Reg. No. : ....

Name : ....

Third Semester M.Com. Degree Examination, January 2018
Paper – III : CO 233 STRATEGIC FINANCIAL MANAGEMENT
(2014 Admission)
Elective : Finance

Time : 3 Hours   Max. Marks : 75

SECTION – A   (10×2=20 Marks)

Answer **all** questions. **Each** question carries **2** marks.

1. What are Financing Decisions ?

2. What is objective based costing ?

3. What is a Special Purpose Vehicle ?

4. What is a Management Buy Out ?

5. What is Corporate financial Restructuring ?

6. What is Strategic Cost Management ?

7. What is Human Capital Return On Investment ?

8. What is Corporate social responsibility ?

9. What is residual income approach ?

10. What is Forward integration ?

SECTION – B   (5×5=25 Marks)

Answer **any five** questions. **Each** question carries **5** marks.

11. What is relevant costing ? What are its features ?

12. What is Economic value added ?

13. What are the Strategic Financial Decisions ?

14. What are the features of Activity based costing ?

15. What are the components of strategic cost management ?

16. What are the advantages of corporate social responsibility ?

17. What are the various aspects of financial restructuring ?

18. What are the corporate governance mechanisms ?

SECTION – C   (2×15=30 Marks)

Answer **any two** questions. **Each** question carries 15 marks.

19. What are the steps involved in Financial restructuring ?

20. Explain 9s model of Strategic Financial Management ?

21. What are the steps involved in strategic cost management ?

22. What are the major impetus for the growth of corporate Governance in India ?

Reg. No. : ....

Name : ....

Third Semester M.Com. Degree Examination, January 2018
Paper – IV : CO 234 : ADVANCED COST AND MANAGEMENT ACCOUNTING
(2014 Admission)
Elective : Finance

Time : 3 Hours

Max. Marks : 75

SECTION – A
(10×2=20 Marks)

Answer **all** questions. **Each** question carries **2** marks.

1. What is LCC ?

2. What is Marginal Opportunity Cost ?

3. What is Equivalent Production ?

4. What is Labour Mix Variance ?

5. What are the advantages of Target Costing ?

6. What is Activity Based Costing ?

7. What do you mean by 'Fund from operations' ?

8. What is Key Factor Analysis ?

9. What do you mean by 'Inter-process profit' ?

10. What is a 'Common Size Statement' ?

SECTION – B (5×5=25 Marks)

Answer **any five** questions. **Each** question carries 5 marks.

11. Fifty units are introduced into a Process at a cost of rupee 1 each. The total additional expenditure incurred by the process is Rs. 30. Of the units introduced, 10 % are normally spoiled in the course of manufacture, these possess a scrap value of Rs. 0.25 each. Owing to an accident, only 40 units are produced. You are required to prepare the Process Account.

12. From the following figures, calculate the Fixed Assets Turnover Ratio.

Sales	Rs. 10,00,000
Gross Profit	20% on sales
Fixed Assets (Gross)	Rs. 2,50,000
Less : Depreciation	50,000
Fixed Assets (Net)	2,00,000

13. From the following particulars, find out the selling price per unit if B.E. Point is to be brought down to 9000 units.

	Rs.
Variable cost per unit	75
Fixed expenses	2,70,000
Selling price per unit	100

14. What is a Cash Flow Statement ? What are the uses of a Cash Flow Statement ?

15. Explain the benefits of TQM as a corporate strategy.

16. Discuss the important tools used for analysis of Financial Statements.

17. Explain role of Marginal Costing in business decision making process.

18. Briefly explain the process of Life Cycle Costing.

SECTION – C   (2×15=30 Marks)

Answer **any two** questions. **Each** question carries **15** marks.

19. What is Activity Based Costing ? How would you develop an ABC system in a business organisation ?

20. Explain the methods of Transfer Pricing with their relative merits.

21. A product passes through two consecutive processes having relative standard output of 80% and 90% of inputs. In addition, standard yield is obtained by giving scrap allowances of 10% and 5% of outputs of Process I and II respectively. Scraps of each process are sold at Rs. 1,000 per tonne. There was no work-in-process at any stage, all materials were issued in Process I follows and all scraps arising from the processes were sold, except closing stock of 10 tonnes (opening stock was nil). Materials issued : 'A' 100 tonnes at Rs. 2,000 per tonne ; 'B' 400 tonnes at Rs. 1,500 per tonne and 'C' 500 tonnes at Rs. 1,200 per tonne.

    The actual outputs and scraps were 85% and 8% in Process I and 80% and 10% in Process II. Assume that there was no price variance.

    You are required to find out the standard cost and actual cost per tonne of a product.

22. Standard material for 100 kgs of Chemical 456 is given below :

Kgs	Total
45 kg of Material A @ Rs. 20 per kg	Rs. 900
40 kg of Material B @ Rs. 40 per kg	Rs. 1,600
25 kg of Material C @ Rs. 60 per kg	Rs. 1,500
110	
10 Standard Loss	
100	4,000

Actual production 2000 units of Chemical 456 and actual material usage is as follows :

Material A	1000 kgs @ Rs. 19 per kg	Rs. 19,000
Material B	850 kgs @ Rs. 42 per kg	Rs. 35,700
Material C	450 kgs @ Rs. 65 per kg	Rs. 29,250
Total	**2300 kgs**	**Rs. 83,950**

Calculate the following :

  i) Material cost variance,

  ii) Material price variance,

  iii) Material mixture variance,

  iv) Material yield variance and

  v) Material usage variance.

Reg. No. : ....

Name : ....

Third Semester M.Com. Degree Examination, January 2018
Paper – I : CO 231 – INCOME TAX PLANNING AND MANAGEMENT
(2014 Admission)
Elective : Finance

Time : 3 Hours

Max. Marks : 75

PART – A

Answer the following questions. **Each** question carries **2** marks.

1. Mention any 4 tax free perquisites.

2. What is RPF ?

3. State the meaning of annual value.

4. Define profession.

5. What do you mean by cost of acquisition ?

6. State any 4 incomes changeable under other sources.

7. What does 80 DD stand for ?

8. What is gross total income ?

9. Define a domestic company.

10. What is the meaning of diversion of income ?

(10×2 = 20 Marks)

PART – B

Answer **any 5** questions. **Each** question carries **5** marks.

11. Discuss the computation of taxable income of companies.

12. Explain recovery of tax and rectification of mistakes.

13. What are the transactions which are not regarded as transfer of capital asset ?

14. Examine the deductions admissible from annual value of house property.

15. Distinguish between tax avoidance and tax evasion.

16. Calculate the allowable interest on loan from NAV of the house property for the AY 2017–18.
    1) Date of borrowing loan Rs. 1-6-2008
    2) Date of repayment of loan Rs. 10-5-2016
    3) Date of completion of construction May 2014
    4) Amount of loan borrowed Rs. 30,000
    5) Interest on loan Rs. 20% p.a.

17. Mr. A provides you the following details from his business books for the assessment year 2017–18.
    1) Net profit after charging the following Rs. 1,22,000
    2) Provision for discount on debtors Rs. 40,000
    3) House hold expenses Rs. 40,000
    4) Donation Rs. 70,000
    5) Computer purchased for scientific research Rs. 40,000
    6) Bearer cheque issued for purchases Rs. 25,000
    7) Audit fees paid in cash Rs. 25,000

    Compute the business income.

18. From the following receipts and payments of Mr. Dinesh (resident), compute his taxable income under the head income from other sources.

    Winning from M.P. State lottery Rs. 28,000

    Winning from horse race Rs. 1,000

    Winning from cross word puzzle Rs. 2,500

    Gift received from a friend in USA Rs. 10,00,000

    Winning from card games Rs. 2,000

Winning from camel race Rs. 30,000

Purchase of lottery tickets Rs. 3,000 and payments for betting in horse race Rs. 6,000   **(5×5 = 25 Marks)**

PART – C

Answer **any two** questions. **Each** question carries **15** marks.

19. Mr. Govind (resident) was an employee in a Co. which is not covered by the Payment of Gratuity Act. He submits the following particulars of income for the year 2017–18.

    1) Salary @ Rs 12,000 p.m.

    2) D.A. @ Rs. 4,500 p.m. under the terms of agreement.

    3) He retired from service on 1-1-2016 after 34 years of completed service and received a pension of Rs. 6,000 p.m. and a gratuity of Rs. 2,50,000 (his average monthly basic pay for the last 10 months was Rs. 12,000).

    4) He also received Rs. 9,00,000 from URPF - Rs. 3,80,000 as employer's contribution, Rs. 53,000 as interest thereon, Rs. 4,00,000 as employee's contribution and Rs. 67,000 as interest thereon.

    Compute his GTI for the assessment year 2017–18 assuming that salary and pension are due on the last day of the month.

20. Mr. Krishnan is the owner of 3 houses. The following are the particulars of his property for the year ended 31-3-2017.

Particulars	Houses		
	1	**2**	**3**
Year of construction	2006	2008	2010
Purpose of use	let out to bank	self occupied	let out to Residence
Actual rent received P.A.	30,000	–	24,000
Municipal valuation	32,000	28,000	30,000

Municipal tax paid by Krishnan	1,200	1,000	3,000
Municipal tax paid by tenant	2,000	1,800	–
Total Municipal tax	3,200	2,800	3,000
Fire insurance premium	2%	20%	2%
Interest on loan taken for renewal of house	–	7,000	5,000

Compute taxable income from house property of Sri. Krishnan for the Assessment year 2017–18.

21. M/S Sheela Company Limited is a domestic company. The following incomes are furnished by the company.
    a) Income from export business Rs. 1,25,00,000
    b) Dividend from foreign company Rs. 10,00,000
    c) Dividend from domestic company (net) Rs. 50,000
    d) Long term capital gain Rs. 2,00,000
    e) Short term capital gain 1,25,000
    f) Income from listed securities (gross) Rs. 75,000
    g) Income from post office savings bank account Rs. 1,00,000
    h) Book profit under Section 115JB Rs. 90,00, 000

    The company donated Rs. 1,00,000 towards Prime Minister's Flood Relief Fund.

    Compute the total taxable income and tax liability for the A.Y. 2017–18.

22. Briefly explain the tax planning with reference to any three investment decisions.   **(2×15 = 30 Marks)**

D – 3883

Reg. No. : ....

Name : ....

Third Semester M.Com. Degree Examination, January 2018
Paper – II : CO 232 : SECURITY ANALYSIS AND
PORTFOLIO MANAGEMENT
(2014 Admission)
Elective : Finance

Time : 3 Hours   Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** marks.

1. State the objectives of investment.

2. What is yield-to-maturity ? How is it calculated ?

3. What is default risk ?

4. What are oscillators ? Explain the calculation of any one oscillator.

5. What is industry analysis ?

6. State the significance of portfolio revision.

7. What is multiple period equity valuation model ?

8. What is meant by conservative portfolio ?

9. What is capital market line ?

10. What do you mean by hedging ?   **(10×2=20 Marks)**

SECTION – B

Answer **any five** questions. **Each** question carries **5** marks.

11. Discuss the investment decision process.

12. Explain the important types of bond risk.

13. Discuss the advantages of fundamental analysis.

14. What is support and resistance level ? What is its purpose ?

15. State the assumptions of Markowitz theory.

16. Distinguish between forward and future contracts.

17. A Rs. 10,000 face value bond bearing a coupon rate of 3.5% matures after 10 years. The expected yield to maturity is 6%. The bond is currently sold in the market at Rs. 8,020. Should the investor buy it ?

18. You are considering the purchase of 500 shares of company XYZ Ltd., with the intention of selling them out at the end of 5 years. You estimate that the company will pay Rs. 3.50 per share as dividends for the first two years and Rs. 4.50 per share for the next three years. You further estimate that, at the end of the five year holding period, the shares can be sold for Rs. 85 per share. If your required rate of return is 12%, what would you be willing to pay today for these shares ?

(5×5=25 Marks)

SECTION – C

Answer **any two** questions. **Each** question carries **15** marks.

19. Explain the concept and sources of systematic risk. Why is it called systematic risk ?

20. Describe the important market indicators that are useful in studying the trend of the market.

21. A financial analyst is analysing two investment alternatives of P and Q. The estimated rates of return and their chances of occurrence for the next year are as follows :

Probability of occurrence	Rates of Return	
	P	Q
0.20	22%	5%
0.60	14%	15%
0.20	–4%	25%

a) Determine each alternative's expected rate of return, variance and standard deviation.

b) If the financial analyst wishes to invest half in P and another half in Q, would it reduce risk ? Explain the reason for it.

(2×15=30 Marks)

_____