

Exam. Code : 217602
Subject Code : 6853

M.Com 2nd Semester
CORPORATE FINANCIAL ACCOUNTING & AUDITING
Paper—MC-201

Time Allowed—3 Hours] [Maximum Marks—100

SECTION—A

Note :- Attempt any ten questions. Answer to each question should be in upto ten lines. Each question carries 2 marks.

1. What do you mean by subscribed capital ?
2. Give the meaning of contingent liabilities.
3. Discuss the meaning and types of Goodwill.
4. What is meant by Intangible Assets ?
5. Why is the valuation of shares necessary ?
6. How is Book Value of the share determined ?
7. What do you understand by efficiency audit ?
8. What is the difference between internal audit and statutory audit ?
9. State the liabilities of Cost Auditor.
10. Describe the qualifications of Cost Auditor.
11. What is the code of conduct for the auditors ?
12. Discuss the significance of audit by C. & A.G.

SECTION-B

Note :- Attempt any **two** questions. Answer to each question should be in above **five** pages. Each question carries **20** marks.

- How is profit for the purpose of the managerial remuneration ascertained? Describe the maximum rates of remuneration allowed under the Companies Act, 2013 to the members of the Board.
- Explain the various methods for valuation of shares. Which of these, according to you, is more appropriate in valuing the majority shareholding and why?
- Following is the Trial Balance of NKD Ltd. as on 30th June 2016 :

Debit Balances	Rs.	Credit Balances	Rs.
Purchases	2,24,500	Share capital	
Opening Stock	27,500	: 10,000 shares	
Debtors	33,750	of Rs. 10 each	1,00,000
Salaries & Wages	55,450	Sales	2,35,000
Bad Debts	5,480	Profit & Loss	
Dividend Paid	10,900	Account on 30/6/2015	11,500
General Expenses	8,200	Creditors	7,750
Furniture	32,900	Reserves	51,550
Cash at Bank	11,620	Discount	4,500
Total	4,10,300		4,10,300

Prepare Final Accounts of the company after taking into account the following adjustments :

- Stock on 30th June, 2016 was valued at Rs. 38,200.
 - Charge depreciation on Furniture @ 10%.
 - Create a provision for Bad Debts @ 5% on debtors.
 - Provide Managing Director's remuneration @ 10% of the net profit available for dividend purpose. Assume tax rate at 30%.
 - Dividend @ 10% on paid up capital is proposed by Board of Directors.
- AB Ltd. proposed to purchase the business carried on by Mr. P. Goodwill for this purpose is to be valued at four years purchase of the weighted average profits of the past four years. The weights to be used are : For year 2013-1, Year 2014-2, Year 2015-3 and Year 2016-4. The profits for these years are Rs. 6,90,000; Rs. 8,00,000; Rs. 9,76,000 and Rs. 7,34,000 respectively. On scrutiny of the accounts, the following matters are revealed :
 - On 1st July, 2016, a major repair was made in respect of the plant incurring Rs. 3,00,000 which was charged to revenue. The said sum is agreed to be capitalized for goodwill calculation, subject to adjustment of depreciation @ 10% p.a. on reducing balance method.
 - The Closing Stock for the year 2016 was undervalued by Rs. 80,000.
 - An annual charge of Rs. 1,00,000 should be made to cover management cost for the purpose of goodwill valuation.

Calculate the value of Goodwill of the firm.

SECTION-C

Note :- Attempt any **two** questions. Answer to each question should be in about **five** pages. Each question carries **20** marks.

1. Who can become a Statutory Auditor ? Discuss the duties and liabilities of Statutory Auditor.
2. Discuss the objectives of Cost Audit. What considerations a Cost Auditor should keep in mind while qualifying his audit report ?
3. What is the rationale of Management Audit ? Discuss the process of conducting Management Audit.
4. Discuss the purpose of conducting audit of Control function in an organisation. How would you conduct such an audit ?

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M.Com 2nd Semester

FINANCIAL MANAGEMENT

Paper—MC-202

Time Allowed—3 Hours]

[Maximum Marks—100

SECTION—A

Note :- Attempt any 10 short answer questions from the following 12 questions carrying 2 marks each. The length of answer to each question should be in up to ten lines.

1. What do you mean by watered capital ?
2. What do you mean by signaling effect of dividend ?
3. What do you mean by weighted average cost of capital ?
4. What do you mean by equivalent risk class firms ?
5. What do you mean by commercial paper ?
6. What do you mean by scrip dividend ?
7. What do you mean by financial breakeven point ?
8. What do you mean by fixed operating cost ?
9. What do you mean by core working capital ?
10. What do you mean by delinquent account ?
11. What do you mean by technical insolvency ?
12. What do you mean by marketable securities ?

SECTION-B

Note :- Attempt any two questions carrying 20 marks each.
The length of answer to each question should be in up to 5 pages.

1. What do you mean by financial planning ? Examine its significance. Explain the process you would follow for financial planning.
2. The Avtar Badaun Limited is considering a project which will be funded by using the existing capital mix. The following information is available in respect of its existing capital mix.

Source	Book value	Market Value
Equity share capital	25,50,000	50,00,000
Retained earnings	15,50,000	
Preference capital	3,80,000	3,20,000
Debentures	2,20,000	1,80,000

The after tax cost of different sources of capital is as follows :

Equity share capital 14%; retained earnings 12%; preference capital 10% and debentures 6%.

Calculate overall cost of capital using :

- (a) Book value weights and
 - (b) Market value weights.
3. What do you mean by irrelevance of dividend decision ? Examine the Modigliani Miller model of irrelevance of dividend decision.

4. From the following data, state which of the two projects A or B is better :

Project	A	B
Cash flows	Rs.	Rs.
Year 0	-1,00,000	-1,25,000
Year 1	50,000	60,000
Year 2	50,000	75,000
Year 3	75,000	95,000

Riskless rate of discount is 7%. Project A is less risky as compared to Project B. The risk certainty equivalents coefficients for the cash flows of the two projects A and B are :

Project	A	B
Year 0	1	1
Year 1	0.95	0.85
Year 2	0.75	0.70
Year 3	0.65	0.55

Which of the two projects should be accepted ?

SECTION-C

Note :- Attempt any two questions carrying 20 marks each.
The length of answer to each question should be in up to 5 pages.

1. What do you mean by combined leverage ? How would you compute combined leverage of a firm ? Examine the significance of combined leverage.

2. The capital structure of Progressive Corporation consists of an ordinary Share Capital of Rs, 10,00,000 (share of Rs. 100 per value) and Rs. 10,00,000 of 10% debentures. Sales increased by 20% from 100,000 units to 120,000 units, the selling price is Rs. 10 per unit; variable cost amounts to Rs. 6 per unit and fixed expenses amount to Rs. 2,00,000. The income tax rate is assumed to be 50%.

You are required to calculate the following :

- (i) The percentage increase in earnings per share;
- (ii) The degree of financial leverage at 100,000 units and 120,000 units
- (iii) the degree of operating leverage at 100,000 units and 120,000 units.

Comment on the behaviour of operating and financial leverages in relation to increase in production from 100,000 units.

3. What do you mean by uncertain cash flows ? How would you manage uncertain cash flows with the help of Miller Orr model ?
4. What are the objectives of receivables management ? What are the operative functions of receivables management ?

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Subject Code: 6855

M.Com. 2nd Semester

RESEARCH METHODOLOGY

Paper—MC-203

Time Allowed—3 Hours]

[Maximum Marks—60

SECTION—A

Note :—Attempt any 10 parts. Each part carries 2 marks.

1. Primary scales of Measurement.
2. Why is it necessary to critically review the secondary data available ?
3. What are Factor Loadings in Factor Analysis ?
4. Observation Method.
5. Extraneous variables.
6. Explain Discriminant Coefficient.
7. What do you mean by transformation of data ?
8. Types of Review.
9. Paired Comparison Method.
10. Factor Rotation.
11. Independent and Dependent variables.
12. Likelihood Ratio. $2 \times 10 = 20$

SECTION—B

Note :— Attempt any **TWO** questions. Each question carries
10 marks.

1. “The problem definition stage is perhaps more critical in the research process than the problem solution stage”. Discuss the statement.
2. What do you understand by Literature survey ? Discuss its importance while conducting research.
3. Write a note on the nature of Research Methodology. Is it an art or science ?
4. Define Experimental research design. Explain various Basic designs with the help of examples. $2 \times 10 = 20$

SECTION—C

Note :— Attempt any **TWO** questions. Each question carries
10 marks.

1. What is meant by Regression Analysis ? What are the main uses of it in Research ? What are the assumptions that underlie a bi-variate regression ?
2. Discuss the procedure of conducting Discriminant Analysis with the help of an example.
3. Discuss various non-comparative scaling techniques, giving suitable examples.
4. Why tabulation and analysis is considered essential in research study ? Narrate the characteristics as well as types of table. $2 \times 10 = 20$

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Subject Code : 6857

M.Com. 2nd Semester

HUMAN RESOURCE MANAGEMENT

Paper—MC-205

Time Allowed—Three Hours] [Maximum Marks—100

SECTION—A

(Attempt any TEN) 10×2=20

1. (a) What are the various objectives of HR ?
- (b) Name the factors affecting HRP.
- (c) What is job analysis ?
- (d) What are various methods of performance appraisal ?
- (e) Define training.
- (f) What are the various sources of recruitment ?
- (g) What are fringe benefits ?
- (h) What are the various methods of collecting data in job analysis ?
- (i) Define briefly changing trends in HRM.
- (j) Write down the steps involved in process of selection.
- (k) What are incentives ?
- (l) Write down the challenges involved in remuneration.

SECTION—B

(Attempt any **TWO**)

2×20=40

2. What do you understand by the term human resource management ? Describe briefly its evolution.
3. Describe job analysis in detail.
4. Explain in detail the process of recruitment. What are the problems related with recruitment ?
5. What are the various methods of training program ?

SECTION—C

(Attempt any **TWO**)

2×20=40

6. What is performance appraisal ? What are the essentials of effective performance appraisal program ?
7. What is employee compensation ? Describe different factors influencing employee compensation.
8. What are the various forms of fringe benefits ?
9. What do you mean by the term indiscipline ? What are consequences of indiscipline ?

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Subject Code : 6878

M.Com. 4th Semester

INTERNATIONAL ACCOUNTING

Paper—MC-401

Time Allowed—Three Hours] [Maximum Marks—100

SECTION—A

Note :— Attempt any TEN questions out of the TWELVE given. Each question carries 2 marks.

1. Explain :

- (i) Limitations of international accounting
- (ii) IOSCO and harmonization
- (iii) International financial analysis
- (iv) Standardisation
- (v) Legal environment and development of international accounting
- (vi) Highlights of financial reporting in UK
- (vii) Arms length price
- (viii) Balance score card
- (ix) Vertical analysis
- (x) Double taxation
- (xi) Strategy formulation
- (xii) Transaction date, interim date and settlement date.

SECTION—B

Note :— Attempt any **TWO** questions out of the **FOUR** given. Each question carries **20** marks.

2. What differences exist in international financial reporting ? How can these be overcome ? Suggest.
3. Define international accounting. Discuss its scope.
4. Are USA and India comparable in their international financial reporting practices ? Explain.
5. Discuss the role of following institutions in the process of harmonization :
 - (i) European Union
 - (ii) International Accounting Standard Board.

SECTION—C

Note :— Attempt any **TWO** questions out of the **FOUR** given. Each question carries **20** marks.

6. What is convergence ? What gaps in international accounting practices need to be converged ? Discuss.
7. Discuss methods of consolidation of financial statements. Give suitable examples.
8. Explain the various reliefs available to the problems of double taxation.
9. Define International transfer pricing. How is it used as a tool of tax minimisation by MNCs ? What are other benefits associated with it ?

Exam. Code : 217604

Subject Code : 6879

M.Com. 4th Semester

E-COMMERCE

Paper—MC-402

Time Allowed—3 Hours]

[Maximum Marks—100

Note :- Attempt **TEN** questions from Section A and each question will carry 2 marks. Attempt **TWO** questions from Section B and each question will carry 20 marks. Attempt **TWO** questions from Section C and each question will carry 20 marks.

SECTION—A

1. Explain following in brief :

- (1) SSL Protocol
- (2) Digital Signature
- (3) EFT
- (4) ERP
- (5) Intranet vs. extranet
- (6) SIM
- (7) POS
- (8) G2B
- (9) Who governs internet ?

- (10) Malware
- (11) Role of JIT in eCommerce
- (12) eWallet.

SECTION—B

- 2. The public is highly concerned with the safety of e-payment. What are the specific measures put forward in the Guidance in this respect ?
- 3. What are the key technologies for B2B E-commerce ? Explain architectural models of B2B E-commerce.
- 4. What is EPS ? Why are orientation and standardization required for epayment in eCommerce ?
- 5. Discuss the concept and mechanism of payment gateways used in eCommerce.

SECTION—C

- 6. Discuss Sections 43, 66, 66A, 66B, 66C 66D of IT Act 2000.
- 7. Discuss in brief virtual auction. Differentiate between virtual auction and reverse auction and explain the importance and procedure of both.
- 8. Explain the concept of business process reengineering and its relationship with the productivity paradox and ERP.
- 9. What do you mean by IoT ? Discuss in detail the role and importance of IoT in eCommerce.

Exam. Code : 217604
Subject Code : 6880

M.Com. 4th Semester

INTERNATIONAL FINANCIAL MANAGEMENT

Paper—MC-411

Time Allowed—Three Hours] [Maximum Marks—100

SECTION—A

Note :—Attempt any **TEN** questions from Section A.

Answer to each question should be up to **50** words
in length. Each question carries **2** marks.

1. Write short notes on the following :

(i) Economic exposure

(ii) SDR

(iii) Currency Devaluation

(iv) Bond Market

(v) FEMA

(vi) GDR

(vii) Currency coupon

(viii) Forward market

(ix) Currency swaps

(x) Hedging

(xi) Risk vs Exposure

(xii) Political Risk.

SECTION—B

Note :—Attempt any **TWO** questions from Section B.

Answer to each question should be up to **5** pages in length. Each question carries **20** marks.

2. Describe the various current and past exchange rate regimes. Is there an optimal exchange rate regime ?
3. What do you understand by the Balance of Payments ? What are the challenges involved in maintaining the balance of payments position of India ?
4. Explain the structure of foreign exchange market with special reference to Indian foreign exchange market.
5. What are the various structural models of exchange rate determination ? How the exchange rate forecasting can be done ?

SECTION—C

Note :—Attempt any **TWO** questions from Section C.

Answer to each question should be up to **5** pages in length. Each question carries **20** marks.

6. What is transaction exposure ? Explain the various hedging techniques for managing the transaction exposure of a MNC.
7. What are the various types of risks in international context ? What are the issues involved in country risk analysis ?
8. Explain in detail the various techniques available for management of foreign exchange rate exposure.
9. Explain the various types of SWAP structures. What are the motivations underlying SWAPs ?

Exam. Code : 217604

Subject Code : 6881

M.Com. 4th Semester

FINANCIAL MARKETS AND FINANCIAL SERVICES

Paper—MC-412

Time Allowed—Three Hours] [Maximum Marks—100

SECTION—A

Note :—Question No. 1 contains 12 very short answer type questions. Attempt any **TEN** questions out of these. Answer to each question should be upto 5 lines in length. Each question carries 2 marks.

1. Write short notes on :

- (a) Zero coupon bonds
- (b) Two functions of CCIL
- (c) CRR Vs. SLR
- (d) Liquidity adjustment facility
- (e) Two deficiencies in Indian financial system
- (f) Securitization
- (g) Primary dealer
- (h) Commercial bank Vs. Development bank

- (i) ADR's and GDR's
- (j) DFHI
- (k) Two functions of call money market
- (l) Factoring.

SECTION—B

Note :— Attempt any **TWO** questions out of the following **FOUR** questions with answer to each question upto **5** pages in length. Each question carries **20** marks.

- 2. Discuss in detail the progress, problems and prospects of NBFC's in India.
- 3. What do you mean by Development Banking ? Elaborate the recent reforms in development banking in India.
- 4. Highlight the various banking sector reforms in India. How successfully have they been implemented ?
- 5. Discuss the various developments that have taken place in the Indian financial system.

SECTION—C

Note :— Attempt any **TWO** questions out of the following **FOUR** questions with answer to each question upto **5** pages in length. Each question carries **20** marks.

- 6. Distinguish between commercial paper and certificate of deposit. Examine their role in Indian financial markets.
- 7. Define Repo. Who are the parties involved in it ? Elaborate its process and progress in India.
- 8. What is the significance of treasury bills market in India ?
- 9. Why government securities are called gilt edged securities ? Who are the major players in the government securities market ? Explain the purpose of issuing government securities.

Exam. Code : 217604

Subject Code : 6882

M.Com. 4th Semester

CORPORATE TAX LAW AND PLANNING

Group—A : MC-413

Time Allowed—3 Hours] [Maximum Marks—100

Note :- (1) Attempt any **ten** questions from Section A.
Each carries **2** marks.

(2) Answer any **four** questions each from
Sections B and C, selecting **two** questions
from each Section. Each carries **20** marks.

SECTION—A

I. Briefly explain :

- (a) Scope of tax management
- (b) Relationship between residential status and incidence of tax
- (c) Widely held company

- (d) Sole proprietorship
- (e) Provisions of Sec. 80 G
- (f) Infrastructure facility
- (g) Financial Leverage
- (h) Special Economic Zone
- (i) Pre-commencement period expenses
- (j) Bonus shares
- (k) Double Taxation
- (l) Permanent establishment. 10×2=20

SECTION—B

- II. (a) Explain the provisions of Section 80-IAB related to profits and gains of an undertaking or enterprise engaged in development of Special Economic Zone.
- (b) State the features and basic differences between 'Tax Planning' and 'Tax Evasion'. 12+8
- III. Discuss in detail the various provisions related to Advance Payment of Tax. 20

- IV. (a) XYZ Ltd. is engaged in the manufacture and sale of drugs and pharmaceuticals. Its net profit for the year ending 31-3-2016 after debit/credit of the following items to the Profit and Loss Account was Rs. 28,00,000.
 - (i) Income-Tax paid on non-monetary perquisites provided to the employees Rs. 1,00,000.
 - (ii) Legal fees incurred in defending title to factory premises Rs. 2,00,000.
 - (iii) Expenditure on scientific research (not in respect of cost of land or building) on in-house research and development facility approved by prescribed authority Rs. 10,00,000.
 - (iv) Interest paid on arrears of sales tax Rs. 10,00,00.
 - (v) Cash payment of Rs. 20,000 made on 10-10-2015 to a supplier towards purchase of raw material.

(vi) Rent received from letting out vacant land
Rs. 1,00,000.

(vii) Arrears of rent received in respect of a house
property, which was let out in the earlier
years and which was not charged to tax in
any earlier year, Rs. 2,00,000. The said
property was sold during the year ending
31-3-2014.

The company had paid royalty in India to a
foreign company amounting to Rs. 3,00,000
on 1-5-2014, which was disallowed by the
assessing officer for the assessment year
2015-16 since tax was not deducted thereon.
The company deducted and paid tax at source
on the said amount of royalty on 1-1-2016.

The company has brought forward loss from
property relating to assessment year
2015-16 amounting to Rs. 40,000.

Compute the total income and tax liability of
XYZ Ltd. for the assessment year 2016-17.

(b) Explain the special provisions of Income Tax Act
in case of Shipping business. 15+5

V. (a) Compare and contrast partnership firm and company
form of business organisation on the basis of tax
incentives available under the Income Tax Act.

(b) The book profits of a company in the previous
year 2015-16 computed in accordance with section
115 JB is Rs. 15 lakh. If the total income computed
for the same period as per the provisions of the
Income-Tax Act, 1961 is Rs. 3 lakh, calculate the
Tax payable by the company in the assessment
year 2016-17 and also indicate whether the
company is eligible for any tax credit.

15+5

SECTION—C

VI. (a) Illustrate with the help of an example the steps
for calculating unilateral tax relief.

(b) Does Income-Tax Act contain any provisions for
planning Tax in case of make or buy decisions ?
If yes, support your answers with suitable examples.

10+10

VII. Discuss the Tax incentives/concessions in case of demerger for the following :

- (a) Demerged company
- (b) Shareholders of demerged company
- (c) Resulting company. 5+5+10

VIII. (a) Explain the necessary conditions and incentives available to exporters u/s 10AA.

- (b) Explain the consequences, where the Scientific Research Assets are sold after having been used for Scientific research. 15+5

IX. (a) **Case I** : A company wants to raise capital of Rs. 20,00,000 for a project where earning before tax shall be 30 % of the capital employed. The company can raise debt fund @ 12 % p.a. Suggest, which of the following 3 alternatives should it opt for :

- (1) 20,00,000 to be raised by equity capital
- (2) Rs. 16,00,000 by equity and Rs. 4,00,000 by loans

- (3) Rs. 4,00,000 by equity capital and Rs. 16,00,00 by loans.

Assume the company shall distribute the entire amount of profits as dividend and tax rate is 30 %.

Case II : What will be the option, if the earning before Tax is 10 % of capital employed ?

- (b) Why selection of capital structure is an important decision for a business organisation ?

15+5