type of product based on production	₹ 2,00,000	₹ 3,75,000

The estimated units to be sold in the first seven months of the next year are as under;

Particulars	April	May	June	July	August	Sept	Oct
Gamma	900	1100	1400	1800	2200	2200	1800
Delta	2900	2900	2500	2100	1700	1700	1900

- a) Prepare a Production Budget showing month-wise number of units to be manufactured. (10)
- b) Present a summarised Production Cost Budget for the half year ending September 30. (10)

CHOICE BASED CREDIT SYSTEM SECOND SEMESTER M.COM. DEGREE EXAMINATION,
APRIL 2019

BUSINESS STATISTICS

Time : 3 Hrs

Max. Marks: 70

SECTION – A

1. Answer any FIVE of the following:

(5 x 2 = 10)

- State the differences between dispersion and Skewness
- What is the significance of the study of Correlation?
- What are the differences between Correlation and regression analysis?
- State the importance of the binomial distribution.
- What are the methods of Sampling?
- What is meant by Non-parametric Test?
- State the difference between Sample and Population.

SECTION – B

Answer any TWO of the following:

(2 x 5 = 10)

2. An incomplete distribution is given below

Variable	0-10	10-20	20-30	30-40	40-50	50-60	60-70
Frequency	10	20	?	40	?	25	15

- You are given that the median value is 35. Find out missing Frequency (Given the total frequency = 170)
- Calculate the arithmetic mean of the completed table

3. Briefly Explain 'Baye's Theorem' of Probability

4. Mr. X is known to hit the target in 4 out of 5 shots, whereas Mr. Y is known to hit the target in 3 out of 5 shots. Find the probability that –

- Both will hit the target
- None will hit the target
- At least one of them will hit the target
- At least one of them will not hit the target
- Only one of them will hit the target.

SECTION – C

(2 x 15 = 30)

5. a) What is Quartile Deviation? (5)

b) From the following data, Calculate standard deviation, Coefficient of Variation and Variance. (10)

Marks	5	15	25	35	45	55
No. of Students	10	20	30	50	40	30

6. What is measurement of trend? Explain the various methods that can be used for determining trend.

7. A Company's trainees are randomly assigned to groups which are taught a certain industrial inspection procedure by three different methods. At the end of the instructing period they are tested for inspection performance Quality.

The following are their Scores

Method A : 80,83,79,85,90,68

Method B : 82,84,60,72,86,67,91

Method C : 93,65,77,78,88

Use the H Test to determine at the 0.05 level of significance whether the three methods are equally effective.

SECTION - D

8. i) What do you mean by theoretical distribution? Write the usefulness of theoretical distribution. (5 marks)

ii) An experiment succeeds twice as many times as it fails. Find the chances that in 6 trials, there will be at least 5 successes.

(5 marks)

iii) In a Survey of 2000 students of which 55% were undergraduate, 20% favoured the autonomous colleges, while 40% of the post graduate opposed. Test at 5% level of significance where table value is (3.84) that opinions of under graduate and post graduate students on autonomous status of colleges are independent.

(10 marks)

CHOICE BASED CREDIT SYSTEM SECOND SEMESTER M.COM. DEGREE EXAMINATION,
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BUSINESS TAXATION –I (DIRECT)

Time : 3 Hrs

Max. Marks: 70

SECTION – A

I Answer any FIVE questions of the following: (2 × 5 = 10)

- What is a Benami transaction?
- What are deemed profits?
- State any four tax free perquisites.
- Explain the term 'Capital Gain'.
- Who is a specified employee?
- What is the incidence of tax liability for a non-resident?
- Define 'profession'.

SECTION – B

Answer any TWO of the following. (5 × 2 = 10)

- Aditya's basic is ₹6300 p.m. D.A. ₹1800 per month & HRA ₹1500 p.m. He stayed in a rented house paying a rent of ₹2000 p.m. till 31st December when he shifted his residence to his newly built house. Find his taxable HRA.
- ABC Ltd is a new industrial undertaking which begins its manufacture of articles on 10th April of the PY. It purchased plant & machinery valued ₹30 lakhs. The WDV of the plant & machinery on 1 April of PY owned by XYZ Ltd. Is ₹18 lakhs. It purchased plant for ₹12 lakh in Nov & put to use immediately. It also sold old plant for ₹3 lakhs. Find out allowable depreciation & WDV.
- Mr Subodh holds the following securities on April 1:-
 - ₹30,000, 6% securities of Karnataka Govt.
 - ₹40,000, 5% less-tax non listed debentures of Swaraja Fertilizers.
 Interest on both these securities is due on Dec, 31 every year.
 On Jan, 1st of the previous year he borrowed ₹25,000 @ 7% p.a. & invested it in 10% listed debentures of Mehrotra Fabrics Ltd., the interest on which is payable on 30th June & 31st Dec. Every year.
 He paid ½% commission to his banker on net amount of interest realised.
 Determine his income from other sources.

SECTION – C

Answer any TWO of the following. (15 × 2 = 30)

- Dhruv sold the following properties:-
 - Jewellery costing ₹1,00,000 in Jan 2016, sold for ₹1,80,000 in Jan. 2018.
 - House at Udupi let out for residence, sold on 30-9-2017 for ₹40,00,000. It was inherited by him in 1990 & its FMV on 1.4.2001 was ₹4,00,000. His father had

acquired it for ₹2,50,000 in 1985. He purchased another house in July 2017 for ₹15,00,000 & deposited ₹50,000 in post office MIS.

- iii) Household furniture costing ₹28,000 in Oct 2016 sold for ₹30,000 in June 2017.
- iv) Agricultural land in Mangalore sold for ₹8,25,000. It has cost him ₹1,85,000 in Dec. 2001. He purchased agricultural land for ₹3,00,000 in Aug. 2017.
- v) Sold 1000 shares for ₹80 per share in October 2017. These shares were purchased by him, in Jan 2017 for ₹30 per share. He paid ₹800 towards commission on sales.

Compute his taxable capital gains for Assessment year 2018-19. CII for 2001-02:100 & 2017-18:272.

6. The profit & Loss a/c of ABC firm showed a net profit of ₹50,000 for the previous year. The following items were found to be debited:-
 - i) Salaries to A & B : ₹25,000 & ₹20,000 respectively.
 - ii) Bonus to C ₹16,000
 - iii) Interest on capital calculated at 20% : ₹3000, ₹ 10,000 & ₹16,000 to A, B & C respectively.
 - iv) Commission to A, B & C : ₹4,000, ₹10,000 & ₹16,000 respectively.

C had borrowed a sum of ₹50,000 @ 25% for his investment in the firm & had paid interest of ₹12,000 separately to the financier.

Compute the total income of the firm & taxable income of the partners. The profit sharing ratio is 2:3:5; A & B are working partners.

7. Compute income from house property from the following particulars.

	House I	House II (₹)	House III (₹)	House IV (₹)
Municipal Value (₹)	30,000	15,000	12,000	12,000
Fair Rental Value (₹)	28,000	21,000	18,000	20,000
Rent Received(₹)	27,000	16,000	15,400	17,000
Standard Rent (₹)	32,000	18,000	21,000	18,000
Vacancy period (months)	3	-	1	1
Repairs(₹)	10,000	12,000	6,000	14,000
Municipal taxes:-				
Paid(₹)	3,000	1,500	-	-
Due(₹)	--	-	1,200	1,600

The assesses had borrowed on 1.8.2013 ₹2,50,000 at 12% p.a. for the construction of the house III which was completed on 31.10.2016. As on 1.4.2017 ₹2,00,000 was outstanding. In respect of the IV house one month rent was unrealized, the claim was genuine & satisfied the conditions & the rent received was for 10 months.

SECTION – D

8. (Compulsory Question)

(20 × 1 = 20)

Mr Ananth submits the following particulars:-

	₹
Basic Pay	2,20,000
Dearness Allowance	12,000
Project Allowance	24,000
High Cost of living Allowance	12,000
Commission (at 2% of turnover of ₹10 lakhs)	20,000
House Rent Allowance (rent paid ₹60,000)	48,000
Profits from publication of journals	51,400
Interest on Bank FD (gross)	1,24,000
Interest on Bank SB A/C	12,482
Rent received from let out house, transferred to wife without consideration in 1990	30,000
Profits from Dairy farming	18,000
Interest on Govt securities held by son's wife (transferred without consideration)	20,000
(Mr. Ananth Contributes 10% of his basic + DA to RPF)	
Payments:- Donation to PMNRF	60,000
Municipal taxes on let out house	2,000
Interest on money borrowed to pay taxes	3,000
Tax deducted at source from salaries	4,000
Expenses for filing income tax appeal	5,000
Life Insurance Premium	18,000
Deposits in Public Provident Fund	66,000
Premium on "Jeevan Suraksha"	12,000
Independent income of minor son	25,000

Compute Mr. Ananth's total & tax liability. For assessment year 2018-19.

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APRIL 2019

ORGANISATIONAL BEHAVIOUR

Time : 3 Hrs

Max. Marks: 70

SECTION – A

I Answer any FIVE questions of the following: (2 × 5 = 10)

- a) Define Group dynamics.
- b) How do you create organisation Culture?
- c) How do motivating factors in Herzberg's theory differ from maintenance factors?
- d) Give the meaning of Halo effect.
- e) What is Super ego?
- f) Explain "Job redesigning"
- g) What are the goals of organisation behaviour?

SECTION – B

Answer any TWO of the following. (5 × 2 = 10)

2. Explain the various conflict resolution techniques in organisations.
3. Give a brief note on the Trait theory of personality.
4. Explain the various techniques of motivating employees in present business environment.

SECTION – C

Answer any TWO of the following. (15 × 2 = 30)

5. What is perception? How does it influence the development of an organisation? Also briefly explain the steps in the process of perception.
6. What are the different kinds of leadership? Which kind of leadership is suitable for Indian industry? Substantiate.
7. Explain the forces of organizational change. What factors are to be considered most while implementing an organisational change?

SECTION – D

8. Case Study (Compulsory) (20 × 1 = 20)

Read the following case and answer the question given at the end.

Mr. Waverly Bird builds pianos from scratch. His occupation is a piano Consultant to a piano manufacturer. He is on call and works about one week a month including some travel to solve problems of customers. He also rebuilds about a dozen grand pianos every year for special customers, but according to Bird, the most satisfying part of his life is his hobby of building pianos from the beginning. "It's the part that keeps a man alive" he says. The challenge of the work is what lures Bird onwards. He derives satisfaction from precision and quality, and he comments, "Details make the difference; when you cut a little corner here and little corner there, you have cut a big hole. A piano is like a human body, all the parts are important.

Bird has a substantial challenge in making a whole piano. His work requires skill in cabinet making, metal working, engineering with knowledge of acoustics and a keen ear for music. It requires great precision, because a tiny misalignment would ruin a piano's tune. It also requires versatility, ranging from a keyboard that is

balanced to respond to the touch of a finger all the way to the pin block that must withstand up to 20 tons of pressure. Bird had to make many of his own piano construction tools.

Bird has built 40 pianos in his 34 year career. Though construction takes nearly a year, he sells the pianos at the modest price of a commercial piano. He is seeking not money but the challenge and satisfaction. He says, "The whole business is a series of closed doors. You learn one thing, and there is another closed door waiting to be opened" Bird says his big dream is to build a great piano." It is the one thing; I haven't done yet and want to do".

Questions:

- a) Discuss the nature of Bird's motivation in handling pianos. Discuss whether an organisation could build the same motivation in most of its employees. (8)
- b) Will Bird succeed in making a grand piano? (4)
- c) Would any theory of motivation have any impact on his successful venture and how (if yes) and why (if No)? (8)

CHOICE BASED CREDIT SYSTEM SECOND SEMESTER M.COM. DEGREE EXAMINATION,
APRIL 2019

ENTREPRENEURSHIP & SMALL BUSINESS MANAGEMENT

Time : 3 Hrs

Max. Marks: 70

SECTION – A

1. Answer any FIVE of the following:

(5 x 2 = 10)

- a) What is large business?
- b) Who is a cognitive Entrepreneur?
- c) What do you mean by Feasibility Study?
- d) What is Brainstorming?
- e) What is DAGMAR approach?
- f) What is Break even point?
- g) What is MAHILA UDAYAM NIDHI?

SECTION – B

Answer any TWO of the following:

(2 x 5 = 10)

2. What are the factors influencing the development of Entrepreneur?
3. Enumerate the problems faced by small Entrepreneurs.
4. Write a note about SIDBI.

SECTION – C

Answer any TWO of the following:

(2 x 15 = 30)

5. What are the Constraints and restraints deterring the growth of Women Entrepreneurs?
6. Explain the different types of growth strategy.
7. Briefly discuss various sources of financing.

SECTION – D (COMPULSORY CASE STUDY)

(1x20= 20)

8. Sangeetha and Neela were very close friends since school days, accompanying each other not only to the library but also to health gym every evening. In fact there would always be a competitive spirit among both of them while exercising in the gym and it was not co-incidental that both matched each others capability in every respect. It was during such a chore that it emerged that both of them had a common pursuit of settling down with a venture associated with health fitness. Simultaneously, it was the time when an average individual was becoming health conscious and almost every third individual was either a member of a club or was involved in personal discipline of exercise. Even Corporates were promoting health consciousness in their employees, offering gymnasium membership or housing a fitness centre within the premises. Sangeetha and

Neela have now started putting their heads together and are in the process of conceiving a business plan in context of a pursuit in the field of health fitness. When the idea was discussed by both with their parents, it was counselled that a fitness centre with a beauty salon along with a facility for stress management could be the right combination.

However, it was apparent that the project would involve a capital outlay of nothing less than rupees 1.5 to 2 crores. Fortunately Sangeetha has almost been offered a place by her uncle at Andheri in his new residential building, on lease, and family and relatives may garner a maximum of 75 lakhs, but balance would have to be raised from other sources.

Read this case carefully and answer these questions

1. How can they carry out staffing of their venture? Do you envisage any training needs? (10)
2. What sources of finance can they explore? (5)
3. Design a Marketing strategy for the Venture. (5)

CHOICE BASED CREDIT SYSTEM SECOND SEMESTER M.COM. DEGREE EXAMINATION,
APRIL 2019

MARKETING SKILLS

Time : 3 Hrs

Max. Marks: 70

SECTION – A

1. Answer any FIVE of the following:

(5 x 2 = 10)

- What is 'Product Positioning'?
- List out the elements of Promotion Mix.
- Which are the various stages of Product Life Cycle?
- Give the meaning of 'Product Line Extension'?
- Enumerate the elements of Marketing Mix of a Service Industry.
- Differentiate between 'Publicity' and 'Public Relations'.
- Explain the Penetration Pricing Policy with an Example.

SECTION – B

Answer any TWO of the following:

(2 x 5 = 10)

- What is sales promotion? Explain the elements of sales promotion.
- Describe the process of Market Segmentation.
- Discuss the various techniques of pricing a new product.

SECTION – C

Answer any TWO of the following:

(2 x 15 = 30)

- Briefly explain the various steps in the consumer decision making process. Do all consumer decisions involve these steps? Justify your answer.
- Explain the concept of Product life cycle? What are the marketing strategies for each of the stages of Product Life Cycle?
- What are advertising media? Explain in detail the various advertising media.

SECTION – D

CASE STUDY (COMPULSORY)

(1x20= 20)

- Male Cosmetics have a share of less than 10% in the Indian Market compared to a significant percentage in developed markets. Park Avenue is a national brand in the market. Lornamed Cosmetics a company which operates in 60 countries has entered the market with an after-shave lotion priced at Rs. 250 for 100 ml., an eau-decologne at Rs. 305 for 100 ml; a body spray at Rs. 200 for 100 gms.; a shaving foam at Rs. 150 for 200 gms and a roll on deodorant at Rs. 125 for 75 ml. The men's toiletries is estimated to be around Rs. 150 crores and shaving creams have a 41% share in this market. The company was also planning to introduce a shaving cream. The high-end of the market has brands like Drakkar Nair (priced above Rs. 1000) while Park avenue products are in the range of Rs. 100 plus. Atlantic is the brand of the Company. The products come in two basic variants – 'warm and subtle' and "cool and invigorating".

Questions

- Develop a marketing plan for Atlantic. (7)
- What positioning strategy you suggest for the product? Why? (7)
- Discuss the problems of product line management and how will you solve them.(6)
