

(Pages : 4)

N – 1506

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2022

First Degree Programme Under CBCSS

CO 1661.8/CX 1661.3/TT 1661.3/CC 1661.3/HM 1661.3

STRATEGIC MANAGEMENT

**(Common for Commerce/Commerce & Tax Procedure and Practice/
Commerce and Tourism and Travel Management / Commerce with
Computer Applications/Commerce and Hotel Management and Catering)**

(2018 & 2019 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in **one** or **two** sentences. **Each** question carries **1** mark.

1. Define the term Strategy.
2. What is Strategy Formulation?
3. What is Mission?
4. What is Vertical Integration?
5. Give the expansion of SPACE.
6. What is Blue Ocean Strategy?
7. What is Synergy?

P.T.O.

8. What is Du Pont Control Chart?
9. What is Strategic Evaluation?
10. What is Basic Strategies?

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions, in not exceeding one paragraph each. **Each** question carries **2** marks.

11. What are the characteristics of Strategic Management?
12. Explain the need for Strategy.
13. What are the characteristics of Strategic intent?
14. Differentiate the term Goals and Objectives?
15. What do you mean by Incremental Growth Strategy?
16. Explain integration strategy.
17. Difference between Merger and Acquisition.
18. Write the merits of Strategic Alliance from the view point of invested company.
19. What is Disinvestment Strategy?
20. What is Generic Business Strategy?
21. Explain ETOP.
22. Explain criteria for evaluating Strategic Alternatives.
23. What do you mean by Strategic Control?

24. Explain Time Related Control methods used for Strategic Control System.
25. What are the Minitzberg 5 P's of Strategy?
26. Explain CAP

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions, in not exceeding 120 words. Each question carries **4** marks.

27. Explain the benefits of Strategic Management towards business organization.
28. Explain the characteristics of Strategic Intent.
29. Discuss the essentials of a good mission statement.
30. Explain the elements followed in a good vision statement.
31. Give a brief note about Stability Strategy.
32. List out different types of Integration applied in Integration Strategy.
33. Briefly explain the merits of Strategic Alliance from the angle of host country and guest country.
34. Explain SWOT Analysis.
35. What do you understand the term Synergy and its types?
36. Explain steps in Strategy Implementation.
37. Explain interrelationship between Strategy Formulation and Implementation.
38. What are the barriers involved in the stage of Strategic Evaluation and Control?

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions in not exceeding **four** pages each. Each question carries **15** marks.

39. Explain Strategic Evaluation Process.
40. Explain various stages in the process of Strategic Management.
41. Explain SWOT Analysis and TOWS Matrix.
42. Explain the term Strategic Analysis and its contents.
43. Explain the term Strategic Management and its Process.
44. Explain the term Corporate Portfolio Analysis. What are the important Portfolio Analysis?

(2 × 15 = 30 Marks)

(Pages : 7)

N – 1826

Tax

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2022

First Degree Programme Under CBCSS

Core Course : CO 1642 / CX 1642 / TT 1642 / HM 1642 / CC 1642

APPLIED COSTING

(2018 & 2019 Admission)

(Common for Commerce/Commerce and Tax Procedure and Practice/Commerce and Tourism and Travel Management/ Commerce and Hotel Management and Catering/ Commerce with Computer Applications)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Very short answer. Answer all questions. Each question carries 1 mark. (One sentence to maximum two sentences.)

1. What is batch costing?
2. Write any two industries using job costing.
3. What is contract costing?
4. Write any two examples for composite cost unit.
5. What is marginal costing?
6. What is joint product?
7. What is De-escalation clause?

P.T.O.

8. Define standard costing.
9. What is contribution?
10. Define service costing.

(10 × 1 = 10 Marks)

SECTION – B

Short answer. Answer any **eight** questions. **Each** question carries **2** marks. (Not to exceed **one** paragraph)

11. Write any three features of job costing.
12. What is a job ticket?
13. Write two features of batch costing.
14. What is the meaning of work certified?
15. What is notional profit in contract account?
16. Define process costing.
17. What is the meaning of abnormal loss?
18. What is the meaning of inter-process profit?
19. What are the two features of by-product?
20. What is subsequent cost?
21. Write two objectives of canteen costing.
22. What is CVP analysis?
23. What is margin of safety?

24. Essentials for the applicability of standard costing system.
25. What is basic standard?
26. What is variance analysis?

(8 × 2 = 16 Marks)

SECTION – C

Short Essay. Answer any six questions. Each question carries 4 marks. (Not to exceed 120 words)

27. Distinguish between job costing and process costing.
28. What are the procedures involved in process costing?
29. What is by-product? What are the accounting treatment of by-product?
30. What are the difference between standard costing and Budgetary control?
31. Enumerate features of marginal costing.
32. What are the objectives of transport costing?
33. Job No. 2198 was commenced on 10th October, 2018 and completed on 1st November, 2018. Materials used were Rs. 600 and labour charged directly to the job was Rs. 400. Other informations were as follows:

Machine No. 215 used for 40 hours; the machine hour rate is Rs. 3.50

Machine No. 169 used for 30 hours; the machine hour rate is Rs. 4

Six welders worked on the job for 5 days of 8 hours each; the direct labour hour rate for welders is 20 paise.

Other expenditures of the concern not apportioned for calculating the machine hour or the direct hour rates amounted to Rs. 20,000, total direct wages for the period being Rs. 20,000. Ascertain the Works Cost of job No. 2198.

34. From the following information, calculate Economic Batch Quantity for a company using batch costing :

Annual Demand for the components	2400 units
Setting up cost per batch	Rs. 100
Manufacturing cost per unit	Rs. 200
Carrying cost per unit	6% p.a.

35. Calculate Contribution in each of the following cases:

Case (a) Selling Price Per Unit Rs. 10, Variable Cost Per Unit Rs. 6

Case (b) Total sales Rs. 6,000, Total Variable Cost Rs. 3,600

Case (c) Fixed Costs Rs. 2,000, Profit Rs. 400

Case (d) Fixed Costs Rs. 2,000, Profit .0

Case (e) Fixed Costs Rs. 2,000, Loss Rs. 400

36. From the following information, find out equivalent production assuming there is no opening work-in-progress.

Units introduced	4,000 units	
Output	3,000 units	
Closing work-in-progress	1,000 units	Degree of completion
Materials		80%
Labour		70%
Overhead		70%

37. From the following information, calculate the (a) Effective kilometres p.a.; (b) Effective passenger kilometres p.a.; (c) Total fuel consumption; and (d) Total cost of fuel; (e) Cost of fuel per kilometre

Distance of one way route	40 kilometres
Round trips per day	3
Days operated in a month	25
Seating capacity	50 passengers
Seating capacity occupied	80%
Fuel consumption	1 litre per 6 kms
Rate of fuel	Rs. 15 per litre

38. Fifty units are introduced into a process at a cost of Rs. 50. The total additional expenditure incurred in the process is Rs. 30. Of the units introduced, 10% are normally spoiled in the course of manufacture, these possess a scrap value of Re. 0.25 each. Owing to an accident, only 40 units are produced. You are required to prepare a Process Account and Abnormal Wastage Account.

(6 × 4 = 24 Marks)

SECTION – D

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

39. What are the managerial applications of marginal costing?
40. A canteen in a college serves fixed lunch to its customers and provides you the following information for the month of April 2018

Wheat flour	9,000
Vegetables	4,500
Oil	3,600
Spices etc.	900
Wages of cook	3,000
Wages of Kitchen assistant	2,400
Wages of waiter	1,500
Gas	1,500
Water	300
Power and lighting	750
Crockery	225
Cleaning materials	150
Rent	2,175
No. of lunch served	1,560

(including 60 served to Drivers and Conductors)

Profit margin 33.33 % on sales

It is the policy to serve drivers and conductors free of charge

Required: Calculate the selling price to be charged for each Lunch.

41. PQR. Ltd. was engaged on one contract during the year 2018. The contract price was Rs. 2,00,000. The trial balance extracted from the books on 31st December 1995 stood as follows:

	Rs.	Rs.
Share capital		40,000
Sundry creditors		4,000
Building	17,000	
Cash at bank	4,500	
Contract account :		
Materials	37,500	
Plant	10,000	
Wages	52,500	
Cash received from contractee (80% of certified work)		80,000
Expenses	2,500	
	<u>1,24,000</u>	<u>1,24,000</u>

Of the plant and materials charged to the contract, plant costing Rs. 1,500 and materials costing Rs. 1,200 were destroyed by an accident. On 31-12-18 plant costing Rs. 2,000 was returned to stores and material at site was valued at Rs. 1,500. Cost of uncertified work was Rs. 1,000. Charge 10% depreciation on plant. Prepare Contract A/c for the year 1995 and Balance Sheet as on 31-12-18.

42. JK Ltd. produces a product "AZE", which passes through two processes, viz., process I and process II. The output of each process is treated as the raw material of the next process to which it is transferred and output of the second process is transferred to finished stock. The following data related to December, 2018:

	Process I	Process II
25,000 units introduced at a cost of	2,00,000	
Material consumed	1,92,000	96,020
Direct labour	2,24,000	1,28,000
Manufacturing expenses	1,40,000	60,000
Normal wastage of input	10%	10%
Scrap value of normal wastage (per unit)	9.90	8.60
Output in units	22,000	20,000

Required :

- (a) Prepare Process I and Process II account
- (b) Prepare Abnormal wastage account.

43. PCT Ltd. provides you the following information :

	Year 2018	Year 2019
Total Sales	Rs. 20,000	Rs. 30,000
Total cost	Rs. 17,600	Rs. 21,600

Required: Calculate the following:

(a) the Profit/volume ratio; (b) Fixed costs; (c) Break-Even Point; (d) Margin of safety; (e) the Amount of profit/loss when sales are Rs. 50,000; (f) the Amount of sales required to earn a profit of Rs. 59,040; (g) the Amount of sales required to earn profit @ 10% on sales; (h) the Amount of profit for the year 2020 after taking into consideration the 10% decrease in selling price but 20% increase in physical sales volume and fixed costs.

44. Calculate all the Material Cost Variances from the following information provided by Tulsian Ltd.:

	Standard		Actual	
	Qty.	Unit price	Qty.	Unit price
Material 'A'	60%	Rs. 20	44 kg	Rs. 25
Material 'B'	40%	Rs. 10	66 kg	Rs. 5

Standard processing loss 10%
Actual Output 90 kg.

(2 × 15 = 30 Marks)

(Pages : 7)

N – 1483

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2022

First Degree Programme under CBCSS

Core Course : CO 1642/CX 1642/TT 1642/HM 1642/CC 1643

APPLIED COSTING

(2014 & 2017 Admission)

**(Common for Commerce/Commerce & Tax Procedure and Practice/
Commerce and Tourism and Travel Management/Commerce and Hotel
Management and Catering/Commerce with Computer Applications)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer all questions. Each question carries 1 mark.

1. What is batch costing?
2. Give two advantages of standard costing.
3. What is a cost plus contract?
4. How is normal loss treated in process costing?
5. What is a by-product?
6. What is a composite cost unit? Give two examples.
7. List two examples of semi-variable cost.
8. Define marginal costing.
9. What is a key factor?
10. What do you mean by material yield variance?

(10 × 1 = 10 Marks)

P.T.O.

SECTION – B

Answer **any eight** questions. Each question carries **2** marks:

11. Explain the treatment of abnormal gain in process costing.
12. Explain the advantages of job costing.
13. Distinguish between service costing and output costing.
14. State four limitations of marginal costing.
15. State four causes of material usage variance.
16. A television company manufactures several components in batches :
Annual demand 32,000 units;
Set-up cost per batch Rs.120;
Cost per unit of production Rs.16;
Annual rate of interest 12%.
Compute Economic Batch Quantity.
17. From the following calculate the estimated profit:
Total expenditure to date Rs.1,70,000; Estimated further expenditure to complete the contract (including contingencies) Rs.34,000; Contract price Rs.3,06,000; Work certified Rs.2,00,000; Work not certified Rs.17,000; Cash received Rs.1,63,200.
18. In the manufacture of a main product, 200 units of a certain by-product were produced. The market value of the by-product was Rs.40 per unit. The by-product required further processing costs amounting to Rs.3,000 and selling and distribution overheads amounting to Rs.500 are incurred. Calculate the amount credited to Process Account in respect of the by-product.
19. Calculate Material price variance from the following.
Standard : 60 units @ Rs.40 per unit; Actual: 60 units @ Rs.45 per unit.
20. From the following data, you are required to calculate P/V Ratio.
Fixed expenses Rs.50,000; Sales value Rs.2,00,000; Profit Rs.50,000

21. From the following information calculate passenger kilometers.

A transport service company is operating 4 buses between two towns which are 50 kms. apart. Seating capacity of each bus is 40. The seating capacity utilized was 75%. All the buses ran 30 days during the month. Each bus had made one round trip daily.

22. Following data have been extracted from the Job Ledger in respect of Job No. 1564:

Materials Rs.3,400; Wages 80 hours at Rs.2.50 per hour; Variable overhead incurred for all jobs Rs.5,000 for 4,000 labour hours. Find the profit if the job is billed for Rs.4,200.

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions. Each question carries 4 marks.

23. From the following particulars of M/s.Ustad canteen, a canteen based in Malabar, specialized in serving meals, relating to cost of 4,500 meals served by it during the month of March, 2019, find the total operating cost and the cost per meal.

Food Rs.25,000; Bakery items Rs.8,000; Beverages Rs.6,500; Salaries and wages of staff Rs.14,000; Heating and lighting Rs.4,000; Consumable stores Rs.2,000; Repairs and maintenance Rs.3,000; Depreciation Rs.1,000; Premises rent Rs.2,000; Interest Rs.1,500.

24. Star Ltd. and Jupiter Ltd. sell the same type of product. Budgeted profit and loss account of these companies for the year ended 31st March, 2010 is given below:

	Star Ltd.	Jupiter Ltd.
Sales	3,00,000	3,00,000
Less: Variable cost		
Material	1,00,000	80,000
Labour	1,10,000	1,00,000
Overhead	30,000	20,000
Contribution	(2,40,000)	(2,00,000)
Less: Fixed cost	60,000	1,00,000
Profit	(30,000)	(70,000)
	30,000	30,000

You are required to find out P/V Ratio and the break-even point of each company. Also state which company is likely to earn greater profit if there is

- (a) heavy demand and
- (b) poor demand for its product.

25. Zee Ltd. produce three joint products (X, Y and Z) in a joint process costing Rs.1,00,000. The products can be sold as they leave the process, or they can be processed further and sold. The cost accountant has provided the following information:

Product	Unit Volume	Sales Price at Split-off (Rs.)	Further Processing Costs (Rs.)	Sales Price After Further Processing (Rs.)
X	3,000	10	60,000	25
Y	4,000	15	50,000	30
Z	8,000	20	90,000	35

Assume that all processing costs are variable costs. Which products should Zee Ltd. sell at split-off, and which products should be processed further?

26. Fun Ltd. produced and sold 1,000 toys. The cost structure of each toy is as follows:

Sale Price Rs.500; Materials Rs.100; Labour Rs.50; Variable overheads Rs.25; Fixed overheads Rs.200.

Due to heavy competition, the price has to be reduced to Rs. 425 for the next year.

Assuming there is no change in costs, find out how many toys should be sold to ensure same amount of total profit as last year.

27. Following information is extracted from the job ledger, in respect of Job No.808:

Material Rs. 3,400

Wages

Variable overheads

Dept. A: 80 hours at Rs. 2.50 per hour Dept. A: Rs. 5,000 for 4,000 direct hours

Dept. B: 60 hours at Rs. 4 per hour Dept. B: Rs. 6,000 for 3,000 direct hours

Fixed overhead: Rs. 7,500 for 10,000 hours of normal working time of the factory.

Calculate the cost of Job No.808 and estimate the percentage of profit if the price quoted is Rs. 4,750.

28. Distinguish between scrap, spoilage and defectives.

29. Explain the different methods of accounting by-products.

30. What are the applications of marginal costing as a tool for decision making?

31. Explain the importance of variance analysis.

(6 × 4 = 24 Marks)

SECTION – D

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

32. Flint Ltd. closes its accounts on 31st December each year. The company commenced work on a contract on 1st January, 2019. Following information relates to the contract as on 31st December, 2019:

Materials issued Rs.1,25,500;

Wages Rs.2,82,800;

Salary to foreman Rs.40,650.

A machine costing Rs.1,30,000 had been on the site for 146 days. Its working life is estimated at seven years and its final scrap value at Rs.7,500. A supervisor, who is paid Rs.4,000 per month, has devoted half of his time to this contract. Other expenses and administration charges amounted to Rs.68,250. Materials at the end of the year cost Rs.17,700. The contract price is Rs.10 lakhs. On 31st December, 2019, two-thirds of the contract was completed. The architect has issued certificate of approval covering 50% of the contract price and the contractor had been paid Rs.3,75,000 on account.

Prepare contract account for the year ended 31st December, 2019 and show the relevant Balance sheet entries.

33. A product is completed in three consecutive processes. During a particular month the input to Process 1 of the basic raw material was 5,000 units at Rs.10 per unit. Other information for the month was as follows:

	Process 1	Process 2	Process 3
Output (units)	4,700	4,300	4,050
Normal loss as % of input	5	10	5
Scrap value per unit (Rs.)	1	5	6
Direct wages (Rs.)	3,000	5,000	8,000
Direct expenses	9,750	9,910	15,560

Overhead, Rs.32,000, chargeable as percentage of direct wages.

There were no opening or closing work-in-progress stocks.

Prepare three process accounts with details of abnormal loss and gain, where applicable.

34. A factory is currently working at 50% capacity and produces 5,000 units at a cost of Rs.90 per unit as per details given below:

Materials	Rs. 50
Labour	Rs. 15
Factory overhead	Rs. 15 (Rs. 6 fixed)
Administration overhead	Rs. 10 (Rs. 5 fixed)

The current selling price is Rs. 100 per unit.

At 60% working, material cost per unit increased by 2% and selling price per unit falls by 2%.

At 80% working, material cost per unit increased by 5% and selling price per unit falls by 5%.

Calculate current profit at 50% working. Estimate profits of the factory at 60% and 80% working. Which capacity of production would you recommend?

35. Compute

(a) price

(b) usage and

(c) mix variances from the data given below:

	Standard			Actual		
	Quantity (kg)	Price (Rs.)	Total (Rs.)	Quantity (kg)	Price (Rs.)	Total (Rs.)
Material A	10	3	30	15	4	60
Material B	15	4	60	25	3	75
Material C	25	2	50	35	2	70
Total	50		140	75		205

(2 × 15 = 30 Marks)

(Pages : 4)

N – 1658

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2022
Career Related First Degree Programme under CBCSS
Group 2(a) – Commerce and Tax Procedure and Practice

Vocational Course X :

CX 1672 : GOODS AND SERVICES TAX

(2018 & 2019 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Very short answer. Answer **all** questions. Each question carries **1** mark. (**one** sentence to maximum **two** sentences).

1. When was GST implemented in India?
2. What is SGST?
3. What is IGST?
4. What is the full form of HSN code?
5. What is GST?
6. What do you mean by non-concurrent dual GST model?
7. What is the turn over limit of firms providing services for registration of GST?
8. What is GSTN?

P.T.O.

9. What is output tax?
10. What is the turnover limit under GST composition scheme?

(10 × 1 = 10 Marks)

SECTION – B

Short Answer. Answer any **eight** questions. Each question carries **2** marks. (Not to exceed **one** paragraph)

11. What is the main motive for GST?
12. What are the taxes levied and collected by the State merged with GST?
13. What is Bagchi-Poddar Model?
14. Define supply.
15. Mr. J has been involved in supplying taxable material in J & K, since, 1st July 2017. His turnover in the month of Nov 2017 exceeded the limit of 20 lacs. Mr. J is required to register under GST law?
16. State three important objectives of constitutional amendment of GST.
17. Give the structure of GST council.
18. How is GST calculated on imported goods in India?
19. Who is an input service distributor?
20. What is reverse charge mechanism?
21. What is composition scheme?
22. What is business verticals?
23. What are the Documents Required and Conditions for Claiming Input Tax Credit?

24. Mr. Arun was covered under composite levy under section 10. After one year he applied for GST registration since his turnover exceeded the prescribed limit of 1.5 crore. At the time of registration under GST, he had stock of goods of Rs. 5,90,000(5,00,000 + 18% GST). When started business one year back he had purchased a packing machine for Rs. 2,36,000 (2,00,000 + 18% GST). Compute input credit eligible.
25. What is e way bill?
26. What is the rate of GST in Australia, UK, USA, Canada, Japan and China?

(8 × 2 = 16 Marks)

SECTION – C

Short Essay. Answer any **six** questions. **Each** question carries **4** marks. (Not to exceed **120** words)

27. What are the advantages of VAT?
28. What are the Justification for Introduction of GST?
29. How the government is benefited from the introduction of GST?
30. What are the disadvantages of GST to business?
31. What are the impact of GST on medium and small enterprises?
32. List out some of the GST-exempted goods.
33. What is the structure of dual GST in India?
34. What are the documents needed for companies for getting GST registration?
35. List out the individuals and entities who are exempt from GST registration.
36. Who can claim input tax credit under GST?
37. How the duties are charged on imported goods before and after the implementation of the GST?
38. Why GST is needed for India?

(6 × 4 = 24 Marks)

SECTION – D

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

39. What are the salient features of GST?
40. Explain Impact of GST in following sectors in India.
- (a) Export-Import sector,
 - (b) Automobile sector,
 - (c) Real estate,
 - (d) Iron and steel,
 - (e) Energy sector
 - (f) Entertainment Industry
41. Explain different models of GST.
42. What are the advantages of GST?
43. What are the forms required with regard to registration of GST?
44. Explain the constitutional amendment of GST.

(2 × 15 = 30 Marks)

(Pages : 4)

N – 1656

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2022
Career Related First Degree Programme under CBCSS
Group 2(a) – Commerce and Tax Procedure and Practice
Vocational Course IX
CX 1671 : INCOME TAX PLANNING AND MANAGEMENT
(2018 & 2019 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer the following questions in **one** or **two** sentences. Each question carries 1 mark.

1. What is tax avoidance?
2. Is tax planning illegal?
3. What is the scope of taxability of a resident?
4. What is the tax treatment of allowances received as part of salary?
5. State any two benefits of tax planning.
6. How are taxable persons classified in India?
7. What is Capital Gains Tax?
8. What is a tax break?

P.T.O.

9. Is salary received in advance taxable?

10. Expand 'GAAR'.

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions in **one** paragraph each. **Each** question carries **2** marks.

11. What is tax management? Give two examples.

12. Define the term, 'tax evasion'.

13. Who is a resident for income tax purpose in India?

14. List any four benefits of paying taxes?

15. Who is said to be Not Ordinarily Resident?

16. Who is an assessee in default?

17. Why is tax levied on income?

18. State the taxability of agricultural income in India.

19. What is exempt income and taxable income?

20. What is tax on regular assessment and how is it paid?

21. What items of expenses are deductible in relation to capital?

22. What is Round Trip Financing?

23. What do you mean by Specific Anti Avoidance Rules?

24. Name the types of Tax planning.

25. What are the deductible items of payments to partners by a firm?

26. What is the tax treatment of allowances received as part of salary?

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions from the following. **Each** question carries **4** marks.

27. Mention any eight best practices in tax management.
28. Differentiate between long range and short-range tax planning.
29. What is the penalty for not filing ITR?
30. Name any five expenses are deductible from employee's remuneration:
31. Discuss the main objectives in any exercise on tax planning.
32. What are the benefits of paying tax?
33. What are the main tax considerations in the case of repairs to assets?
34. What is the difference between dispersal and diversion of income?
35. What are the cautions necessary in tax planning?
36. What are the income tax implications to be borne in foreign collaborations?
37. State the criterion for tax planning for income from house property?
38. What do you understand by permissive tax planning?

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions from the following. **Each** question carries **15** marks.

39. Briefly discuss the tax planning system for employee remuneration.
40. Discuss the taxability of an individual based on his residential status.
41. Explain the major considerations in tax planning for income from capital gains?
42. Discuss the expenses are deductible from employee's remuneration.

43. Specify with reason, whether the following acts can be considered as tax planning or tax management or tax evasion or tax avoidance.
- (a) "Mr. P deposit Rs.1 lakh in PPF account to reduce his total income from Rs.6 lakhs to Rs.5 lakhs".
 - (b) To reduce tax payable, Mr. Kunal Sharma, a resident individual, paid Rs.55,000 as life insurance premium on the policy of his minor son.
 - (c) Company claiming depreciation on the motor car which is being used by director for personal purposes.
44. Specify whether the following acts are (a) Tax planning; or (b) Tax management, or (c) Tax evasion.
- (i) P pays premium of Rs.10,000 for health insurance policy to reduce his total income from Rs.6,40,000 to Rs.6,30,000 by claiming deduction u/s 80D (assuming Mr. P has not opted for section 115BAC of the Income tax Act, 1961).
 - (ii) SQL Ltd. pays advance tax by estimating his total income in previous year to ensure timely compliance.
 - (iii) An individual taxpayer making tax saver fixed deposit of Rs.1,00,000 in a nationalized bank.
 - (iv) A bank obtaining declaration from depositors in Form No. 15G /15H and forwarding the same to income-tax authorities.
 - (v) Z debits his household expenses as business expenses in the books.

(2 × 15 = 30 Marks)

(Pages : 7)

N – 1486

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2022

First Degree Programme under CBCSS

Core Course : CO 1643/CX 1643/TT 1643/HM 1643/CC 1643

MANAGEMENT ACCOUNTING

(2018 & 2019 Admission)

(Common for Commerce/Commerce and Tax Procedure and Practice/Commerce and Tourism and Travel Management/Commerce and Hotel Management and Catering/Commerce with Computer Applications)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Very Short answer. Answer **all** questions. **Each** question carries **1** mark. (one sentence to maximum **two** sentences).

1. Define management accounting.
2. Define Fund flow statement.
3. What is capital budgeting?
4. What is pay-back period?
5. Define capital rationing.
6. What is budget?
7. What is functional budget?

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8. What is risk?
9. What is cash flow statement?
10. What is cost benefit analysis?

(10 × 1 = 10 Marks)

SECTION – B

Short Answer. Answer **any eight** questions. Each question carries **2** marks.
(Not to exceed **one** paragraph)

11. List the functions of budget committee.
12. What is master budget?
13. What is zero based budget?
14. What is decision tree?
15. Define decision making.
16. Give five example for application of fund in business.
17. What are the limitations of cash flow statements?
18. What are the advantages of Net Present Value method?
19. List out the importance of capital budgeting.
20. What are the importance of management accounting?
21. Define opportunity cost.
22. Prepare provision for taxation account from the following information.

Opening provision - Rs. 40,000, Provision created during the year - Rs. 25,000,
Income tax paid — Rs. 30,000.

23. A chemical company has net sales of Rs. 50 lakhs, cash expenses (including taxes) of Rs.35 lakhs and depreciation expenses of Rs.5 lakhs. If debtors decrease over the period by Rs.6 lakhs, what is its cash from operations?
24. XYZ reported a net income of Rs. 45,25,000. During the year, it wrote off Rs. 4,25,000 in depreciation and Rs. 2,35,000 in amortization costs. It also earned interest of Rs. 7,00,000 on its investment portfolio. Compute funds from operations.
25. Calculate collection from debtors from the following information.
- Opening debtors - Rs. 20,000, Credit sales - Rs. 4,40,000, Bills drawn - Rs. 4000, Closing debtors - Rs. 46,000
26. A project costs Rs.1,00,000 and yields an annual cash inflow of Rs. 20,000 for 8 years. Calculate its pay-back period.

(8 × 2 = 16 Marks)

SECTION – C

Short Essay. Answer any six questions. Each question carries 4 marks. (Not to exceed 120 words).

27. What are the characteristics of management accounting?
28. Distinguish between fund flow statement and cash flow statement.
29. What is budget manual? What does a budget manual contains?
30. What is capital expenditure control? What are its objectives?
31. Distinguish between fixed budget and flexible budget.
32. Differentiate between cost benefit analysis and cost effectiveness analysis.

33. From the following figures prepare raw material purchase budget for January 2018

	Materials in units			
	A	B	C	D
Estimated stock on Jan 1	16,000	6,000	24,000	2,000
Estimated stock on Jan 31	20,000	8,000	28,000	4,000
Estimated consumption	1,20,000	44,000	1,32,000	36,000
Std. Price per unit	0.25	0.05	0.15	0.10

34. From the following balances you are required to calculate cash from operation.

	31.12.2012	31.12.2013
Debtors	50,000	47,000
Bills receivable	10,000	12,500
Creditors	20,000	25,000
Bills payable	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued income	600	750
Income received in advance	300	250
Profit made during the year	—	1,30,000

35. From the following profit and loss account, compute the funds from operations :

Profit and Loss account

	Rs.		Rs.
To Salaries	5,000	By Gross Profit b/d	1,000
To Rent	2,000	By Rent	5,000
To Depreciation	1,000	By Interest on Investments	4,000
To Preliminary expenses	2,000	By Net loss	5,000
To Loss on sale of land	5,000		
	<u>15,000</u>		<u>15,000</u>

36. Calculate net cash flows from investing activities from the following information :

	31.2.2017	31.3.2018
Buildings (w.d.v)	6,00,000	7,50,000

Additional Information :

(a) Building costing Rs. 1,00,000 on which Rs. 30,000 had accumulated as depreciation was sold for Rs. 60,000.

(b) Depreciation charged on buildings for the year ended 31.3.2018 Rs. 50,000.

37. Cash flow of a certain project along with cash outflow are given below:

Year	Outflow	Inflow
0	1,50,000	—
1	30,000	20,000
2		30,000
3		60,000
4		80,000
5		30,000

Required rate of return is 10%. The salvage value at the end of the fifth year is Rs. 40,000. Calculate the NPV.

38. From the information given below, prepare a manufacturing overhead budget for the quarter ending December 31, 2018 :

Budget output during the quarter : 5,000 units

Fixed overheads : Rs. 30,000

Variable Overheads (varying at the rate of Rs. 5 per unit) : Rs. 15,000

Semi-Variable Overheads (40% fixed and 60%varying @ Rs. 3 per unit)

(6 × 4 = 24 Marks)

SECTION – D

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

39. What are the objectives and scope of management accounting?
40. What are the requisite for the good budgetary control system? What are its essentials?
41. From the following Balance Sheets of the Company for the ending 31st December 2016 and 31st December 2017, prepare schedule of changes in working capital and a statement showing sources and application of funds.

Liabilities	2016	2017	Assets	2016	2017
	Rs.	Rs.		Rs.	Rs.
Share capital	3,00,000	4,00,000	Plant and machinery	50,000	60,000
Sundry creditors	1,00,000	70,000	Furniture and Fixtures	10,000	15,000
P/L A/c	15,000	30,000	Stock-in-trade	85,000	1,05,000
			Debtors	1,60,000	1,50,000
			Cash	1,10,000	1,70,000
	<u>4,15,000</u>	<u>5,00,000</u>		<u>4,15,000</u>	<u>5,00,000</u>

42. From the summary Cash Account of Sunny Ltd. prepare Cash Flow Statement for the year ended 31st March, 2018 using the direct method. The company does not have any cash equivalents.

Summary Cash Account (For the year ended 31.3.2018)

	Rs.		Rs.
Balance on 1.4.2017	1,00,000	Payment of suppliers	40,00,000
Issue of equity shares	6,00,000	Purchase of fixed assets	4,00,000
Receipts from customers	56,00,000	Overhead expenses	4,00,000
Sale of fixed assets	2,00,000	Wage and salaries	2,00,000
		Taxation	5,00,000
		Dividend	1,00,000
		Repayment of bank loan	6,00,000
		Balance on 31.3.2018	3,00,000
	<u>65,00,000</u>		<u>65,00,000</u>

43. Initial Investment	Rs. 60,000
Life of the asset	4 years
Estimated Net Annual Cash flows :	Rs.
1 st Year	15,000
2 nd Year	20,000
3 rd Year	30,000
4 th Year	20,000

Calculate Internal Rate of Return

44. PCT Ltd. provides you the following information at 80% capacity:

Production and Sales	2,000 units
Direct material	Re. 1.00 per unit
Direct labour	Re. 1.00 per unit
Direct expenses	Re. 0.80 per unit
Factory overheads (15% variable)	Rs. 2.00 per unit
Administrative overheads (80% fixed)	Rs. 2.00 per unit
Selling overheads (25% variable)	Rs. 2.00 per unit
Total cost	Rs. 8.80 per unit
Profit per unit	Rs. 1.20 per unit
Selling Price	Rs. 10.00 per unit

Required : Draw up a Flexible Budget at 60% and 90% capacity.

(2 × 15 = 30 Marks)