

(2013 -2017 Batch)

G 401.6

Reg. No.:

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St Aloysius College (Autonomous)
Mangaluru
B.B.A/B.B.M. Semester VI – Degree Examination
September - 2020
COST AND MANAGEMENT ACCOUNTING - II

Time: 3 hrs.

Max Marks: 100

SECTION – A

1. Answer all the questions in 2 or 3 sentences each. (10x2=20)
- What is budgetary control?
 - What is Work-Certified?
 - Give the meaning of By-product.
 - Mention any four industries where operating costing is applicable along with the cost unit applicable.
 - What is the P/V Ratio?
 - Give the meaning of cost plus contact.
 - Define Standard Costing.
 - What do you mean by marginal costing?
 - Give the meaning of variance analysis.
 - Calculate Economic Batch Quantity from the following:
Monthly demand for the component – 20,000 units
Setting up cost per batch ₹ 240
Annual rate of interest – 8%
Cost of manufacture per unit ₹ 10

SECTION – B

- Answer any **FIVE** questions in not less than one page each. (5x7=35)
2. Ajay Traders have undertaken a Job No. 202 for which the material cost is ₹4,000, direct labour cost is ₹ 2,000 and direct expenses are ₹ 3,000. The factory overhead is to be charged at 25% of factory cost. Administrative overhead is to be charged at 20% of the cost of production. Prepare the job cost sheet showing the price to be quoted if the concern wants to make a profit of 20% in executing this order.
3. Axe Ltd. Furnishes the following information of its sales and profit for the year 2018 and 2019.

Year	Sales(₹)	Profit(₹)
2018	14,00,000	2,00,000
2019	18,00,000	3,00,000

Compute the following:

- Profit-volume ratio
- Fixed cost
- Variable cost of year 2018 and 2019.
- Most likely profit when the sales are ₹ 20,00,000

Contd...2

Establishing expenses amount to ₹ 8,500 which has to be apportioned in the proportion of Direct wages amongst the three process. 20,000 units have been put into process A at a cost of ₹ 60,000. The output of each process is A- 19,600 units, B- 18,400 units and C- 16,700 units.

Prepare:

- Process accounts
- Normal loss account
- Abnormal loss
- Abnormal gain account.

OR

Durgamba Travels runs a bus between Sullia and Mangalore via Puttur. The distance between Sullia and Puttur is 40kms and between Puttur and Mangalore is 50 kms. During the onward journey the bus is full of its capacity upto Puttur but only 80% full between Puttur and Mangalore. On the other hand, on return journey it is full from Mangalore to Puttur but 75% of the capacity between Puttur and Sullia. The following information are provided:-

	₹
Cost of the bus	60,00,000
Estimated scrap value	40,000
Estimated life	10 yrs
Annual road tax	10,000
Insurance charges per year	20,000
Garage rent per year	48,000
Drivers salary per month	30,000
Conductors salary per month	25,000
Cleaners salary per month	10,000
Cost of diesel per litre	₹ 58
Kms run per litre of diesel	4 kms
Proportionate charges for tyre per km	0.50

Capacity of the bus is 50 passengers and the bus makes one round trip from Sullia to Mangalore, on an average 25 days in a month. You are required:

- To compute the cost per passenger km. of operating the bus.
- Assuming 10% profit on takings for the company, work out the bus fare to be charged in between Sullia, Puttur and Mangalore for each passenger.

11. In an oil refinery the product passes through 3 different processes. The following information is available for the month of January 2007.

	Crushing (₹)	Refining (₹)	Finishing (₹)
Raw Materials (1000 tons of copra)	9,00,000	-	-
Wages	32,000	23,600	23,500
Power charges	4,800	4,000	6,000
Sundry materials	2,000	7,600	-
Factory expenses	2,400	4,000	3,800

Cost of drums for storing finished oil ₹ 84100. 400 tons of oil cake was sold for ₹60,000. 550 tons of crude oil was obtained.

Sundry by products of crushing process were 50 tons which fetched ₹ 3,600. By product at refining process were 40 tons which were sold for ₹ 3,600 and 500 tons of refined oil obtained. 480 tons of finished oil was stored in drums and 20 tons were sold for ₹ 4,800 per ton. The establishment expenses were ₹ 14,000 which are to be charged to the 3 processes in proportion of 3:2:2. You are required to prepare the 3 process accounts and the finished stock A/c.

OR

The Bharath Engineering Co. Ltd Manufactured and sold 4,000 sewing machines in 2016. Following are the particulars obtained from the records of the company.

	₹
Cost of materials	80,000
Wages paid	1,20,000
Manufacturing expenses	50,000
Salaries	60,000
Rent, rates and insurance	10,000
Selling expenses	30,000
General expenses	20,000
Sales	4,00,000

The company plans to manufacture 6,000 sewing machines in 2017. You are required to submit a statement showing the price at which machine should be sold so as to show a profit of 20% on sales.

The following additional information is supplied to you:

- The price of materials will rise up by 10%.
- Wage rate will rise by 15%
- Manufacturing expenses will rise in proportion to the combined cost of materials and wages.
- Selling expenses per unit remain unaffected.
- Other expenses will be unaffected by the rise in output.

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St Aloysius College (Autonomous)

Mangaluru

**B.B.A (CIMA) - Semester VI – Degree Examination
September - 2020**

FINANCIAL STRATEGY

Time: 3 hrs.

Max Marks: 100

Note: Provide PV table

SECTION – A

1. **Answer all the questions in 2 or 3 sentences each. (10x2=20)**
- a) Blunderbuss Co is a listed company with 1 million \$1 shares in issue and long term bank borrowings of \$5 million. The bank interest rate in the most recent year was 8%, but this is expected to change to 10% for the whole of next year. The company made an operating profit of \$1.84 million last year. What will be the change in the interest cover of Blunderbuss Co next year, on the assumption that operating profits will stay constant?
- A 25% increase
B 20% decrease
C 25% decrease
D 20% increase
- b) What is stable dividend policy?
- c) Target has just paid a dividend of EUR250,000. It has 2 million shares in issue. The current return to shareholders in the same industry as Target is 12%, although it is expected that an additional risk premium of 2% will be applicable to Target, being a smaller and unlisted company. Required: Calculate the expected valuation of Target, if dividends are expected to be constant
- d) Give the meaning of Transaction risk.
- e) A UK company has just dispatched a shipment of goods to Sweden. The sale will be invoiced in British pounds, and payment is to be made in three months' time. Neither the UK exporter nor the Swedish importer uses the forward foreign exchange market to cover exchange risk. If the British pound were to weaken substantially against the Swedish kronor, what would be the foreign exchange gain or loss effects upon the UK exporter and the Swedish importer?
- A UK exporter: No effect/Swedish importer: Gain
B UK exporter: No effect/Swedish importer: Loss
C UK exporter: Loss/Swedish importer: No effect
D UK exporter: Gain/Swedish importer: Gain
- f) What are the 3 constituent element of VFM?
- g) What is Ratchet patterns?
- h) What is gearing ratio?
- i) What are tender offers?

- j) Angela Co is a listed company. It has 1 million \$0.25 par value ordinary shares in issue, and \$100,000 worth of \$100 par value bonds. The shares were originally issued at a premium of \$0.05 per share, and the bonds were issued at a 10% discount to par value. The shares and the bonds are trading at \$1.22 and \$102 respectively.

What is the gearing ratio of Angela Co, calculated as $[\text{debt} / (\text{debt} + \text{equity})]$ and using market values?

SECTION – B

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

2. What are covenants? Give examples of positive and negative Debt covenants.
3. Plover Co has 1 million GBP1 ordinary shares quoted at GBP4.50 ex div. It is considering a 1 for 5 rights issue at GBP4.20 per share.
Required: Calculate the theoretical ex rights share price.
(b) Assume that Plover Co intends to use the funds raised to finance a project with an NPV of GBP300,000.
Required: Calculate the theoretical ex rights share price if the project is undertaken.
4. Explain Modigliani & Miller theory of capital structure without tax.
5. Lilydale Co has 5m ordinary shares in issue. Its results for the year are:

	USD000
Profit before tax	750
Tax	<u>(150)</u>
Profit after tax (PAT)	600
Ordinary dividend – proposed	<u>(150)</u>
Retained profit	450

The market price per share is currently 83 cents cum-dividend. Required:

Calculate the following ratios: (a) Price/earnings ratio (b) Dividend payout rate
(c) Dividend yield, and (d) Dividend cover.

6. Penny Company wishes to invest in a new lorry costing \$130,000. The lorry has a life of four years and no scrap proceeds are expected to be available after this period. Tax allowable depreciation is available at 25% on a reducing balance basis. The company can borrow at 12% pre-tax. The lorry could alternatively be leased for a cost of \$40,000 per year payable in arrears for four years. Assume for now that the full lease payment is a tax deductible expense and that no tax allowable depreciation can be claimed on a leased asset. Corporation tax is 33% payable one year in arrears.

Required: Determine whether the company should lease or purchase the asset.

7. X Company is identical in all operating and risk characteristics to Y Company, except that X Company is financed only by equity valued at \$3m whereas Y Company has debt valued at \$0.9m (based on market value) as part of its capital structure. X Company and Y Company operate in a country where tax is payable at 33%. The interest paid on Y Company's debt is \$72,000 per annum, and it pays a dividend to shareholders of \$401,760 per annum. X Company pays an annual dividend of \$450,000.

Required: (a) Calculate the value of the equity of Y Company.

(b) Calculate the Cost of capital for X Company.

(c) Calculate the cost of equity for Y Company, and the cost of debt for Y Company.

8. Equip is a UK company that is a major exporter of agricultural equipment to Australia, New Zealand and throughout Europe. All production facilities are in the United Kingdom. The majority of raw materials and tools are also sourced in the United Kingdom, with a few imports from Eire, priced in British pounds. Major competitors are based in the United States and Germany. There are plans to set up a manufacturing subsidiary in Australia, funded in part by an Australian dollar loan to be taken out by Equip. The new manufacturing facility would be used to source the Australian and New Zealand markets.

Required:

(a) Describe the potential currency exposures faced by this company before setting up the manufacturing subsidiary.

(b) Consider the effects of setting up the new manufacturing subsidiary in

Australia with respect to the following: (i) Will any of the exposures identified in

(a) above be reduced? (ii) What new currency exposures will the group face?

SECTION – C

Answer the following not less than two pages each.

(3x15=45)

9. Canalot Co is an all equity company with an equilibrium market value of GBP32.5 million and a cost of capital of 18% per year.

The company proposes to re-purchase GBP5 million of equity and to replace it with 13% irredeemable bonds.

Canalot's earnings before interest and tax are expected to be constant for the foreseeable future. Corporate tax is at the rate of 35%. All profits are paid out as dividends.

Required: Explain and demonstrate how this change in capital structure will affect:

1 the market value;

2 the cost of equity; and

3 the cost of capital of Canalot Co, using the assumptions of Modigliani and Miller. (10marks)

Explain any weaknesses of both the traditional and Modigliani and Miller theories and discuss how useful they might be in the determination of the appropriate capital structure for a company. (5 marks)

OR

a) Williams Inc is the manufacturer of cosmetics, soaps and shower gels. It also markets its products using its own highly successful sales and marketing department. It is seen as an employer of choice and as such has a talented and loyal workforce with a history of developing new and exciting products which have sold well. It is now considering extending its range, however it has currently a build-up of unfulfilled orders due to a lack of capacity.

GSL is a well-known herbal remedy for skin problems. GSL Co was founded by three brothers in the 1950s and until the death of the remaining brother in 2007 has performed well – however the new Chairman has limited experience and the company has not performed well over recent years. GSL has a dedicated team of herbalists who have developed products, which would find a ready market – however, there is insufficient funds and expertise to correctly market these products and market share is low.

Williams' products and GSL's products are made using similar production technologies and their financial and administrative systems are similar and it is hoped savings can be made here.

Required: Identify any potential synergy gains that would emerge from a merger of Williams and GSL.

(10 marks)

b) DCD is a manufacturer of heavy construction equipment. It has manufacturing facilities around the world. DCD's Ordinary Share Capital has a nominal value of \$70 million (\$0.50 shares) and the current market price per share is \$6.00. Proposed new manufacturing facility

The Board is planning to build a new manufacturing facility and has already identified a suitable site and prepared a schedule of forecast cash flows arising from the project.

It is expected that the proposed new facility would be fully operational within a year of the initial investment and that the project would generate a rate of return on funds invested of 20%. This is greater than the return on existing funds of 15% due to the greater efficiency of the new manufacturing facility.

Rights issue The Board has decided to use a rights issue to finance the initial investment of \$250 million. The new shares will be issued at a discount of 40% on current market price. What is the approximate yield adjusted theoretical ex-rights price of the DCD shares?

(5 marks)

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**St Aloysius College (Autonomous)
Mangaluru**

**B.B.A/B.B.M. Semester VI – Degree Examination
September - 2020**

INVESTMENT MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A

1. **Answer all the questions in 2 or 3 sentences each.** (10x2=20)
- State any two advantages of investing in real-estate.
 - How is speculation different from investment?
 - What is book building?
 - What is SENSEX?
 - What do you understand by investment media?
 - Name any two credit rating agencies in India.
 - What do you mean by zero-coupon bond?
 - What do you mean by listing of shares?
 - Expand a) NSDL b) NSE
 - Give the meaning of a commodity market?

SECTION – B

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

- What are the features of investment? Explain.
- Explain the features of government securities.
- Explain the role of floatation of shares in new issues market.
- Briefly explain the problems of mutual funds industry in India.
- Briefly explain the advantages of listing of shares.
- State the usefulness of stock market indices.
- Write a note on BSE.

SECTION – C

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

- Define stock exchange. Explain the functions of stock exchange. State the recent developments in stock market.

OR

“Investment is both important and useful in the context of present day conditions”. Analyse the statement.

- Write a short note on
 - dematerialization of securities
 - Investment in gold

OR

Explain the SEBI guidelines relating to primary and secondary market.

- What are mutual funds? Explain the different types of mutual funds.

OR

What are corporate securities? Explain their features, advantages and disadvantages.

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**St Aloysius College (Autonomous)
Mangaluru**

**B.B.A/B.B.M. Semester VI – Degree Examination
September - 2020**

ORGANISATIONAL BEHAVIOUR

Time: 3 hrs.

Max Marks: 100

SECTION – A

1. **Answer all the questions in 2 or 3 sentences each.** (10x2=20)

- Define organizational behaviour?
- What do you mean by power?
- Who is an introvert?
- Give the meaning of perception?
- What do you mean by motivation?
- Define learning?
- Give the meaning of anthropology?
- What do you mean by Internal Locus of control?
- What is Halo effect?
- What is group dynamics?

SECTION-B

Answer any FIVE questions in not less than one page each. (5 x 7= 35)

- Explain the features of Learning.
- Explain Maslow's need hierarchy theory?
- What are the reasons for joining groups?
- Write a note on Psychoanalytical theory.
- Enumerate the different sources of power?
- Write a note on S. O. B. L model of organizational behaviour.
- Explain Herzberg's two factor theory.

SECTION – C

Answer the following not less than two pages each.

(3x15=45)

9. Explain the theories of learning.

OR

Explain financial and nonfinancial incentives in detail?

10. What are the emerging challenges of organizational behaviour?

OR

Define the term group? Explain the different types of groups?

11. Briefly explain the methods of acquiring power?

OR

What are the reason for organizational politics? Explain how to manage organizational politics?

St. Aloysius College (Autonomous)
Mangaluru
B.B.A./B.B.M. Semester VI - Degree Examination
September 2022
CORPORATE ACCOUNTING - II

Time: 2 hrs

Max. Marks: 100

SECTION - A

1. Answer all the questions in 2 or 3 sentences each. (10x5=50)
- Define amalgamation.
 - What are subsidiaries transferred?
 - Give the meaning of substantial reconstruction.
 - State the two forms of alteration of share capital.
 - What is capital reduction account?
 - What is purchase consideration?
 - What do you mean by issuing a bonus account?
 - Give the journal entry for the liquidator expenses paid to selling company.
 - Write two examples of fictitious assets in connection with company reconstruction.
 - What do you mean by absorption of one stock company? Give an example.

SECTION - BAnswer any two questions in not less than one page each. (2x7=14)

2. The following is the balance sheet of Green Ltd as at 31.12.2022

Liabilities	₹	Assets	₹
1000 preference shares of ₹ 20 each	20,000	Goodwill	40,000
1000 equity shares of ₹ 20 each	20,000	Building	40,000
Secured loan	1,00,000	Debtors	50,000
Creditors	20,000	Stocks	10,000
		Patents	20,000
		Furniture	10,000
		Provisionary expenses	20,000
		₹ 2,00,000	20,000
	2,00,000		2,00,000

The company is suffering heavy losses and has decided the following scheme of reconstruction:

- The preference shares be reduced to an equal number of shares of ₹ 20 each.
- The equity shares reduced to an equal number of shares of ₹ 20 each.
- The amount available used to write off provisionary expenses, freight and godown accounts, Goodwill and to write off ₹ 5,000 from land and building, ₹ 10,000 from furniture, and ₹ 2,000 from furniture.

Show journal entries in the books of the company.

3. Following is the Balance Sheet of Parinita Ltd as on 30-06-2019.

Liabilities	₹	Assets	₹
2000 share of ₹ 10 each	2,00,000	Goodwill	35,000
Reserve	20,000	Building	85,000
Debentures	1,40,000	Plant	1,60,000
Creditors	80,000	Stock	55,000
		Debtors	65,000
		Cash	40,000
	4,40,000		4,40,000

The business was taken over by Bharath Ltd on the following terms :

- To take over all the assets except cash at 10% less than the book value (except goodwill). The goodwill is taken at 4 years purchase of Super profits. Super profit is the difference between 5 years average profits and 8% of the combined capital and reserve.
- To take over trade liabilities subject to 5% discount.
- Purchase price has to be paid in cash to the extent of ₹ 150000 and the balance in fully paid equity shares of ₹ 10 valued at 12.50 per share.

The profits of the 5 years are :-

30-06-2019	40,500
30-06-2018	29,750
30-06-2017	35,125
30-06-2016	22,100
30-06-2015	2,301

Calculate the amount of Purchase consideration and show the mode of payment.

4. From the following particulars relating to Gadag Branch for the year ended 31st March 2019. Prepare Branch A/c in the books of Head Office.

	₹
Stock at Branch on 1-4-2018	35,600
Branch Debtors on 1-4-2018	18,800
Branch Petty Cash	80
Goods sent to brand during the year	1,13,600
Cash sales during the year	63,200
Cash received from debtors	1,51,600
Cash sent to branch for expenses :	
Rent	8,000
Salary	24,000
Petty Cash	4,000
Stock at Branch on 3-3-2019	21,600
Petty cash on 31-3-2019	120
Goods returned by the branch	3,200
Credit sales	1,61,600

5. Explain the different method of calculating purchase consideration.
6. The following is the balance sheet of Spares Ltd. as on 31-12-2018

Liabilities	₹	Assets	₹
Capital:		Land and building	1,60,000
20000 shares of ₹10 each	2,00,000	Plant and machinery	1,50,000
Debentures	1,00,000	Work in progress	30,000
Creditors	30,000	Furniture and fittings	2,500
Reserve fund	25,000	Debtors	25,000
Dividend equalization fund	20,000	Cash at bank	12,500
P/L appropriation a/c	5,100	Cash in hand	100
Total	3,80,100	Total	3,80,100

The company absorbed by Auto Ltd. on the above date. The consideration for the absorption is discharge of debenture at a premium of 5%, taking over the liability in respect of the sundry creditors, and a payment of ₹7 in cash and one share of ₹5 in Auto Ltd. at the market value of ₹ 8 per share in exchange of one share. The cost of liquidation of ₹ 5,000 is to be met by the purchasing company.

Pass journal entries in the books of Auto Ltd, assuming that the amalgamation in the nature of purchase.

7. The balance sheet of unsound Ltd as on 31-03-2005 is given below:

Liabilities	₹	Assets	₹
2500 preference shares of ₹100 each	2,50,000	Goodwill	80,000
3000 equity shares of ₹100 each	3,00,000	Fixed assets	4,40,000
Creditors	2,50,000	Current Assets	1,80,000
		Preliminary expenses	40,000
		Profit and loss account	60,000
Total	8,00,000	Total	8,00,000

Following scheme of capital reduction was sanctioned by the Court:

- Equity shares are to be reduced to ₹ 50 fully paid.
- Preference shares are to be reduced to shares of ₹ 70 fully paid.

The amount so available is to be applied to cancel Profit and loss account, Preliminary expenses, goodwill and reduce fixed assets by ₹ 30,000.

Give Journal entries and prepare capital reduction account.

8. Distinguish between Internal Reconstruction and External Reconstruction.

SECTION - C

Answer the following not less than two pages each.

(3x15=45)

9. Honey Ltd agreed to acquire the business of Hard Ltd as on 31st December 2019. The Balance sheet of Hard Ltd on that date is given below :

Liabilities	₹	Assets	₹
Share Capital in fully paid shares of ₹10 each	6,00,000	Goodwill	1,20,000
General Reserve	1,30,000	Land & Building	5,60,000
Profit & Loss a/c	1,50,000	Plant	40,000
6% debentures	1,00,000	Stock	2,00,000
Creditors	20,000	Debtors	50,000
		Bank	30,000
	10,00,000		10,00,000

The purchase consideration payable was agreed as follows :

- A cash payment of ₹ 3 for every share in Hard Ltd.
- An issue of 90,000 ₹ 10 shares fully paid in Honey Ltd at an agreed value of ₹15 per share.
- An issue of such an amount of fully paid 8% debentures of Honey Ltd at 96% is sufficient to discharge the 6% debentures of Hard Ltd at a Premium of 20%.

While acquiring the business, the directors of Honey Ltd valued Land & Building at ₹ 13,00,000 Plant at ₹ 30,000, Stock ₹ 1,42,000 and debtors at fair value subject to a reserve of 5% for doubtful debts. The cost of liquidation came to ₹5,000 and was met by Honey Ltd.

Write up the ledger A/c's in the books of Hard Ltd and draft Journal entries in the books of Honey Ltd.

OR

The following are the Balance Sheets of Batra Ltd and Arasu Ltd.

Liabilities	Batra ₹	Arasu ₹	Assets	Batra ₹	Arasu ₹
Equity Share Capital (shares of Rs.100)	3,00,000	1,80,000	Building	90,000	--
Reserve Fund	1,02,000	--	Plant & machinery	3,30,000	1,50,000
Dividend equalization fund	12,000	--	Stock	48,000	24,000
Staff Provident Fund	9,000	--	Debtors	42,000	27,000
6% debentures	60,000	--	Cash at Bank	9,000	3,000
Creditors	30,000	24,000			
P & L Account	6,000	--			
	5,19,000	2,04,000		5,19,000	2,04,000

The two companies agreed to amalgamate and form a new company called Bharath Ltd which takes over the assets and liabilities of both the companies.

The assets of Batra Ltd are to be taken over at a reduced valuation of 10% with the exception of buildings which is taken over at ₹ 80,000. The assets of Arasu Ltd are to be taken over at a reduced valuation of 15% with the exception of stock which was taken over at ₹ 22,000. Both the companies to receive 10% of their net values as goodwill. The entire purchase price is to be paid by Bharath Ltd, in its fully paid shares of ₹ 10 each.

Prepare ledger accounts in the books of Batra Ltd. and Arasu Ltd.

Contd...5

10. Arun Ltd has just recovered from a great financial difficulty. Its balance sheet as on December 31, 2019 is as follows :

Liabilities	₹	Assets	₹
Equity share capital	6,00,000	Buildings	4,00,000
5% preference share capital	4,00,000	Plant & Machinery	2,00,000
Creditors	1,50,000	Current assets	2,00,000
		P & L A/c	3,50,000
	11,50,000		11,50,000

Gagan Ltd is formed to take over buildings at ₹ 3,00,000, Plant & Machinery at ₹ 1,40,000 and stock at ₹ 60,000.

Purchase consideration is to be satisfied by 7% preference shares and equity shares (₹ 10) of Gagan Ltd in the ratio 3:2. Preference shareholders are to be settled in full by allotment of the new preference shares.

Sundry debtors realized ₹ 1,50,000 and ₹ 1,10,000 was paid to creditors in full settlement. There is no other current asset except stock and debtors. Cost of winding up amounted to ₹ 10,000.

Prepare ledger accounts in the books of Arun Ltd and Journal entries in the books of Gagan Ltd and also Balance Sheet of Gagan Ltd.

OR

The Balance sheet of Raksha Ltd. as on 31-12-2019 is as follows:

Liabilities	₹	Assets	₹
Share Capital :		Goodwill	4,00,000
30000 8% preference shares of ₹ 20 each	6,00,000	Land	8,00,000
100000 equity shares of ₹ 10 each	10,00,000	Machinery	5,00,000
14% debentures	2,00,000	Tools	1,50,000
Creditors	4,80,000	Stock	1,00,000
Reserve	20,000	Debtors	1,00,000
		Cash	50,000
		P & L A/c	2,00,000
	23,00,000		23,00,000

On this date, it was decided to reconstruct the company and the following scheme of reconstruction was agreed upon ;

- The creditors to accept 14% debentures to the extent of half of their dues and the balance to be paid after six months.
- The preference shares to be reduced to shares of ₹ 10 each.
- Equity shares to be reduced to share of ₹ 5 each.
- The debit balance of P & L A/c and good will to be written off.
- Land to be reduced by ₹ 1,00,000, machinery by ₹ 65,000 and tools by ₹48,000.
- R.B.D. to the extent of ₹ 7,000 is to be created.
- Utilize reserves, if required.

Give Journal entries, prepare reconstruction account and the reconstructed Balance Sheet.

11. Active Associates Mysore are having branch at Mangalore. Goods are invoice to Branch at cash price. Branch has been instructed to send all the cash daily to the Head Office. All expenses of the Branch are paid by Head Office except petty expenses which are met by branch. From the following particulars prepare Branch Account in the books of Mysore Head Office.

	₹
Stock at Branch on 1-1-2019	1,20,000
Sundry debtors on 1-1-2019	90,000
Petty cash on 1-1-2019	4,000
Office Furniture at Branch on 1-1-2019	12,000
Salaries outstanding on 1-1-2019	2,000
Insurance prepaid by the branch upto 31-3-2019	2,000
<u>Transactions for the year 2019:</u>	
Goods sent to branch	6,40,000
Goods returned by the branch	80,000
Goods returned by the customer	48,000
Cash received from debtors	3,00,000
Cash sales	5,00,000
Credit sales	3,00,000
Discount allowed to debtors	3,000
<u>Payment for the branch met by Head office :</u>	
Salary	20,000
Rent	18,000
Insurance for 1 year paid upto 1-4-2020	8,000
Rent outstanding on 31-12-2019	46,000
Petty expense paid by branch	1,000
Petty expense paid by branch	2,800
<u>Balances on 31-12-2019 :</u>	
Stock ₹	1,00,000
Write off 10% depreciation on Office furniture.	

OR

On 31st December 2015 Rashmitha Ltd with an approval of court decided upon a scheme of capital reduction and reorganization when their balance sheet was as follows:

Liabilities	₹	Assets	₹
4000, 6% preference shares of ₹ 100 each	4,00,000	Goodwill	3,00,000
8000, equity shares of ₹100 each	8,00,000	Land and Building	9,00,000
Debentures of ₹100 each	6,00,000	Stock	3,40,000
Bank over draft	3,00,000	Debtors	1,12,645
Reserves	60,000	Investments	3,62,472
Creditors	1,15,117	Profit and loss account	2,60,000
	22,75,117		22,75,117

According to the scheme:

- i) Each convertible debentures of ₹100 was to be exchanged for one ₹50 non-convertible debenture, three 6½% preference shares of ₹10 each and 2 equity shares of ₹10 each.
- ii) Each existing preference share to be written down from ₹100 to ₹50 per share, and then to be consolidated into shares of ₹100 each, with the rate of dividends to be increased from 6% to 6½%.
- iii) Each existing equity share to be written down from 100 to ₹40 per share and the written off amount is to be paid by the shareholders.
- iv) Bank overdraft to be paid off from the money received.

The reduction of capital and reserves to be applied in writing off fictitious assets and in writing down land and building.

Pass the necessary Journal Entries and prepare capital reduction account and Revised balance sheet.

G 405.6

(2013 -2017 Batch)

Reg. No.:

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St Aloysius College (Autonomous)

Mangaluru

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

September - 2020

AUDITING

Time: 3 hrs.

Max Marks: 100

SECTION – A

1. **Answer all the questions in 2 or 3 sentences each.** (10x2=20)
- What is contingent asset?
 - What is verification of assets?
 - Write the meaning of vouching?
 - What is internal check?
 - What do you mean by teeming and lading?
 - Give the meaning of job card.
 - Define internal control.
 - What is wasting asset?
 - What are distinctive ticks?
 - What do you mean by "goods inward book"?

SECTION – B

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

- What are the essentials of a good system of internal check?
- Write a note on audit notebook.
- Distinguish between continuous audit and annual audit.
- Vouching is the backbone of auditing? Explain.
- Point out the differences between internal audit and external audit.
- What does audit working papers comprise?
- State briefly essential qualities of a successful auditor.

SECTION – C

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

9. Define Auditing? Explain its objectives?

OR

Describe vouching of cash receipts transactions with example.

10. What is audit programme? Explain the contents, advantages and disadvantages of audit programme.

OR

Describe the system of internal check in respect of wage payment suitable for a large manufacturing concern.

11. Explain any five types of assets for the purpose of valuation.

OR

Write a short explanatory note on-

- Statutory audit
- Private audit
- Interim audit

G 405.6a

(2017 Batch only)

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**St Aloysius College (Autonomous)
Mangaluru**

**B.B.A (CIMA) - Semester VI – Degree Examination
September - 2020**

STRATEGIC MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A

1. **Answer all the questions in 2 or 3 sentences each.** (10x2=20)
- Define 'Strategy'.
 - What do you mean by Triple Bottom Line?
 - Give the meaning of Rational Model.
 - What do you mean by 'Emergent Strategies'?
 - What is competence- led approach?
 - Give the meaning of Process Automation.
 - Expand PPC.
 - Expand GRI.
 - Give the meaning of 'Think Tank'.
 - What do you mean by Cultural Web?

SECTION – B

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

- Who is a Change Leader? Explain the process of Change Leadership.
- Explain Ansoff's Product/Market growth matrix.
- What are the various steps involved in Scenario Planning? Explain with examples.
- Explain PESTEL analysis in detail.
- Bring out the various arguments for and against CSR.
- Write a short note on building block model.
- Explain the risks and benefits of entering global markets.

SECTION – C

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

- Elucidate the various stages of Industry Life Cycle analysis.

OR

What do you mean by corporate ethics? Explain the areas covered by corporate ethics.

- Explain Porter's 5 forces model in detail.

OR

Give the meaning of ALM. Bring out the benefits and problems of 3D Printing.

- Describe BCG Matrix with examples.

OR

What do you mean by Performance Management? Explain in detail 'The Performance Pyramid'.

G 406.6

(2013 -2017 Batch)

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**St Aloysius College (Autonomous)
Mangaluru**

**B.B.A/B.B.M. Semester VI – Degree Examination
September - 2020**

OPERATIONS MANAGEMENT

Time: 3 hrs.

Max Marks: 100

Note: Provide Normal distribution table.

SECTION – A

1. **Answer all the questions in 2 or 3 sentences each.** **(10x2=20)**

- a) What is degeneracy in transportation problem?
- b) List out any two applications of operations research.
- c) State the main components of a job design.
- d) The dependency relationship between the activities of a project are given below.
Draw an arrow diagram.

Activity	P	Q	R	S	T	U
Immediate Predecessor	-	-	-	P,Q	Q	Q,R

- e) How is dangling avoided in the network?
- f) What is redundancy in a network?
- g) Write any two characteristics of operations research.
- h) Give the meaning of initial basic feasible solution.
- i) State any two differences between CPM and PERT.
- j) What do you mean by total Float?

SECTION – B

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

- 2. Obtain an initial feasible solution to the following transportation problem using least cost method.

		DESTINATION				Supply
		D ₁	D ₂	D ₃	D ₄	
SOURCE	O ₁	6	4	1	5	14
	O ₂	8	9	2	7	16
	O ₃	4	3	6	2	5
Demand		6	10	15	4	

- 3. Elucidate the application of operations research techniques in Financial Management, Marketing and Human Resource Management.
- 4. Explain the environmental factors affecting workers performance.
- 5. What do you mean by work standards? Elaborate its utilities.
- 6. Explain the Scope of operations research.
- 7. For the transportation problem given below, arrive at an initial basic feasible solution following the North-West Corner Rule. The figures in the cells of the matrix indicate the unit cost of transportation of product in Rupees.

		Destination			Availability
		X	Y	Z	
Origin	A	4	5	6	70
	B	6	4	5	35
	C	7	7	6	45
Requirement		60	40	50	150

- 8. Briefly explain the steps involved in solving a typical transportation problem Least cost method.

SECTION - C

Answer the following not less than two pages each.

(3x15=45)

9. The time estimates (in weeks) for the activities of a PERT network are given below:

Activity	Optimistic	Most - Likely	Pessimistic
1 - 2	1	1	7
1 - 3	1	4	7
1 - 4	2	2	8
2 - 5	1	1	1
3 - 5	2	5	14
4 - 6	2	5	8
5 - 6	3	6	15

- (a) Draw a project network and identify all the paths through it.
 (b) Determine the expected project length.
 (c) Calculate the standard deviation and variance of the project length.
 (d) What is the probability that the project will be completed no more than four weeks later than expected time ?

OR

Illustrate the applications of different kinds of models in operations research.

10. a) Derive an initial feasible solution using VAM for the following transportation cost problem.

		DESTINATION			Supply
		X	Y	Z	
SOURCE	A	2	7	4	50
	B	3	3	7	70
	C	5	4	1	80
	D	1	6	2	140
Demand		70	90	180	

(10)

- b) Explain the limitations of operations research.

(5)

OR

There are four tasks (A, B, C and D) to be assigned to three different machines (P, Q and R). The processing time (in minutes) of each of the tasks on the different machines are as given in the matrix below.

Tasks	Machines		
	P	Q	R
A	10	13	12
B	9	14	19
C	21	13	14
D	23	17	19

You are required to arrive at an optimum assignment that will minimize the processing time.

Contd...3

11. From the below table, you are required to

- Construct a network diagram.
- Compute the earliest event time and latest event time.
- Determine the critical path and total project duration.
- Compute total, free, Independent float for each activity.

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

OR

List of activities for erecting a canteen in a college is given below with other relevant details. Job A must precede all others, while Job E must follow others. Apart from these, jobs can be run concurrently.

Code	Job Description	Normal		Crash	
		Duration (Days)	Cost (₹)	Duration (Days)	Cost (₹)
A	Lay foundation & Build walls	5	3000	4	4000
B	Tile Roofing	6	1200	2	2000
C	Install Electricity	4	1000	3	1800
D	Install Plumbing	5	1200	3	2000
E	Connect Services to Finish	3	1600	3	1600
			8000		

- Draw a Network Diagram for the above tasks
- Identify the critical path
- Crash the network fully to find out minimum duration
- If indirect cost are ₹500 per day, determine the time-cost trade-off for the project

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G 407.6

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St Aloysius College (Autonomous)
Mangaluru
B.B.A/B.B.M. Semester VI – Degree Examination
September - 2020
ADVANCED FINANCIAL MANAGEMENT - II

Time: 3 hrs.

Max Marks: 100

SECTION – A

1. Answer all the questions in 2 or 3 sentences each. (10x2=20)
- Write any two turnover ratio with appropriate formulae.
 - What are investing activities?
 - Write the effect of working capital in cash flow statement.
 - Write any two limitations of Ratios.
 - What do you mean by trend analysis?
 - Write the difference between current assets and Quick assets.
 - Fixed assets ₹ 7,00,000, current assets ₹ 10,00,000, current liabilities ₹ 3,00,000. Find out capital employed.
 - How to ascertain capital gearing ratio?
 - How is comparative financial statement different from common size financial Statement?
 - Determine the closing stock from the following details-
Sales ₹ 4,00,000, gross profit ratio-10% on sales and stock velocity 4times.
Closing stock is ₹ 10,000 in excess of opening stock

SECTION – B

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

2. From the following information relating to 'A' Ltd and 'B' Ltd. prepare common size balance sheet.

Particulars	A Ltd ₹	B Ltd ₹
Land and Building	2,00,000	9,00,000
Plant and machinery	6,00,000	15,00,000
Share capital	9,00,000	29,00,000
Retained earnings	1,00,000	66,000
Debtors	2,30,000	3,20,000
Stock	1,20,000	4,34,000
Cash	20,000	10,000
Prepaid expenses	10,000	6,000
Creditors	1,82,000	2,00,000
Liability for expenses	18,000	34,000
Preliminary expenses	20,000	30,000
Debentures	2,00,000	3,00,000
Goodwill	1,00,000	2,00,000
Furniture	1,00,000	1,00,000

Contd...2

3. Explain the limitation of financial statements.
4. "Accounting ratios are mere guides and complete reliance on them in decision making is suicidal". Explain.
5. Following are the ratio relating to the activities of national traders Ltd.:

Debtors velocity	3 months
Stock velocity	8 months
Creditors velocity	2 months
Gross profit ratio	25 percent

Gross profit for the year ended 31st March, 2019 amounts to ₹ 4,00,000 .

Closing stock of the year is ₹ 10,000 above the opening stock.

Bills receivable amount to ₹ 25,000 and bills payable to ₹ 10,000.

Find out - a) Sales (b) sundry debtors (c) closing stock (d) sundry creditors.

6. From the following information, make out a statement of proprietors funds with as many details as possible:
- Current ratio 2.5
 - Liquid ratio 1.5
 - Proprietary ratio 0.75
 - Working capital ₹ 1,20,000
 - Reserves and Surplus ₹ 80,000
 - Bank overdraft ₹ 20,000

There is no long term loan or fictitious asset

7. Convert the following income statement into comparative income statement and draw your conclusion.

	Particulars	31 st March 2018	31 st March 2018
		₹	₹
i)	Revenue from operation	7,00,000	8,50,000
ii)	Other income	30,000	30,000
iii)	Material consumed	3,30,000	4,20,000
iv)	Manufacturing expenses	1,20,000	1,30,000
v)	Depreciation	5,000	10,000
vi)	Office expenses	1,00,000	1,10,000
vii)	Tax	50%	50%

8. During the year 2019, Vikas Ltd, earned a profit of ₹ 80,000 after adjusting the following:
- Provision for taxation ₹ 40,000
 - Depreciation written off ₹ 30,000
 - Issue of shares at discount ₹ 1,000
 - Profit on sale of investment ₹ 8,000
 - Preliminary expenses written off ₹ 1,500
 - Loss on sale of fixed assets ₹ 1,000
 - Profit on sale of furniture ₹ 20,000
 - Goodwill written off ₹ 2,500
 - Redemption of shares at premium ₹ 2,500
 - Proposed dividend at 10% on paid up capital of ₹ 1,00,000
 - Transfer to reserve ₹ 5,000
 - Tax paid ₹ 5,000
- Calculate Cash from operating activities.

SECTION – C

Answer the following not less than two pages each.

(3x15=45)

9. What is cash flow statement? List out the advantages of cash flow statement. Distinguish between cash flow and fund flow statement.

OR

The Balance sheet of Kulkarani Ltd. as on 31.12.2019 are as under:

	31.12.2018	31.12.2019
Liabilities	₹	₹
Share capital	5,00,000	6,50,000
Share premium	50,000	-
Profit and loss a/c	10,000	25,000
Debentures	2,00,000	1,10,000
Bank loan (long term)	70,000	1,00,000
Creditors	80,000	75,000
Proposed dividend	10,000	15,000
Provision for tax	20,000	25,000
	9,40,000	10,00,000
Assets		
Goodwill	1,00,000	75,000
Trade investment	1,50,000	2,00,000
Fixed assets	5,50,000	5,50,000
Debtors	60,000	90,000
Stock	60,000	80,000
Cash	12,000	5,000
Prepaid expenses	8,000	-
	9,40,000	10,00,000

Additional Information:

- Net profit for the year 2019 before tax and dividend was ₹ 63,000.
- Provision for tax made during the year 2019 was ₹ 23,000.
- Depreciation charged for 2019 was ₹ 80,000.
- Bonus shares of ₹ 50,000 were issued out of share premium.

Prepare cash Flow statement as per AS-3(Revised).

10. Using the following accounting variables, construct the Balance sheet:

Gross Profit (20% on sales)	₹ 60,000
Shareholders' Equity	50,000
Credit sales to Total Sales	80%
Total Assets Turnover	3 Times
Stock Turnover	8 Times
Average collection period	18 days (360 days in a year)
Current Ratio	1.6:1
Long Term Debt to Equity	40%

OR

With the following ratios and further information given below, prepare a Trading, Profit and Loss Account and Balance Sheet:

Gross Profit Ratio	25%
Net Profit Ratio	20%
Stock Turnover Ratio	10 times
Net Profit/Capital	1/5
Capital to Total current Liabilities	1/2
Fixed Assets/Capital	5/4
Fixed Assets/Total Current Assets	5/7
Fixed Assets	₹ 10,00,000
Closing stock	₹ 1,00,000

11. a) Explain the various types of financial analysis. (7)

b) "Financial statements are referred by the various parties in the economy" Explain. (8)

OR

The following schedule shows the summary of the balance sheet of Sharan Ltd. on 31-12-2018 and 31-12-2019.

Balance sheet

Liabilities	2018 (₹)	2019 (₹)	Assets	2018 (₹)	2019 (₹)
Share capital	6,00,000	8,00,000	Plant & Machinery at cost	4,00,000	6,45,000
Debentures	2,00,000	3,00,000	Land & Building	3,00,000	4,00,000
Profit & loss a/c	1,25,000	2,50,000	Stock	3,00,000	3,50,000
Creditors	1,15,000	90,000	Bank	20,000	40,000
Provision for bad and doubtful debts	6,000	3,000	Preliminary expenses	7,000	6,000
Tax provision	50,000	59,000	Debtors	69,000	61,000
	10,96,000	15,02,000		10,96,000	15,02,000

Additional Information:

- During the year a part of machine costing ₹ 70,000 (accumulated depreciation thereon ₹ 2,000) was sold for ₹ 6,000.
- Dividend of ₹ 50,000 was paid during the year.
- Tax paid during the year ₹ 20,000
- Depreciation of plant ₹ 20,000, land and building ₹ 25,000.

You are required to ascertain

- The changes in working capital for 2019
- Fund flow statement.

G 408.6

(2013 -2017 Batch)

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St Aloysius College (Autonomous)

Mangaluru

B.B.A/B.B.M. Semester VI – Deegree Examination

September - 2020

ADVANCED HUMAN RESOURCE MANAGEMENT- II

Time: 3 hrs.

Max Marks: 100

SECTION – A

1. **Answer all the questions in 2 or 3 sentences each.** (10x2=20)
- Give the definition of industrial relation?
 - What do you mean by industrial dispute?
 - What do you mean by gripe boxes?
 - State any two objectives of labour welfare.
 - What is SCOPE?
 - What is Stay in Strike?
 - Define positive discipline.
 - Write a note on ESI Act.
 - Mention any two trade unions in Mangaluru.
 - What is conciliation?

SECTION – B

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

- Explain the importance of keeping healthy industrial relation.
- Write a short note on industrial conflicts.
- What do you mean by punishments? What are the different types of punishment.
- What are the duties of Welfare Officers?
- Why do workers join trade union.
- Write a note on code of discipline.
- What are the conditions of collective bargaining?

SECTION – C

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

- Explain advantages and disadvantages of trade union.

OR

Explain the statutory machinery provided by Industrial Disputes Act 1947 to prevent industrial conflicts.

- Define grievances. Why do grievance arise? Explain the procedure for redressal of grievance.

OR

Explain the retirement benefits available to employees in India.

- Explain indiscipline and the causes of indiscipline.

OR

Explain the role of conciliation.

(2013 -2017 Batch)

G 410.6

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St Aloysius College (Autonomous)

Mangaluru

**B.B.A/B.B.M. Semester VI – Degree Examination
September - 2020**

ENTREPRENEURSHIP DEVELOPMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A

1. **Answer all the questions in 2 or 3 sentences each.** (10x2=20)
- Define entrepreneurship.
 - Give the meaning of project.
 - What is capital structure?
 - Define a woman Entrepreneur.
 - What is venture capital?
 - Expand MSMED and SIDBI.
 - State any two functions of Exim Bank.
 - Define Motivation.
 - Write any two differences between Entrepreneur and Manager.
 - What is a Small Scale Industry?

SECTION – B

- Answer any FIVE questions in not less than one page each.** (5x7=35)
- Explain the classification of the project.
 - Explain the functions of women entrepreneurs.
 - Explain the need for an entrepreneur to build the society.
 - What are the symptoms of industrial sickness? Explain
 - Explain the managerial functions of an entrepreneur.
 - Explain SIDCs.
 - Explain Maslow's need hierarchy theory.

SECTION – C

- Answer the following not less than two pages each.** (3x15=45)
- Write a note on growth of entrepreneurship in India.
- OR**
- Explain the different types of entrepreneurs?
- Explain the steps or methods of project appraisal.
- OR**
- What are the causes and consequences of industrial sickness and how do you take corrective measures to curb sickness? Explain.
- Write a proforma of project report.

OR

Explain the classification of entrepreneurial motives.
