One Copy

Reg. No. : ....

D 1060 **Q.P. Code : [D 07 PMC 01]**

(For the candidates admitted from 2007 onwards)

M.Com. DEGREE EXAMINATION, DECEMBER 2013.

First Year

Commerce

CORPORATE ACCOUNTING

Time : Three hours Maximum : 100 mark

Answer any FIVE questions.

All questions carry equal marks.

$(5 \times 20 = 100)$

1. Explain the provision for issue of bonus shares.

2. Moon and Start Co. Ltd is a company with an authorized capital of ₹ 5,00,000 divided into 5,000 equity shares of ₹ 100 each on 31.3.2010 , of which 2,500 shares were fully called up. The following are the balance extracted from the ledger as on 31.3.2005.

Trial balance of Moon and Star Co. Ltd

Debit	₹	Credit	₹
Opening stock	50,000	Sales	3,25,000
Purchase	2,00,000	Discount received	3,150
Wages	70,000	Profit and Loss A/c	6,220
Discount allowed	4,200	Creditors	35,200
Insurance (upto 31.3.2005)	6,720	Reserves	25,000
Salaries	18,500	Loan from managing director	15,700
Rent	6,000	Share capital	2,50,000
General Expense	8,950		
Printing	2,400		
Advertisements	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debts	3,200		
Cash-in-arrears	5,000		
	6,60,270		

You are required to prepare Profit and Loss account for the year ended 31.3.2010 and a balance sheet as on that date. The following further information is given :

(a) Closing stock was valued at ₹ 1,91,500

(b) Depreciation on plant at 15% and on furniture at 10% should be provided.

(c) A tax provision of ₹ 8,000 is considered necessary

(d) The directors declared an interim dividend on 15.11.2010 for 6 months ending October 30,2010 @ 6%.

3. On 31st March 2012, the following was the Balance Sheet of Moon Ltd :

Liabilities	Amount ₹	Assets	Amount ₹
1,20,000 Equity Shares of Rs 10 each	12,00,000	Plant and Machinery	9,00,000
Capital Reserve	20,000	Furniture and Fixtures	1,50,000
Loan	3,60,000	Stock	4,00,000
Sundry Creditors	3,00,000	Sundry Debtors	2,20,000
		Cash at Bank	1,00,000
		Profit and Loss Account	1,10,000
	18,80,000		18,80,000

The new company Suraj Ltd. Was incorporated which took over fixed assets and stock of Moon Ltd for ₹ 12,60,000 payable as to ₹ 9,00,000 in the form of 1,80,000 equity shares of ₹ 5 each and 3,60,000 in the form of 3,600 12% mortgage debentures of ₹ 100 each. Loan creditors accepted the debentures in Suraj Ltd. In discharge of the loan. Sundry debtors realized ₹ 2,05,000. Expenses of liquidation amounted to ₹ 8,000 and were met by Moon Ltd. The available cash was distributed among sundry creditors in full satisfaction of their claim. Close the books of Moon Ltd. And draw the initial Balance Sheet of Surj Ltd.

4. Sona Ltd. Was placed in voluntary liquidatuion on 1st April 2005.

Balance sheet of Sona Limited as on 31st March 2005

Liabilities	₹	Assets	₹
Paid up capital 1,000 % preference shares of ₹ 100 each	1,00,000	Fixed Assets :	
2,000 Equity shares of ₹ 100 each fully paid	2,00,000	Land and Building	2,00,000
3,000 equity shares of ₹ 100 each, Rs.50 paid	1,50,000	Plant and Machinery	2,20,000
Secured Loan :		Current Assets :	1,00,000
6% Debentures - (Floating charge on all assets)	1,00,000	Stock	

Balance sheet of Sona Limited as on 31st March 2005

Others :		Debtors	1,00,000
(Mortgage on land and building)	1,00,000	Cash at bank	30,000
Current liabilities :		Misc. Expenditure	
Sundry Creditors	90,000	Profit and loss account	1,00,000
Income-tax	10,000		
	7,50,000		7,50,000

The preference dividends were in arrears for the three years. The arrears are payable on liquidation. The assets were realized as follows :

	Rs.
Land and building	2,40,000
Plant and Machinery	1,80,000
Stock	70,000
Debtors	60,000

The expenses of liquidation amounted to Rs. 8,000. The liquidator is entitled to a commission of 2% on all assets realized and 3% on amount distributed to unsecured creditors. Prepare Liquidator's statement of Account.

5. A Ltd. Acquired 8,000 equity shares of B Ltd. On 1st April 2000. The following are the balance sheets of the two companies as at 31.3.2001 :

Liabilities	A Ltd. ₹	B Ltd. ₹
Equity shares of Rs.100 each	20,00,000	10,00,000
General reserve (1.4.2000)	4,00,000	2,00,000
Profit and Loss account (1.4.2000)	1,00,000	60,000
Profit for the year 2000-2001	2,00,000	80,000
Sundry creditors	1,00,000	1,00,000
Bills payable	30,000	10,000
	28,30,000	14,50,000

Assets	₹	₹
Land and Buildings	5,00,000	3,00,000
Plant and machinery	5,00,000	6,00,000
Stock	1,50,000	1,00,000
Sundry debtors	1,00,000	1,20,000
Investment in shres of B Ltd, at cost	10,00,000	–
Bills receivable	80,000	10,000
Cash and bank balances	5,00,000	3,20,000
	28,30,000	14,50,000

(a) Bills receivable of A Ltd. Include ₹ 10,000 accepted by B Ltd.

(b) Sundry debtors of A Ltd. Include ₹ 50,000 due from B Ltd.

(c) Stock of B Ltd. Includes goods purchased from A Ltd. For ₹ 60,000 which were invoiced by A Ltd. At a profit of 25% on cost.

Prepare a consolidated balance sheet of A Ltd. And its subsidiary B Ltd.

6. Best Life Insurance Co. Ltd. Had a paid-uip capital of ₹ 10,00, 000 divided into 1,00,000 shares of ₹ 10 each. It net liability on all contracts in force as on 31st March, 2004 was ₹ 96,00,000 and on 31st March, 2003, this liability was ₹ 84,00,000. The company had paid an interim bonus of ₹ 2,60,000 and 20% of the surplus is to be allocated to share holders, 20% to reserves and balance carried forward. The following figures are extracted from the books of the company for the year ended 31st March, 2004.

Particulars	₹	Particulars	₹
Premium less re-insurance premium	57,20,000	Commission	2,20,000
Interest, dividend and rent fees	28,00,000	Surrenders	3,20,000
Fees	16,000	Surplus on revaluation of reversions	20,000
Income-tax	4,40,000	Re-insurance irrecoverable	16,000
Management expenses	7,00,000	Claims less re-insurance claims	34,00,000
Annuities paid	50,000	Consideration for annuities granted	1,60,000

Prepare Revenue Account

7. From the following information, prepare the Profit and Loss Account of ABC Bank Ltd, for the year ended on 31st March , 2005. (all figures in rupees)

	₹		₹
Interest on loan	2,59,000	Rent and taxes	18,000
Interest on fixed deposits	2,75,000	Interest on overdraft	1,54,000
Rebate on bills discounted required	49,000	Director's fees	3,000
Commission	8,200	Auditor's fees	1,200
Establishment	54,000	Interest on savings bank deposit	68,000
Discount on bills discounted (Net)	1,95,000	Postage and telegrams	1,400
Interest on cash credit	2,23,000	Printing and stationery	2,900
Interest on Current Account	42,000	Sundry expenses	1,700

Bad debts to be written –off amounted to ₹ 40,000. Provision for taxation may be made @ 55 per cent. Balance of profit from last year was ₹ 1,20,000. Transfer 25% of profits to statutory reserve and provide ₹ 20,000 for dividends.

8. Explain the basic principles of Government Accounting.

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First Year

Commerce

INFORMATION TECHNOLOGY IN BUSINESS

Time : Three hours Maximum : 100 marks

Answer any FIVE questions.

Each question carries 20 marks.

1. Explain the importance of computers in business and also the data processing system.

2. Discuss the recent developments in Hardware.

3. Describe the five-generations of programming languages.

4. Explain multi programming and multi processing systems.

5. Explain the various components of computer system.

6. Describe the system software and application software.

7. Describe the different steps in developing a computer program.

8. Discuss the difference among the internet, intranet and extranet.

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First Year

Commerce

COST AND MANAGEMENT ACCOUNTING

Time : Three hours Maximum : 100 marks

Answer any FIVE questions.

Each question carries 20 marks.

1. Explain the classification of costs on the basis its relevance to decision making.

2. From the following information, calculate:

   (a) Maximum stock level.

   (b) Minimum stock level.

   (c) Re-order level.

   (d) Average stock level.

   Minimum consumption - 240 units per day

   Maximum consumption -420 units per day

Normal Consumption - 300 units per day

Re-order quantity - 3,600 units

Re-order period - 10-15 days

Normal re-order period - 12 days

3. Describe the various methods of remunerating the labour.

4. A company has three production cost centres A, B and C and two service cost enters X and Y. Costs allocated to service centres are required to be apportioned to the production centres to find out cost of production of different products.

It is found that benefits of service cost centres are also received by each other along with the production cost centres. Overhead costs as allocated to the five cost centres and estimates of benefits of service cost centres received by each of them are as under :

Cost centres	Overhead costs as of allocated	Estimates of benefits received from service centres : %	
	₹	X	Y
A	80,000	20	20
B	40,000	30	25
C	20,000	40	50
X	20,000	–	5
Y	10,000	10	–

Work out final overhead costs of each of the production departments including reapportioned cost of service centres using Simultaneous Equation method.

5. Prepare statement of equivalent production, statement of cost and process Account from the following information :

Unit introduced	7,600
Output (units)	6,000

Process cost :

Material	₹ 14,560
Labour	₹ 21,360
Overhead	₹ 14,240

Degree of completion for closing work-in-progress :

Material	80%
Labour	70%
Overhead	70%

6. "Marginal costing is a valuable aid for Managerial Decisions". Discuss.

7. Assuming that the cost structure and selling prices remain the same in periods I and II find out :

(a) P/V Ratio

(b) B.E. sales

(c) Profit when sales are ₹ 2,00,000

(d) Sales required to meet the additional expenses of ₹ 40,000

(e) Margin of safety in I period.

Period	Sales	Profit
	₹	₹
I	2.40,000	18,000
II	2,80,000	26,000

8. Discuss the preliminary steps for establishing a system of standard costing.

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Commerce

HUMAN RESOURCES MANAGEMENT

Time : Three hours Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

1. Explain the nature, scope and importance of HRM.

2. Describe the essentials of X, Y and Z theories in HRM.

3. What are Job analysis, Job Evaluation and Job enrichment? Distinguish between Job Evaluation and Merit rating.

4. Discuss the different methods of employee training. State the essential of good training programme.

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

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

7. Define the term Employee Grievance and Explain the process of Grievances redressal mechanism.

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