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St Aloysius (Deemed to be University)**Mangaluru****Semester II – P.G. Examination - M.Com.****April - 2025****CORPORATE ACCOUNTING AND REPORTING**

Time: 2 ½ hrs.

Max Marks: 60

SECTION - A

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(5×4=20)

Answer any **FIVE** of the following

1. Explain the significance of IND AS 24 in financial reporting.
2. Differentiate between 'recoverable amount' and 'carrying amount' under IND AS 36.
3. Write a note on Shares Exchange method of computing purchase consideration.
4. What is the role of a capital reduction account in internal reconstruction?
5. H Ltd acquired 30,000 shares of S Ltd (which represented 60% of the total number of shares) of ₹10 at a cost of ₹4,00,000. On the date of acquisition S Ltd had a credit balance of ₹ 80,000 in its profit and loss A/c and ₹ 20,000 in general reserve. Calculate cost of control.
6. What do you understand by Interim Financial Reporting.
7. What is the objective of IND AS 108 – Operating Segments?

SECTION - BAnswer any **THREE** of the following

(3×10=30)

8. Differentiate between Basic EPS and Diluted EPS under IND AS 33.
9. A Ltd. and B Ltd. were amalgamated on and from 1st April, 2022. A new company AB Ltd. was formed to take over the business of existing companies. The Balance Sheets of A Ltd. and B Ltd. as on 31st March, 2022 are given below:

	A Ltd.	B Ltd.		A Ltd.	B Ltd.
Share Capital: Equity shares of ₹ 10 each	2,400	1,600	Fixed Assets	4,800	3,200
12% Preference shares of ₹ 100 each	1,200	800	Less: Depreciation	800	600
Reserves and Surplus			Investments	1,600	600
Capital Reserve	800	600	Current Assets:		
General Reserve	1,200	600	Stock	1,200	600
Surplus A/c	400	200	Debtors	1,600	800
Secured Loans	1,600	800	Cash & Bank		
Trade Creditors	1,200	400	Balance	1,200	600
Tax Provision	800	200			
	9,600	5,200		9,600	5,200

Contd...2

Other informations: i) Preference shareholders of the two companies are issued equivalent number of 15% preference shares of AB Ltd. at an issue price of ₹ 125 per share.

ii) AB Ltd. will issue one equity share of ₹ 10 each for every share of A Ltd. and B Ltd. the shares are issued at a premium of ₹ 5 per share.

Prepare the Balance sheet of AB Ltd on the assumption that the amalgamation is in the nature of a purchase.

10. Liabilities and assets of Dreamers Ltd. as on 31st March, 2023 stood as under:

Liabilities	₹ in Lakhs	Assets	₹ in Lakhs
Share Capital 10% Preference Shares of ₹100 each	30	Fixed Assets	130
Equity Shares of ₹10 each	60	Investments	24
General Reserve	36	Current Assets	20
12% Debentures	28		
Current Liabilities	20		
	174		174

Performers Ltd. signified their agreement to takeover the assets and liabilities of Dreamers Ltd. as per the following terms and conditions:

- Fixed assets at 90% of the book value.
- Investments at 10% above the par value.
- Current assets and liabilities at book value except that stock-in-trade at cost amounting to ₹10 lakh was agreed to be taken over at a discount of 20%.
- 12% Debentures are to be discharged at a premium of 15% by issuing 12% debentures of Performers Ltd.
- Preference shareholders are to be discharged at a premium of 15% by issuing 10% preference shares of ₹ 100 each.
- Equity shareholders in Dreamers Ltd. are to be issued 5 equity shares of ₹10 each in Performers Ltd. for every 3 shares held by them.

Work out the consideration for the takeover under:

- Net assets method; and
- Net payment method.

11. H Ltd acquired all the shares in S Ltd on 1st January, 2008 and the balance sheets of the two companies on 31st March, 2008 were as follows:

Liabilities	H Ltd ₹	S Ltd ₹	Assets	H Ltd ₹	S Ltd ₹
Share Capital	50,000	30,000	Sundry Assets	65,000	70,000
Reserve on 1-4-2007	20,000	15,000	Shares in S Ltd.	50,000	-
Profit & Loss A/C	25,000	10,000			
Sundry Creditors	20,000	15,000			
	1,15,000	70,000		1,15,000	70,000

The profit and loss account of S Ltd. had a credit balance of ₹ 3,000 on 1st April 2007. Prepare a Consolidated Balance Sheet as on 31st March 2008.

12. Discuss the disclosure requirements of IND AS 34.

SECTION – C (Compulsory)**(1×10=10)**

13. The following is the Balance Sheet of Weak Co. Ltd as on 31st March 2022.

Liabilities	₹	Assets	₹
1,00,000 equity shares of ₹10 each	10,00,000	Land	1,00,000
Sundry Creditors	1,73,000	Plant & Machinery	2,30,000
		Furniture & Fittings	68,000
		Stock	1,50,000
		Debtors	70,000
		Cash at Bank	5,000
		Profit & Loss A/C	5,50,000
	11,73,000		11,73,000

The approval of the cost was obtained for the following scheme of reduction of capital:

1. The equity shares to be reduced to ₹ 4 per share
2. Plant and Machinery to be written down to ₹ 1,50,000
3. Stock to be revalued at ₹ 1,40,000
4. The provision on debtors for doubtful debts to be created ₹ 2000
5. Land to be revalued at ₹1,42,000.

Pass journal entries to give effect to the above arrangement and also prepare reconstruction account

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Mangaluru

Semester II – P.G. Examination - M.Com.

April - 2025

CORPORATE FINANCING AND INVESTMENT DECISIONS

Max Marks: 60

Time: 2 ½ hrs.

SECTION - A

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Answer any **FIVE** of the following

- Compare and contrast mutually exclusive decisions and replacement decisions in capital budgeting. How do they influence a firm's investment strategy?
- T Ltd having limited funds of ₹ 10,10,000 and cost of capital 10% is evaluating desirability of following projects:

Project	A	B	C	D	E	F
Present value of cashflows	5,00,000	9,00,000	12,00,000	14,00,000	16,25,000	38,40,000
Initial cash outflow	50,000	1,00,000	1,50,000	2,00,000	2,50,000	6,00,000
Useful life of project in years	10	10	10	10	10	10

Calculate:

- Rank the projects according to net present value and profitability index
 - Which projects should be selected assuming that the projects are indivisible and there is no alternative use of money allocated for capital budgeting.
- Original outlay, ₹ 10,000; Life of the project, 5 years; Cash inflows, ₹ 4,000 each for 5 years; and Cost of capital (k), 10 per cent. Expected interest rates at which cash inflows will be reinvested are as follows:

Year-end	Percent
1	6
2	6
3	6
4	8
5	8
6	8

Calculate terminal value

- Calculate discounted payback period from the information given below

Cost of the project	₹ 6, 00,000
Life of the project	5 years
Annual cash inflow	₹ 2, 00,000
Cut off rate	10%

Contd...2

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5. XYZ Ltd is considering a project with the following expected cash flows. Initial Investment ₹ 1,00,000, Expected cash flow 1st year ₹ 70,000; 2nd year ₹ 60,000; 3rd year ₹ 45,000. The cost of capital is 10%. Due to uncertainty of future cash flows, the management decides to reduce the cash inflows to certainty equivalents by taking only 80%, 70% and 60% respectively. Is it worth while to take up the project?
6. How can a foreign company benefit from issuing ADRs?
7. Discuss the different forms of angel funding, highlighting their unique features

SECTION - B**Answer any THREE of the following****(3×10=30)**

8. A plastic manufacturer has under consideration the proposal of production of high-quality plastic glasses. The necessary equipment to manufacture the glasses would cost ₹1 lakh and would last 5 years. The tax relevant rate of depreciation is 20 per cent on written down value. There is no other asset in this block. The expected salvage value is ₹10,000. The glasses can be sold at ₹ 4 each. Regardless of the level of production, the manufacturer will incur cash cost of ₹ 25,000 each year if the project is undertaken. The variable costs are estimated at ₹ 2 per glass. The manufacturer estimates it will sell about 75,000 glasses per year; the tax rate is 35 per cent. Should the proposed equipment be purchased? Assume 20 per cent cost of capital and additional working requirement, ₹50,000.
9. The cash flows associated with three projects P, Q, R are given below:

Year	Net Cash Flow (₹)		
	P	Q	R
0	(2,000)	(2,000)	(2,000)
1	1,400	500	500
2	600	1,100	500
3	400	900	1,600

Calculate the NPV of each project at discount rates of 0 percent, 5 percent, 10 percent, 15 percent and 19 percent.

10. XYZ Ltd is considering the risk characteristics of a certain project. The firm has identified that the following factors, with their respective expected values, have a bearing on the NPV of this project.

Initial Investment	₹ 30,000
Cost of Capital	10%
Quantity manufactured and sold annually	1,400
Price per unit	₹ 30
Variable cost per unit	₹ 20
Fixed cost	₹3,000
Depreciation	₹ 2,000
Tax rate	50%
Life of the project	5 years
Net salvage value	₹ Nil

Assume that the following underlying variables can take the values as shown below:

Underlying variables	Pessimistic	Optimistic
Quantity manufactured and sold annually	800	1,800
Price per unit	₹ 20	₹ 50
Variable cost per unit	₹ 40	₹ 15

Calculate the sensitivity of NPV to variations in variable cost per unit

11. How does the Book Building Process facilitate the discovery of prices for equity shares?
12. Discuss the sequential actions taken in a venture capital investment.

SECTION – C (Compulsory)

(1×10=10)

13. A company is considering a new equipment. The net cash flows of the equipment have been estimated as given below. The equipment's life is estimated to be two years

	Year 1	Probability	Year 2	Probability
NCF	10,000	0.4	8,000	0.5
			12,000	0.5
NCF	12,000	0.6	16,000	0.4
			20,000	0.6

The cost of equipment is ₹ 20,000, and the company's cost of capital is 12 per cent. Use the decision tree approach to recommend whether the equipment should be bought or not.

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Semester II – P.G. Examination - M.Com.

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April - 2025

BUSINESS TAXATION

Time: 2 ½ hrs.

Max Marks: 60

SECTION - A

Answer any **FIVE** of the following

(5×4=20)

1. Who is liable to pay GST under the reverse charge mechanism?
2. Who is a Casual Taxable Person? How is tax liability determined for them?
3. Specify the activities that fall outside the scope of supplies.
4. Discuss the rules for determining the Place of Supply in case of exports and imports of goods.
5. Discuss the scenarios where ITC is not available under the CGST Act.
6. Explain the concept of distribution of ITC by an ISD with an example.
7. Define GST and explain its significance in the Indian economy.

SECTION - B

Answer any **THREE** of the following

(3×10=30)

8. Explain the powers and functions of the GST Council as per the Constitution of India. How do its decisions impact businesses and taxpayers?
9. Mr. Pushpa is a registered person in Mangaluru, Provides the following information for the month of November 2024. Compute the Value of Taxable turnover and output tax.
 - a) Supply to a dealer in Pune rate of GST is 12% ₹ 8,00,000
 - b) Supply to a dealer of Delhi @ nil rate GST for ₹2,00,000
 - c) Supply to a dealer in Bengaluru rate of GST @ 5% for ₹ 9,80,000
 - d) Export to Sweden the rate of GST rate @ 12% for ₹ 15,00,000
 - e) Supply to a dealer in Haryana @ 12% for ₹ 16,00,000
 - f) Sold to an unregistered dealer in Mysuru GST rate @ 12% for ₹ 15,00,000
 - g) Supply to SEZ developer in Udupi GST rate is 12% for ₹ 4,00,000
 - h) Sold to a dealer in Kodagu who has registered under composition scheme @ 12% GST for ₹ 5,00,000
 - i) Sold to a unit of SEZ in Chennai GST rate @ 5% for ₹ 2,00,000
 - j) Supplied to a registered dealer within the state for ₹ 6,00,000. GST @ 18%.
10. Bharath Ltd. Registered in Maharashtra opens a new office in Delhi. It purchases 10 ACs from Voltas Ltd., Maharashtra to be installed at its Delhi office. Compute the transaction value and GST payable.
Price of each AC (inclusive of IGST at 5%) - ₹ 63000
Expenses not included in the above price:
 - ❖ Packing for transportation - ₹ 5000
 - ❖ Transportation charges of AC - ₹ 7000
 - ❖ Commission paid to the agents to fix up agreement for the sale - ₹ 12000.
 - ❖ Additional feature charges incurred by the supplier on the request of buyer for each AC- ₹ 2000
 Voltas Ltd. Supplied following essential items along with the AC:
 - 10 remotes costing ₹ 600 each and rate of GST applicable is 18%
 - 20 batteries for the remote costing ₹ 15 each and rate of GST applicable is 12%
 - Discount of ₹ 2000 per AC is given by supplier.

11. Write a note on:
1. Reciprocal Tarrif
 2. Baggage
 3. FOB
 4. CIF
12. An Indian dealer imported a computer from London. From the following information determine the assessable value and customs duty payable.
- a. Cost of computer 10,000 pounds
 - b. Packing charges 500 pounds
 - c. Transportation charges by air 3000 pounds
 - d. Commission paid to the broker of the exporter who arranged the deal 100 pounds
 - e. Commission paid to his agent to settle the price of the computer 200 pounds
 - f. Amount paid to an employee of exporter for assembling in India 3000 pounds
 - g. The importer had sent certain software worth ₹ 1 Lakh to be installed in the computer free of cost
 - h. As per the terms the buyer had to pay a royalty of 2000 pounds to IBM Japan for transfer of technology
 - a. Royalty payable for each unit of computers reproduced in India 5000 pounds
 - j. Design and development expenses incurred outside India 3000 pounds
 - k. Insurance premium 500 pound
 - l. Transportation charges from airport to the factory and insurance premium ₹ 10,000
 - m. IGST 28%
 - n. BCD 25%; Exchange rate ₹ 96 and rate notified by CBIC ₹ 99.

SECTION – C (Compulsory)**(1×10=10)**

13. Rakesh, registered taxable person under GST, provides following particulars for the tax period. Compute net GST payable.
1. Supply of goods (18%): Intra state ₹ 15,00,000, Inter State ₹ 18,00,000
 2. Supply of goods (12%): Intra state ₹ 20,00,000, Inter State ₹ 12,00,000
 3. Supply of services (18%): Intra state ₹ 10,00,000, Inter State ₹ 8,00,000
 4. Purchase of goods (18%): Intra state ₹ 9,00,000, Inter State ₹ 11,00,000
 5. Purchase of goods (12%): Intra state ₹ 13,00,000, Inter State ₹ 7,00,000
 6. Services received (18%): Intra state ₹ 6,00,000, Inter State ₹ 5,00,000

Above amounts are excluding GST.

The ITC at the beginning of the relevant period: IGST: ₹ 1,50,000; CGST: ₹ 1,60,000 and SGST of ₹ 1,50,000.

Assume the details of all the invoices/ debit notes have been uploaded by all the suppliers in the relevant returns within the due date.

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Semester II – P.G. Examination - M.Com.

April - 2025

BUSINESS STATISTICS

Time: 2 ½ hrs.

Max Marks: 60

SECTION - A

Answer any **FIVE** of the following

(5×4=20)

1. What do you understand by correlation?
2. The following table shows the age(X) and blood pressure(Y) of 8 persons.

X	Y
52	62
63	53
45	51
36	25
72	79
65	43
47	60
25	33

Obtain the regression equation of Y on X and find the expected blood pressure of a person who is 49 years old.

3. Describe the systematic procedure for developing a research hypothesis.
4. Explain the terms
a) Random Experiment, b) Event, c) Mutually Exclusive Events, and
d) Equally Likely Events in probability
5. Calculate 3 yearly moving averages of the production figures given below and draw the trend.

Year	Production in million tonnes
1988	332
1989	317
1990	357
1991	392
1992	402
1993	405
1994	410
1995	427
1996	405
1997	438

6. Using the data given below calculate the trend values by the method of least squares.

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Y	21	22	23	25	24	22	25	26	27	26

7. The following mistakes per page were observed in a book.

No. of mistakes per page	No. of times the mistakes occurred
0	211
1	90
2	19
3	5
4	0

Fit a poisson distribution for the above data. $e^{-m} = 0.44 = 0.6443$.

SECTION - BAnswer any **THREE** of the following

(3×10=30)

8. Two ladies were asked to provide their opinion on 10 different types of lipsticks. The marks given by them are as follows:

Lipsticks:	A	B	C	D	E	F	G	H	I	J
Neelu:	12	11	14	13	13	14	16	18	19	19
Neena:	11	11	12	14	15	12	12	15	16	17

Calculate Spearman's Rank correlation coefficient.

9. Mr George president of National Health insurance company is oppose to a health insurance scheme. He argues that it would be costly to implement particularly – since the existence of such a system would- among others effects-tend to encourage people spend more time in hospitals. George believes that length of stay in the hospitals dependent on the health insurance that people have. He asked Donna his staff to check the matter. Donna collected on a random sample of 660 hospital stays and summarized them as follows.

Fraction of cost covered by insurance	Days stay in the Hospital			
	Less than 5	5-10	More than 10	Total
Less than 25%	40	75	65	180
25% to 50%	30	45	75	150
More than 50%	40	100	190	330
Total	110	220	330	660

Donna seeks your assistance. How do you help Donna in this matter?

Apply Chi-Square test with 1% and 5% level of significance.

10. The following data show the number of seeds germinating out of 10 on damp filter for 80 set of seeds. Fit a binominal distribution to this data.

X	Y
0	6
1	20
2	28
3	12
4	8
5	6
6	0
7	0
8	0
9	0
10	0

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Where $p=0.2175$ and $q=0.7825$.

11. Explain Time Series Analysis and its elements
12. A project yields an average cash-flow of ₹ 550 lakhs with a standard deviation of ₹ 70 lakhs. Calculate the following probabilities.
- Cash flow will be more than ₹ 560 lakhs
 - Cash flow will be less than ₹420 lakhs
 - Cash flow will be between ₹460 lakhs and ₹540 lakhs
 - Cash flow will be more than ₹680 lakhs

SECTION - C (Compulsory)

(1×10=10)

13. The following table gives the distribution of items of production and also the relativity of items of production according to size groups. Find the correlation coefficient between size and defect in quality.

Size group	15-16	16-17	17-18	18-19	19-20
No. of items	200	270	340	360	400
No. of defective items	150	162	170	180	180

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Semester II – P.G. Examination - M.Com.

April - 2025

RESEARCH METHODOLOGY AND ETHICS

Time: 2 ½ hrs.

Max Marks: 60

SECTION - A ST. ALOYSIUS COLLEGE

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(5×4=20)

Answer any **FIVE** of the following

1. What are the key ontological assumptions in research?
2. Compare and contrast the methods of organizing and presenting a literature review in scholarly writing
3. Compare and contrast the features of a census and a sample survey.
4. How does data falsification and fabrication affect research credibility?
5. Classify and explain the distinctions between type I and type II errors.
6. What are the common errors in data interpretation?
7. Explain the method of data collection through observations.

SECTION - B

Answer any **THREE** of the following

(3×10=30)

8. Explain the research process in detail, highlighting its key steps and their significance in conducting a systematic study.
9. Categorize the factors that researchers must consider when selecting and defining a research problem.
10. Examine various forms of probability sampling and illustrate with appropriate examples.
11. Explain the different types of scaling techniques used in research with examples.
12. Define plagiarism and discuss its various forms with examples.

SECTION – C (Compulsory)

(1×10=10)

13. You are a Research scholar conducting a study on the impact of financial literacy on investment behaviour. Before drafting your thesis, you must carefully plan and organize your research report. Describe the steps you would take in planning, organizing, and structuring the research report to ensure clarity and coherence
