

**St Aloysius (Deemed to be University)**  
**Mangaluru**

**Semester I - P.G. Examination - M.Com. (Finance and Analytics)**

**November - 2024**

**FINANCIAL STATEMENTS ANALYSIS**

Time : 2½ Hours

Max. Marks : 60

**SECTION - A**

**Answer the following questions.**

**(5x2=10)**

1. Identify key challenges in achieving global convergence in accounting standards.
2. State two importance of activity ratios in assessing a company's ability to manage its resources effectively.
3. State how consolidated financial statements improve transparency in financial reporting.
4. The following information is relating to X Ltd for the financial year ended 31/3/2022

	1/4/2021	31/3/2022
Monetary Assets ₹ Amt	20,000	20,000
Monetary liabilities ₹ Amt	25,000	25,000
Retail Price Index	50	75

Ascertain Gain/loss on Monetary items.

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5. Identify two components of environmental accounting.

**SECTION - B**

**Answer any FOUR questions.**

**(4x5=20)**

6. Examine the importance of each classification (income statement, balance sheet, cash flow statement) in presenting a comprehensive view of financial health.
7. Demonstrate various tools and techniques used in financial analysis.
8. Differentiate between cash flow statement and fund flow statement.
9. Demonstrate the various techniques and methods of inflation accounting.
10. Examine the different approaches to social accounting.

**SECTION - C**

**Answer any THREE questions.**

**(3x10=30)**

11. From the following Balance Sheet of Hindustan Industries Ltd, compute the Trend percentages using 31/12/2021 as the base year.

Particulars	2021	2022	2023
Share Capital	2,00,000	2,50,000	3,00,000
Reserves	1,00,000	1,50,000	1,50,000
Loans	2,00,000	1,00,000	50,000
Sundry Creditors	3,00,000	4,00,000	2,00,000
Buildings	2,00,000	2,50,000	3,00,000
Plant	2,00,000	2,50,000	1,00,000
Stock	2,50,000	2,50,000	1,50,000
Debtors	1,00,000	1,00,000	1,00,000
Cash at bank	50,000	50,000	50,000

12. From the following Profit & Loss a/c, Compute the Funds from operations

	₹ Amt		₹ Amt
To salaries	5,000	By Gross Profit	1,000
To Rent	2,000	By Rent	5,000
To Depreciation	1,000	By Interest on investment	4,000
To Preliminary expenses	2,000	By Net loss	5,000
To loss on sale of plant	5,000		
Total	15,000	Total	15,000

13. Evaluate the limitations of historical accounting and discuss how they affect the relevance of financial statements.
14. Support the relationship between effective HRA practices and the financial performance of organizations in India, and discuss the implications for stakeholders.

(2024 - Batch onwards)

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Mangaluru

Semester I - P.G. Examination - M.Com. (Finance and Analytics)

November - 2024

**WORKING CAPITAL MANAGEMENT**

Time : 2½ Hours

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Max. Marks : 60

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**SECTION - A**

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**Answer the following questions.**

(5x2=10)

1. Describe the concept of permanent working capital and its relevance for businesses.
2. How does trade credit impact a company's cash flow management?
3. Examine the features of effective cash management.
4. How can two different methods of managing accounts receivable impact cash flow?
5. Define Economic Order Quantity (EOQ) and its role in inventory management.

**SECTION - B**

**Answer any FOUR questions.**

(4x5=20)

6. Firms are making efforts to cut down the operating cycle chain because a significant amount of funds gets tied up in it. Discuss in the context of Indian firms.
7. Assess the potential sources of bank finance that businesses can leverage for their working capital requirements.
8. Discuss the best practices for managing cash in an organization.
9. Assess the components of a credit policy.
10. Factory Y consumes 50,000 units of a component per year. The ordering, receiving and handling costs are ₹ 3 per order while the trucking costs are ₹ 12 per order. Further details are as follows: deterioration and obsolescence cost ₹ 0.004 per unit per year; interest cost ₹ 0.06 per unit per year; storage cost ₹ 1,000 per year for 50,000 units. Calculate the economic order quantity.

**SECTION - C**

**Answer any THREE questions.**

(3x10=30)

11. Appraise the factors determining working capital requirements of businesses.
12. Interpret the strategies in working capital management.
13. Following information is in respect of Premier Industries Ltd for the year:  
Production of the year, 100,000 units  
Finished goods in store, 3 months  
Raw material in store, 2 months' consumption  
Production process, 1 month  
Credit allowed by creditors, 2 months  
Credit given to debtors, 3 months  
Selling price per unit, ₹ 50  
Raw material, 50 per cent of selling price  
Direct wages, 10 per cent of selling price  
Manufacturing and administrative overheads, 16 per cent of selling price  
Selling overheads, 4 per cent of selling price  
There is a regular production and sales cycle, and wages overheads accrue evenly. Wages are paid in the next month of accrual. Material is introduced in the beginning of the production cycle. You are required to ascertain its working capital requirement.
14. Investigate the techniques for inventory monitoring and control.

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(2024 - Batch onwards)

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Semester I - P.G. Examination - M.Com. (Finance and Analytics)

November - 2024

INCOME TAX

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Time : 2½ Hours

Max. Marks : 60

**SECTION - A**

**Answer all the questions.**

(5x2=10)

1. Explain the components of Income Tax.
2. Describe any 4 taxable allowances under head income from salary.
3. Explain any 2 rules pertaining to the clubbing of the income of a minor child.
4. Explain any 4 incomes taxable under the head income from other sources.
5. Define Long Term Capital Assets.

**SECTION - B**

**Answer any FOUR questions.**

(4x5=20)

6. Mr X comes to India for the first time on 16/04/2020. During his stay in India upto 05/10/2023 he stays in Delhi upto 10/04/2022 and thereafter remains in Chennai till his departure from India. Determine his residential status for AY 2024-25.
7. Interpret the rules for computing taxable gratuity along with the meaning of salary in the following circumstances. a) When the employee is covered under the Payment of Gratuity Act 1972 b) When the employee is not covered under the Payment of Gratuity Act 1972.
8. The following is the Receipts and Payments Account of CA Akash for the year ended on 31/3/2024.

Receipts	Amount in Rupees
Audit Fees	19,210
Consultation	10,000
Appellate Tribunal appearance	15,000
Miscellaneous income from profession	20,000
Interest on government securities	10,000
Rent Received	10,000
Presents from clients	10,000
Payments	
Office expenses	11,300
Office Rent	5,000
Salaries and Wages	12,050
Printing and Stationery	1,000
Subscription to CA institute	3,000
Travelling Expenses	5,800
Interest on bank loan	3,000
Donation to National Defense Fund	5,000

Bank loan was taken for personal purposes and 1/4th of the travelling expenses spent on son's trip. Compute Income from Profession for Mr Arun for the AY 2024-25.

9. Distinguish between Short Term Capital Gain and Long-Term Capital Gain.

Contd...2

10. You are required to compute Income from other sources of Ms Anna for the AY 2024-25

Particulars	Amount in Rupees
Honorarium received for writing articles in magazines	10,000
Income from agriculture in Sri Lanka	2,500
Interest on POSB A/c	5,000
Interest on deposits with Industrial Finance Corporation	25,000
Dividend from a foreign company	35,000
Rent from letting of factory with plant, repairs incurred on such plant is Rs. 100	2,000
Winnings from horse race (Net)	70,000
Gifts from friends on birthdays	15,000
Gifts from mother in law	80,000
Interest received on tax free listed debentures of Arvind Co.	7,200

**SECTION - C**

**Answer any THREE questions.**

**(3x10=30)**

11. From the following incomes of Mr Karna compute his total income for AY 2024-25 assuming Mr Karna as a) Ordinarily Resident b) Not Ordinarily Resident c) Non-Resident
- i) Income from business in Kolkata managed from USA ₹ 25000
  - ii) Income from pension for services rendered in India received in London ₹ 15000
  - iii) Income from assets in Burma received in India ₹ 10000
  - iv) Profit from business in Sri Lanka received there ₹ 15000
  - v) Income from profession in Kenya received there but the profession is managed from India ₹ 25000
  - vi) Interest on UK Government Securities half of which received in India ₹ 5000
  - vii) Income from agriculture in America received there but later remitted to India ₹ 81000
  - viii) Income from property in Canada received in Uganda ₹ 40000
  - ix) Income from business in China which is controlled from Delhi ₹ 45000 (₹ 25000 is received in Delhi)
  - x) Profit on sale of building in India but received in Sri Lanka ₹ 18000
  - xi) Salary received in India for services rendered in London ₹ 8000.
  - xii) Agricultural income from Bhopal ₹ 50000.
12. Mr. A an employee at Ranchi [Population 15 lakhs] based company provides the following particulars of his salary income for PY 2023-24
- Basic Salary - ₹ 25,000 p.m.
  - DA 50% of the basic salary (provided as per terms of employment)
  - Bonus- ₹ 12,000
  - Commission paid as a percentage on the turnover achieved by Mr. A- ₹ 50,000
  - Entertainment allowance- ₹ 2,000 p.m.
  - Club facility - ₹ 6,000
  - Transport allowance- ₹1800
  - Free use of car of more than 1.6 It. capacity for both personal and employment purposes; expenses are met by employer.
  - Rent free house provided by employer. Lease rent paid by employer- ₹ 6000 p.m.
  - Free education facility for three children of the employee: [Bills issued in the name of employer]- ₹ 22,500
  - Gas, water and electricity bills issued in the name of employee but paid by employer- ₹ 16,800
  - Employer's contribution to RPF is ₹ 75000 during the year. Same amount is contributed by the employee.

Compute taxable income under the head salary for the assessment year 2024-25.

**Contd...3**

13. Mr Shashi is the owner of the following house property in Hasan. The following details are available for the year ended on 31/03/2024

Particulars	House I (Let out property)	House II (Dwelling House)	House III (Dwelling House)
Actual Rent for 12 months	9,000	1,800	NA
Standard Rent	7,000	2,000	NA
Municipal Valuation	8,400	1,800	35,600
Total Municipal Tax	840	180	3,200
Municipal Tax paid by owner	840	90	3,200
Municipal Tax paid by tenant	NA	90	NA
Repairs	1,000	500	2,000
Vacancy period	1 month	NA	NA
Interest on loan for repairing the house	300	600	12,000

Unrealised rent allowed in the Assessment year 2021-22 recovered during the year for the first house ₹ 4000. Compute taxable income from house property for the AY 2024-25.

14. Form the profit and loss account of Mr Babu Rao for the previous year 2023-24 compute taxable business Income.

Profit and Loss Account for the year ended on ....

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Particulars	Amount in Rupees	Particulars	Amount in Rupees
To salaries	88,000	By Gross Profit	3,80,000
Rent	42,000	By Sundry Receipts	20,000
To General Expenses	20,000	By Dividends	40,000
To Advertisements	25,000	By Commission	30,000
To Legal Expenses	15,000	By Bad debts recovered allowed earlier	10,000
To Goods and Services Tax	10,000	By rent of building let out	44,000
To telephone expenses	12,000		
To Gratuity paid	30,000		
To Provision for bad debts	30,000		
To advance income tax	20,000		
To depreciation	38,000		
To office expenses	12,000		
To Muncipal taxes on let out house	10,000		
To contribution to employee's provident fund	6,000		
To Net profit	1,66,000		
	5,24,000		5,24,000

Other Information

- i) Legal expenses are found to have incurred for the registration of a business asset
- ii) 50% of the business premises was used for residential purposes
- iii) General expenses include donations to an educational institution.
- iv) Advertisement expenses were paid in cash
- v) Allowable depreciation as per income tax rules are ₹ 46000

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(2024 - Batch onwards)

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**BUSINESS STATISTICS**

Time : 2½ Hours

Max. Marks : 60

**SECTION - A**

Answer the following questions.

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(5x2=10)

1. What is statistical thinking?
2. Define Statistics in Singular Sense.
3. Write any two limitations of Statistics.
4. Write a note on Histograms and Ogive.
5. Write the formula for determining median in continuous series.

**SECTION - B**

Answer any **FOUR** questions.

(4x5=20)

6. Briefly explain grouped and ungrouped frequency distributions.
7. Explain briefly the constructions of Histogram and Ogive.
8. Define term 'Class limits', 'Class Intervals', 'Class Frequency' and 'Class Mid-Point'.
9. Explain the different types of Regression
10. State Karl Pearson's Coefficient of Correlation. Give its formula. What are its limitations?

**SECTION - C**

Answer any **THREE** questions.

(3x10=30)

11. From the following distribution find Quartiles, Second Decile and 85th Percentile:

Age (Years)	13-16	16-18	18-20	20-21	21-22	22-23	23-25	25-30
No. of Brides	1	21	27	51	42	32	16	10

12. Calculate the Co-efficient of Variation of the following two series and show which series is more variable?

Weight in KG	0-10	10-20	20-30	30-40	40-50	50-60	60-70
A : frequency	1	2	9	8	5	4	1
B : frequency	1	3	7	8	7	3	1

13. What is meant by Scatter Diagram? Give its merits and demerits
14. From a pack of standard cards numbered from 1-20, a card is drawn at random. What is the probability that the card drawn bears a number - Case 1) Which is a Multiple of 4 or 7 and Case 2) Which is a multiple of 3 or 4.

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(2024 - Batch onwards)

CF5GPSC502

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November - 2024

**FINANCIAL MANAGEMENT AND POLICY**

Time : 2½ Hours

Max. Marks : 60

**SECTION - A**

**Answer the following questions.**

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(5x2=10)

1. Write a note on Agency Cost.
2. Write a note on conflict in goals.
3. Write a note on EPS.
4. Write a note on Net income approach of capital structure.
5. Differentiate between EPS and EBIT.

**SECTION - B**

**Answer any FOUR questions.**

(4x5=20)

6. Elaborate on the specific objectives within the realm of financial management.
7. Define and differentiate between operating leverage, financial leverage, and composite leverage.
8. Explain the concept of capital structure in a business.
9. A new project under consideration and a capital of ₹ 150 lakhs is required. Interest on Term Loan is 12%, tax rate is 50%. If the debt-equity ratio insisted is at 2:1, calculate the point of indifference of the project.
10. The EPS of a company is Rs. 10. It has an Internal rate of Return of 15% and the capitalization rate of its risk class is 12.5%. If Walters model is used what should be the optimum payout ratio? What would be the price of the share at that payout ratio? How shall the price of the share be affected if 20% payout ratio was employed?

**SECTION - C**

**Answer any THREE questions.**

(3x10=30)

11. A company's share is quoted at ₹ 20. The company pays a dividend of ₹ 1 per share and the investor expects a growth rate of 5% per year. You are required to calculate: (a) Company's cost of equity; (b) The company's cost of capital is 8% and the anticipated growth rate is 5% p.a., calculate the market price, the dividend of ₹ 1 is to be maintained; (iii) If the company's cost of capital is 12% and the anticipated growth rate is 10% p.a., calculate the market price if a dividend of ₹ 2 is to be maintained.
12. Explain the core concept of financial management.
13. A company has assets of ₹ 1,60,000 which have been financed with ₹ 52,000 of debt and ₹ 90,000 of equity and a reserve of ₹ 18,000. The company's total profit after interest and tax for the year ended 31.03.2023 were ₹ 13,500. It pays 8% interest on borrowed funds and is in 50% tax bracket. It has 900 equity shares of ₹ 100 each, selling at a market price of ₹ 120 per share. What is the weighted average cost of capital?
14. Discuss the various types of dividend policies that companies can adopt, including stable, constant payout ratio, and residual dividend policies. What are the pros and cons of each approach?

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