



30196

M.Com. III Semester Degree Examination, April/May - 2023

COMMERCE

Advanced Bank Management

(CBCS)

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with Question No. 1 (Q 1) **Compulsory**.
Each question carries **fourteen** marks.

1. (a) Define Bank management. Explain the functions of Bank management. 7
(b) Discuss the future of Indian banking system. 7
2. (a) Explain the procedure of evaluating the credit worthiness of applicants. 7
(b) Write a detailed note on priority sector lending and socio-economic policies. 7
3. (a) Discuss the objectives and importance of liquidity management. 7
(b) What is ALM ? Explain the process of ALM. 7
4. (a) Write the concept and importance of customer relationship management in banking. 7
(b) Discuss the Redressal procedure of resolving customer grievances in banking. 7
5. (a) Describe the tools and techniques of e-banking services. 7
(b) Explain the opportunities and challenges of e-banking services. 7
6. (a) Enumerate in detail the provisions and recovery measures of NPA. 7
(b) Explain the theories of liquidity management. 7
7. (a) Mention the process of developing a good relationship with customer in Bank. 7
(b) What is mobile banking ? Explain the objectives and relevance of mobile banking at present scenario. 7



P.T.O.

8. (a) Write a detailed note on the investment management of banking system. 5
- (b) What is KYC ? Explain the features of customer relationship management. 5
- (c) Write a note on the cyber crimes and fraud management in banking sector. 4

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M.Com. III Semester Degree Examination, April/May - 2023

COMMERCE
FINANCIAL DERIVATIVES
(CBCS)

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with Question No. 1 (Q1) **Compulsory**. Each question carries **fourteen** marks.

1. (a) Define Derivatives. Explain the usefulness and critiques against derivatives. **10**
 (b) Describe the functions of participants in derivatives market. **4**
2. (a) What are the orders placed by the investors in futures market ? Discuss. **10**
 (b) Trace out the evolution of derivatives market in India. **4**
3. (a) Discuss the features of different derivative instruments. **10**
 (b) List out the shortcomings of forwards and futures. **4**
4. On January 1, 2022 an investor has a portfolio of 5 shares as given here : **14**

Security	Price	No. of Shares	Beta
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. You are required to compute :

- (a) Calculate beta of his portfolio.
- (b) Calculate the theoretical value of the NIFTY futures for February.
- (c) If its current value is 1005 and NIFTY futures have a minimum lot requirement of 200 units, obtain the number of contracts of NIFTY he needs to sell in order to get a full hedge until February for his portfolio. 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 0.9.

5. (a) The current market price of equity is Rs 80. The price may rise to Rs 100 or fall to Rs 70. The annual risk free rate is 10%, a call option on this equity has an exercise price of Rs 80 and an expiration date of one year from now. What is the fair value of call option today as per Binomial model ? 7
- (b) The shares of BSE Ltd. are currently priced at Rs 415 and a call option exercisable at 3 months' time as an exercise rate of Rs 400. Risk free rate of interest is 5% p.a. and standard deviation is 22%, based on the assumption that BSE Ltd. is not going to declare any dividend over the next 3 months. Calculate the value of call option as per Black Scholes Model. 7
6. (a) Describe the trading mechanism. 7
- (b) Mr. Vikram enters into a short futures contract for two contracts consisting of 100 shares at Rs 600 per share. The exchange has fixed the initial margin at Rs 4000. The maintenance margin was fixed at Rs 75% of initial margin. Show the operation of Margin amount by taking the following information on futures prices of shares. 7

Trading Day	Futures prices(Rs)	Trading Day	Futures prices(Rs)
1	600	8	612
2	602	9	607
3	608	10	603
4	605	11	600
5	610	12	598

7. (a) Calculate the value of stock index futures contract using following data : 7
- (i) Assume that the spot value of the index is 3090, the continuously compounded risk free rate of return is 8% p.a and time to expiration is 76 days. Find the value of futures contract, assuming multiplier to be 100.
- (ii) Consider a three-month futures contract on NSE - 50. Assume that the spot value of the index is 1090, the continuously compounded risk free rate of return is 12% p.a and the continuously compounded yield on shares underlying the NSE-50 is 4% p.a. Find the value of futures contract, assuming multiplier to be 200.
- (b) Calculate the pay-off of Long Put and Short Put from the following data and draw the pay-off diagram. Underlying - Wipro Company Ltd stock, style of option - European, exercise price is Rs 150 per share, option premium is Rs 10 per share, assume spot price at expiration is Rs 120, Rs 130, Rs 140, Rs. 150 Rs 160, Rs. 170 Rs. 180 per share. 7



8. (a) Calculate the forward price from the following data 5
- (i) A forward contract is entered into to purchase a coupon (interest) bearing bond
 - (ii) Current price of the bond Rs. 1,00,000
 - (iii) Coupon rate 8% p.a.
 - (iv) Interest is payable semi-annually
 - (v) Interest is payable after 3 months and 9 months respectively from the data of entering into the forward contract.
 - (vi) The maturity period of the forward contract is 10 months.
 - (vii) Risk free interest = 6% p.a.
 - (viii) Spot price of the bond is Rs 9500
- (b) Explain the features of options contract. 5
- (c) List out premier derivative exchanges operating across the world. 4

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M.Com. III Semester Degree Examination, April/May - 2023

COMMERCE

Accounting For Specialised Institutions
(CBCS)

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any FIVE** of the following questions with Question No. 1 (Q1) **Compulsory**.
Each question carries **Fourteen** marks.

1. (a) Describe the Need and Importance of Accounting for Educational Institutions. 7
(b) From the following particulars of Arabindo School, prepare Income and Expenditure Account and Balance Sheet as at 31st March 2022. 7

Particulars	Amount (Dr)	Amount (Cr)
Security Deposit		2,50,000
Research Fund		5,00,000
Capital Fund		19,90,000
Tuition Fees		10,00,000
Government grants		7,00,000
Donations (Income)		1,00,000
Hostel Room rent		2,10,000
Mess Receipts		1,80,000
Salary	10,50,000	
Scholarships	1,00,000	
Student welfare expenses	40,000	
Sports expenses	60,000	
Repairs and maintenance	1,25,000	
Miscellaneous expenses	50,000	
Building	20,00,000	
Furniture	7,00,000	
Buses	5,00,000	
Provision for depreciation		
(a) Building		2,00,000
(b) Furniture		70,000
(c) Buses		75,000
Bank Balance	6,50,000	
Total	52,75,000	52,75,000



P.T.O.

2. (a) "A contract of insurance is a contract of indemnity". Discuss. How far does the statement apply to life insurance policies ?
- (b) From the following balances as at March 31, 2022 in the books of General Insurance Co. Ltd. prepare a Revenue Account in respect of Fire Insurance business carried on by them :

Particulars	Amount ₹ in '000
1. Claims Paid	4,80,000
2. Claims outstanding on 01.04.2021	40,000
3. Claims intimated and accepted but not paid on 31.03.2022	70,000
4. Premium received	12,12,000
5. Reinsurance premium paid	1,20,000
6. Commission	2,00,000
7. Commission on reinsurance ceded	8,000
8. Reserve for unexpired risks as on 01.04.2021	4,00,000
9. Additional Reserve for unexpired risks on 01.04.2021	20,000
10. Commission on reinsurance accepted	4,000
11. Expenses of Management	3,14,000
12. Reinsurance recoveries of claims	8,000
13. Survey expenses regarding claims	5,000
14. Loss on sale of motor car	3,500
15. Bad debts	2,500
16. Refund of Double Taxation	4,500
17. Interest and Dividends	8,000
18. Legal expenses regarding claims	4,000
19. Profit on sale of investments	3,500
20. Rent of staff quarters deducted from salaries	2,400
21. Depreciation on furniture	4,600

You are required to provide for additional reserve for unexpired risk at 1 percent of the net premium in addition to the opening balance of Additional reserve.



3. Following balances were extracted on the closing date 31st March 2022 from the books of Adani Bank Ltd. You are required to prepare Balance sheet and Profit and loss A/c of the bank. 14

Particulars	Amount Rs in '000s
Current Deposits	45,500
Savings Bank Accounts	14,520
Fixed Deposits	37,180
Sundry creditors Accounts	454
Deposit due to other banks secured by Investments	12,200
Bills for collection being Bills Receivable	22,100
Acceptances and endorsements for customers	11,168
Rebate on Bills Discounted	15
Branch adjustment (Cr)	4,555
Statutory Reserve	10,000
Dividend Equalization Fund	2,500
Capital : 2 Lakh shares of Rs. 100 each, Rs. 50 paid up	10,000
Interest and Discount received	5,800
Exchange and Commission (Cr.)	1,700
General charges recovered	55
Profit and Loss A/c Balance on 01.04.2021	852
Cash in hand and with RBI	487
Cash with Bank	6,869
Money at call and short notice	1,500
Investments in Govt. Securities	45,200
Investments in shares	4,700
Interest accrued on investments	875
Cash credits and loans	44,100
Bills Discounted	33,100
Furniture, Fixtures and Equipment	500
Postage and Telegrams	500
Interest Paid	1,200
Law Charges	100
Payment to Employees	2,400
Directors Fees	100
Stationery and Advertisements	400
Miscellaneous Expenses	300
Land and Building	3,500
Depreciation Reserve	500



P.T.O.

Provide for :

- (a) Reserve for Taxation Rs. 5 Lakhs.
- (b) Transfer to General Reserve Rs. 15 Lakhs.
- (c) Transfer to Dividend Equalization fund Rs. 5 Lakhs.

4. (a) Define Accounting for Hotels. Why is the Visitor's Ledger maintained by a Hotel ? Discuss. 7
- (b) (i) A Hotel in Mumbai has 864 rooms in total, of which 76 rooms are used by the hotel for its operations and 28 rooms are used by the staff of the hotel. On 2nd January 2022, 646 rooms were occupied by customers. Find the occupancy rate. 7
- (ii) A hotel in Kolkata has 240 single bed rooms and 360 double bed rooms available for letting. On 26th January 2022, 520 rooms were occupied by 832 guests. Calculate the double occupancy rate.
- (iii) A hotel in Chennai has 160 single bed rooms, 240 double bed rooms and 6 dormitories having 9 beds each. On 1st February 2022, 120 single bed rooms, 180 double bed rooms and 2 dormitories were occupied by guests. Calculate the bed occupancy rate.
5. (a) Define Government Accounting. Explain the General Principles of Government Accounting. 7
- (b) Define the duties and responsibilities of the Comptroller and Auditor General of India in regard to accounts. 7



6. The under mentioned balances form part of the trial balance of New Life Assurance Co. Ltd. As on 31st March 2022. **14**

1. Amount of Life Assurance fund at the beginning of the year	Rs. 14,70,562
2. Claims by death	Rs. 76,980
3. Claims by maturity	Rs. 56,420
4. Premiums	Rs. 2,10,572
5. Expenses of Management	Rs. 19,890
6. Commission	Rs. 26,541
7. Consideration for annuities granted	Rs. 10,712
8. Interests, dividends and Rents	Rs. 52,461
9. Income tax paid on profits	Rs. 3,060
10. Surrenders	Rs. 21,860
11. Annuities	Rs. 29,420
12. Bonus paid in Cash	Rs. 9,450
13. Bonus paid in reduction of premiums	Rs. 2,500
14. Preliminary expenses balance	Rs. 600
15. Claims admitted but not paid at the end of the year	Rs. 10,034
16. Annuities due but not paid	Rs. 2,380
17. Capital paid up.	Rs. 14,00,000
18. Government Securities	Rs. 24,90,890
19. Sundry fixed assets	Rs. 4,19,110

Prepare Revenue Account and the Balance sheet after taking into account the following.

(a) Claims covered under re-insurance by death	Rs. 10,000
(b) Further claims intimated by death	Rs. 8,000
(c) Further bonus utilised in reduction of premium	Rs. 1,500
(d) Interest Accrued	Rs. 15,400
(e) Premiums outstanding	Rs. 7,400



7. The balances in the books of Hotel Amar as at 31.03.2022 were as follows :

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Particulars	Dr Rs.	Cr Rs.
Furniture as on 31.03.2021	33,400	---
Room Rent from Guests	---	63,000
Capital	---	1,05,600
Billiard Tables as on 31.03.2021	17,800	---
Bank Deposits	56,600	---
China Glass, Cutlery as on 31.03.2021	4,000	---
Interest on Deposit A/c	---	1,600
Stock in Bar on 31.03.2021	20,200	---
Stock in Restaurant on 31.03.2021	600	---
Purchases for Restaurant	2,15,600	---
Purchases for bar	1,64,400	---
Restaurant Takings (Sales)	---	3,23,200
Rent and Rates	69,800	---
Bar Takings (Sales)	---	2,61,000
Establishment Expenses	1,24,600	---
Billiards and sundry Receipts	---	51,200
Repairs	35,800	---
Cash in Hand	2,600	---
Fuel and Light	35,000	---
Creditors	---	35,600
Sundry Expenses	26,800	---
Bank Balance	18,200	---
Debtors	15,800	---
	8,41,200	8,41,200

You are required to Prepare Separate Trading Account for the Restaurant and Bar and Profit and Loss A/c for the year ended 31.03.2022 and Balance sheet after taking the following adjustments.

(a) Stock on 31.03.2021 Restaurant Rs. 400, Bar Rs. 5,800.

(b) Depreciated Furniture at 10% and Billiards 15%.



8. (a) Briefly explain the "Reserve for Unexpired Risk" under General Insurance Business. What are the percentages of such reserve to be created under IRDA Act for various General Insurance Businesses ? 5
- (b) Briefly explain the legal provisions relating to the final accounts of a banking company. 5
- (c) Write a note on Compilation of Accounts under Government Accounts in India. 4

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M.Com. III Semester Degree Examination, April/May - 2023

COMMERCE

**Competency Based Human Resource Management
(CBCS)**

Time : 3 Hours

Maximum Marks : 70

Note : (i) Answer any **Five** of the following questions with question no. **1 (Q.1) Compulsory**.
(ii) Each question carries **Fourteen** marks.

1. Define Performance Management System. Discuss how individual goals are linked with organizational goals in detail. 14
2. What is competency ? Explain the different types of human resource competency. 14
3. Discuss various competency models and suggest suitable competency model for a company to measure performance level of employees. 14
4. Explain the various applications of competency mapping. 14
5. What is the role of competency in career progression ? Explain in detail. 14
6. (a) Differentiate between competence and competency. 7
(b) Explain the importance of competency development. 7
7. (a) How do you map competency in selection of employees ? Explain. 7
(b) Define Transformational Competency. Explain its process. 7
8. (a) Explain the factors influencing succession competency. 5
(b) Discuss the Lancaster model of competency. 5
(c) Explain the various key performance indicators of employees. 4

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M.Com. III Semester Degree Examination, April/May - 2023**COMMERCE****Strategic Cost Management
(CBCS)**

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with question No. 1 (Q. 1) **Compulsory**. Each question carries **fourteen** marks.

1. A Company manufacturing two products furnishes the following data for a year : 14

Product	Annual output (Units)	Total Machine hours	Total number of purchase orders	Total number of set-ups
A	10,000	40,000	320	40
B	1,20,000	2,40,000	768	88

The annual overheads are as under :

Volume related activity costs	₹ 11,00,000
Set-up related costs	₹ 16,40,000
Purchase related costs	₹ 12,36,000

You are required to calculate the cost per unit of each Product Star and Super Star based on :

- (a) Traditional method of charging overheads.
(b) Activity based costing method.

2. (a) Explain the Factors Affecting Learning Curve. 7
- (b) Raja Projects Ltd., anticipates 80% learning curve, will apply to the production of a new item. The first item will cost Rs. 2,000 in materials and will take 500 labor hours. The cost per hour for labor and variable overheads is Rs. 5. You are required to calculate the total cost for the first unit and for the first 8 units. 7

P.T.O.

3. (a) What is Life Cycle Costing ? Explain in brief the phases of Life Cycle Costing. 7
- (b) Vijay Fertilizers Ltd. supports the concept of the terotechnology (Life Cycle Costing) for new investment decisions covering its engineering activities. The finalized of this philosophy is now well established and its principles extended to all other areas of decision making. The company is to replace a number of its machines and the Production Manager is to run between the 'X' machine, a more expensive machine with a life of 12 years, and the 'W' machine with an estimated life of 6 years. If the 'W' machine is chosen it is likely that it would be replaced at the end of 6 years by another 'W' machine. The pattern of maintenance and running costs differs between the two types of machines and relevant data are shown below. 7

(Rs.)		
Particulars	X	W
Purchase price	19,000	13,000
Trade - in value	3,000	3,000
Annual repair costs	2,000	2,600
Overhead costs (p.a.)	4,000	2,000
Estimated financing costs averaged over machine life (p.a.)	10%	10%

You are required to recommend, with supporting figures, which machine to purchase, stating any assumptions made.

4. (a) What are the objectives of JIT approach ? Is JIT responsible for bringing changes in a firm ? Explain. 7
- (b) XYZ Ltd. presently has its inventory turnover (based on cost of goods sold/ average inventory) at 10 times p.a. as compared with the industry average of 4. Average sales is Rs. 5,50,000. p.a., variable cost of sales is 70% of sales and fixed cost is Rs. 20,000 per annum. Carrying cost of inventory (excluding financing costs) is 5% per annum. Sales force complained that low inventory levels are resulting in lost sales due to stock-outs. The sales manager has made an estimate, based on stock-out reports as under : 7

Inventory policy	Inventory turnover	Sales in Rs.
Current	10	5,50,000
A	8	6,00,000
B	6	6,40,000
C	4	6,65,000

On the basis of the above estimate and assuming a 40% tax rate and an after-tax required of 20% on investment in inventory, which policy would you recommend ?



5. (a) Explain the key principles of target costing. 7
- (b) Few details pertaining to the products of Star Company are presented below. Based on these, determine (a) target costs for each of the products and (b) cost-reduction targets for each of its products. 7

Particulars	Product			
	A	B	C	D
Expected sales quantity (Units)	1,00,000	1,50,000	2,00,000	50,000
Anticipated selling price (Rs.)	200	180	220	250
Desired rate of return on sales (%)	25	30	20	40
Current feasible cost per unit (Rs.)	160	130	190	200

6. Shree Ltd. has observed that a 90% learning curve ratio applies to all labor-related costs each time model enters production. It is anticipated that 320 units of a new model will be manufactured during 2020. Direct labor costs for the first lot of 10 units amount to 1,000 hours at Rs. 8 per hour. Variable overhead cost is Rs. 2 per direct labor hour. 14

You are required to determine the following.

- (a) Total labor and labor-related variable cost to manufacture 320 units of output.
- (b) Average cost of the first (i) 40 units produced, (ii) 80 units produced and (iii) 100 units produced.

Incremental cost of (i) units 41-80 and (ii) units 101-200.

7. (a) Explain the Methodology in Implementation of Just-In-Time. 7
- (b) Explain the methods for establishment of target cost. 7
8. Write a short note on : 4
- (a) Experience Curve 4
- (b) Project life cycle costing 5
- (c) Target costing Vs Traditional Cost Management 5

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No. of Printed Pages : 2

21COM3C11L**M.Com. III Semester Degree Examination, April/May - 2023****COMMERCE****Business Research Methods****(CBCS)**

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with Question No. **1 (Q1) Compulsory**, each question carries **equal** marks.

1. Define Ethics in Research. Brief out the importance of ethics in Business Research. **14**
2. What is Research Design ? Briefly explain the essentials characteristics and components of Research Design. **14**
3. What is primary data ? Briefly explain the methods of collecting primary data with their respective advantages and application. **14**
4. Answer the following sub-questions **14**
 - (a) What is F-test ? State the applications of F-Test.
 - (b) A Tea Company appoints four salesmen A, B, C and D and observes their sales in three seasons - Summer, Winter and Monsoon. The figures in lakhs are given in the following table :

Seasons	Salesmen				Total
	A	B	C	D	
Summer	36	36	21	36	129
Winter	28	29	31	31	119
Monsoon	26	28	29	29	112
Total	90	93	81	96	360

- (i) Do the salesmen significantly differ in performance ?
 - (ii) Is there significant difference between summers ?
5. What is Research Report ? State the Critical Elements of Research report and precautions to be taken by the researcher in drafting the research report. **14**

**P.T.O.**

6. Answer the following sub-questions :

- (a) What do you mean by measurement ? Differentiate Measurement and scaling. 4
- (b) Differentiate Reliability and Validity. Briefly explain the tests of reliability. 5
- (c) What is Hypothesis Testing ? Briefly explain the steps involved in Testing Hypothesis. 5

7. Answer the following sub-questions :

- (a) A manufacturer claims that its rechargeable batteries are good for an average of more than 1,000 charges. A random sample of 100 batteries has a mean life of 1002 charges and a standard deviation of 14. Is there enough evidence to support this claim at $\alpha=0.01$? 7
- (b) A milk producers union, wishes to test whether the preference pattern of consumers for its products on income levels. A random sample of 500 individuals gives the following data : 7

Income	Product Preferred		
	Product A	Product B	Product C
Low	170	30	80
Medium	50	25	60
High	20	10	55

Can you conclude that the preference patterns are independent of Income Levels ?

8. Answer the following sub-questions :

- (a) A consumer research organization routinely selects several car models each year and evaluates their fuel efficiency. In the year 2022, the organization selected two similar sub-compact models from two different automakers. The average gas mileage for 12 cars of brand A was 27.2 miles per gallon and the standard deviation was 3.8 mpg. The nine brand B cars that were tested and averaged 32.4 mpg and the standard deviation was 4.3 mpg at $\alpha=0.01$, should it conclude that Brand A cars are lower average gas mileage than do Brand B cars ? 5
- (b) What is data processing ? Brief out the steps involved in data processing. 5
- (c) Differentiate Sample, Sampling and Sampling design. 4

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Third Semester(CBCS)M. Com Degree Examination, April/ May 2023

Accounting & Taxation Specialisation

SC 3.5 (A) Corporate Tax Planning and Management -I (Direct Taxes) (Old)

Time: 3 Hours]

Max.Marks:70

SECTION-A

1. Answer **any Ten** of the following questions; each sub question carries **two** marks.
(2x10=20)

- Define income tax.
- Differentiate between taxable income and Gross Total income.
- What is meant by widely held company?
- Define indexed cost of improvement.
- Distinguish between Domestic Company and Indian company.
- Define Non-Resident.
- State any four deductions applicable for corporate Assessee.
- What is meant by Advance payment of tax?
- Define Specified business.
- What do you mean by Appeal?
- Distinguish between cash dividend and bonus shares.
- What is Short term capital gain?

SECTION-B

Answer **any four** of the following questions. Each question carries **5**marks: (4x5=20)

- What are the conditions to be fulfilled to claim Depreciation u/s 32?
- Distinguish between Tax Evasion and Tax Avoidance.
- Explain the various tax considerations involved in Own or Lease decisions.
- The following are the particulars of income of an assessee for the last four accounting years:

Particulars	2017-18	2018-19	2019-20	2020-21
Profits or Losses before charging depreciation	40,000 (Loss)	45,000 (Profit)	37,000 (Profit)	60,000 (Profit)
Depreciation for the year	7,000	15,000	15,000	18,000

Work out the amount to be set-off or carried forward in each of the above four years with explanatory notes.

6. Sri Sai Ltd. Requires Rs75,00,000 to finance its expansion programmes, It has the following three options.

	Alternative I	Alternative II	Alternative III
Share Capital	75,00,000	30,00,000	15,00,000
9% Debentures	-----	30,00,000	20,00,000
Loan from IDBI @ 12%	-----	15,00,000	40,00,000
	75,00,000	75,00,000	75,00,000

The expected rate of return before interest and tax is 25% for the past few years the company has been declaring a dividend of 16%. The tax rate applicable to company is 30%+Education cess and secondary higher Education cess @4%. Which is the best alternative for the company?

7. Estimated Gross total income of Marathon Co. Ltd. is Rs 9,00,000 which includes Rs 3,00,000 on account of Long-term capital gains earned on 16th September 2021. Compute advance tax payable by the company assuming Rs 26,800 shall be deducted at source during the previous year 2021-22 (Assessment year 2022-23).

SECTION-C

Answer **any three** questions. Each question carries **10 marks** (3X10=30)

8. Define company. Explain the features of Company.
9. Explain the Provisions of Minimum alternate tax (MAT) under section 115JB of Income tax 1961.
10. Write a note on the following
- Types of Returns.
 - Objectives of Tax Planning.
11. Deepika Ltd, a public Limited company set up an industrial unit for manufacture of chemicals in notified backward area ('A' class district) during the Previous Year 2015-16 by fulfilling conditions under section 80IB.

Particulars	Amount Rs	Particulars	Amount Rs
Material consumed	5,10,000	Sales	16,00,000
GST Payable	42,000	Transfer from Contingency	
Direct wages	2,50,000	Reserve	15,000
Salaries	2,00,000	Long term Capital Gain on sale of land	90,000
Depreciation	80,000		
Provision for income tax	45,000		
Other expenses	1,05,000		
Provision for loss of Subsidiary	1,30,000		
Interim Dividend paid	2,40,000		
Net Profit	1,03,000		
Total	17,05,000	Total	17,05,000

Additional Information:

- Depreciation as per Income tax Act amount to Rs 1,10,000.
- B/F losses and depreciation

Losses	As per Books	For tax purposes
B/F business loss	1,00,000	1,25,000
B/F depreciation	15,000	90,000

iii. The company is entitled to claim deduction under section 80IB.

iv. The LTCG on sale of land is in respect of industrial land acquired by state Govt. and the company received compensation during previous year 2021-22. The company acquired new industrial land on 28-03-2022 at a cost of Rs 12,00,000.

Calculate:

- Total income as per normal provision of income tax Act.
- Book profit under section 115JB.
- Tax liability for Assessment Year 2022-23.

12. Birla Ltd. Wants to acquire a machine worth Rs 5,50,000. The company requires this machine for 5 years. It has the following two options:

Option I: To purchase machine by taking a loan for the whole amount repayable in 5 instalments of Rs 1,10,000 each together with interest @14%. The expected life of the machine is also 5 years at the end of 5th year, it will be sold for (Scrap value) Rs 92,438.

Option II: To take machine on lease for 5 years at following yearly lease rentals.

At the end of Year I	Rs 1,75,000
At the end of Year II	Rs 1,60,000
At the end of Year III	Rs 1,50,000
At the end of Year IV	Rs 1,30,000
At the end of Year V	Rs 1,20,000

Other information's:

- Tax rate applicable to company is 30%
- Rate of depreciation applicable to machine under income tax is 25% on Written down value.
- The company discounts its cash flows at 16%.

Year I	Year II	Year III	Year IV	Year V
0.862	0.743	0.641	0.552	0.476

Suggest the better alternative from above informations.

M.Com. III Semester(CBCS)Degree Examination April/May -2023

COMMERCE

Paper SC (B) - Financial Derivatives

Time: 3 Hours]

[Max. Marks: 70

SECTION- A

- 1. Answer any ten of the following Sub-questions. Each sub-question carries two Marks. (10x2=20)**

- a. What is Derivatives?
- b. What is Short Squeeze?
- c. How do you calculate Time Value of Call Option & Put Option
- d. What is American Option?
- e. What is Volatility?
- f. What is Swap?
- g. What is Badla System?
- h. What is Stock Index Futures?
- i. What do mean by Spread?
- j. What do you mean by Forward Price?
- k. State the calculation process of Time Value in option price
- l. What is Hedging?

SECTION- B

- Answer any four of the following questions. Each question carries five marks. (4x5=20)**

2. Write a note on derivative trading in India.
3. Distinguish the futures contract and option contract.
4. What is margin money? Why it is collected? What are the different forms of margin money?
5. Write a note on attitudes of option traders
6. Consider the following data about NIFTY Index option.

Excise price (Rs)	Call premium (Rs)	Put premium (Rs)
5900	160	45
6000	140	56
6100	125	186
6200	110	265
6300	85	370

The current index value is Rs 5950. Classify the options as in –the –money and out- of –the money; segregate the intrinsic values and time values.

7. A forward contract is entered into to purchase a coupon (interest) bearing bond. Calculate the forward price of such bond from the following data:

Current spot price of the bond : Rs. 20,000
Date of forward contract : 1st October, 2021
Date maturity : 30th September, 2022
Coupon (Interest) payment : On 31st March, 2022(after six months) Rs. 1,000
: On 30th September, 2022 (after one year) Rs. 1,000
Risk free interest rates : 10% p.a. for six months
: 12% p.a. for one year.

SECTION- C

Answer any **three** of the following questions. Each question carries **ten** marks. (3x10=30)

8. Discuss the functions performed by the derivative markets in details.
9. What is Option Contract? Explain the features of option contract
10. Explain how the stock index futures are used for adjusting the beta value of a portfolio (i) upward, and (ii) downward.
11. Calculate the pay-off of short call option from the following data and draw the pay-off diagram.

Underlying : Good luck Co Ltd
Type of option : Call option
Style of option : European
Position : Short (seller)
Exercise price : Rs. 150 per share
Option premium : Rs. 5 per share

Spot price at expiration-

Rs. 130, Rs. 140, Rs. 150, Rs. 160, Rs. 170, Rs. 180 per share.

12. From the following information, calculate call option value and put option value using Black-Scholes formula:

Current market price (S) : Rs. 100 per share

Exercise price (E) :Rs. 80 per share

Volatility of share price (σ) : 30%

Risk free rate of interest (r) :10%

Time to expiration (T) : 3 month

Third Semester M.Com (CBCS) Degree Examination, April-2023

COMMERCE

Paper HC 3.3 – Accounting for Managerial Decision (CBSC)

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)

- What is management accounting?
- What is common size statement?
- What is ratio analysis?
- Write any 2 advantages of fund flow statement?
- What is cash flow statement?
- List out current liabilities?
- Define marginal costing?
- What is meant by break-even analysis?
- What is budgetary control?
- What is zero base budgeting?
- What is standard costing?
- What is mean by overhead variance?

SECTION-B

Answer any **four** of the following questions. Each question carries **five** marks. (4x5=20)

- Explain the role of management accounting in decision making process.
- What are financial statements? How far are they useful in decision-making purpose?
- What is Standard Costing? State the objectives of Standard Costing.
- Following information is derived from the financial statements of a company :

Year	2020	2021
Sales	45000	50000
Total Cost	40000	43000

Assuming that there is no change in price and variable costs and fixed expenses are incurred equally in the two periods, calculate the following:

- P/V Ratio
- Fixed Expenses
- Break-Even Point

- (d) Sales required to earn profit of 10,000
(e) Profit when sale is 80,000

6. Balance Sheet of a company appears as follows for the year ending on 31st March 2017 :

Liabilities	Rs	Assets	Rs
Equity Share Capital	4,00,000	Land	2,20,000
8% Preference Share Capital	2,00,000	Building	2,40,000
Reserves	1,00,000	Plant and Machinery	3,80,000
Profit and Loss Account	50,000	Furniture	50,000
10% Debentures	4,50,000	Debtors	2,20,000
Creditors	90,000	Stock	1,30,000
Outstanding Expenses	20,000	Cash	1,40,000
Provision for Tax	30,000	Prepaid Expenses	20,000
Proposed Dividend	60,000		
	14,00,000		14,00,000

Compute:

- (a) Debt-Equity Ratio
(b) Total Debt-Equity Ratio
(c) Proprietary Ratio
(d) Capital Gearing Ratio
7. From the following information regarding a standard product, calculate the Labour Cost, Rate and Efficiency variances:
Labour Rate 50 paise per hour
Hours per unit 10 hours
Units produced 500
Hours worked 6,000
Actual labour cost 2,400

SECTION- C

Answer any **three** of the following questions. Each question carries **ten** marks. (3x10=30)

8. What do you understand by Zero Based Budgeting? State the benefits that accrue from it and its disadvantages.
9. Explain the meaning and importance of fund flow statements, and state the usual sources and uses of funds.
10. The following figures are available from sales and costs forecasts of M/s. XY Ltd. for the year ending 31st December, 2017 at 50% (5000 units) capacity utilization:
 - (i) Fixed expenses remain constant for all levels of production and sales.
 - (ii) Selling price between 50% and 75% capacity is t 25 per unit.
 - (iii) Semi-variable expenses will remain unchanged at 50% to 65% capacity but will increase by 10% between 65% to 80% capacity and by 30% between 80% to 100% capacity.
 - (iv) At 90% level material cost increases by 5% and selling price is reduced by 5%.
 - (v) At 100% both material and labour costs increase by 10% and selling price is reduced by 8%.
 - (vi) Semi-variable expenses are t 50,000.
 - (vii) Fixed expenses are t 58,000.
 - (viii) Variable expenses are:

Materials Rs.5 per unit

Labour Rs. 7 2 per unit

Direct expenses Rs. 1 per unit

Prepare a profit forecast statement through flexible budget at 60%. 75%, 90% and 100% capacity.

11. Information are as follows:

Standard price of material per kg 5

Actual price of material per kg 4

Standard quantity of material required to produce 1 unit of output: 15 kg

Actual quantity of Material used to produce 1 unit of output: 20 kg

Actual output: 10,000 units

Calculate the following:

- Material yield variance
- Material mix variance
- Material price variance
- Material usage variance
- Material cost variance

12. The details of Shreenath Company are as under:

Sales (40% cash sales)	1500000
Less: Cost of sales	<u>750000</u>
Gross Profit:	750000
Less: Office Exp. (including int. on debentures) 1,25,000	
Selling Exp. 125000	<u>250000</u>
Profit before Taxes:	500000
Less: Taxes	<u>250000</u>
Net Profit:	250000

Balance sheet

Particular	Rs.	Particular	Rs.
Equity share capital 10%	20,00,000	Fixed Assets	55,00,000
Preference share capital	20,00,000	Stock	1,75,000
Reserves	11,00,000	Debtors	3,50,000
10% Debentures	10,00,000	Bills receivable	50,000
Creditors	1,00,000	Cash	2,25,000
Bank <input type="checkbox"/> overdraft	1,50,000	Fictitious Assets	1,00,000
Bills payable	45,000		
Outstanding expenses	5,000		
	<u>64,00,000</u>		<u>64,00,000</u>

Beside the details mentioned above, the opening stock was of Rs. 3,25,000. Taking 360 days of the year, calculate the following ratios; also discuss the position of the company:

- Gross profit ratio.
- Stock turnover ratio.
- Operating ratio.
- Current ratio.
- Liquid ratio.
- Debtors ratio.
- Creditors ratio.
- Proprietary ratio.
- Rate of return on net capital employed.
- Rate of return on equity shares.

M.Com III Semester (CBCS) Degree Examination, April/May – 2023**COMMERCE****Paper H.C. 3.2 – Strategic Management****Time: 3 Hours****Maximum Marks: 70****SECTION – A**

- 1. Answer any Ten of the following sub-questions. Each Sub-question carries Two Marks. (2X10 = 20)**

- a) Define Strategic Management.
- b) Differentiate Business Strategy and Corporate Strategy
- c) What is Core-Competency?
- d) What is Conglomerate diversification?
- e) Distinguish between Hostile takeover and Friendly takeover.
- f) What are Strategic Groups?
- g) State the differences between Programs and Procedures.
- h) Define Mission with Example.
- i) What is competitive advantage?
- j) Expand and State the meaning of the term PEST.
- k) What do you mean by strategic implementation?
- l) What is turnaround strategy?

SECTION – B

- Answer any Four questions. Each question carries Five marks (4 X 5 = 20)**

2. Explain the concept of Strategy and Strategic Decision Making Process.
3. Brief out the different methods of Strategic Evaluation.
4. Explain with example the concepts of VISION, MISSION and OBJECTIVES.
5. Explain four generic building blocks of Competitive Advantage
6. Define vision. Explain the essential characteristics of a Vision statement with an illustration.
7. Describe SWOT Analysis with example.

SECTION – C

- Answer any Three questions. Each question carries Ten marks (10 X 3 = 30)**

8. What is Strategic Planning? Explain in detail Strategic Planning Process
9. Explain the various implications and Challenges of Strategic Management Process.
10. What are Growth Strategies? Explain the different types of Growth Strategies.
11. What are strategic alliances? Explain their Advantages and Dis-advantages. How to make Strategic Alliances work successfully.
12. Enumerate the applications of Michael E. Porter's model with example.

Third Semester M.Com (CBCS) Degree Examination, April-2023

COMMERCE

Paper HC-3.4 Strategic Human Resource Management

Time: 3 Hours

Max.Marks:70

SECTION-A

1. Answer any **ten** of the following Sub-questions. Each sub-question carries **two** Marks. (10x2=20)

- a. What do you mean by SHRM?
- b. What is career development?
- c. Define emotional intelligence.
- d. What do you mean by best practice approach?
- e. Give the meaning of HRIS.
- f. What is E-Recruitment?
- g. Differentiate the merger is different from the acquisition.
- h. What is a pension?
- i. State any two barriers of SHRM.
- j. What is learning?
- k. Distinguish between expatriates and repatriates.
- l. State any two benefits of global training and development.

SECTION-B

- Answer any **four** of the following questions. Each question carries **five** marks. (4x5=20)

2. Differentiate between traditional HRM and SHRM.
3. Write a note on HR bundle approach.
4. What are the components of competency-based pay? Explain
5. Explain the significance of outsourcing in an organisation.
6. Define 'competencies'. How competencies are useful in HR strategies?
7. Differentiate domestic and international HRM.

SECTION- C

- Answer any **three** of the following questions. Each question carries **ten** marks. (3x10=30)

8. Explain the duties and responsibilities of human resource manager.
9. How organisations achieve competitive advantage through HR practice? Discuss the problems faced in it.
10. What is IHRM? Explain its approaches.
11. What are the strategic choices of staffing in organisation? Discuss their features.
12. Explain the objectives and limitations of training and development.
