

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com. FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/DECEMBER 2023****COMMERCE****Management Principles and Applications****Duration:2 Hours****Max Marks:60****SECTION – A****Answer any TWO questions:****(15×2= 30)**

- 1) Explain the contributions of Henry Fayol to Modern Management.
- 2) Explain the features and process of Strategic Planning.
- 3) Define Delegation of Authority. Explain its benefits.
- 4) Explain the features and process of Communication.

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

- 5) Explain the contribution of Peter F Drucker in the development of Management Thought.
- 6) Briefly explain the tools of Strategic planning.
- 7) Write a note on Informal Organisation.
- 8) Write a note on Autocratic Style of leadership.
- 9) Write a note on Intrinsic Motivation.
- 10) Explain the principles of Coordination.

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

- 11) What is mental revolution?
- 12) State any two importance of Decision making.
- 13) What is meant by Span of Responsibility?
- 14) What is Job Analysis?
- 15) What is meant by Diagonal Communication?
- 16) What is meant by Return on Investment ?
- 17) What is Coordination?

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

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

COMMERCE

Financial Accounting

Duration:2 Hours

Max Marks:60

Section-A

Answer any TWO of the following :

2×15= 30

1. From the following Trial Balance and additional information of Madhuri, prepare Trading and Profit and Loss Account for the year ended 31st March 2023 and a Balance Sheet as on that date.

	Debit	Rs.	Credit	Rs.
Drawings & Capital	24,000		1,00,000	
Furniture (original cost Rs. 25,000)	20,000			—
Purchases & Sales	1,50,000		3,21,000	
Debtors & Creditors	2,00,000		1,20,000	
Interest earned		—		4,000
Salaries	30,000			—
Returns	10,000			5,000
Wages	20,000			—
Rent	15,000			—
Bad Debts	7,000			—
Provision for Bad Debts		—		6,000
Carriage inwards	8,000			—
Insurance	12,000			—
Opening Stock	50,000			—
Office expenses	12,000			—
Outstanding Salary		—		2,000
	5,58,000		5,58,000	

Additional Information:

1. Provide Depreciation on furniture at 20% on original cost.
2. Create 5% reserve for Doubtful Debts on Sundry Debtors.
3. Goods of the value of Rs.3000 have been destroyed by fire and the Insurance Company has admitted the claim for Rs. 2400.
4. Insurance amounting to Rs.2,000 is prepaid.
5. Closing Stock Rs.60,000

2. Nandini Ltd., Bengaluru consigned 10,000 Kgs of ghee costing Rs.100 per Kg to Navmi Ltd. of Mangaluru at an invoice price of Rs.120 per Kg.

Nandini Ltd. spent Rs.7,000 on freight and Rs.3,000 on insurance.

Five containers containing 250 kg of ghee was destroyed in transit. The insurers settled the claim by paying Rs.25,000 to Nandini Ltd.

Navami Ltd. accepted a bill for Rs.7,00,000 as advance payment and spent Rs.2,000 as rent and Rs.1,000 as selling expenses.

They reported that 5,000 kg. of ghee was sold at Rs.120 per kg and 3,000 kg of ghee was sold at Rs.118 per Kg. Their commission was 5% on sale proceeds. The agents remitted a draft for the balance.

Prepare in the Books of Nandini Ltd.: a) Consignment A/c and b) Navmi Ltd's A/c

3. Thushar submits the following figures relating to his business for the year 31st December 2022.

You are required to prepare a trading and profit and loss account for the year ended and a Balance Sheet as on 31 December 2022. Any difference in the Cash book is assumed to be drawings.

	Rs.
Cash paid into bank	300000
Private dividends paid into bank	4000
Private payments out of bank	52000
Payment to creditors out of bank	244000
Cash received from debtors	500000
Wages	80000
Carriage inward	14000
Rent and Rates	4000
Lighting and heating	2000
Bad debts	4000
General expenses	9200
Discount received	5000
Payment to creditors by cash	76000

Assets and liabilities on:

	1.1.2022	31.12.2022
	Rs.	Rs.
Stock	40000	30000
Bank	16000	24000
Cash	600	800
Sundry debtors	28000	40000
Sundry creditors	54000	60000
Investments	100000	100000

Buildings	200000	180000
Furniture	60000	50000

Section-B

Answer any TWO of the following :

2×10= 20

4. Prepare Trading Account from the following information for the year ending 31.3.2022 in the books of Mohan:

	Rs.
Purchases	40000
Sales	70000
Opening Stock	10000
Sales returns	1000
Purchases returns	2000
Goods destroyed by fire	5000
Wages	3000
Salary	10000
Carriage outwards	500
Advertisement	2000
Printing	1500

Adjustments:

1. Closing Stock Rs.12,000.
 2. Outstanding Wages Rs.300.
 3. Outstanding Salary Rs.500.
 4. Goods withdrawn by the proprietor for personal use Rs.500.
5. Hari consigns to Madhu 40 cases of goods at a cost of Rs.5,000 per case and incurs Cartage Rs.4420 and Insurance Rs.12,500. On arrival of the goods Madhu pays Clearing charges Rs.3,120, Insurance Rs.960 and Godown Rent Rs.200. 24 cases are sold at a total price of Rs.2,20,000. Madhu is entitled to an ordinary commission of 5% and 2% Del credere commission on sales. He sends Hari an account sale together with a Bank draft for the balance due. Prepare Consignment Account in the books of the consignor.
6. A fire occurred in the premises of a merchant on 30th September 2022. Stock of the value of Rs.50,000 was salvaged and the business books were saved. The following information is given

	Rs.
Purchases for the year ending 31.3. 2022	7,60,000
Sales for the year ending 31.3. 2022	11,00,000
Purchases from 1.4. 2022 up to 30.9. 2022	2,00,000

Sales from 1.4. 2022 up to 30.9. 2022	3,30,000
Stock on 31.03.2021.	2,00,000
Stock on 31.03.2022.	3,20,000
Stock on 31.03.2022 was overvalued by Rs.20,000	

Section-C

Answer any TWO of the following :

2×5= 10

7. From the following details, find out credit sales by preparing total debtors account.

	Rs.
Opening debtors	40000
Cash received from debtors	360000
Cheques received from debtors	50000
B/R received during the year	10000
B/R honoured during the year	5000
Cheques from debtors dishonoured	1000
Bad debt written off	5000
Sales return	4000
B/R dishonoured	100
Provision for doubtful debts	500
Closing debtors	48000

8. A fire broke out in the premises of a trader on 10th July 2022. All the stocks were destroyed except to the extent of Rs.20,000/-. From the following information compute the amount of claim.

	Rs.
Stock on 1st April 2022	80,000
Purchases from 1st April 2022 up to 10th July 2022	2,40,000
Sales from 1st April 2022 up to 10th July 2022	2,50,000
Gross profit on sales	25%

The stocks were insured for a sum of Rs. 60,000 with a provision of average clause.

9. Write short note on: a. Convention of Materiality b. Accounting Period Concept

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com. FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/ DECEMBER 2023****COMMERCE****Financial Accounting****Duration:2 Hours****Max Marks:60****SECTION – A****Answer any TWO questions:****(15×2= 30)**

- 1) What is meant by Accounting Standards? Explain the objectives and significance of Accounting Standards.
- 2) From the following Trial Balance and other information relating to the business of Mr. Kini, you are required to prepare Trading and Profit & Loss Account for the year ended 31st Dec. 2021 and Balance Sheet as on that date:

	Rs.	Rs.
Stock-in-Trade 1-1-2021	30,000	--
Purchases and Sales	2,05,000	3,54,000
Return Inwards & Outwards	4,000	5,000
Wages	20,000	--
Carriage on Purchase	5,000	--
Power and Light	2,000	--
Discounts	1,000	2,000
General Expenses	15,000	--
Salaries	10,000	--
Outstanding Salaries	--	3,000
Outstanding Rent	--	1,000
Depreciation	15,000	--
Rent	12,000	--
Prepaid Insurance	1,000	--
Kini's Life Insurance Premium	1,000	--
Insurance	2,000	--
Income Tax paid	3,000	--
Land and Buildings	1,00,000	--
Furniture	20,000	--
Debtors and Creditors	45,000	50,000

Bills Receivable & Payable	10,000	9,000
Drawings and Capital	5,000	2,00,000
Cash in Hand & at Bank	68,000	--
Plant & Machinery	50,000	--
	6,24,000	6,24,000

The adjustments to be made are:

1. Closing Stock on 31.12.2021 Rs.40,000.
 2. Stock destroyed by fire was Rs.2,000 and the Insurance Company accepted the claim partly for Rs.1,500.
 3. Purchases include goods worth Rs.1,000 purchased for private purposes.
 4. Goods supplied by Kirthi worth Rs.3,000 on credit on 30th December 2021 was not entered in the books.
 5. Bills receivable and cheques from debtors dishonoured Rs.2,000 and Rs.1,000 respectively but no entries are made in the books of account.
- 3) Nandini Ltd. Bengaluru consigned 10,000 Kgs of ghee costing Rs.100 per Kg to Navmi Ltd. of Mangaluru at an invoice price of Rs.120 per Kg. Nandini Ltd. spent Rs.7,000 on freight and Rs.3,000 on insurance. Five containers containing 250 kg of ghee was destroyed in transit. The insurers settled the claim by paying Rs.25,000 to Nandini Ltd.
- Navami Ltd. accepted a bill for Rs.7,00,000 as advance payment and spent Rs.2,000 as rent and Rs.1,000 as selling expenses. They reported that 5000 kg. of ghee was sold at Rs.120 per kg and 3000 kg of ghee was sold at Rs.118 per Kg. Their commission was 5% on sale proceeds. The agents remitted a draft for the balance. Prepare in the Books of Nandini Ltd.:
- a) Consignment A/c and b) Navmi Ltd. A/c
- 4) Sri Vamana did not maintain his books of accounts properly. From the following data supplied to you, prepare final accounts for the yearended 31.12.2021. He informs you that he invariably sells his goods at a profit of $33\frac{1}{3}\%$ on Cost. Ignore depreciation

	Rs.
Opening Stock	5000
Creditors (1.1.2021)	2000
Cash in Hand (1.1.2021)	3000
Furniture (1.1.2021)	1000
Office Salaries	3400
Rent	1200

Other Expenses	2400
Cash Sales	4000
Cash received from Debtors	32000
Cash paid to Creditors	18000
Cash purchases	2000
Credit purchases	30000
Closing Stock	4000
Debtors (31.12.2021)	12000
Drawings	4000
Discount allowed to Debtors	1000
Donations given	1000

SECTION – B

Answer any FOUR questions :

(5×4= 20)

- 5) Write short note on: a. Convention of Full disclosure b. Money measurement Concept
- 6) From the following information, prepare the Trading A/c in the books of Jayadev for the year ending 31.3.2021.

	Debit	Rs.	Credit	Rs.
Drawings		11,000		--
Opening Stock		60,000		--
Capital		--		90,000
Purchases		88,600		--
Sales		--		1,16,000
Carriage inwards		2,100		--
Carriage outwards		5,600		--
Returns		8,500		6,800
Rent		7,800		--
Wages		6,800		--
Octroi		7,900		--
Salaries		8,500		--
General expenses		6,000		--
		2,12,800		2,12,800

Adjustments:

- a) Closing Stock as on 31.3.2021 Rs.23,000.
- b) Goods withdrawn by the proprietor for personal use Rs.7,500.

7) Prepare Manufacturing Account from the following:

Rs.

Stock at the beginning:

Raw materials	80000
Partly Finished goods	45000
Finished goods	95000
Freight and Octroi	9000
Manufacturing wages	30000
Gas, Electricity and Water	28000
Stores consumed	20000
Factory rent	12000
Factory expenses	4000
Purchase of raw materials	85500
Return inwards	6500
Sales	300000
Stock at the close:	
Raw materials	90000
Partly Finished goods	125000
Finished goods	85000
Salary	5000
Commission	2200
Discount allowed	1200
Repairs to plant	2000

Note: a. Materials of Rs.4,000 were used by the proprietor for personal use.

b. Factory expenses due, Rs.1,300.

8) From the details given below, you are required to prepare Consignment account in the books of the Consignor. (a) 10000 litres of nitric acid at Rs.200 per litre sent to consignee. (b) Freight Rs.5,000 and insurance Rs.5,000 paid by the consignor. (c) Consignee has spent Rs.10,000 on selling. He is also entitled to 5% commission on sales. (d) 2000 litres of acid was lost in transit due to breakage of jars. The insurance company admitted the claim for Rs.3,50,000. (e) The consignee reported sale of 5,700 litres of nitric acid at Rs.250 per litre. (f) The consignee has reported a loss of 400 litres due to leakage.

9) From the following information, find out the total sales

	Rs.
Balance as on 1st January, 2021:	
Debtors	90,000
Bills Receivable	29,000
Cash received from debtors	72,000
Bills receivable encashed during the year	60,000
Bad debts written off	1,200
Returns inwards	2,000
Return outwards	1,000
Bills receivable dishonoured	6,000
Cash sales	10,000
Balance as on 31st December, 2021:	
Debtors	27,200
Bills receivable	68,000

10) What is the role of Cloud Computing in accounting?

SECTION – C

Answer any FIVE questions :

(2×5= 10)

- 11) Mention any four functions of Accounting.
- 12) How do you treat the following adjustment while preparing the final accounts of a sole trader? Stock destroyed by fire was Rs. 5000 and the Insurance Company accepted the claim partly for Rs. 3,500.
- 13) Name the four components of the final accounts of a manufacturing entity.
- 14) Calculate the amount of raw materials consumed from the following: Opening stock of raw materials Rs. 30,000 Closing stock of raw materials Rs. 25,000 Purchases of raw materials Rs. 1,20,000 Materials worth Rs. 3,000 were used by the proprietor for personal use.
- 15) Mention any two recurring expenses incurred by the consignee.
- 16) Mention any two merits of Single Entry System.
- 17) Write any two demerits of Drone Accounting.

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com. FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/ DECEMBER 2023****COMMERCE****Principles of Marketing****Duration:2 Hours****Max Marks:60****SECTION – A****Answer any TWO questions:****(15×2= 30)**

- 1) Explain the evolution of marketing.
- 2) Briefly explain the bases for market segmentation.
- 3) Elaborate on the factors affecting the price of a product.
- 4) What is sales promotion? Explain its types.

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

- 5) Briefly explain the importance of marketing management.
- 6) State the importance of studying consumer behaviour.
- 7) Briefly explain the functions of packaging.
- 8) Briefly explain the factors affecting choice of distribution channels.
- 9) Explain : (a) Live stream marketing (b) social media marketing (c) E-mail marketing.
- 10) Explain the internal marketing environment.

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

- 11) What is meant by a want? Give examples.
- 12) What is market positioning?
- 13) What is the purpose of labelling?
- 14) Define promotion.
- 15) What is mobile marketing?
- 16) What is meant by width of the product mix?
- 17) Define marketing mix.

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

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

COMMERCE

International Financial Accounting

Duration:2 Hours

Max Marks:60

SECTION – A

Answer any TWO questions:

(15×2= 30)

- 1) Journalise the transactions and prepare the ledger accounts.
1. Kamran pays \$80 for rent by cheque.
 2. Kamran sells goods for \$230 cash which is then banked.
 3. Kamran then purchases \$70 of goods for resale using cash.
 4. Kamran sells more goods for cash, receiving \$3,400.
 5. Kamran buys goods for cash for \$380
 6. Pays \$2600 for fixtures and fittings
 - 7.Receives a bank loan for \$5000
- 2) On 1 July 20X6 an entity, Pinto Co, had 10 items of inventory at a unit cost of \$8.50. Pinto Co, then made the following purchases and sales during a six-month period to 31 December 20X6:

Purchases:

Date	Quantity	Unit cost \$	Total cost \$
14 Oct X6	15	9.00	135.00
22 Nov X6	25	9.20	230.00
13 Dec X6	20	9.50	190.00
	60		555.00

Sales:

Date	Quantity	Unit Selling price \$	Total cost \$
23 Aug X6	7	12.00	84.00
20 Oct X6	10	12.25	122.50
30 Nov X6	15	12.50	187.50
24 Dec X6	18	13.00	234.00
	50		628.00

Based upon the available information, calculate the closing inventory valuation at 31 December 20X6 using:

1. The periodic weighted average cost
2. Continuous weighted average cost.

- 3) I. Carbon Co purchased land and buildings at the cost of \$4,000,000 (of which the land accounted for \$2,500,000) on 1 January 20X2. At that date, it was estimated that the buildings had an estimated useful life of 50 years.

Carbon Co has now decided to account for the freehold land and buildings at their fair value. On 31 December 20X5, the fair value of land and buildings was \$6,000,000, of which land accounted for \$4,000,000.

- a. State whether each of the following statements relating to accounting for property, plant, and equipment are true or false: **(3 marks)**

		True/False
(i)	When an entity does revalue its land and buildings, it is compulsory to make an annual transfer of 'excess depreciation' from revaluation surplus to retained earnings	
(ii)	Any revaluation surplus arising on revaluation of property, plant and equipment is included in the statement of profit or loss in arriving at a profit before tax	
(iii)	The revaluation surplus is accounted for as an adjustment to cash inflows from operating activities	

- b. State the accounting entries required for the revaluation on 31 December 20X5.

(3 marks)

	\$000	Credit/Debit
Freehold land and buildings		
The depreciation charge for the year		
Accumulated depreciation provision		
Revaluation surplus		

- c. On 1 January 20X5, Carbon Co had a credit balance on its income tax account of \$2,300,000. For the year ended 31 December 20X5, Carbon Co estimated its income tax liability to be \$2,400,000. During 20X5, the income tax liability for the previous year was settled at \$2,350,000. What was the income tax charge in the statement of profit or loss for the year ended 31 December 20X5? **(3 marks)**

- II. An extract of Carbon Co's trial balance on 31 December 20X5 is presented below:

	\$000
Equity shares, \$1	10,000

Retained earnings – 1 January 20X5

25,500

- a. On 1 February 20X5, Carbon Co made a '1-for-four' rights issue at an issue price of \$2.50 per share. The rights issue was fully subscribed to and taken up by the shareholders. How many shares were issued as a result of making the rights issue? (2 marks)
- b. What were the total proceeds raised as a result of making the rights issue? (2 marks)
- c. What was the balance on the share premium account as a result of making the rights issue? (2 marks)
- 4) Set out below are the draft statements of profit or loss of P and its subsidiary S for the year ended 31 December 20X7.

On 1 January 20X6 P purchased 75% of the equity shares in S

	P	S
	\$000	\$000
Revenue	300	150
Cost of sales	(180)	(70)
Gross profit	120	80
Operating expenses	(47)	(23)
Profit from operations	73	57
Finance costs		(2)
Profit before taxation	73	55
Tax	(25)	(16)
Profit for the year	48	39

During the year S sold goods to P for \$20,000, making a markup of one third. Only 20% of these goods had been sold before the end of the year, the remainder is still in inventory.

Prepare the consolidated statement of profit or loss for the year ended 31 December 20X7.

SECTION – B

Answer any FOUR questions :

(5×4= 20)

- 5) Classify the following items into current and non-current assets and liabilities:
1. Band and Buildings
 2. Receivables
 3. Cash

4. Loan repayable in two years' time

5. Payables

- 6) The trading position of Min's cash-based business for its first week of trading was as follows:

	\$
Capital introduced by the owner	1,000
Purchases for cash	800
Sales for cash	900

At the end of the week there were goods which had cost \$300 remaining in inventory. Calculate the gross profit.

- 7) The following information relates to Bangers & Smash, a car repair business:

	Machine 1	Machine 2
Cost	\$12,000	\$8,000
Purchase date	1 August 20X5	1 October 20X6
Depreciation method	20% straight line pro rata	10% reducing balance pro rata

What is the total depreciation charge for the years ended 31 December 20X5 and 20X6?

- 8) A business' electricity charges amount to \$12,000 pa. In the year to 31 December 20X5, \$9,000 has been paid. The electricity for the final quarter is paid in January 20X6.

What year-end accrual is required and what is the electricity expense for the year? Show the relevant entries in the ledger accounts.

- 9) Cracker Co, a limited liability entity, has share capital as follows: Ordinary share capital (50c shares) \$200,000 8% Irredeemable preference share capital \$50,000 Cracker Co paid an interim dividend (i.e. a dividend declared part way through the financial year) of 12.5c per share to its ordinary shareholders and pays the preference shareholders their dividend, although this is not mandatory. Before the year-end Cracker Co proposes a final dividend of 36.5c per share to its ordinary shareholders. Calculate the amounts shown in the statement of financial position (SFP) in relation to dividends for the year.

- 10) A Co made a profit for the year of \$18,750, after accounting for depreciation of \$1,250. During the year, non-current assets were purchased for \$8,000, receivables increased by \$1,000, inventories decreased by \$1,800 and payables

increased by \$350. What was A Co's increase in cash and bank balances during the year?

SECTION – C

Answer any FIVE questions :

(2×5= 10)

11) Classify each of the following statements as being applicable to either a limited liability company or a partnership.

	Limited liability company	Partnership
Owners or investors may receive a return on their investment in the form of a dividend		
The business cannot own assets and incur liabilities in its own name.		

12) Which of the following statements is true in relation to a partnership?

1. A partnership is a separate legal entity
2. A partnership is jointly owned and managed by the partners
3. A partnership can raise capital by issuing shares to members of the public
4. A partnership is able to own property and other assets in its own name

13) Which of the following should be classified as development costs?

1. Braynee Co has spent \$300,000 investigating whether a particular substance, flubber, found in the Amazon rainforest is resistant to heat.
2. Cleverclogs Co has incurred \$120,000 expenses in the course of making a new waterproof and windproof material with the idea that it will be used for ski-wear.
3. Ayplus Co has found that a chemical compound, known as XYX, is not harmful to the human body.
4. Braynee Co has incurred a further \$450,000 using flubber in creating prototypes of a new heat-resistant suit for stuntmen

14) Which the following statements relating to the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets is correct?

1. A contingent asset must be recognised and accounted for in the financial statements if it is regarded as probable.
2. A contingent asset must never be recognised in the financial statements.
3. A contingent liability must either be recognised and accounted for in the financial statements, or disclosed in the notes to the financial statements.
4. A contingent liability may not be required to be accounted for or disclosed in the notes to the financial statements under certain circumstances.

- 15) When an entity pays a dividend, what accounting entries are required to account for the transaction?
- 16) Brown Co had \$100,000 \$0.50 shares and \$400,000 8% irredeemable preference shares in the issue. A dividend of 3 cents per equity share and half of the preference dividend was paid during the year. Which of the following statements is/are true?
1. An equity dividend of \$3,000 was paid during the year.
 2. A preference dividend of \$16,000 was accrued at the year-end.
- 17) A Co had sales of \$220,000 and purchases of \$160,000, together with opening inventory and closing inventory of \$24,000 and \$20,000 respectively. What was inventory holding period in days (based on the average level of inventory for the period)?

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

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

COMMERCE

Management Accounting

Duration:2 Hours

Max Marks:60

SECTION – A

Answer any TWO questions:

(15×2= 30)

- 1) M Ltd had the following material transactions during the first week in March.

		Quantity	Unit cost
		(units)	\$
Opening balance	1st March	10	2.00
Receipts	2nd March	70	2.20
Issues	3rd March	40	
Receipts	4th March	50	2.30
Issues	5th March	70	

Calculate the Value of Inventory as per FIFO, LIFO & AVCO

- 2) Mickey Ltd is considering two mutually-exclusive projects with the following details:

Project A					
Initial investment	\$450,000				
Scrap value in year 5	\$20,000				
Year:	1	2	3	4	5
Annual cash flows(\$000)	200	150	100	100	100
Project B					
Initial investment	\$100,000				
Scrap value in year 5	\$10,000				
Year:	1	2	3	4	5
Annual cash flows(\$000)	50	40	30	20	20

Assume that the initial investment is at the start of the project and the annual cash flows accrue evenly over the year.

Calculate the Net Present Value to the nearest \$000 for Projects A and B if the relevant cost of capital is 10%.

- 3) A firm operates a process costing system. Details of Process 2 for Period 1 are as follows. During the period 8,250 units were received from the previous process at a value of \$ 453,750, labour and overheads were \$ 350,060 and material introduced was \$24,750.

At the end of the period the closing WIP was 1,600 units which were 100% complete in respect of materials, and 60% complete in respect of labour and overheads. The balance of units was transferred to Finished goods.

There was no opening WIP or process losses.

Calculate the cost per EU, the value of finished goods and closing WIP. Prepare Process Account.

- 4) TG manufactures Product Z. Its standard selling price is \$55. The production and sales budget for the quarter ended 31 March 20X3 was 7,500 units. The standard specification per unit of Product Z comprises:

Direct labour 4 standard hours at \$ 6/hour

Direct material 1.2 kg at \$ 10/kg

Standard variable overhead 4 standard hours at \$ 1/hour Budgeted fixed overhead \$ 75,000 At the end of the quarter the management accounts showed the following:

Production and sales of Product Z in 7,700

units	
Actual sales revenue	\$424,270
Actual direct material (8,855 kg)	\$89,436
Actual direct labour (31,570 hours)	\$192,577
Actual variable overhead	\$30,750
Actual fixed overhead	\$72,400

Prepare a statement reconciling budgeted and actual profit in the quarter, using absorption costing.

SECTION – B

Answer any FOUR questions :

(5×4= 20)

- 5) A company incurs the following costs at various activity levels:

Total Cost \$	Activity Level Units
250,000	5,000
312,500	7,500
400,000	10,000

Using the high-low method what is the variable cost per unit and fixed overheads?

6) A manufacturing company uses 25,000 components at an even rate during a year. Each order placed with the supplier of the components is for 2,000 components, which is the economic order quantity. The company holds a buffer inventory of 500 components. The annual cost of holding one component in inventory is \$2. What is the total annual cost of holding inventory of the component?

7) ABC Co has the following information for Process 1:

Period costs \$ 4,440

Input 800 units

Output 600 fully-worked units and
200 units only 70% complete

There were no process losses.

Required: Produce the process account

8) A company buys and uses five different materials. Details of the prices and quantities used for 20X1 and 20X2 are as follows:

Material	20X1		20X2	
	Quantity	Unit price	Quantity	Unit price
	(000)	\$	(000)	\$
F	21	11	25	12
G	56	22	52	26
H	62	18	79	18
I	29	20	35	22
J	31	22	36	23

What is the weighted price index for 20X1 for these five products (with 20X2 as the base year) using the 20X2 sales quantities as weights?

9) Critically evaluate the Residual Income as a performance measure.

10) A company produces Products PS and TG and has budgeted to produce 6,000 units of Product PS and 1,000 units of Product TG in the coming year. The data about the labour hours required to produce Products PS and TG is given as follows.

Finished products:

	PS per unit	TG per unit
Direct labour hour	8	12

Standard rate for direct labour = \$5.20 per hour

Prepare the labour budget for the coming year

SECTION – C

Answer any FIVE questions :

(2×5= 10)

- 11) Distinguish between Pie Charts and Scatter diagram.
- 12) Distinguish between Direct and Indirect Labour.
- 13) State the costs used in Total Quality Management.
- 14) \$100 is invested in an account for six months. The interest rate is 10% per annum.
Required: Calculate the value of the account after six months.
- 15) A company uses standard marginal costing. Last month, when all sales were at the standard selling price, the standard contribution from actual sales was \$50,000 and the following variances arose:

Total variable cost variance	\$3,500 Adverse
Total fixed costs variance	\$1,000 favourable
Sales volume contribution variance	\$2,000 favourable

What was the actual contribution for last month?
- 16) A company manufactures and sells a single product. For this month the budgeted fixed production overheads are \$48,000, budgeted production is 12,000 units and budgeted sales are 11,720 units. The company currently uses absorption costing. If the company used marginal costing principles instead of absorption costing for this month, what would be the effect on the budgeted profit?
- 17) What is meant by productivity?

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com. FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/DECEMBER 2023****COMMERCE****Performance Management****Duration:2 Hours****Max Marks:60****SECTION – A****Answer any TWO questions:****(15×2= 30)**

- 1) RY Ltd, a transatlantic airline company, has recently launched a low-cost airline company providing flights within Europe. The market is highly competitive and two other low-cost airlines, B Ltd and G Ltd, together hold 98% of the market. RY Ltd commissioned some market research to help with the pricing decision for one route, London to Paris, which it is thinking of offering. The research identified three possible market states and the likely number of passengers that would be attracted at three price levels on this route.

Ticket price	Probability	£80 Passenger seats	£90 Passenger seats	£100 Passenger seats
Pessimistic	0.2	80	60	30
Most likely	0.6	100	90	80
Optimistic	0.2	150	150	120

Airport charges are incurred for each customer and these are expected to be either £5 or

£6 per customer depending on the negotiations with the airports involved. The probabilities for the airport charges are 0.6 for an airport charge of £5 per passenger and 0.4 for an airport charge of £6 per customer.

The fixed costs of a flight from London to Paris are £4,422.

a. Draw a decision tree to illustrate the pricing decision faced by RY Ltd.

(9 marks)

b. If RY Ltd knew that there would be a pessimistic market, which price should it charge in order to maximise profit? **(6 marks)**

- 2) a. Find the linear relationship between price (P) and the quantity demanded (Q) in relation to the following sales and demand data:

Selling price of \$300 = sales of 500 units per month

Selling price of \$330 = sales of 400 units per month

Using the price equation in (a) and assuming the variable cost per unit is \$90, calculate the optimum price, output and the maximum contribution. (5 Marks)

b. Find the linear relationship between price (P) and the quantity demanded (Q), i.e. find the straight-line demand equation, in relation to the following sales and demand data:

Selling price of \$200 = sales of 1,000 units per month.

Selling price of \$220 = sales of 950 units per month.

Use this equation to predict the quantity demanded per month if the selling price is \$300. Using the price equation and assuming the variable cost per unit is \$100, calculate the optimum price, output and the maximum contribution. (5 marks)

c. The total fixed costs per annum for a company that makes one product are \$100,000, and a variable cost of \$64 is incurred for each additional unit produced and sold over a very large range of outputs.

The current selling price for the product is \$160. At this price, 2,000 units are demanded per annum.

It is estimated that for each successive increase in price of \$5 annual demand will be reduced by 50 units. Alternatively, for each \$5 reduction in price, demand will increase by \$50 units.

Calculate the optimum output and price, assuming that if prices are set within each \$5 range there will be a proportionate change in demand also calculate the maximum profit earned by the company at this level of output. (5 marks)

3) Cabal makes and sells two products, Plus and Doubleplus. The direct costs of production are \$12 for one unit of Plus and \$24 per unit of Doubleplus.

Information relating to annual production and sales is as follows

	Plus	Doubleplus
Annual production and sales	24,000 units	24,000 units
Direct labour hours per unit	1.0	1.5
Number of orders	10	140
Number of batches	12	240
Number of setups per batch	1	3
Special parts per unit	1	4

	Cost driver	Annual cost
		\$
Setup costs	Number of setups	73,200
Special parts handling	Number of special parts	60,000

Other materials handling	Number of batches	63,000
Order handling	Number of orders	19,800
Other overheads	—	216,000
		—————
		432,000

Other overhead costs do not have an identifiable cost driver, and in an ABC system, these overheads would be recovered on a direct labour hours basis.

- a. Calculate the production cost per unit of Plus and of Doubleplus if the company uses traditional absorption costing and the overheads are recovered on a direct labour hours basis. **(4 Marks)**
 - b. Calculate the production cost per unit of Plus and of Doubleplus if the company uses ABC. **(11 marks)**
- 4) A company produces two products in three departments. Details are shown below regarding the time per unit required in each department, the available hours in each department and the contribution per unit of each product:

	Product X: hours per unit	Product Y: hours per unit	Available hours
Department A	8	10	11,000
Department B	4	10	9,000
Department C	12	6	12,000
Contribution p.u.	\$4	\$8	

There is unlimited demand for Product X, but demand for Product Y is limited to 600 units per annum.

Determine the optimum production plan using a graph.

SECTION – B

Answer any FOUR questions :

(5×4= 20)

- 5) Companies X and Y are both involved in retailing. Relevant information for the year ended 30 September 20X5 was as follows:

	X	Y
	\$000	\$000
Sales revenue	50,000	200,000
Profit before tax	10,000	10,000
Capital employed	50,000	50,000

Prepare the following ratios for both companies and comment on the results:

- a. ROCE
- b. profit margin
- c. asset turnover.

- 6) Hondru operates a standard costing system. The standard direct materials to produce 1,000 units of output is as follows:

Material grade	Input quantity (kgs)	Standard price per kg (\$)
A	600	1.10
B	240	2.40
C	360	1.50

During April the actual output of the product was 21,000 units. The actual materials issued to production were:

Material grade	Quantity (kgs)
A	14,000
B	5,500
C	5,500

Calculate the material mix variance for each material, and in total.

- 7) The first batch of a new product took 20 hours to produce. The learning rate is 90%.

If the learning effect ceases after 72 batches (i.e. all subsequent batches take the same time as the 72nd), how long will it take to make a grand total of 100 batches?

- 8) Edward Co manufactures smartphones and has developed a new handset, the 'H'. The maximum production capacity of Edward Co is 150,000 units of the new handset. The company's management accountant is currently preparing an annual flexible budget and has collected the following information so far for the 'H'.

Production units of 'H'	100,000 units	120,000 units	150,000 units
Material costs	\$700,000	\$840,000	\$1,050,000
Labour costs	\$750,000	\$900,000	\$1,125,000
Incremental fixed costs	\$60,000	\$60,000	\$60,000

In addition to the above costs, the management accountant estimates that for each increment of 15,000 units produced, one supervisor will need to be employed. A supervisor's annual salary is \$42,000.

Assuming the budgeted figures are correct, what would the flexed total production cost be if production is 60% of maximum capacity?

- 9) The management of Fiona Co is considering the closure of one of its operations, department 3, and the financial accountant has submitted the following report.

Department	1	2	3	Total
Sales (units)	5,000	6,000	2,000	13,000
Sales (\$)	150,000	240,000	24,000	414,000
Cost of sales (\$)				
Direct material	75,000	150,000	10,000	235,000
Direct labour	25,000	30,000	8,000	63,000
Production overhead	5,769	6,923	2,308	15,000
Gross profit (\$)	44,231	53,077	3,692	101,000
Expenses (\$)	15,384	18,461	6,155	40,000
Net profit (\$)	28,847	34,616	(2,463)	61,000

Additional information:

1. Production overheads of \$15,000 have been apportioned to the three departments on the basis of unit sales volume
2. Expenses are head office overheads, again apportioned to departments on sales volume.

As management accountant, you further ascertain that, on a cost driver basis:

1. 50% of the production overheads can be directly traced to departments and so could be allocated on the basis 2:2:1.
2. Similarly 60% of the expenses can be allocated 3:3:2, with the remainder not being possible to allocate.
3. 80% of the so-called direct labour is fixed and cannot be readily allocated. The remaining 20% is variable and can be better allocated on the basis of sales volume. Restate the financial position in terms of the contribution made by each department and, based on these figures, make a clear recommendation.

- 10) R Company provides a single service to its customers. An analysis of its budget for the year ending 31 December 20X5 shows that, in Period 3, when the

budgeted activity was 6,570 service units with a sales value of \$72 each, the margin of safety was 21.015%.

The budgeted contribution to sales ratio of the service is 35%.

Calculate the budgeted fixed costs in period 3.

SECTION – C

Answer any FIVE questions :

(2×5= 10)

- 11) Division A of the Robin Group makes a product A22, which it sells externally and to another division in the Group, Division B. Division B uses product A22 as a component in product B46, which it sells externally. There is a perfect external market for both A22 and B46. Division A sells product A22 externally for \$20. What is the Optimal Transfer Price?
- 12) What is Price Discrimination Pricing Strategy?
- 13) Mention the problems of having multiple objectives in Not for Profit Organisations.
- 14) Explain any two Environmental Management Accounting Techniques.
- 15) A company has the following production planned for the next four weeks. The figures reflect the full capacity level of operations. Planned output is equal to the maximum demand per product.

	Product A	Product B	Product C	Product D
	\$/unit	\$/unit	\$/unit	\$/unit
Selling price	160	214	100	140
Raw material cost	24	56	22	40
Direct labour cost	66	88	33	22
Variable overhead cost	24	18	24	18
Fixed overhead cost	16	10	8	12
	—	—	—	—
Profit	30	42	13	48
	—	—	—	—
Planned output	300	125	240	400
Direct labour hours per unit	6	8	3	2

The direct labour force is threatening to go on strike for two weeks out of the coming four. This means that only 2,160 hours will be available for production,

rather than the usual 4,320 hours.

If the strike goes ahead, which product or products should be produced if profits are to be maximised?

- 16) Yellow sells two types of squash ball, the type A and the type B. The standard contribution from these balls is \$4 and \$5 respectively and the standard profit per ball is \$1.50 and \$2.40 respectively. The budget was to sell 5 type A balls for every 3 type B balls.

Actual sales were 240,000 balls which is 20,000 balls higher than budgeted. The actual sales included 200,000 of the type A balls. Yellow values its stock of balls at standard marginal cost.

Calculate the sales quantity variance .

- 17) Geoffrey Ramsbottom runs a kitchen that provides food for various canteens throughout a large organisation. He has calculated likely pay-offs under three possible scenarios.

Daily Supply						
Daily demand		Probability	40 salads	50 salads	60s salads	70 salads
	40 salads	0.10	\$80	\$0	(\$80)	(\$160)
	50 salads	0.20	\$80	\$100	\$20	(\$60)
	60 salads	0.40	\$80	\$100	\$120	\$40
	70 salads	0.30	\$80	\$100	\$120	\$140

Using Maximax calculate how many salads should Geoffrey Ramsbottom supply.

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/DECEMBER 2023****COMMERCE****Professional Accounting I****Duration:2 Hours****Max Marks:60****Section- A(compulsory)****I. Answer The Following Question :****1×20= 20**

1. A. Journalise the following transactions in the books of Mr. Rohit:

- (i) Purchased goods from Sahil for Rs. 50,000 plus CGST and SGST @ 9% each.
- (ii) Purchased goods from Sam for Rs. 40,000 at a trade discount of 10% plus CGST and SGST @ 9% each. Rs. 20,000 was paid immediately and balance payable after 3 months.
- (iii) Goods costing Rs. 20,000 withdrawn for personal use. Such goods were purchased by paying CGST and SGST @ 9% each.
- (iv) Paid rent to Gagandeep for Rs. 20,000 plus CGST and SGST @ 6% each.
- (v) Goods costing Rs. 5,000 (before trade discount of 10%) returned to Sam. Such goods were purchased by paying CGST and SGST @ 9% each.
- (vi) Purchased furniture for Rs. 44,800 including IGST @ 12%.
- (vii) Purchased machinery from M/s Symphony industries for Rs. 1,40,000 plus CGST and SGST @ 9% each. Paid Rs. 1,00,000 immediately and balance to be paid after two months. **(10 Marks)**

B. The following data is given by Mr. S, the owner, with a request to compile only the two personal accounts of Mr. H and Mr. R, in his ledger, for the month of April, 2023.

- 1 Mr. S owes Mr. R Rs. 15,000; Mr. H owes Mr. S Rs. 20,000.
- 4 Mr. R sold goods worth Rs. 60,000 @ 10% trade discount to Mr. S.
- 5 Mr. S sold to Mr. H goods prices at Rs. 30,000.
- 17 Record a purchase of Rs. 25,000 net from R, which were sold to H at a profit of Rs.15,000.
- 18 Mr. S rejected 10% of Mr. R's goods of 4th April.
- 19 Mr. S issued a cash memo for Rs.10,000 to Mr. H who came personally for this consignment of goods, urgently needed by him.
- 22 Mr. H cleared half his total dues to Mr. S, enjoying a ½% cash discount (of the payment received, Rs. 20,000 was by cheque).

26 R's total dues (less Rs.10,000 held back) were cleared by cheque, enjoying a cash discount of Rs.1,000 on the payment made.

29 Close H's Account to record the fact that all but Rs. 5,000 was cleared by him, by a cheque, because he was declared bankrupt.

30 Balance R's Account. **(10 Marks)**

Section- B

II. Answer any Four of the following :

4×10= 40

2. State with reasons, whether the following statements are true or false:

a) Management Accounting covers the preparation and interpretation of financial statements and communication to the users of accounts.

b) Objectives of book-keeping are complete recording of transactions & ascertainment of financial effect on the business.

c) Accrual means recognition as money is received or paid and not of revenue and costs as they are earned or incurred.

d) The materiality depends only upon the amount of the item and not upon the size of the business, nature and level of information, level of the person making the decision etc

e) The nature of business is not an important criteria in separating an expenditure between capital and revenue.

f) Amount spent for the construction of temporary huts, which were necessary for construction of the cinema house and were demolished when the cinema house was ready, is Capital Expenditure.

g) A contingent liability need not be disclosed in the financial statements

h) A Provision fails to meet the recognition criteria

i) Selection of accounting policy doesn't impact financial performance and financial position of the business

j) A change in accounting policies should be made as and when business like to show result as per their choice. **(10 Marks)**

3. A trader prepared his accounts on 31st March, each year.

Due to some unavoidable reasons, no stock taking could be possible till 15th April 2023 on which date the total cost of goods in his godown came to Rs. 50,000.

The following facts were established between 31st March and 15th April 2023.

a. Sales Rs. 41,000 (including cash sales Rs.10,000)

b. Purchases Rs. 5,034 (including cash purchases Rs. 1,990)

c. Sales Return Rs. 1,000.

d. On 15th March, goods of the sale value of Rs. 10,000 were sent on sale or return basis to a customer, the period of approval being four weeks. He returned 40% of

the goods on 10th April, approving the rest; the customer was billed on 16th April.

e. The trader had also received goods costing Rs. 8,000 in March, for sale on consignment basis; 20% of the goods had been sold by 31st March, and another 50% by the 15th April. These sales are not included in above sales.

Goods are sold by the trader at a profit of 20% on sales.

You are required to ascertain the value of Inventory as on 31st March, 2023.

(10 Marks)

4. M/s LG Transport purchased 10 trucks at Rs. 45,00,000 each on 1st April 2019. On October 1st, 2021, one of the trucks is involved in an accident and completely destroyed and Rs. 27,00,000 is received from the insurance in full settlement. On the same date, another truck is purchased by the company for the sum of Rs. 50,00,000. The company write off 20% on the original cost per annum. The company observe the calendar year as its financial year. You are required to prepare the motor truck account for two year ending 31 Dec 2022. **(10 Marks)**
5. A. Raj of Gwalior consigned 15,000 kgs of Ghee at Rs. 30 per kg to his agent Siraj at Delhi. He spent Rs.5 per kg as freight and insurance for sending the Ghee at Delhi. On the way 100 kgs. of Ghee was lost due to the leakage (which is to be treated as normal loss) and 400 kgs. of Ghee was destroyed in transit. Rs. 9,000 was paid to consignor directly by the Insurance company as Insurance claim. Siraj sold 7,500 kgs. You are required to calculate:
- The amount of abnormal loss
 - Value of stock at the end. **(5 Marks)**
- B. The Rough Book of M/s. Narain & Co. contains the following :
2023 Feb.
- Purchased from Brown & Co. on credit :
 - 5 gross pencils @ Rs.100 per gross,
 - 1 gross register @ Rs. 240 per doz.
 - Less : Trade Discount @ 10%
 - Purchased for cash from the Stationery Mart;
 - 10 gross exercise books @ Rs. 300 per doz.
 - Purchased computer for office use from M/s. office Goods Co. on credit for Rs. 30,000.
 - Purchased on credit from The Paper Co.
 - 5 reams of white paper @ Rs.100 per ream.

10 reams of ruled paper @ Rs.150 per ream.

Less : Trade Discount @ 10%

5. Purchased one dozen gel pens @ Rs.15 each from M/s. Verma Bros. on credit.

Make out the Purchase Book of M/s. Narain & Co **(5 Marks)**

6. A. A Plant & Machinery costing Rs. 50,00,000 is depreciated on straight line assuming 10 year working life and zero residual value, for four years.

At the end of the fourth year, the machinery was revalued upwards by Rs. 2,00,000.

The remaining useful life was reassessed at 8th year.

Calculate Depreciation for the fifth year **(5 Marks)**

B. M/s Akash & Co. purchased a machine for Rs. 10,00,000. Estimated useful life and scrap value were 10 years and Rs. 1,20,000 respectively.

The machine was put to use on 1.1.2017.

Required; Show Machinery Account and Depreciation Account in their books for 2022 by using sum of years digits method. **(5 Marks)**

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME

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

COMMERCE

Quantitative Techniques I

Duration:2 Hours

Max Marks:60

Section- A(compulsory)

I. Answer The Following Question :

1×20= 20

1. a) If A, B and C be three mutually exclusive and exhaustive events such that
 $P(A) = 2 P(B) = 3 P(C)$. The value of $P(C)$? (5 Marks)
- b) The independent probabilities that the three sections of a costing department will encounter a computer error are 0.2, 0.3 and 0.1 per week respectively. what is the probability that there would be
 (i) at least one computer error per week?
 (ii) one and only one computer error per week? (5 Marks]
- c) Find the roots of the equation, $x^2 - 5x + 6 = 0$ (2 marks)
- d) Solve: $3x + 2y + 17 = 0$ and $5x - 6y - 9 = 0$ (2 marks)
- e) The sum of two numbers is 8 and the sum of their squares is 34. Taking one number as x form an equation in x and hence find the numbers. (2 Marks)
- f) Solve the equation: $m + \sqrt{m} = 6/25$ (2 marks)
- g) Let α and β be the roots of $x^2 + 6x + 12 = 0$. Then find the value of $\left(\frac{\alpha^2}{\beta} + \frac{\beta^2}{\alpha}\right)$ (2 marks)

Section- B

II. Answer any Four of the following :

4×10= 40

2. a) Find the Mean deviation from Median and also its Coefficient for the following data:

Marks	20	18	16	14	12	10	8	6
No of Students	2	4	9	18	27	25	14	1

(5 Marks)

(b) Find the value of $\log_{2\sqrt{3}} 1728$

(3 marks)

(c) write the simplified version of $\frac{64(b^4 a^3)^6}{[4(a^3 b)^2 \times (ab)^2]}$

(2 marks)

3. a) List out the criteria's for an Ideal Measure of Central Tendency. **(5 Marks)**
 b) Sum of a certain number of terms of an AP series $-8, -6, -4, \dots$ is 52. The number of terms is **(2 marks)**
 c) Find the sum of all-natural numbers between 250 and 1000 which are exactly divisible by 3 **(3 marks)**
4. (a) A person has asset worth of ₹1,48,200. He wishes to divide it amongst his wife, son and daughter in the ratio 3:2:1 respectively. Find the share of his son and daughter **(2 marks)**
 (b) Find two numbers such that mean proportional between them is 18 and third proportional between them is 144. **(2 marks)**
 (c) Find the value of $x^{a-b} \times x^{b-c} \times x^{c-a}$ **(1 mark)**
 (d) If for two independent events A and B, $P(A \cup B) = 2/3$ and $P(A) = 2/5$, what is $P(B)$? **(3 Marks)**
 (e) What is the chance of throwing at least 7 in a single cast with 2 dice? **(2 Marks)**
5. (a) Find the value of x such that $8x + 4, 6x - 2, 2x + 7$ will form an AP. **(3 marks)**
 (b) The A.M. of two positive numbers is 40 and their G.M. is 24. Find the numbers. **(2 marks)**
 (c) Following are the marks of the 10 students :
 56, 48, 65, 35, 42, 75, 82, 60, 55, 50.
 Find quartile deviation and also its coefficient. **(5 Marks)**
6. (a) If the length of a rectangle is 5 cm more than the breadth and if the perimeter of the rectangle is 40 cm, then find the length & breadth of the rectangle. **(2 marks)**
 (b) Solve: $7x + 3y + 17 = 0$ and $4x - 6y - 9 = 0$ **(2 marks)**
 (c) Five times of a positive whole number is 3 less than twice the square of the number. Find The number. **(1 mark)**
 (d) If a card is drawn at random from a pack of 52 cards, what is the chance of getting a Spade or an ace? **(2 Marks)**
 (e) Four digits 1, 2, 4 and 6 are selected at random to form a four-digit number. What is the probability that the number so formed, would be divisible by 4? **(3 Marks)**

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/DECEMBER 2023****COMMERCE****Business Economics****Duration:2 Hours****Max Marks:60****Section- A(compulsory)****I . Answer The Following Question :****1×20= 20**

1. (a) Explain the meaning of "Effective Demand" in Economics. **(2 marks)**
- (b) Explain the Determinants of Demand. **(18 marks)**

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

2. (a) What are Indifference Curves? **(2 marks)**
- (b) Explain the assumptions underlying Indifference Curve approach. **(4 marks)**
- (c) Explain the three classification of Wants in Economics. **(4 marks)**
3. Explain the Expansion and Contraction phases in Business Cycles.
4. (a) State any five areas that come under Micro Economics. **(5 marks)**
- (b) Explain any five differences between Economics and Business Economics. **(5 marks)**
5. (a) Explain the three stages of capital formation. **(5 marks)**
- (b) Explain the types of capital. **(5 marks)**
6. Explain the determinants of supply.

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com. FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/DECEMBER 2023****COMMERCE****Insurance Management****Duration:2 Hours****Max Marks:60****SECTION – A****Answer any TWO questions:****(15×2= 30)**

- 1) Define Insurance. Explain the principles of Insurance contract.
- 2) Explain the different types of Individual Life Insurance Plans.
- 3) Write a note on
 1. Health Insurance Portability and Accountability Act(HIPAA)
 - 2.Preferred Provider Organizations (PPO)
- 4) Explain the advantages, limitations and importance of Retirement Planning.

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

- 5) Write a note on Causa Proxima.
- 6) Who are the different parties in a Life Insurance Policy?
- 7) Write a note on
 1. Flood Insurance
 2. Liability Insurance
- 8) Write a note on Third Party Administrators for Retirement Services in USA.
- 9) Explain the basic concepts of Risk?
- 10) What is claim? What are the different types of claims?

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

- 11) What is Insurance?
- 12) What is Paid up Value?
- 13) What is Waiver of Premium Rider?
- 14) What is Retrocession?
- 15) State any two duties of Insurer after a claim.
- 16) What does Individual Health Insurance mean?
- 17) What does Private Pension mean?

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com. FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/ DECEMBER 2023****COMMERCE****Retail and Market Research****Duration:2 Hours****Max Marks:60****SECTION – A****Answer any TWO questions:****(15×2= 30)**

- 1) Explain the Market Research Concepts.
- 2) Define Consumer Goods Industry. Explain the classification of Consumer Goods Industry.
- 3) a) Explain the factors influencing and affecting Indian Retail Industry. **(10 Marks)**
b) Write a note on Present Indian Retail Scenario. **(5 Marks)**
- 4) Describe the process of new product development with appropriate examples.

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

- 5) Write a note on Market Research.
- 6) Explain the value chain that the FMCG products follow.
- 7) Explain the functions of Retailer.
- 8) Explain the benefits of retail research to the Retailer.
- 9) Explain the characteristics of Media Data.
- 10) Briefly explain the Panel Research Reports.

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

- 11) Write any two differences between market and marketing research.
- 12) Write any two differences between organised and unorganised sector.
- 13) What is meant by Market Segmentation.
- 14) What is meant by Retail Research?
- 15) What is Media data?
- 16) What is Marketing Strategy?
- 17) Explain the concept of Focus Group Discussions.

CHOICE BASED CREDIT SYSTEM SEMESTER SCHEME**B.Com. FIRST SEMESTER DEGREE EXAMINATION NOVEMBER/ DECEMBER 2023****COMMERCE****Financial Planning and Performance****Duration:2 Hours****Max Marks:60****Section-A****Answer any TWO of the following :****2×15= 30**

1. Using the following information, prepare a flexible budget for the production of 80% activity. Production at 50% Capacity 5,000 Units Raw Materials \$80 per unit Direct Labor \$50 per unit Direct Expenses \$15 per unit Factory Expenses \$50,000 (50) (Fixed) Administration Expenses \$60,000 (Variable)
2. What are the key components of a SWOT analysis, and how does it help in assessing internal and external factors influencing an organization's strategy?
3. A company is considering investing \$1 million in a new social media marketing campaign. The company estimates that the new social media marketing campaign will generate \$2 million in additional revenue over the next year. However, the company will also need to spend \$100,000 on monthly social media marketing fees. What is the ROI of this investment?

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

4. A company wants to predict its monthly sales based on advertising spending. Using a simple linear regression model, if they find that the regression equation is $\text{Sales} = 200 + 2 * \text{Advertising}$, and they spend \$10,000 on advertising, what is the predicted monthly sales?
5. Company X has a budgeted production level of 25,000 units, and they anticipate selling 22,000 units. The variable cost per unit is \$18, and the selling price per unit is \$28. Calculate the budgeted variable costs, budgeted sales revenue, and budgeted contribution margin.
6. If the cost for the first unit is \$1,000 and the learning curve is 80%, estimate the cost of the 5th unit.

Section-C

Answer any TWO of the following :

2×5= 10

7. Company XYZ budgeted fixed overhead costs of \$100,000 for the year. However, the actual fixed overhead costs incurred during the year were \$105,000. Calculate the fixed overhead spending variance.
8. What distinguishes a profit center from other types of responsibility centers?
9. Company ABC expected to produce 10,000 units of a product. The budgeted fixed overhead cost per unit is \$20. However, the company produced 9,800 units during the period, and the actual fixed overhead costs were \$197,000. Calculate the fixed overhead volume variance.
