

**St Aloysius College (Autonomous)****Mangaluru****B.B.A./B.B.M. Semester III – Degree Examination****October - 2018****FINANCIAL ACCOUNTING - III****Time: 3 hrs.****Max Marks: 100****SECTION - A**

1. Answer the following in 2 or 3 sentences each: (10x2=20)
- Mention any two features of partnership.
  - Give two reasons for the dissolution of a partnership firm.
  - What do you mean by Revaluation Account?
  - X, Y & Z are partners who share profits and losses equally. Z retires. X and Y continue to share profits in future in the same ratio as before. Find the Gain ratio of X and Y.
  - What do you mean by 'Joint Life Policy'?
  - Who is an executor?
  - Pass a journal entry for the transfer of accumulated profits to A and B's capital Accounts.
  - What do you understand by sacrifice ratio?
  - Give the meaning of the term 'Piecemeal Distribution'.
  - Give the meaning of the term 'Goodwill'.

**SECTION - B****(5x7=35)****Answer any FIVE questions:**

- Mention any seven contents of a partnership Deed.
- State the circumstances under which a partnership firm gets dissolved.
- Shashi, Shammi and Suraj are partners in a firm, sharing profits and losses equally. Their Balance sheet as on 31-03-2017 is given below:

Liabilities	₹	Assets	₹
Creditors	15,000	Plant & Machinery	20,000
General Reserve	13,000	Furniture and Fixtures	5,000
Capital A/c's		Stock	13,000
Shashi - 20,000		Debtors	15,000
Shammi - 15,000		Investments	10,000
Suraj - 10,000	45,000	Cash	2,000
		Profit and Loss Account	8,000
	<b>73,000</b>		<b>73,000</b>

Shashi died on 1-7-2017. The partnership deed provides that the representatives of the deceased partner shall be entitled to:

- Deceased partner's capital as appearing in the Balance sheet
- Interest on capital at 6% p.a.
- Share of accrued profit, based on the average of last 3 years profit. Profits for the last 3 years were ₹65,000, ₹64,000 and 69,000.
- Share in the undistributed profits & losses.
- Share in the Reserves.
- Interest on his drawings amounted to ₹200.
- Shashi's drawings upto the date of death amounted to ₹8,000.

Ascertain the amount payable to the Executors.

**Contd...2**

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5. Arjun and Ayushman are partners sharing profits in the ratio of 2:1. They admit Aaryan for  $\frac{1}{6}$  th share in profits.

Calculate sacrifice ratio.

6. Rekha, Sridevi and Jaya are partners sharing profits and losses in the ratio of 2:1:1. On the date of dissolution their Balance sheet was as follows:

Liabilities	₹	Assets	₹
Creditors	14,000	Sundry Assets	40,000
Capital A/c's			
Rekha - 10,000			
Sridevi - 10,000			
Jaya - 6,000	26,000		
	<b>40,000</b>		<b>40,000</b>

The assets realized as follows:

First Installment - ₹14,000

Second Installment - ₹10,000

Third Installment - ₹10,000

Show the distribution of cash under surplus capital method.

7. Sonam, Sona and Sanjana were partners sharing profits and losses in the ratio of 2:1:1. Their Balance sheet as on 31-03-2017 was as follows:

Liabilities	₹	Assets	₹
Bills payable	2,300	Cash	1,000
Creditors	5,700	Bills Receivable	400
Reserve	4,000	Stock	20,000
Capital A/c's		Debtors - 7000	6,600
Sonam - 30,000		Less: Provision for Doubtful debts - 400	
Sona - 20,000		Joint life policy	4,000
Sanjana - 20,000	70,000	Machinery	50,000
	<b>82,000</b>		<b>82,000</b>

The firm was dissolved on the above date on the following terms:

a) Sonam took over the Joint life policy for ₹5,000.

b) Assets realized as follows:

Stock - ₹22,000, Debtors - ₹4,100, Machinery - ₹58,000, Bills receivable realized in full.

c) Realisation expenses paid ₹500

Prepare Realisation Account.

8. Suraj, Surya and Sun were partners sharing profits in the ratio of 2:2:1. They took a joint life policy on 10<sup>th</sup> January 2014 for ₹2,00,000. The annual premium being ₹8,000. Surya died on 15<sup>th</sup> February 2016. The Surrender value of the policy were:

2014 - Nil, 2015 - ₹2,000, 2016 - ₹3,200.

Prepare Joint life policy Account and Joint life policy Reserve Account.

Contd...3



SECTION – C

(3x15=45)

Answer the following questions:

9. The following is the Balance sheet of Akash, Bharath and Chandan sharing profits and losses in the ratio of 6:5:3 respectively.

Liabilities		₹	Assets		₹
Creditors		18,900	Cash		1,890
Bills payable		6,300	Debtors		26,460
General Reserve		10,500	Stock		29,400
Capitals A/c's			Furniture		7,350
Akash	35,400		Land and Buildings		45,150
Bharath	29,850		Goodwill		5,250
Chandan	14,550	79,800			
		<b>1,15,500</b>			<b>1,15,500</b>

They agreed to take Deepak into partnership and give him  $\frac{1}{8}^{th}$  share on the following terms.

- That furniture be depreciated by ₹920
- That stock be depreciated by 10%
- That a provision of ₹1,320 be made for outstanding repair bills.
- That the value of land and buildings having appreciated be brought upto ₹59,850.
- That the value of goodwill of the firm ₹16,800 and Deepak's share of goodwill is adjusted by him by bringing in cash.
- That Deepak should bring in ₹16,000 as his capital.
- The closing capital balances of the old partners must be adjusted on the basis of their new profit sharing ratio. Adjustments to be made through cash account.

Prepare necessary ledger Accounts and Balance sheet of the new firm.

OR

Rakesh, Ramesh and Roopesh are partners in a firm sharing profits and losses in the ratio of 4:3:2. The Balance sheet as on 30<sup>th</sup> September 2017 at which date Rakesh died is as under :

Liabilities		₹	Assets		₹
Creditors		2,000	Bank		1,000
Bank overdraft		5,000	Debtors		10,000
Reserve Fund		9,000	Stock		16,000
Current Accounts:			Furniture		3,000
Rakesh	7,000		Machinery		20,000
Ramesh	4,000		Building		30,000
Roopesh	3,000				
Capital A/c's					
Rakesh	20,000				
Ramesh	20,000				
Roopesh	10,000				
		<b>80,000</b>			<b>80,000</b>

The partnership Deed provided that on death of a partner -

- The firm shall be continued by the other partners.
- Goodwill to be valued on the basis of two years profits of the three preceding years.
- Fixed and floating assets to be revalued.

The profits of the three preceding years were ₹30,000, ₹45,000 and ₹60,000 respectively. On revaluation the amount of assets came to: Buildings ₹60,000, Machinery ₹80,000, Furniture ₹8,000 and stock ₹21,000 and a 10% provision for doubtful debts is required.

Prepare: Revaluation Account, Partners capital Accounts, Deceased partners executors account and balance sheet of Ramesh and Roopesh.

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10. Sahal, Karthik and Vijay were partners sharing profits and losses in the ratio of 4:3:3. Their Balance sheet as on 31-03-2017 was as under:

Liabilities	₹	Assets	₹
Capitals A/c's		Buildings	18,000
Sahal	16,000	Plant	14,000
Karthik	12,000	Furniture	4,000
Vijay	10,000	Stock	10,000
Reserve	5,000	Debtors 7,000	
Bills payable	2,000	Less: Provision for Doubtful Debt 1,000	6,000
Creditors	8,000	Cash	1,000
	<b>53,000</b>		<b>53,000</b>

Sahal retires on that date on the following terms.

- The Goodwill of the firm is to be valued at ₹7,000
- Stock and buildings are to be appreciated by 10%
- Plant and furniture are to be depreciated by 10%
- Provision for bad debts is no more necessary.
- Amount payable to Sahal is to be transferred to his loan Account.

Prepare revaluation Account, partners capital accounts and balance sheet of the new firm.

OR

Ram, Laxman, Bharath and Nakul were partners in a firm. The profit and losses were shared in the ratio of 4:3:2:1. The firm was dissolved on 31-03-2017 on which date the Balance sheet was as under:

Liabilities	₹	Assets	₹
Capitals A/c's		Cash	6,000
Ram	20,000	Debtors	50,000
Laxman	14,000	Stock	19,000
Bharath	10,500		
Nakul	2,500		
Loans:			
Ram	5,000		
Sahadev	8,000		
Creditors	15,000		
	<b>75,000</b>		<b>75,000</b>

It was decided that the net realisations should be distributed on the first of each month in the appropriate order. The realisation and expenses at the end of each month was as under:

Month	Debtors	Stock	Expenses
April	15,000	7,000	500
May	8,500	5,000	1,000
June	11,000	-	250
July	5,500	4,000	150
August	7,000	2,500	100

The stock was completely disposed off and it was further agreed that Laxman should take over remaining debts for ₹2,500.

Prepare Piecemeal distribution of cash.

Contd....5



11. Dhoni and Kohli are partners sharing profits and losses in the ratio of 3:2. Their Balance sheet as on 31-03-2017 is as follows:

Liabilities	₹	Assets	₹
Sundry Creditors	10,000	Cash at Bank	5,000
Bills payable	10,000	Investments	5,000
Dhoni's loan	5,000	Bills Receivable	10,000
Reserve Fund	10,000	Debtors	20,000
Capitals A/c's		Stock	15,000
Dhoni	30,000	Machinery	15,000
Kohli	40,000	Furniture	5,000
		Buildings	20,000
		Goodwill	10,000
	<b>1,05,000</b>		<b>1,05,000</b>

On the above date, the firm was dissolved.

- The assets realized as follows:  
Bills Receivable ₹7,500; Sundry Debtors and stock at 10% less than the book value; Machinery realized 5% more than the book value; Buildings realised ₹12,000.
- Furniture and Investments were taken over by Dhoni and Kohli at ₹4,000 each respectively.
- Dissolution expenses were ₹600
- All the liabilities were discharged in full.  
Prepare necessary dissolution related accounts.

OR

The Balance sheet of Govind, Gopal and Ganesh who were sharing profits and losses in the proportion of their capitals stood as follows on 31-03-2017.

Liabilities	₹	Assets	₹
Sundry Creditors	69,000	Cash at Bank	1,45,000
Capitals A/c's		Debtors 50,000	49,000
Govind 2,00,000		Less: Provision 1,000	
Gopal 1,50,000		Stock	80,000
Ganesh 1,00,000	4,50,000	Plant & Machinery	85,000
General Reserve	90,000	Land & Building	2,50,000
	<b>6,09,000</b>		<b>6,09,000</b>

Gopal retired on the above date and the following adjustments have been agreed upon.

- The stock be depreciated by 10%
- The provision for doubtful debts be brought upto 5% on debtors.
- That Land & Buildings be appreciated by 20%
- That a provision for outstanding repair bill be made at ₹900.
- That the goodwill of the entire firm be fixed at ₹90,000
- That the assets and liabilities are to appear in the new Balance sheet at their old figures.
- Gopal will be paid ₹1,00,000 immediately and the balance will be transferred to his loan account carrying 9% per annum interest.  
Prepare:
  - Memorandum Revaluation Account
  - Capital accounts of partners and
  - Balance sheet of Govind and Ganesh after Gopal's retirement.

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(2017 Batch Only)

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**St Aloysius College (Autonomous)  
Mangaluru**

**B.B.A.(CIMA) Semester III – Degree Examination**

**October 2018**

**MANAGEMENT ACCOUNTING**

Time: 3 hrs.

Max Marks: 100

**SECTION - A**

1. Answer the following in 2 or 3 sentences each: (10x2=20)

- a) Fixed production overheads will always be under-absorbed when choose any 1 of the following.
- Actual output is lower than budgeted output.
  - Actual overheads incurred are lower than budgeted overheads.
  - Overheads absorbed are lower than those budgeted.
  - Overheads absorbed are lower than those incurred.
- b) Mention any 2 benefits of using multiple activity basis for variable overhead absorption.
- c) An equipment owned by a company has a net book value of \$1800 and has been idle for some months. It could now be used on a six months contract that is being considered. If not used in this contract the equipment would be sold now for a net amount of \$2000. After use on the contract, the equipment would have no resale value and would be dismantled. What is the total relevant cost of the equipment to the contract?
- d) A company manufactures a product that requires machine time of 1.5 hours per unit. Machine time is a bottleneck resource, due to the limited number of machines available. There are 10 machines available and each machine can be used for up to 40 hours each week. The product is sold for \$85 per unit and the material cost per unit is \$42.50. Total operating expenses are \$8000 each week. Calculate the throughput accounting ratio.
- e) Match the costs to the correct cost category
- | Costs   | Costs Categories         |
|---|--------------------------|
| a) Reliability studies                        | • Prevention Costs       |
| b) Returned material processing and repair    | • Appraisal costs        |
| c) Quality audits                             | • Internal failure costs |
| d) Quality control investigations of failures | • External failure costs |
- f) A company's summary budgeted operating statement is as follows

	\$000
Revenue	400
Variable Costs	240
Fixed costs	100
Profit	60

Assuming that the sales mix does not change, Identify the percentage increase in sales volume that would be needed to increase the profit to \$100,000.

Contd...2



- g) Direct labour is currently paid at a rate of \$40 per hour. Direct labour is a scarce resource however the workforce has agreed to work additional hours but the rate is currently in negotiation. Each unit will require 2 hours of labour. The shadow price of labour is \$12 per hour. What is the maximum amount per hour that the organization would pay for the extra hours?
- h) ABC Ltd makes a single product with the following budgeted material costs per unit.  
2Kg of material A @ \$10/Kg.  
Actual details : Output 1000 units  
Material purchased and used 2200Kg.  
Material cost \$20900.

Calculate the direct material total variance

- i) The forecast sales for an organization are as follows:

	January	February	March	April
	\$	\$	\$	\$
Sales	6000	8000	4000	5000

All sales are on credit and receivables tend to pay in the following pattern.

	%
In month of sale	10
In month after sale	40
Two months after sale	45

The organization expects the rate of irrecoverable debts to be 5%.

Calculate the forecast cash receipts from receivables in April.

- j) What do you understand by Zero Base Budgeting?

### SECTION - B

Answer any FIVE questions:

(5x7=35)

2. The following fixed and flexible budgets have been prepared.

	Fixed budget 100% level	Flexible budget 90% level
	\$	\$
Sales	7,50,000	6,75,000
Direct variable costs	4,20,000	3,78,000
Overheads	2,30,000	2,16,800
Total costs	6,50,000	
Profit	1,00,000	80,200

Actual sales for the period were \$7,00,000 and there was an adverse sales variance of \$5000(A).

Prepare a flexible budget for the actual level of sales.

3. Virat Ltd. uses one raw material for one of their products. The standard cost per unit at the beginning of the year was \$28 made up as follows.  
Standard material cost per unit = 7Kg per unit @\$4 per Kg=\$28.  
In the middle of the year the supplier had changed the specification of the material slightly due to problems experienced in the country of origin, so that the standard had to be revised as follows  
Standard material cost per unit = 8kg per unit @ \$3.80 per Kg=30.40.  
The actual output for November was 1400 units.  
11,000 Kg of material was purchased and used at a cost of \$ 41500.  
Calculate

- a) Material price and usage variances using the traditional method.  
b) The planning and operational material variances.

Contd...3

4. What are environmental costs? Explain the various environmental costs.
5. Sachin manufactures two products X and Y. It has created a linear programme problem and formulated the objective function as follows.

Maximise contribution =  $20x + 5y$

Where x = Number of product x produced.

y = Number of product y produced.

Sachin has determined that two materials A and B from the binding constraints. The constraints have been represented by the following

A.  $5x + 2y = 11,000\text{Kgs}$

B.  $10x + 5y = 25,000\text{Kgs}$

The solution to the linear programme formulation provided a contribution of \$35,000. However a new market supplier for material A has been found and although the supplier is more expensive than existing suppliers, this may alleviate the material A constraint.

What will be the shadow price of Material A?

6. The following information relates to product Tej.

Selling price per unit \$100

Variable cost per unit \$56

Fixed costs \$2,20,000

Budgeted sales are 7500 units.

1. Calculate the breakeven point in terms of units sold and overall sales revenue.
2. Calculate the margin of safety, expressed as a percentage of budgeted sales.
7. What are various steps involved in calculating an activity based cost.
8. What do you mean by Absorption costing? Briefly explain the advantages of absorption costing.

### SECTION - C

Answer the following:

(3x15=45)

9. Kevin manufactures four products A,B,C and D. Details of sales prices, costs and resource requirements for each of the products are as follows.

	Product A-\$	Product B-\$	Product C-\$	Product D-\$
Sales price	1.40	0.80	1.20	2.80
Material cost	0.60	0.30	0.60	1.00
Direct labour cost	0.40	0.20	0.40	1.00
	Minutes	Minutes	Minutes	Minutes
Machine time per unit	5	2	3	6
Labour time per unit	2	1	2	5
	Units	Units	Units	Units
Weekly sales demand	2,000	2,000	2,500	1,500

Contd...4



Machine time is a bottleneck resource and the maximum capacity is 400 machine hours each week. Operating costs, including direct labour costs are \$5,440 each week. Direct labour costs are \$12 hour, and Direct labour workers are paid for a 38-hour week, with no overtime.

- a) Identify the quantities of each product that should be manufactured and sold each week to maximize profit using a through put accounting approach and calculate the weekly profit.
- b) Calculate the throughput accounting ratio at this profit maximizing level of output and sales.

**OR**

Raviraj commenced business on 1 April making one product only, the standard cost of which is as follows

	\$
Direct labour	5
Direct material	8
Variable production overhead	2
Fixed production overhead	5
	20

The fixed production overhead figure has been calculated on the basis of a budgeted normal output of 36,000 units per annum.

You are to assume that actual fixed overheads were as expected and that all the budgeted fixed expenses are incurred evenly over the year. April and May are to be taken as equal period months.

Selling, Distribution and administration expenses are

Fixed                    \$1,20,000 per annum.

Variable                15% of the sales value.

The selling price per unit as \$35 and the number of units produced and sold were

	April (units)	May (Units)
Production	2,000	3,200
Sales	1,500	3,000

You are required to :

- 1) Prepare profit statements for each of the months of April and May using
  - a) Absorption costing and
  - b) Marginal costing
- 2) Prepare a reconciliation of the profit or loss figures given in your answers to 1(a) and 1(b).

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10. Bajaj is a light engineering company which produces a range of components, machine tools and electronic devices for the motor and aircraft industry. It employs about 100 people in 12 main divisions, one of which is the alarm system division.

Bajaj produces 2 types of alarm system, one for offices and homes(x) and the other for motor vehicle(y) on the same equipment. For financial reasons, it is important to minimize the costs of production. To match the current Inventory and demand position, atleast 100 alarm systems in total are required each week, but the quantity of one type must not exceed twice that of the other. The inputs necessary for the manufacture of one alarm system are given below, together with the availability of resources each week.

Type	Plating	Circuitry	Assembly
X	3 feet	4 units	20 mins
Y	2 feet	8 units	8 mins
Total available each week	420 feet	800 units	34 hours

The management accountant estimates that the unit costs of production are \$100 for X and \$80 for Y. Past experience suggests that all alarms can be sold. At present, 75 of each alarm system are produced each week.

- State the objective function and the constraints for the production of alarm systems.
- Use a graphical method to find the optimal product mix.

OR

A company budgeted to make and sell 2,000 units of its only product, for which the standard marginal cost is :

Direct Materials	4 Kilos @\$2 per kilo	\$ 8
Direct labour	3 hours @\$6 per hour	18
		<u>26</u>

The standard sales price is \$50 per unit and the standard contribution \$24 per unit. Budgeted fixed costs were \$30,000 giving a budgeted profit of 18,000.

Due to severe material shortage, the company had to switch to a less efficient and more expensive material and it was decided in retrospect that the realistic standard direct material cost should have been 5 kilos.

@\$3 per kilo = \$15 per unit.

Actual results were as follows.

Actual production and sales 2,400 units.

Sales revenue		\$ 1,15,000
Less Direct material	12,300 kilos @\$3 per kilo	36,900
Direct labour	7,500 hours @\$6.10 per hr	<u>45,750</u>
Total variable costs		<u>82,650</u>
Actual contribution		32,350
Actual fixed costs		32,000
Actual profit		<u>350</u>

Prepare an operating statement with planning and operational variances that reconciles the budgeted and actual profit figures.

Contd..6



- 11 Tom makes and sells two products P and Q. the following budget has been prepared.

	Product P	Product Q
Sales price per unit	€ 3	€ 6
Variable cost per unit	€ 2	€ 3

Budgeted fixed costs are €1,40,000. Budgeted sales are 20,000 units of product P and 50,000 units of Product Q.

- Calculate the budgeted profit.
- Calculate by how much the profit would be reduced if the variable cost of product P were 15% higher than budgeted and the variable cost of product Q were 10% higher than budgeted.
- Calculate by how much the profit would be reduced or increased if total sales revenue is the same as in the original budget, but the sales mix (revenue) is one-third of product P and two-third of product Q.

OR

- What is sensitivity analysis? What is the process in calculating sensitivities? (5)
- A manager has identified the following two possible outcomes for a process. (10)

Outcome	Probability	Financial implications (\$000 s)
Poor	0.4	Loss of 20
Good	0.6	Profit of 40

The expected value has been calculated as

$EV = (0.4 \times -20) + (0.6 \times 40) = +16$ . This would suggest that the opportunity should be accepted.

- Suppose the likely loss if results are poor has been underestimated, what level of loss would change the decision? In effect we want a break - even estimate.
- B) Suppose the probability of a loss has been underestimated. What is the break even probability?

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(2013 Batch onwards)

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**St Aloysius College (Autonomous)**  
**Mangaluru**  
**B.B.A./B.B.M. Semester III – Degree Examination**  
**October - 2018**

**PUBLIC ECONOMICS**

Time: 3 Hours

Max. Marks: 100

**SECTION - A**

(10x2=20)

1. Answer all the questions in 2 or 3 sentences each:

- a) Define a tax.
- b) What is meant by non-developmental expenditure?
- c) Distinguish between internal and external debt.
- d) Give the meaning of regressive taxation.
- e) What is forfeiture?
- f) What is Fiscal policy?
- g) Distinguish between absolute and relative taxable capacity.
- h) Indirect taxes are taxes on poor. Why?
- i) Give the meaning of repudiation of public debt?
- j) What is meant by value added tax?

**SECTION - B**

(5x7=35)

Answer any FIVE questions in not less than one page each:

- 2. Distinguish between public finance and private finance.
- 3. Discuss the various cannons of public expenditure.
- 4. What are the factors influencing taxable capacity?
- 5. Give the classification of public debt.
- 6. Explain the objectives of Fiscal policy.
- 7. Explain the characteristics of a good tax system.
- 8. Briefly explain the effects of taxation on production.

**SECTION - C**

(3x15=45)

Answer the following questions in not less than two pages each:

- 9. Explain the principle of maximum social advantage. Discuss its limitations.

**OR**

Examine the various effects of public expenditure.

- 10. Explain the different sources of public revenue.

**OR**

Distinguish between direct and indirect taxes. Explain their merits and demerits.

- 11. What is public debt redemption? Explain the various methods usually adopted by a government to redeemed public debt.

**OR**

Discuss the various cannons of taxation.

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(2013 – 2017 Batch)

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**St Aloysius College (Autonomous)**  
**Mangaluru**  
**B.B.A./B.B.M. - Semester III – Degree Examination**

**October - 2018**

**INCOME TAX - I**

**Time: 3 hrs.**

**Max Marks: 100**

**SECTION – A**

1. **Answer the following in 2 or 3 sentences each.** (10x2=20)
- Who is an 'Assessee'?
  - What do you mean by 'Specified Employee'?
  - Give the meaning of the term 'Salary' for the purpose of treatment of Rent Free Accommodation under Income Tax Act.
  - Give any two examples of 'Person' under Income Tax Act.
  - Ms. Bharathi commutes  $\frac{1}{2}$  of her pension and receives ₹5,00,000. Compute taxable commuted pension if she is not in receipt of gratuity.
  - Write any two items of deduction under Section 80C.
  - Mention any two examples of agriculture income.
  - What are Sweat Equity Shares?
  - Give the meaning of the term 'Salary' for the treatment of House Rent Allowance as per Income Tax Act.
  - Why does the Government collect tax?

**SECTION – B**

**Answer any FIVE of the following questions. (One page each)**  
(5x7=35)

- Differentiate between Direct taxes and Indirect taxes.
- Write a note on Statutory Provident Fund and Recognised Provident Fund.
- Mr. Kiran retired from service on 31<sup>st</sup> March 2018 after serving for 29 years, 6 months and 4 days. His last drawn basic was ₹15,000 with annual increment of ₹1,000 due on 1<sup>st</sup> October every year. He also receives a DA @ 30% of basic (75% of which is included for retirement benefits). He receives a gratuity of ₹3,00,000. He had received a gratuity exemption of ₹1,40,000 from his previous employer.

Compute taxable gratuity assuming that Kiran is not covered under Payment of Gratuity Act.

- Mr. Manohar is employed in a Public Co. and is paid ₹8,50,000 on VRS. The usual age of retirement in the company is 60 years and Mr. Manohar was 47 years at the time of retirement and had completed 21 years of service. His monthly salary at the time of retirement was as follows:

Basic pay - ₹12,00,000, DA - ₹8,000 (60% is included for pension).

Compute taxable VRS Compensation.

**Contd...2**

6. Mr. Satish's basic pay was ₹6,300 per month, DA at ₹2,000 p.m and HRA at ₹2,000 p.m. He stayed in a rented house paying a rent of ₹2,000 p.m. till 31<sup>st</sup> December, when he shifted to his residence to his newly built house.

Compute taxable HRA.

7. Mr. Ramesh was a manager in a company. He sought retirement on 31<sup>st</sup> December 2017 after completing 20 years of service.

His last drawn salary – Basic ₹1,25,000, D.A - ₹10,000 (Enters into PF), DP - ₹3,000 (fixed), Commission 1% of 15,00,000 turnover achieved during last 10 months prior to retirement.

Annual Increment falls due ₹10,000 in the month of June 1<sup>st</sup> every year.

He received ₹9,00,000 as encashment of leave salary and he had 15 months leave to his credit. Find out taxable encashment of leave salary for Assessment year 2018-19.

8. Ms. Roopa, an Indian citizen, who is appointed as senior taxation officer by the Government of Nigeria, leaves India, for the first time, on 26<sup>th</sup> September 2017 for joining duty there. Determine her residential status for the Assessment year 2018-19.

#### SECTION – C

Answer the following questions.

(3x15=45)

9. Explain the rules for assessing the Residential status of an individual with its necessary application.

OR

From the following, compute total income of Ms. Maheshwari for the previous year 2017-18 if she is –

a) Ordinarily Resident

b) Not Ordinarily Resident and

c) Non-Resident

- i. Income from business in Bengaluru controlled from Delhi - ₹1,75,000.
- ii. Income from profession in Dubai, this being controlled from India (30% received in India) ₹1,40,000.
- iii. Interest on bank deposits received in Dubai from a bank there - ₹25,000.
- iv. Agriculture income from Punjab - ₹30,000.
- v. Dividend received from Investments in a domestic company - ₹2,000.
- vi. Income from property in Bengaluru credited to bank account in Dubai - ₹65,000.
- vii. Interest on Singapore Development bonds ₹60,000 (50% received in India).
- viii. Profits on sale of a building in Mangaluru but credited to Srilankan bank account - ₹3,40,000.
- ix. Income from business in Singapore but controlled from Srilanka - ₹1,10,000.

Contd...3



- x. Gifts received from parents - ₹55,000.
  - xi. Gift received from friends worth ₹52,000 on the occasion of marriage.
  - xii. Past untaxed foreign income brought into India ₹20,000.
  - xiii. Income from profession in Mysore directly credited to bank account in Dubai ₹75,000.
10. Explain the rules for the valuation of motor car and Rent free Accommodation in detail.

OR

Mr. Sunil furnishes the following details of his salary income for the previous year 2017-18.

- a) Basic - ₹20,000 p.m.
- b) Dearness Allowance - ₹1,000 p.m.
- c) Entertainment allowance - ₹2,000 p.m.
- d) Employer's and his contribution to the RPF is 13% of salary.
- e) Interest on accumulated balance of RPF 13% p.a is ₹26,000.
- f) City compensatory allowance ₹100 p.m.
- g) Medical Allowance ₹5,000 p.a.
- h) He is provided with a car of 1.8 ltrs engine cubic capacity by his employer. Its expenses excluding driver's salary are met by him. The car is used for official as well as for private purposes.
- i) He is also provided with an unfurnished accommodation in Delhi for which his employer charges ₹500 p.m. The fair rent of the house is ₹24,000 p.a. The house is owned by the employer.
- j) The employer has also engaged for him a sweeper ₹150 p.m., a watchman @ ₹200 p.m. and a gardener @ ₹150 p.m.

Compute his taxable salary for the Assessment year 2018-19.

11. Mr. Shakeel was appointed as sales manager of a company at Nagpur on 1-1-2014 for the scale of ₹18,000-400-22,000. His other emoluments are:
- Dearness Allowance - 40% of Basic.  
Conveyance Allowance - ₹1,200 p.m.  
House Rent Allowance (Rent paid ₹3,000 p.m.) - ₹2,500 p.m.  
Fixed Medical Allowance - ₹600 p.m.  
Rent free house - FRV ₹45,000 p.a. and cost of furnishing amounts to ₹90,000. Employer also paid ₹20,000 towards maintenance of house and ₹1,000 p.m. as electricity bill.  
Use of 1.8ltr engine capacity car with driver for personal and employment purpose. Car is owned by the company and expenses met by the company. He and his employer both contributed 15% of salary each towards RPF.  
Interest credited on RPF balance @11% p.a. amounts to ₹7,700.  
Club bill of the employee reimbursed by employer during the year were ₹6,000.
- Compute his taxable salary, assuming that the population of Nagpur is 22 lakhs.

Contd...4

G 403.3

OR

Compute taxable salary of Mr. Gopal for the Assessment year 2018-19 from the following particulars.

- a) Basic salary ₹12,000 p.m.
- b) DA @ ₹200 p.m (included for retirement benefits)
- c) Bonus ₹4,000 p.a.
- d) Rent free accommodation in Delhi provided by GK LTD., the employer, fair rental value being ₹20,000.
- e) The cost of furniture provided therein is ₹10,000.
- f) Hostel allowance ₹500 p.m. for 3 children.
- g) His contribution to RPF is 12% whereas, employer's contribution to RPF is ₹15,000 p.a.
- h) Interest on ₹RPF balance at 12% p.a. is ₹18,000.
- i) Use of motor car of 1.8 ltrs engine capacity with driver, for both official as well as private use. Car is owned by the employer and expenses met by the employer.
- j) Professional tax paid ₹200 p.m.

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(2017 batch onwards)

G 403.3a

Reg. No: 

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**St Aloysius College (Autonomous)**  
**Mangaluru**  
**B.B.A (CIMA) Semester III- Degree Examination**  
**October - 2018**  
**FINANCIAL REPORTING AND TAXATION**

Time: 3 Hours

Max. Marks: 100

**SECTION - A**

1. Answer all the questions in 2 or 3 sentences. (10x2=20)
- a) Write the various ways by which Trading losses can be relieved.
  - b) What do you mean by conceptual frame work?
  - c) Mention any four possible powers that a tax authorities may have to ensure that enterprises complies with the tax legislations.
  - d) An entity 'X' has a taxable profit of \$60,000 and a tax assessment of \$ 7500. An entity 'Y' has a taxable profit of \$ 30,000 and receives a tax assessment of \$ 3,000. Both the entities are resident in that same jurisdiction. What kind of tax is this?
  - e) Give the meaning of short term investments.
  - f) 'X' sells goods to 'Y' for \$ 1044 at a mark-up of 20%. 40% of these goods were sold on by 'Y' to external parties of the year end. 'X' owns 75% of 'Y' what is the provision for unrealized profit (PUP) in the consolidated financial statements?
  - g) Write any four advantages of External Audit.
  - h) Define the term Associate as per IAS 28. What do you mean by the term 'Significant influence' for associate?
  - i) An entity bought an asset for \$ 50,000 on 01/02/X0. The asset was sold for \$ 80,000 on 21/11/X9. Indexation allowance is at 25%. Capital gains are taxed at 30%. What is the capital tax to be paid on the disposal?
  - j) What are the elements of regulatory environment?

**SECTION - B**

**Answer any FIVE questions** (5x7=35)

2. P acquired 80% of the share capital of 'S' some years ago. 'P's reporting date is 31<sup>st</sup> August. P transfers an asset on 1<sup>st</sup> March 20X8 \$ 1,50,000 when its carrying value is \$ 120,000. The remaining useful life at the date of transfer is 2.5 years
- The group depreciation policy in the straight line method with a proportionate charge in the years of acquisition and disposal.
- What Changes are required if 'S' sells a non-current asset to 'P' in the financial statement?
- What adjustment is required in the consolidated statement of 'P' for year ended 31 August 20X9?

Contd...2

- 3 Parker's Financial statements shows the following profit before tax figures for the entities first three years of trading:

Y.E 30.06.20X8 \$ 225,000

Y.E 30.06.20X9 \$ 275,000

Y.E 30.06.20Y0 \$ 150,000

Income tax which has been calculated based on the taxable profit is as follow

Y.E 30.06.20X8 \$ 48,000

Y.E 30.06.20X9 \$ 54,000

Y.E 30.06.20Y0 \$ 29,500

Payment of tax were made 9 months following each year end as follows:

Y.E 30.06.20X8 \$ 45,000

Y.E 30.06.20X9 \$ 59,000

Y.E 30.06.20Y0 \$ 27,500

Prepare the relevant extracts from the financial statements for each of the three years in respect of income tax.

4. The audit report is usually the only channel of communication between the auditor and the share holders of the entity. In light of the statement explain contents of audit report and types of audit report.

5. Marlboro estimates the following figures for the coming year

Sales credit	\$ 1,800,000
Average receivables	\$153,000
Gross margin	25% on sales
Finished goods	\$ 100,000
Work in progress	\$ 175,000
Raw materials (balance held)	\$ 75,000
Trade Payables	\$ 65,000

Raw materials are 80% of cost of sales - all on credit inventory levels are constant.

Calculate working capital cycle.

6. A US entity sells apples to an entity based in Moldavia where the currency is the Moldovian pound Mol. The apples were sold on 1<sup>st</sup> October 20X2 for Mol. 400,000 and were paid for in February 20X3.

The rate on 1<sup>st</sup> October 20X2 is US \$ /Mol 1.55 (\$ 1=Mol 1.55)

The rate on 31<sup>st</sup> December 20X2 ( the reporting date) is US \$ /Mol 1.34 (that is \$1=mol1.34)

The rate on 4<sup>th</sup> February 20X3 is US \$ /1.41 ( that is \$ 1 =Mol 1.41)

How does the US entity account for the transactions in its financial statements for the years ended 31<sup>st</sup> December 20X2 and 31<sup>st</sup> December 20X3.



7. Explain CIMA'S Fundamental principles of code of Ethics and common threats to them.
8. What is Historical cost accounting? List out advantages and disadvantages of cost accounting

**SECTION - C**

Answer any **THREE** questions.

**(3x15=45)**

9. Printech has \$ 50,000 of plant and machinery which was acquired on 01/04/20X5. All plant and machinery is depreciated in the accounts at 10% on cost. The tax depreciation rates on plant and machinery are 20% at reducing balance. All plants and machinery was sold for \$ 30,000 on 1/4/20X7. You are require to calculate:
  - a) The accounting profit or loss on disposal of asset for the year ended 31/03/20X8.
  - b) The balancing allowance /charge on disposal for the year ended 31/03/20x8.
  - c) The tax payable for the year ended 31/03/X8. Assuming the accounting profit is \$ 250,000 includes \$ 8,000 political donation and \$ 2,000 entertainment expenses which are disallowable for tax purposes and \$ 10,000 income exempt from tax.
  - d) Recalculate your answer if the asset was sold for \$ 45,000 instead of \$ 30,000.

OR

Explain various sources of short term finance and investment.

- 10 The following statements of financial position exist at the December 31<sup>st</sup> 20X5

	Parent (\$000) Aston	Subsidiary (\$000) Martin
<b>Non current Assets</b>		
Property plant & equipment	44	19.5
Investment in Martin	20	
	64	19.5
<b>Current Assets</b>		
Inventory	40	13
Receivables	12	16
Cash & cash equivalents	-	7.5
	116	56
<b>Equity</b>		
Share capital	50	12
Retained earnings	23	24
Current liabilities		
Over draft	07	05
Payables	36	15
	116	56

Contd...4

Aston acquired 90% of the share capital of S for \$ 20,000 on 1<sup>st</sup> January 20X6. When the balance on the retained earnings of Martin stood @ \$ 4,500. Aston's payable balance include \$ 3,000 payable to Martin and Martins receivables balance includes \$ 10,000 owing from Aston. At the year end, it was established that Martin had dispatched goods to Aston with the selling price of \$ 4500 and that Aston did not receive delivery of these items after the year end. At the same time Aston had put a cheque in the post to Martin for \$ 2500 which did not arrive until after the year end. In addition to the goods in transit of \$ 4500, there were also some items included in Aston's inventory which had been purchased by Aston at the price of \$ 10,500 from Martin. Martin had purchased these goods at a mark up of 20%. It was felt that the goodwill should be carried at 80% of its original value and the remaining for impairment. NCI should be calculated using the Fair value method; assuming the value at acquisition \$ 1500. Prepare a consolidated statement of financial position as at 31<sup>st</sup> December 20X5 for the Aston group with suitable workings.

OR

Explain International Financial Reporting standard and elaborate its components.

11. Statement of profit or loss for the year ended 31 March 20X 8

	\$
Revenue	30,650
Cost of sales	(26000)
Gross profit	<u>4650</u>
Distribution costs	(900)
Administrative expenses	(500)
Profit from operations	<u>3250</u>
Investment income	680
Finance cost	(400)
Profit before tax	<u>3530</u>
Income tax expense	300
Profit after tax	<u><u>3230</u></u>

Statement of financial position.

	31 March 20X8	31 March 20X7
	\$	\$
<u>Assets</u>		
<u>Noncurrent assets</u>		
Property Plant & Equipment	2280	850
Investments	<u>2500</u>	<u>2500</u>
	<u><u>4780</u></u>	<u><u>3350</u></u>

Contd...5



**Current assets**

Inventories	1000	1950
Trade and other receivables	1900	1200
Cash and cash equivalents	410	160
	3310	3310
<b>Total Assets</b>	<b>8090</b>	<b>6660</b>

**Equity and liabilities****Capital and reserves:**

Share capital	1000	900
Share premium	500	350
Retained Earnings	3410	1380
	4910	2630

**Non current liabilities**

	2300	1040
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**Current liabilities :**

Trade and other payables	250	1890
Interest payable	230	100
Taxation	400	1000
	880	2990
<b>Total Equity and liabilities</b>	<b>8090</b>	<b>6660</b>

**Additional information**

- Profit from operations is after charging depreciation on the property Plant and equipment of \$ 450.
- During the year ended 31 March 20X1 plant and machinery costing \$ 80 and with accumulated depreciation of \$ 60 was sold for \$ 20.
- The receivables at the end of 20X8 includes \$ 100 of interest receivable. There was no balance at the beginning of the year.
- Investment income of \$ 680 is made up of \$ 300 interest receivable & \$380 dividends received.
- Dividend paid during the year were \$ 1200.

Produce cash flow statement for the year ended 31 March 20X8 in compliance with IAS 7 using indirect method.

OR

What is corporate Governance? Explain in detail approaches to corporate Governance.

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(2013 batch onwards)

G 405.3

Reg. No.

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**St Aloysius College (Autonomous)  
Mangaluru**

**B.B.A./B.B.M. Semester III – Degree Examination**

**October - 2018**

**BUSINESS LAW - I**

**Time: 3 hrs.**

**Max Marks: 100**

**SECTION – A**

1. **Answer all the questions in 2 or 3 sentences each. (10x2=20)**
- What do you mean by executed contract? Give an example.
  - Give the meaning and example for consensus ad idem.
  - What is privity of contract? Give an example.
  - Define contingent contract.
  - What do you mean by supervening impossibility?
  - What is Quantum Meruit?
  - Define negotiable instrument.
  - What do you mean by "not negotiable crossing"?
  - Give two differences between void agreement and void contract.
  - Define 'free consent'.

**SECTION – B**

**Answer any FIVE questions in not less than one page each. (5x7=35)**

- Explain the types of Quasi contract.
- Distinguish between cheque and bill of exchange.
- Write a note on damages.
- State the essential elements in a wagering agreement.
- Explain the branches of law.
- 'Stranger to a contract cannot sue' – Explain with exceptions.
- Briefly explain the essentials of Acceptance.

**SECTION – C**

**Answer the following questions in not less than two pages each. (3x15=45)**

9. Define contract. Explain the essentials of valid contract.

**OR**

Define offer. Explain the essentials of valid offer.

10. Explain the legal provisions relating to minor's agreement.

**OR**

"No consideration, No contract". Explain with exceptions. State the essentials of consideration.

11. Define contract of Indemnity and Guarantee. Also write the distinction between them.

**OR**

Explain the legal point involved in the case-

- Durga Prasad V/S Baldeo
- Ranganayakamma V/S Alwar Chetty.

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(2013 batch onwards)

G 406.3

Reg. No.

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**St Aloysius College (Autonomous)**

**Mangaluru**

**B.B.A./B.B.M. Semester III – Degree Examination**

**October - 2018**

**MARKETING MANAGEMENT**

**Time: 3 hrs.**

**Max Marks: 100**

**SECTION – A**

1. **Answer all the questions in 2 or 3 sentences each. (10x2=20)**
- Define marketing.
  - What do you mean by branding?
  - What is publicity?
  - Write an example for physical distribution.
  - What do you mean by test marketing?
  - What is on-line marketing?
  - What do you mean by distribution channel?
  - What is packing?
  - Write the meaning of societal concept.
  - What is new product development?

**SECTION – B**

**Answer any FIVE questions in not less than one page each. (5x7=35)**

- What are the reasons for new product failure?
- Explain BCG model.
- What are the objectives of promotion mix?
- Explain the importance of branding.
- Identify the modern concept of marketing.
- What are the different types of pricing methods?
- Explain the scope of marketing.

**SECTION – C**

**Answer the following questions in not less than two pages each. (3x15=45)**

- Explain the factors affecting the choice of distribution channel. Also explain various distribution channels.

**OR**

Analyse the stages in product life cycle.

- Explain the importance and core concepts of marketing.

**OR**

Evaluate various steps involved in new product development.

- What is promotion mix? Identify various elements in promotion mix.

**OR**

**Contd...2**

a) Explain the factors affecting price decisions. (7)

b) Case Study:

Chocovit, a malt chocolate milk drink, was manufactured by a large MNC. The product was launched in the Indian market in 2001 after a successful test market in Mumbai and Bengaluru. It was a brown coloured powder package in 500 gram glass jars. Its refill packs were also available. Consumer acceptance of the brand was good and the sales kept on growing till 2010, reached highest and started declining.

**Questions:**

- i) What promotion strategy would you suggest to popularize this product?
- ii) How "Chocovit" can compete with major players? (8)

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G 407.3

Reg. No. 

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**St Aloysius College (Autonomous)  
Mangaluru**

**B.B.A./B.B.M. Semester III – Degree Examination  
October - 2018**

**FINANCIAL MANAGEMENT**

Time: 3 hrs.

Max Marks: 100

**SECTION – A**

1. Answer all the questions in 2 or 3 sentences each. (10x2=20)
- a) What is capital rationing?
  - b) What are mutually exclusive projects?
  - c) What is transaction cost?
  - d) What do you mean by payback period?
  - e) What is implicit cost of capital?
  - f) What is dividend pay out ratio?
  - g) State the accept/reject rule under IRR method.
  - h) What do you mean by conventional cash flow?
  - i) What is time value of money?
  - j) What is EBIT?

**SECTION – B**

Answer any FIVE of the following questions (5x7=35)

- 2. Explain assumptions and limitations of Walter's dividend model.
- 3. Explain the factors that influence capital structure of a firm.
- 4. Explain causes for effects of under capitalization.
- 5. Explain capital budgeting process.
- 6. From the following determine price per share as per Walter and Gordon's models.

IRR – 15%  
EPS - ₹10  
DPS - ₹6  
Cost of capital – 10%

- 7. For varying level of debt-equity mix, the following are given; decide the optimal debt-equity mix based on cost of capital.

Debt as % of total capital employed	Cost of debt (%)	Cost of equity (%)
0	6	14
10	6	14
20	7	15
40	7	16
50	8	18
60	9	20

Contd...2

G 407.3

8. Following information is available:

Installed capacity 1,000 Units

Operating capacity 800 Units

Selling price per unit ₹10

Variable cost per unit ₹7

Calculate operating leverage under the following situations:

Fixed cost:

Situation A : ₹800

Situation B : ₹1,200

Situation C : ₹1,500

**SECTION - C**

(3x15=45)

**Answer the following questions**

9. Mangala Ltd. Co. has equity share capital of ₹5,00,000 of ₹100 each. It wishes to raise further ₹3,00,000. The company has three alternative plans.

- All equity shares
- ₹2,00,000 in 10% debentures and remaining in equity shares
- All debentures @10%

The company's existing EBIT is ₹1,50,000. The corporate tax is 50%.

Determine EPS.

**OR**

Wealth maximization is superior to profit maximization - Explain.

10. Calculate WACC from the following:

Source	Amount	Before tax cost
Equity shares	5,00,000	19%
Retained earnings	2,00,000	18%
Preference shares	2,00,000	15%
debentures	1,00,000	12%

Tax rate - 50%.

**OR**

Explain the scope of financial management with reference to modern business scenario.

11. A company is considering to purchase a machine for ₹2,50,000. The machine has a life expectancy of 5 years. The company's tax rate is 40%. The firm uses straight line method of depreciation.

From the following calculate -

- Pay back period
- Average rate of return
- NPV @ 10%
- PI @ 10%

Year	Cash flow before tax (CFBT)	PV factor @ 10%
1	1,10,000	0.909
2	1,20,000	0.826
3	1,40,000	0.751
4	1,50,000	0.683
5	2,00,000	0.621

**OR**

"Various capital budgeting techniques ensure better financial control over the project". Explain.

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(2013 batch onwards)

G 408.3

Reg. No.

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**St Aloysius College (Autonomous)**  
**Mangaluru**  
**B.B.M. Semester III – Degree Examination**  
**October - 2018**

**HUMAN RESOURCE MANAGEMENT**

Time: 3 hrs.

Max Marks: 100

**SECTION – A**

1. Answer all the questions in 2 or 3 sentences each. (10x2=20)
- What do you mean by strategic HRM?
  - What is selection?
  - What do you mean by promotion?
  - What is retrenchment?
  - What do you mean by Induction?
  - What is Job design?
  - Define the human resource planning.
  - Define HRM.
  - What do you mean by Internal mobility?
  - Define job evaluation.

**SECTION – B**

- Answer any **FIVE** questions in not less than one page each. (5x7=35)
- State the objectives of HRM.
  - Write a note on role analysis.
  - Explain the policy of promotion in an organization.
  - Explain the techniques of Job analysis.
  - What are the types of transfer?
  - Explain the needs of human resource planning.
  - What are the roles played by HR managers?

**SECTION – C**

- Answer the following questions in not less than two pages each. (3x15=45)
- What are the causes of labour turn over? State the measures to control labour turnover.

**OR**

- Explain the process of job evaluation.
- Give the meaning of recruitment and explain the sources of recruitment.

**OR**

- Explain the merits and demerits of promotion.
- What are causes and effects of absenteeism? How to control it?

**OR**

Contd...2

G 408.3

Mr. R.C. Mittal was the manager materials in Essar Steel at Surat. As a manager materials he enjoyed powers, he could even place an order for materials worth ₹1 crore. He needed nobody's prior approval. He joined a paper mill located in New Delhi as AGM materials. The plant is a multi product and multi plant conglomerate owned by a prestigious business house in India. Obviously perks, designation, reputation of the concern and nearness to his home town lured Mittal away from the steel plant:

When he joined the paper mill, he placed an order for materials worth ₹15,00,000. The materials arrived, were received, accepted and used in the plant. He did not realize that he needed prior approval to place an order for materials. He had presumed that he had the authority to place an order by himself worth  $\frac{1}{6}$ <sup>th</sup> of the amount of what he used to do at the steel plant. When the bill of ₹15,00,000 came from the vendor the accounts department withheld payment for the reason that the bill used not endorsed by the general manager materials. The general manager materials refused to sign on the bill as his approval was not taken by Mittal before placing the order. Mittal felt humiliated and cheated. A brief encounter with the GM only aggravated the problem. He was curtly told that he should have known the company rules before placing the order. Mittal was so angry that he threw his resignation at the table of general manager and walked out of the company. Barely two months after he had taken the job, he left the company.

Questions:

1. If you are in the Mittal's place what would have you done?
2. Do you think the orientation programme of the company needs modification? Why?

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G 701.3

(2016 batch onwards)

Reg. No.

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**St Aloysius College (Autonomous)**  
**Mangaluru**  
**B.Com./B.B.A Semester III – Degree Examination**  
**October – 2018**

**FOUNDATION COURSE IN HUMAN RIGHTS AND VALUE EDUCATION**

Time: 3 hrs.

Max Marks: 100

**PART – A**  
**HUMAN RIGHTS**

**I. Answer all the following questions in three sentences each. Each questions carries one mark: (1x5=5)**

1. What are Human Rights? Why do you think they are essential?
2. Which day is celebrated as 'Consumer Rights Day' in India?
3. Name the Religious Minorities in India.
4. Who founded Amnesty International? What is its logo?
5. Who is a refugee?

**II. Answer any FIVE questions in about a paragraph. Each question carries 3 marks: (5x3=15)**

6. Aruna Ramachandra Shanbaug, a nurse of King Edward Memorial Hospital was in a vegetative state since 1973 after she was sexually assaulted by a ward boy. Seeing her in a vegetative state for 37 years, a journalist and an activist Pinki Virani pleads for euthanasia in the Supreme Court in 2011. Supreme court rejects her plea but allows for passive euthanasia.

What are the fundamental rights euthanasia violates?

What is your opinion about euthanasia?

7. Prem Tukaram Lonke, a project assistant and a resident of the Indian Institute of technology Bombay, bought two trousers and two shirts from Maharashtra Family Showroom, a nearby garments store in the Mumbai suburb of Powai. The 34 year-old customer paid a total of ₹3050 after a 10 percent discount. Unsatisfied with the quality of goods, Lonke returned them to the store the next day and got a new set of clothes in exchange. Still unsatisfied he asked the company to take it all and refund his money. However company refused to do so. Hence Lonke filed a complaint before the Local District Consumer Forum and his plea was rejected by the Forum, therefore he appealed before the Maharashtra State Consumer Disputes Redressal Commission.

Do you think Lonke is justified in claiming of his grievance Redressal?

Should Maharashtra family showroom be made to return any cash despite its stated policy?

8. Examine the nature of Human Rights.
9. Examine any two types of Human Rights.
10. What is meant by Consumer Rights?
11. Does transgender enjoy any rights? What are the reasons to promote their rights?

Contd...2

G 701.3

**III. Answer any FIVE questions in about 10 sentences each. Each question carries 5 marks:** (5x5=25)

12. Write a note on unorganized workers.
13. Examine the civil and political rights enshrined in the UDHR.
14. Explain in brief the Consumer Protection Act, 1986.
15. Examine the convention on Racial Discrimination.
16. Who are refugees? How are refugees protected?
17. Write a note on Human Rights Watch.
18. Explain the role of students in promoting Human Rights.

**IV. Answer any ONE question in about 20 sentences. The question carries 10 marks:** (1x10=10)

19. Explain the role of IGO's and NGO's in protecting Human Rights.
20. Discuss the organization, powers and functions of National Minority Commission.

**V. Answer any ONE question in about 40 sentences each. The question carries 15 marks:** (1x15=15)

21. Examine the organization, powers and functions of Amnesty international.
22. Discuss the role of National Human Rights Commission in India.

#### PART - B

#### (VALUE EDUCATION)

**VI. Answer any FOUR questions in about 8-10 sentences. Each question carries FIVE marks:** (4x5=20)

23. Define Human Sexuality. Explain the evolution of human sexuality with the help of a diagram.
24. Examine the attitudes of various religions towards sex.
25. Discuss the ways in which HIV-AIDS is spread.
26. Friends of the heart are friends forever, Do you agree with this statement. State your reasons.
27. Explain the four stages of Marriage preparation.
28. What are the reasons for high birth rate?

**VII. Answer any ONE question in about 20 sentences. The Question carries 10 marks:** (1x10=10)

29. Discuss the ten important elements in a healthy marriage relationship.
30. Explain the benefits of breast feeding.

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(2018 Batch only)

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Reg. No.

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**St Aloysius College (Autonomous)**

**Mangaluru**

**B.B.A. Semester III – Degree Examination**

**October - 2019**

**CORPORATE ACCOUNTING - I**

Time: 3 hrs.

Max Marks: 100

**SECTION - A**

1. Answer all the following questions. (10x1=10)

- a) The share of profit, a shareholder will receive is called \_\_\_\_\_
- i) Dividend                      ii) Surplus  
iii) Net profit                      iv) Retained profit
- b) A company is formed by \_\_\_\_\_
- i) Owners                      ii) Promoters  
iii) Directors                      iv) Public
- c) Debentures are also termed as \_\_\_\_\_
- i) Certificate of credit      ii) bonds  
iii) Dividend                      iv) Bonus
- d) Pre acquisition profit in subsidiary company is termed as \_\_\_\_\_
- i) Revenue profit                      ii) Capital profit  
iii) Goodwill                      iv) None of these
- e) Under super profit method goodwill is calculated by
- i) Number of years purchase multiplied with average profit  
ii) Number of years purchase multiplied with super profit  
iii) Number of years purchase multiplied with expected rate of return.  
iv) Number of years purchase multiplied with number of years profit.
- f) Debenture redemption reserve is shown on \_\_\_\_\_ side of the balance sheet.
- i) Assets                      ii) Liabilities  
iii) Not to be shown      iv) None of these
- g) Joint stock company is an artificial person created by \_\_\_\_\_
- i) Registrar                      ii) Law  
iii) Employees                      iv) Provincial government
- h) Preparation of consolidated balance sheet of holding co and its subsidiary company is as per \_\_\_\_\_
- i) As 11                      ii) As 22  
iii) As 21                      iv) As 23
- i) Debenture holders are the \_\_\_\_\_
- i) Owners                      ii) Creditors  
iii) Directors                      iv) Suppliers
- j) 'X' issued 1000, 12% debentures of ₹ 100 each at par redeemable at 10% premium at the end of 4 years. By what amount debentures holder should be debited while making payment to them.
- i) ₹ 1,00,000                      ii) ₹ 1,20,000  
iii) ₹ 1,10,000                      iv) ₹ 90,000

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Contd...2

2. Answer any **TEN** of the following questions in two or three sentences each.

(10x2=20)

- Define a share.
- State the meaning of Minority Interest.
- State the various methods of valuation goodwill.
- How do you calculate Intrinsic value of a share?
- What do you mean by Surrender of shares?
- Define Holding Company?
- How do you treat the premium on redemption of preference shares?
- What is Authorised share capital?
- How do you calculate net assets of a company?
- Pass journal entry when ₹ 1,00,000, 6% debentures issued at par, redeemable at par.
- Give the meaning of forfeiture of shares.
- Differentiate between calls in advance and calls in arrears.

## SECTION - C

Answer any **THREE** questions.

(3x5=15)

- A Ltd wishes to redeem its preference shares amounting to ₹ 1,00,000 at a premium of 5% and for this purpose issues 5000 equity shares of ₹ 10 each at a premium of 5%. The company has also a balance of ₹ 1,00,000 in general reserve and ₹ 50,000 in Profit and Loss account. Journalise the above.
- Following is the Balance sheet of A Ltd as on 31.03.2017.

Liabilities	₹	Assets	₹
Share capital		Fixed Assets	60,000
Shares of ₹ 1 each	1,00,000	Investments	60,000
Profit & Loss A/c	24,500	Current Assets	32,000
Debentures	20,000		
Creditors	7,500		
	<u>1,52,000</u>		<u>1,52,000</u>

Fixed Assets are worth only ₹ 71,000. Find out the intrinsic value of a share.

- H Ltd acquired  $\frac{3}{4}$  of the share capital of S Ltd, on 31.03.2018, when the balance sheet of the two company 's' were as

Liabilities	H Ltd	S Ltd	Assets	H Ltd	S Ltd
Share capital (in 10 shares)	20,000	10,000	Fixed Assets	20,000	10,000
General reserve	5,000	3,000	Current Assets	13,000	12,000
Profit & loss A/c	3,000	2,000	Shares on S Ltd	10,000	—
10% debentures	10,000	5,000			
Sundry creditors	5,000	2,000			
	<u>43,000</u>	<u>22,000</u>		<u>43,000</u>	<u>22,000</u>

Calculate minority Interest and cost of control/ capital reserve.

- Apoorva Ltd has 50000 equity shares of ₹ 10 each, ₹ 8 paid and 40000 7% preference shares of ₹ 10 each. The company transfers 10% of divisible profits to general reserve every year. The expected profit before tax is ₹ 10,00,000

Contd...3



and the rate of tax is 65%. Normal rate of return is 16%.  
Find out the yield value of each equity share.

**SECTION-D** ST.ALOYSIUS COLLEGE LIBRARY (3x15=45)  
MANGALORE-575003

Answer any **THREE** questions.

7. The following is the balance sheet of AB Ltd as on December 31 2018.

Liabilities	₹	Assets	₹
Share capital		Fixed Assets	24,00,000
5000, 12% redeemable preference shares of ₹ 100 each	5,00,000	Stock	5,00,000
10000 equity shares of ₹ 100 each	10,00,000	Debtors	50,000
Capital reserve	1,00,000	Cash	50,000
Securities premium	1,00,000		
General reserve	2,00,000		
Profit & Loss A/c	1,00,000		
Current liabilities	10,00,000		
	<u>30,00,000</u>		<u>30,00,000</u>

The preference shares are to be redeemed on January 1<sup>st</sup> 2019 at 10% premium.

On 1<sup>st</sup> January 2019, a fresh issue of equity shares at ₹ 100 each was made to the extent it is required for the purpose redemption of preference shares. The short fall in cash for the purpose of redemption after utilizing the proceeds of fresh issue was met by bank overdraft, the cash balance of ₹ 50,000 being the minimum balance to maintained by the company. Draft Journal entries and Balance sheet.

8. On 31<sup>st</sup> December 2017 the Balance sheet of X Ltd were as follows:

Liabilities	₹	Assets	₹
10000 equity shares of ₹ 10 each Fully paid	1,00,000	Land & Building	84,000
Profit & Loss A/c	20,000	Plant & Machinery	60,000
Debentures	15,000	Furniture	5,000
Trade creditors	20,000	5% (tax free) govt bonds	10,000
Prov. For Taxation	9,000	Stock	12,000
Proposed Dividend	15,000	Book debts	6,000
		cash	2,000
	<u>1,79,000</u>		<u>1,79,000</u>

The net profits of the company after charging depreciation and taxes were as follows:

Year	2013	2014	2015	2016	2017
Profits (₹)	17,000	19,000	18,000	20,000	19,000

On 31.12.2017 Land and buildings were revalued at ₹ 95,000, plant and machinery at ₹ 71,000 and furniture at ₹ 4,000. 10% represents a fair commercial rate of return on investment in the company. Find out the Intrinsic value of share after valuation of goodwill basing it at 5 years purchase of the average super profits for the last 5 years.

9. The authorized capital of Narmada Ltd as on 31.03.2016 consists of 10000 equity shares of ₹ 10 each and 300 5% preference shares of ₹ 100 each following is the trial balance as on 31.03.2016.

Contd...4

	Debit	Credit
Equity share capital	-	1,00,000
Preference share capital	-	20,000
Purchases and sales	1,10,670	160800
Stock (01.04.2015)	29,145	
Preference dividend upto 30.09.2015	500	
Provision for bad debts	-	600
Investment income	-	1,000
Wages	16,328	
Motor car expenses	5,895	
Vehicles (cost ₹ 18,000)	9,240	
Debtors and creditors	28,370	22,650
Insurance	1,217	
Free hold land	85,000	
Profit & Loss A/c (01.04.2015)	-	6,954
Directors remuneration	3,000	
Bad debts	770	
Investments	5,800	
Salaries	7,890	
Bank balance	8,179	
	<u>3,12,004</u>	<u>3,12,004</u>

You are given the following further information:

- Stock on 31.3.2016 is ₹ 32,630.
- The provision for bad debts to be increased upto ₹ 750.
- A dividend of 10% on equity capital is recommended.
- Depreciation on vehicles is to be provided at 20% on cost.
- Prepaid insurance is ₹ 78.
- Outstanding wages ₹ 200.
- ₹ 3,000 are to be transferred to general reserve.

Prepare the final accounts.

10. The following are the Balance Sheet of the Ltd and its subsidiary S Ltd. Balance sheets as on 31.03.2016.

Liabilities	H Ltd	S Ltd	Assets	H Ltd	S Ltd
Share capital share of ₹10 each	10,00,000	4,00,000	Goodwill	60,000	20,000
General Reserve	1,50,000	-	Machinery	7,00,000	2,70,000
Profit and Loss A/c	1,42,000	60,000	Stock	1,80,000	90,000
Creditors	1,20,000	80,000	Debtors	2,60,000	1,20,000
Bills payable	20,000	-	Cash	40,000	25,000
			Investments (24,000 shares of S Ltd at cost	1,92,000	-
			Bills Receivable	-	15,000
	<u>14,32,000</u>	<u>5,40,000</u>		<u>14,32,000</u>	<u>5,40,000</u>

Contd...5



Prepare a consolidated Balance sheet after taking the following into consideration.

- a) H Ltd acquired the shares of S Ltd on 1<sup>st</sup> Oct 2015. Profit and Loss A/c in the books of S Ltd. Showed a debit balance of ₹ 20,000 on 1<sup>st</sup> April 2015.
- b) The bills payable in H Ltd represented bills issued in favour of S Ltd which company got bills of ₹ 5,000 discounted. ST. ALOYSIUS COLLEGE LIBRARY MANGALORE-575003
- c) Included in the stock of S Ltd are goods of value ₹ 20,000 which were supplied by H Ltd at cost plus 25%.

**SECTION E**

**Compulsory Question.**

**(1x10=10)**

11. On 1<sup>st</sup> January 2014 Bright Ltd issued 8,000, 6% debentures of ₹ 100 each repayable at the end of 4 years at premium of 5%. It has been decided to institute a sinking fund for the purpose; The Investment being expected to realize 4% net. Sinking fund table shows that ₹ 0.235490 invested annually amount to ₹ 1 at 4% in four years. Investments were made in multiples of hundred only. On 31.12.2017 the bank balance was ₹ 2,36,000 and the investments realized ₹ 6,27,200. The debentures were paid off. Show sinking Fund A/c, Sinking fund Investment a/c.

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**St Aloysius College (Autonomous)  
Mangaluru**

**B.B.A.(CIMA) Semester III – Degree Examination**

**October - 2019**

**MANAGEMENT ACCOUNTING**

Time: 3 hrs.

Max Marks: 100

**SECTION - A**

**(10x1=10)**

1. Answer all the following questions.

- a) Which of the following techniques involves analyzing costs under the three distinct categories: material system, delivery and disposal
- i) Activity based costing                      ii) Life cycle costing  
iii) Input-output analysis                      iv) Flow cost accounting
- b) E plc operates a marginal costing system. For the forthcoming year, variable costs are budgeted to be 60% of sales value and fixed costs are budgeted to be 10% of sales value.  
If E plc increases its selling prices by 10%, but if fixed costs, variable costs per unit and sales volume remain unchanged, identify the effect on E plc's contribution
- i) a decrease of 2%                                      ii) an increase of 5%  
iii) an increase of 10%                                      iv) an increase of 25%
- c) Machine set up costs are likely to be classed as which type of activity in the hierarchy of costs?
- i) unit level activity                                      ii) Batch level activity  
iii) Product level activity                                      iv) Facility level activity
- d) Products A and B are manufactured in a joint process. The following data is available for a period.
- Joint process costs \$30,000
- Output: Product A: 2000 kg  
Product B: 4000 kg
- Selling price: Product A: \$ 12 per kg  
Product B: \$ 18 per kg
- What is product B's share of the joint process costs if the sales value method of cost apportionment is used?
- i) \$7500                      ii) \$18000                      iii) \$20,000                      iv) \$22500
- e) The adoption of JIT normally requires which one of the following factors to increase?
- i) Inventory levels                                      ii) Work-in-progress levels  
iv) Batch sizes                                      iv) Quality standards
- f) Identify the correct description of imperfect information.
- i) Costs more to collect than its value to the business.  
ii) Is available only after preliminary decisions on a business venture have been taken.  
iii) Does not take into account all factors affecting a business.  
iv) May contain inaccurate predictions.

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Contd...2



- g) The shadow price of a binding constraint is
- The decrease in contribution which occurs when increasing the constraint limit by one unit.
  - The premium (over and above the normal price) that the company would be willing to pay to suppliers for supplying one more unit of the binding constraint
  - The contribution gained from being able to produce one more unit of the most profitable product
  - The cost of acquiring one more unit of the binding constraint from suppliers.
- h) Last month, 40000 production hours were budgeted in CTO, and the budgeted fixed production overhead cost was \$ 2,50,000. Actual results show that 38000 hours were worked and paid and the standard hours for actual production were 35000. CTO operates a standard absorption costing system. What was the fixed production overhead capacity variance for last month?
- \$ 12500 adverse
  - \$ 12500 favorable
  - \$ 31,250 Adverse
  - \$ 31,250 favourable
- i) There are various methods to reduce cost of production except
- Increase in production output
  - Reduction in number of rejections
  - Maintaining maximum inventory levels
  - Producing standardized products
- j) The following assumptions are made in case of break-even analysis, except
- All fixed costs are fixed
  - All variable costs are fixed
  - The prices of input factors are constant
  - Volume of production and volume of sales are equal

## SECTION - B

(10X2=20)

2. Answer any TEN of the following questions in 2 or 3 sentences each:

- a) A company has prepared an activity based budget for its stores department. One activity concerns inventory counts which has an activity based cost driver of \$800 per inventory count (based on a budgeted activity of 50 counts per year) During the year there were 52 counts and the actual cost for inventory counts was \$40560. To the nearest \$ find out the value of the variance for inventory counts in the year.
- b) What is variable costs? Give example.
- c) A bank regularly samples business customer accounts and reviews these for risks to the bank. These review costs totaled \$1,050,280 in the last period. The following bugged information has been obtained for the period

	Sole traders	Partnerships	Companies
No of customers	2,50,000	10,000	90,000
No of reviews	1,00,000	3,000	18,000

The bank uses an activity based costing system. Find out the total amount of review costs attributed to sole trader customer.

Contd...3

- d) Differentiate between joint cost and common cost.
- e) Define environmental costing.
- f) The following extract is taken from the cost budget of S Limited

Production (units)	2000	3000
Production cost (\$)	11,100	12,900

Determine the budget cost allowance for an activity level of 4000 units.

- g) How do you calculate the selling price under full cost plus pricing?
- h) Write the differences between risk and uncertainty.
- i) In a particular country the height of adult males is normally distributed with a mean of 175 cms and a standard deviation of 5 cm. Calculate the probability of a man in this country being shorter than 168 cms.
- j) List out the strengths of sensitivity analysis.
- k) What is objective function in linear programming?
- l) Mention the basic principles of TQM.

**SECTION – C**

(3x5=15)

**Answer any THREE questions in not less than one pages each:**

- 3. An organization can use a similar technique to determine a selling price which provides a target return on sales. This pricing method involves determining the full cost of a cost unit and then adding a markup that represents a specified percentage of the final selling price. WP Ltd manufactures product A. Data for product A are as follows.

Direct material cost per unit	\$7
Direct labour cost per unit	\$18
Direct labour hours per unit	2 hours

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Production overhead absorption rate \$ 6 per direct labour hour

Mark-up for non-production overhead cost – 5% of total production cost

WP Ltd requires a 15% return on sales revenue from all products. Calculate the selling price for Product A, to the nearest cent.

- 4. The forecasts sales for an organization are as follows.

	January ₹	February ₹	March ₹	April ₹
Sales	6000	8000	4000	5000

All sales are on credit and receivables tend to pay in the following pattern.

	%
In month of sale	10
In month after sale	40
Two months after sale	45

The organisation expects the rate of irrecoverable debts to be 5%. Calculate the forecast cash receipts from receivables in April.

Contd...4



5. The following information relates to product Alpha  
 Selling price per unit \$ 100  
 Variable cost per unit ₹56  
 Fixed cost 220,000  
 Budgeted sales are 7500 units  
 Calculate the breakeven point in terms of units sold and overall sales revenue.
6. Write a short note on yield variance.

**SECTION-D**

(3x15=45)

**Answer any THREE questions in not less than two page each:**

7. Perry Ltd makes and sells a single product with the following information

	\$/unit
Selling price	50
Direct material	15
Direct labour	10
Variable overhead	5

Fixed overheads are \$5000. Budgeted and actual output and sales are 1000 units.

- a) Using Absorption costing
- Calculate the profit for the period
  - Calculate the profit per unit
- b) Using Marginal costing
- Calculate Contribution per unit
  - Calculate the total Contribution
  - Calculate the profit for the period.
8. A company makes and sells two products, X & Y, for which the budgeted sales price and variable costs per unit are

	Product X	Product Y
Variable cost	\$2	\$4
Sales price	\$5	\$8

Budgeted fixed costs are \$1,40,000. Budgeted sales are 30,000 units of product X and 15000 units of product Y.

- a) Calculate the budgeted profit
- b) Calculate how profit would be affected in each of the following separate circumstances.
- If the variable cost of Product Y were 25% higher than expected.
  - If sales of Product X were 10% less than budgeted.
  - If sales of Product X were 5% less than budgeted and unit variable costs of X were 10% higher than budgeted
  - If total sales revenue is the same as in the original budget, but the sales mix (by revenue) is 50% of Product X and 50% of Product Y.

Contd...5

9. A company produces three products and is reviewing the production and sales budgets for the next accounting period. The following information is available for the three products.

	Product P \$	Product Q \$	Product R \$
Selling price	600	300	100
Labour (\$20 per hour)	300	160	40
Other variable costs	90	68	14
	(390)	(228)	(54)
Contribution/unit	210	72	46
Maximum demands (units)	200	600	1000

Labour hours are strictly limited to 7800 hours in total.

- a) Calculate the optimum product mix and the maximum contribution.  
 b) A special contract requires 3000 labour hours. What is the relevant cost of obtaining these hours?
10. A small business operating holiday homes in Scotland wishes to forecast next year's sales for the budget, using moving averages to establish a straight line trend and seasonal variations. Next year is 20Y0. The accountant has assumed that sales are seasonal, with a summer season and a winter season each year. Seasonal sales for the past seven years have been as follows.

	Sales	
	Summer \$000	Winter \$000
20X4	124	70
20X5	230	180
20X6	310	270
20X7	440	360
20X8	520	470
20X9	650	

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- a) Calculate a trend line based on a two-season moving average.  
 b) Use the trend line to calculate the average increase in sales each season.  
 c) Calculate the adjusted seasonal variation in sales.

### SECTION E

(1x10=10)

#### Compulsory question:

11. Fixed overhead absorption rates are often calculated using a single measure of activity. It is suggested that fixed overhead costs should be attributed to cost units using multiple measures of activity (Activity based costing)

Explain Activity based costing and how it may provide useful information to managers.

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**St Aloysius College (Autonomous)**

**Mangaluru**

**B.B.A. Semester III – Degree Examination**

**October - 2019**

**PUBLIC FINANCE**

**Time: 3 hrs.**

**Max Marks: 100**

**SECTION - A**

**1. Answer the following.**

**(10x1=10)**

- a) Maximum social welfare is determined at that point where
- Marginal social sacrifice is equal to marginal social advantage.
  - Marginal social sacrifice is less than marginal social advantage.
  - Marginal social sacrifice is greater than the marginal social advantage.
  - None of the above.
- b) Incidence of tax refers to
- Initial burden of tax
  - Initial burden of tax on goods
  - ultimate burden of tax
  - All the above
- c) A tax which is collected from one person but can be passed to others is called
- Direct
  - Indirect
  - specific
  - Double tax
- d) The canon of productivity of taxation was laid down by
- Adam smith
  - Prof shirras
  - Dalton
  - Bastable
- e) Debts which the government promises to pay off at some future date are called as
- Irredeemable debt
  - Redeemable debt
  - Funded debt
  - None of these
- f) Objectives of fiscal policy is
- Monetary control
  - Government control
  - check the inflationary pressure
  - promote savings
- g) A debt which is paid without any legal enforcement
- compulsory debt
  - voluntary debt
  - funded debt
  - none of these
- h) Compulsory payment to governments without expectation of direct return on benefit are called as
- Fees
  - Tax
  - Fines
  - Income tax
- i) Claim of a government to the property of a person who dies without having any legal heir or without keeping a will is called as
- special assessment
  - capital levy
  - Escheats
  - penalties
- j) A statement of the financial plan of a government which serves as the basis for decision making and centre of expenditure and revenue for a specified period of time is called
- financial statement
  - Budget
  - Subsidy
  - Cash grant

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Contd...2

**SECTION - B**

2. Answer any **TEN** of the following questions in two or three sentences each. (10x2=20)
- Define public finance.
  - What are public goods?
  - What do you mean by 'developmental expenditure'?
  - What is meant by fiscal policy?
  - Define a balanced budget.
  - What is public revenue?
  - How does urbanization affect public expenditure?
  - Define Taxable capacity.
  - What do you mean by 'Administrative revenues'?
  - What is meant by repudiation of public debt?
  - What is GST?
  - What do you mean by tax?

**SECTION - C**

Answer any **THREE** questions in not less than one page each. (3x5=15)

- Briefly explain Wagner's law of public expenditure.
- What are the factors affecting taxable capacity?
- Point out the difference between Impact and Incidence of taxation.
- Explain the causes for the growth of public expenditure in India.

**SECTION-D****3x15=45**

Answer any **THREE** questions in not less than two pages each.

- Distinguish between public and private finance.
- Explain the various sources of public revenue.
- Explain the principles of maximum social advantage theory.
- Examine the various methods of redemption of public debt.

**SECTION E**

**Compulsory Question.**

**(1x10=10)**

- Distinguish between direct and indirect taxes and explain their merits and demerits.

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**St Aloysius College (Autonomous)  
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**B.B.A. Semester III – Degree Examination**

**October 2019**

**DIRECT TAXES – PAPER I**

Time: 3 hrs.

Max Marks: 100

**SECTION - A**

**(10x1=10)**

1. Answer all the following questions.

- a) Income tax Act came into force from
- i) 1<sup>st</sup> March 1971                      ii) 1<sup>st</sup> April 1971
- iii) 1<sup>st</sup> March 1961                      iv) 1<sup>st</sup> April 1961
- b) Gift to employee upto ₹ \_\_\_\_\_ p.a will not be treated as perquisite taxable in the hands of employee
- (i) 4000                      (ii) ₹5000                      (iii) ₹10,000                      (iv) ₹2500
- c) Education allowance is exempt up to ₹ \_\_\_\_\_ per month per child under Income from salary
- (i) ₹100                      (ii) ₹ 200                      (iii) ₹300                      (iv) ₹400
- d) Maximum limit for the deduction under section 80 C is ₹.....
- (i) 2,00,000                      (ii) 1,50,000
- (iii) 50,000                      (iv) 1,00,000
- ST.ALOYSIUS COLLEGE LIBRARY  
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- e) Which one of the following is an example for disallowed expenses
- (i) Sales tax                      (ii) Advertisements
- (iii) Reserve for sales tax                      (iv) salary
- f) \_\_\_\_\_ of Income Tax Act is related to residential status
- (i) Sec 2                      (ii) Sec 6                      (iii) Sec 5                      (iv) Sec 4
- g) Full form of PAN is .....
- (i) Permanent Account Number                      (ii) Parliament Account Number
- (iii) polluted Account Number                      (iv) Periodical Account Number
- h) Contribution to PPF comes under \_\_\_\_\_
- i) Sec 80C                      ii) Sec 40D                      iii) Sec 10A                      iv) Sec 18C
- i) A group of assets falling within a class of assets is known as .....
- (i) Team                      (ii) Block of Assets
- (iii) Joint Assets                      (iv) Related Assets
- j) Gratuity received by Government employee is .....
- (i) Taxable fully                      (ii) Taxable partially
- (iii) Exempted                      (iv) Exempted Partially

**Contd...2**

## SECTION - B

(10X2=20)

2. Answer any **TEN** of the following questions in 2 or 3 sentences each:

- What do you mean by Unabsorbed depreciation?
- Who is a specified employee?
- What is standard rent?
- Give the meaning of perquisites.
- State the two items in deduction U/S 80C.
- What do you mean by gratuity?
- Who is a non-resident?
- Why income tax is called direct tax?
- Expand CBDT.
- Write the meaning of PPF.
- Who is an Assessee?
- Give the meaning of Profit in lieu of salary.

## SECTION - C

(3x5=15)

Answer any **THREE** questions:

- How do you calculate taxable HRA?
- Param left India for the first time on 5<sup>th</sup> March 2014. He returned to India on 10<sup>th</sup> Aug 2014. Again he went to Australia on 10<sup>th</sup> March 2016 and returned to India on 25<sup>th</sup> September 2017. On 3<sup>rd</sup> March 2018 he went to Australia again and returned to India on 27<sup>th</sup> September 2018. Find out his residential status for the assessment year 2019-20.
- From the following particulars compute allowable depreciation and taxable capital gains.

	Machinery (15%)	Building (10%)
WDV as on 1 <sup>st</sup> April	₹2,00,000	₹5,00,000
Additions on 1 <sup>st</sup> June	₹3,50,000	-
Additions on 1 <sup>st</sup> Dec	-	₹3,00,000
Sales during the year	₹6,00,000	₹4,00,000

- Akash retires from service on 28<sup>th</sup> Feb of the previous year after serving 30 years, 6 months and 4 days. He received ₹ 2, 60,000 as gratuity. His last salary was basic - ₹ 13,000. Annual increment of ₹ 200 falls due in January. Compute his taxable gratuity if he is not covered under PG Act.

Contd...3



## SECTION-D

(3x15=45)

Answer any **THREE** questions:

7. Mr. Dhanush furnishes the following particulars of his income for the previous year.
1. Salary ₹ 14,000 p.m.
  2. DA- 20% of Basic.
  3. Bonus- ₹ 28,000 p.a.
  4. Conveyance Allowance ₹ 500 for 8 months.
  5. Entertainment Allowances ₹ 150 per month.
  6. He is provided with rent free furnished house for which the company pay's rent of ₹ 300 p.m. The company also pays ₹ 100 p.m. as hire charges for the furniture.
  7. He contributes 15% of his salary to RPF to which the employer contributes 15%. Interest credited on the accumulated balance of ₹ 3,00,000 is at 10.5% p.a.

Compute his taxable salary.

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8. Compute income from house property from the following.

Particulars	(Let out)	(Let out)	(Self occupied)	
	I (₹)	II(₹)	III (₹)	IV(₹)
Municipal Value	38,000	43,000	45,000	50,000
FRV	35,000	45,000	55,000	45,000
Rent received	40,000	50,000	-	48,000
Standard Rent	36,000	47,000	60,000	55,000
Interest on housing Loan	6,000	8,000	4,000	-
Municipal tax paid	4,000	5,000	-	-
Municipal tax due	-	-	3,000	3,500
Vacancy	-	2 months	-	1 month
Repairs	1000	-	-	2000

Contd...4

9. Shri Abhiram is a registered medical practitioner. From the below details prepare a Statement showing his income from profession.

## Income and Expenditure Account

<b>Expenditure</b>	(₹)	<b>Income</b>	(₹)
Household Expenses	1,20,000	Consultation fee	1,10,000
Car purchased	1,30,000	Visiting fee	1,20,000
Travelling Exp(Personal)	4,000	Gross gains on race	10,000
Donations	1000	Share in Sale proceeds of an hour	34,000
Income Tax	2,000	Capital gains	6,000
Salary	8,000	Dividend from domestic company	5,000
Gift to daughter	7,000	Interest on POSB A/c	600
Establishment charges	1,000	Gift from father in law	2,000
Surgical Equipment's	4,000	Interest on FD (gross)	1,300
Books (Annual publication)	1,200	Bad debts recovered (not allowed in earlier years)	2,000
Life insurance Premium	2,000		
Wealth Tax	1,000		
Interest on capital	1,000		
Surplus	8,700		
	<b>2,90,900</b>		<b>2,90,900</b>

Rate of depreciation allowable on car and Surgical equipment's is 15%.

10. Explain each allowance and perquisites which are available to individual assesses.

**SECTION E****(1x10=10)****Compulsory question:**

11. The following are the income of Sri Ram Prasad for Previous year:
- Profit from business in Iran received in India ₹1,05,000
  - Income from house property in Iran received in India ₹5000
  - Income from house property in Pakistan deposited in a Bank there ₹1000
  - Profit of business established in Pakistan deposited in Bank there ₹20,000 (out of 20,000 a sum of ₹10,000 is brought into India) this business is controlled in India.
  - Accrued in India but received in England ₹2,000
  - Income from agriculture in England. It is all spent on the education of children in London ₹ 5,000.
  - Past untaxed foreign income brought into India during previous year ₹10,000.

From the above particulars ascertain the taxable income of Sri Ram Prasad if he is i) OR ii) NOR iii) NR

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(2018 Batch Only)

G 403.3a

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**St Aloysius College (Autonomous)  
Mangaluru**

**B.B.A. (CIMA) Semester III – Degree Examination  
October- 2019**

**FINANCIAL REPORTING AND TAXATION**

Time: 3 hrs.

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Max Marks: 100

**SECTION – A (MCQ type questions) – Compulsory**

1. Answer ALL the following questions. (10x1=10)
  - a. Many countries impose duties on alcoholic drinks and cigarettes to discourage excessive consumption. This duty is a
    - A. Excise Duty.
    - B. Ad Valorem tax.
    - C. Direct Tax.
    - D. Cascade tax.
  - b. It can be presumed that one entity controls another when it acquires which of the following?
    - A. More than 50% of the ordinary share capital.
    - B. More than 50% of the preference share capital.
    - C. Both of the above.
    - D. Either of the above.
  - c. Under the current structure of regulatory bodies, which of the bodies listed below acts as the overall supervisory body?
    - A. IFRS Interpretations Committee.
    - B. International Accounting Standards Board.
    - C. IFRS Advisory Council.
    - D. IFRS Foundation.
  - d. Grand acquires 80% of National for \$25 million. At the acquisition date, the fair value of the net assets were \$21 million and the fare value of the 20% shareholding not acquired \$5 million. Goodwill is –
    - A. \$8,200,000
    - B. \$7,400,000
    - C. \$4,000,000
    - D. \$9,000,000
  - e. What is the purpose of an audit?
    - A. To prepare the financial statements and ensure that they provide a true and fair view.
    - B. To detect fraud.
    - C. To issue an opinion as to whether the financial statements provide a true and fair view.
    - D. To detect any misstatements in the financial statements.
  - f. Which of the following would be unacceptable in an entity's code of conduct for employees?
    - A. Maximum number of days off for sickness each year.
    - B. No smoking of cigarettes inside the building.
    - C. Employees who meet the public must be smartly dressed.
    - D. No personal use of entity photocopying machines without prior permission from a manager.

Contd...2

## G 403.3a

- g. Corporate governance rules were strengthened to:
- A. Protect shareholders.
  - B. Protect directors.
  - C. Protect auditors.
  - D. Protect employees.
- h. Which of the following best describes the purpose of financial statements according to IAS I Presentation of Financial Statements?
- A. To provide information that enables users to assess the stewardship of management.
  - B. To provide information about the financial position, financial performance and cash flows of an enterprise.
  - C. To provide a summary of all financial transactions entered into in the accounting period.
  - D. To provide a statement of profit or loss and other comprehensive income and a statement of financial position.
- i. Which of the following lists consists of items that would be added to profit before taxation in the calculation of net cash from operating activities according to IAS 7?
- A. Decrease in trade receivables, increase in trade payables, profit on sale of noncurrent assets.
  - B. Loss on sale of noncurrent assets, depreciation, increase in trade receivables.
  - C. Decrease in inventories, depreciation, profit on sale of noncurrent assets.
  - D. Decrease in trade receivables, increase in trade payables, loss on sale of noncurrent assets.
- j. P sells goods to S for \$400 at cost plus 25%. All the goods remained in the inventory of S at the end of the year. P owns 80% of S. What is unrealized profit?
- A. \$80
  - B. \$100
  - C. \$320
  - D. \$40

## SECTION – B

2. Answer any **TEN** of the following. (10x2=20)
- a. LPD buys goods from its 80% owned subsidiary QPR. QPR earns a markup of 25% on such transactions. At the group's year end, 30 June 20XI LPD had not yet taken delivery of goods, at a sales value of \$100,000, which were dispatched by QPR on 29 June 20XL
- What amount would the goods in transit appear in the consolidated statement of financial position of the LPD group at 30 June 20XI?
- b. What do you mean by over-provision and under-provision with reference to Income Taxes?
- c. According to the International Accounting Standards Board's Conceptual Framework for Financial Reporting, what is the objective of financial statements?
- d. What is Progressive Tax and Proportionate Tax?
- e. Barlow uses the 'indirect method' for the purpose of calculating cash generated from operations in the statement of cash flows. The following information is provided for the year ended 31 December 20X0:

Contd...3



	\$
Profit before tax	5,600
Depreciation	956
Profit on sale of equipment	62
Increase in inventories	268
Increase in receivables	101
Increase in payables	322

What is the cash generated from operations?

- f. An entity purchased a property 15 years ago at a cost of \$100,000 and have been depreciating it at a rate of 2% per annum, on reducing balance basis. What is the carrying value of the asset after 10 years?
- g. How to ascertain inventory conversion period?
- h. Tracey's business sells three products - A, B and C. The following information was available at the year-end:

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	A	B	C
Original cost \$ per unit	7	10	19
Estimated selling price \$ per unit	15	13	20
Selling and distribution costs \$ per unit	2	5	6
Units of inventory	20	25	15

The value of inventory at the yearend should be:

- i. The following information has been extracted from the accounting records of Clara:
- |  |          |
|--|----------|
| Estimated income tax for the year ended 30 September 20X0    | \$75,000 |
| Income tax paid in 20X1 for the year ended 30 September 20X0 | \$80,000 |
| Estimated income tax for the year ended 30 September 20X1    | \$83,000 |
- What figures will be shown in the statement of profit or loss for the year ended 30 September 20X1 and the statement of financial position as at that date in respect of income tax?
- j. An enterprise imports goods from an overseas enterprise at a cost of \$40. The goods are subject to excise duties of \$1 0 per item and VAT at 15%. If the enterprise imports 100 items, what is the total tax payable?
- k. On 30 September 20X1 GHI purchased 60% of the ordinary share capital of JKL for \$1.80 million. NCI should be valued using the proportion of net assets method. The net assets of JKL at the date of acquisition were \$1,350,000. What is the value of goodwill on acquisition in accordance with IFRS 3 business combination?
- l. What is overtrading in working capital management?

### SECTION - C

Answer any **THREE** questions.

(3x5=15)

3. Butler, whose functional currency is the \$, has a year end of 31 December. On 27 November 20X6 Butler buys goods from a Swedish supplier for SwK 324,000. On 19 December 20X6 Butler pays the Swedish supplier in full.

Contd...4

**G 403.3a**

Exchange rates are as follows:

27 November 20X6 \$/SwK 11.15 (that is \$1 = SwK 11.15)

19 December 20X6 \$/SwK 10.93 (that is \$1 = SwK 10.93)

Show the accounting entries for these transactions for the year ended 31 December 20X6.

4. Marshall estimates the following figures for the coming year.

Sales - all on credit	\$3,650,000
Average receivables	\$356,000
Gross profit margin	20% on sales
Finished goods	\$250,000
Work in progress	\$400,000
Raw materials (balance held)	\$200,000
Trade payables	\$180,000

Inventory levels are constant.

Raw materials are 75% of cost of sales - all on credit.

Calculate the working capital cycle.

5. P acquired 80% of share capital of S some years ago. P's reporting date on 31<sup>st</sup> August. P transfers an asset on 1<sup>st</sup> March 20X8 for \$75,000 when its carrying value is \$60,000. The remaining life at the date of sale is 2.5 years. The group depreciation policy is on straight line basis with the appropriate change in the years of acquisition and disposal.

What adjustments is required in consolidated statement of financial position of P for the year ending 31<sup>st</sup> August 20X9?

6. Explain CIMA's fundamental principles of code of ethics.

**SECTION - D**

Answer any **THREE** questions in not less than two pages each. (3x15=45)

7. Given below are the statements of profit or loss and other comprehensive income for Paris and its subsidiary London for the year ended 31 December 20X9.

	Paris	London
	\$000	\$000
Revenue	3,200	2,560
Cost of sales	(2,200)	(1,480)
Gross profit	1,000	(1,080)
Distribution costs	(160)	(120)
Administrative expenses	(400)	(80)
	440	880
Investment income	160	-
	600	880
Taxation	(400)	(480)
Profit for the year	200	400

Contd...5



Additional information:

- a) Paris acquired 80% of London's share capital on 31 December 20X5.
- b) Goodwill was calculated valuing NCI using the fair value method. A goodwill impairment of \$38,000 was found to be necessary at the year end. Impairments are included within administrative expenses.
- c) Paris made sales to London, at a selling price of \$600,000 during the year. Not all of the goods had been sold externally by the year end. The profit element included in London's closing inventory was \$30,000.
- d) The figure for investment income in Paris's statement of profit or loss represents the dividend received from London for the year.

Prepare a consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 20X9 for the Paris group.

8. Statements of financial position at 31 March 20X1

	P \$000	S \$000
Non-current assets:		
Property, plant and equipment	1,950	750
Investment in S	1,100	-
Current assets	550	850
	3,600	1,600
Equity:		
Share capital	1,800	500
Retained earnings	1,000	500
Current liabilities	800	600
	3,600	1,600

P acquires 80% of S on 31 March 20X1. NCI should be valued using proportion of net assets method. Impairment cost is 25%.

Prepare a consolidated statement of financial position (CSFP) at 31 March 20X1.

9. Below are extracts from the financial statements of an entity: Statement of profit or loss for the year ended 31 March 20X1

	\$
Revenue	30,650
Cost of sales	(26,000)
Gross profit	4,650
Distribution costs	(900)
Administrative expenses	(500)
Profit from operations	3,250
Investment income	680
Finance costs	(400)
Profit before tax	3,530
Income tax expense	(300)
Profit for the period	3,230

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## Statements of financial position:

	31 March 20X1 \$	31 March 20X0 \$
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	2,280	850
investments	2,500	2,500
	<u>4,780</u>	<u>3,350</u>
<b>Current assets</b>		
Inventories	1,000	1,950
Trade and other receivables	1,900	1,200
Cash and cash equivalents	410	160
<b>Total Assets</b>	<u>8,090</u>	<u>6,660</u>
<b>Equity and liabilities</b>		
Capital and reserves		
Share capital	1,000	900
Share premium	500	350
Retained earnings	3,410	1,380
	<u>4,910</u>	<u>2,630</u>
<b>Non-current liabilities</b>		
Long term borrowings	2,300	1,040
<b>Current liabilities</b>		
Trade and other payables	250	1,890
Interest payable	230	100
Taxation	400	1,000
<b>Total equity and liabilities</b>	<u>8,090</u>	<u>6,660</u>

## Additional information:-

- Profit from operations is after charging depreciation on the property, plant and equipment of \$450.
  - During the year ended 31 March 20X1, plant and machinery costing \$80 and with accumulated depreciation of \$60, was sold for \$20.
  - The receivables at the end of 20X1 include \$100 of interest receivable. There was no balance at the beginning of the year.
  - Investment income of \$680 is made up of \$300 interest receivable and \$380 dividends received.
  - Dividends paid during the year were \$1,200.
- Produce a statement of cash flows for the year ended 31 March 20X1 in compliance with IAS 7  
Statement of Cash Flows using the indirect method.
10. What is corporate governance? Explain in detail the approaches to the corporate governance.

Contd...7



**SECTION - E (Compulsory)**

11. Parker's financial statements show the following profit before tax figures for the entity's first two years of trading:

Y.E.30.6.20X8	\$450,000
Y.E.30.6.20X9	\$550,000
Y.E.30.6.20Y0	\$300,000

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Income tax which has been calculated based on taxable profits is as follows:

Y.E.30.6.20X8	\$96,000
Y.E.30.6.20X9	\$108,000
Y.E.30.6.20Y0	\$59,000

Payments of tax were made nine months following each yearend as follows:

Y.E.30.6.20X8	\$90,000
Y.E. 30.6.20X9	\$118,000
Y.E.30.6.20Y0	\$55,000

Prepare the relevant extracts from the financial statements for each of the three years in respect of income tax.

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G 404.3

(2018 batch only)

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**St Aloysius College (Autonomous)  
Mangaluru**

**B.B.A. Semester III – Degree Examination**

**October - 2019**

**COMMERCIAL LAW**

**Time: 3 hrs.**

**Max Marks: 100**

**SECTION - A**

**(10x1=10)**

1. **Answer all the following questions.**

a) In India, which of the following Act deals with contract related issues?

- i) Indian Contract Act 1872                      ii) Indian Contract Act 1956  
iii) Indian Contract Act 1913                      iv) Indian Contract Act 2000

b) Quid-pro-quo means

- i) something for something                      ii) something in return  
iii) Both i) & ii)                                      iv) single opinion

c) When two parties make identical offers to each other, in ignorance of each other's offer, the offers are called:

- i) standing offers                                      ii) cross offers  
iii) tenders    iv) counter offers

d) Void-ex-post-facto which means:

- i) No consideration no contract                      ii) Discharge of contract  
iii) contract becoming void subsequently                      iv) lapse of time

e) Information Technology Act was passed in the year

- i) 1994                      ii) 2000                      iii) 2002                      iv) 2005

f) One who gives the surety is called

- i) surety                      ii) guarantor                      iii) Indemnity holder                      iv) both i) & ii)

g) Person making the proposal is called

- i) promisee                      ii) promisor                      iii) offeror                      iv) both ii) & iii)

h) Lex Mercatoria means \_\_\_\_\_

- i) Law merchant                      ii) Estoppel                      iii) Ratification                      iv) Drawn together

i) How many minimum parties are involves in contract of guarantee?

- i) two                      ii) three                      iii) four                      iv) five

j) Section 14 of the Indian contract Act is related to

- i) Free consent                      ii) Mistake                      iii) Fraud                      iv) Misrepresentation

**Contd...2**



**SECTION - B**

2. Answer any **TEN** of the following questions in 2 or 3 sentences each:

- a) What is doctrine of stare decisis?
- b) What is a counter offer?
- c) Who is an idiot?
- d) Who is an alien enemy?
- e) What is duress?
- f) Give the meaning of uberrimae fidei.
- g) Give the meaning of indemnity.
- h) What do you mean by digital signature?
- i) What is computer network?
- j) What is permissive law?
- k) Who can accept the offer?
- l) Give the meaning of Jus in rem.

**SECTION - C**

(3x5=15)

Answer any **THREE** questions in not less than one pages each:

3. Explain the branches of law.
4. Explain the exceptions to the rule "No Consideration, No Contract".
5. Distinguish between fraud and misrepresentation.
6. State the essentials of contract of guarantee.

**SECTION-D**

(3x15=45)

Answer any **THREE** questions in not less than two page each:

7. Define cyber-crime. Explain the categories of cyber-crimes and why cyber law is required in India?
8. Distinguish between contract of indemnity and guarantee. Explain the extent of surety's liabilities.
9. Describe the modes of discharge of a contract.
10. Explain the legal provisions relating to minor's agreement in India.

**SECTION E**

(1x10=10)

**Case Law:**

11. Explain the legal points involved in the case Balfour v/s Balfour.

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G 405.3

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St Aloysius College (Autonomous)  
Mangaluru  
B.B.A. Semester III – Degree Examination  
October - 2019

**FINANCIAL MANAGEMENT**

Time: 3 Hours

Max. Marks: 100

**SECTION - A**

1. Answer all the following questions (10x1=10)
- a) Financial Management is mainly concerned with \_\_\_\_\_
- a) All aspects of acquiring and utilizing financial resources for Firms.
  - b) Arrangement of funds.
  - c) Efficient management of every business
  - d) Profit maximization.
- b) According to the \_\_\_\_\_ model the dividend decision is irrelevant.
- a) M.M. Model
  - b) Gordon model
  - c) Walter model
  - d) X, Y, Model
- c) Degree of total leverage can be applied in measuring change in \_\_\_\_
- a) EBIT to a percentage in Quantity.
  - b) EPS to a percentage in EBIT
  - c) EPS to a percentage in Quantity.
  - d) Quantity to a percentage change in EBIT.
- d) A price for equity is called \_\_\_\_
- a) Interest Rate
  - b) Cost of Equity
  - c) DEBT Rate
  - d) Investment return.
- e) In capital Budgeting, A technique which is based upon discounted cash flow is classified as \_\_\_\_
- a) Net present value
  - b) Net Future value method
  - c) Net capital budgeting method
  - d) Net equity budgeting method
- f)  $K_e = \text{DPS} / \text{MP} \times 100$ , this formula may be used in
- a) Calculating capital structure
  - b) Reserve
  - c) Depreciation
  - d) Calculating cost of equity share capital
- g) The term capital structure refers to \_\_\_\_
- a) Long term debt, preferred stock and common stock equity.
  - b) Current Asset and Current Liabilities.
  - c) Total assets minus liabilities
  - d) Shareholders equity
- h) The \_\_\_\_\_ method provides correct rankings of mutually exclusive projects, when the firm is not subject to capital rationing.
- a) Net present value
  - b) Internal rate of return
  - c) Payback period
  - d) Profitability Index
- i) The proposal is accepted if the profitability index is more than \_\_\_\_
- a) one
  - b) zero
  - c) three
  - d) five

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Contd...2



- j) Time value of money indicates that \_\_\_\_\_
- A unit of money obtained today is worth more than a unit of money obtained in future
  - A unit of money obtained today is worth less than a unit of money obtained in future.
  - There is no difference in the value of money obtained today and tomorrow.
  - None of the above.

### SECTION - B

2. Answer any TEN of the following questions in two three sentence each. (10x2=20)

- Define financial Management?
- What is perpetual annuity?
- What do you mean by payback period?
- What is internal rate of return?
- What is working capital?
- What is capitalization rate?
- What is capital structure?
- What is financial leverage?
- What is debenture dividend?
- What is dividend decision?
- What is property dividend?
- X Ltd issued ₹ 1,00,000 ordinary shares at ₹ 10 at discount of 10%. Issue expenses ₹ 50,000. It is expected to pay dividend 17% for the current year. Calculate cost of equity.

### SECTION - C

- Answer any THREE questions in not less than one pages each: (3x5=15)

- Explain scope of financial management under traditional approach.
- Explain briefly the factor which determine the dividend policy of a company.
- Colgate Ltd expects cash inflows from its investment proposal it has undertaken in time period zero, ₹ 2,00,000 and ₹ 150,000 for the first two years respectively and then expects annuity payment of ₹ 1,00,000 for the next eight years, what would be the net present value of cash inflows assuming a 10 percent rate of interest? P.V. factor at 10%.

Year	P.V factor
1	0.909
2	0.826
3	0.751
4	0.683
5	0.621
6	0.564
7	0.513
8	0.467

6. From the following information, ascertain the price of the share under Walter's and Gordon's model

Earnings of the firm 3,00,000

Dividend paid ₹ 2,25,000

Number of shares outstanding 20,000 shares of ₹ 100 each.

Capitalization rate - 12%

Internal rate of return 18%

#### SECTION - D

Answer any THREE questions in not less than one pages each: (3x15=45)

7. What is the scope of financial management? Explain the role of a financial manager in a modern business enterprise.
8. Geetha Ltd provides you the following information.

- a) Profit after tax before depreciation for 5 years

Year	Profit after tax before depreciation
1	25,000
2	45,000
3	55,000
4	1,65,000
5	1,95,000

- b) Investment ₹ 3,00,000

- c) Present value factor at 11% and 13% given below

P.V @ 11% :	0.901	0.812	0.731	0.659	0.593
P.V @ 13% :	0.885	0.783	0.693	0.613	0.543

Find out internal rate of return.

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9. As a financial analyst of a large electronic company. You are required to determine WACC of the company using

- i) Book value  
ii) Market value

The following information is available

Debenture of ₹ 8,00,000 of ₹ 100 each and the market value is ₹ 110.

Preference shares ₹ 200000 of ₹ 100 each, and the market value is ₹ 120.

Equity shares of ₹ 10,00,000 of ₹ 10 each and the market value is ₹ 22.

All these securities are traded in the capital market and recent prices are given above.

Anticipated external financing opportunities are

- a) ₹ 100 debentures redeemable at par after 10 years maturity, 11% coupon rate, 4% flotation cost and sale price ₹ 100.

Contd...4



b) ₹ 100 preference shares redeemable at par after 10 years maturity 12% dividend rate, 5% floatation cost and sale price ₹ 100.

c) Equity shares sale price ₹ 22 and ₹ 2 floatation cost.

In addition, the dividend expected an equity shares at the end of the year ₹ 2 per share; the annual growth rate is 7% and the firm has a practice of paying all its earnings in the form of dividend. The corporate tax is 35%.

10. Calculate operating and financial leverage under situation 1 and 2 and financial plans A & B respectively from the following.

Installed capacity - 2000 units

Annual production & Sales - 50% of installed capacity

Selling price per unit - ₹ 20

Variable cost per unit - ₹ 10

Fixed cost:

Situation 1 : ₹4,000

Situation 2: ₹ 5,000

Capital structure:

	Financial Plan	
	A	B
Equity	5,000	15,000
Debt (cost 10%)	15,000	5,000
Total	20,000	20,000

### SECTION - E

#### Compulsory question

(1x10=10)

11. Priya Ltd provides you its capital structure. Find out the composite cost of capital

Debt as a % of capital employed	Kd (%)	Ke(%)
0	5	12
10	5	12
20	5	12
30	5.5	13
40	6	14
50	6.5	16
60	7	16
70	7.5	18
80	8	18
90	9	20

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(2018 Batch only)

G 406.3

Reg. No:

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**St Aloysius College (Autonomous)**  
**Mangaluru**  
**B.B.A. Semester III – Degree Examination**  
**October - 2019**

**HUMAN RESOURCE MANAGEMENT**

Time: 3 Hours

Max. Marks: 100

**SECTION - A**

(10x1=10)

1. Answer all the following questions:
- a) A broad statement of the purpose, scope, duties and responsibilities of a particular job is called  
i) Job specification ii) Job description iii) Job analysis iv) Job design
- b) An evaluation process of employee's performance as compared to set standards is called  
i) Performance appraisal ii) Compensation  
iii) Counseling iv) Design of evaluation
- c) Rebekah was hired soon after graduation and assigned to complete a management trainee program. She will move to various jobs each month for a nine month period of time. Her employer is utilizing the \_\_\_\_ form of training.  
i) Job rotation ii) Understudy iii) Coaching iv) Special assignments
- d) \_\_\_\_\_ is sequential pattern of jobs that form a career.  
i) Career path ii) Career goal iii) Career planning iv) Career development
- e) \_\_\_\_\_ is defined as a method of human interaction that involves realistic behavior in imaginary situation.  
i) Vestibule training ii) Conference iii) Programmed Instruction iv) Role play
- f) \_\_\_\_\_ is the process of determining relative worth of jobs.  
i) Job evaluation ii) Job specifications iii) Job descriptions iv) Job design
- g) The evaluator uses a list of behavioural descriptions and checks off those behaviours that apply to the employees. The method of appraisal is called  
i) Forced choice appraisal ii) Forced distribution appraisal  
iii) Checklist appraisal iv) Behaviourally Anchored rating scale
- h) The test which measures individual potential to learn is  
i) Aptitude test ii) Attitude test iii) Personality test iv) Intelligence test
- i) Training helps to improve and give higher  
i) Productivity ii) Mobility iii) Viability iv) Vitality
- j) The downward movement of an employee in organizational hierarchy with lower pay, status, responsibilities means  
i) Demotion ii) Job change iii) Promotion iv) Transfer

Contd...2



**SECTION - B****(10x2=20)**

2. Answer any **TEN** of the following questions in 2 or 3 sentences each:
- What is internal mobility?
  - What is the significance of HRM at the corporate level?
  - What is job analysis?
  - What is job specification?
  - What is scouting?
  - Give the meaning of polygraph test.
  - Define the term living wage.
  - Define job evaluation.
  - Write a difference between domestic HRM and International HRM.
  - What is retrenchment?
  - What is Markov Analysis?
  - What is meant by HRD?

**SECTION - C****(3x5=15)**

Answer any **THREE** questions in not less than one page each:

- Differentiate between job description and job specification.
- Write a note on International HRM.
- Define socialization. Explain its methods.
- Describe the role of a Human Resource Manager.

**SECTION - D****(3x15=45)**

Answer any **THREE** questions in not less than two pages each:

- Explain the factors affecting human resource planning.
- What is employee compensation? Explain direct and indirect compensation given to the employees.
- Define selection. Explain the types of selection tests.
- Describe the qualities required to become a successful Human Resource Manager.

**SECTION - E****(1x10=10)**

**Compulsory question:**

- List out the role, job description, selection process of any company for the post of sales department head.

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G 701.3

(2018 Batch onwards)

Reg. No:

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**St Aloysius College (Autonomous)**

Mangaluru

B.Com./B.B.A. - Semester III - Degree Examination

October 2019

**FOUNDATION COURSE IN HUMAN RIGHTS AND VALUE EDUCATION**

Time: 3 Hours

Max. Marks: 100

**PART - A****HUMAN RIGHTS**

**I. Answer all the following questions in three sentences each. (1x5=5)**  
**Each questions carries one mark.**

1. What is meant by Human Rights? Who classified Human Rights as generational rights?
2. Expand UDHR and Mention the date of its adoption.
3. In which year Amnesty International received United Nations Human Rights award?
4. Who appoints the chairman and members of NHRC?
5. Who is a Refugee?

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**II. Answer any FIVE questions in about a paragraph each. Each (3x5=15)**  
**question carries 3 marks.**

6. Nido was studying in Jalandhar and came to Delhi to meet his friends. At Lajpat nagar, he asked for the address with a shopkeeper. But the shopkeeper along with other fellow shopkeepers in the vicinity made mockery of Nido's hair style and colour. Out of rage Nido broke the glass item worth ₹ 7,000. Nido was then beaten up mercilessly with iron rods and sticks by six people. Police intervened to solve the matter and made Nido pay back ₹ 7,000 which he did. He then went to his room at his sister's home, but the next day he was dead in his bed. The initial report of doctors has stated that a swelling in the brain has led to the death of Nido.
  - i) Do you agree with the actions taken by the police? Explain.
  - ii) What do you mean by Racial Discrimination?
  - iii) Mention the convention of UN regarding Racial Discrimination.
7. Which day is celebrated as Human Rights Day? What is the significance?
8. In September 1999 a sex worker in Calcutta was murdered by a prospective client after she refused to have sex with him. When the case (Budhadev Karmaskar vs the state of west Bengal) went to the Supreme Court, it had a landmark judgement, stressing the prostitutes right to lead a life of dignity as well.
  - i) Is 'Right to life' a fundamental right or a Human right?
  - ii) Do you agree with the judgement of Supreme Court? Justify.
  - iii) Suggest some effective schemes for the rehabilitation of women sex worker in India.

Contd...2



9. What is meant by Consumer Rights?
10. State the importance of UDHR.
11. Examine any two types of Human Rights.

**III. Answer any FIVE questions in about 10 sentences each. (5x5=25)**  
**Each question carries 5 marks.**

12. Write a short note on Indigenous Population.
13. Who are Dalits? Examine the status of Dalits in India.
14. Explain the role of NGO's in protecting Human Rights.
15. Write a note on Human Rights Watch.
16. Examine the status of Adivasis in India.
17. Explain the role of students in promoting Human Rights.
18. Write a short note on the challenges faced by Transgenders.

**IV. Answer any ONE question in about 20 sentences each. Each (10x1=10)**  
**question carries 10 marks.**

19. Discuss the Human Rights enshrined in the UDHR.
20. Explain the origin and development of Human Rights

**V. Answer any ONE question in about 40 sentences each. Each (15x1=15)**  
**question carries 15 marks.**

21. Explain the role of NGO'S and IGO's in protecting Human rights.
22. Explain the remedies available against violation of Human Rights in India.

**PART - B**

**(VALUE EDUCATION)**

**VI. Answer any FOUR questions in about 8-10 sentences. Each (5x4=20)**  
**question carries five marks.**

23. Define marriage. Explain the significance of Marriage.
24. What are the factors influencing the decision of marriage?
25. Write a note on Reproductive Health.
26. What are the signs and symptoms of Miscarriage? Explain.
27. Examine the disadvantages of Artificial Birth Control method.
28. Define family. Explain the characteristics of functional family.

**VII. Answer any ONE question in about 20 sentences. The (10x1=10)**  
**Question carries 10 marks.**

29. Explain the common causes for Divorce.
30. Discuss the methods of Family planning.

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