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**St. Aloysius College (Autonomous)**  
**Mangaluru**  
**Semester I – P.G. Examination - M.Com**  
**November/December - 2023**

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**ACCOUNTING THEORY AND PRACTICE**

Time: 3 hrs

Max Marks: 70

**SECTION – A**

Answer any **FIVE** questions out of seven questions.

(5×4=20)

1. Explain the accrual basis of accounting and how it differs from the cash basis.
2. List the key characteristics of inductive reasoning.
3. Examine the relationship between the objectives of accounting standards and the needs of various stakeholders, including investors, creditors, and regulators.
4. What are the various categories of information provided by Accounting?
5. Explain the difference between descriptive and normative accounting theories.
6. Summarize a common challenge or limitation of accounting standards when applied globally.
7. How does depreciation affect a company's income statement and balance sheet?

**SECTION – B**

Answer any **FOUR** questions out of six questions.

(4×10=40)

8. From the following information relating to Brown Company Ltd. for the year ending 31 March 2020, you are required to prepare the Balance Sheet as per Statutory format along with the relevant notes to accounts

Debit Balances	₹	Credit Balances	₹
Patterns	3,75,000	Bank Overdraft	7,57,000
Furniture & Fixtures	1,50,000	4% Debentures	5,00,000
Freehold Land	12,50,000	Equity Share Capital (2,00,000 shares of ₹10 each)	20,00,000
Plant & Machinery	7,50,000	Sundry Creditors	2,40,000
Engineering Tools	1,50,000	Surplus (Cr)	2,57,610
Goodwill	3,75,000	Provision for tax	26,590
Sundry Debtors	2,66,000		
Bills Receivable	1,34,500		
Bank – Current Account	20,000		
Cash in Hand	8,000		
Stock in Hand	3,02,700		
	37,81,200		37,81,200

9. Provide a detailed description of each accounting concept and discuss how they contribute to the reliability and usefulness of financial information.
10. Discuss in detail the procedure for issuing Accounting standards by ICAI.

11. Explain the role of Accounting Standard Board and describe its scope and functions.
12. Discuss the nature and types of long lived assets
13. Explain the different approaches to Accounting Theory.

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**SECTION – C****(Compulsory)****(1X10=10)**

14. From the following information, prepare the Cash Flow Statement for the year ended 31 March 2020

<b>Equity &amp; Liabilities</b>	<b>As on 31.3.2019 ₹</b>	<b>As on 31.3.2020 ₹</b>	<b>Assets</b>	<b>As on 31.3.2019 ₹</b>	<b>As on 31.3.2020 ₹</b>
Share Capital	2,00,000	3,00,000	Goodwill	40,000	35,000
Profit & Loss A/c	40,000	90,000	Land & Building	1,20,000	1,70,000
Bank Loan	1,00,000	60,000	Machinery	1,60,000	2,40,000
Creditors	50,000	75,000	Stock	60,000	40,000
Bills Payable	40,000	25,000	Debtors	50,000	60,000
Provision for Tax	50,000	60,000	Cash	40,000	60,000
			Preliminary expenses	10,000	5,000
	4,80,000	6,10,000		4,80,000	6,10,000

Additional Information:

- a. Depreciation charged during the year on Land and Building ₹ 20,000 and on Machinery ₹ 40,000
- b. Dividend was paid during for the year ended 2020 ₹ 30,000
- c. Provision for tax made during the year ₹ 55,000
- d. A part of the machinery of which the written down value was ₹ 25,000 was sold for ₹ 20,000.

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**Semester I – P.G. Examination - M.Com**  
**November/December - 2023**

**FINANCIAL MANAGEMENT AND POLICY**

Time: 3 hrs

Max Marks: 70

**SECTION – A**

Answer any **FIVE** questions out of seven questions.

(5×4=20)

1. Why do some argue that profit maximization should not be the sole objective of financial management?
2. What are the common problems associated with the estimation of a company's cost of capital?
3. Describe the characteristics of an ideal capital structure.
4. What is the meaning of business finance, and what does it aim to achieve?
5. A Company plans to issue 1000 new shares of ₹ 100 each at par. The floatation cost are expected to be 5% of the share price. The Company pays a dividend of ₹10 per share initially and the growth in dividend is expected to be 5%. Compute the cost of new issue of equity shares. If the current market price of an equity share is ₹ 150, calculate the cost of existing equity share capital.
6. The following details of A Ltd for the year ended 31-3-2023 are furnished:  
 Operating leverage 3:1  
 Financial leverage 2:1  
 Interest charges per annum ₹ 20 lakhs  
 Corporate Tax rate 50%  
 Variable cost as percentage of sales 60%.  
 Find out EBIT and contribution.
7. Examine the different forms of dividends

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**SECTION – B**

Answer any **FOUR** questions out of six questions.

(4×10=40)

8. Discuss the core areas of financial decision making that involve allocation of resources, capital raising, and profit allocation.
9. The following information is available in respect of the rate of return on investment ( $r$ ), the capitalisation rate ( $k_e$ ) and earnings per share ( $E$ ) of Hypothetical Ltd.  $r = 12$  per cent  $E = ₹ 20$  Determine the value of its shares as per Gordon's Model assuming the following:

	D/P ratio (1-b)	Retention ratio (b)	$k_e$ (%)
a.	10	90	20
b.	20	80	19
c.	30	70	18
d.	40	60	17
e.	50	50	16
f.	60	40	15
g.	70	30	14

Contd...2

10. B Ltd. issued 14% preference shares of ₹ 120 each involving a floatation cost of 5%. The company has agreed to redeem the preference shares in 6 equal instalments at par value. Instalment starts at the end of 1<sup>st</sup> year. Calculate cost of preference shares.
11. Suppose a firm has a capital structure exclusively comprising of ordinary shares amounting to ₹ 10,00,000. The firm now wishes to raise additional ₹ 10,00,000 for expansion. The firm has four alternative financial plans:
- (A) It can raise the entire amount in the form of equity capital.
- (B) It can raise 50 per cent as equity capital and 50 per cent as 5% debentures.
- (C) It can raise the entire amount as 6% debentures.
- (D) It can raise 50 per cent as equity capital and 50 per cent as 5% preference capital.
- Further assume that the existing EBIT are ₹ 1,20,000, the tax rate is 35 per cent, outstanding ordinary shares 10,000 and the market price per share is ₹ 100 under all the four alternatives. Which financing plan should the firm select?
12. The financial manager of hypothetical Ltd experts that its earnings before interest and taxes (EBIT) in the current year would amount to ₹ 10,000. The firm has 5% bonds aggregating ₹ 40,000, while the 10% preference shares amount to ₹ 20,000. What would be the earnings per share (EPS)? Assuming the EBIT being i) ₹ 60,000 and ii) ₹ 14,000, how would the EPS be affected? The firm can be assumed to be in the 35% tax bracket. The number of outstanding ordinary shares is 1000.
13. Critically analyse the Net Income and Net Operating Income approach to the capital structure.

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### SECTION – C

(Compulsory)

(1X10=10)

14. A company has on its books the following amounts and specific costs of each type of capital.

Type of Capital	Book Value (₹)	Market value (₹)	Specific Cost (%)
Debt	4,00,000	3,80,000	5
Preference	1,00,000	1,10,000	8
Equity	6,00,000	12,00,000	15
Retained Earning	2,00,000		13
Total	13,00,000	16,90,000	

Determine the weighted average cost of capital using a) Book Value Weights and, b) Market Value Weights. How are they different? Can you think of a situation where the weighted average cost of capital would be the same either of the weights.

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**Semester I – P.G. Examination - M.Com**  
**November/December - 2023**

**INCOME TAX**

Time: 3 hrs

Max Marks: 70

**SECTION – A**

Answer any **FIVE** questions out of seven questions.

(5×4=20)

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1. Define the term 'Person'.
  2. What deductions are allowed from the annual value in computing taxable income from house property?
  3. Compute the Written Down Value (WDV) of a block of Plant & Machinery assets as of April 1, 2022, which was ₹ 5,95,000. In the fiscal year 2022-23, a new item costing ₹ 1,50,000 was acquired in May 2022, and an item was sold on September 15, 2022, for ₹79,000. Calculate the WDV of this asset block and determine the depreciation at a rate of 15% for the assessment year 2023-24.
  4. Mr Derik, a foreigner arrived in India from Sweden for the first time on April 1, 2016. He resided continuously in India for 3 years and then left for Portugal on April 1, 2019. However, he returned to India on July 1, 2019, and departed for Sweden on December 1, 2020. He once again returned to India on January 25, 2023, for employment purposes. What is his residential status of Mr. Erik for the Assessment Year 2023-24?
  5. Write a note:
    - Commutation of pension
    - Salary Grade/Pay Scale
  6. Write a note on bond working translation.
  7. Compute taxable income and loss to be C/F :
    1. Business profit for the previous year 2022-23- ₹ 20,000
    2. B/F Business Loss of 2020-21 - ₹ 10,000
    3. Capital loss on shares- ₹ 60,000
    4. Loss from self-occupied house (u/s 24)- ₹ 5,000

**SECTION – B**

Answer any **FOUR** questions out of six questions.

(4×10=40)

8. Nair gives you the following particulars of his income earned during the previous year:
  - a. Interest on Indian company debentures ₹ 1,60,000.
  - b. Interest on bank fixed deposits ₹ 1,50,000 (accrued but not received).
  - c. Income from agriculture in England ₹ 5,00,000 of which ₹ 3,00,000 is remitted to India.
  - d. Income from house property in England deposited in a Bank there ₹ 50,000.

**Contd..2**

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- e. Profit on sale of building in Mysore received in England ₹ 1,00,000  
 f. Income from business in Singapore controlled from Bombay ₹ 1,20,000.  
 (half of this is received in India).  
 g. Pension from former employer in Bombay received in Oman ₹ 54,000.  
 h. Income accrued in Bhopal, received in Burma. - ₹ 1,32,000  
 i. Dividend received in London from a company registered in India but  
 mainly operating in U.K- ₹ 1,56,000  
 j. Past untaxed profit of 2011-12 brought to India during the previous year  
 ₹ 80,000.

Compute the total taxable income of Nair if he is (a) Ordinary Resident (b) Not Ordinary Resident c) non-Resident

9. Compute Income from House Property from the following information:

	House I	House II	House III	House IV
Municipal value	80,000	75,000	92,000	92,000
Fair rent	88,000	81,000	88,000	90,000
Standard rent	82,000	88,000	91,000	88,000
Monthly rent	9,000	--	7,000	9,000
Vacancy	3 months	--	1 month	1 month
Repairs	10,000	12,000	6,000	14,000
Municipal taxes:				
Paid	3,000	1,500	--	--
Due	--	--	1,200	1,600

- In respect of House I, an unrealized rent of ₹ 5,000 relating to 2016-17 was recovered during the year.
- House II was self-occupied.
- The assessee had borrowed on 1-8-2017 ₹ 2,50,000 at 12% p.a. for the construction of House III which was completed on 31-10-2020. As on 1-4-2022, ₹ 1,50,000 was outstanding.
- In respect of House IV, one month rent was unrealized, the claim was genuine and satisfied the conditions.

10.

Compute Business Income from the following P/L A/c of Sri Roy:

	₹		₹
To Salaries	70,000	By Gross Profit	2,87,500
To Rent	21,000	By Commission	15,000
To Entertainment expenditure	13,000	By sale of Scrap	8,000
To Trade expenses	16,500	By refund received [Sales tax]	3,800
To Sales tax	40,000	By Penalty waived [Excise duty]	12,500
To Telephone charges	18,000	By surplus on sale of shares	58,000
To Gifts	28,000		
To Travelling expenses	15,000		
To Depreciation on assets	20,500		
To Net Profit	1,42,800		
	3,84,800		3,84,800

Additional information:

- Salaries includes ₹ 5,000 for the last year and ₹ 15,000 is yet to be paid.
- Travelling expenditure includes ₹ 5,000 given to Manager for 2 days journey on a business trip to Kolkatta.
- Depreciation allowed as per the provisions of I.T Act is ₹ 32,800.

Contd..3

11. Aniruddha is a lawyer by profession. The summary of his cash book is as under:

	₹		₹
To Balance	5,000	By rent of chamber	2,400
To fees	11,35,000	By Car Expenses	3,600
To Examinership	500	By Local taxes on house	1,200
To Interest on FD in Bank	1,500	By Repairs of the house	4,200
To Commission Fees	8,000	By Life Insurance premium	5,000
To Rent from Property	6,000	By Journals	3,000
To Dividends	1,500	By Law books purchased	2,500
To Gift from Clients	4,000	By General Expenses	6,000
		By Gift to wife	2,000
		By Salary to staff	4,800
		By Balance	11,26,800
	11,61,500		11,61,500

Additional information:

- 1/3 of the house is used by X for own residence and the rent is received for 2/3 portion.
- General Expenses relate to the expenses incurred on treatment of an eye ailment caused by excessive study of law books.
- 1/3 of car expenses relate to personal use.
- Permissible depreciation on car is ₹ 2,500.

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Compute the gross total income.

12. Discuss the exemptible capital gain under different sections of Income Tax Act 1961.
13. Discuss briefly the provisions of Income Tax Act regarding deduction to be made in computing the total income of an assessee in respect of certain payments.

### SECTION - C

(Compulsory)

(1X10=10)

14. Mr. Sajjan Kumar, a General Manager of a company in Delhi, provides you the details of his Income during the P.Y. 2022-23. Compute his Income from Salary taxable for A.Y. 2023-24.
  - a) Basic salary ₹ 50,000 p.m.
  - b) D.A ₹ 25,000 p.m.
  - c) Medical allowance ₹ 1,500 p.m. (but he spends ₹ 1,200 p.m.)
  - d) He has been residing in a furnished house provided by the company. The annual fair rental value of the house is ₹ 1,80,000. The company has also provided the facility of a refrigerator, A.C. and Furniture at the house costing ₹ 2,50,000.
  - e) He is also been provided with the services of a cook, a sweeper and a watchman on a monthly salary of ₹ 1,800 each paid by the company.
  - f) He contributes 15% of his salary towards RPF and company also contributes the same to the fund.
  - g) Interest on RPF ₹ 5,800 credited @ 14% p.a.
  - h) He has paid ₹ 600 as Professional tax during the P.Y.

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**Semester I – P.G. Examination - M.Com**  
**November/December - 2023**

**ECONOMIC ENVIRONMENT AND POLICY**

Time: 3 hrs

Max Marks: 70

**SECTION – A**

Answer any **FIVE** questions out of seven questions.

(5×4=20)

1. Compare and contrast the essential features and functioning of a socialist and capitalist economic system.
2. Compare between formal and informal financial system?  
How can businesses utilize the privileges offered in Special Economic Zones (SEZs) to enhance their operations?
3. What is monetary policy? State the various tools of monetary policy in India.  
Provide insights into Basel III's focus on banking supervision and the organizational structure of its subcommittees tasked with overseeing the banking sector.
4. Why was there a necessity to establish a systematic approach to economic planning in India?
5. What constitutes a "misleading advertisement" under the Consumer Protection Act, 2019, and who can be held liable for such advertisements?
6. Compare and contrast the essential features and functioning of a socialist and capitalist economic system.
7. Compare between formal and informal financial system?

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**SECTION – B**

Answer any **FOUR** questions out of six questions.

(4×10=40)

8. What are the key factors that significantly shape and influence the business activities within a country, impacting its economic landscape?
9. How does the organized banking sector contribute to India's economic growth, job creation, and financial inclusion, and what measures have been taken to enhance its role?
10. Provide a detailed analysis of the key government initiatives embedded in the New Industrial Policy of 1991 and how they aimed to revitalize the Indian industrial sector?
11. Compare the advantages and disadvantages of FDI for both the host country and the investing company.
12. How does the Competition Commission of India ensure compliance with the Act's provisions?- Explain
13. Can you give examples of sectors in India where Public-Private Partnerships (PPP) have been successfully implemented, and explain their benefits?

**Contd..2**



**SECTION – C****(Compulsory)****(1X10=10)**

14. Misleading Advertising by XYZ Foods:  
XYZ Foods, a prominent food company, recently launched an extensive advertising campaign promoting their newly introduced breakfast cereal called "BrainBoost." The advertisements claimed that consuming BrainBoost cereal could significantly enhance children's intelligence by a staggering 50%. These ads featured happy children excelling in academics, thanks to their daily consumption of BrainBoost.

Numerous parents, seeking to give their children an academic advantage, eagerly purchased BrainBoost cereal. However, as time passed, there was growing skepticism about the validity of these claims. No scientific studies or evidence supported the bold assertions made in the advertisements. In fact, some parents began noticing no discernible changes in their children's academic performance or cognitive abilities.

Frustrated and feeling deceived, a group of parents decided to take action. They sought guidance from a consumer rights organization, which advised them to file a complaint under the Consumer Protection Act, 2019. The parents believed that XYZ Foods had misled them and engaged in false advertising to boost sales.

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**Questions:**

1. How does the Consumer Protection Act, 2019, address issues related to misleading advertising, and what specific provisions may be relevant in this case?
2. What legal actions can the group of parents take against XYZ Foods for their false advertising claims, and what remedies are available to them under the Act?
3. Discuss the ethical implications of using misleading advertising to promote products, especially when targeting vulnerable groups like parents seeking to benefit their children's education.
4. What steps can regulatory authorities take to prevent false advertising and protect consumers from deceptive marketing practices in the food industry?

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**Semester I - P.G. Examination - M.Com.**  
**November/December - 2023**  
**CORPORATE LAW, ETHICS AND GOVERNANCE**

Time : 3 Hours

Max. Marks : 70

**SECTION-A**  
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Answer any FIVE of the following:

(5x4=20)

1. Compare the complexities involved in shifting a registered office between states and within the same state.
2. Explain measures to mitigate unethical business practices.
3. Discuss the exceptions to doctrine of ultra vires
4. Discuss in detail the role and responsibilities of the National Company Law Tribunal (NCLT).
5. Describe the various sources of ethical standards.
6. Evaluate the online registration process for Joint Stock Companies
7. Elucidate the term "corporate social responsibility" and outline its importance.

**SECTION-B**

Answer any FOUR of the following:

(4x10=40)

8. Analyze the Statutory Provisions for Corporate Veil Piercing and Recommend Appropriate Legal Actions.
9. Discuss ethical issues in advertising
10. Describe the prevailing issues in the area of Indian corporate governance
11. Explain whistleblowers and their role, and offer a comprehensive analysis of a real-life Indian whistleblowing case.
12. Elucidate various models of Corporate Social Responsibility (CSR)?
13. Analyze a real-world legal case where the principle of 'separate legal entity' played a significant role in determining the outcome of the case. Discuss the case, the legal arguments presented, and the final decision.

**SECTION-C (Compulsory) (1x10=10)**

14. Analyse the case and answer the following questions.  
 Marian, a top graduate from Loyola in Humanities was hired by a major corporation into a management position. Marian finished the corporation's management training program topped in her group, and is performing above the norm in her position. She is really enjoying her work. As a black woman she feels isolated, as there are no other black women managers and few women in her area. One night at a company party she heard a conversation between two of her male co-workers and their supervisor. They were complaining to him about Marian's lack of qualifications and her unpleasant personality. They cursed affirmative action regulations for making the hiring of Marian necessary. Marian is very upset and wants to quit.  
 Questions:  
 a) Should Marian quit?  
 b) Should Marian confront the co-workers?  
 c) Should Marian file a discrimination suit?  
 d) Should Marian go to the supervisor?  
 e) What else could Marian do?

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**November/December - 2023**

**QUANTITATIVE TECHNIQUES FOR DECISION MAKING**

Time: 3 hrs

Max Marks: 70

**SECTION – A**

Answer any **FIVE** questions out of seven questions.

(5×4=20)

1. A company manufactures two products, A and B. The profit per unit for A is ₹ 10, and for B is ₹ 15. Product A requires 2 hours of labor and 1 unit of material, while product B requires 3 hours of labor and 2 units of material. The labor available is 200 hours, and the material available is 150 units. Formulate a LPP.
2. Explain transportation model.
3. Explain with an example probability of completion time in Network analysis
4. What is the Monte Carlo simulation technique?
5. What are the features of Operations Research
6. A firm owns facilities at six places. It has manufacturing plants at places A, B and C with daily production of 50,40 and 60 units respectively. At point D, E and F it has three warehouses with daily demands of 20, 95 and 35 units respectively. Per unit shipping costs are given in the following table. Find the initial feasible solution using North-west corner rule.

Plant	Warehouse		
	D	E	F
A	6	4	1
B	3	8	7
C	4	4	2

7. Draw the network diagram for the following information

Activity	A	B	C	D	E	F	G	H	I
Predecessor	-	A	A	B&C	A	D&E	C	F&G	H

**SECTION – B**

Answer any **FOUR** questions out of six questions.

(4×10=40)

8. Solve using the graphical method of LPP

$$2x_1 + 3x_2 \leq 1500$$

$$3x_1 + 2x_2 \leq 1500$$

$$x_1 \leq 400$$

$$x_2 \leq 400$$

$$x_1, x_2 \geq 0$$

9. Briefly explain the various types of operations research models.

Contd..2

10.

Operator	Machine A	Machine B	Machine C	Machine D
1	10	4	7	8
2	11	5	9	10
3	8	3	7	6
4	7	4	6	5
5	7	9	7	5

"Solve the assignment problem to minimize production time and optimize the assignments of operators to machines."

11. Given the following estimates of activity times (days) for a project:

	optimistic	Most likely	Pessimistic
A	1	2	3
B	2	3	4
C	3	4	5
D	2	4	6
E	4	5	11
F	3	6	8
G	5	7	9

- a) Calculate the expected completion time and variance for the project.  
b) What is the probability that the project will be completed within 18 days.

12.

Player A	B1	B2	B3	B4
A1	2	4	3	1
A2	4	5	1	3
A3	2	1	3	0
A4	3	2	4	1

Solve the game using the rule of dominance.

13. A product comprises of 10 activities whose time duration are given as follows

Activity	Normal Time (Days)
1-2	3
2-3	3
2-4	7
2-5	9
3-5	5
4-5	0
5-6	6
6-7	4
6-8	13
7-8	10

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- i) Draw the network and identify the critical path  
 ii) Find out the total, independent and free float associated with each activity.

**SECTION - C****(Compulsory)****(1X10=10)**

14. Goods have to transport from sources S<sub>1</sub>, S<sub>2</sub> and S<sub>3</sub> to destinations D<sub>1</sub>, D<sub>2</sub>, D<sub>3</sub>. The transportation cost per unit, capacities of the sources and the requirements of the destinations are given in the following table.

	D <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	Supply
S <sub>1</sub>	8	5	6	120
S <sub>2</sub>	15	10	12	80
S <sub>3</sub>	3	9	10	80
Demand	150	80	50	

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Determine the optimum transportation schedule so that the cost is minimized.

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