

CHOICE BASED CREDIT SYSTEM SECOND SEMESTER M.COM. DEGREE EXAMINATION,
OCTOBER 2020

MANAGEMENT ACCOUNTING

Time : 3 Hrs

Max. Marks: 70

SECTION – A

1. Answer any FIVE of the following:

(5 x 2 = 10)

- State any four objectives of Management Accounting.
- State any four points of difference between Marginal costing and absorption costing.
- How can P/V ratio be improved?
- What is zero base budgeting?
- What is labour efficiency Variance?
- Mention any four principles of product pricing.
- Define Responsibility Accounting.

SECTION – B

Answer any TWO of the following:

(2 x 5 = 10)

- Discuss the steps in Activity Based Costing. Distinguish between resource cost driver and activity cost driver.
- a) If margin of safety is ₹ 2,40,000 (40% of sales) and P/V ratio is 30% of XY Ltd, Calculate its
i) Break Even point and ii) amount of profit on sales of ₹ 9,00,000.
b) X Ltd, has earned a contribution of ₹ 2,00,000 and net profit of ₹ 1,50,000 on sales of ₹ 8,00,000. What is its Margin of Safety?
- From the following, Calculate labour variances for department A and B.

	<u>Dept. A</u>	<u>Dept. B</u>
Actual direct wages	₹ 2,000	₹ 1,800
Standard hours produced	8000	6000
Standard rate per hour	30 paise	35 paise
Actual hours worked	8200	5800

SECTION – C

Answer any TWO of the following:

(2 x 15= 30)

- Explain basic assumption of Pricing Theory and critically analyse different pricing strategies for new product.
- A manufacturer has planned his level of operation at 50% of his plant capacity of 30,000 units. His expenses are estimated as follows, if 50% of the plant capacity is utilised:
 - Direct Material ₹ 8,280
 - Direct Wages ₹ 11,160
 - Variable and other Manufacturing expenses ₹ 3,960
 - Total fixed expenses irrespective of capacity utilisation ₹ 6,000.

The expected selling price in the domestic market is ₹ 2 per unit. Recently the manufacturer has received a trade enquiry from an overseas organisation interested in purchasing 6000 units at a price of ₹ 1.45 per unit.

As a professional Management accountant, what would be your suggestion regarding acceptance or rejection of the offer?

Support your suggestion with suitable quantitative information.

7. The following information at 50% capacity is given. Prepare a flexible budget and forecast the profit or loss at 60%, 70% and 90% capacity.

<u>Fixed expenses</u>	<u>Expenses at 50% capacity</u>
Salaries	50,000
Rent and taxes	40,000
Depreciation	60,000
Administration expenses	70,000
<u>Variable expenses</u>	
Materials	2,00,000
Labour	2,50,000
Others	40,000
<u>Semi- Variable</u>	
Repairs	1,00,000
Indirect labour	1,50,000
Others	90,000

It is estimated that fixed expenses will remain constant at all capacities. Semi- Variable expenses will not change between 45% and 60% capacity, will rise by 10% between 60% and 75% capacity, a further increase of 5% when capacity crosses 75%

Estimated sales at various levels of capacity are:

Capacity	Sales (₹)
60%	11,00,000
70%	13,00,000
90%	15,00,000

SECTION – D (COMPULSORY QUESTION)

(1x20= 20)

8. From the following records of Bona Ltd, you are required to compute the material and labour variances. One tonne of material input yields a standard output of 1,00,000 units. Number of employees is 200. The standard wage rate per employee per day is ₹6. Standard price of Material is ₹ 20 per kg. Actual quantity of material issued by production department 10 tonnes. Actual price of material is ₹21 per kg. Actual output is 9 lakh units. Actual wage rate per day is ₹ 6.50. Standard daily output per employee is 100 units. Total number of days worked is 50. Idle time paid for and included above is $\frac{1}{2}$ day.



MCOMH 202

REG.NO:.....

CREDIT- BASED SECOND SEMESTER M.COM. DEGREE EXAMINATION, SEPTEMBER 2020
BUSINESS STATISTICS

Time : 3 Hrs

Max. Marks: 70

SECTION – A

1. Answer any FIVE of the following:

(5 × 2 = 10)

- a) State any two merits of Median.
- b) What is 'R' chart?
- c) What is positive and negative correlation?
- d) What is a random variable?
- e) Differentiate between a parameter and a statistic.
- f) What is a sampling error?
- g) What is a Chi-square test?

SECTION – B

Answer any TWO of the following:

(2 × 5 = 10)

2. The average test score for an entire school is 75 with a standard deviation of 10. What is the probability that a random sample of 5 students scored above 80?
3. In a town, 10 accidents took place in a span of 50 days. Assuming that the number of accidents per day follows the Poisson distribution, find the probability that there will be three or more accidents in a day.
4. Explain the scatter diagram method of studying correlation.

SECTION – C

Answer any TWO of the following:

(15 × 2 = 30)

5. 1000 students at college level were graded according to their I.Q and the economic conditions of their homes. Use χ^2 test to find out whether there is any association between economic conditions at home and I.Q.

<u>Economic Conditions</u>	<u>High I.Q.</u>	<u>Low I.Q.</u>	<u>Total</u>
Rich	460	140	600
Poor	240	160	400
Total	700	300	1000

6. Explain any three non parametric tests.

7. Find the measures of central tendency from the following data:

<u>No. of days absent</u>	<u>No. of students</u>
Less than 5	29
Less than 10	224
Less than 15	465
Less than 20	582

Less than 25	634
Less than 30	644
Less than 35	650
Less than 40	653
Less than 45	655

SECTION – D (COMPULSORY QUESTION)

(20 ×1= 20)

8. a. Calculate Karl Pearson's coefficient of correlation between advertising expenses and sales from the data given below:

Advertising expenses('000₹) : 39 65 62 90 82 75 25 98 36 78
 Sales (lakhs Rs.): 47 53 58 86 62 68 60 91 51 84

(10 marks)

b. Calculate an Bowley's measure of skewness from the following data:-

<u>Weight (lbs)</u>	<u>No. of persons</u>
Under 100	1
100 – 109	14
110 – 119	66
120 – 129	122
130 – 139	145
140 – 149	121
150 – 159	65
160 – 169	31
170 – 179	12
180 – 189	5
190 – 199	2
200 and over	2

(10 marks)

MCOMH 203: Business Taxation – I (Direct)

Time: 3 Hrs

Max. Marks: 70

Section - A**1. Answer any FIVE of the following:****(5×2=10)**

- a) Give four examples of Incomes which are totally exempt from Income Tax.
- b) What is short term Capital Gain?
- c) Mr. Keshav resides in Chennai and get Rs.10,000 p.m as basic salary, Rs.8,000p.m as D.A.(entering retirement benefits), Rs.12,000 p.m as HRA. He pays Rs.10,000 p.m as rent. Calculate Taxable HRA.
- d) State the two basic conditions U/S 6(1) determine the residential status of an individual.
- e) Calculate income from other sources from the following:
 - a) Rs.25,00,000 6% MP Government loan.
 - b) Rs.4,00,000 6% Non-listed debentures of PKM Ltd.
 - c) Rs.2,50,000 10% Listed debentures of NH Ltd.
- f) State any four inadmissible expenses while calculating Taxable Business Income.
- g) When can a firm be assessed U/S 184?

Section - B**Answer any TWO of the following:****(2×5=10)**

- 2) Mr. Das is the owner of 4 houses. One house is let out to a tenant for Rs.30,000 p.a. The second house, the municipal valuation of which is Rs.45,000 p.a is in his own occupation. The third house remained vacant throughout the whole year as it was not in rentable condition. The fourth house, the municipal valuation of which is Rs. 60,000 is used by Das for his business.

His expenses in respect of these houses are as follows:

Particulars	Rs.
Interest on loan taken to repair the residential house	4,000
Fire insurance premium for 1 st , 2 nd and 4 th house	14,100
Collection Charges	3,500
Ground rent in respect of 2 nd House	2,000

The first house, which is let, remained vacant for two months.

Calculate Das's Income from House property.

- 3) S, an owner of three houses, sells a residential house in Chennai for Rs.8,00,000 on May 23,2018. This house was purchased by him on 1-4-2002 for Rs.2,00,000. On May 30,2018, he purchased a flat in Mumbai for Rs.8,70,000 for the purpose of the residence of his son-in-law. On March 01,2019, S sells the house in Mumbai for Rs.12,10,000.

Compute the capital gain arising on the two transactions. Is S eligible for exemption U/S 54 in respect of Second Sale? Cost Inflation Index for the financial year 2002-03 and 2018-19 are 105 and 280.

- 4) Mention the different kinds of incomes specially mentioned as chargeable to tax under the head 'Income from other sources'.

Section- C

Answer any TWO of the following.

(2×15=30)

- 5) From the particulars given below, compute salary income of Mr.Imran.

Particulars	Rs.
Salary @ Rs.40,000 p.m	4,80,000
Bonus equal to one month's salary	40,000
Entertainment allowance @ Rs.5,000 p.m	60,000
Free gas and water supply	5,000

- He is provided with a rent free accommodation in Delhi owned by the employer the FRV of which is Rs.10,000 p.m.(Population of Delhi is above 25 Lakh).
 - He is provided with the facility of a 18 cubic capacity car which he uses both for private and official purpose.
 - He has engaged a domestic servant @ Rs.1,000p.m and his salary is being paid by his employer.
 - He is provided the facility of a free lunch in the office during luch break valued at Rs.100 per day for 250 days in the previous year.
 - The employer is maintaining a holiday home at Shimla and employee stayed there for 10 days free of cost. It cost to the employer shall be Rs.10,000.
 - During the year employee and his wife travelled by air to Mumbai to attend a family function and air tickets worth Rs.24,000 were purchased by him through credit card provided to him by the employer.
 - Employer and employee both are contributing @ 14% in employee's recognised provident fund.
- 6) Mr. Rama Rao is a chartered accountant in Mysore. His Receipts and Payment Account for the A.Y. ending 31-03-2019 is as follows :

Receipts	Rs.	Payments	Rs.
To Balance b/d	56,000	By Salary	1,00,000
To Dividend	64,000	By Rent	60,000
To Professional Income	5,60,000	By Telephone Charges	24,000
To House rent	90,000	By Professional Expenses	20,000
To Race course income (Net)	24,000	By Motor Car.expenses	48,000
To Lottery prize (Net)	1,20,000	By Misc. Expenses	30000
		By Purchase of Car (30.09.18)	1,80,000
		By Advance Income Tax	1,00,000
		By Personal Expenses	1,80,000
		By Purchase of Professional Books	8,000
		By Electricity	4,000
		By LIC Premium	16,000
		By Bal c/d	1,44,000
	9,14,000		9,14,000

Additional Information:

1. 1/3 of car expenses relates to personal use.
2. Depreciation of motor car allowed is 15%.
3. Rent includes Rs.30,000 paid for residential accommodation.
4. Misc. expenses include donation paid to a notified temple Rs.20,000.

Compute his professional income from for the A.Y 2019-20.

- 7) The profit and loss account of a firm in which the partners X,Y and Z share profits and loss in the ratio of 5:4:1 respectively discloses profit pf Rs.80,525 for accounting year ending 31st March 2019.

Debits	Rs.	Credits	Rs.
Donation to National Defence Fund	11,000	Capital gain on sale of scrap machinery	5,000.
Salary to partners :		Interest on debentures after deduction of tax at source	22,500
X Rs.15,000		Rs.2,500	
Y Rs.19,000			
Z Rs.22,000	56,000		
Commission to X	6,000	Interest on Securities (Gross)	3,500
Office rent (paid to Y)	12,000		

Compute the total income of the firm for the Assessment year 2019-20. The firm has submitted certified copy of instrument of partnership along with return and it provides for payment of salary, commission to working partners X,Y and Z as per above.

SECTION-D (COMPULSORY)

(1×20=20)

- 8) Rao Ltd. a domestic Ltd Company, provides you following statement of profit and loss showing a net profit of Rs.18,80,000 for computation of tax liability for Assessment Year 2019-20.

Expenses Charged	Rs.	Incomes Included	Rs.
Purchases	18,75,000	Sales	75,25,000
Direct Wages	8,45,000	Closing stock	1,10,000
Freight	12,500	Dividends from Indian Domestic Company	17,500
Salaries	8,50,000		
General Expenses	4,35,000		
Sales Expenses	2,15,000		
Director's Remuneration	8,22,000		
Income Tax	1,80,000		
Penalty (Excise)	10,000		
Proposed Dividend	3,20,000		
Provision for losses of subsidiary company	2,00,000		

Additional Information:

- a) Purchases include one bill of Rs.60,000 against which payment was made in cash .
- b) General expenses include Rs.15,000 as interest on loan taken from scheduled bank. This interest has not been paid so far.

Particulars	As per I.T Act	As per Books of A/c
Brought forward losses	2,80,000	1,40,000
Unabsorbed depreciation	1,70,000	50,000

Calculate tax liability for A.Y. 2019-20.

CHOICE BASED CREDIT SYSTEM SECOND SEMESTER M.COM. DEGREE EXAMINATION,
SEPTEMBER - 2020

ORGANISATIONAL BEHAVIOUR

Time : 3 Hrs

Max. Marks: 70

SECTION - A

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

- What is Anthropology in Organisational Behaviour?
- Mention the "Big Five" personality traits in Organisational Behaviour.
- What do you mean by "Attitude"?
- What is Self-actualisation need?
- Define Group cohesiveness.
- What is Delphi technique in decision making?
- What is meant by the term "Leadership".

SECTION - B

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

- Discuss the role of organisational behaviour in an organisation.
- Explain Herzberg's Two Factors Theory and differentiate it from Maslow theory.
- Discuss Spirituality Management in OB

SECTION - C

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

- Discuss various personal factors which influence the individual behaviour.
- Explain the features and components of "Attitude". How is an Attitude formed?
- What are the steps involved in Decision Making?

SECTION - D

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

Arvind has just graduated from the IIM, Ahmadabad and has joined his family's Small business at Moradabad. The business employs twenty semi-skilled workers. During the first week on his job, his father called him and said "Arvind, I have observed you working with workers for the past two days and I want to advise you something I know. You have been taught human relations stuff at the institutes, but it just does not work here. I was also taught the Hawthorne studies when I was in Business School. I, too, was very excited by them. But in reality, there is more to managing people than just being nice to them". Arvind is very confused and he wonders what to do. (6)

Questions:

- If you were Arvind, how would you behave in this situation? (4)
- What phases of management, do you think, Arvind's father has gone through in his family business? How would Arvind explain to his father about the perspective that is needed? (8)
- How will the study of Organisational Behaviour help Arvind to be successful in his business? (6)

CREDIT- BASED SECOND SEMESTER M.COM. DEGREE EXAMINATION, *OCTOBER 2020***ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT**

Time : 3 Hrs

Max. Marks: 70

SECTION - A**1. Answer any FIVE of the following: (2 x 5 = 10)**

- a) What is the difference between a businessman and an entrepreneur?
- b) Why is a subsidy given to small and medium enterprises?
- c) What is the importance of a feasibility Report.
- d) Why is a Financial Institution so called?
- e) Differentiate between Intrapreneur and Entrepreneur.
- f) What is a small business?
- g) What is site selection?

SECTION - B**Answer any TWO of the following: (2 x 5 = 10)**

2. Analyse the stages to set up a business.
3. Explain different types of growth strategy.
4. What is a market analysis? Explain.

SECTION - C**Answer any TWO of the following: (15 x 2 = 30)**

5. Briefly explain the various elements of a Business Plan.
6. Analyze the problems faced by small enterprises.
7. Discuss various entrepreneurial competencies.

SECTION - D (Compulsory)**8. Case study (20 x 1 = 20)**

Read this case and answer the questions that follow:

Prasanna is an engineering graduate. He joined a company manufacturing metal formed components as a production assistant. These components were supplied to the automobile industry. He was a technician with brilliant original ideas and the management of the company supported him to adopt his innovative ideas in the manufacturing process. In four years time Prasanna had risen to the position of the Chief Production engineer.

Very soon Prasanna left his job and started a company of his own where he was making machine parts which were used by manufacturers of big machines in their assembly line. Prasanna names his firm Ahura Engineers. The workshop occupied a huge area and had semi automatic machines. The layout in the workshop was process layout every department had similar machines for each process function like drilling, welding, turning, bending etc.,

Prasanna, after a year realised he had to improvise his production set up and increase productivity. He could do it by acquiring some electronically controlled

automatic machine. These would have higher production rate and be more versatile than the manual operated machines he would replace. Prasanna also felt that additional floor space could be achieved by such an exercise because one such machine could do the work performed by four traditional mechanical machines.

Prasanna appointed Rajan, an industrial engineer from his firm to redesign the plant layout in order to facilitate the integration of the newly purchased electronically controlled fully automatic machine into the existing semi automatic machine tool configuration at the firm. Currently the existing old machines are arranged in a process layout where a particular group of machines are kept in a single department.

The new machines individually can perform many operations of at least four traditional machines. This requires that the existing process layout be altered. Rajan is now wondering what would be the best way to integrate the new automatic electronically controlled machines with the existing machines.

1. Can you notice in Prasanna the qualities of an entrepreneur when he was working in this other company? What are those qualities? (7)
2. What is your observation about placing high productive fully automatic machines together with semi automatic old machines? List out any advantages or disadvantages you can think of. (7)
3. If the new machines can replace a large number of old machines.
 - a) How should the resultant extra floor space be utilised.
 - b) 25 % of the work force numbering 15 would now be without jobs. How would you address their problem?

CHOICE BASED CREDIT SYSTEM SECOND SEMESTER M.COM. DEGREE EXAMINATION,
OCTOBER 2020

MARKETING SKILLS

Time : 3 Hrs

Max. Marks: 70

SECTION – A

1. Answer any FIVE of the following:

(5 x 2 = 10)

- a) Define Markets.
- b) What do you understand by 'Market Segmentation'?
- c) What do you mean by Product?
- d) Define Brands.
- e) What do you mean by communication process?
- f) Differentiate between Wholesaling and Retailing.
- g) What is Market Segmentation?

SECTION – B

Answer any TWO of the following:

(2 x 5 = 10)

2. Design "Marketing Mix" strategy for a Milk based Soft Drink.
3. Why is Price important in Marketing?
4. Explain the various types of 'Buyers'.

SECTION – C

Answer any TWO of the following:

(2 x 15 = 30)

5. Explain in detail the various promotional strategies.
6. What is Marketing Environment? Explain the concept of Micro and Macro Environment.
7. Explain the concept of Product Life Cycle. How can the marketing manager manage the life cycle of a product successfully?

SECTION – D

CASE STUDY (COMPULSORY)

(1x20= 20)

8. **Re-establishing Credibility with Changing reality**

Laxmi Mills: Mr.Rajan Kohali, along with his brothers, started making and selling edible oils way back in 1910. In 1930, Rajan, along with his sons, started Laxmi Mills with factories operating in Bombay and Hyderabad. The change was not only in the name but also a major technological difference. The Laxmi Mills was subjected to a new process: refining. The mill had to get people to accept a "tasteless" cooking medium because that's what the oil became after refining. By generating an export market he covered the risk of being left with excess stocks while he experimented with the Indian market. At that time, there were a sufficient number of Europeans in India to form the base of his local market.

Rajan had chosen groundnut oil for the following reasons:

- i) It was very commonly used by Indian families with potential customer base.
- ii) Groundnut was grown widely in India.
- iii) The oil seeds yielded a good quantity of oil.

The oil was sold in 1.5 and 5.0 kg small barrels to cater to both the nuclear and joint family needs.

Rajan sold the concept of refined oil as one that is pure as it undergoes a thorough cleaning process retaining the flavour of the foodstuff itself. The concept being new, the buyers had to be convinced that it was not harmful.

The company enjoyed 80% of the market share till 1970. Other companies saw the growing potential in groundnut oil and entered the market. To remain in the market as a leader, the Laxmi Mills changed the pack size to one, two, five ten, fifteen and twenty-five kg. However, competition became fairly intense in 1980. A number of big players entered the market. In 1981, Bombay Oil Mills launched refined Kardai Oil which helped to lower cholesterol levels, the primary cause of heart attacks. It explained this feature and the doctors also started prescribing Kardai Oil. Any person with a heart problem was immediately prescribed to change the cooking medium to Kardai oil.

Consumer queries started coming into Laxmi Mills. People wanted to know if it was safe to use refined groundnut oil. The market share dropped sharply to 65%.

Questions

1. What, according to you, should the Laxmi Mills have done immediately after sensing the change? (7)
2. Advise the company to clear its reputation and re-establish its credibility. (7)
3. Recently, it has been reported that Kardai oil is not helpful in preventing heart problems. What advice would you pass on to Bombay Oil Mills? (6)
