

(2010-2015 batch)

G 301.6

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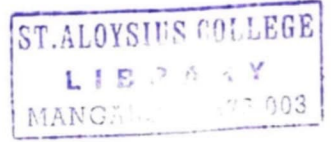
St Aloysius College (Autonomous)
Mangaluru
B.Com. Semester VI – Degree Examination
April - 2018
Financial Accounting - VI

Time: 3 hrs.

Max Marks: 100

SECTION – A**I. Answer any FIVE questions of the following:****(5x2=10)**

1. Give the meaning of Merger according to AS-14.
2. What is consideration for amalgamation?
3. State the meaning of cost of control in Holding Company.
4. State any two forms of alteration of share capital.
5. What is Alteration of Capital?
6. What is social responsibility in accounting?
7. What is minority interest in Holding Company accounts?

**SECTION – B****Answer any FOUR questions of the following:****(4x12=48)**

8. Sun Ltd absorbed the business of Moon Ltd as a going concern on 31.03.2017. The Assets and Liabilities of Moon Ltd on that date were as follows:

Liabilities	(₹)	Assets	(₹)
Share capital: 30,000 shares of ₹10 each	3,00,000	Goodwill	50,000
1,000 preference shares of ₹100 each	1,00,000	Land	2,00,000
Creditors	30,000	Plant	1,00,000
Bills payable	50,000	Debtors	50,000
		Stock	30,000
		Bank	35,000
		Preliminary expenses	5,000
		Profit & loss Account	10,000
	4,80,000		4,80,000

The terms agreed between two companies were as follows:

- i) For every 10 equity shares of Moon Ltd., Sun Ltd., issued 12 fully paid shares of ₹10 each and paid ₹10 in cash.
- ii) The Preference shareholders of Moon Ltd. were paid at a premium of 5% by the issue of 6% preference shares of Sun Ltd at par.
- iii) All assets and liabilities were taken over except cash. Realisation expenses ₹2,000 paid by the Sun Ltd.
- iv) Plant was revalued at ₹1,83,000; other assets and liabilities taken over at their respective book values.

Prepare Realisation Account and Share Holders Account in the books of Moon Ltd.

Contd...2

9. The Balance sheet of Samson Ltd as on 31.12.2017 is given below:

Liabilities	(₹)	Assets	(₹)
Share capital: 30,000, 8% Preference shares of ₹10 each	3,00,000	Goodwill	2,00,000
1,00,000 equity shares of ₹5 each	5,00,000	Land	4,00,000
14% Debentures	2,00,000	Machinery	2,50,000
Creditors	3,00,000	Tools	1,00,000
		Stock	1,00,000
		Debtors	65,000
		Cash	10,000
		Profit & loss Account	1,75,000
	13,00,000		13,00,000

On the date, company undergone a scheme of reconstruction as follows:

- 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 ₹5 each.
- The equity shares to be reduced to ₹1 each.
- The debit balance of Profit and loss account and goodwill to be written off.
- Land to be reduced by ₹79,000, Machinery by ₹40,000 and tools by ₹48,000.
- RBD to the extent of ₹8,000 is to be created.

Journalise the above and prepare revised Balance Sheet.

10. Sapna Ltd. went into voluntary liquidation on 01.01.2018, on which date the dividend on preference shares were in arrears for two years. The subscribed capital of the company consisted off:

- 40,000, 6% preference shares of ₹10 each fully paid.
- 50,000 equity shares of ₹10 each, ₹6 paid.

The assets realized ₹3,50,000. The expenses of liquidation came to ₹9,800. Liquidator entitled to a remuneration of ₹11,000 and a commission of 2½% on the amount paid to the preference shareholders as capital and dividend. The liabilities amounted to ₹20,000.

Prepare Liquidator's Final Statement of Account.

11. From the following information prepare the consolidated Balance Sheet of H Ltd and its subsidiary S Ltd on 31.12.2017

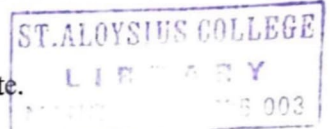
Liabilities	H Ltd (₹)	S Ltd (₹)	Assets	H Ltd (₹)	S Ltd (₹)
Shares of ₹10 each	5,00,000	2,00,000	Goodwill	1,00,000	-
General Reserve	2,00,000	60,000	Plant & Machinery	2,00,000	1,20,000
Profit & Loss Account	1,50,000	40,000	Buildings	2,00,000	1,30,000
Secured Loans	-	80,000	16,000 shares of ₹10 each in S Ltd	2,00,000	-
Unsecured Loans	-	40,000	Govt. securities	-	50,000
Creditors	1,00,000	60,000	Stock	80,000	50,000
Bills payable	50,000	20,000	Debtors	1,00,000	40,000
			Bills Receivable	50,000	-
			Bank	20,000	80,000
			Cash	50,000	30,000
	10,00,000	5,00,000		10,00,000	5,00,000

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Further information:

- Bills payable of 'S' Ltd include ₹10,000 due to H Ltd, which has discounted bills worth ₹5,000 with the banker.
 - Sundry creditors of 'H' Ltd include ₹20,000 due to 'S' Ltd.
 - The closing stock of 'H' Ltd includes stock worth ₹60,000 supplied by 'S' Ltd, which had invoiced at cost plus 20% profit.
 - Shares were acquired on 01.01.2017 at which date the Balance Sheet of 'S' Ltd showed general reserve of ₹20,000 and Profit & Loss Account ₹10,000 (credit).
12. How are accountants held socially responsible? Critically evaluate.
13. List out the various preferential creditors on the liquidation of the company.



SECTION - C

Answer any **TWO** questions of the following:

(2x16=32)

14. Ram Ltd and Raj Ltd agreed to amalgamate their businesses and form a new company RamRaj Ltd. The Balance Sheets of two companies on the date of transfer were as follows:

Liabilities	Ram Ltd (₹)	Raj Ltd (₹)	Assets	Ram Ltd (₹)	Raj Ltd (₹)
Equity shares of ₹100 each	5,00,000	3,00,000	Land	4,65,000	2,55,000
6% Preference shares of ₹100 each	5,00,000	2,50,000	Plant	5,60,000	3,58,000
General reserve	2,00,000	70,000	Furniture	79,000	34,000
Profit and loss account	1,15,000	55,000	Stock	81,500	52,000
5% Debentures	-	40,000	Debtors	56,000	24,600
Creditors	75,000	35,000	Bank	87,000	22,500
			Cash	6,400	3,900
			Preliminary Expenses	55,100	-
	13,90,000	7,50,000		13,90,000	7,50,000

The terms of agreement were as follows:

- The purchase consideration consists of;
 - The assumption of liabilities of both the companies.
 - The discharge of debentures in Raj Ltd at a premium of 5% by the issue of 7% debentures in RamRaj Ltd.
 - The issue of 10 equity shares of ₹10 each at a premium of ₹2 per share and ₹22 in cash for each equity share in Ram Ltd. and 5 equity shares of ₹10 each at a premium of ₹2 per share and ₹80 in cash for every equity share in Raj Ltd.
- All the assets and liabilities of the two companies were taken over at their book values except that a provision of 5% on debtors.
- In order to raise working capital and to pay the purchase consideration RamRaj Ltd. decided to issue 30,000 equity shares of ₹10 each at a premium of ₹2.50 per share.

You are required to prepare Realisation Account and Shareholders Account in the books of Ram Ltd and show opening Balance Sheet of RamRaj Ltd.

Contd...4

15. The Balance Sheet of Norhona Ltd as on 31.12.2017 was below:

Liabilities	(₹)	Assets	(₹)
Authorised capital:		Goodwill	90,000
Preference share of ₹10 each	1,00,000	Land & Buildings	1,40,000
Equity share of ₹10 each	5,00,000	Machinery	37,500
Paid-up capital:	50,000	Furniture	15,000
Preference shares of ₹10 each	2,50,000	Profit & Loss Account	1,25,000
Equity shares of ₹10 each	20,000	Preliminary Expenses	1000
General Reserve	20,000		
6% Debentures of ₹100 each	20,000		
Bank Overdraft	28,500		
Creditors	40,000		
	4,08,500		4,08,500

The capital reduction scheme approved by the court is as follows:

- 6% Debentures of ₹100 each to be converted into equal number of 9% Debentures of ₹50 each..
 - The value of all the preference shares is to be reduced to ₹6 and dividend rate is to be increased to 9%.
 - The value of equity shares to be reduced by ₹8 per share.
 - The existing equity shareholders are to purchase additional equity shares of ₹60,000 for cash to payoff the full amount of bank overdraft and 75% of the creditors.
 - Machinery and furniture are to be written off in proportion of their book values with the help of general reserve and capital reduction amount.
- Pass the journal entries and prepare Revised Balance Sheet giving effect to the above.

16. A Ltd. acquired 8,000 shares of ₹100 each in B Ltd on 30th September 2017. Balance Sheets of the two companies as on 31st March, 2018 were as follows.

	A Ltd (₹)	B Ltd (₹)
I. Equity and Liabilities:		
1. Shareholders Fund		
a) Share capital:		
30,000 shares of ₹100 each	30,00,000	
10,000 shares of ₹100 each		10,00,000
b) <u>Reserves & surplus</u>		
Capital Reserve	-	5,50,000
General Reserve	3,00,000	50,000
Profit & loss Account	3,82,000	1,80,000
2. Current Liabilities		
Creditors	1,79,000	70,000
Bills Payable (including ₹5,000 to A Ltd)	-	17,000
Loan from B Ltd	21,000	-
Total Equity and Liabilities	38,82,000	18,67,000

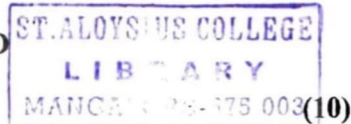
II. Assets			
1.	Non current assets		
	Fixed Assets:		
	Investment in B Ltd at cost	15,00,000	14,47,000
		17,00,000	-
2.	Current Assets:		
	Stock in hand	4,00,000	2,00,000
	Debtors	2,50,000	1,80,000
	Bills Receivable (including ₹5,000 from B Ltd)	12,000	-
	Cash and Bank Balance	20,000	20,000
	Loan to A Ltd	-	20,000
	Total Assets	38,82,000	18,67,000

Additional Information:

- The credit balance in Profit & Loss Account and General Reserve of B Ltd as on 1.04.2016 was ₹21,000 and ₹10,000 respectively.
- The directors decided on the date of the acquisition that the fixed assets of B Ltd were overvalued and should be written down by ₹50,000.
- The stock of B Ltd, includes ₹50,000 bought from A Ltd at a profit of 25% on cost.

Prepare Consolidated Balance sheet as at 31st March 2018. Show your working.

SECTION - D



Answer the following:

17. Balance sheet of Sona ltd, as on 31st march, 2000 was as follows:

Liabilities	(₹)	Assets	(₹)
1,000, 6% Preference shares of ₹100 each	1,00,000	Building	2,00,000
2000 equity shares of ₹100 each	2,00,000	Machinery	2,20,000
3000 equity shares of ₹100 each, ₹50 paid	1,50,000	Stock	1,00,000
6% Debentures	1,00,000	Debtors	1,00,000
Mortgage loan (secured on Buildings)	1,00,000	Cash at Bank	30,000
Sundry creditors	90,000	Profit & Loss A/c	1,00,000
Income tax	10,000		
	7,50,000		7,50,000

The company went into liquidation on 1st April, 2000. The preference dividend were in arrears for three years. The arrears are payable on liquidation. The assets were realized as follows:

Building	₹2,40,000
Machinery	₹1,80,000
Stock	₹70,000
Debtors	₹60,000

The expenses of liquidation amounted to ₹8,000. The liquidator is entitled to a remuneration of 2% on all assets excluding cash at bank and 3% on the amount distributed to unsecured creditors. All payments were made on 30th September 2000.

Prepare liquidators statement of Account.

(2010 batch onwards)

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St Aloysius College (Autonomous)
Mangaluru

B.Com Semester VI – Degree Examination
April - 2018

FOREIGN EXCHANGE MANAGEMENT

Time: 3 Hours

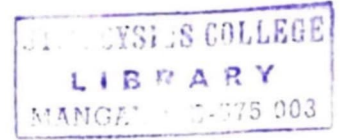
Max. Marks: 100

SECTION – A

Answer any FIVE of the following questions:

(5x2=10)

1. What is fixed exchange rate?
2. What are the functions of foreign exchange market?
3. What is correspondent banking?
4. Give the meaning of spot rate.
5. What do you mean by authorized dealers?
6. What is direct quotation?
7. What is arbitrage operation?



SECTION – B

Answer any FOUR of the following questions:

(4x12=48)

8. Critically explain 'Purchasing Power Parity Theory' of exchange rate determination.
9. Explain the organizational structure and functions of foreign exchange department of a bank.
10. What do you mean by forward contracts? Discuss the features and operations of forward contract.
11. Give an account of different players in foreign exchange market.
12. Explain the concept of cover deals and swap deals in the forex market.
13. Briefly discuss Foreign Exchange Management Act of India.

SECTION - C

Answer any TWO of the following questions:

(2x16=32)

14. Discuss causes for fluctuation in foreign exchange rate.
15. Explain the types and relationship between NRI accounts.
16. Explain the ready rates for trading transactions.

SECTION - D

Answer the following question:

(1x10=10)

17. On 16th September Bank receives a mail transfer from a New York correspondent for US\$ 5000 payable to the customer. Your account with the correspondent bank has been credited with the amount of the mail transfer in reimbursement.

Assuming Rupees/US Dollars are quoted in the local interbank market as under:

Spot (US\$) 1 = ₹69.2500/2700

Spot/October 2200/2300

Calculate the exchange rate and the Rupee amount payable to the customer bearing in mind that- Bank requires an exchange margin of 0.080 percent to load in the rate, and Rupee equivalent should be nearest to the whole Rupee.

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St Aloysius College (Autonomous)
Mangaluru
B.Com. Semester VI – Degree Examination
2018
INVESTMENT MANAGEMENT

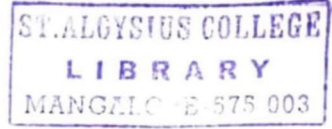
Time: 3 hrs.

Max Marks: 100

SECTION – AAnswer any **FIVE** questions of the following:

(5x2=10)

1. Define Banking.
2. State any two major differences between Investment Banks and Commercial Banks.
3. Who is Merchant Banker?
4. What are Mutual Funds?
5. What is Lease Financing?
6. List any four features of investment in Real Estate.
7. What are Custodial Services?

**SECTION – B**Answer any **FOUR** questions of the following:

(4x12=48)

8. Briefly explain the features and functions of Investment banking.
9. Give an account of financial assistance to corporate enterprises by Life Insurance Corporation of India.
10. What is Venture Capital? Explain the functions of Venture Capital.
11. Distinguish between Financial Lease and Operating Lease.
12. Explain the objectives and determinants of value of Real Estate Investment.
13. What is meant by depository system? What are the objectives and functions of Stock Holding Corporation of India?

SECTION – CAnswer any **TWO** questions of the following:

(2x16=32)

14. Explain the functions of National Securities Depository Ltd. (NSDL).
15. Define Merchant Banking. Explain the functions, role and responsibilities of a merchant banker.
16. Describe the type of financial assistance provided by Unit Trust of India and Mutual Funds to corporate enterprises.

SECTION – D

Answer the following: (Compulsory)

(10)

17. Narmada Manufacturing Company Ltd. can purchase a machine for ₹2,00,000 or make four annual lease prepayments of ₹60,000. The machine's life is 4 years with no residual value. The company pays tax @50%. Approximately one year after earning its cash flows. A bank loan is available to finance the purchase @20%. Should the company lease or borrow and buy, assuming that :

a) The company does not expect to pay corporation tax for the foreseeable future.

b) The company expects to pay corporation tax @50%.

(2010 batch onwards)

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St Aloysius College (Autonomous)
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B.Com. Semester VI – Degree Examination

April - 2018

CORPORATE LAW

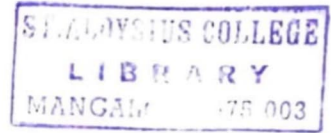
Time: 3 hrs.

Max Marks: 100

SECTION – A

Answer any FIVE questions of the following: (5x2=10)

1. What is a 'corporate veil'?
2. What do you mean by 'licensed companies'?
3. Give the meaning of Red-Herring prospectus.
4. What do you mean by 'Table-A'?
5. What are cumulative preference shares?
6. What do you mean by special resolution?
7. What is an agenda of the meeting?



SECTION - B

Answer any FOUR questions of the following: (4x12=48)

8. What is memorandum of association? Explain briefly its clauses.
9. What do you mean by doctrine of Indoor management? Narrate the exceptions to this doctrine.
10. Discuss the rules regarding allotment of shares.
11. Define company secretary and state the statutory qualifications of a company secretary.
12. What is a floating charge? State its features. Differentiate between fixed charge and floating charge.
13. Explain the three types of resolutions passed at General body meetings.

SECTION – C

Answer any TWO questions of the following: (2x16=32)

14. "A Company is an artificial person created by law". Explain this statement bringing out the characteristics of Joint stock company.
15. Explain the rights and liabilities of members of company.
16. Discuss the provisions of companies Act regarding the appointment and removal of company director.

SECTION – D

Answer the following: (10)

17. State the facts and judicial decisions in the case of Solomon Vs Solmon and co Ltd.

(2010 Batch onwards)

Reg. No:

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**St Aloysius College (Autonomous)
Mangaluru**

**B.Com Semester VI - Degree Examination
April - 2018**

COMPUTERIZED ACCOUNTING- II

Time: 3 Hours

Max. Marks: 100

SECTION - A

Answer any **FIVE** questions:

(5x2=10)

1. What are the different phases of Simon's model?
2. What is Extranet?
3. What are the objectives of information technology act -2000?
4. What are digital signatures? Explain.
5. Differentiate Information System and Information Technology.
6. Write a note on Cyber Law.
7. Explain any two pitfalls of MIS.

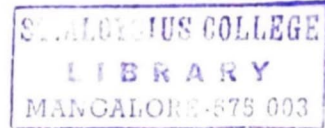
SECTION - B

Answer any **FOUR** questions:

(4x12=48)

8. Explain the characteristics and needs of MIS.
9. Write note on roll and impact of MIS on organization.
10. What are the features of GAP? Explain.
11. Explain in detail the different payment systems.
12. What are the advantages and disadvantages of decision table? Explain.
13. Write a note on the following]
 - a) CAAT
 - b) EDI

SECTION - C

Answer any **TWO** questions:

(2x16=32)

14. What are the scope and purpose of MIS?
15. What is Internet? Explain the different emerging technologies of Information Technology.
16. Explain the risks involved in Information system.

SECTION - D

Answer the following question:

(1x10=10)

17. Explain the different MIS systems.

(2010-2015 batch)

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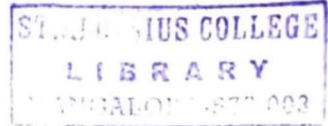
St Aloysius College (Autonomous)
Mangaluru
B.Com. Semester VI – Degree Examination
April - 2018
STRATEGIC FINANCIAL MANAGEMENT

Time: 3 hrs.

Max Marks: 100

SECTION – A**I. Answer any FIVE questions of the following:****(5x2=10)**

1. What are mutually exclusive projects?
2. State any two SEBI guidelines relating to corporate governance.
3. Give the meaning of 'Scrip dividend'.
4. What is meant by financial appraisal of a Project?
5. What do you mean by 'Arbitrage Process'?
6. What is Optimal Capital Structure?
7. A company has sales of ₹5,00,000, Variable costs of ₹3,00,000, fixed costs of ₹1,00,000 and long term loans of ₹4,00,000 at 10% rate of interest. Calculate the composite leverage.

**SECTION – B****Answer any FOUR questions of the following:****(4x12=48)**

8. Calculate operating Leverage and financial leverage under situations A, B and C and financial plans I & II respectively from the following information relating to the operation and capital structure of Santhosh Company Ltd for producing additionally 8000 units. Also, find out the combination of operational and financial leverages, which give the highest and least value.

Selling price per unit ₹300

Variable cost per unit ₹200

Fixed cost:

Situation A - ₹20,000, situation B - ₹40,000, situation C - ₹60,000

Capital structure:	Financial Plan	
	I (₹)	II (₹)
Equity	1,00,000	1,50,000
Debt	1,00,000	50,000

Contd...2

9. a) A company expects a net income of ₹80,000. It has ₹2,00,000 8% Debentures. The equity capitalization rate of the company is 10%. Calculate the value of the firm and overall capitalization rate according to the net income approach (ignoring income tax)
- b) If the debenture debt is increased to ₹3,00,000 what shall be the value of the firm and the overall capitalization rate?
10. A company needs ₹31,25,000 for the construction of a new plant. The following three plans are feasible:
- a) The company may issue 3,12,500 equity shares of ₹10 per share
- b) The company may issue 1,56,250 equity shares of ₹10 per share and 15,625 debentures of ₹100 denomination bearing 8% rate of interest
- c) The company may issue 1,56,250 equity shares of ₹10 per share and 15,625 preference shares of ₹100 per share bearing 8% rate of dividend.
- i) if the company's earnings before interest and taxes are ₹2,50,000, ₹3,75,000 and ₹6,25,000, what are the earnings per share under each of three financial plans? Assume a corporate income tax rate of 40%.
11. What is meant by corporate governance? Explain the features of a good governance system.
12. What is Project Appraisal? Explain the factors to be considered while appraising the project.
13. Explain Modigliani-Miller model of dividend policy.

SECTION - C

Answer any **TWO** questions of the following:

(2x16=32)

14. Explain the factors influencing the dividend policy of a firm.
15. A large sized chemical company is considering investing in a project that costs ₹5,00,000. The estimated salvage value is zero; tax rate is 35%. The company uses straight line method of depreciation for tax purposes and the proposed project has cash flows before tax as follows:

Year	1	2	3	4	5
CFBT (₹)	1,00,000	1,00,000	1,50,000	1,50,000	2,50,000

Determine the following: a) Pay back period b) Average Rate of Return (ARR)

c) Net Present value (NPV) at 10% discount rate

d) Profitability (PI) at 10% discount rate

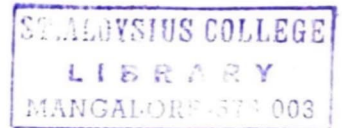
Present value of ₹1 at 10% discount rate are

Year	1	2	3	4	5
PV factor at 10%	.909	.826	.751	.683	.621

16. The financial manager of a company has formulated various financial plans to finance ₹30,00,000 required to implement various capital budgeting projects:
- Either equity capital of ₹30,00,000 or ₹15,00,000, 10% debentures and ₹15,00,000 equity.
 - Either equity capital of ₹30,00,000 or 13% preference shares of ₹10,00,000 and ₹20,00,000 equity.
 - Either equity capital of ₹30,00,000 or 13% preference share capital of ₹10,00,000, ₹10,00,000, 10% debentures and ₹10,00,000 equity; and
 - Either equity share capital of ₹20,00,000 and 10% Debentures of ₹10,00,000 or 13% preference capital of ₹10,00,000, 10% debentures of ₹8,00,000 and ₹12,00,000 equity.

You are required to determine the indifference point for each financial plan, assuming 35% corporate tax rate and the face value of equity shares as ₹100.

SECTION – D



Answer the following:

(10)

17. Babylon company prepares explosives. During the preceding years, it earned ₹6,00,000 after taxes. The company is in a 40% tax bracket, it had no debt outstanding at year end, and it has 1,00,000 shares of common stock outstanding. At the beginning of the current year, it finds that it needs to borrow ₹5,00,000 at an interest rate of 20% in order to expand its operation.
- What is the earning per share before and after financing if EBIT remains the same?
 - What are the absolute and percentage increase in earning per share if EBIT increases by 50%?

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**St Aloysius College (Autonomous)
Mangaluru**

B.Com. Semester VI – Degree Examination

April - 2018

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT - II

Time: 3 hrs.

Max Marks: 100

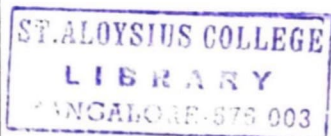
SECTION – A

I. Answer any FIVE questions of the following:

(5x2=10)

1. What is meant by Portfolio Execution?
2. State the meaning of Efficient Frontier.
3. List any two differences between Capital Market Line and Security Market Line.
4. What are Futures?
5. What is 'Commodity Market'?
6. State the formula under Fama's measure to evaluate Portfolio performance.
7. Assume yourself as a portfolio manager and with the help of the following details find out the securities that are overpriced and underpriced in terms of the security market line:

Security	Expected Return	β	σ
E	0.21	1.05	0.28
F	0.14	0.70	0.18
Nifty Index	0.13	1.00	0.20
T-Bills	0.09	0	0.0



SECTION – B

Answer any FOUR questions of the following:

(4x12=48)

8. RKV owned five securities at the beginning of the year in the following amounts and with the following current and expected end of year prices:

Security	Number of shares	Current Price in (₹)	Expected year end price in (₹)
KRBL	100	50	65
SBI	150	30	40
INX	75	20	25
RNL	100	25	32
I-GATE	125	40	47

What is the expected return on RKV's portfolio for the year?

Contd...2

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- 9.a) Bearish sentiment prevails in the market. Mr. Sampath purchases 5 put option contract on X company's stock for a premium of ₹4. The options strike price is ₹42 and it has a maturity period of 3 months. X corporation's current market price is ₹40. If Sampath is correct and X corporation stock price falls to ₹32, how much profit he will gain? If the market price remains stable at ₹42 what would be his profit? (6 marks)
- b) Mr X paid a premium of ₹6 for 6 month call option contract (size 100 shares) of the Alliance corporation which is selling for ₹60 per share. The exercise price of the call option is ₹56.
- Determine Mr X profit or loss if the Alliance corporation stock price is ₹53.
 - What is Xs profit or loss if the Alliance stock price is ₹64 when the option is exercised? (6 marks)
10. The Arun and Kamal corporations have the following probability distribution of returns for next year:

State	Probability	Returns	
		Arun corporation	Kamal corporation
Boom	0.1	16	22
Recession	0.2	-7	-4
Normal	0.4	12	11
Recovery	0.1	11	16
Slow growth	0.2	14	20

- Determine the expected returns for both the corporations?
 - What is the covariance of returns?
11. What is Net Asset value of a Mutual Fund? What are the benefits of mutual funds?
12. What is capital Asset Pricing model? State the assumptions of capital Asset Pricing model.
13. What is Investment? What are the objectives of Investment?

SECTION - C

Answer any **TWO** questions of the following:

(2x16=32)

14. Given the following information:

Particulars	Portfolios			
	A	B	C	D
Beta	1.10	0.8	1.8	1.4
Return (percent)	14.5	11.25	19.75	18.5
Standard deviation (percent)	20.0	17.5	26.3	24.5

Risk free rate of return = 6 percent

Market return = 12 percent

Calculate ;

- a) Sharpe ratio b) Treynor ratio c) Jensen ratio

Contd...3

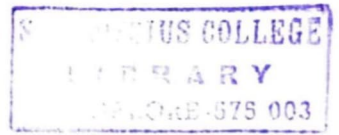
15.a) Mr Prakash is a risk cautious person. He is advised by a friend to buy the following stocks in equal proportion and the information regarding the stocks is given below:

Company	β	Residual Variance
A	0.84	5
B	1.27	12
C	1.17	18

The market return variance is 25. What is the portfolio risk? (6 marks)

b) Consider a portfolio of six securities with the following characteristics:

Security	Weighting	α_i	β_i	Residual variance (%) σ_{ei}^2
1	0.10	-0.28	0.91	23
2	0.15	0.76	0.87	60
3	0.20	2.52	1.17	52
4	0.10	-0.16	0.97	86
5	0.25	1.55	1.07	67
6	0.20	0.47	0.86	82



Assuming the return on market index to be 14.5 percent and the standard deviation of return on market index to be 16 percent, calculate the portfolio return and risk under single index model. (6 marks)

16. What is a Mutual Fund? Explain the different types of Mutual Fund Schemes.

SECTION - D

Answer the following: (10)

17. Assume CAPM equilibrium model with unlimited borrowing and lending at the risk less rate of interest. Complete the blanks in the following table:

Security	E(R)	σ	β	σ_{ei}^2
A	0.15	-	2.0	0.10
B	-	0.25	0.75	0.04
C	0.09	-	0.50	0.17

(2015 batch onwards)

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**St Aloysius College (Autonomous)
Mangaluru**

B.Com Semester VI – Degree Examination

April - 2018

BUSINESS TAXATION - II

Time: 3 hrs.

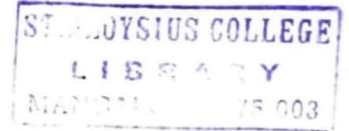
Max Marks: 100

SECTION – A

Answer any **FIVE** of the following:

(5x2=10)

1. Mention any four 'related persons' as specified under GST.
2. What are 'goods' for GST?
3. Mention various types of customs duties.
4. State any four notified services which are subject to 'Reverse charge'.
5. Mr Bharath supplied goods worth ₹25,300 to Mr. Charan and issued invoice dated 25/12/2017 for ₹25,300 and Charan paid ₹26,000 on 30/12/2017 against such supply of goods. The excess ₹700 is adjusted in the next invoice for supply of goods issued on 5.01.2018. Identify the time and value of supply.
6. What is Electronic Credit ledger?
7. What is composite supply?



SECTION – B

(4x12=48)

Answer any **FOUR** of the following:

8. Briefly explain the features of GST.
9. Who is liable to registration under GST? What are the steps involved in the registration process under GST.
10. Write a note on 'Tax Invoice'. Mention its contents.
11. Mr. Surendra of Mysore gives you the following details of transactions:
Compute the GST payable for the month of January 2018:
 - a) Supply to a taxable person in Mysore (5%) - ₹2,00,000
 - b) Supply to a taxable person in Goa (exempt) - ₹ 4,80,000
 - c) Supply to a taxable person in Bengaluru (12%) - ₹4,00,000
 - d) Supply to a taxable person in Udupi at the instructions of a dealer in UP (18%) - ₹8,00,000
 - e) Supply to an unregistered person in Mangaluru (28%) - ₹12,80,000
 - f) Supply to SEZ developer in Bengaluru (18%) - ₹20,00,000

Contd...2

- g) Supply to a taxable person in Diu Daman (12%) - ₹ 16,00,000
 h) Supply to a registered person in Mumbai (Exempt) - ₹24,00,000
 i) Export to China (12%) - ₹ 18,00,0000
 j) Supply to a unit in SEZ in Mysuru (5%) - ₹12,00,000
 k) Supply to a taxable person in Udupi (12%) - ₹ 10,00,000
 l) Supply to a composite dealer in Dharwad (28%) - ₹8,00,000
 m) Credit in electronic credit ledger : IGST : ₹3,40,000, CGST - ₹ 1,80,000 and SGST - ₹3,00,000.

- 12.a) Badrinath of Mumbai, Maharashtra supplied oil and oil products to different wholesalers all over India. From the following details, determine place of supply & Time of supply and GST applicable:

Sl no	Supplied to	Date of removal of goods	Invoice date	Date of Payment received	Date of receipt shown by recipient
1	Pune, Maharashtra	25/12/2017	31/12/2017	Books: 4/1/2018 Bank credit: 5/1/2018	1/1/2018
2	Salem, Tamilnadu	25/12/2017	21/12/2017	4/1/2018	1/1/2018
3	Ordered by Ashen in Bangalore but directed to supply to Manish, Goa	25/12/2017	31/12/2017	Books: 16/12/2017 Bank: 19/12/2017	1/1/2018
4	Podicherry but goods were collected from the factory of Badrinath in Chennai	25/12/2017	31/12/2017	Books: 4/1/2018 Bank: 5/1/2018	23/12/2017

- b) Vipul Ltd has its Head office based at Ludhiana and four branch offices at Delhi, Bhopal, Panaji and Trivandrum. It seeks the services of Robosoft Ltd and Information Technology to update its software across all branches. No services were rendered at the Head office. Robosoft raises a bill which includes GST amounting to ₹7,00,000 on the Head office.

The turnover of the head office and the branches during the quarter ending 31st December 2017 were as follows:

Ludhiana head office - ₹4,00,000, Delhi - ₹ 13,00,000, Bhopal ₹ 4,00,000, Panaji - ₹3,00,000 and Trivandrum - ₹3,00,000

Compute the distribution of input tax by the Ludhiana head office.

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13. Taj group of Hotels provided the following services within Maharashtra from its various establishments. Compute the amount of GST payable for the month of January 2018.

- Supply of food and drinks in a non-a/c restaurant ₹2,00,000 (CGST and SGST Paid on inward supplies ₹ 8,600 each) – 5%
- Supply of food and beverages in outdoor catering ₹ 5,00,000 – 18% (IGST paid on inward supplies ₹9,000)
- Supply of food and drinks in a non-a/c alcohol serving restaurant ₹2,50,000 – 5% (CGST and SGST paid on Inward supplies ₹13,200 each)
- Supply of food and beverages in 5 star air conditioned restaurant ₹8,00,000 – (18%) (IGST paid on inward supplies ₹12,100)
- Renting of hotel rooms (Tariff more than ₹7,500 per day) - ₹6,50,000 – 18% (SGST & CGST paid on inwards supply ₹9,100 each)

SECTION – C

Answer any **TWO** of the following:

(2x16=32)

14. Explain the place of supply of services, where location of supplier and recipient is in India, as per sec. 12 of the GST Act.

15. H.P Ltd Bangalore agreed to supply 10 Laptops to CATS Mangaluru in the month of January 2018 on the following terms:

Price of Laptops supplied (inclusive of GST at 18%) ₹ 47,200 each

Price of carry case supplied (exclusive of GST At 12%) ₹1,500 each

Expenses charged separately in the invoice:

Packing for transportation - ₹8,000

Transport chargers to recipient's place ₹ 20,000

Commission paid to the agents to fix up agreement for the sale ₹16,000.

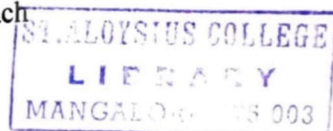
Late fees charged to the buyer for the delayed payment of the items supplied in the previous month ₹2,000.

The dealer supplied following essential items along with CPU:

- 10 chargers costing ₹1,200 each (12%)
- 10 mouse costing ₹ 500 each (12%)
- Cost of operating software installed for all the systems ₹70,000 (5%)
- Special discount of ₹2,000 is given if advance of ₹1,00,000 is paid with the order. The buyer has paid advance with the order.
- Balance available in the Electronic credit Ledger: IGST - ₹1,24,000, CGST - ₹58,000 and SGST - ₹43,000.

Determine the transaction value and GST payable for the month of January 2018.

Contd...4



16. Sharadhi, an importer, imported goods from Landon in January 2018 and furnished the following information. Compute the Assessable value and customs duty payable
- Cost of the goods imported:\$2,000
 - Design and development changes of \$200 were paid to a consultancy firm in USA.
 - Royalty of \$50 paid by exporter to a Japan company.
 - Primary and secondary packing charges incurred \$50.
 - Exporter spent \$30 towards labour charges in respect of packing process.
 - Importer spent an amount of ₹15,000 in India for development work connected with the goods.
 - Transportation charges from port to the factory of Importer ₹2,000
 - Commission paid to local agent 2% on FOB price of goods.
 - Rate of exchange as per CBEC 1\$=₹60.
 - BCD-10%, CVD – 12%, IGST – 28% and GST compensation cess – 40%.
 - Imports are also liable to safeguard duty – 15% and Anti-dumping duty – 25%.

SECTION – D

Answer the following:

(1x10=10)

- 17.a) What is composition Levy scheme? State its features.
- b) Paramesh runs a business in Bengaluru, who has utilized ₹62.5 lakhs worth of inputs, on which 28% GST was paid by him. He supplied the finished goods ₹92 lakh (after processing to other dealers, after adding a profit margin of 20%). If he had opted for composition scheme, his tax liability would be 1%. Analyse the scenario under normal scheme and composition scheme of levy and suggest which scheme would be better for Paramesh.

(2010 Batch onwards)

Reg. No.

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St Aloysius College (Autonomous)

Mangaluru

B.Com. Semester VI – Degree Examination

April - 2018

HUMAN RESOURCE MANAGEMENT - II

Time: 3 hrs.

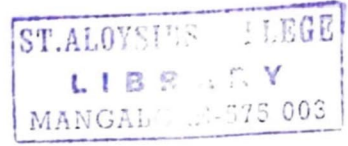
Max Marks: 100

SECTION – A

Answer any **FIVE** of the following.

(5x2=10)

1. What is Employee Downsizing?
2. State any two types of incentive plans.
3. What is Dual family career?
4. Define Industrial Relations.
5. What is Quality Circles?
6. State any two examples for social security measures.
7. List any two provisions of Maternity Benefit Act.



SECTION – B

Answer any **FOUR** of the following.

(4x12=48)

8. What are the causes of Labour Absenteeism? Explain the measurement of Employee Attrition.
9. What are the objectives of employee benefits? Explain the modern concepts in employee benefits.
10. What are the elements of career planning programmes? Explain the issues in career planning.
11. Explain the concepts of knowledge management and learning organization.
12. Explain the purpose and types of labour welfare works in India.
13. Write a note on Industrial Relations Approaches in Industrial Relations.

SECTION – C

Answer any **TWO** of the following.

(2x16=32)

14. Distinguish between Monetary and non-monetary incentives? Explain the guidelines for effective incentive plans.
15. What are the functions of Human Resource Accounting? Explain the concept of Quality of work life.
16. Describe the important provisions of Workmen's Compensation Act and Employee Provident Fund Act.

Contd...2

SECTION - D**Answer the following:****(10)****17. Case Study:****Coping with Job Stress**

Shivakumar, a manager with KL Technologies, has coped well with his outplacement because he has never relied solely on his job to provide him with a sense of self-esteem. He realized that, when Mass System Private Ltd., acquired KL Technologies in 1989, a Mass System Manager would be replaced as soon as the merger was completed. But after 18 years of working for KL Technologies, he still found the layoff hard to take. His typical day begins with a visit to the office of an outplacement firm in Adyar, Chennai. He makes a few calls and dictates a letter or two to staff secretary. He has inquired about 50 jobs and pursued about 6. He received an offer from one corporation in Karnataka, but he didn't want to move that far. Shivakumar insists that he is flexible and open to jobs in organizations much smaller than KL Technologies and to jobs that probably cannot match his former six-figure salary. He maintains his active involvement in the Red Cross of Chennai because it enables him a feeling of self-worth. He understands that losing a job is an emotional blow, but it doesn't have to be a career disaster. He consulted a major human resources consulting firm, which indicated him about several steps to make the period of unemployment shorter.

- Stay calm. The worst mistake that you can make is to reach out frantically for the first job you can find.
- Save your network of contacts and friends until you are ready to move.
- Be flexible. The more broadly you define your skill, the greater are your options.
- Maintain a daily routine. Visit the outplacement firm regularly, eat well, exercise and take to relax.
- Try to -avoid emotional highs and lows.

Questions:

1. Why do you think Shivakumar found it difficult to manage the layoff?
2. Discuss the work behaviour of Shivakumar.

(2010 batch onwards)

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**St Aloysius College (Autonomous)
Mangaluru**

**B.Com. Semester VI – Degree Examination
April - 2018**

MARKETING MANAGEMENT II

Max Marks: 100

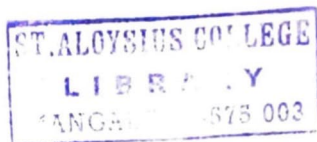
Time: 3 hrs.

SECTION – A

Answer any **FIVE** questions of the following:

(5x2=10)

1. What do you mean by 'Brand'?
2. Define Customer Relationship Management (CRM).
3. What is Rural Marketing Environment?
4. What do you mean by Service Marketing?
5. Give the meaning of Strategic Marketing?
6. Define 'Consumerism'.
7. What is Brand Equity?



SECTION – B

Answer any **FOUR** questions of the following:

(4x12=48)

8. What is Brand Extension? Explain the significance of brand.
9. How to reduce customer defection? Explain the issues in implementing C.R.M.
10. What are the characteristics of rural consumer? Explain the importance of rural marketing.
11. What are the features of Retailing? Explain the differences between product and service marketing.
12. What do you mean by Cyber Marketing? Explain its applications.
13. Explain the need and role of Consumer Forums.

SECTION – C

Answer any **TWO** questions of the following:

(2x16=32)

14. Explain in detail conceptual foundations of Customer Relationship Marketing.
15. How to tap the rural markets? Explain the growth and diversification of rural demand.
16. Explain in detail provisions and redress process in Consumer Protection Act, 1986.

SECTION – D

(10)

Answer the following: (Compulsory)

17. **Case Study:**

Xerox is a company which is known worldwide for its photocopying machines. In the developed countries, it has many successful brands in its portfolio. In fact, in these countries it is acclaimed as the leader in variety of business machines.

Contd...2

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However, in India, Xerox is known more for photocopying machines. It does not have any name in the field of printing machines. In the other hand, customers associate printing machines with successful brands like Canon and H.P.

Now Xerox is planning to popularize its range of printing machines in India. But the greater barrier it is facing is that customers are very loyal to Canon and H.P. Infact, they are loyal to the extent that despite high advertising, the Xerox brand has not been able to get its brand awareness right for printing machines. Xerox is still optimistic, because their product is for superior to the products of their rivals.

Questions:

- 1) In a situation like this, what should Xerox do to attract the attention of the customers?
- 2) How can Xerox grab dominating share in printing machine market dominated by the rivals?

