

**CHOICE BASED CREDIT SYSTEM****M.Com. FIRST SEMESTER DEGREE EXAMINATION JANUARY 2024****Accounting Standards and Financial Reporting****Duration:3 Hours****Max Marks:70****I. Answer any THREE of the following :****(3×5= 15 Marks)**

- 1) What are the current challenges of IFRS in India?
- 2) Explain the need for presentation on financial statements.
- 3) What do you mean by 'Borrowing Costs'?
- 4) What is fair value measurement as per IFRS 13?

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

5)

An entity constructs a new office building commencing on 1st September, 2022, which continues till 31st December, 2022 (and is expected to go beyond a year). Directly attributable expenditure at the beginning of the month on this asset are Rs. 2 lakh in September 2022 and Rs. 4 lakh in each of the months of October to December 2022.

The entity has not taken any specific borrowings to finance the construction of the building but has incurred finance costs on its general borrowings during the construction period. During the year, the entity had issued 9% debentures with a face value of Rs. 30 lakh and had an overdraft of Rs. 4 lakh, which increased to Rs. 8 lakh in December 2022. Interest was paid on the overdraft at 12% until 1st October, 2022 and then the rate was increased to 15%.

Calculate the capitalization rate for computation of borrowing cost in accordance with Ind AS 'Borrowing Cost'.

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

- 6) Explain the various elements of costs involved in Property, Plant and Equipment.
- 7) What is 'Accounting Standard'? Explain the stages and process of standard setting in India.
- 8) Explain the measurement and recognition of financial instruments.
- 9) Explain the carve outs and ins in Ind AS with regard to IFRS.

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## CHOICE BASED CREDIT SYSTEM

M.Com. FIRST SEMESTER DEGREE EXAMINATION JANUARY 2024

## Financial Decision Making

Duration:3 Hours

Max Marks:70

I. Answer any THREE of the following :

(3×5= 15 Marks)

- 1) Mr. B invest Rs.1,000 at the end of 1st year, Rs. 2,000 at the end of 2nd year, Rs. 3,000 at the end of 3rd year and Rs. 4,000 at the end of 4th year at an interest of 10% per annum. Calculate future value of investment at the end of four years compounded annually.
- 2) Golden Syntax has annual sales of Rs. 24,00,000. The selling price per unit is Rs.10 and the variable cost is 70% of the selling price. The required rate of return on investment is 20%, average cost Rs.9 per unit; annual collection expenditure Rs.50,000 and percentage of default 3%; credit terms 2 months. Golden syntax is considering the change in credit policy by following Programme A and Programme B.

Particulars	Programme	
	A	B
Average Collection Period (months)	1.5	1
Annual Collection Expenditure (Rs.)	75,000	1,50,000
Percentage of default (%)	2	1

Determine which collection programme should Golden Syntax follow?

- 3) From the summary cash amount of S Ltd. Prepare cash flow statement for the year ended 31.03.2021 in accordance with AS-3 using the direct method. The company does not have any cash equivalent.

Summary Cash Account  
(For the year ended 31.03.2021)

	Rs. ('000)		Rs. ('000)
Balance as on 1.4.2020	100	Payment of suppliers	4,000
Issue of equity shares	600	Purchase of fixed assets	400
Receipt from customers	5,600	Overhead expenses	400
Sale of fixed assets	200	Wages and salaries	200
		Taxation	500
		Dividend	100
		Repayment of bank loan	600
		Balance as on 31.3.2021	300
	6,500		6,500

4) The following information is available in respect of a firm

Capitalization Rate ( $k_e$ ) = 0.15

Earnings per share (E) = Rs.12

Assumed rate of return on investments (r): a) 18 b) 12

Show the effect of dividend policy on the market price of shares using Walter's Model

II. Answer the following question :

(1×10= 10 Marks)

5) The Balance sheet and income statement of ABC Ltd are given below.

Balance sheet

Liabilities	Rs. 000's	Assets	Rs. 000's
30,000 Equity Shares	300	Fixed Asset	350
Long term debt	100	Inventory	65
Accounts payable	80	Accounts receivable	60
Other current liabilities	20	Cash	25
	500		500

Income Statement

Particulars	Rs.	Rs.
Sales		900
Less: COGS	400	
General Administrative and selling expenses	100	
All other expenses	250	750
<i>Net income</i>		<i>150</i>

You are required to calculate a) current market price share if P/E ratio is 8 b) current ratio c) net working capital d) current assets/total assets e) current liabilities/total assets.

III. Answer any THREE of the following :

(3×15= 45 Marks)

6) From the following data, compute the duration of operating cycle for each of the two years and comment on the increase or decrease

Particulars	Year 1 (Rs.)	Year 2 (Rs.)
Stocks:		
Raw Materials	25,000	32,000
Work-In- Progress	18,000	22,000
Finished Goods	25,000	30,000
Purchase of Raw Materials	1,00,000	1,75,000
Costs of Production	1,80,000	2,00,000
Costs of Goods Sold	2,40,000	2,80,000
Sales	3,60,000	4,00,000
Debtors	42,000	60,000
Creditors	25,000	28,000

Assume 360 days per year for computations purpose.

7) X Ltd. sells goods at a gross profit of 20%. It includes depreciation as a part of cost of production. The following figures of the 12-month period ending March 31 current year are given to enable you to ascertain the requirements of working capital of the company on a cash cost basis. In your working, you are required to assume that:

- i) A safety margin of 15% will be maintained.
- ii) Cash is to be held to the extent of 50% of current liabilities;
- iii) There will be no work-in-progress;
- iv) Tax is to be ignored;
- v) Finished goods are to be valued at manufacturing costs. Stocks of raw materials and finished goods are kept at one month's requirements.

- Sales at 2 month's credit Rs. 27,00,000
- Materials consumed (suppliers' credit is for 2 months), Rs. 6,75,000
- Wages ((paid on the last day of the month), Rs. 5,40,000
- Manufacturing expenses outstanding at the end of the year (cash expenses are paid one month in arrear), Rs. 60,000
- Total administrative expenses (paid as above), Rs. 1,80,000
- Sales promotion expenses (paid quarterly in advance), Rs. 90,000

The Board of Directors of Nanak Engineering Company Private Ltd. requests you to prepare showing the working capital requirements for a level of activity at 1,56,000 units of production. The following information is available for your calculation.

Raw Material	90
Direct Labour	40
Overhead	<u>75</u>
Total Cost	205
Profit	<u>60</u>
Selling price	<u>265</u>

8) The Balance Sheet of K Ltd as on 31.12.2020 and 2021 are given below

	31.12.2020	31.12.2021
Share Capital	3,00,000	4,00,000
Capital reserve	-	10,000
General reserve	1,70,000	2,00,000
Profit and loss account	60,000	75,000
Debentures	2,00,000	1,40,000
Current liabilities	1,20,000	1,30,000
Provision for income tax	90,000	85,000
Proposed dividend	30,000	36,000
Unpaid dividend	-	4,000
	<b>9,70,000</b>	<b>10,80,000</b>

Fixed asset: At cost	8,00,000	9,50,000
Less: Depreciation	2,30,000	2,90,000
	5,70,000	6,60,000
Trade Investment	1,00,000	80,000
Current Assets	2,80,000	3,30,000
Preliminary expenses	20,000	10,000
	9,70,000	10,80,000

Additional Information:

1. Sold one Machine for Rs. 25,000, the cost of which was Rs. 50,000 and the depreciation on it was Rs. 21,000.
2. Provided Rs. 95,000 as depreciation.
3. Redeemed 30% of the debentures at 103.
4. Sold some trade investments at a profit which was credited to capital reserve.
5. Decided to value stock at cost less 10%. The stock according to the books as on 31.12.2020 was Rs, 54,000. The stock on 31.12.2021 was correctly valued at Rs. 14,000
6. Decided to write off fixed assets costing Rs. 14,000(fully depreciated)

Showing the statement of changes in working capital, you are required to prepare the statement of sources and application of funds during 2021.

9) Critically evaluate the Irrelevance of Dividends and Relevance of Dividend Models.

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**CHOICE BASED CREDIT SYSTEM****M.Com. FIRST SEMESTER DEGREE EXAMINATION JANUARY 2024****Supply Chain Management****Duration:3 Hours****Max Marks:70****I. Answer any THREE of the following :****(3×5= 15 Marks)**

- 1) Explain 'Supply Chain Management'. Give an outline of the supply chain for a paper industry.
- 2) Explain the 'Business Process Re-engineering' approach.
- 3) "Many organizations manage and run their own business". Do you agree? Give reasons.
- 4) What are the critical factors affecting 'Supply Chain Management'?

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

5) Pentagon Plastics makes small injection-moulded parts for a number of manufacturers. A few years ago, they faced a new problem with one of their best selling parts, which was used by an instrument maker and eventually put into Ford cars. When Ford expanded their quality management programme all their suppliers – including those who had several tiers up the supply chain – had to change their habits. In particular, they had to introduce total quality management and just-in time operations. Jaydeep Julami was the production manager at Pentagon, and he was wondering how to meet the new demands on his operations. There were 30 main products and 120 minor ones, and the plant worked a single shift for five days a week. Their current production planning was based on a regular six-week cycle. The first 15 days of this cycle were spent making the main products, and the next 15 days making minor products. This schedule was designed to reduce the disruption of changing production from one product to another. Each change usually took less than an hour, but could take up to four hours if things went wrong. A dashboard instrument panel was typical of Pentagon's main products. This was made in batches of 25,000 and sent to a store of finished goods. When customers ordered the panel there was a minimum order quantity of 4,000. Most orders were met from stock, but if Pentagon did not have enough stock to meet an order, they would reschedule production. This might give a week's delay, as well as upsetting the schedules of other products. Transport was arranged with a local company, who picked the parts up from Pentagon and delivered them directly to customers, usually within two weeks. Jaydeep was reading an article about Hewlett-Packard's introduction of JIT. It said that they introduced JIT in seven stages.

1. Designed an efficient mass production process
2. Implemented total quality management
3. Stabilised production quantities
4. Introduced kanbans
5. Worked with suppliers
6. Continually reduced stocks
7. Improved product designs.

Jaydeep thought about how he could use Hewlett-Packard's experience in his own plant. He knew roughly what was involved, but still was not confident they could make JIT work.

### QUESTIONS

- i) Describe in detail the steps that Hewlett-Packard used to introduce JIT. (4)
- ii) From the limited information available, do you think that Pentagon Plastics should consider JIT? What benefits could they get? (3)
- iii) How might Pentagon set about introducing JIT? (3)

III. Answer any THREE of the following :

(3×15= 45 Marks)

- 6) What is 'Sourcing'? Explain the different types of sourcing with suitable examples.
- 7) "Capacity is the most important decision in the design of a supply chain, as it affects the amount of materials that can be moved". Do you find this argument convincing? Defend your opinion.
- 8) Warehouses used to be places where goods were stored, often for long periods, until they were needed. A more recent view has warehouses as places where loads are reorganised on their journey through the supply chain. Do you think this is a real difference? If it is, what effect does this have on warehouse operations?
- 9) Discuss some of the strategic activities on which supply chain focus. Why is it said that "these activities are a key to the firm's success and survival?"

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**CHOICE BASED CREDIT SYSTEM**

**M.Com. FIRST SEMESTER DEGREE EXAMINATION JANUARY 2024**

**Managerial Economics**

**Duration:3 Hours**

**Max Marks:70**

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

**(3×5= 15 Marks)**

- 1) Explain the importance of costs in 'Economies of Scale'.
- 2) Explain increase and decrease in supply with relevant diagram.
- 3) Analyse 'Price Leadership' with relevant examples.
- 4) Distinguish between 'Individual Demand' and 'Market Demand'.

**II. Answer the following question :**

**(1×10= 10 Marks)**

- 5) "Technological development are rapid and evolving". How can managerial economist help to solve this problem?

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

**(3×15= 45 Marks)**

- 6) Can we produce outside the PPF? Justify your answer with relevant graph and example.
- 7) Identify the major influencing factor to the market demand for the following:
  - i) Food grains: Rice and Wheat
  - ii) Passenger cars
  - iii) Petrol
  - iv) Fireworks
  - v) Branded fast food in Mumbai
- 8) Describe the pricing method under different market structures with relevant examples.
- 9) Define 'Control Charts'. Describe how it is constructed and used.

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**CHOICE BASED CREDIT SYSTEM****M.Com. FIRST SEMESTER DEGREE EXAMINATION JANUARY 2024****Business Information System****Duration:3 Hours****Max Marks:70****I. Answer any THREE of the following :****(3×5= 15 Marks)**

- 1) What is 'XML'? Explain with help of an example.
- 2) State the difference in data models for OLTP and OLAP.
- 3) What is Internet of Things (IoT)?
- 4) What is 'Data Integration'? Explain the two main approaches of Data Integration.

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

- 5) Explain technological development that has influenced the use of historical data for smart decision making.

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

- 6) Compare and contrast structured, semi structured and unstructured data.
- 7) Explain various roles and responsibilities responsible for the success of BI project.
- 8) Explain 'Typical Dimensional Model' with best suited examples.
- 9) Why there is so much emphasis on 'internal process' for any enterprise? Give reason to justify your answer.

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