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MANGALORE-575 081

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St Aloysius College (Autonomous)

Mangaluru

Semester II - P.G. Examination - M.Com. (Finance and Analytics)

July - 2022

ACCOUNTING FOR MANAGERIAL DECISIONS

Time: 3 hrs.

Max Marks: 70

SECTION - A

(5x4=20)

Answer any **FIVE** of the following.

1. Identify the objectives of Managerial Accounting?
2. List out the skills required for a good management accountant?
3. List out the advantages of budgeting to an organisation.
4. Write a note on zero base budgeting.
5. Explain Market Based Mechanisms in Carbon Credit Accounting.
6. Explain the reasons for Window Dressing by the Corporates.
7. Write a note on Market Value Added.

SECTION - B

(4x10=40)

Answer any **FOUR** of the following.

8. Discuss the nature and scope of Managerial Accounting.
9. Define budgetary control. List out the factors required for the successful implementation of budgets.
10. Following data relate to the working of a factory for the current year:

Capacity worked - 50%

Fixed cost:

Salaries	Rs. 84,000	
Rent & Rates	Rs. 56,000	
Depreciation	Rs. 70,000	
Other Admi. & Expenses	Rs. 80,000	Rs. 2,90,000

Variable cost:

Material	Rs. 2,40,000	
Labor	Rs. 2,56,000	
Other Expenses	Rs. 38,000	Rs. 5,34,000

Possible sales at various levels of working are:

<u>Capacity (%)</u>	<u>Sales (Rs.)</u>
60	9,50,000
75	11,50,000
90	13,75,000
100	15,25,000

Prepare a flexible budget at 60%, 75%, 90%, & 100% capacity operations.

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11. What is responsibility accounting? Discuss its importance in measuring the performance of an organisation.
12. What is Economic Value Added? How is it calculated? What are the advantages & disadvantages of EVA?
13. What do you mean by creative accounting? Discuss the impact of creative accounting on an organisation.

SECTION – C (Compulsory)**(1x10=10)**

14. The following data pertain to a shop. The owner has made the following sales forecasts for the first 5 months of the coming year.

January	Rs.40,000
February	Rs.45,000
March	Rs.55,000
April	Rs.60,000
May	Rs.50,000

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Other data are as follows:

1. Debtors & creditors balances at the beginning of the year are Rs.30,000 & Rs. 14,000 respectively. The balances of other relevant assets & liabilities are- Cash Rs.7,500, Stock Rs. 51,000, accrued sales commission Rs.3,500.
 2. 40% sales are on cash basis. Credit sales are collected in the following month.
 3. Cost of sales is 60% of sales.
 4. The only other variable cost is a 5% commission to sales agents. Sales commission is paid in the month after it is saved i.e. the time lag is one month.
 5. Inventory (Stock) is kept equal to sales requirements for the next 2 months budgeted sales.
 6. Trade creditors are paid in the month following purchases.
 7. General Expenses are Rs.5,000 p.m. including Rs.2,000 depreciation.
- You are required to prepare a cash budget for each of the first 3 months of the coming year.

St Aloysius College (Autonomous)**Mangaluru****Semester II – P.G. Examination – M.Com. (Finance and Analytics)****July - 2022****CORPORATE FINANCING AND INVESTMENT DECISIONS**

Time: 3 hrs.

Max Marks: 70

SECTION – AAnswer any **FIVE** of the following.

(5x4=20)

1. Explain the nature and significance of Capital budgeting.
2. Distinguish between conventional and non-conventional cash flows.
3. Draw a comparison between NPV, IRR, and PI methods.
4. Illustrate the concept of capital rationing with an example.
5. Explain the Monte Carlo Simulation approach and its utility.
6. What are the different kinds of Real Options?
7. Differentiate between Angel Investors and Private Equities.

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SECTION – BAnswer any **FOUR** of the following.

(4x10=40)

8. A company has the following estimates of the present values of the future cash flows after taxes associated with the investment proposal, concerned with expanding the plant capacity. It intends to use a decision tree approach to get a clear picture of the possible outcomes of this investment. The plant expansion is expected to cost 3,00,000. The respective PVs' of future CFAT and probabilities are as follows:

PV of future CFAT		
With Expansion	Without Expansion	Probabilities
3,00,000	2,00,000	0.2
5,00,000	2,00,000	0.4
9,00,000	3,50,000	0.4

Advise the company regarding the financial feasibility of the project.

9. There are two projects A and B. Each involves an investment of ₹ 40000. The expected cash inflows and the certainty coefficient are as under.

Year	Project A		Project B	
	Cash Inflow ₹	Certainty coefficient	Cash Inflows ₹	Certainty coefficient
1	25000	0.8	20000	0.9
2	20000	0.7	30000	0.8
3	20000	0.9	20000	0.7

Risk free cut off rate is 10%, suggest which of the two projects should be preferred.

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10. Describe the qualitative factors and judgements in International Capital Budgeting Decision.
11. Explain in detail the International financial Instruments.
12. KPL Company is considering taking up of one of two projects 'X' and 'Y'. Both projects have the same life, require equal investment of Rs. 80 lakhs each and both are estimated to have almost the same yield. As the company is new to the type of business, the cash flows arising from the projects cannot be estimated with certainty. An attempt was, therefore made to use probability to analyse the pattern of cash flow from either project during the first year of operation. This pattern is likely to continue during the life of these projects. The result of analysis are as follows :-

Project X		Project Y	
Cash flows (Rs. In lakhs)	Probability	Cash flows (Rs. In lakhs)	Probability
12	0.10	8	0.10
14	0.20	12	0.25
16	0.40	16	0.30
18	0.20	20	0.25
20	0.10	24	0.10

Required:

- a) Compute standard deviation and coefficient of variation of each project.
- b) Which project should the company take up based on standard deviation and coefficient result?
13. What is Venture Capital financing? Explain the Stages and methods of Venture Capital Financing.

SECTION – C (Compulsory)**(1x10=10)**

14. Crompton Ltd is considering investing in a project. The expected original investment in the project will be ₹ 200000, the life of the project will be 5 years with no salvage value. The expected net cash inflows after depreciation but before tax during the life of the project will be as follows:

Year	1	2	3	4	5
₹	85000	100000	80000	80000	40000

The project will be depreciated at the rate of 20% on original cost. The company is subjected to 30% tax rate.

Required:

1. Calculate Payback period
2. Calculate Average rate of return
3. Calculate Net present value index, if cost of capital is 10%
4. Calculate Internal rate of return.

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Semester II - P.G. Examination - M.Com. (Finance and Analytics)

July -2022

GOODS AND SERVICES TAX AND CUSTOMS

Max Marks: 70

Time: 3 hrs.

SECTION - A

Answer any FIVE of the following.

(5x4=20)

1. Explain various kinds of supply under the GST Act.
2. Determine the customs duty payable by Mr. Charan from the following details:
 - a) Assessable value of imported goods Rs. 5,00,000
 - b) Basic customs duty payable @ 10%.
 - c) Goods are liable for payment of safeguard duty @ 15%.
 - d) Compensation cess @ 28% and IGST @ 12%.
3. Describe an Input Service distributor.
4. From the following details compute GST payable.
 - a) Selling price of the machine Rs. 1,50,000.
 - b) Cost of durable and returnable containers included in the sale price Rs. 5,000.
 - c) Design and development charges Rs. 20,000.
 - d) Warranty charges paid separately by the seller Rs. 3,000.
 - e) Rate of GST 18%.
5. Identify the merits and demerits of customs duty?
6. Compute the aggregate turnover of Mr. Vishnu from the following under GST Act, 2017.

01.	Supplied goods to unregistered dealer at Telangana	3,00,000
02.	Sold goods to Varun at Bengaluru	6,00,000
03.	Sold goods to Mr. Rajesh at Bellary for	4,00,000
04.	Goods supplied to job worker in Mangaluru for	10,00,000
05.	Goods supplied to SEZ Bengaluru	7,00,000
06.	Vishnu purchased a truck for Rs. 9,00,000 and paid Rs. 1,00,000 as GST	
07.	Goods received from registered dealer for	10,00,000
08.	Services rendered to a company	2,00,000
08.	Services rendered to a company	2,00,000
08.	Services rendered to a company	2,00,000
09.	Total IGST, CGST and SGST paid	3,00,000

7. Write a note on documentary requirements for claiming Input Tax Credit.

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SECTION - B

(4x10=40)

Answer any **FOUR** of the following.

8. What is composite levy scheme? Discuss its provisions in detail.
9. Raj Ltd. has its head office at Bengaluru and has 4 branches at Kerala, Maharashtra, Andhra Pradesh and Delhi. It seeks the services of Star Ad. Agency based at Bengaluru for advertising its products. The Ad. Agency raises the bill which includes GST amounting to Rs. 6,00,000 on the head office.

The turnover of Head office and branches during the quarter ending 31.12.2021 were as follows:

Bengaluru H.O	Rs. 11,60,000
Kerala	Rs. 12,80,000
Maharashtra	Rs. 7,20,000
Andhra Pradesh	Rs. 16,80,000
Delhi	Rs. 6,00,000

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Compute the distribution of Input Tax by the Bengaluru Head Office.

10. What is registration? Explain the procedure for registration under GST.
11. From the following particulars, compute the taxable value of supply of services by Hotel Krishna, Mysuru. Also calculate GST payable at 18%.
- Rented room to a guest Rs. 8,000 per day for 8 days.
 - Served alcoholic drinks for inmates of hotel Rs. 4,00,000.
 - Served aerated drinks at hotel Rs. 50,000.
 - Rented cars and the amount received from the hotel guest Rs. 50,000.
 - Amount collected regarding provisions of foods Rs. 8,00,000
 - A decorated function hall rented out to Moon Co. Ltd. and amount received Rs. 30,000 per day for 4 days.
 - Laundry services provided of Rs. 54,000.
 - Beauty parlor service charge Rs. 7,500.
 - Collection from Gymnasium service Rs. 25,500.
 - Wi-Fi charges collected from the guests Rs. 10,500.
 - Club facilities availed by the guest Rs. 60,000
 - Amount collected from swimming wears Rs. 25,000.
12. Mr. Karthik is a taxable person in Bengaluru. He gives the following information from which you are required to calculate CGST, SGST and IGST payable for the month of March 2022.
- Supply of goods to Mysore (5%) Rs. 14,00,000
 - Supply to a taxable person in Maharashtra (12%) Rs. 24,00,000
 - Supply to SEZ developer in Bengaluru (5%) Rs. 12,00,000

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| | Rs, 20,00,000 |
| d) Supply of exempt goods to Kundapur | Rs. 15,00,000 |
| e) Export to France (12%) | Rs. 8,00,000 |
| f) Supply to taxable person in Madhya Pradesh (5%) | Rs. 50,000 |
| g) Rendered services to a person in Andaman (18%) | Rs. 8,00,000 |
| h) Provided services to a person in Tamil Nadu (18%) | Rs. 50,000 |
| i) Goods supplied to a job worker in Chennai (5%) | Rs. 8,00,000 |
| j) Services rendered to dealer in Udupi (12%) | |
| Balance available in his electronic credit ledger - IGST | Rs. 45,000, CGST |
| | Rs. 40,000 and SGST Rs. 40,000. |
13. Explain the constitution, powers, functions and provisions of the GST Council in India.

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

14. Trisha Co. imported a machine from Europe. From the following information determine the Assessable Value for Customs Duty:
- Cost of Machine 35,000 Euro
 - The importer sent the material to the exporter for the machine It was used in manufacturing the machine Rs. 1,50,000
 - Design and development expenses incurred outside India 65,000 Euro
 - Technical fees paid to exporter after import of machine 5,000 Euro
 - Installation charges of machine in the factory Rs. 60,000
 - Packing charges 700 Euro
 - Transportation charges 1,500 Euro
 - Insurance premium paid in India 600 Euro
 - Transportation and insurance charges from port to factory Rs. 20,000
 - Exchange rate declared by the Board Rs. 89.88 per Euro
 - Exchange rate declared by the R.B.I. Rs. 88.50 per Euro
 - BCD 12%; IGST 18%

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Semester II – P.G. Examination – M.Com. (Finance and Analytics)

July - 2022

RESEARCH METHODOLOGY AND ETHICS

Time: 3 hrs.

Max Marks: 70

SECTION – A

Answer any **FIVE** of the following.

(5x4=20)

1. Explain the three phases in research.
2. What is a research proposal? What are its contents?
3. Write a note on attitudinal scales.
4. Discuss the essential requirements to frame effective questions.
5. What is a hypothesis? State the different types of hypothesis.
6. Explain the steps involved in conducting a literature review.
7. Give the meaning of the following sampling terminologies:
 - a) Sample
 - b) Sampling Frame
 - c) Sampling Element
 - d) Sample Statistic

SECTION – B

Answer any **FOUR** of the following.

(4x10=40)

8. Discuss the major approaches to gathering information.
9. Explain the four steps in constructing a research instrument.
10. What are some of the ethical considerations with respect to research participants?
11. Elaborate the various sampling strategies.
12. Explain the research process, its characteristics and requirements.
13. Discuss the different types of study designs available in quantitative research.

SECTION – C (Compulsory)

(1x10=10)

14. Explain the various steps in formulating a research problem with an example.
