



M.Com. III Semester (CBCS) Degree Examination, March/April - 2022
COMMERCE

Paper No. HC 3.1 - Business Research Methods

Time : 3 Hours

Maximum Marks : 70

SECTION - A

1. Answer **any ten** of the following sub-questions. Each sub-question carries **2** marks. **10x2=20**
- (a) What is Empirical research ?
 - (b) State various research approaches.
 - (c) Define multi stage sampling.
 - (d) State any four components of research design.
 - (e) Mention the tools to be used for collecting data.
 - (f) What do you mean by field work ?
 - (g) Give the meaning of Tabulation.
 - (h) What are parametric tests ?
 - (i) What is Chi-square test ?
 - (j) Write a short note on ANOVA.
 - (k) Define Plagiarism.
 - (l) Give two examples for APA format of bibliography.

SECTION - B

Answer **any four** questions. Each question carries **5** marks.

4x5=20

- 2. Distinguish between Descriptive study and Analytical study.
- 3. What are the significant qualities of a good researcher ?
- 4. Define Sampling. What are the merits and demerits of sampling ?



P.T.O.

5. A buyer wants to decide which of the two brands of battery cells to buy in bulk. However before making any choice he buys 75 battery cells of each of the two brands. He finds that Brand-X has a mean life of 900 hours with a standard deviation of 24 hours and Brand-Y has a mean life of 950 hours with a standard deviation of 20 hours.

Do the two brands differ significantly in quality ? (Use 5% level of significance)

6. Raju Restaurant near the railway station at Ballari has been having average sales of 500 tea cups per day. Because of the development of bus stand nearby, it expects to increase its sales. During the first 12 days after the start of the bus stand, the daily sales were as under :

550, 570, 490, 615, 505, 580, 570, 460, 600, 580, 530, 526

On the basis of this sample information, can one conclude that Raju Restaurant's sales have increased ? Use 1% level of significance.

7. A shop keeper has shifted from using a manual typewriter to a compute to do his job. The number of mistakes he makes in both the methods are :

Pages	1	2	3	4	5	6
Mistakes before using computer	58	29	30	55	56	45
Mistakes after using computer	53	28	31	48	50	42

Is the computer helpful in reducing mistakes ? Test at 5% level of significance.

SECTION - C

Answer **any three** questions. Each question carries **10** marks.

3x10=30

8. What is Research Design ? Explain the nature and importance of research design.
9. Identify the key sources of problem identification. Discuss in detail identification of research problem.
10. What is Report Writing ? Explain the steps involved in report writing.



11. A sample of 400 regular TV viewers was drawn from Ballari city through convenience sampling and their preferences of TV programs were enquired. The data are given below :

Type of Viewers	Movies	News	Serials	Total
Teenagers	120	30	50	200
Adults	10	75	15	100
Senior citizens	10	30	60	100
	140	135	125	400

Test at 1% level of significance, whether there is any association between different categories of people and types of TV programs preferred.

12. A company is interested in knowing if the three salesmen are performing equally well. The weekly sales records of the three salesmen are :

(In Rupees)

Salesman - A	300	400	300	500	0
Salesman - B	600	300	300	400	-
Salesman - C	700	300	400	600	500

(Use 5% level of significance)

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M.Com. III Semester (CBCS) Degree Examination, March/April - 2022

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Paper HC 3.2 : Strategic Management

Time : 3 Hours

Maximum Marks : 70

SECTION - A

1. Answer **any ten** sub-questions. Each question carries **two** marks. **10x2=20**
- (a) What is formal planning ?
 - (b) Define GAP analysis.
 - (c) Why do mission statement is required ?
 - (d) Who are the stakeholders ?
 - (e) Expand PEST and ETOP.
 - (f) What do you understand by internal factor analysis ?
 - (g) Define value chain analysis.
 - (h) Give the meaning of strategic formulation.
 - (i) What is transformational strategy ?
 - (j) Define strategic evaluation.
 - (k) What is strategic audit ?
 - (l) What are Porter's five forces ?

SECTION - B

Answer **any four** questions. Each question carries **five** marks. **4x5=20**

- 2. Distinguish between strategic management and operational management.
- 3. Briefly explain the constituents of corporate mission.
- 4. Briefly explain the resources of competitive advantage.
- 5. Write a short note on strategic activation.
- 6. Briefly explain the strategic control system.
- 7. Describe the scope of strategic management.



P.T.O.

SECTION - C

Answer **any three** questions. Each question carries **ten** marks.

3x10=30

8. Strategic management is a successful tool of business. Explain.
9. Explain the significance of ethics in strategic management.
10. Discuss the important types of micro and macro environmental factors in detail.
11. Explain the steps involved in the strategy formulation.
12. Evaluate the purposes of strategic evaluation and analysis.

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Paper No. HC 3.3 - Accounting for Managerial Decisions

Time : 3 Hours

Maximum Marks : 70

SECTION - A

Answer **any ten** of the following sub-questions. Each sub-question carries **2** marks. **10x2=20**

1. (a) What is meant by Return on Capital Employed ?
(b) Mention any two benefits of Return on Investment.
(c) State the significance of Cash Flow Analysis.
(d) How do you treat the following items in the Funds Flow Statement ?
(i) Sale of Land
(ii) Conversion of Long-term Loan into Debentures
(e) What do you mean by Budget Manual ?
(f) Define Budgetary Control.
(g) What is Overhead Variance ?
(h) Define Marginal Costing.
(i) What do you mean by Margin of Safety ?
(j) State the functions of Management Accountant.
(k) How Management Accounting differ from Cost Accounting ?
(l) State the objectives of Financial Statement Analysis.

SECTION - B

Answer **any four** questions. Each question carries **five** marks. **4x5=20**

2. Bring out the differences between Standard Costing and Budgetary Control.
3. What do you mean by Variance ? Explain the different categories of Cost Variances.
4. Write the following format :
(a) Statement showing Operating Cash Profit
(b) Cash Flow Statement

P.T.O.

5. The promoters of a company are interested in the introduction of Fully-Automatic Plant (FAP) or Semi-Automated Plant (SAP) for the manufacture of quality bicycles. The details of costs are given below :

Particulars	FAP	SAP
Fixed costs per annum	70,00,000	30,00,000
Variable cost per unit	300	500

It is estimated that sales would normally be 50,000 bicycles per annum. Due to high quality maintenance, the promoters decide to have a selling price of Rs. 1,000 per bicycle.

Required :

- Break-even sales for each plant.
 - Sales level where both the plants are equally profitable and
 - The range of sales where one plant is more profitable than the other.
6. The following information is available from the records of a factory :

Particulars	Budget	Actual
Fixed overheads for June (Rs)	10,000	12,000
Production in June (units)	2,000	2,100
Standard time per unit (hours)	10	-
Actual hours worked in June	-	22,000

Compute :

- Fixed Overheads Cost Variance
- Expenditure Variance
- Volume Variance
- Capacity Variance and
- Efficiency Variance



7. From the following Profit and Loss Account of Sreyus Co., Ltd., calculate the Funds from Operation.

Profit and Loss Account for the year ended 31st December 2021

Particulars	Amount	Particulars	Amount
To Salaries	56,000	By Gross Profit	3,00,000
To Rent	24,000	By Profit on sale of Machinery	24,000
To Printing and Stationery	12,000	By Interest on Investment	16,000
To Depreciation of Plant	50,000		
To Goodwill written off	20,000		
To Loss on sale of Plant	10,000		
To Provision for Taxation	30,000		
To proposed dividend	28,000		
To Net Profit take to Balance Sheet	1,10,000		
	3,40,000		3,40,000

SECTION - C

Answer **any three** questions. Each question carries **ten** marks.

3x10=30

8. What are the objectives of Management Accounting ? Explain the techniques used in Decision Making.
9. Describe the types of Financial Analysis. Explain the Methods of Financial Statement Analysis.
10. Describe the types of Budget. Explain the advantages of ZBB.



P.T.O.

11. The following data relate to the financial statements of RCK Limited for the year ended December 31-2021.

- Current ratio 3 : 1
- Acid test ratio 1.5 : 1
- Quick Assets Rs. 30,000
- Inventory turnover 10 times
- Fixed Assets : Shareholder equity 0.875:1
- Total operating expenses to sales 90%
- Number of shares of Rs. 10 each 25000
- Earnings per share Rs. 2
- Gross Profit to Sales 20%
- Creditors velocity 27 times
- Debt collection period 12 days
- Earning for the year as percentage of share capital 25%

Closing stock is Rs. 6,000 lower than opening stock. There are no prepaid expenses, long-term liabilities and intangible assets. Prepare company's Profit and Loss Account for the year ended December 31, 2021 and Balance Sheet on that date. Assume year to be of 360 days.

12. M Company Limited manufacturing three products A, B and C. The directors of the company are worried about the profit of the organization and purpose discontinue product A which is incurring loss. The following information is available regarding the three products A, B and C.

Particulars	A	B	C
Sales (Units)	2,000	5,000	12,000
Price per unit Rs	5	4	2.5
Direct materials per unit Rs	1.50	0.6	0.75
Direct Labour per unit Rs	1.00	0.6	0.25
Variable Overheads (% age of direct labour)	300	200	300
Direct Fixed cost per unit	0.50	0.5	0.375
Profit/Loss	-3,000	3,500	1,500
Fixed costs : 6,000			

Fixed costs are apportioned to the product A, B and C in the ratio of 1 : 2 : 3 respectively.

- (a) What suggestions would you give if you find that the direct fixed costs are directly involved with each product line and that they would be avoided if a particular product line is dropped ?
- (b) If the direct fixed costs are such that no portion of this expenditure can be saved by dropping a product, what would be your advice ?

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Paper No. HC 3.4 - Strategic Human Resource Management

Time : 3 Hours

Maximum Marks : 70

SECTION - A

I. Answer any ten of the following sub-questions. Each sub-question carries two marks. 10x2=20

1. (a) Define Strategic HRM.
(b) What does HR Planning Mean ?
(c) State any four benefits of an effective incentives system.
(d) What do you mean by 'Cultural shock' ?
(e) State any four demerits of off-shoring.
(f) Define Value creation.
(g) Define 'Sustainable Competitive Advantage.'
(h) List any four objectives of job evaluation.
(i) What is global sourcing ?
(j) State any four barriers to effective Strategic HRM.
(k) What do you mean by Career development ?
(l) List any four differences between domestic and international labour market.

SECTION - B

II. Answer any four questions. Each question carries five marks. 4x5=20

2. List out the key factors in Strategic HR.
3. Enumerate the measures of HRM performance in a firm.
4. Describe Performance Management System and its components.
5. Discuss the role of training in improving employees' capabilities.
6. Explain the reasons for Rightsizing and Restructuring of manpower in an organization.
7. What are the peculiarities of global strategic management in MNC's ?



P.T.O.

SECTION - C

III. Answer **any three** questions. Each question carries **ten** marks.

3x10=30

8. Discuss the organizational and external contexts of Strategic HRM.
9. Write notes on :
 - (a) HR bundles approach
 - (b) Best practice approach
10. Write a note on the recruitment and selection strategies adopted in a firm.
11. What do you mean by 'Outsourcing'? Describe the implications of outsourcing under globalization conditions.
12. Briefly discuss the various expatriation and repatriation strategies followed by MNC's.

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**M.Com. III Semester (CBCS) Degree Examination,
March/April - 2022**

COMMERCE

**Paper No. SC 3.5 (A) : Corporate Tax Planning and Management - I
(Direct Taxes)**

Time : 3 Hours

Maximum Marks : 70

SECTION - A

1. Answer **any ten** of the following sub-questions. Each sub-question carries **two** marks. **10x2=20**
- (a) Define Income tax.
 - (b) Define Assessment Year.
 - (c) Differentiate between Gross Total Income and Taxable Income.
 - (d) Define Preliminary expenses.
 - (e) Write any two factors relating to make or buy decisions.
 - (f) What is meant by Indexed cost of acquisition ?
 - (g) What is meant by Regular assessment ?
 - (h) State any two methods of tax evasion.
 - (i) What is meant by Speculative business ?
 - (j) What is Inter source adjustment ?
 - (k) Define closely held company.
 - (l) Define Cold chain facility.



P.T.O.

SECTION - B

Answer **any four** of the following questions. Each question carries **five** marks.

4x5=20

2. What do you mean by Tax Credit ? How would you find it ?
3. Discuss the conditions to be fulfilled for allowability of deductions under section 80-IB in respect of profits and gains from an undertakings established for Development and building of housing projects.
4. Explain the tax consideration to be kept in mind while deciding dividend policy of a company.
5. A block of asset consists of 5 machines. The written down value of machinery as on 01.04.2020 is ₹ 1,80,000. Rate of depreciation is 15%. A new machine costing ₹ 1,60,000 was acquired in May 10, 2020 but actually put to use on October 10, 2020. Two old machines are sold for ₹ 3,20,000 in December 10, 2020. Determine amount of depreciation for the A.Y. 2021-22.
6. Guru Ltd. requires ₹ 25,00,000 to finance its expansion programmes. It has the following three options.

Particulars	Alternative 1	Alternative 2	Alternative 3
Share Capital	25,00,000	10,00,000	5,00,000
9% Debentures	_____	10,00,000	10,00,000
Loan from IDBI (12%)	_____	5,00,000	10,00,000
Total Investment	25,00,000	25,00,000	25,00,000

The Expected rate of return before interest and tax is 25%. The tax rate applicable to company is 26%. Which is the best alternative for the company ?

7. The estimated taxable income of Vijay Ltd. For the financial year 2020-21 is ₹ 6,00,000 and taxable Long-term capital Gain on 03.06.2020 is ₹ 3,00,000. Calculate the advance tax instalment, assuming estimated TDS to be ₹ 25,000.



SECTION - C

Answer **any three** of the following questions. Each question carries **ten** marks.

3x10=30

8. What is Tax planning ? How it differ from 'Tax evasion' and 'Tax avoidance'.
9. Explain the Provisions of Penal interest payable under Income Tax Act. For what offences a person can be prosecuted under the Income Tax Act and what are punishments provided for such offences ?
10. Write short notes on the following.
 - (a) Residential status of Corporate Assessee
 - (b) Set off and carry forward of losses

11. Sudoku Ltd. a manufacturing company needs a generator for its activities. The cost is ₹ 1,00,000. On making enquiries it is learnt that the company has two options.

The First one is buying the asset by taking loan of ₹ 1,00,000 repayable in five equal instalments of ₹ 20,000 each along with interest at 12% p.a. Depreciation rate is 15%.

The Second option is leasing the asset for which annual lease rental is ₹ 30,000 upto five years. The lessor charges 1% as processing fees in first year.

As the tax advisor for the company suggest which the better option to be selected is.

Additional Information :

- (a) Tax rate applicable to the company is 25% plus cess 4%.
- (b) Present value factor of ₹ 1 at 10% discount factor.

Year	1	2	3	4	5
PV Factor	0.909	0.826	0.751	0.683	0.621



P.T.O.

12. Export Ltd. is engaged in the business of manufacture of garments. The following profit and loss account of the company is given for the year ended 31st March 2021.

Particulars	Amount (₹)	Particulars	Amount (₹)
Salaries and wages	2,00,000	Gross Profit	28,00,000
Entertainment expenditure	20,000	Agricultural Income	6,00,000
Travelling expenses	25,000	Rent from let out property	1,00,000
Income tax	2,50,000	Transfer from General reserve	50,000
Wealth tax	10,000		
Outstanding custom duty	15,000		
Provision for unascertained liability	60,000		
Proposed dividend	50,000		
Provision for loss of subsidiary company	20,000		
Repairs of let out property	30,000		
Municipal tax on let out property	20,000		
Agriculture expenses	2,50,000		
Fines and Penalties	5,000		
Reserve for Bad debts	15,000		
Depreciation	4,00,000		
Other expenses	2,00,000		
Net Profit	19,80,000		
Total	35,50,000		35,50,000



Additional Information :

1. Excise duty of 2016-17 paid during the year 2020-21 is ₹ 65,000. However, this is not debited to profit and loss account given above.
2. Depreciation allowable as per Income tax rules is ₹ 4,60,000.
3. The following losses are to be set off.

Particulars	For tax purposes	For Accounting purposes
Brought forward business loss of 2017-18	11,00,000	9,00,000
Unabsorbed depreciation	Nil	3,00,000

You are required to compute :

- (a) The book profit as per section 115JB.
- (b) Total income of the company and
- (c) The tax liability of the company for the assessment year 2021-22.

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Paper No. 3.5(B) - Financial Derivatives

Time : 3 Hours

Maximum Marks : 70

SECTION - A

Answer **any ten** of the following sub-questions. Each sub-question carries **two** marks. **10x2=20**

1. (a) Define the term 'Derivatives'.
- (b) Why are the derivatives considered as Barometer of Future Prices ?
- (c) What is marking to market ?
- (d) What is Optimum Hedge Ratio ?
- (e) How can default risk be mitigated in futures contract ?
- (f) What are Swaps ?
- (g) What is Market-if-Touched Order ?
- (h) How do you find equivalent continuously compounded rate of interest from the rate of interest with multiple compounding ? Illustrate.
- (i) What is the use of Arbitrage in a Financial Market ?
- (j) Who is a Put Writer ?
- (k) Differentiate American and European styles of options.
- (l) What is Option Delta ?

SECTION - B

Answer **any four** of the following questions. Each question carries **five** marks.

4x5=20

2. Examine the critiques against derivatives.
3. What is a Forward Contract ? Identify and explain the shortcomings of Forward Contract.
4. "Call writers and put buyers exhibit Bearish Sentiments". Do you agree ? Explain.



P.T.O.

5. An investor takes a long position in a futures contract consisting of 1000 shares. The initial margin fixed at \$ 3,000 and Maintenance margin is \$ 2,200. Prepare a table of daily settlement of cash flows from the following data :

Day	Price per Share (\$)	Day	Price per Share (\$)
1	30.68	6	27.01
2	31.02	7	25.50
3	30.74	8	26.75
4	29.64	9	28.00
5	28.44		

6. Determine the futures price under Cost of Carry Model from the following data :

- Spot price of gold ₹ 90,000
- Storage cost is 6% of spot price per annum.
- Insurance cost 4% of spot price per annum.
- Financing cost 12% per annum.
- Carry period is 6 months.

7. The following information is available on call options involving 800 shares each, with two month expiration on a stock :

Call	Exercise Price (₹)	Call Price (₹)
1	50	8.00
2	55	4.50
3	60	2.00

Explain how these options can be used to create butterfly spreads. Construct a table to show how profit would vary with stock price for the spread and determine the profit or loss when the price is ₹ 67, ₹ 58, ₹ 46 and ₹ 54.



SECTION - C

Answer **any three** of the following questions. Each question carries **ten** marks.

3x10=30

8. "Derivatives are powerful risk management tools." Discuss.
9. "Futures are refined forwards." Justify.
10. Discuss the different factors affecting the prices of call and put options.
11. On January 3, 2022 an investor has a portfolio of 5 shares as given below :

Security	Price per share (₹)	No. of Shares	Beta (β)
A	59.50	5,000	1.05
B	81.85	8,000	0.35
C	101.10	10,000	0.80
D	125.15	15,000	0.85
E	140.50	1,500	0.75

The cost of capital to the investor is 12.5% per annum (not continuously compounded).

You are required to :

- (a) Calculate the beta of his Portfolio.
 - (b) Calculate the theoretical value of the NIFTY futures for February assuming that the current value of NIFTY is 1005 and NIFTY futures have a minimum trade lot requirement of 200 units.
 - (c) Obtain the number of contracts of NIFTY he needs to sell in order to get a full hedge. Assume that the futures are trading at their fair value.
 - (d) Calculate the number of futures contracts the investor should trade if he desires to reduce the beta of his portfolio to 0.7.
12. The shares of ABC Ltd are currently priced at ₹ 415 and call option exercisable in three months' time has an exercise price of ₹ 400. Risk-free interest rate is 5% p.a. (continuously compounded) and standard deviation (volatility) of share price is 22%. Is the option worth buying for ₹ 25 ?
Calculate the value of aforesaid call option if the current price is considered as ₹ 380. Use Black-Scholes Model.

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