

Case-3 Bl-1 18/5/18 (M.O.L.)

Exam. Code : 217602

Subject Code : 6853

M.Com 2nd Semester

CORPORATE FINANCIAL ACCOUNTING & AUDITING

Paper—MC-201

Time Allowed—3 Hours] [Maximum Marks—100

SECTION—A

Note :- Attempt any **ten** questions. Answer to each question should be in upto ten lines. Each question carries **2** marks.

1. What do you mean by subscribed capital ?
2. Give the meaning of contingent liabilities.
3. Discuss the meaning and types of Goodwill.
4. What is meant by Intangible Assets ?
5. Why is the valuation of shares necessary ?
6. How is Book Value of the share determined ?
7. What do you understand by efficiency audit ?
8. What is the difference between internal audit and statutory audit ?
9. State the liabilities of Cost Auditor.
10. Describe the qualifications of Cost Auditor.
11. What is the code of conduct for the auditors ?
12. Discuss the significance of audit by C. & A.G.

SECTION-B

Note :- Attempt any **two** questions. Answer to each question should be in above **five** pages. Each question carries **20** marks.

- How is profit for the purpose of the managerial remuneration ascertained ? Describe the maximum rates of remuneration allowed under the Companies Act, 2013 to the members of the Board.
- Explain the various methods for valuation of shares. Which of these, according to you, is more appropriate in valuing the majority shareholding and why ?
- Following is the Trial Balance of NKD Ltd. as on 30th June 2016 :

Debit Balances	Rs.	Credit Balances	Rs.
Purchases	2,24,500	Share capital	
Opening Stock	27,500	: 10,000 shares	
Debtors	33,750	of Rs. 10 each	1,00,000
Salaries & Wages	55,450	Sales	2,35,000
Bad Debts	5,480	Profit & Loss	
Dividend Paid	10,900	Account on 30/6/2015	11,500
General Expenses	8,200	Creditors	7,750
Furniture	32,900	Reserves	51,550
Cash at Bank	11,620	Discount	4,500
Total	4,10,300		4,10,300

Prepare Final Accounts of the company after taking into account the following adjustments :

- Stock on 30th June, 2016 was valued at Rs. 38,200.
 - Charge depreciation on Furniture @ 10%.
 - Create a provision for Bad Debts @ 5% on debtors.
 - Provide Managing Director's remuneration @ 10% of the net profit available for dividend purpose. Assume tax rate at 30%.
 - Dividend @ 10% on paid up capital is proposed by Board of Directors.
- AB Ltd. proposed to purchase the business carried on by Mr. P. Goodwill for this purpose is to be valued at four years purchase of the weighted average profits of the past four years. The weights to be used are : For year 2013-1, Year 2014-2, Year 2015-3 and Year 2016-4. The profits for these years are Rs. 6,90,000; Rs. 8,00,000; Rs. 9,76,000 and Rs. 7,34,000 respectively. On scrutiny of the accounts, the following matters are revealed :
 - On 1st July, 2016, a major repair was made in respect of the plant incurring Rs. 3,00,000 which was charged to revenue. The said sum is agreed to be capitalized for goodwill calculation, subject to adjustment of depreciation @ 10% p.a. on reducing balance method.
 - The Closing Stock for the year 2016 was undervalued by Rs. 80,000.
 - An annual charge of Rs. 1,00,000 should be made to cover management cost for the purpose of goodwill valuation.

Calculate the value of Goodwill of the firm.

SECTION-C

Note :- Attempt any **two** questions. Answer to each question should be in about **five** pages. Each question carries **20** marks.

1. Who can become a Statutory Auditor ? Discuss the duties and liabilities of Statutory Auditor.
2. Discuss the objectives of Cost Audit. What considerations a Cost Auditor should keep in mind while qualifying his audit report ?
3. What is the rationale of Management Audit ? Discuss the process of conducting Management Audit.
4. Discuss the purpose of conducting audit of Control function in an organisation. How would you conduct such an audit ?

Exam. Code : 217602

Subject Code : 6854

M.Com 2nd Semester

FINANCIAL MANAGEMENT

Paper—MC-202

Time Allowed—3 Hours]

[Maximum Marks—100

SECTION—A

Note :— Attempt any 10 short answer questions from the following 12 questions carrying 2 marks each. The length of answer to each question should be in up to ten lines.

1. What do you mean by watered capital ?
2. What do you mean by signaling effect of dividend ?
3. What do you mean by weighted average cost of capital ?
4. What do you mean by equivalent risk class firms ?
5. What do you mean by commercial paper ?
6. What do you mean by scrip dividend ?
7. What do you mean by financial breakeven point ?
8. What do you mean by fixed operating cost ?
9. What do you mean by core working capital ?
10. What do you mean by delinquent account ?
11. What do you mean by technical insolvency ?
12. What do you mean by marketable securities ?

SECTION-B

Note :- Attempt any **two** questions carrying **20** marks each.
The length of answer to each question should be in up to **5** pages.

- What do you mean by financial planning ? Examine its significance. Explain the process you would follow for financial planning.
- The Avtar Badaun Limited is considering a project which will be funded by using the existing capital mix. The following information is available in respect of its existing capital mix.

Source	Book value	Market Value
Equity share capital	25,50,000	50,00,000
Retained earnings	15,50,000	
Preference capital	3,80,000	3,20,000
Debentures	2,20,000	1,80,000

The after tax cost of different sources of capital is as follows :

Equity share capital 14%; retained earnings 12%; preference capital 10% and debentures 6%.

Calculate overall cost of capital using :

- Book value weights and
- Market value weights.

- What do you mean by irrelevance of dividend decision ? Examine the Modigliani Miller model of irrelevance of dividend decision.

- From the following data, state which of the two projects A or B is better :

Project	A	B
Cash flows	Rs.	Rs.
Year 0	-1,00,000	-1,25,000
Year 1	50,000	60,000
Year 2	50,000	75,000
Year 3	75,000	95,000

Riskless rate of discount is 7%. Project A is less risky as compared to Project B. The risk certainty equivalents coefficients for the cash flows of the two projects A and B are :

Project	A	B
Year 0	1	1
Year 1	0.95	0.85
Year 2	0.75	0.70
Year 3	0.65	0.55

Which of the two projects should be accepted ?

SECTION-C

Note :- Attempt any **two** questions carrying **20** marks each.
The length of answer to each question should be in up to **5** pages.

- What do you mean by combined leverage ? How would you compute combined leverage of a firm ? Examine the significance of combined leverage.

2. The capital structure of Progressive Corporation consists of an ordinary Share Capital of Rs. 10,00,000 (share of Rs. 100 per value) and Rs. 10,00,000 of 10% debentures. Sales increased by 20% from 100,000 units to 120,000 units, the selling price is Rs. 10 per unit; variable cost amounts to Rs. 6 per unit and fixed expenses amount to Rs. 2,00,000. The income tax rate is assumed to be 50%.

You are required to calculate the following :

- (i) The percentage increase in earnings per share;
- (ii) The degree of financial leverage at 100,000 units and 120,000 units
- (iii) the degree of operating leverage at 100,000 units and 120,000 units.

Comment on the behaviour of operating and financial leverages in relation to increase in production from 100,000 units.

3. What do you mean by uncertain cash flows ? How would you manage uncertain cash flows with the help of Miller Orr model ?
4. What are the objectives of receivables management ? What are the operative functions of receivables management ?

Exam. Code : 217602

Subject Code: 6855

M.Com. 2nd Semester

RESEARCH METHODOLOGY

Paper—MC-203

Time Allowed—3 Hours]

[Maximum Marks—60

SECTION—A

Note :—Attempt any 10 parts. Each part carries 2 marks.

1. Primary scales of Measurement.
2. Why is it necessary to critically review the secondary data available ?
3. What are Factor Loadings in Factor Analysis ?
4. Observation Method.
5. Extraneous variables.
6. Explain Discriminant Coefficient.
7. What do you mean by transformation of data ?
8. Types of Review.
9. Paired Comparison Method.
10. Factor Rotation.
11. Independent and Dependent variables.
12. Likelihood Ratio. 2×10=20

SECTION—B

Note :— Attempt any **TWO** questions. Each question carries **10** marks.

1. "The problem definition stage is perhaps more critical in the research process than the problem solution stage". Discuss the statement.
2. What do you understand by Literature survey ? Discuss its importance while conducting research.
3. Write a note on the nature of Research Methodology. Is it an art or science ?
4. Define Experimental research design. Explain various Basic designs with the help of examples. $2 \times 10 = 20$

SECTION—C

Note :— Attempt any **TWO** questions. Each question carries **10** marks.

1. What is meant by Regression Analysis ? What are the main uses of it in Research ? What are the assumptions that underlie a bi-variate regression ?
2. Discuss the procedure of conducting Discriminant Analysis with the help of an example.
3. Discuss various non-comparative scaling techniques, giving suitable examples.
4. Why tabulation and analysis is considered essential in research study ? Narrate the characteristics as well as types of table. $2 \times 10 = 20$

Exam. Code : 217602

Subject Code : 6857

M.Com. 2nd Semester

HUMAN RESOURCE MANAGEMENT

Paper—MC-205

Time Allowed—Three Hours] [Maximum Marks—100

SECTION—A

(Attempt any TEN) 10×2=20

1. (a) What are the various objectives of HR ?
- (b) Name the factors affecting HRP.
- (c) What is job analysis ?
- (d) What are various methods of performance appraisal ?
- (e) Define training.
- (f) What are the various sources of recruitment ?
- (g) What are fringe benefits ?
- (h) What are the various methods of collecting data in job analysis ?
- (i) Define briefly changing trends in HRM.
- (j) Write down the steps involved in process of selection.
- (k) What are incentives ?
- (l) Write down the challenges involved in remuneration.

SECTION—B

(Attempt any **TWO**)

2×20=40

2. What do you understand by the term human resource management ? Describe briefly its evolution.
3. Describe job analysis in detail.
4. Explain in detail the process of recruitment. What are the problems related with recruitment ?
5. What are the various methods of training program ?

SECTION—C

(Attempt any **TWO**)

2×20=40

6. What is performance appraisal ? What are the essentials of effective performance appraisal program ?
7. What is employee compensation ? Describe different factors influencing employee compensation.
8. What are the various forms of fringe benefits ?
9. What do you mean by the term indiscipline ? What are consequences of indiscipline ?