

(2013 Batch onwards)

G 401.5

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

COST AND MANAGEMENT ACCOUNTING - I

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

1. Answer all the questions in 2 or 3 sentences each:
- Give the meaning of fixed cost.
 - Which method of costing is suitable for printing press?
 - What is idle time?
 - What is codification of materials?
 - What is a defective?
 - Who are casual workers?
 - Define overheads.
 - Give the meaning of conversion cost.
 - What do you mean by cost unit?
 - What is reorder level?

SECTION - B

(5x7=35)

Answer any FIVE of the following questions:

- Differentiate between time keeping and time booking.
- What is ABC analysis? What are its advantages?
- A manufacturer purchased three chemicals, P, Q and R at the following invoice price.

	₹
P 3,000 kg @ ₹ 42 per kg	1,26,000
Q 5000 Kg @ ₹ 38 per kg	1,90,000
R 2000 kg @ ₹ 47 per kg	94,000
Sales tax	8,220
Railway freight	4,000

A shortage due to breakages was P – 200 kg, Q – 280 kg & R – 100 kg. Octroi paid by the purchaser @ ₹ 4 per kg. calculate the cost of the material for pricing issue of chemicals assuming a provision of 5% towards further deterioration.

- Two components M and N are used as follows:

Normal usage 1200 units per week each

Minimum usage 1800 units per week each

Maximum usage 600 units per week each

Reorder quantity : M - 9600 units, N - 14,400 units

Re order period: M - 2 to 4 weeks, N - 4 to 6 weeks

Calculate for each component

- Reorder level
- Maximum level
- Minimum level
- average stock level

Contd...2

6. Workout the machine hour rate for the following machine, whose scrap value is nil.
- Cost of machine ₹ 9,00,000
 Freight & installation ₹ 1,00,000
 Working life 10 years
 Working hours 4000 per year
 Repair charges 50% of depreciation
 Power – 20 units per hour @ ₹ 6/hr
 Lubricating oil at ₹ 80 per day of 8 hr
 Consumable stores at ₹ 400 per day of 8 hours
 Wages of operator at ₹ 160 per day.

7. From the following draw-up the Bin card No. 25 for January 2016

- Jan 1 Opening balance 150 tons
 2 Issued an requisition No. 207 : 28 tons
 4 Issued an requisition No. 237 : 41 tons
 6 Received from supplier by challan No. 11 : 60 tons
 8 Issued a requisition No. 381 : 46 tons
 17 Received by challan No. 72 : 50 tons
 24 Issued a requisition No. 395 : 34 tons
 28 Received a challan No. 155 : 63 tons
 31 Issued a requisition No. 432 : 42 tons

Examination by the stock verifies on 26.01.2016 revealed a shortage of 3 tons.

8. A worker takes 6 hours to complete a job under a scheme of payment by results. Standard time allowed for the job is 9 hours. His wage rate is ₹ 300 per hour. Material cost of the job is ₹ 3200 and overhead are recovered at 200% of direct wages. Calculate factory cost of the job under Rowan & Halsey premium plans.

SECTION - C

(3x15=45)

Answer the following questions:

9. From the following prepare cost sheet for the year ended 31.12.2015.

	₹		₹
Stock on 31.12.2014:		Stock on 31.12.2015:	
Raw materials	Nil	Raw materials	5,500
WIP	11,200	WIP	5,500
Finished goods (units)	1,600	Finished goods (units)	1,200
Finished goods value	97,600	Finished goods value	1,22,000
Purchases	1,91,000	Factory wages	50,000
Depreciation of delivery van	6,600	Scrap sold : Factory Material	300 6,800
Management expenses	17,750	Carriage outward	850
Return inward	2,000	Bank charges	850
Cost of defective work	170	Special dies	15,000
Sales	3,80,000	Building repairs (25% office & 75% factory)	17,000
Loss on sale of plant	5,000	Cash discount	8,000
Carriage inward	1,300	Exhibition expenses	9,400
Drawing office expenses	3,750	Subscription to journal	10,900
Finished stock insurance	4,750	Rent & taxes: Factory Office	1,100 1,250
Commission to director	8,900		
Heat, light & power	1,830		
No. of units sold	5400 units		

Contd...3

OR

What do you mean by labour turnover? What are the reasons for it? Explain its effects.

10. Explain the differences between cost accounting & financial accounting.

OR

Prepare stores ledger based on LIFO method from the following:

Month & Date	Particulars	Quantity	Rate per unit
June 1	Opening balance	10,000	75
2	Received	15,000	80
3	Issued	6,000	
5	Issued	8,000	
6	Received back from production Dept.	500	
7	Received	17,000	60
8	Issued	11,000	
9	Physical verification	200	Loss
10	Issued	7,500	
12	Issued	4,800	
15	Received	12,000	90
20	Excess	100	
24	Issued	1,200	
28	Received	800	100
30	issued	2,100	

11. Modern manufacturers Ltd. has 3 production departments P1, P2 & P3 and two service departments S1 & S2. The details of these departments are as under:

	P1	P2	P3	S1	S2
Direct materials	12,000	8,000	12,000	6,000	6,000
Direct wages	20,000	24,000	32,000	16,000	8,000
Labour hours	12,000	16,000	8,000	--	--
Value of machines (₹)	2,40,000	3,20,000	4,00,000	20,000	20,000
HP of machine	240	120	200	40	--
Light points	40	60	80	40	20
Floor space (sq.ft.)	8,000	10,000	12,000	8,000	2,000

The following additional information are obtained from its records:

Rent & rates ₹ 20,000 depreciation on machine ₹ 40,000
Power ₹ 6,000 Indirect wages ₹ 7,200
General lighting ₹ 2,400 Sundry expenses ₹ 36,000

The expenses of the service department are allocated as under:

	P1	P2	P3	S1	S2
S1	30%	40%	20%	--	10%
S2	40%	30%	10%	20%	

Redistribute the service department costs to the production departments by using simultaneous equation method.

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OR

The following particulars are taken from the books of Asha Ltd. for the month of July 2016, relating to a department where 50 workers are employed.

	₹
Basic wage	40,000
Dearness allowance	20,000
House rent recovered	12,000
Loan recovered	24,000
Overtime allowance	9,000
P.F. deposit for July	10,000
ESI contribution	4,000
Canteen expenses	6,000

Bonus 20% on basic wages.

The factory worked for 25 days of 8 hours each in July. The workers are entitled to 5% of the total working days as leave on fully pay. Normal idle time is 10%. The contribution of ESI & PF, are in the proportion of 7:3 & 1:1 by the employer and the employees respectively.

Calculate the

- a) labour cost b) labour cost per hour c) cash required for payment of wage

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**St Aloysius College (Autonomous)
Mangaluru**

B.B.A./B.B.M. Semester V – Degree Examination

October - 2018

INSURANCE AND RISK MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A

(10x2=20)

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

- What are interest rate options?
- What is fire Insurance? State one fire insurance policy.
- State any two objectives of pricing.
- What is principle of contribution?
- Distinguish between risk and uncertainty.
- What is arbitrage profit?
- What is underwriting?
- Expand IRDA.
- What is margin money?
- What are derivatives?

(5x7=35)

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

- What are the factors affecting options pricing.
- State the objectives and principles behind underwriting.
- Explain the regulations, power and duties of IRDA.
- Give a note on settlement of Maturity claims.
- State the differences between future contracts and forward contracts.
- Explain the essentials of Insurance contract.
- Explain the different types of risks.

SECTION – C

(3x15=45)

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

- Define risk management. Explain the process of Risk Management.

OR

Explain the different methods of pricing in Insurance.

- Explain the functions of different departments of insurance companies.

OR

Explain briefly the principles of Insurance.

Contd...2

11. What is claims Management? Explain the general guidelines for settlement of claims in general insurance.

OR

Company X wishes to take a Rupee loan at a fixed-rate of interest. Company Y wishes to borrow Japanese Yen at a fixed rate of interest. The amounts required by the two companies are roughly the same at the current exchange rate. The companies have been quoted the following interest rates:

	Yen	Rupees
Company X	4.0%	9.6%
Company Y	5.5%	10.0%

Design a swap that will net a bank, acting as intermediary 50 basis points per annum.

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St Aloysius College (Autonomous)

Mangaluru

B.B.A/B.B.M. - Semester V - Degree Examination

October - 2018

ADVANCED TAXATION

Time: 3 hrs.

Max Marks: 100

SECTION - A

1. Answer the following in 2 or 3 sentences each. (10x2=20)
- Mention the rules relating to Section 80TTA.
 - What is unabsorbed depreciation? Write the set off procedure.
 - What is the rule regarding application of surcharge for individual assessee?
 - Write the provisions on Section 80 U.
 - How do you treat remuneration paid to the partners by the firm, in the hands of the partners?
 - Write a note on Section 80E.
 - Expand MAT with reference to assessment of company. For how many years MAT credit can be carried forward?
 - Mention the various types of GST.
 - Mention any two objectives of GST.
 - Give the meaning of the term 'Assessable Value' in case of customs duty.

SECTION - B

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

- Explain the rules governing depreciation.
- Show the format of computation of book profit in case of assessment of company.
- Total income of Ms. Sunita is 1,08,20,000. It includes LTCG ₹80,000, STCG (shares)-₹40,000 and winnings from lottery ₹90,000 (gross). Find her tax liability.
- From the following information, compute total income of Sanjeeda for the AY 2018-19.

	₹
Gross Total Income	12,00,000
Deduction u/s 80C	1,25,000
Deduction u/s 80D	21,000

She paid ₹40,000 as interest on loan taken for the purpose of higher education of her daughter. During the PY 2017-18, she made the following donations:

Contd...2

	₹
To National Defence Fund	20,000
To Clean Ganga Plan	12,000
To PMDRF	10,000
To Swacch Bharat Fund	8,000
To Rajiv Gandhi Foundation	6,000
To Indian Olympic Association	10,000
To Mangaluru City Corporation for promoting family planning	6,000
To Charitable Trust (Recognised)	7,000

6. Compute Income from business of firm in the following cases.
- Case A: Book profit ₹6,00,000. Partners remuneration ₹3,50,000.
- Case B: Book profit ₹2,50,000. Partners remuneration ₹60,000.
- Case C: Book loss ₹17,00,000. Partners remuneration ₹25,00,000.
- Case D: Book loss ₹50,000. Partners remuneration ₹3,00,000.
7. Find assessable value and customs duty payable from the following.
- Assessable value of imported goods - ₹25,10,000.
- Basic customs duty - 12.5%, counter vailing duty 10%, IGST - 28%, safeguard duty - 12% and compensation cess @60%.
8. A domestic company provides you the total taxable income ₹1,88,50,000 which includes winnings from horse race(net) ₹7,70,000. Long term capital gain u/s10(38) ₹3,00,000 and short term capital gain (Sec111A).
Book profit of the company is ₹2,10,00,000. Find out the ultimate tax liability of the company.

SECTION - C

Answer the following questions.

(3x15=45)

9. From the following information provided by Dylon, compute total income and tax liability for the AY 2018-19.

Particulars	₹	Particulars	₹
Gross salary	47,50,000	Dividend from co-operative society	30,000
Professional tax	2,400	Dividend from shares of Infosys Ltd.	10,40,000
Rent from house property	2,50,000	Winnings from horse race (net)	14,000
Long term capital gain	1,60,000	Life Insurance Premium paid (sum assured 3,00,000, policy taken on 17-11-15)	34,000
Short term capital gain	1,10,000	PPF contribution	30,000
STCG (shares)	50,000	Medical insurance premium paid	26,000
Interest on saving bank	15,000		
Municipal tax on LOHP	20,000		
Interest on housing loan	2,45,000		
Interest on securities	28,000		
Donation to NCF	20,000		

Contd...3

OR

Aarav Ltd. is a manufacturing concern. It provides information about its assets which is as follows:

	Furniture	P&M	Trucks (30%)	Land & Buildings	Books (40%)
WDV as on 1-4-17	1,25,000	4,25,000	4,95,000	12,50,000	1,00,000
Date of purchase during the year	10 th June	30 th Sept	11 th Aug	-	4 th Jan
Date of putting to use	15 th June	8 th Oct	30 th Aug	-	5 th Jan
Cost of purchases	2,35,000	1,85,000	3,25,000	-	47,500
Sale proceeds during the year	1,20,000	2,10,000	1,20,000	13,80,000	20,000

One of the trucks completely destroyed by fire and insurance claim received ₹1,00,000.

Compute depreciation for the AY 2018-19.

10. Kabir, Tulsidas & Surdas are partners in a firm sharing profits and losses in the ratio of 3:2:1 with Tulsidas being a non-working partner. From the following information, compute total income and tax liability. Also find out the share of income of partners from the firm for the AY 2018-19. The firm fulfills the conditions of section 184.

Salaries	78,000	Gross profit	3,25,000
Rent	42,000	Interest on Savings Bank A/c	8,000
Depreciation	31,000	Rent from house property	45,000
Income tax	17,500	LTCG	30,000
Provision for income tax	8,000	STCG (shares)	31,000
Provision for doubtful debts	18,000	Interest on securities	7,800
Municipal tax on LOHP	8,000	Interest on Drawings by Surdas	12,500
Fire insurance premium	3,500	Dividend from foreign companies	17,500
Life insurance premium	4,800	Dividend from Indian companies	21,000
Commission:			
Kabir	20,000		
Tulsidas	8,000		
Surdas	21,000		
Bonus:			
Kabir	12,000		
Tulsidas	8,000		
Surdas	12,000		
Sundry expenses	76,000		
Provision for sales tax	48,000		
Donations	37,000		
Net profit	45,000		
	4,97,000		4,97,000

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Additional Information:

- Salaries includes salary paid to Kabir, Tulsidas and Surdas ₹12,000, ₹10,000 and ₹14,000 respectively.
- Depreciation allowed by the IT rules was ₹38,000.
- Rent includes ₹20,000 rent paid to Kabir for the office let out by him.
- Bad debts amounting to ₹8,000 was allowed by the assessing officer.
- Donations include ₹17,000 to PMNRF and ₹10,000 to Hockey India and remaining to National Laboratory.

OR

The profit and loss account of XYZ Ltd., a domestic company for the year ending 31-3-2018 is given below:

Particulars	₹	Particulars	₹
Expenses related to goods manufactured	10,00,000	Sale of goods manufactured by the company	16,00,000
Expenses related to sale of other goods	8,20,000	Sale of other goods	14,50,000
Proposed dividend	8,05,000	Long term capital gain	5,70,000
Provision for unascertained liabilities	40,000	Amount withdrawn from general reserve	20,000
General reserve	60,000		
Income tax paid	30,000		
Net profit	8,85,000		
	36,40,000		36,40,000

Other information are as follows:

- An outstanding liability related to sales tax for 2015-16 and 2016-17 paid during the current year ₹50,000 is not shown in the above profit and loss A/c.
- Brought forward loss as per the books of A/c is ₹60,000, while the brought forward depreciation as per income tax purpose is ₹80,000.
- Brought forward unabsorbed depreciation is ₹4,00,000 (Accounts).
- Brought forward depreciation is ₹3,50,000 (Tax purpose).

Compute total income and tax liability for the AY 2018-19, apply MAT.

11. From the following information given by Aman Co. Ltd., determine assessable value and customs duty payable.

- Cost of goods \$15,000.
- Design and development charges \$2,000.
- Packing charges \$3,500.
- Commission paid to broker in India who arranged the deal ₹10,000.

Contd...5

- e) Freight from USA to Indian port \$2,200.
 f) Insurance premium \$1,100.
 g) Exchange rate:
 - Declared by the board ₹66=\$1(CBEC).
 - Declared by RBI ₹66.50=\$1
 h) Basic customs duty - 10%, countervailing duty 12%, compensation less 20%.
 i) IGST - 18%

OR

Following are the transactions of a taxable person in Karnataka for the month of July 2018. Compute output tax, input tax and GST payable.

Details of purchases:

- Material purchased from Bilal ₹20,00,000 (GST 5%)
 Raw materials 'A' purchased from Mangaluru ₹24,00,00 (GST 12%).
 Raw materials 'Y' purchased from Puttur ₹16,00,00 (GST 5%).
 Materials purchased from local market ₹6,00,000 (GST 18%).
 Materials purchased from a unit of export oriented unit (Including BCD @10% and IGST) ₹56,00,000 (GST 28%)
 Material 'D' purchased from unregistered dealer ₹4,00,000 (GST12%)

Details of sales:

- Sold good to a registered dealer of Chennai ₹25,00,000 (GST12%).
 Sold goods in local market ₹60,00,000 (GST 18%).
 Sold goods to dealer of Bihar (unregistered) ₹24,00,000 (GST18%).
 Sold goods to a dealer in France ₹50,00,000.
 Sold goods to a unit of SEZ at Gujarath ₹50,00,000.
 Sold goods to a dealer in Mumbai ₹56,00,000 (GST28%).

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Mangaluru
B.B.A./B.B.M. Semester V – Degree Examination
October - 2018

CORPORATE ACCOUNTING - I

Time: 3 Hours

Max. Marks: 100

SECTION - A

(2x10=20)

1. Answer all the questions in 2 or 3 sentences each:
- What do you mean by calls in arrears?
 - Define Debentures.
 - What is forfeiture of shares?
 - What do you mean by valuation of shares?
 - How do you treat the following items in the final account of a joint stock company?
 - Prepaid insurance
 - Directors Remuneration
 - Term deposits from the public
 - What is P&L appropriation account?
 - What do you mean by issue of share at a premium?
 - A Ltd company purchased machinery costing ₹ 2,40,000. The purchase price was paid by allotment of sufficient number of equity shares of ₹ 10 at a discount of ₹ 2 per share. Pass the journal entry for the same.
 - What do you mean by registered debentures?
 - A company issued ₹ 10,000, 7½% debentures redeemable at 5% premium after 10 years. Pass journal entry.

SECTION - B

(5x7=35)

Answer any FIVE of the following questions:

- Explain how the shares are valued under the following methods:
 - Net assets method
 - Yield method
 - Fair Value method
- Write short notes on:
 - Issue of shares at discount
 - Conversion of shares into a stock
- The directors of Sun Ltd resolved on 01.05.2016 that 2,000 equity shares of ₹ 10 each, be forfeited for the non payment of final call of ₹ 2.50. on 10.06.2016, 1800 shares of the above shares were reissued for ₹ 6 per share.
Record the journal entries in the books of Sun Ltd. to give effect to the above transactions.
- A company issued 6% debentures of ₹ 6,00,000 with a condition that they should be redeemed at the end of 3 years at 10% premium. The amount set aside for the redemption of debentures is invested in 5% government securities. The Sinking Fund table shows that Re 0.31720856 at 5% compound interest in three years will become ₹ 1.
You are required to prepare Debenture sinking fund a/c and debenture sinking fund investment a/c for 3 years.

Contd. 2

6. Net profit of a company, after providing for taxation, for the past 5 years are ₹ 42,000, ₹ 45,000, ₹ 45,000, ₹ 41,000 and ₹ 47,000. The capital employed in the business is ₹ 4,00,000 on which a reasonable rate of return of 10% is expected. Calculate goodwill under:
- Capitalization of average profit method
 - Capitalization of super profit method
7. Sudhir Ltd has 50,000 equity shares of ₹ 10 each ₹ 8 paid and 40,000, 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 and the rate of tax is 65%. Normal rate of dividend is 16%. Find out the value of equity shares under yield method.
8. From the balances of XYZ Co. Ltd prepare a profit and loss appropriation a/c and a balance sheet, after transferring ₹ 8,000 to the reserve fund, ₹ 6,000 to the dividend equalization fund and ₹ 5,000 to the insurance fund from the year's profit.

Particulars	₹
Share capital: 8,000 equity shares	80,000
Calls in arrears	4,000
Reserve fund	18,000
Interim dividend paid	4,000
Forfeited shares a/c	3,000
Capital reserve	1,500
P&L appropriation (cr) A/c	8,000
Land & Building	40,000
Machinery	30,000
Furniture	20,000
Creditors	20,000
Debtors	14,000
Stock	20,000
P&L A/c (Current year net profit)	22,000
Dividend equalization fund	10,000
Insurance fund	7,500
Bank balance	22,000
Bills receivable	16,000

SECTION - C

(3x15=45)

Answer the following questions:

9. Fine tune Ltd issued 2,00,000 equity shares of ₹ 10 each to be payable ₹ 3 on application, ₹ 4 on allotment and ₹ 3 on first and final call. Applications were received for 3,20,000 shares out of which 60,000 applications were rejected. Full allotment was made to the applicants of 80,000 shares and pro-rata allotment was made on the balance.
- One of the share holder holding 200 shares, who got full allotment failed to pay allotment money, while another holder to whom 400 shares were allotted on pro-rata failed to pay allotment money. Both these shareholders failed to pay call money and their shares are forfeited and re-issued at ₹ 8 fully paid.
- Pass Journal entries.

Contd...3

OR

The trial balance of Tigers Ltd on 31 March 2016 is given below.

	Cr (₹)		Dr (₹)
Share capital: 2,00,000 equity shares of ₹ 10 each	20,00,000	Stock on 01.04.2015	3,26,000
Sales	37,60,000	Purchases	24,80,000
Interest	40,000	Wages	2,64,000
P&L A/c	4,48,000	Salaries	2,48,000
Reserve fund	3,60,000	Rent	96,000
Creditors	5,48,000	Commission	12,000
Bills payable	76,000	Interim Dividend	2,00,000
Discount	92,000	Cash	2,68,000
6% debentures	8,00,000	Debtors	3,60,000
Purchases return	1,00,000	Bills payable	1,64,000
Transfer fees	6,000	Preliminary expenses	1,20,000
		Bad debts	18,000
		Investments	3,46,000
		Discounts	60,000
		Goodwill	2,40,000
		Int. on debentures	24,000
		Furniture	2,12,000
		Plant & Machinery	9,60,000
		Land & Buildings	17,40,000
		Sales returns	92,000
	82,30,000		82,30,000

Adjustments:

- Out of total debtors ₹ 10,000 were bad, Provision at 5% is to be made for doubtful debts and 2% for discount on debtors.
- Goods worth ₹ 4,80,000 were destroyed by fire and the insurance company agreed to pay ₹ 3,28,000.
- Stock on 31.03.2016 ₹ 16,50,000
- Salaries outstanding ₹ 18,000
- Transfer ₹ 1,50,000 to reserve fund
- Write off 1/5 of preliminary expenses
- Provision for taxation is to be made for ₹ 50,000
- Provide for interest on debentures

Prepare final accounts in statutory form.

10. On 31st December 2015, the balance sheet of XYZ Ltd was as follows:

Liabilities	₹	Assets	₹
Share capital: 5000 shares of ₹ 100 each	5,00,000	Buildings	2,20,000
P & L a/c	1,03,000	Machinery	95,000
Bank Overdraft	20,000	Stock	3,50,000
Creditors	77,000	Debtors	1,55,000
Provision for taxation	45,000		
Proposed dividend	75,000		
	8,20,000		8,20,000

Contd...4

The net profits of the company for the last 5 years were as under.

Year	2011	2012	2013	2014	2015
Profit (₹)	85,000	96,000	90,000	1,00,000	95,000

On 31st December 2015 Buildings were valued at ₹ 2,50,000 and Machinery ₹ 1,50,000. Reasonable return on tangible capital 10%. Ascertain the intrinsic value of share after valuation of goodwill based on four years purchase of the annual super profit.

OR

On 1st January 2012, ABC Ltd issued 1,000, 8% debentures of ₹ 100 each repayable at the end of three years at a premium of 5%. It has been decided to institute a redemption fund for the purpose, the investment in government securities being expected to earn 5% net. Sinking fund table shows that Re. 0.31720856 invested annually amounts to ₹ 1 @ 5% in three years.

On 31st December 2014, the bank balance was ₹ 42,000 (before receiving interest on investment). The investments were realized at 10% profit and debentures were paid off. Prepare the 8% debentures account, debenture redemption fund, redemption fund investment a/c, debenture holders a/c and Bank a/c for 2014. Show all the calculations to the nearest rupee.

11. The following balances appeared in the books of Atlas Co. Ltd. on 31st March 2016.

	₹	₹
Stock on 01.04.2015	51,000	
Purchases	8,10,000	
Manufacturing expenses	1,80,000	
Salaries and wages	26,400	
General charges	11,000	
Directors fees	400	
Dividend for 2014-15	18,000	
Buildings	1,01,000	
Plant & Machinery	70,400	
Furniture	10,200	
Motor Vehicles	40,800	
Stores and spare parts	30,000	
Bills Receivables	45,000	
Book debts	1,14,000	
Investments	8,000	
Cash at bank	1,06,600	
Share capital		1,44,000
Trade creditors		2,48,000
Sales		11,10,000
P&L a/c		30,000
Interest		2,600
Pension fund		46,000
Excess provision of taxation for earlier years		17,000
Dividend equalization fund		20,000
Unclaimed dividend		2,000
Deposits		3,200
	16,22,800	16,22,800

Contd...5

From the above balances and following information, prepare Companies P&L A/c for the year ended March 31, 2016 and Balance Sheet as on that date.

Additional information:

- Stock on 31.03.2016, ₹ 73,200
- Outstanding expenses: Manufacturing expenses ₹ 45,000, wages ₹ 3,000.
- Interest accrued on securities ₹ 200
- General charges prepaid ₹ 1600
- Provide depreciation on Building at 2%, Plant & Machinery-10%, Furniture-10% and Motor vehicle at 20% p.a.
- The directors propose of dividend @ 20%

Provide taxation at 60% of net profit.

OR

Following is the summarized Balance Sheet of X Ltd, as on 31.12.2015.

Liabilities	(₹)	Assets	(₹)
Share capital : 40,000 shares of ₹ 10 each	4,00,000	Goodwill	1,00,000
Reserve fund	1,00,000	Fixed assets	4,50,000
P&L A/c	35,000	Current assets	1,90,000
9% debentures	1,00,000	Preliminary expenses	25,000
Current liabilities	1,30,000		
	7,65,000		7,65,000

For the purpose of valuation of shares, fixed assets were valued at ₹ 5,00,000 and goodwill at ₹ 1,50,000. There is necessity of RBD at 10% on Sundry Debtors of ₹ 75,000. It is found that stock was overvalued by ₹ 9,000.

The net profit for three years were ₹ 69,000, ₹ 71,800 and ₹ 90,200 respectively after taxation. Out of this profit 20% was placed to reserve. The proportion being considered reasonable in the industry in which the company is engaged and where the normal rate of return is 10%.

Compute the value of each equity share by

- Assets Method
- Yield Method

Also calculate the fair value of a share.

(2013 Batch onwards)

G 405.5

Reg. No:

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

COMPANY LAW

Time: 3 Hours

Max. Marks: 100

SECTION - A

(2x10=20)

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

- What is a share warrant?
- What is a licensed company?
- Give the meaning of blank transfer.
- Who is a proxy?
- What are right shares?
- Define a company director.
- What are cumulative preference shares?
- Who is a particular promoter?
- What is 'Turquand's Rule'?
- Give the meaning of shelf prospectus.

SECTION - B

(5x7=35)

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

- Explain the procedure of members voluntary winding up.
- Distinguish between private company and a public company.
- Write a note on doctrine of ultra-virus.
- Explain the qualifications and disqualifications of a company director.
- What are equity shares? Mention the features of equity shares.
- Explain the different types of resolutions.
- Write a note on irregular allotment.

SECTION - C

(3x15=45)

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

- What are the different kinds of meetings of the shareholders of a company? When and how are these meetings held?

OR

Who is a director of a company? What are the duties and liabilities of a company director?

- What is a 'Prospectus'? Describe its contents and main provisions in framing prospectus.

OR

Define company. Explain the features of a Joint Stock company.

- Explain the corporate veil. Under what circumstances the corporate veil is lifted?

OR

Discuss the different ways of acquiring membership in a company. How can membership be terminated?

G 406.5

(2013 batch onwards)

Reg. No.

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**St Aloysius College (Autonomous)
Mangaluru**

B.B.M./B.B.A. Semester V – Degree Examination

October · 2018

ADVANCED MARKETING MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION - A

1. **Answer the following in 2 or 3 sentences each:** (10x2=20)
- What do you mean by marketing research?
 - Write the meaning of consumer market.
 - Give the meaning of salesmanship.
 - State any two needs of advertising copy.
 - Mention any two roles performed by a Sales Manager.
 - Write an example of consumer research.
 - Give the meaning of research report?
 - What do you mean by sampling?
 - What is error in research process?
 - Write any two examples of multiple choice questions in consumer research questionnaire.

SECTION - B

Answer any FIVE questions: (5x7=35)

- Differentiate between marketing research and marketing information system.
- Explain the various steps involved in preparing questionnaire.
- Explain the essentials in preparing advertisement copy.
- Explain the importance of consumer behaviour.
- What are the features of salesmanship?
- Explain the errors committed in marketing research process.
- What are the advantages of sales organization?

SECTION - C

Answer the following: (3x15=45)

- Explain the various factors influencing consumer behaviour.

OR

Mention the qualities of a successful salesman.

- Explain the process involved in marketing research process.

OR

Explain any two models of consumer behaviour.

Contd..2

11. Explain the tests involved in measuring the effectiveness of advertising.

OR

Case Study:

Mr Advani is a young sales manager in a popular textile mill of Mumbai-Swan Textile Mills Ltd. The company sells directly to retailers all over India. Recently, Advani faced tough sales objections from Southern retailers. The objection is, we can get the same patterns and fabrics cheaper from Swarna Textile Mills Ltd, Chennai.

Advani found the truth in their statement, Swarna Company copied systematically and even printed a trade mark 'Roshni' similar to the trademark 'Rohini' of Swan Company, at the edge of each yard of the fabric. They supplied their cloth at one third the price.

As sales started slipping, he thought of a strategy to prove the quality of Swan products. Advani devised a simple demonstration to prove the qualitative difference between the two products. He took fabric samples from both fabrics and demonstrated the differences and explained the reasons. He asked the retailers to find out the customer's views after 2-3 washings of 'Roshni' Brand. Within month after this demonstration, the angry house wives in the south, flooded retail shops with complaints that the cheap Roshni fabric lost its brightness and started falling apart after two or three washings. They started demanding 'Rohini' and not 'Roshni' brand fabrics. Sales of Rohini shot up in a few weeks.

Questions:

1. If you had been in Advani's place, would you welcome or fear this objection? Why?
2. Could Advani have prevented the initial drop in sales of Rohini through better planning?
3. Would this approach be possible in other markets?

G 407.5

(2013 batch onwards)

Reg. No.

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**St Aloysius College (Autonomous)
Mangaluru**

B.B.A./B.B.M. Semester V – Degree Examination

October - 2018

ADVANCED FINANCIAL MANAGEMENT - I

Time: 3 hrs.

Max Marks: 100

SECTION – A

(10x2=20)

Answer all the questions in 2 or 3 sentences each:

1. a) What is meant by transaction motive?
- b) What is working capital?
- c) Give the meaning of short cost.
- d) What is letter of credit?
- e) What are treasury bills?
- f) Expand "3/30, net 40".
- g) What is lead time?
- h) Give the meaning of FSN Analysis.
- i) What is meant by operating cycle?
- j) What do you mean by Bank float and Postal float?

SECTION – B

(5x7=35)

Answer any FIVE of the following:

2. Explain the motives for holding cash.
3. Explain the different approaches in financing current asset.
4. What are the effects of holding Excess and deficit working capital?
5. From the following compute operating cycle in days period covered 360 days.

Raw material consumption	₹ 22,00,000
Total production cost	₹ 50,00,000
Total cost of sales	₹ 52,50,000
Sales for the year	₹ 80,00,000
Average debtors outstanding	₹ 2,40,000
Value of average stock maintained	
Raw material	₹ 1,60,000
Work in Progress	₹ 1,75,000
Finished goods	₹ 1,30,000

Contd...2

6. SBV Ltd. is examining of relaxing its credit policy. It sells at present 20,000 units at a price of ₹100 per unit, the variable cost and total cost per unit ₹88 and ₹92 respectively. The average collection period is 36 days.
A relaxed credit policy is expected to increase sales by 10% and the average age of receivables to 60 days.
Assuming 15% return, should the firm relax its credit policy?
7. A firms Annual requirements of inventory is 12,000 units its carrying cost per unit is ₹10 and ordering cost per order is ₹40.
The firm can order inventories in various Lots as: 12,000, 6,000, 3,000, 1,500, 1,000, 100
Which of these order quantity is EOQ.
8. What are the objectives of management of cash flows?

SECTION – C**(3x15=45)****Answer the following:**

9. Cost sheet of Vasudev Ltd. Provides the following information.

	Amount per unit (₹)
Raw materials	80
Direct Labour	30
Overheads	60
Profit	30
Selling price	200

1. Raw materials in stock, Materials in process and finished goods in stock for one month, half a month and one month respectively.
2. Credit allowed by suppliers is one month and credit allowed to debtors is two months.
3. Time lag in payment of wages is 2 weeks and in case of overheads is 3 weeks.
4. 25% of the output is sold against cash.
5. Cash in hand ₹25,000.
You are required to prepare a statement showing working capital needed to finance 1,04,000 units level of activity.

OR

Explain the factors determining working capital requirement.

Contd...3

10. Prepare the cash budget for April to September 2016 from the information given below

a) Estimated Sales (₹)

Feb → 1,20,000	March → 1,40,000	April → 80,000
May → 60,000	June → 80,000	July → 1,00,000
August → 80,000	September → 60,000	Oct → 1,00,000

b) Wages and Salary (₹)

April → 9,000	May → 8,000	June → 10,000
July → 10,000	August → 9,000	September → 9,000

c) Cash sales are 20%

d) 75% of credit sales are collected in the month following sales and balance in the second month following sales.

e) Purchase amounts to 80% of sales, are made one month in advance and paid in the month of purchase.

f) Debenture interest to be paid in April and July ₹3,000 each.

g) Advance tax payment to be made in July ₹5,000

h) The opening balance of cash on April 1st is ₹ 20,000. Minimum cash balance of ₹ 20,000 to be maintained every month.

OR

What are the determinants of cash needs? Explain the techniques available for accelerating cash collections.

11.a) Bhushan Ltd has 7 different items on its inventory suggests ABC plan.

Items	Units	Cost/unit (₹)
A	30,000	1.7
B	10,000	0.65
C	5,000	51.2
D	16,000	5.5
E	14,000	5.14
F	10,000	30.4
G	15,000	1.5

b) Explain the objectives of holding inventory.

OR

Write short notes on the following

- short cost concept
- Regulations of bank finance-Dehija Study group
- Stock levels

G 408.5

(2013 Batch onwards)

Reg. No:

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

ADVANCED HUMAN RESOURCE MANAGEMENT-I

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- What is workforce diversity?
- What is proactive change?
- Mention any two objectives of Management Development.
- State any two differences between training and Management development.
- What is Balance Score card?
- Give the meaning of Human Resource Accounting.
- What is Behaviour modeling?
- Mention the difference between attrition and retention.
- What is talent management?
- Mention any two benefits of training.

SECTION - B

(5x7=35)

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

- Why do employees resist change? Give a detailed account of resistance to change.
- Explain the changing role of Human Resource Management.
- Define learning? Explain the principles of learning.
- Describe the need for training.
- Explain the basic requisites of management development.
- Describe the various strategies for talent Management.
- Explain the areas of HR audit.

SECTION - C

(3x15=45)

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

- Describe the various techniques of organisation development.

OR

Explain the functions of Human Resource Development Managers.

- Explain the different techniques of management Development.

OR

Elaborate the methods used to train the employees in the organisation.

Contd...2

11. Explain the different types, importance and purpose of Human Resource records.

OR

Rajat Sharma has been employed for six months in the accounts section of a large manufacturing company in Faridabad. You have been his supervisor for the past three months. Recently, you have been asked by the management to find out the contributions of each employee in the accounts section and monitor carefully whether they are meeting the standard set by you.

A few days back you have completed your formal investigation and with the exception of Rajat, all seem to be meeting the targets set by you. Along with numerous errors, Rajat's work is characterised by low performance, often he does 20 percent less than the other clerks in the department.

As you look into Rajats' performance review sheets again, you begin to wonder whether some sort of remedial training is needed for people like him.

Questions:

1. As Rajats' supervisor, can you find out whether poor performance is due to poor training or because of some other cause?
2. If he has been with the company for six months, what kind of remedial programme would be best?

G 410.5

(2013 Batch Onwards)

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**St Aloysius College (Autonomous)
Mangaluru**

B.B.M./B.B.A Semester V – Degree Examination

October - 2018

CORPORATE GOVERNANCE AND BUSINESS ETHICS

Time: 3 hrs.

Max Marks: 100

SECTION - A

1. **Answer the following in 2 or 3 sentences each:** (10x2=20)
- What is governance?
 - Who are stake holders?
 - What are business controls?
 - Name any two sources of risk.
 - What is a golden parachute?
 - What is ethical behaviour?
 - Expand ROE.
 - What is discrimination?
 - Define utilitarianism.
 - Who is a whistle blower?

SECTION - B

(5x7=35)

Answer any FIVE questions.

- Explain the relationship between values, Ethics and Morals.
- Write a note on the current context of corporate governance in India.
- What are the ethical issues that have emerged in business after women have joined the work place?
- State of summary of recommendations of the Narayana Murthy committee - February 2003.
- Differentiate between the Agency theory and stewardship theory.
- Comment on the nature of business ethics.
- Explain the linkage of social responsibility and business ethics.

SECTION - C

(15x3=45)

Answer the following questions in not less than 2 pages each:

- Explain in detail the recommendations of
 - Desirable corporate governance in India – A code(CII) and the
 - SEBI committee.

OR

Explain in detail the recommendations of

- Ganguly Committee –April 2002 and
- Nareshchandra Committee – December 2002

Contd...2

10. Explain the objectives and principles of Corporate governance.

OR

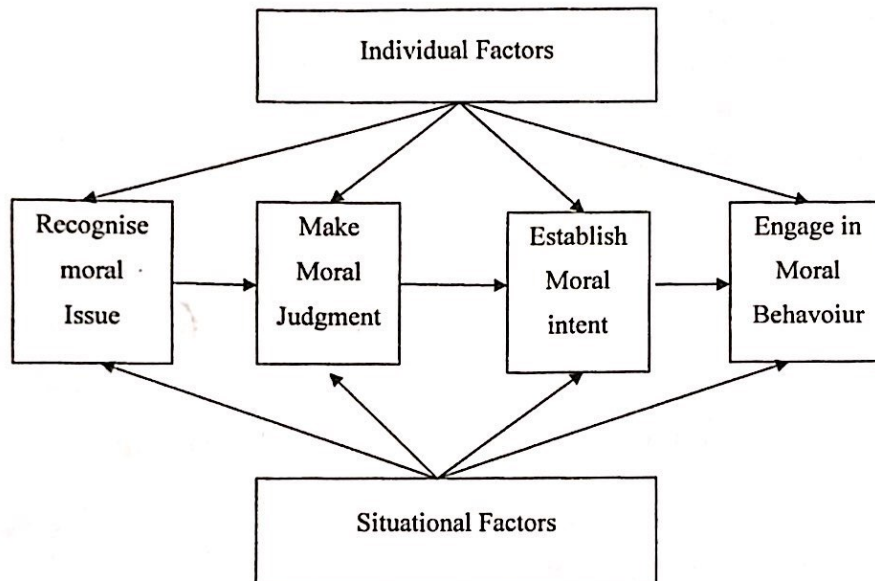
List out in detail the popular models for corporate governance.

11. Explain in detail the arguments for and against business ethics with relevant examples..

OR

Case study:

Given below is a framework for understanding ethical decision making.



The models of ethical decision making generally divide the factors which influence decisions into two broad categories: individual and Situational.

Questions:

1. Explain in detail the individual and situational factors influencing ethical decision making.
2. What are the factors to be considered by modern organizations in managing and implementing decisions which are ethically influenced?

(2013 batch onwards)

G 401.5

Reg. No:

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B.B.A. / B.B.M. Semester V – Degree Examination

October 2019

COST AND MANAGEMENT ACCOUNTING - I

Time: 3 Hours

Max. Marks: 100

(10x2=20)

SECTION - A

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

- Who are casual workers?
- State the different techniques of costing.
- What is labour turnover?
- What is idle time?
- State the meaning of Bill of Materials.
- Give the meaning of cost centre.
- Define the term 'cost'.
- How do you deal with following in cost sheet?
1) Donation 2) Drawing office salary 3) Haulage 4) Goodwill written off.
- If profit is 15% of sales, Sales is ₹ 4,00,000, what is cost of sales?
- What is absorption of overheads?

SECTION - B

(5x7=35)

Answer any **FIVE** questions.

- What is material control? State the objectives of material control.
- Write a note on EOQ.
- A supplier quotes for material 'Ex' as follows:

Lot price	200 kgs @ ₹ 25 per kg.
	500 kgs @ ₹ 17 per kg.
	800 kgs @ ₹ 12 per kg.

He allows a trade discount of 25% and a cash discount of 3% if payment is made within 15 days. One container is required for every 100kgs of materials and the containers are charged at ₹ 15 each but credited at ₹ 10 on return. The buyer decides to buy 800 kgs. Transport charges of ₹ 100 is charged by the supplier. Calculate purchase price of 800 kgs.

- From the following data calculate:

a) Minimum stock level	b) Maximum stock level
c) Reorder level	d) Average stock level
Minimum consumption	: 100 units per day
Maximum consumption	: 150 units per day
Normal consumption	: 125 units per day
Reorder period	: 10 to 15 days
Normal reorder period	: 12 days
Reorder quantity	: 1500 units

Contd....2

6. On the basis of following information, calculate earning of employees on a straight piece rate basis & Taylor's differential piece rate system:
- (a) Standard Production - 8 units per hour
 (b) Normal rate - ₹ 40 per hour
 (c) Differential piece rate applicable:
 80% of piece rate below standard
 120% of piece rate at or above standard.
 (d) In an 8 hour day - Mr. X produces 54 units
 Mr. Y produces 64 units
 Mr. Z produces 75 units
7. The following information regarding coal is obtained from the stores records of Ganesh steels Ltd for the year 2007:-

December 1	Opening balance	500 tons
December 4	Issued on MR no. 85	160 tons
December 5	Received from vendor vide GR no.7	240 tons
December 8	Issued on MR no.86	180 tons
December 12	Issued on MR no.87	60 tons
December 17	Received from vendor vide GR no.8	200 tons
December 24	Issued on MR no.88	150 tons
December 30	Received from vendor vide GR no.9	250 tons
December 31	Issued on MR no.89	170 tons

Stock verified on December 20, revealed a shortage of 200 tons and 100 tons of surplus on 25 December. The minimum stock level is 200 tons. The ordering level is 300 tons. Prepare a Bin card no. 20 for the month of December from the above transactions.

8. The modern company Ltd is dividend into four departments. A, B and C are production departments and D is service department. The actual expenses for a period are as follows:

	₹
Rent	10,000
Depreciation on plant	4,500
Supervision	15,000
Power	9,000
Lighting	2,000
Employer's contribution to ESI	1,500
Fire insurance for stock	5,000

The following information is available in respect of 4 departments.

	A	B	C	D
Area (sq.mts)	1500	1100	900	500
Number of employees	20	15	10	15
Direct wages (₹)	6,000	4,000	3,000	2,000
Value of stock (₹)	15,000	9,000	6,000	-
H.P of plant	24	18	12	6

Apportion the expenses to the various departments on the most equitable basis.

Contd....³

SECTION - C

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Answer the following.

9. Ashmitha Ltd furnishes the following information for the month of July 2019.

Particulars		Amount (₹)
Stock on 01.07.2019 :	Raw materials (₹)	15,000
	Work in progress (₹)	14,000
Purchases		97,000
Direct wages		96,000
Factory supplies		8,000
Trade magazines		1,600
General manager's salary		12,000
Depreciation on office furniture		1,800
Office salary		4,000
Counting house salary		600
Debenture interest		4,500
Sales (15000 units)		3,15,000
Finished stock insurance		2,400
Sales office expenses		2,800
Stock on 31.07.2019	Work in progress (₹)	15,200
	Finished goods (units)	1,000
Stores expenses		2,000
Drawing office expenses		500
Material handling		2,500
Loss on sale of office furniture		250
Cost of defective work		3,800
Coal, gas and water		12,400
Audit fees		3,000
Legal charges		1,000
Samples		2,500
Packing charges		1,600
Showroom expenses		2,000
Rent of sales office		200
Delivery van expenses		3,500

Prepare a cost sheet.

OR

Explain the classification of costs.

10. Following information are available for the month of March 2019 in respect of material AM6T. Write up the stores ledger account under FIFO method:-

March 1	Opening balance 25 units valued at ₹ 162.50
March 4	Issued 8 units on MR no. 85
March 6	Received 50 units at ₹ 5.75 per unit GR no.26
March 7	Issued 12 units MR no.87
March 10	Returns to vendor 10 units at ₹ 5.75
March 12	Issued 15 units on MR no.88
March 13	Issued 20 units MR no.110
March 15	Received 25 units at ₹ 6.10 per unit GR no.33
March 17	Issued 10 units MR no.121
March 19	Return from departments 10 units issued on 13 th March
March 20	Returns to stores 5 units
March 22	Transfer 5 units from job 182 to 187
March 26	Issued 10 units MR no.146
March 29	Transfer 5 units from Dept A to Dept B
March 30	Shortage of 2 units treated as abnormal

G 401.5

OR

10. A) From the following particulars, find out cash required for payment of wages in a factory for a particular month:
- Wages for normal hours worked - ₹ 20,500.
 - Wages for overtime - ₹ 2,200.
 - Leave wage - ₹ 1,700
 - Deduction of employees share to state insurance contribution - ₹ 500.
 - Employee's contribution to P.F - ₹ 1,600.
 - House rent to be recovered ₹ 200 per month.
- (9)
- B) From the following particulars calculate the earnings of a worker under Halsey's plan and Rowan's plan:
- Hourly rate of wages (guaranteed) - ₹ 15
 - Standard time for producing 12 units is 3 hours.
 - Actual time taken by a worker to produce 240 units of article is 48 hours.
- (6)

11. In a factory there are 3 production departments A,B and C and 2 service departments D and E. From the following details, Prepare primary distribution summary and secondary distribution summary under simultaneous Equation method -

Indirect materials	₹ 15,000
Indirect wages	₹ 10,000
Depreciation on machinery	₹ 25,000
Depreciation on buildings	₹ 5,000
Rent and taxes	₹ 10,000
Power	₹ 15,000
Lighting	₹ 500
General expenses	₹ 15,000

Other details:

Particulars	A	B	C	D	E
Direct materials (₹)	20,000	10,000	20,000	10,000	10,000
Direct wages (₹)	15,000	15,000	4,000	2,000	4,000
Value of machinery (₹)	50,000	1,00,000	75,000	25,000	50,000
Floor area (sq. feet)	1,000	1,500	1,500	500	500
H.P of machines	8	7	15	5	5
Light points	6	8	12	4	5

Department D and E render the services as follows:

Departments	A	B	C	D	E
D	40%	20%	30%	-	10%
E	30%	30%	30%	10%	-

OR

11. A) Write a note on ABC analysis. (6)

B) Calculate the machine hour rate from the following information taking base period as one month:

- Cost of machine - ₹ 2,00,000.
- Cost of installation of machine - ₹ 60,000.
- Scrap value after 10 years - ₹ 20,000.
- Rent and rates per month - ₹ 2,000.
- Supervisors salary per month - ₹ 9,000.
- Insurance premium for the machine (per annum) - ₹ 4,800.
- Repairs and maintenance (per annum) - ₹ 3,000
- Factory lighting per month - ₹ 2,000.
- Power bill for the month - ₹ 12,000
- (10 units per hour at the rate of ₹ 6 per unit)
- Wages of operator per month - ₹ 4,000.
- Cotton waste, oil etc per month - ₹ 400.

The machine occupies $\frac{1}{4}$ th of the total area of the factory. The supervisor spends $\frac{1}{4}$ th of his time on this machine. (9)

G 401.5a

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St Aloysius College (Autonomous)
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B.B.A. (CIMA) Semester V – Degree Examination
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ADVANCED MANAGEMENT ACCOUNTING

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

a) Access to a larger market, targeted marketing, reduced costs and the elimination of intermediaries are just some of the benefits that could result from the implementation of _____

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MANGALORE-575003

b) What is Gearing risk?

c) State whether the following activity would result in a risk retention or risk avoidance strategy

- An organization sells a subsidiary in a politically unstable country

d) A contract is due to be commenced immediately. In one year's time it will require material XG. Price data relating to XG are as follows.

Cost now \$ 7800

Cost in one year's time \$8800

The cost of storing XG for one year is \$ 110, payable in one year's time

If the cost capital were 10% p.a., identify the present value of the cost of using material XG, assuming the contractor wished to maximize net present value.

Present value at 10% is 0.909.

e) Calculate how much should be invested now in order to have \$250 in eight year's time? The account pays 12% interest per annum.

f) Hock Group has two divisions, Division P and Division Q. Division P manufactures an item that is transferred to Division Q. The item has no external markets and 60,000 units produced are transferred internally each year. The cost of each divisions are as follows.

	Division P	Division Q
Variable cost	\$10 per unit	\$12 per unit
Fixed cost each year	\$1,20,000	\$ 90,000

Head office management decides that a transfer price should be set that provides a profit of \$ 30,000 to Division P. What should the transfer price per unit be?

g) Glen Ltd is launching a new product which it expects to incur a variable costs of \$14 per unit. The company has completed some market research to try to determine the optimum selling price with the following results.

If the price charged was to be \$25 per unit, then the demand would be 1000 units each period. For every \$1 increase in the selling price, demand would reduce by 100 units each period. For every \$1 reduction in the selling price, the demand would increase by 100 units each period.

Calculate the optimum selling price.

h) Assume the sales of a retailer fall from 20 per day to 12 per day when the price of a chocolate bar goes up from 40C to 60C. What is the price elasticity of demand?

Contd...2

- i) Mention any two demerits of responsibility accounting.
j) What is supply chain management?

SECTION - B

(5x7=35)

Answer any FIVE questions:

2. Write a note on TQM.
3. An insurance Company, I Co is considering changing to Activity Based Costing (ABC) and is concerned what effect this will have on the fees charged to a key client, Z Co.
I Co currently calculates the fees as total cost plus 15%, as costs are allocated to the clients on the basis of how long it takes to prepare the insurance documents. The annual costs and the drivers have been analysed.

	Z Co	
New client visits		40 visits
Hours spent to prepare documents		200 hours
Hours spent chasing payments		4 hours
	I Co	
New client visits	\$ 400000	80 meetings
Hours spent to prepare documents	\$ 600000	350 hours
Hours spent chasing payments	\$ 150000	30 hours

What is the change in fee charged to Z Co, if ABC is undertaken, to the nearest \$?

4. The following data relates to three products manufactured by BJS Ltd.

	Product X	Product Y	Product Z
Selling price per unit	\$12	\$16	\$14
Direct material cost per unit	\$3	\$10	\$7
Maximum demand (units)	15000	40000	20000
Time required on the bottleneck (hours per unit)	3	1.5	7

The firm has 80,000 bottleneck hours available each period, and total factory costs amount to \$100,000 in the period. Calculate the following

- i) The TPAR for product X
ii) The TPAR for product Y
iii) The TPAR for product Z
iv) The maximum profit achievable by BJS, in \$ (this involves a calculation of the optimum product mix)
5. Department F assembles widgets by hand. A new product line commenced last week. The first widget produced took five hours. The labour hours were fully utilized making 2000 widgets in the first week of production. No additional labour hours are available in the short term.
Note: the department bases its learning curve calculations on the model : $y = a.x^{-0.23}$.
How many units were produced in the second week?
6. An investment centre has capital employed of \$800000, and made profits before interest of \$160000. The notional cost of capital is 12%. An opportunity has arisen to invest in a new project costing \$ 100000. The project would have a four year life, and would make cash profits of \$ 40,000 each year.
It is assumed that depreciation is charged on a straight line basis.
Required:
a) What would be the average ROI with and without the investment? Would the investment centre manager wish to undertake the investment if performance is judged on ROI in year 1?

Contd...3

b) What would be the average annual residual income with and without the investment? Would the investment centre manager wish to undertake the investment if performance is judged on residual income in year 1?

To calculate ROI and residual incomes use the value for capital employed as at the start of year 1.

7. What is Non-financial performance indicators? Explain the various NEPI's.
8. At a price of \$200, a company will be able to sell 1000 units of its product in a month. If the selling price is increased to \$220, the demand will fall to 950 units. It is also known that the product has a variable cost of \$140 per unit, and fixed costs will be \$36000 per month.

Required:

- Find an equation for the demand function (that is price as a function of quantity demanded)
- Write down the marginal revenue function
- Write down the marginal cost
- Find the quantity that maximizes profit.
- Calculate the optimum price.
- What is the maximum profit?

SECTION - C

(3x15=45)

Answer the following

9. A multinational computer manufacturer has a number of autonomous subsidiaries throughout the world. Two of the group's subsidiaries are in America and Europe. The American subsidiary assembles computer using chips that it purchases from local companies. The European subsidiary manufactures exactly the same chips that are used by American subsidiary but currently only sells them to numerous external companies throughout Europe. Details of the two subsidiaries are given below:

America: the American subsidiary buys the chips that it needs from a local supplier. It has negotiated a price of \$ 90 per chip. The production budget shows that 300,000 chips will be needed next year.

Europe: the chip production subsidiary in Europe has a capacity of 800000 chips per year. Details of the budget for the forthcoming year are as follows:

Sales: 600000 chips

Selling price \$105 per chip

Variable costs \$ 60 per chip

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The fixed costs of the subsidiary at the budgeted output of 600000 chips are \$20 million per year, but they would rise to \$26 million if output exceeds 6,25000 chips. The maximum external demand is 6,00,000 chips per year and the subsidiary has no other uses for the current spare capacity.

Group directive

The MD of the group has reviewed the budgets of the subsidiaries and has decided that, in order to improve the profitability of the group, the European subsidiary should supply chips to the American subsidiary. She is also thinking of linking the salaries of the subsidiary managers to the performance of their subsidiaries but is unsure which performance measure to use. Two measures that she is considering are 'profit' and the 'return on asset consumed' (where the annual fixed costs would be used as the assets consumed)

The Manager of the European subsidiary has offered to supply the chips at a price of \$95 each. He has offered this price because it would earn the same contribution per chip that would be earned on external sales (this is after adjusting for increased distribution costs and reduced customer servicing costs)

Contd...4

Required :

- a) Assume that the 300000 chips are supplied by the European subsidiary at a transfer price of \$95 per chip. Calculate the impact of profits on each of the subsidiaries and the group.
- b) Calculate the minimum unit price at which the European subsidiary would be willing to transfer the 300000 chips to the American subsidiary if the performance and salary of the manager of the subsidiary is to be based on
 - i) the profit of the subsidiary (currently \$7 million)
 - ii) the return on assets consumed by the subsidiary (currently 35%)

OR

Describe the capital investment process.

10. Storm Ltd is evaluating project X which requires an initial investment of \$50,000. Expected net cash flows are \$20,000 per annum for 4 years at today's prices. However these are expected to rise by 5.5% per annum because of inflation. The firm's cost of capital is 15%. The discount rate at 15% is as follows:

Year	1	2	3	4
Discount rate at 15%	0.870	0.756	0.658	0.572

The discount rate at real rate 9% at the end of 4th year is 3.240.

Calculate the NPV by

- a) discounting money cash flows
- b) discounting real cash flows

OR

An oil company has recently acquired rights in a certain area to conduct surveys and geological test drillings that may lead to extracting oil where it is found in commercially exploitable quantities.

The area is already considered to have good potential for finding oil in commercial quantities. At the outset the company has the choice to conduct further geological tests or to carry out a drilling programme immediately. On the known conditions, the company estimates that there is a 70% chance of further tests indicating that a significant amount of oil is present.

Whether the tests show the possibility of oil or not, or even if no tests are undertaken at all, the company could still pursue its drilling programme or alternatively consider selling its rights to drill in the area.

Thereafter however, if it carries out the drilling programme the likelihood of final success or failure in the search for oil is considered dependent on the foregoing stages. Thus:

- i. If the tests indicated that oil was present, the expectation of success in drilling is given as 80%.
- ii. If the tests indicated that there was insufficient oil present, then the expectation of success in drilling is given as 20%
- iii. If no tests have been carried out at all, the expectation of finding commercially viable quantities of oil is given as 55%.

Costs and revenue have been estimated for all possible outcomes and the net present value of each is given below:

Outcome	Net present value \$ millions
Geological testing	(10)
Drilling cost	(50)
Success in finding oil	150
Sale of exploitation rights:	
Tests indicate oil is present	65
Tests indicate no oil	15
Without geological tests	40

Contd...5

Required

- Prepare a decision tree diagram to represent the above information.
- For the management of the company, calculate its best course of action.

11. Walken super markets sells over 30,000 product lines. It wishes to introduce Direct Product Profitability analysis and a team of management accountants have ascertained the following information relating to the following year.

Budgeted weekly overhead	\$
Warehouse cost	75,000
Super market costs	40,000 per super market
Transportation costs	400 per delivery

The warehouse is expected to handle 10,000 cubic meters (m³) of goods.

Each super market will handle 5,000 m³ of goods each week.

Each transportation vehicle holds 40 m³ of goods.

Three products sold by Walken are Kitchen Roll (KR), Tinned Spaghetti (TS) and Toothpaste (T).

	KR	TS	T
Retail price per item	\$ 1.00	\$ 0.60	\$ 1.75
Bought in price per item	\$ 0.60	\$ 0.30	\$ 1.00
No. of items per case	10	25	40
No. of cases per m ³	20	30	20
Time in warehouse	1 week	2 weeks	3 weeks
Time in super market	2 weeks	4 weeks	2 weeks

You are required to calculate the following figures in \$ to four decimal places.

- The net profit per Kitchen Roll
- The net profit per Tin of Spaghetti
- The net profit per tube of Toothpaste

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OR

You work as the senior Management Accountant in Nordic plc. Its chairman, Lars Johansson, has recently been quoted in the press as saying:

'Nordic is doing so well. We have always been a profitable company. However we are following a high growth strategy based on low prices, and this has put pressure on cash flows. We have a number of new clients signed up and we believe the future is bright'.

You have also been looking at the first draft budget from the budget planners. Compared with the previous budget period, operating costs are expected to be higher. The initial draft budget shows a current ratio of 1.10 at the end of the budget period and a contribution to sales ratio for the year of 51%

You have just received the following email

From: Lars Johansson, Financial Director

Sent: 03 June 10.23 a.m.

To: Senior Management Accountant

Subject: Profitability and Liquidity

As you know, we have always set target minimum current ratio of 1.25 times as a liquidity performance metric and a minimum contribution/sales ratio target of 55% as a profitability performance metric.

So this draft budget really won't do!!! Why are our liquidity and profitability indicators so low?

Please draft me a report I can pass on to the budget planners, that explains the situation, and suggests steps they should now consider to improve the budget.

Thanks

Lars.

(2013 Batch onwards)

G 402.5

Reg. No:

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

INSURANCE AND RISK MANAGEMENT

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- What is underwriting?
- State any four types of risks.
- What are currency swaps?
- Expand IRDA.
- What are Interest Rate Options?
- What do you mean by Arbitrage Opportunity?
- What is Marine Insurance?
- What do you mean by Causa Proxima?
- Who are Actuaries?
- State any four documents for Death claims.

SECTION - B

(5x7=35)

Answer any FIVE questions:

- Explain the differences between futures and forwards.
- Explain the factors affecting option pricing.
- What are the essentials of Insurance Contracts?
- What is a maturity claim? State the different documents required for maturity claims.
- What are the powers and duties of IRDA in insurance?
- Explain the procedure for claims management in case of fire insurance.
- What are Interest Rate Swaps? Explain the mechanics of Interest Rate Swaps.

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SECTION - C

(3x15=45)

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

- Define risk management. Explain the process of risk management.

OR

Define insurance. Explain the principles of insurance.

- What is Insurance Pricing? What are the objectives of Insurance Pricing? Explain the determinants of insurance pricing.

OR

What do you mean by claim settlement? Explain the general guidelines for settlement of claims.

Contd...2

11. Explain the role of the various departments in an Insurance Company.

OR

A speculator Mr. X took a long position in on pepper futures priced at ₹ 50 per kg. The size of the contract was 1,000 kgs. The initial margin required is 10% of the contract value and the maintenance margin is 75% of the initial margin. The future price of the first 7 days are given below:

Day	1	2	3	4	5	6	7
Future price (₹)	52	51	49	47.5	46.5	48	51

Prepare a margin account for the investor and compute the net gain. All margin calls are met immediately.

(2017 Batch Only)

G 402.5a

Reg. No.

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St Aloysius College (Autonomous)

Mangaluru

B.B.A. (CIMA) - Semester V- Degree Examination

October - 2019

RISK MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION - A

1. Answer **ALL** the following questions in two or three sentences each. (10x2=20)
- What is enterprise risk management?
 - What is a financial risk?
 - Distinguish between risk and uncertainty.
 - What do you mean by Risk capacity?
 - What is Corporate Governance?
 - Give two examples of ethical safeguards in an organization.
 - Explain the terms - transaction risk and translation risk.
 - What is audit planning in risk management?
 - What is Sensitivity Analysis?
 - State any two factors contributing to business risks.

SECTION - B

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

- Explain the elements of internal control system according to the COSO model.
 - Explain the ethical threats faced by employees in an organization.
 - Spot USD1/GBP 0.9060.
Interest rates p.a. on short-term government securities-
US Treasury 6.0%
Eurozone 4.5%
Inflation rates -
US 2.0%
Eurozone 1.3%
- Calculate the forward rates using PPPT and IRPT. What is the real rate according to Fisher's international effect?
- Explain the responses to strategic risk in an organization.
 - Evaluate the conflicts that may arise from capital investment decisions?
 - How do the five variables of the Black-Scholes model affect options pricing?
 - Explain the key points of the Sarbanes-Oxley Act.

SECTION - C

Answer the following questions in not less than two pages each. (15x3=45)

- Define Risk. Explain the different types of risk facing in an organization.

OR

Contd...2

What is Internal Audit? What are the types of Audit work? Explain the process of audit in internal control system.

10. What is a financial risk? Explain the different financial risks faced by an organization.

OR

What are the fraud indicators for a company? Suggest solutions to create a fraud risk management strategy in the company.

11. What is Information Strategy? Explain the components of information strategy that are required in an organization.

OR

ABC Company is an engineering company which is about to implement a new planning and control system. Following a strategic level review of the business, the board have decided that one of the company's critical success factors is the production of up to date and accurate information on internal and external factors so that the company can respond quickly to changes in demand and other external circumstances. The new system will enable a rapid response to such information and will provide output for a range of production operations including machine loading, control of raw materials, production set-up, batch control and machine utilization. The system is seen as a mission critical one and the company is setting up a new computer centre which will take responsibility for this system.

- 1) Explain the precautionary measures and the techniques you would propose to control access to the computer centre.

(2013 batch onwards)

G 403.5

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St Aloysius College (Autonomous)

Mangaluru

B.B.A./B.B.M. Semester V – Degree Examination

October - 2019

ADVANCED TAXATION

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- How do you treat the royalty received on books written for tax assessment?
- What do you mean by block of assets?
- What is MAT Credit?
- State any two merits of GST.
- Gross total income of the firm is exclusively arrived from gambling income ₹ 1,00,000. Donation to NDF ₹ 30,000. Find out Tax liability.
- The taxable income of Mr. Pashchim as ₹ 13,67,000 which includes LTCG of ₹ 2,20,000 and STCG (u/s IIIA) of ₹ 50,000. Find out Mr. Pashchim's tax liability.
- State any two conditions with respect to partner's remuneration u/s 40(b).
- Briefly explain the term 'unabsorbed depreciation'?
- Mention the present prescribed rates of GST.
- Write the provisions of section 80TTA.

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SECTION - B

(5x7=35)

Answer any **FIVE** questions.

- Mrs. Poorna has made following donations during previous year 2018-2019.
 - Kargil Fund ₹ 50,000.
 - Prime Minister's Drought Relief Fund ₹ 10,000.
 - ₹ 10,000 to a Primary Health Centre for the promotion of family planning.
 - ₹ 8,000 to the National Blood Transfusion Council.
 - Swatch Bharath Kosh ₹ 7,500.
 - ₹ 5,000 to Rajiv Gandhi Foundation.
 - Relief materials worth ₹ 18,000 to flood victims of Belthangadi.
 - ₹ 5,000 to a registered political party.
 - ₹ 7,500 to National Children's Fund.Her GTI amounted to ₹ 48 lakh. This includes LTCG of ₹ 55,000 and STCG (taxable @ 15%) of ₹ 40,000. she paid ₹ 25,000 towards LIC premium (own). Compute her Total Income.
- From the following compute tax liability of REXO Ltd.

Year	MAT (section 115JB) (₹)	Normal Tax (₹)
2015-16	6,90,000	6,80,000
2016-17	7,10,000	7,30,000
2017-18	9,00,000	10,00,000
2018-19	8,85,000	8,50,000

Calculate MAT Credit if any after adjusting with Normal Tax for every year.

Contd....2

G 403.5

4. Discuss the provisions section 80D and 80DD of Income tax Act.
5. Ultra Magnus Limited imported certain goods from Shanghai, China. You are require to calculate the total custom duty payable if assessable value of 10,000 kgs of imported product is ₹ 15,00,000; BCD is 10%, safeguard duty is 25%, Protective duty is 12.5%, Anti-dumping duty is ₹ 20%, IGST payable on similar goods in India is 28% and Compensation less is 18%.
6. Write a note on Book Profit with reference to Assessment of Company.
7. The total taxable income of Optimus Ltd is ₹ 1,18,00,000. It includes prize money from lottery of ₹ 1,50,000, LICG of ₹ 50,000, long term capital gain (section 112A) 2,00,000 and Dividend from Indian company ₹ 12,00,000. The book profit is ₹ 3,52,16,750. Compute the tax liability.
8. Ascertain the income of M/s Ratchet & Co. from business in the following cases [conditions u/s 184 and 40(b) are fulfilled].
 - a. Book profit of ₹ 2,75,000; Remuneration paid to working partners ₹ 1,65,000/-.
 - b. Book loss of ₹ 57,000; Remuneration paid to working partners ₹ 1,80,000/-.
 - c. Book profit of ₹ 6,00,000; Remuneration paid to working partners ₹ 1,75,000/-.

SECTION - C**(15x3=45)****Answer the following questions.**

9. A commodity imported from the USA. Determine the assessable value and custom duty payable.

Particulars	\$
Cost of machinery imported	50000
Packing charges	5000
Cost of returnable container	250
Design and development charges	700
Commission paid to broker of the exporter	300
Transport cost from exporter factory to USA airport	1000
Transport cost from Delhi airport to importers factory	₹ 50,000
Importer sent goods to exporter which was used in manufacturing the imported product	5000
Freight charges	10000
Insurance charges	Not ascertainable

As per CBEC ₹ 63=1\$ and as per RBI ₹60= 1\$.

IGST 28%, safeguard duty 30%, antidumping duty 40%, compensation cess 30%, BCD 10%.

OR

Megatron Ltd is engaged in the business of manufacturing of Toys. The profit and loss A/c for the year is as under:

Particulars	₹	Particulars	₹
Depreciation	8,20,000	Sale of goods:	
Salary	3,10,000	Domestic	27,00,000
Outstanding custom duty	20,000	Export	5,50,000
Income tax	4,50,000	Withdrawn from general reserve	3,00,000
Municipal tax	5,000	STCG	2,00,000
General expenses	12,00,000	Interest on POSB	5,000
Dividend proposed	70,000	Rent from letout house	45,000
Donations to NDF	1,00,000		
Advertisement	25,000		
Net profit	8,00,000		
	<u>38,00,000</u>		<u>38,00,000</u>

1. General expenses include

Contd....

G 403.5

- Payment to national Laboratory ₹ 10,000.
 - Penalty for branch of customs law ₹ 40,000.
 - Payment made in cash ₹ 32,000
- Depreciation u/s 32 ₹ 10,00,000.
 - Following losses are to be set off:

	Tax purpose	A/cing Purpose
B/F loss of 2016-17	6,00,000	5,00,000
Unabsorbed depreciation	-	3,50,000

- LTCG not included in the above ₹ 3,00,000.

Compute the total income and tax liability. Apply MAT. Assume the total turnover in 2016-17 is below ₹250 crore.

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- Tom, Jerry and Droopy are partners in a firm sharing profits and losses in the proportion of 2:2:1. The firm's profit and loss A/c for the year ended 31st march 2019 showed a net loss of ₹ 80,000 after charging the following items:

	Tom	Jerry	Droopy
Interest on capital at 20%	2000	4000	6000
Salary	6000	-	-
Bonus	4000	4000	4000

The net loss was arrived after considering 3800 being the dividend received and 2000 as interest on securities by Droopy.

Compute the total income of the firm and the income of partners from the firm from taxable under section 28 (Tom and Jerry are working partners).

OR

Compute allowable depreciation from the following:

Block of Asset	WDV (₹)	Rate (%)
Furniture	37,000	10
Building	16,80,000	10
Building	6,20,000	5
Plant and Machinery	64,00,000	15
Plant and Machinery	4,00,000	30
Type writers	1,10,000	15
Scooters and bikes	2,20,000	15
Trucks	4,50,000	30

During the year the following assets were purchased:

Asset	Cost (₹)	Date of purchase	Date of putting to use
Foreign car (Ferrari)	16,00,000	1 st June	10 th June
Plant (30%)	3,00,000	10 th June	20 th November
Indian car (Tata)	3,20,000	20 th November	20 th November
Furniture	30,000	4 th December	10 th December
Trade mark	50,000	2 nd October	9 th October

During the year following assets were transferred:

- Building (5%) sold on 16th October for ₹ 8,00,000/-
- Typewriter (15%) sold on 20th December for ₹ 10,000/-
- One truck (30%) was fully destroyed by fire and the insurance company paid ₹ 80,000 as compensation.
- One scooter due to accident was partially damaged; insurance claim received was ₹ 24,000; amount spent for repairs ₹ 20,000.

Contd....4

11. Mr.uttar a registered dealer of mangaluru submits the following information for the month of February 2019. Compute the Net GST Payable.

Particulars	Amount (₹)	GST Rate (%)
Details of purchase:		
Materials purchased from Jharkand	10,00,000	5
Raw material X purchased from Mangaluru	12,00,000	12
Raw material Y purchased from Bangaluru	8,00,000	15
Materials purchased from Udupi	3,00,000	18
Material B purchased from Chennai	2,00,000	12
Material A purchased from a unit of EOU (including BCD at 10% & IGST)	28,00,000	28
Raw material R purchased from Manchester, UK (including BCD at 12% & IGST)	13,00,000	18
Raw materials purchased from a dealer opted for composition scheme	13,50,000	1
Material S purchased from unregistered dealer.	3,00,000	5
Semi finished goods obtained from another manufacturer of Mysuru	5,00,000	18
Details of Sales:		
Sold goods to an unregistered dealer	12,00,000	18
Sold goods to a unit of SEZ at Gujarath	25,00,000	Nil
Sold goods to Lakshadeep	28,00,000	28
Sold goods in Local market	35,00,000	18
Sold goods to a dealer in Barcelona, Spain	13,00,000	Nil
Goods sold to a dealer of Mangaluru registered under composition scheme	30,00,000	12
Sold goods to a registered dealer of Delhi	2,50,000	12
Sold goods to a dealer at Dharwad	10,00,000	12

OR

- A) Write the rules governing depreciation. (7)
- B) Ram of Mumbai sold goods to Shyam of Karnataka for ₹ 50,000. Shyam sold his goods to Dhyan of Karnataka for ₹ 80,000 and Dhyan sold the same to customer ₹ 90,000. CGST 6%,SGST 6%,IGST 18%. Electronic Credit Ledger balance of Ram- CGST ₹ 3000, SGST ₹ 3000 and IGST ₹2000. Find GST payable. (8)

G 403.5a

(2017 Batch only)

Reg. No:

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

PROJECT AND RELATIONSHIP MANAGEMENT

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- a) Give the meaning of bureaucratic control.
- b) List any two differences between equal opportunities and diversity.
- c) What is Project Management Methodology?
- d) What are artefacts?
- e) List any two advantages of Business Process Outsourcing.
- f) State the meaning of goal congruence.
- g) What is charismatic authority?
- h) Give the meaning of related diversification.
- i) List any two advantages of Project Management software.
- j) What is uncertainty?

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SECTION - B

(5x7=35)

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

2. State the approaches to manage intergroup conflicts.
3. Write a note on Bowman's strategy clock.
4. Explain the key stages in project life cycle with the help of a diagram.
5. Explain the six principles of influence.
6. Write a note on Ducker's management by objectives.
7. Explain the Balanced Score Card tool of Project Management.
8. Illustrate the BCG Model used in completion analysis.

SECTION - C

(3x15=45)

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

9. Explain the rational approach to strategy Development. What are the merits and demerits?

OR

Elaborate the management principles proposed by Henry Fayol.

10. Analyse the general concerns and objectives of different stakeholder groups.

OR

What is conflict? Explain the types of conflict.

Contd...2

11. Explain the influence, Persuasion and negotiation skills required by modern organizations.

OR

Cortez Plastics was having growing pains. As the business base of the company began to increase, more and more paper work began to flow through the organization. The informal project management culture that had worked so well in the past was beginning to deteriorate and was being replaced by a more formal project management approach. Recognizing the cost of implications of a more formal project management approach, senior management at Cortez Plastics decided to take some action.

1. How can a company maintain informal project management during periods of corporate growth?
2. If the organization persists in creeping toward formal project management, what can be done to return to a more informal approach?
3. How would you handle a situation where only a few managers or employees promoting the more formal approach.

(2013 batch onwards)

G 404.5

Reg. No:

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St Aloysius College (Autonomous)

Mangaluru

B.B.A./ B.B.M. Semester V – Degree Examination

October - 2019

CORPORATE ACCOUNTING - I

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- How do you calculate Intrinsic value of shares?
- Mention various methods of valuation of goodwill.
- What do you mean by forfeiture of shares?
- State various types of shares issued by a joint stock company.
- How do you treat (i) Prepaid insurance (ii) Directors remuneration in the final accounts of a joint stock company?
- State the meaning of calls in arrears.
- Pass Journal entry for the issue of shares to the vendors in settlement of purchase price: (a) Issued at par (b) Issued at premium
- What do you mean by issue of shares at premium?
- State the meaning of Pro-rata allotment of shares.
- What are the different methods of Redemption of debentures?

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SECTION - B

(5x7=35)

Answer any FIVE questions.

- Twin Star Ltd. purchased a plant from Green Star Ltd for ₹ 9,60,000. it paid ₹ 2,00,000 and issued equity shares of ₹ 10 each in full settlement. Pass journal entries when shares are issued (a) at par (b) at a discount of 5% (c) at a premium of 25%.
- Sunshine Ltd has 50,000, 8% preference shares of ₹ 10 each and 50,000 equity shares of ₹ 10 each, ₹ 8 paid up. The company transfers 10% of divisible profits to general reserve every year. The expected profit before tax is ₹ 1,00,000 and rate of tax is 40%. Normal rate of dividend is 12%. Find out the value of equity share by yield method.
- Pass Journal entries for the following:
 - Issue of ₹ 1,00,000 debentures at par, redeemable at par.
 - Issue of ₹ 1,00,000 6% debentures at 10% discount redeemable at par.
 - Issue of ₹ 1,00,000 6% debentures at a premium of 5% redeemable at 10% premium.
 - Issue of ₹ 1,00,000 6% debentures at a discount of 5% redeemable at 5% premium.
- The following are the balance sheet of A Ltd and B Ltd as on 31.12.2018.

Contd....2

Liabilities	A Ltd (₹)	B Ltd (₹)	Assets	A Ltd (₹)	B Ltd (₹)
Share capital shares of ₹ 1	1,00,000	50,000	Fixed Assets	60,000	32,000
P & L A/C	24,500	6,000	Goodwill	-	5,000
Debentures	20,000	-	45000 shares in B Ltd	60,000	-
Creditors	7,500	3,000	Current Assets	32,000	22,000
	<u>1,52,000</u>	<u>59,000</u>		<u>1,52,000</u>	<u>59,000</u>

Fixed assets of A Ltd and B Ltd are worth ₹ 71,000 and ₹ 36,000 respectively.

Value of goodwill is nil. Find out intrinsic value of shares of both companies.

6. Shabnum Ltd forfeited 3000 shares of ₹ 10 each fully called up held by Kapil Mohan for non payment of allotment money of ₹ 5 per share including premium of ₹ 2 per share and first and final call money of ₹ 4 per share. He had already paid the application money of ₹ 3 per share. Forfeited shares were reissued to Ganesh at ₹ 8 per share. Pass Journal entries relating to forfeiture and reissue.
7. The following is the trial balance of ABC Co. Ltd as on 31.3.2017.

Debit	₹	Credit	₹
Stock on 01.4.2016	75,000	Purchase return	10,000
Purchases	2,45,000	Sales	3,40,000
Wages	30,000	P & L A/C	15,000
Carriage	950	Share capital	1,00,000
Furniture	17,000	creditors	24,500
Salaries	7,500	General Reserve	15,500
Rent	4,000	Discount	3,000
Trade expenses	7,050		
Dividends paid	9,000		
Debtors	27,500		
Patents	5,700		
Plant & machinery	29,000		
Cash at Bank	45,300		
Bills Receivable	5,000		
	<u>5,08,000</u>		<u>5,08,000</u>

Prepare Trading, profit & loss A/c with appropriation a/c for the year ended 31.3.2017 after considering the following adjustments:

- Closing stock ₹ 88,000.
 - Provide for tax @ 35%, doubtful debts ₹ 510 and managerial remuneration ₹ 6,351.
 - Depreciate Plant & machinery at 15%, furniture at 10% and patents at 5%.
 - Outstanding rent ₹ 800 and o/s salaries ₹ 900.
 - Board recommends payment of a dividend at 15% p.a
8. Explain how the shares are valued under the following methods.
- Net asset method
 - Yield method
 - Fair value method

SECTION - C

(3x15=45)

Answer the following.

9. On 1st January 2014 Brilliant Ltd, issued 8000, 6% debentures of ₹ 100 each repayable at the end of 4 years at a premium of 5%. It has been decided to institute a sinking fund for the purpose; the investment being expected to realise 4% net. Sinking fund table shows that ₹ 0.235490 invested annually amount to ₹ 1 at 4% in 4 years. Investments were made on multiples of hundred only. On 31.12.2017 the bank balance was ₹ 2,36,000 and the investments realised ₹ 6,27,200. The debentures were paid off. Show Sinking Fund A/c, Sinking Fund Investment A/c and Bank A/c (for 2017).

Contd....3

OR

Following is the Trail balance extracted from ABC Ltd on 31st March 2017 is given below:

	Debit	Credit
Share capital: 200000 equity shares of ₹ 10 each		20,00,000
sales		37,60,000
Interest		40,000
Profit & loss A/c		4,48,000
Reserve fund		3,60,000
Creditors		5,48,000
Bills payable		76,000
Discount		92,000
6% debentures		8,00,000
Purchase returns		1,00,000
Transfer fees		6,000
Stock on 1.4.2016	3,26,000	
Purchases	24,80,000	
Wages	2,64,000	
Salaries	2,48,000	
Rent	96,000	
Commission	12,000	
Interim dividend	2,00,000	
Cash	2,68,000	
Debtors	3,60,000	
Bills payable	1,64,000	
Bad debts	18,000	
Preliminary expenses	1,20,000	
Investments	3,46,000	
Discount	60,000	
Goodwill	2,40,000	
Interest on debenture	24,000	
Furniture	2,12,000	
Plant & machinery	9,60,000	
Land & Buildings	17,40,000	
Sales returns	92,000	
	82,30,000	82,30,000

Adjustments:

- Out of total debtors ₹ 10,000 were bad. Provision at 5% is to be made for doubtful debts and 2% for discount on debtors.
 - Goods worth ₹ 4,80,000 were destroyed by fire and the insurance company agreed to pay ₹ 3,28,000.
 - Stock on 31st March 2017 ₹ 16,50,000.
 - Salaries outstanding ₹ 18,000.
 - Transfer ₹ 1,50,000 to Reserve fund.
 - Write off 1/5 of preliminary expenses.
 - Provision for Taxation is to be made for ₹ 50,000.
 - Provide for interest on debentures.
- Prepare final accounts and Balance sheet.

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10. Following is the summarized Balance sheet of X Ltd as on 31.12.2017.

Liabilities	₹	Assets	₹
Share capital: 40000 shares of ₹ 10 each	4,00,000	Goodwill	1,00,000
Reserve fund	1,00,000	Fixed assets	4,50,000
P & L A/C	35,000	Current assets	1,90,000
9% debentures	1,00,000	Preliminary expenses	25,000
Current liabilities	1,30,000		
	7,65,000		7,65,000

For the purpose of valuation of shares fixed assets were valued at ₹ 5,00,000 and goodwill at ₹ 1,50,000. There is a necessity of RBD at 10% on sundry debtors of ₹ 75,000. It is found that stock was overvalued by ₹ 9,000.

Contd....4

The net profit for three years were ₹ 69,000, ₹ 71,800 and ₹ 90,200 respectively after taxation. Out of this profit 20% was placed to reserve. The proportion being considered reasonable in the industry in which the company is engaged and where the normal rate of return is 10%.

Compute the value of each equity share by:

- 1) Asset method 2) Yield method 3) Fair value method.

OR

Anuraga Ltd offered for public subscription 100000 equity shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows:

On application ₹ 2 per share, on allotment ₹ 5 per share including premium. On first and final call ₹ 5 per share. Applications were received for 150000 shares. Shares were allotted on pro rata basis, the remaining applications being rejected.

Surya to whom 400 shares were allotted, failed to pay allotment money as well as final call money. Chandra to whom 500 shares were allotted, failed to pay the first and final call. These shares were subsequently forfeited after the final call was made. All the forfeited shares were reissued to Mr. Manish as fully paid at 8 per share. Show Journal entries.

11. On 31st December 2018, the balance sheet of Samson Ltd was as follows:

Liabilities	₹	Assets	₹
Share capital 5000 shares of ₹ 100 each	5,00,000	Buildings	2,20,000
P & L A/c	1,03,000	Machinery	95,000
Bank overdraft	20,000	Stock	3,50,000
Creditors	77,000	Debtors	1,55,000
Provision for taxation	45,000		
Proposed dividend	75,000		
	8,20,000		8,20,000

The net profits of the Co. for the last 5 years were as under:

Year	2014	2015	2016	2017	2018
Profit	₹ 85,000	₹ 96,000	₹ 90,000	₹ 1,00,000	₹ 95,000

On 31st December 2018, Buildings were valued ₹ 2,50,000 and Machinery ₹ 1,50,000. Reasonable return on tangible capital 10%. Ascertain the Intrinsic value of share after valuation of goodwill based on four years purchase of the annual super profits.

OR

On 1st January 2012 A Ltd, issued 1000, 8% debentures of ₹ 100 each repayable at the end of three years at a premium of 5%. It has been decided to institute a redemption fund for the purpose; the investment in government securities being expected to earn 5% net. Sinking fund table shows that ₹ 0.31720856 invested annually amounts to ₹ 1 @ 5% in three years.

On 31st December 2014, the bank balance was ₹ 42,000 (before receiving interest on investment). The investments were realised at 10% profit and debentures were paid off. Prepare 8% debentures A/c, debenture Redemption fund investment A/c, debenture Redemption fund A/c and Bank A/c.

G 405.5

(2013 Batch onwards)

Reg. No:

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

COMPANY LAW

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- What is chartered company?
- Who is a promoter?
- Give the meaning of Articles of Association.
- What do you mean by statement in lieu of prospectus?
- Give the meaning of Doctrine of constructive notice.
- Define resolution.
- What do you mean by share certificate?
- What is register of members?
- Give the meaning of forfeiture of shares.
- What is a deemed public company?

SECTION - B

(5x7=35)

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

- Explain Doctrine of indoor management with the exceptions.
- Describe the effects of Pre-incorporation contracts.
- Explain the consequences of Mis-statement in the prospectus.
- Explain the privileges of private Ltd company over public limited company.
- Examine the circumstances of termination of membership of a company.
- State the differences between transfer and transmission of shares.
- Explain the case law - Continental Tyre & Rubber Company v/s Daimler Company.

SECTION - C

(3x15=45)

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

- Explain the features of a joint stock company.

OR

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Examine the provisions relating to allotment of shares.

- Explain lifting of corporate veil under judicial interpretation.

OR

Describe the clauses of Memorandum of Association and state the difference between Memorandum of Association and Articles of Association.

- Define membership. Explain the modes of acquiring membership of a company.

OR

Explain the Rights, duties and liabilities of a promoter.

(2013 Batch onwards)

3 406.5

Reg. No:

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St Aloysius College (Autonomous)

Mangaluru

BBA / **B.B.M. Semester V – Degree Examination**

October - 2019

ADVANCED MARKETING MANAGEMENT

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- a) What do you mean by research design?
- b) What is advertising?
- c) What is secondary data?
- d) What do you mean by sample size?
- e) What is literature review?
- f) What do you mean by sales organization?
- g) What is questionnaire?
- h) Define learning.
- i) What is perception?
- j) What is an open ended question?

SECTION - B

(5x7=35)

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

- 2. Write a note on advertising.
- 3. Explain briefly the influence of family on consumer behaviour.
- 4. What are the needs for marketing research?
- 5. Explain the features of salesmanship.
- 6. Distinguish between primary data and secondary data.
- 7. Explain the importance of consumer behaviour.
- 8. Write a note on motivation with regard to consumer behaviour.

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SECTION - C

(3x15=45)

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

- 9. Discuss the consumer behaviour model.

OR

Explain the various steps involved in report preparation and presentation.

- 10. Briefly explain the marketing research process.

OR

What are the different sampling methods?

- 11. Briefly explain the nature and scope of marketing research.

OR

Describe the essentials of a good advertisement copy.

(2013 Batch onwards)

G 407.5

Reg. No:

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

ADVANCED FINANCIAL MANAGEMENT - I

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- a) What do you mean by negative and reserve working capital?
- b) What does the term '4/15, net 30' mean?
- c) What do you mean marketable securities?
- d) Sales (2 months credit) ₹ 20,00,000, gross profit 25% on sales. Selling expenses ₹ 50,000. Find out debtors working capital requirement.
- e) What is Matching Approach?
- f) What do you mean by compensation motive of holding cash?
- g) What are negotiable certificate of deposits?
- h) What is lead time?
- i) What do you mean by VED analysis?
- j) What is postal float?

SECTION - B

(5x7=35)

Answer any FIVE questions:

2. A firm's annual requirement is 30,000 units. Ordering cost ₹ 150 per order, carrying cost ₹ 1.2 per unit. Assume the following order sizes-
a) 30,000 units b) 15,000 units c) 6,000 units d) 3,000 units e) 1,500 units
Determine EOQ.
3. From the following data calculate-Maximum level, Minimum level and Re order level of product A & B.
ROQ – A: 4800 units
 B: 7200 units
ROP – A: 4 to 6 weeks
 B: 2 to 4 weeks
Maximum consumption – 300 units per week, Minimum consumption – 900 units per week, Normal consumption – 600 units per week.
4. The following information is available in respect of Swagath Ltd.
a) average stock of raw material ₹ 2,00,000
b) average stock of WIP ₹ 3,00,000
c) average stock of finished goods ₹ 1,80,000
d) average debtor ₹ 3,00,000
e) average creditor ₹ 1,80,000
f) raw materials purchased and consumed ₹ 36,00,000
g) cost of production during the year ₹ 45,00,000
h) cost of goods sold during the year ₹ 64,80,000
i) credit sales during the year ₹ 72,00,000

Assume 360 working days during the year. Calculate the gross and net working capital.

Contd...2

5. Sagar Industries sells its products through widely dispersed distributors in North India, It currently takes on an average 8 days for cash receipt cheques to become available to the firm from the day they are mailed. The firm is contemplating the institution of concentration banking to reduce this period. It is estimated that such a system would reduce the collection period of alc receivable by 3 days. The daily cheque receipts currently average ₹ 10,00,000. The concentration Banking would cost ₹ 1,50,000 annually and the cost of the fund is 15%.
- Advise Sagar Industries whether it should introduce concentration banking system?
 - Will your answer be different, if it is estimated that a lock box system would reduce the collection tank by 4 days & its annual cost would be ₹ 2,00,000.
6. Suggest an ABC analysis plan for following

Items	Average no. of units	Average cost per unit (₹)
1	20000	60.8
2	10000	102.4
3	32000	11
4	28000	10.28
5	60000	3.4
6	30000	3
7	20000	1.3

- Explain various types of Working Capital.
- Briefly explain the recommendation of Chore committee.

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

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

- Explain in detail various factors affecting working capital requirement of a manufacturing concern.

OR

The following information is available:

Sales forecast

Month	Amount (₹)
May	75,000
June	75,000
July	1,50,000
August	2,25,000
September	3,00,000
October	1,50,000
November	1,50,000
December	75,000

Raw materials

Months	Amount (₹)
May	37,500
June	37,500
July	52,500
August	3,67,500
September	1,27,500
October	97,500
November	67,500
December	37,500

Contd...3

Collection estimates:

- i. Within the month of sale 5%
- ii. During the month following sales 80%
- iii. During the 2nd month following sales 15%

Payment for raw materials:

During the month, following the month in which purchases take place.

Miscellaneous:

- i. General & administrative salary ₹ 11,250 per month.
 - ii. Monthly leave payment ₹ 3,750.
 - iii. Monthly depreciation charges ₹ 15,000.
 - iv. Monthly miscellaneous expenses ₹ 4,150.
 - v. Payment for research in October ₹ 75,000.
 - vi. Opening balance of cash on July ₹ 10,000.
 - vii. Minimum cash balance of ₹ 37,500 at the end of each month.
- Prepare the cash budget from July to December.

10. Raymond Garments presently selling ₹ 60 lakhs per annum with 20 days credit. The company is planning to attract more customers therefore, wants to relax its credit period. Variable cost-70% of sales. Fixed cost ₹ 5,00,000 per year. The company expects pre tax return at 20%.

Other details are given below:

Proposed policies	Collection period (days)	Annual sales, (₹ in lakhs)
A	30	65
B	40	70
C	45	75
D	50	78
E	60	85

Assume 360 days in a year. Recommend the profitable policy.

OR

What are the motives of holding cash? Explain factors determining the cash need for a company.

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11. From the information given below prepare projected Profit & Loss a/c, Balance Sheet and estimation of working capital requirement.
- a. Issued capital ₹ 2,00,000, 8% bonds ₹ 80,000, fixed assets ₹ 3,00,000.
 - b. Selling price ₹ 10 per unit.
 - c. Expected ratio of cost to selling price-raw material 40%, labour 30%, overheads 20%, profit 10%.
 - d. Production during the year-50,000 units and its planned to maintain the same.
 - e. Raw material-2 months in stores, work-in-progress 1 month production, finished goods-2 months stock.
 - f. Debtors are calculated on selling price.
 - g. Cash in hand ₹ 50,000.
 - h. Labour and overheads outstanding 1 month each.

OR

Explain the objectives, risk, costs & benefits of holding Inventory.

(2013 batch onwards)

G 408.5

Reg. No:

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St Aloysius College (Autonomous)

Mangaluru

B.B.A./B.B.M. Semester V – Degree Examination

October - 2019

ADVANCED HUMAN RESOURCE MANAGEMENT - I

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- a) What is workforce diversity?
- b) Give the meaning of talent management.
- c) What do you understand by organisation design?
- d) What do you mean by management development?
- e) Define organisation change.
- f) What is Human Resource information system?
- g) What do you mean by human resource audit?
- h) What is human resource development?
- i) Write the meaning of Tele- Commuting.
- j) What is Human Resource Record?

SECTION - B

(5x7=35)

Answer any **FIVE** questions in not less than one page each.

- 2. Elucidate the principles of training.
- 3. What are the objectives of HR audit?
- 4. Explicate the importance of Human Resource Record.
- 5. Define learning? Explain the principles of training.
- 6. Write a note on talent management.
- 7. What are the objectives of management development?
- 8. Distinguish between retention and attrition.

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SECTION - C

(15x3=45)

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

- 9. What is resistance to change? What are the reasons for resistance to change?

OR

Explain the significance of training. How will you assess the training needs?

- 10. Elaborate the scope and objectives of balance score card.

OR

What are the global challenges faced by HR manager?

- 11. Explicate the functions of HRD manager.

OR

Explain briefly the methods of training.

(2013 Batch onwards)

G 410.5

Reg. No:

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St Aloysius College (Autonomous)

Mangaluru

BB.A / B.B.M. Semester V – Degree Examination

October - 2019

CORPORATE GOVERNANCE AND BUSINESS ETHICS

Time: 3 Hours

Max. Marks: 100

SECTION - A

(10x2=20)

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

- What are ethical dilemmas?
- What is gender equality?
- What is recycling?
- Who are whistle blowers?
- Define Ethics.
- What is transparency?
- What is statutory audit?
- What is code of conduct?
- Name any two core human values.
- What is moral reasoning?

SECTION - B

(5x7=35)

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

- Write a note on stake holders theory.
- Explain the significance of moral responsibility.
- 'Corporate governance and development are interconnected'. Comment.
- Explain the German-Japanese model of corporate governance.
- List out the recommendations of the Gangerly committee.
- State the objectives of corporate governance.
- What is the role of ethical principles in business?

ST. ALOYSIUS COLLEGE LIBRARY
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(3x15=45)

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

- Explain the current context of corporate governance in India.

OR

List out the recommendation of SEBI committee and Nareshchandra committee.

- What are the arguments for and against business ethics?

OR

Explain the agency theory and stewardship theory of corporate governance.

Contd...2