21COMC312 Reg No : ....

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

B.Com. THIRD SEMESTER DEGREE EXAMINATION NOVEMBER 2023

COMMERCE

International Financial Management II

Duration:2 Hours **Max Marks:60**

Section A

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

1. GXG Co is an e-business that designs and sells computer applications (apps) for mobile phones. The company needs to raise $3,200,000 for research and development and is considering two financing options.

Option 1

GXG Co could suspend dividends for two years, and then pay dividends of 25 cents per share from the end of the third year, increasing dividends annually by 4% per year in subsequent years. Dividends in recent years have grown by 3% per year.

Option 2

GXG Co could issue $3,200,000 of bonds paying annual interest of 6%, redeemable after ten years at nominal value.

Recent financial information relating to GXG Co is as follows:

	$m
Operating profit	3,450
Interest	200
Profit before taxation	3,250
Taxation	650
Profit after taxation	2,600
Dividends	1,600

	$000
Ordinary shares (nominal value 50 cents)	5,000

Under both options, the funds invested would earn a before-tax return of 18% per year. The profit tax rate paid by the company is 20% per year. GXG Co has a cost of equity of 9% per year, which is expected to remain constant.

a) Using the dividend valuation model, calculate the value of GXG Co under option 1, and advise whether option 1 will be acceptable to shareholders. **(9 marks)**

b) Calculate the effect on earnings per share and interest cover of the proposal to raise finance by issuing new debt (option 2), and comment on your findings. **(6 marks)**

2. Card Co has in issue 8 million shares with an ex-dividend market value of $7.16 per share. A dividend of 62 cents per share for 20X3 has just been paid. The pattern of recent dividends is as follows:

Year	20X0	20X1	20X2	20X3
Dividends per share (cents)	55.1	57.9	59.1	62.0

Card Co also hasin issue 8.5% bondsredeemable in five years' time with a total nominal value of $5 million. The market value of each $100 bond is $103.42. Redemption will be at nominal value.

Card Co is planning to invest a significant amount of money into a joint venture in a new business area. It has identified a proxy company with a similar business risk to the joint venture. The proxy company has an equity beta of 1.038 and is financed 75% by equity and 25% by debt, on a market value basis.

The current risk-free rate of return is 4% and the average equity risk premium is 5%. Card Co pays profit tax at a rate of 30% per year and has an equity beta of 1.6

a) Calculate the cost of equity of Card Co using the dividend growth model. **(4 marks)**

b) Discuss whether the dividend growth model or the capital asset pricing model should be used to calculate the cost of equity. **(6 marks)**

c) Calculate a project-specific cost of equity for Card Co for the planned joint venture **(5 marks)**

3. Spot Co is considering how to finance the acquisition of a machine costing $750,000 with an operating life of five years. There are two financing options.

Option 1

The machine could be leased for an annual lease payment of $155,000 per year, payable at the start of each year.

Option 2

The machine could be bought for $750,000 using a bank loan charging interest at an annual rate of 7% per year. At the end of five years, the machine would have a scrap value of 10% of the purchase price. If the machine is bought, maintenance costs of $20,000 per year would be incurred.

Evaluate whether Spot Co should use leasing or borrowing as a source of finance, explaining the evaluation method which you use. (Ignore taxation).

4. Dinla Co has the following capital structure:

Equity and reserves	$000	$000
Ordinary shares	23,000	
Reserves	247,000	270,000
Non-current liabilities		
5% Preference shares	5,000	
6% Loan notes	11,000	
Bank Loan	3,000	19,000
		289,000

The ordinary shares of Dinla Co are currently trading at $4.26 per share on an ex-dividend basis and have a nominal value of $0.25 per share.

Ordinary dividends are expected to grow in the future by 4% per year and a dividend of $0.25 per share has just been paid.

The 5% preference shares have an ex dividend market value of $0.56 pershare and a nominal value of $1.00 per share. These shares are irredeemable.

The 6% loan notes of Dinla Co are currently trading at $95.45 per loan note on an ex interest basis and will be redeemed at their nominal value of $100 per loan note in five years' time.

The bank loan has a fixed interest rate of 7% per year.

Dinla Co pays corporation tax at a rate of 25%.

a) Calculate the after-tax weighted average cost of capital of Dinla Co on a market value basis. **(12 marks)**

b) Discuss the connection between the relative costs of sources of finance and the creditor hierarchy. **(3 marks)**

Section B

Answer any TWO of the following: (2×10= 20)

5. A company has in issue 12% redeemable debt with 5 years to redemption. Redemption is at nominal value. The current market value of the debt is $107.59.

The corporation tax rate is 30%. What is the return required by the debt providers (pre-tax cost of debt)?

6. Discuss THREE problems a Co may be facing as a result of its current high level of gearing.

7. Kelvin Co is considering an extensive rights issue to raise new finance. It currently has 4 million shares and has been very successful over a prolonged period.

The terms of the deal are as follows:

- One new share for every 4 held at a price of 90% of the existing market value per share
- The existing market value is $20 per share (the cum rights price).

One of the directors is unhappy with offering any discounts to existing shareholders. He/she claims that the company's past success should be enough to encourage shareholders to increase their investment.

a) What is the theoretical ex rights price (TERP) per share in $? **(5 marks)**

b) A US exporter sells one product in Europe on a cost plus basis. The selling price is based on a US price of $16 to cover costs and provide a profit margin. The current exchange rate is €1.26 = $1. What would be the effect on the exporter's business if the dollar strengthened to €1.31 = $1? **(2 marks)**

c) The US$ rate per £ is quoted as $1.4325 – $1.4330 = £1. Company A wants to buy $100,000 in exchange for sterling. Company B wants to sell $100,000 in exchange for sterling. What rate will the bank offer each company? **(3 marks)**

8. Ring Co has in issue ordinary shares with a nominal value of $0.25 per share. These shares are traded on an efficient capital market. It is now 20X6 and the company has just paid a dividend of $0.450 per share. Recent dividends of the company are as follows:

Year	20X6	20X5	20X4	20X3	20X2
Dividend per share	$0.450	$0.428	$0.408	$0.389	$0.370

Ring Co also has in issue loan notes which are redeemable in seven years' time at their nominal value of $100 per loan note and which pay interest of 6% per year. The finance director of Ring Co wishes to determine the value of the company. Ring Co has a cost of equity of 10% per year and a before-tax cost of debt of 4% per year. The company pays corporation tax of 25% per year.

a) Using the dividend growth model, what is the market value of each ordinary share, in dollars, to two decimal places? **(5 marks)**

b) What is the market value of each loan note? **(5 marks)**

Section C

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

9. A company issued its 12% irredeemable loan notes at 95. The current market price is 92. The company is paying corporation tax at a rate of 30%. What is the current net cost of capital per year of these loan notes (to one decimal place)?

10. Black Co has in issue 5% irredeemable loan notes, nominal value of $100 per loan note, on which interest is shortly to be paid. Black Co has a before-tax cost of debt of 10% and corporation tax is 30%. What is the current market value of one loan note?

11. The following data is available:

    Country Y currency Dollar

    Country X currency Peso

    Country Y interest rate 1% per year

    Country X interest rate 3% per year

    Country X expected inflation rate 2% per year

    Spot exchange rate in Country Y 1.60 peso per $1

    What is the currentsix-month forward exchange rate in Country Y (to two decimal places)?

12. A company has just paid an ordinary share dividend of 32.0 cents and is expected to pay a dividend of 33.6 cents in one year's time. The company has a cost of equity of 13%. What is the market price of the company's shares to the nearest cent on an ex dividend basis?

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21COMC313 Reg No : ....

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

B.Com. THIRD SEMESTER DEGREE EXAMINATION NOVEMBER 2023

COMMERCE

Strategic Business Leader I

Duration:2 Hours Max Marks:60

Section A

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

1. Explain the stages of Strategic Drift and assess the implications of Strategic Drift and how it might be avoided.

2. Evaluate the sources of competition in an industry using Porter's five forces framework and apply the five forces analysis to a company that does garden maintenance for households.

3. Founded in 1983 as a long-distance phone operator, Globe Line has relied heavily on acquisitions to fund its growth. In the last decade it has made over 60 acquisitions, extending its reach around the planet and diversifying into data and satellite communications, internet services and web hosting. Almost all acquisitions have been paid for using the company's shares. This high fueled 'growth through acquisition' strategy has had a number of outcomes. One is the significant management challenge of managing diversity across the world, straining manpower resources and systems. In particular, the internal audit department has been forced to focus on operational matters simply to keep up with the speed of change. Shareholders have, on the whole, welcomed the dramatic rise in their stock price, buoyed up by the positive credit rating given by SDL, Globe Line's favoured investment bank, who have been heavily involved in most of the acquisitions, receiving large fees for their services. Recently, some shareholders have complained about the lack of clarity of annual reports provided by GlobeLine and the difficulty in assessing the true worth of a company when results change dramatically period to period due to the accounting for acquisitions. Ben Mervin is the visionary, charismatic CEO of Globe Line. Over the course of the last three years his personal earning topped $77 million with a severance package in place

that includes $1.5 million for life and lifetime use of the corporate jet. He is a dominant presence at board meetings with board members rarely challenging his views. Recently, a whistle-blower has alleged financial impropriety within Globe Line and institutional shareholders have demanded meetings to discuss the issue. The Chairman of the audit committee (himself a frequent flyer on the corporate jet) has consulted with the CEO over the company's proposed response.

Discuss agency costs that might exist in relation to the fiduciary relationship between shareholders and the company, Globe Line, and consider conflict resolution measures.

4. The LKJ company is a distributor of electricity in a large country. In effect, LKJ purchases electricity from companies making electricity and then distributes this through a network of cables to companies and private individuals throughout the country. Electricity is generated from a variety of sources including burning co and natural gas, nuclear power and a small amount from renewal resources such as wind and wave power. LKJ's shares are owned by three other companies, who take an active interest in the profitability of LKJ. There are three other electricity distribution companies in the country LKJ operates in. The board of LKJ are currently considering the proposal to purchase electricity from another country. This source of supply is quoted as being cheaper from those within LKJ's home country, although the electricity is generated by burning coal. If this supply is taken, LKJ will stop purchasing electricity from an old nuclear power station and some of the expensive wind power plants. The Clean-Earth environmental group has learnt of the proposal and is currently participating in a media campaign in an attempt to block the change by giving LKJ bad publicity. The board, managers and employee in LKJ appear indifferent, although changing the source of supply will provide a price advantage over LKJ's competitors, effectively guaranteeing their jobs for the next few years.

Identify the stakeholder groups, who will be interested and/or affected by the decision of the LKJ company to change electricity suppliers, evaluating the impact of that decision on the group.

Discuss the actions the board can take with respect to each stakeholder group.

Section B

Answer any TWO of the following: **(2×10= 20)**

5. a. Apply Porter's Diamond to the US personal computer (PC) industry. **(5 marks)**

   b. Perform an opportunities and threats analysis on a passenger train service and a nuclear power station. **(5 marks)**

6. What are the types of Benchmarking? List out the dangers of Benchmarking.
7. Explain the arguments against principle-based approach.
8. State the roles and responsibilities of a director as per UK Corporate Governance Code.

Section C

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

9. What is a Strategy? List out the potential advantages of Strategic Planning.
10. Describe the impact of new product, process and service developments in supporting organization strategy.
11. List out the objectives of International Corporate Governance Network.
12. State the objectives of Directors Induction.

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21COMC321

Reg No : ....

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

B.Com. THIRD SEMESTER DEGREE EXAMINATION NOVEMBER/DECEMBER 2023

COMMERCE

Professional Accounting-III

Duration:2 Hours **Max Marks:60**

Section- A(compulsory)

I . Answer the following question : **1×20= 20**

1. SMM Ltd. has the following capital structure as on 31st March, 20X1:

Rs.in crore

	Particulars	Situation I	Situation II
(i)	Equity share capital (shares of Rs.10 each)	1,200	1,200
(ii)	Reserves:		
	General Reserves	1,080	1,080
	Securities Premium	400	400
	Profit & Loss	200	200
	Infrastructure Development Reserve (Statutory Reserve)	320	320
(iii)	Loan Funds	3,200	6,000

The company has offered buy-back price of Rs. 30 per equity share. You are required to calculate maximum permissible number of equity shares that can be bought back in both situations and also required to pass necessary Journal Entries.

Section- B

II. Answer any Four of the following : **4×10= 40**

2. Briefly explain the process of issuance of Indian Accounting Standards. What do you mean by Carve outs/ins in Ind AS? Explain.

3. Balance Sheet of Anurag Trading Co. on 31st March, 20X1 is given below;

Liabilities	Rs.	Assets	Rs.
Capital	50,000	Fixed Assets	69,000
Profit and Loss A/c	22,000	Stock in Trade	36,000
10% Loan	43,000	Trade Receivables	10,000
Trade Payables	18,000	Deferred Expenditure	15,000
		Bank	3,000
	1,33,000		1,33,000

Additional Information:

a) Remaining life of fixed assets is 5 years with even use. The net realizable value of fixed assets as on 31st March, 20X2 was Rs. 64,000.

b) Firm's sales and purchases for the year 20X1-X2 amounted to Rs.5 lacs and Rs.4.50 lacs respectively.

c) The cost and net realisable value of the stock were Rs.34,000 and Rs.38,000 respectively.

d) General Expenses for the year 20X1-X2 were Rs.16,500.

e) Deferred Expenditure is normally amortised equally over 4 years starting from F.Y. 20X0-X1 i.e. Rs.5,000 per year.

f) Out of debtors worth Rs.10,000, collection of Rs.4,000 depends on successful re-design of certain product already supplied to the customer.

g) Closing trade payable is Rs.10,000, which is likely to be settled at 95%.

h) There is pre-payment penalty of Rs.2,000 for Bank loan outstanding.

Prepare Profit & loss Account for the year ended 31st March, 20X2 by assuming it is not a Going Concern.

4. A company was classified as Non-SMC in 2021-22. In 2022-23 it has been classified as SMC. The management desires to avail the exemption or relaxations available for SMCs in 2022-23. However, the accountant of the company does not agree with the same. Comment.

5. HIL Ltd. was making provision for non-moving stocks based no issues having occurred for the last 12 months up to 31.03.2017. The company now wants to make provision based on technical evaluation during the year ending 31.03.2018.

Total value of stock Rs.120 lakhs

Provision required based on technical evaluation Rs.3.00 lakhs.

Provision required based on 12 months no issues Rs.4.00 lakhs.

You are requested to discuss the following points in the light of Accounting Standard (AS)-1:

i) Does this amount to change in accounting policy?

ii) Can the company change the method of accounting?

6. On the basis of information given below, find the value of inventory (by periodic inventory method) as per AS 2, be considered while preparing the Balance Sheet as on 31st March 2017 on weighted Average Basis.

Date of purchase	Unit (Nos.)	Purchase cost per unit (Rs.)	Date of Issue	Unit (Nos.)
01/03/2017	20	108	03/03/2017	10
08/03/2017	15	107	12/03/2017	20
17/03/2017	30	109	18/03/2017	10
25/03/2017	15	107	24/03/2017	20

Net realizable value of inventory as on 31st March 2017 is Rs. 107.75 per unit. You are required to compute the value of Inventory as per AS 2

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21COMC322 Reg No : ....

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

B.Com. THIRD SEMESTER DEGREE EXAMINATION NOVEMBER/ DECEMBER 2023

COMMERCE

Income Tax I

Duration:2 Hours **Max Marks:60**

Section- A(compulsory)

I . Answer The Following Question : **1×20= 20**

1. Mr. Ramesh & Mr. Suresh are brothers and they earned the following incomes during the financial year 2023-24. Mr. Ramesh settled in Canada in the year 1996 and Mr. Suresh settled in Delhi. Compute the total income for the A.Y. 2024-25 assuming that both have exercised the option of shifting out of the default tax regime provided under section 115BAC(1A). Provide detailed working notes wherever necessary.

Particulars	Mr. Ramesh (Rs.)	Mr. Suresh (Rs.)
Interest on Canada Development Bonds (only 50% of interest received in India)	35,000	40,000
Dividend from British company received in London	28,000	20,000
Profits from a business in Nagpur, but managed directly from London	1,00,000	1,40,000
Short term capital gain on sale of shares of an Indian company received in India	60,000	90,000
Income from a business in Chennai	80,000	70,000
Fees for technical services rendered in India, but received in Canada	1,00,000	----
Interest on savings bank deposit in UCO Bank, Delhi	7,000	12,000
Agricultural income from a land situated in Andhra Pradesh	55,000	45,000
Rent received in respect of house property at Bhopal	1,00,000	60,000
Life insurance premium paid	---	30,000

Section- B

II. Answer any Four of the following : **4×10= 40**

2. Mr. Sagar who retired on 1.10.2023 is receiving Rs. 5,000 p.m. as pension. On 1.2.2024, he commuted 60% of his pension and received Rs. 3,00,000 as commuted pension. You are required to compute his taxable pension assuming:

   1. He is a Government employee.

   2.He is a private sector employee and received gratuity of Rs. 5,00,000 at the time of retirement.

   3.He is a private sector employee and did not receive any gratuity at the time of retirement.

3. Compute the tax liability of Mr. A (aged 42), having total income of Rs. 51 lakhs for the Assessment Year 2024-25. Assume that his total income comprises of sala income, Income from house property and interest on fixed deposit. Assume that Mr. A has exercised the option to shift out of section 115BAC.

4. Mr. B grows sugarcane and uses the same for the purpose of manufacturing sugar in his factory. 30% of sugarcane produce is sold for Rs.10 lacs, and the cost of cultivation of such sugarcane is Rs. 5 lacs. The cost of cultivation of the balance sugarcane (70%) is Rs. 14 lacs and the market value of the same is Rs. 22 lacs. After incurring Rs. 1.5 lacs in the manufacturing process on the balance sugarcane, the sugar was sold for Rs.25 lacs. Compute B's business income and agricultural income.

5. Ms. Akansha, a salaried employee, furnishes the following details for the financial year 2023-24:

Particulars	Amount (Rs.)
Basic salary	6,20,000
Dearness allowance	4,20,000
Commission	75,000
Entertainment allowance	9,000
Medical expenses reimbursed by the employer	18,000
Profession tax (of this, 50% paid by employer)	4,000
Health insurance premium paid by employer	8,000
Gift voucher given by employer on her birthday	10,000

Life insurance premium of Akansha paid by employer	26,000
Laptop provided for use at home. Actual cost of Laptop to employer [Children of the assessee are also using the Laptop at home]	45,000
Employer company owns a Maruti Suzuki Swift car, which was provided to the assessee, both for official and personal use. Driver was also provided. (Engine cubic capacity more than 1.6 litres). All expenses are met by the employer.	
Annual credit card fees paid by employer [Credit card is not exclusively used for official purposes; details of usage are not available]	7,000

You are required to compute the income chargeable under the head Salaries for the assessment year 2024-25 if she pays tax under default tax regime.

6. Vineet has a property whose municipal valuation is Rs. 65,000 p.a. The fair rent is Rs. 55,000 p.a. and the standard rent fixed by the Rent Control Act is Rs. 60,000 p.a. The property was let out for a rent of Rs. 5,500 p.m. throughout the previous year. Unrealised rent was Rs. 5,500 and all conditions prescribed by Rule 4 are satisfied. He paid municipal taxes @10% of municipal valuation. Interest on borrowed capital was Rs. 20,000 for the year. Compute his income from house property for A.Y.2024-25.

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21COMC323 Reg No : ....

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

B.Com. THIRD SEMESTER DEGREE EXAMINATION NOVEMBER/DECEMBER 2023

COMMERCE

Cost and Management Accounting I

Duration:2 Hours Max Marks:60

Section- A(compulsory)

I . Answer the following question : 1×20= 20

1. 'AT' Ltd. furnishes the following store transactions for September, 2021:

Date	Particulars	Particulars
01-09-2021	Opening Balance	25 Units value Rs. 162.5
04-09-2021	Issues Req. No. 85	8 units
06-09-2021	Receipts from B & Co. GRN No. 26	50 units at Rs. 5.75/unit
07-09-2021	Issues Req. No. 97	12 units
10-09-2021	Return to B & Co.	10 units
12-09-2021	Issues Req. No. 108	15 units
13-09-2021	Issues Req. No. 110	20 units
15-09-2021	Receipts from M & Co. GRN No. 33	25 units at Rs. 6.10/unit
17-09-2021	Issues Req. No. 121	10 units
19-09-2021	Received replacement from B & Co. GRN No. 38	10 units
20-09-2021	Returned from Department, material of M&Co. MRR No. 4	5 units
22-09-2021	Transfer from Job 182 to Job 187 in the dept. MTR6	5 units
26-09-2021	Issues Req. No. 146	10 units
29-09-2021	Transfer from Dept A to Dept B MTR 10	5 units
30-09-2021	Shortage in Stock taking	2 units

Prepare the priced stores ledger on FIFO method and state how would you treat the shortage in stock taking.

Section- B

II. Answer any Four of the following : **4×10= 40**

2. Explain the Classification of Costs by :

   a) Functions

   b) Variability

   c) Controlability

   d) Normality

3. A) MM Ltd. has provided the following information about the items in its inventory.

Item Code Number	Units	Unit Cost (Rs.)
101	25	5
102	300	10
103	50	80
104	75	10
105	225	20
106	75	10

MM Ltd. has adopted the policy of classifying the items constituting 15% or above of Total Inventory Cost as 'A' category, items constituting 6% or less of Total Inventory Cost as 'C' category and the remaining items as 'B' category. You are required to:

(i) Rank the items on the basis of % of Total Inventory Cost.

(ii) Classify the items into A, B and C categories as per ABC Analysis of Inventory Control adopted by MM Ltd.

B) 'X' an employee of ABC Co. gets the following emoluments and benefits:

(a) Basic pay Rs. 10,500 p.m.

(b) Dearness allowance Rs. 2,100 p.m.

(c) Bonus 20% of salary and D.A.

(d) Other allowances Rs. 2,500 p.m.

(e) Employer's contribution to P.F. 10% of salary and D.A.

'X' works for 2,400 hours per annum, out of which 400 hours are non-productive and treated as normal idle time. You are required to COMPUTE the effective hourly cost of employee 'X'.

4. A) From the details given below, calculate:

   i) Re-ordering level

   ii) Maximum level

   iii) Minimum level

   iv) Danger level.

Re-ordering quantity is to be calculated on the basis of following information: Cost of placing a purchase order is Rs. 20

Number of units to be purchased during the year is 50000 Purchase price per unit inclusive of transportation cost is Rs. 50 Annual cost of storage per units is Rs. 5.

Details of lead time : Average- 10 days, Maximum- 15 days, Minimum- 5 days.
For emergency purchases- 4 days.
Rate of consumption : Average: 15 units per day,
Maximum: 20 units per day.
B) (i) Compute E.O.Q. and the total cost for the following:
Annual Demand = 500 units
Unit price = Rs 2.00
Order cost = Rs1.6
Storage rate = 2% per annum
Interest rate = 12% per annum
Obsolescence rate = 6% per annum
(ii) Determine the total cost that would result for the items if a new price of Rs.1.28 is used.

5. The annual demand for an item of raw material is 4,000 units and the purchase price is expected to be Rs. 90 per unit. The incremental cost of processing an order is Rs. 135 and the annual cost of storage is estimated to be Rs. 12 per unit. What is the optimal order quantity and total relevant cost of this order quantity?
Suppose that Rs. 135 as estimated to be the incremental cost of processing an order is incorrect and should have been Rs. 80. All other estimates are correct. What is the difference in cost on account of this error?
Assume at the commencement of the period that a supplier offers 4,000 units at a price of Rs. 86. The materials will be delivered immediately and placed in the stores. Assume that the incremental cost of placing the order is zero and original estimate of Rs. 135 for placing an order for the economic batch is correct. Should the order be accepted?

6. Two workers 'A' and 'B' produce the same product using the same material. Their normal wage rate is also the same. 'A' is paid bonus according to Rowan scheme while 'B' is paid bonus according to Halsey scheme. The time allowed to make the product is 52 hours. 'A' takes 30 hours while 'B' takes 40 hours to complete the product. The factory overhead rate is Rs.5 per person-hour actually worked. The factory cost of product manufactured by 'A' is Rs.3,490 and for product manufactured by 'B' is Rs.3,600.
Required:
(i) Compute the normal rate of wages.
(ii) Compute the material cost.
(iii) Prepare a statement comparing the factory cost of the product as made by two workers.

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21COMC332 Reg No : ....

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

B.Com. THIRD SEMESTER DEGREE EXAMINATION NOVEMBER/ DECEMBER 2023

COMMERCE

Finance and Accounting for BPS

Duration:2 Hours **Max Marks:60**

SECTION – A

Answer any TWO questions: **(15×2= 30)**

1) Explain the twelve main modules and various sub models developed by SAP.

2) Write a note on Optical Character Recognition.

3) Collection is a process for the recovery and outstanding balances owed by its customers. Evaluate

4) Evaluate the role of Cash Application Team.

SECTION – B

Answer any FOUR questions : **(5×4= 20)**

5) What is Modern Accounting? What are its advantages?

6) Write a note on Vendor Support.

7) Write a short note on Billing and Revenue recognition

8) Write a short note on Inter Company Reconciliations.

9) Write a short note on 'Auditor's Report' and 'Notes to financial statements'.

10) What the relevance and importance of Accounting Standards and IFRS in today's changing current business environment.

SECTION – C

Answer any FIVE questions : **(2×5= 10)**

11) What is Business Process Outsourcing?

12) What is a Cash Discount?

13) Expand ACH.

14) What is meant by Defer Up front Fees?

15) Expand IFRS.

16) What is an Intercompnay Reporting?

17) What is O2C related to?

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21COMC342 Reg No : ....

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

B.Com. THIRD SEMESTER DEGREE EXAMINATION NOVEMBER/DECEMBER 2023

COMMERCE

Strategic Corporate Finance

Duration:2 Hours **Max Marks:60**

Section-A

Answer any TWO of the following : **2×15= 30**

1. Describe the cash conversion cycle and its importance in short-term credit management. How can a company optimize this cycle?

2. If the exchange rate between the US dollar (USD) and the Euro (EUR) is fixed at 1 USD = 0.85 EUR, how many Euros will you receive for 500 US dollars?

3. ABC Ltd. requires $50,000 in short-term credit to cover seasonal fluctuations. They choose to use a line of credit with an annual interest rate of 6%. How much interest will they pay if they fully utilize the credit for one quarter (3 months)?

Section-B

Answer any TWO of the following : **2×10= 20**

4. Explain the difference between stocks and bonds as financial instruments.

5. Company C uses the allowance method for estimating bad debts. At the end of the year, the accounts receivable balance is $80,000, and the allowance for doubtful accounts has a credit balance of $2,000. What is the net realizable value of accounts receivable?

6. Company E has a collection period of 60 days and $40,000 in accounts receivable. Calculate the credit sales for the period.

Section-C

Answer any TWO of the following : **2×5= 10**

7. What are the different types of risk that Investors Face?

8. Suppose Company B's common base year is 2021. In 2022, its shareholders' equity was $750,000, and in 2023, it increased to $800,000. Calculate the Relative Percentage Change in Shareholders' Equity from 2022 to 2023.

9. A company's current assets are $75,000, and its current liabilities are $45,000. What is the Working Capital?

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