

Reg. No. :

D 1571

Q.P. Code : [D 07 PMC 01]

(For the candidates admitted from 2007 onwards)
M.Com. DEGREE EXAMINATION, DECEMBER 2010.

First Year

Commerce

CORPORATE ACCOUNTING

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

Each question carries 20 marks.

(5 × 20 = 100)

1. Star Ltd was incorporated on 1st July, 1998 to acquire a running business with effect from 1st April, 1998. The accounts for the year ended 31st March, 1999 disclosed the following :
 - (a) There was a gross profit of Rs. 3,00,000.
 - (b) The sales for the year amounted to Rs. 12,00,000 of which Rs. 2,40,000 were for the first six months.

(c) The expenses debited to the Profit and Loss Account included - directors' fees : Rs. 15,000; bad debts: Rs 3,600; advertising: Rs. 12,000 (under a contract amounting to Rs. 1,000 per month); salaries and general expenses : Rs. 64,000; preliminary expenses written off Rs. 5,000 and donation to a political party given by the company Rs. 5,000.

Prepare a statement showing the amount of profit made before and after incorporation.

2. The Alfa Manufacturing Company Limited was registered with a nominal capital of Rs. 60,00,000 in Equity Shares of Rs, 10 each. The following is the list of balances extracted from its books on 31st March 1999 :

	Rs.
Stock, 1st April, 1998	7,50,000
Fixtures	72,000
Sundry Debtors	8,70,000
Goodwill	2,50,000
Cash in hand	7,500
Cash at Bank	3,99,000
Purchases	18,50,000
Preliminary Expenses	50,000
Wages	8,48,650
General Expenses	68,350
Freight and Carriage	1,31,150
Salaries	1,45,000
Directors' Fees	57,250
Bad Debts	21,100
Debenture Interest paid	1,80,000
	D 1571

www.asinstitute.in

	Rs.
Calls in arrear	75,000
Premises	30,00,000
Plant and Machinery	33,00,000
Interim dividend paid on 1st November 1998	3,92,500
	D 1571

Share Capital	Rs.	40,00,000
12% Debentures		30,00,000
Profit and Loss account		2,62,500
Bills Payable		3,70,000
Sundry Creditors		4,00,000
Sales		41,50,000
General Reserve		2,50,000
Bad debts provision 1st April 1998		35,000

Prepare Trading and Profit and Loss Account and Balance sheet in proper form after making the following adjustments :

- Depreciate Plant and Machinery by 15%
- Write off Rs. 5,000 from Preliminary Expense.
- Provide for half years debenture interest due.

(d) Leave bad and doubtful debts provision at 5% on Sundry Debtors.

(e) Provide for Income Tax @ 50%.

(f) Stock on 31st March, 1999 was Rs. 9,50,000

3. The following is the Balance Sheet of X Co. Ltd. as on 30th June, 1990.

	Rs.	Rs.
Share capital :	Goodwill	35,000
2,000 shares of	Land and building	85,000
Rs. 100 each	2,00,000 Plant and machinery	1,60,000
Reserves	20,000 Stock	55,000
5% debentures	1,00,000 Sundry debtors	65,000
Loan from A (a director)	40,000 Cash at bank	34,000
Sundry creditors	<u>80,000</u> Discount on debentures	<u>6,000</u>
	<u>4,40,000</u>	<u>4,40,000</u>

The business of the company is taken over by Y Co. Ltd. as on that date on the following terms :

- Y Co. to take over all assets except cash, to value the assets at book values less 10%

except goodwill which is to be valued at 4 years purchase of the excess of average (5 years) profits over 8% of the combined amount of share capital and reserves.

- (b) Y Co. Ltd. to take over trade liabilities at a discount of 5%.
- (c) The purchase consideration was to be discharged in cash to the extent of Rs. 1,50,000 and the balance in fully paid equity shares of Rs. 10 each valued at Rs. 12.50 per share. The average of the 5 years profits was Rs. 30,100. The expenses of absorption Rs. 4,000 were paid by X Co. Ltd. but afterwards reimbursed by Y Co. Ltd.

Prepare necessary ledger accounts to close the books of X Co. Ltd.

4. From the Balance Sheets and information given below, prepare Consolidated Balance Sheet.

Liabilities	H Ltd.	S Ltd.
	Rs.	Rs.
Share capital :		
Rs. 10 each fully paid	10,00,000	2,00,000
Profit and loss account	4,00,000	1,20,000

Liabilities	H Ltd.	S Ltd.
	Rs.	Rs.
Reserve	1,00,000	60,000
Creditors	2,00,000	1,20,000
Bills payable	--	30,000
	<u>17,00,000</u>	<u>5,30,000</u>
Assets :		
Sundry Assets	8,00,000	1,20,000
Stock	6,10,000	2,40,000
Debtors	1,30,000	1,70,000
Bills receivable	10,000	-
Shares in S 15,000 at cost	<u>1,50,000</u>	-
	17,00,000	5,30,000

- (a) All the profit of S has been earned since the shares were acquired by H but there was already Reserve of Rs. 60,000 at that date.
- (b) The bills accepted by S Rs. 10,000 are in favor of H.

(c) Sundry assets of S are undervalued by Rs. 20,000

(d) The Stock of H includes Rs. 50,000 bought from S at a profit to the latter of 25% on cost.

5. The following is given

Balance sheet of Anand Ltd. on March 31, 1999

Liabilities	Rs.	Assets	Rs.
Share capital:		Land and building	1,00,000
2,000 14% p. share of Rs. 100	2,00,000	Machinery and plant	2,50,000
1,000 equity shares of Rs. 100	1,00,000	Patents	40,000
each Rs. 75 paid	75,000	Stock at cost	55,000
3,000 equity shares of Rs. 100	3,00,000	Sundry debtors	1,10,000
each Rs. 60 paid	1,80,000	Cash at bank	75,500
14% debentures having a		Profit and loss A/c	83,500
floating charges on all assets	1,00,000		
Interest outstanding	14,000		
Creditors	<u>1,45,000</u>		
			<u>7,14,000</u>

The company went into liquidation on the above date.

The preference dividends were in arrear for two years. The arrears are payable automatically on liquidation. Creditors include a loan for Rs. 50,000 on the mortgage of land and Building. The assets were realised as follows:

	Rs.
Land and buildings	1,20,000
Machinery and plant	2,00,000
Patents	30,000
Stock	60,000
Sundry debtors	80,000

The expenses of liquidation amounted to Rs. 10,900. The liquidator is entitled to a commission of 3 percent on all assets realized except cash and a commission of 2 percent on amounts distributed among unsecured creditors. Preferential creditors amount to Rs. 15,000. Assume the payment was made on September, 30, 1999. Prepare the Liquidator's statement of account.

6. The following are the figures extracted from the books of Sukla Bank Ltd. as on 31.03.2005 (all figures in rupees)

	Rs.	Rs.
Interest and discount received	20,30,000	Rent and taxes paid 54,000
Interest paid on deposits	12,02,000	Stationery and printing 12,000
Issued and subscribed capital	5,00,000	Postage and telegram 25,000
Reserves under Section 17	3,50,000	Other expenses 12,000
Commission, exchange and brokerage	90,000	Audit fees 4,000
Rent received	30,000	Depreciation on bank's properties 12,500
Profit on sale of investment	95,000	Other information :
Salaries and allowances	1,05,000	(a) Provision for bad and doubtful debts necessary Rs. 2,00,000
Directors' fees and allowance	12,000	(b) Rebate on bills discounted as on 31.03.2005, Rs. 7,500
		(c) Provide Rs. 3,50,000 for income tax
		(d) The director desire to declare 10% dividend

Make the necessary assumptions and prepare the profit and loss account in accordance with the law.

7. From the following details, prepare the Revenue a/c, Profit and Loss a/c and Balance sheet of Max Insurance Co., Ltd. carrying on Marine Insurance business, for the 15 months ended 31.3.2006 :

Agents balance (dr.)	Rs. '000	
Interest accrued but not due	1,46,400	
Furniture & fixtures (cost Rs. 12,600)	8,200	
Stock of stationery	8,400	
Expenses of management	2,500	
Foreign taxes & Insurance	2,20,000	
Outstanding premium	12,300	
Donations paid	21,200	
Advance income tax payments	8,600	
Sundry debtors	62,000	
Govt. of India securities	9,200	
	12	D 1571

Debtore of public bodies	Rs. '000	
Shares in limited companies	1,80,000	
State govt. securities	3,60,000	
Claims less re insurance	8,80,000	
Commission paid	10,60,000	
Cash & Bank balance	62,400	
Share capital	94,400	
Balance of marine fund	15,00,000	
(1.4.05)	7,60,000	
Unclaimed dividends	2,400	
P & L a/c (Cr.)	2,40,000	
Sundry creditors	12,600	
Due to reinsurers	60,000	
Premium less reinsurance	12,40,000	
	13	D 1571

Rs.

Interest and dividends	2,40,000
Transfer fees received	600

Outstanding claims on 31.3.06 were Rs. 1,40,000 thousands. Depreciation on furniture to be provided at 20% per annum.

8. Write a note on :

- (a) Inflation accounting methods.
 - (b) Responsibility accounting.
-

Reg. No. :

D 1572 **Q.P. Code : [D 07 PMC 02]**

(For the candidates admitted from 2007 onwards)

M.Com. DEGREE EXAMINATION, DECEMBER 2010.

First Year

Commerce

MARKETING MANAGEMENT

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

(5 × 20 = 100)

1. Define "Marketing Management". Explain the importance of marketing management.
2. What is new product development? Describe the steps to be taken in introducing new product.
3. Define "Pricing". Explain any six kinds of pricing.
4. State the meaning of marketing channel. What according to you are the factors influencing marketing channel?

www.asinstitute.in

5. Do you find any scope for eliminating middlemen in the marketing of Fast Moving Consumer Goods?
6. Define "Sales promotion". Discuss any four of the major sales promotion programmes.
7. What are the essentials of salesmanship? Explain.
8. Define "advertising". How does advertising differs from publicity?

Reg. No. :

D 1573

Q.P. Code : [D 07 PMC 03]

(For the candidates admitted from 2007 onwards)

M.Com. DEGREE EXAMINATION, DECEMBER 2010.

First Year

Part III — Commerce

INFORMATION TECHNOLOGY IN BUSINESS

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

(5 × 20 = 100)

1. What does Data processing, storage and retrieval mean? Explain with suitable examples.
2. Examine the applications of Information Technology in the field of business.
3. Explain
 - (a) Analog
 - (b) Digital and
 - (c) Hybrid Computers.

www.asinstitute.in

4. Describe the steps in developing a computer program.
5. What does 'Networking' mean? Explain its different types.
6. Explain the functions of any four output devices with examples.
7. Describe the functions, merits and limitations of Machine Language and Assembly Language.
8. Define 'E-mail'. Explain its working. State its merits and limitations.

Reg. No. :

D 1574 Q.P. Code : [D 07 PMC 04]

(For the candidates admitted from 2007 onwards)
M.Com. DEGREE EXAMINATION, DECEMBER 2010.

First Year
Commerce

COST AND MANAGEMENT ACCOUNTING

Time : Three hours Maximum : 100 marks

Answer any FIVE questions.
(5 × 20 = 100 marks)

All questions carry equal marks.

1. Discuss the features of a good costing system.
2. What is labour turnover? What are its causes? Indicate the steps which may reduce labour turnover.
3. What is meant by cost volume profit analysis? Explain the advantages of such analysis.

4. A factory manufactures three products X, Y and Z, which emerge from a joint process. Joint processing cost amount to Rs. 1,56,000. The output of X, Y and Z was 30,000, 33,000 and 19,500 units respectively. Apportion the joint costs among the products under the survey method. The joint products are weighted as follows:
X - 3 points; Y - 2 points; Z - 4 points.

5. Explain the merits and demerits of Job Costing.

6. Raj Corporation Ltd. has prepared the following budget estimates for the year 1999-2000.

	Rs.	
Sales(units)	15,000	
Fixed expenses	34,000	
Sales	1,50,000	
Variable costs	Rs.6 per unit	

You are required to

(a) Find the P/v ratio, break-even point and margin of safety.

(b) Calculate the revised P/v ratio, break even point and margin of safety in each of the following cases:

- (i) Decrease of 10% in selling price.
- (ii) Increase of 10% in variable costs.
- (iii) Increase of sales volume by 2000 units.
- (iv) Increase of Rs.6,000 in fixed costs

7. From the following particulars prepare a cash budget for the month June 2008:

(a) Expected Sales:

Rs.

April 2008	2,00,000
May	2,20,000
June	1,90,000

Credit allowed to customers is two months and 50% of the sales of every month is on cash basis.

(b) Estimated purchases:

Rs.

May 2008	1,20,000
June	1,10,000

40% of the purchase of every month is on cash basis and the balance is payable next month.

- (c) Rs.2,000 is payable as rent every month.
- (d) Time Lag in payment of overhead is 1/2 month.
- Overhead for
- | | |
|------|--------|
| | Rs. |
| May | 12,000 |
| June | 11,000 |
- (e) Depreciation for the year is Rs.12,000.
- (f) Interest receivable on investment during June and December Rs.3,000 each.
- (g) Estimated cash balance as on 1-6-2008 is Rs.42,500.

8. Following are the summarised balance sheets of Five stone Ltd. as on 31st December 1998 and 1999.

Liabilities	1998 Rs	1999 Rs	Assets	1998 Rs	1999 Rs
Share Capital	2,00,000	2,50,000	Land & Building	2,00,000	1,90,000
General Reserve	50,000	60,000	Machinery	1,50,000	1,69,000
Profit & Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank Loan (Long term)	70,000		Sundry debtors	80,000	64,200

Liabilities	1998 Rs	1999 Rs	Assets	1998 Rs	1999 Rs
Sundry creditors	1,50,000	1,35,200	Cash	500	600
Provision for taxation	30,000	35,000	Bank		8000
			Good will		5000
	<u>5,30,500</u>	<u>5,10,800</u>		<u>5,30,500</u>	<u>5,10,800</u>

Additional information supplied:

During the year ended 31st December 1999

- (a) Dividend of Rs.23,000 was paid.
- (b) Assets of another company were purchased for a consideration of Rs.50,000 payable in shares.
- The following assets were purchased.
- Machinery Rs.25,000
- Stock Rs.20,000
- (c) Machinery was further purchased for Rs. 8,000
- (d) Depreciation written off against machinery Rs.12,000.
- (e) Income Tax paid during the year Rs.33,000.

(f) Loss on sale of machinery Rs.200 was written off to general reserve.

You are required to prepare Funds Flow Statement for the year 1999 and a schedule of changes in working capital.

www.asinstitute.in

Reg. No. :

D 1575

Q.P. Code : [D 07 PMC 05]

(For the candidates admitted from 2007 onwards)

M.Com DEGREE EXAMINATION, DECEMBER 2010.

First Year

Commerce

HUMAN RESOURCE MANAGEMENT

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions

All questions carry equal marks

(5 × 20 = 100 marks)

1. Define the terms HRM and HRD. Explain the functions of HRM.
2. Explain the significance and implications of Hawthorn Experiment.
3. Discuss the process of personnel selection in an organizational environment.

4. What do you mean by the term "Performance Appraisal"? State the different methods of performance Appraisal.

5. What do you mean by term 'Personality'? Explain the determinants of personality.

6. State the needs for employee motivation. Explain briefly different theories of motivations.

7. Define the term Employee Grievance and explain the process of grievances redressal mechanism.

8. How do organizational conflict emerges and how could it be effectively managed?

www.asinstitute.in