

St Aloysius College (Autonomous)
Mangaluru
Semester II- P.G. Examination - M.Com
May/June - 2023

CORPORATE ACCOUNTING AND REPORTING

Time: 3 hrs.

Max Marks: 70

SECTION - A

Answer any **FIVE** questions.

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1. List out the application of Earning per share (IND AS -33).
2. What are the disclosure requirements of accounting for Amalgamation?
3. Compare and contrast the pooling of interest method and purchase method.
4. List down the reasons for corporate restructuring.
5. Explain the basis of consolidation.
6. Analyse the provisions related to IND AS 108 -Operating Segments.
7. Outline the objectives of Corporate Reporting.

SECTION - B

Answer any **FOUR** questions.

(4x10=40)

8. X Ltd and Y Ltd are two companies carrying on business in the same line of activity. Their liabilities and assets as on 31.3.2023 are given below:

Liabilities	X Ltd	Y Ltd	Assets	X Ltd	Y Ltd
Fully paid up equity shares of ₹ 10 each	6,00,000	2,00,000	Land & Building	1,00,000	-----
General reserve	4,00,000	2,00,000	Plant & Machinery	7,00,000	3,00,000
Secured loan	6,00,000	1,00,000	Investments	1,00,000	-----
Current liabilities	6,00,000	4,00,000	Stock	9,00,000	4,00,000
			Debtors	3,00,000	1,00,000
			Cash at bank	1,00,000	1,00,000
	22,00,000	9,00,000		22,00,000	9,00,000

The two companies decide to amalgamate in the nature of merger into XY Ltd. Following further information is given:

- (1) X Ltd. holds 8,000 shares in Y Ltd. @ ₹ 12.50 each.
- (2) All assets and liabilities of the two companies, except investments are taken over by XY Ltd.
- (3) Each share in Y Ltd. is valued @ ₹ 25 for the purpose of the amalgamation.
- (4) Shareholders in X Ltd. and Y Ltd. are paid off by issuing to them sufficient number of equity shares of ₹10 each in XY Ltd. as fully paid up at par.
- (5) Each share in X Ltd. is valued @ ₹ 15 for the purpose of the amalgamation.

Show Journal Entries to close the books of both the companies.

9. Explain the concept of Interim Financial Reporting - IND AS - 34 and also highlight the issues and problems with special reference to published financial statements

10. Following are the liabilities and assets of Godbole Co. Ltd. as on 31.03.2023

Liabilities	Amount	Assets	Amount
Share Capital		Goodwill	22,500
3,000 5% Pref Shares of ₹100 each	3,00,000	Land & Building	3,00,000
6,000 Equity Shares of ₹100 each	6,00,000	Machinery	4,50,000
6% Debentures	1,50,000	Stock	65,000
Bank Overdraft	1,50,000	Debtors	70,000
Creditors	75,000	Cash	7,500
		Surplus A/c (negative balance)	3,50,000
		Discount on debentures	10,000
	12,75,000		12,75,000

On the above date, the company adopted the following scheme of reconstruction:

- (i) The preference shares are to be reduced to fully paid shares of ₹75 each and Equity shares are to be reduced to shares of ₹40 each fully paid.
- (ii) The debenture holders took over stock and debtors in full satisfaction of their claims.
- (iii) The fictitious and intangible assets are to be eliminated.
- (iv) The Land and Buildings to be appreciated by 30% and machinery to be depreciated by 33 1/3 %
- (v) Expenses of Reconstruction amounted to ₹4,500

Give Journal entries incorporating the above scheme of reconstruction and prepare the reconstructed Balance Sheet.

11. Sad Limited presents following balances taken from its books on 31st March 2023:

Liabilities	Amount	Assets	Amount
Share capital (Shares of ₹ 10 each)	12,00,000	Fixed assets	12,75,000
Surplus A/c (Dr Bal)	(3,75,000)	Current assets	7,65,000
5% Debentures	7,50,000		
Accrued interest	37,500		
Sundry creditors	4,27,500		
	20,40,000		20,40,000

The Company is amalgamated by Poor Limited who holds 25% of share capital (purchased by them for ₹2,77,500) and all Debentures issued (at par) by Sad Limited.

The purchase consideration being taking over all assets and liabilities at book value, subject to Fixed Assets revalued at ₹10,50,000 .

The payments to other Shareholders to be made on the basis of such shares being worth ₹15 per share and shares in Sad Ltd being worth ₹5 per share.

Show the entries in books of Sad Limited after determining purchase consideration.

12. Elaborate the procedure in the preparation of consolidated Balance Sheet.

13. From the ledger balances as at 31.03.2023 and information given below prepare the Consolidated Balance Sheet.

Liabilities	H Ltd (₹)	S Ltd (₹)	Assets	H Ltd (₹)	S Ltd (₹)
Share capital: ₹ 10 fully paid	10,00,000	2,00,000	Sundry assets	8,00,000	1,20,000
Surplus A/c	4,00,000	1,20,000	Stock	6,10,000	2,40,000
Reserve	1,00,000	60,000	Debtors	1,30,000	1,70,000
Creditors	2,00,000	1,20,000	Bills receivable	10,000	-----
Bills payable	-----	30,000	Shares in S Ltd 15000 at cost	1,50,000	-----
	17,00,000	5,30,000		17,00,000	5,30,000

- a) All the profits of S Ltd has been earned since the shares were acquired by H Ltd but there was already a reserve of ₹ 60,000 at that date
b) Sundry assets of S Ltd are undervalued by ₹ 20,000.

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SECTION - C (Compulsory)

14. The summarized Balance Sheet of Lucky Ltd as on 31.03.2023 was as follows:

	Note	Amount (₹)	Amount (₹)
A. Equity and liabilities			
1. Shareholders Funds			
a) Share capital	1	7,50,000	
b) Reserves and surplus	2	(10,00,000)	(2,50,000)
2. Non current liabilities			
a) Long term borrowings	3		5,00,000
3. Current liabilities			
a) Short term borrowings	4	5,00,000	
b) Trade payables		2,50,000	7,50,000
TOTAL			10,00,000
B. Assets			
1. Non current assets			
a) Fixed assets			
Tangible assets	5	5,50,000	
Intangible assets	6	1,50,000	7,00,000
2. Current assets			
a) Inventories		1,50,000	
b) Trade receivables		1,25,000	
c) Deferred revenue expenditure		25,000	3,00,000
TOTAL			10,00,000

Notes to accounts:

	Amount (₹)	Amount (₹)
1. Share Capital		
Authorised, issued and fully paid		
5,000 equity shares of ₹ 100 each	5,00,000	
2,500 8% preference shares of ₹100 each	2,50,000	7,50,000
2. Reserves and Surplus		
Surplus account		(10,00,000)
3. Long term borrowings		
8% debentures		5,00,000
4. Short term borrowings		
Loan from directors	3,00,000	
Bank overdraft	2,00,000	5,00,000
5. Tangible assets		
Freehold property	4,00,000	
Plant	1,50,000	5,50,000
6. Intangible assets		
Goodwill	1,00,000	
Trademark	50,000	1,50,000

The following scheme of internal reconstruction was framed, approved by the Court & all the concerned parties and implemented:

(i) The preference shares to be written down to ₹ 25 each and the equity shares to ₹ 20 each. Each class of shares then to be converted into shares of ₹100 each.

(ii) The debenture holders to take over freehold property (book value ₹ 2,00,000) at a valuation of ₹ 2,50,000 in part repayment of their holdings. Remaining freehold property to be revalued at ₹ 6,00,000.

(iii) Loan from directors to be waived off in full.

(iv) Stock of ₹50,000 to be written off, ₹12,500 to be provided for bad debts.

(v) Profit and Loss account balance, Trademark, goodwill and deferred revenue expenditure to be written off.

Prepare Capital Reduction account and company's Balance Sheet immediately after reconstruction.

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**St Aloysius College (Autonomous)
Mangaluru**

**Semester II- P.G. Examination - M.Com
May/June - 2023**

CORPORATE FINANCING AND INVESTMENT DECISIONS

Time: 3 hrs.

Max Marks: 70

SECTION - A

Answer any FIVE questions.

(5x4=20)

- Describe the important steps involved in the capital budgeting process.
- Identify the limitations of NPV and IRR techniques.
- Explain the process of sensitivity analysis
- A company has ₹ 7 crore available for investment. It has evaluated its options and has found that only 4 investment projects given below have positive NPV. All these investments are divisible. Advise the management which investment(s) it should select.

Project	Initial investment (₹ in crore)	NPV (₹ in crore)	PI
X	3.00	0.60	1.20
Y	2.00	0.50	1.25
Z	2.50	1.50	1.60
w	6.00	1.80	1.30

- A corporation has a cost of capital of 15% and the risk free rate of return is 7.5%. A project falling within the firm's normal risk posture is being evaluated. It has a 1 year life and an expected cash flow of ₹ 25,000 to be received in one year. Determine certainty coefficient value of this project.
- A certain project has yearly after tax cash outflows and inflows as tabulated below

Period	Outflow(₹)	Inflow (₹)
0	-25,000	0
1	-12,500	7,500
2	0	10,000
3-6	0	12,500

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Calculate payback period

- Calculate discounted payback period from the information given below

Cost of the project	₹ 6, 00,000
Life of the project	5 years
Annual cash inflow	₹ 2, 00,000
Cut off rate	10%

SECTION - B

Answer any FOUR questions.

(4x10=40)

- Mr. Wise is considering an investment proposal of ₹ 20,000. The expected returns during the life of the investment are as under

Event	Cash Inflow (₹)	Probability
A	8,000	0.3
B	12,000	0.5
C	10,000	0.2

Year II

Event	₹ 8,000		₹ 12,000		₹ 10,000	
	Cash Inflow	Probability	Cash Inflow	Probability	Cash Inflow	Probability
a	15,000	0.2	20,000	0.1	25,000	0.2
b	20,000	0.6	30,000	0.8	40,000	0.5
c	25,000	0.2	40,000	0.1	60,000	0.3

Using 10% as the cost of capital, advice about acceptability of the project based on Decision tree analysis.

9. From the following information ascertain which project is more risky on the basis of coefficient of variation

Project A		Project B	
Cash inflow(₹)	Probability	Cash inflow(₹)	Probability
2,000	0.2	2,000	0.1
4,000	0.3	4,000	0.4
6,000	0.3	6,000	0.4
8,000	0.2	8,000	0.1

10. From the following information calculate Net Present value of the 2 projects and suggest which of the 2 projects should be accepted assuming a discount rate at 10%.

	Project X	Project Y
Initial Investment	₹ 20,000	₹ 30,000
Estimated life	5 years	5 years
Scrap Value	₹ 1,000	₹ 2,000
Annual cash inflow Before dep. And after tax		
Year 1	5,000	20,000
Year 2	10,000	10,000
Year 3	10,000	5,000
Year 4	3,000	3,000
Year 5	2,000	2,000

11. Explain different stages and methods of Venture financing.
 12. Explain the book building process.
 13. Critically evaluate various types capital budgeting decisions.

SECTION - C (Compulsory)

(1x10=10)

14. A company has under consideration two mutually exclusive projects for increasing its plant capacity. The management has developed pessimistic, most likely and optimistic estimates of the annual cash flows associated with each project. The estimates of the annual cash flows associated with each project. The estimates are as follows:

	Project A	Project B
Net investment	₹ 30,000	₹30,000
CFAT estimates:		
Pessimistic	1,200	3,700
Most likely	4,000	4,000
Optimistic	7,000	4,500

- a) Determine the NPV associated with each estimates given for both the projects. The projects have 20 year life each and the firm's cost of capital, 10%.
 b) Which project do you consider should be selected by the company and why?

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**St Aloysius College (Autonomous)
Mangaluru**

**Semester II- P.G. Examination - M.Com
May/June - 2023**

BUSINESS TAXATION

Time: 3 hrs.

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SECTION - A

Max Marks: 70

Answer any FIVE questions.**(5x4=20)**

1. Explain the eligibility and conditions for taking Input tax credit.
2. Vinay Private Ltd. is having its manufacturing units at Bangalore and Chennai. It also has a service unit at Mysore. From the following information, calculate the Aggregate turnover of Vinay Private Ltd. for the year 2022-23:
 - a) Sold goods from Mangalore unit to a dealer at Delhi for ₹ 25,00,000.
 - b) Sold goods from Mangalore unit to a dealer at Mysore for ₹5,00,000.
 - c) Supplied goods from Chennai to U.K for ₹20,00,000.
 - d) Rendered service from Mysore unit to a person located in Hubli for ₹1,00,000.
 - e) Mangalore unit supplies non-taxable goods to Mr. Narayan at Bangalore for ₹2,50,000.
 - f) Supplied goods from Mangalore unit to SEZ located at Delhi for ₹5,00,000.
 - g) Total IGST, CGST and SGST paid by Vinay Private Ltd for the year ₹3,00,000.
 - h) Supplied goods that are exempt from tax from Chennai unit to a dealer at Dharwad for ₹20,000.
3. Determine the time of supply of goods in each of the following independent cases in accordance with provisions of Sec. 12 of CGST Act, 2017 in case supply involves movement of goods.

Case No.	Date of removal	Date of Issue of Invoice	Date when goods made available to recipient	Date of receipt of payment
1.	01.07.2022	01.07.2022	03.07.2022	15.05.2022
2.	03.07.2022	01.07.2022	04.07.2022	25.08.2022
3.	04.08.2022	04.08.2022	06.08.2022	01.07.2022
4.	02.07.2022	28.06.2022	05.07.2022	23.08.2022

4. Who are the persons liable for registration under GST?
5. Assessable value of tobacco products imported into India is ₹ 10,000. The rates of taxes on such products are Basic Customs duty @ 37.5%, IGST @ 28%, NCCD @ 1%, CVD @ 12.5% and Compensation cess @ 60%. Calculate the Customs duty payable

Contd...2

6. Determine the total amount of GST payable on a machine using the details given below:
- Selling price of the machine (inclusive of CGST & SGST @ 9% each) ₹ 1,50,000.
 - Cost of durable and returnable container included in the sale price ₹ 2,000.
 - Design and development charges ₹ 10,000.
 - Warranty charges paid to the seller ₹ 5,000 separately.
 - Rate of GST 18%.
7. What is composition levy? Explain its salient provisions.

SECTION - B

Answer any FOUR questions.

(4x10=40)

8. Explain the salient features of GST in India.
9. Arvin enterprizes has its head office based at Chennai and five branch office at Indore, Bangalore, Bopal, Hyderabad and Delhi. It seeks the service of Kalkura Advertisers, an Ad Agency based at Chennai for advertising its products. The Ad agency raises a bill which includes GST amounting ₹ 2,50,000 on the head office.
- The Turnover of the head office and the branches during the quarter ending December 31st were as under:
- | | | |
|-----------|-------------|------------|
| Chennai | Head Office | ₹ 2,30,000 |
| Indore | branch | ₹ 2,80,000 |
| Bangalore | branch | ₹ 1,80,000 |
| Bhopal | branch | ₹ 3,25,000 |
| Hyderabad | branch | ₹ 1,50,000 |
| Delhi | branch | ₹ 1,25,000 |
- Compute the distribution of input tax by the Chennai head office.
10. Jupiter Color Lab has imported a new film-processing unit from Konica, Singapore. Following are the details of import transaction:
- Cost of Film Processing Unit: \$ 40,000.
 - Cost of spare parts and accessories: \$ 300.
 - Packing charges (including durable packing \$ 50): \$ 250.
 - License fees payable to Konica Japan: \$ 5,000.
 - Air freight: \$ 600.
 - Insurance ₹ 40,000.
 - Installation charges payable to Konica India, Bangalore ₹ 25,000.
 - Commission to their agent in Singapore: \$ 400.
 - Unloading and handling charges: ₹ 30,000.
 - Freight from airport to business premises ₹ 10,000
 - Date of entry inwards 02.02.2023, exchange rate \$ 1 = ₹ 66.
 - Date of submission of Bill of Entry 30.01.2023, exchange rate \$ 1 = ₹ 65.
- Calculate Assessable value and Customs Duty payable if GST on similar goods is 18%. Rate of basic customs duty is 12.5% and compensation cess is 20%.

11. Sharan is a taxable person in Bangalore. He gives the following information from which you are required to calculate CGST, SGST and IGST payable for the month of March 2023.

- a) Supply of goods to Mysore (5%) ₹14,00,000.
 - b) Supply to a taxable person in Maharashtra (12%) ₹ 24,00,000.
 - c) Supply to SEZ developer in Bangalore (5%) ₹ 12,00,000.
 - d) Supply of exempt goods to Udupi ₹ 20,00,000.
 - e) Export to Canada (12%) ₹15,00,000.
 - f) Supply to a taxable person in Goa, delivery of goods received in Bangalore by their agent (5%) ₹ 8,00,000.
 - g) Rendered services to a person in Pondicherry (18%) ₹ 50,000.
 - h) Provided services to a person in Madras, TN (18%) ₹ 8,00,000.
 - i) Goods supplied to a job worker in Chennai, TN (5%) ₹ 50,000.
 - j) Rendered services to Foreign Diplomatic Mission (12%) ₹ 8,00,000.
- He had credit in electronic credit ledger: IGST ₹ 45,000, CGST ₹ 40,000, and SGST ₹ 40,000.

12. A dealer in Karnataka entered a contract with a supplier in Kerala to deliver machinery along with essential accessories. From the information, determine the total amount of GST payable u/s 15 of GST Act, 2017. (Composite supply).

- a) Selling price of Machinery (excluding taxes) ₹10,00,000.
- b) Selling expenses ₹10,000.
- c) Pre-delivery inspection charges ₹6,000.
- d) Installation charges charged separately ₹50,000.
- e) Cost of materials supplied by buyer free of cost ₹20,000.
- f) Secondary packing charges ₹80,000.
- g) Design charges paid by the buyer ₹ 25,000.
- h) Cost of insurance ₹ 10,000.

Other information:

- i) Trade discount @ 10% on cost of machinery.
- ii) Cash discount @ 3% of cost of machinery.
- iii) The machine is supplied along with accessories @ ₹ 20,000, which are necessary for working of the machinery. These bought out accessories are charged for tax at the rate of 5%.
- iv) Rate of GST on machinery @ 18%.

13. List out goods and services that are exempted from Goods and Services Tax.

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

14. Compute the amount of Output tax (GST) to be uploaded by a dealer based in Udipi for the month of December 2022 and which is the last date to upload it in Credit ledger.

	(₹)
a) Product - AB sold to a dealer in Delhi, rate of GST notified to this product is @ 12%	9,00,000
b) Product - CD sold to a dealer in Bangalore at Nil rate of GST	12,00,000
c) Product - EF sold to a dealer in Mumbai, rate of GST @ 5%	7,50,000
d) Product - GH, exported to USA the GST rate notified by GST Council for this product is 12% if it is sold in India	9,60,000
e) Product - IJ sold to a dealer in Union Territory, rate of GST notified is 12%	9,00,000
f) Product - KL @ 18% GST sold to a dealer in Jammu and Kashmir	1,80,000
g) Product - MN @ 28% GST sold to an unregistered dealer in Hubli	6,00,000
h) Product - OP sold to a unit of SEZ in Bangalore, the rate of GST is 18%	3,00,000
i) Product - QR, which is exempted from GST, is sold to a registered dealer in Punjab.	7,80,000
j) Product - ST sold to a dealer in Bidar who has registered under Composition scheme @ 28% GST.	2,25,000
k) Product - UV sold to a unit of SEZ in Mangalore, the rate of GST notified for this product is 5%.	2,40,000
l) Product - WX sold to a registered dealer within the state, the rate of GST notified is 18%.	1,50,000

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Semester II- P.G. Examination – M.Com
May/June – 2023
BUSINESS STATISTICS

Time: 3 hrs.

Max Marks: 70

SECTION – A**Answer any FIVE questions. (5x4=20)**

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1. Explain the types of correlation.
 2. Assume the mean height of soldiers to be 68.22 inches with variance of 10.8 inches. How many soldiers in a regiment of 1,000 would you expect to be
 - i) over 6 ft tall?
 - ii) below 5.5ft ?
 Assume heights to be normally distributed (note: 1 foot = 12 inches)
 3. Distinguish between parametric and non-parametric tests.
 4. Analyse the components of the time series.
 5. Determine the relevance of probability in decision-making.
 6. Fit a trend line to the following data by the method of semi averages and plot the values on the graph.

year	Sales of firm A (Thousand Units)
2001	102
2002	105
2003	114
2004	110
2005	108
2006	116
2007	112

7. Suppose that a manufactured product has 2 defects per unit of product inspected. Using Poisson distribution, calculate the probabilities of finding a product without any defect, 3 defects and 4 defects. (Given $e^{-2} = 0.135$)

SECTION – B**Answer any FOUR questions. (4x10=40)**

8. Explain the process of testing the hypothesis.
9. From the data given below find
 - a) The two regression equations
 - b) The coefficient of correlation between marks in Economics and Statistics.
 - c) The most likely marks in Statistics when the marks in Economics are 30.
 Marks in Economics 25 28 35 32 31 36 29 38 34 32
 Marks in Statistics: 43 46 49 41 36 32 31 30 33 39
10. List the properties of the normal distribution.
11. The customers accounts at a certain departmental store have an average balance of ₹ 480 and a standard deviation of ₹ 160. Assuming that the account balances are normally distributed.
 - i) What proportion of the accounts is over ₹ 600?
 - ii) What proportion of the accounts is between ₹ 400 and ₹ 600
 - iii) What proportion of the accounts is less than ₹ 300?

12. 1,000 families were selected at random in a city to test the belief that high income families usually send their children to public schools and the low income families often sent their children to government schools. The following results were obtained:

Income	School		Total
	Public	Private	
Low	370	430	800
High	130	70	200
Total	500	500	1000

Test whether income and type of schooling are independent.

13. Find Rank correlation using the following data

The ranking of 10 students in two subjects A and B are as follows

A	B
6	3
5	8
3	4
10	9
2	1
4	6
9	10
7	7
8	5
1	2

SECTION - C (Compulsory)

(1x10=10)

14. Calculate the 4 yearly moving averages and plot the values on the graph.

Year	Production of steel
1999	20
2000	22
2001	24
2002	21
2003	23
2004	25
2005	23
2006	26
2007	25

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**St Aloysius College (Autonomous)
Mangaluru**

**Semester II- P.G. Examination – M.Com
May/June – 2023**

RESEARCH METHODOLOGY AND ETHICS

Time: 3 hrs.

Max Marks: 70

SECTION – A

Answer any **FIVE** questions.

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(5x4=20)

1. Explain the types of research.
2. List the characteristics of a good sample design.
3. Distinguish between probability sampling and nonprobability sampling.
4. List the rights and obligations of research participants.
5. Determine the features of a scholarly article.
6. Identify the steps involved in formulating the research problem.
7. Briefly explain the importance of measurement scales in research.

SECTION – B

Answer any **FOUR** questions.

(4x10=40)

8. Explain different types of research design.
9. Analyse the steps in sampling design.
10. Explain the different steps in effective report writing
11. Discuss the types of publication misconduct
12. Describe the phases of designing a questionnaire
13. Briefly explain the concept of "publication ethics" and types of publication misconduct

SECTION – C (Compulsory)

(1x10=10)

14. Design a structured questionnaire using different types of questions to understand the acceptance of digital banking usage by senior citizens in India. Identify your research aim and define your target respondents.
