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

**Mangaluru**

**School of Commerce, Finance and Accountancy**

**(PG Programme)**

**M.Com.(Finance & Analytics) Semester I –P.G. Examination**

**October/November - 2025**

**FINANCIAL STATEMENTS ANALYSIS**

**Time: 2<sup>1</sup>/<sub>2</sub> Hours.**

**Max Marks: 60**

**SECTION – A**

**Answer any FIVE of the following:**

**(5x2=10)**

1. Define the term "global convergence" in the context of accounting standards.
2. Explain why liquidity ratios are critical in determining a company's solvency.
3. Explain the Matching Principle and its relationship with the Accrual Basis of Accounting.
4. Describe the key components of consolidated financial statements.
5. Following are the details relating to Inventory as per Current purchasing power method.

	HCA	Index
Opening stock as on 1/1/2022	2000	80
Purchases during the year 2022	10,000	125
Closing stock (out of the purchases in the last quarter)	1500	120
Index as on 31/12/2022	-	140

Calculate the Cost of Sales under FIFO under CPP Method.

6. Identify two main features of social accounting in business.

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**SECTION - B**

**Answer any FOUR of the following:**

**(4x5=20)**

7. Demonstrate how the characteristics of relevance and reliability are reflected in a company's financial statements.
8. Demonstrate the meaning and objectives of ratio analysis.
9. Compare between cash flow statement and fund flow statement.
10. Examine the various techniques and methods of inflation accounting.
11. Demonstrate the usefulness of social accounting approaches in measuring a company's impact on society and the environment.

## SECTION - C

Answer any **THREE** of the following:

(3×10=30)

12. Balance Sheet of 'A' Ltd for the year 2022 and 2023 are given below:

LIABILITIES	2022	2023
Equity Share Capital	7,00,000	13,00,000
10% Preference Share Capital	6,00,000	10,00,000
Reserve Fund	5,00,000	6,00,000
Profit & Loss a/c	3,00,000	4,00,000
Long term loans	3,00,000	6,00,000
Creditors	2,00,000	4,00,000
<b>Total Liabilities</b>	<b>26,00,000</b>	<b>43,00,000</b>
ASSETS	2022	2023
Fixed Assets	16,00,000	29,00,000
(-) Depreciation	6,00,000	9,00,000
	10,00,000	20,00,000
Investments	5,00,000	6,00,000
Inventory	5,50,000	7,50,000
Accounts Receivables	2,00,000	5,00,000
Cash	3,50,000	4,50,000
<b>Total Assets</b>	<b>26,00,000</b>	<b>43,00,000</b>

Comment on the financial position of the business with the help of Comparative Balance Sheet technique.

13. From the following Balance Sheet of X Ltd, Prepare a Cash Flow Statement.

LIABILITIES	2021(₹)	2022(₹)	ASSETS	2021(₹)	2022(₹)
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Redeemable Preference share capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit & Loss a/c	30,000	48,000	Stock	77,000	1,09,000
Proposed Dividend	42,000	50,000	Debtors	1,60,000	2,00,000
Creditors	55,000	83,000	Bills Receivables	20,000	30,000
Bills Payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for tax	40,000	50,000	Cash in hand	10,000	8,000
	<b>6,77,000</b>	<b>8,17,000</b>		<b>6,77,000</b>	<b>8,17,000</b>

**Additional Information:**

1. Depreciation of ₹ 10,000 and ₹ 20,000 have been charged on plant and Land & building respectively in the year 2022
2. Interim dividend of ₹ 20,000 have been paid in the year 2022
3. ₹ 35,000 income tax was paid during the year 2022
14. Create a list of the disadvantages of inflation accounting in financial reporting and explain how they can impact decision-making.
15. Evaluate the implications of Human Asset Reporting (HAR) practices in India for organizations and discuss how they affect strategic decision-making.

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**St Aloysius (Deemed to be University)****Mangaluru****School of Commerce, Finance and Accountancy****(PG Programme)****M.Com.(Finance & Analytics) Semester I –P.G. Examination****October/November - 2025****WORKING CAPITAL MANAGEMENT**Time: 2<sup>1</sup>/<sub>2</sub> Hours.

Max Marks: 60

**SECTION – A****Answer any FIVE of the following:****(5x2=10)**

1. Explain the significance of positive working capital for a business.
2. How can businesses effectively manage their trade credit to optimize working capital?
3. Discuss the essential elements that contribute to successful cash management.
4. Outline two methods for tracking accounts receivable aging reports.
5. What are safety stocks, and why are they crucial in inventory management?
6. How can a drop in the inventory turnover ratio be linked to a risk of product obsolescence?

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**SECTION - B****Answer any FOUR of the following:****(4x5=20)**

7. Analyze the impact of the operating cycle on a company's liquidity and profitability.
8. Assess the potential sources of bank finance that businesses can leverage for their working capital requirements.
9. Examine the various methods of managing cash.
10. Investigate the key elements that contribute to an effective credit policy.
11. Good Luck Company estimates its carrying cost at 15 per cent and its ordering cost at Rs 9 per order. The estimated annual requirement is 38,000 units at a price of Rs 4 per unit. What is the most economical number of units to order and how often will an order need to be placed?

**SECTION – C****Answer any THREE of the following:****(3x10=30)**

12. Analyse the factors determining working capital requirements of businesses.
13. Which business priorities and risk levels can influence the choice of working capital management strategy?

**Contd...2**

14. Following information is in respect of Premier Industries Ltd for the year:

Production of the year, 90,000 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

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Selling price per unit, Rs 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

15. List and explain the main techniques a business can use for inventory monitoring and control.

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**St Aloysius (Deemed to be University)****Mangaluru****School of Commerce, Finance and Accountancy****(PG Programme)****M.Com.(Finance & Analytics) Semester I –P.G. Examination****October/November - 2025****INCOME TAX**Time: 2<sup>1</sup>/<sub>2</sub> Hours.

Max Marks: 60

**SECTION – A****Answer any FIVE of the following: (5x2=10)**

1. Demonstrate the meaning of Previous Year and Assessment Year.
2. Discuss the rules for computing taxable commuted pension when the employee is in receipt of gratuity and not in receipt of gratuity on retirement.
3. Define composite rent.
4. Examine any 2 transactions not regarded as transfer.
5. Demonstrate the taxability of casual income with 2 examples.
6. Appraise any 2 rules pertaining to the clubbing of the income of a minor child.

**SECTION - B****Answer any FOUR of the following: (4x5=20)**

7. Mrs. Reena furnishes the following particulars of her Income:
  - a) She invested Rs. 20,000 in 10% Debentures of a Company
  - b) Rs.30,000 in 8% tax-free Central Government Securities
  - c) Rs. 15,000 in 10% Karnataka Government bonds
  - d) Received Rs. 20,000 Dividend from UTI
  - e) Winning from Horse race [Net] Rs. 7,000
  - f) Winning from lottery Rs. 35,000 [Net]
  - g) Directors fees Rs.10,000
  - h) Income from subletting house Rs. 12,000

Examine her Income from Other sources.

8. The income earned by Mr Parv for the year ending on 31/03/2025 are as follows. Demonstrate his total income for the current AY.

Profits from Business Rs. 5,52,000

Gross Salary earned Rs. 8,00,000

One fourth share from an association of persons in which he was a member  
Rs. 10,000

Interest on government securities Rs 9,000

Dividend from Mutual Fund Rs 6,000

Winning from lottery Rs. 70,000 (Net)

Gift received from a friend Rs. 40,000 on birthday

**Contd...2**

9. Mr. Andrew a foreigner, came to India from Poland for the first time on 01/04/2018. He stayed here continuously for 3 years and went to France on 01/04/2021. He however returned to India on 01/07/2021 and went to Poland on 01/12/2022. He returned to India on 31/12/2023 and left for USA on 30/05/2024. He again came back to India on 25/01/2025 on a service in India. Find out his residential status for the AY 2025-26.
10. Mr. Aravind retired on 1.7.2024 after completion of 26 years 8 months of service and received gratuity of Rs.12,00,000. At the time of retirement, his salary was: Basic Salary: 40,000 p.m. Dearness Allowance: 10,000 p.m. (70% of which is for retirement benefits) Commission: 1% of turnover (turnover in the last 12 months was Rs.1,50,00,000) Bonus: 20,000 p.a. Determine his taxable gratuity assuming he is a private sector employee-and covered by the Payment of Gratuity Act 1972.
11. Examine the rules of Income Tax Act relating to the different types of Provident Funds.

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### SECTION - C

Answer any **THREE** of the following:

(3x10=30)

12. Appraise any 10 taxable perquisites in the hands of employees.
13. Ms Kyathi owns four houses, the details of which are as under:

Particulars	I	II	III	IV
Annual Municipal Value	1,00,000	80,000	1,20,000	1,50,000
Fair Rental Value	1,20,000	1,50,000	1,00,000	1,20,000
Rent Received	1,50,000	1,44,000	Self	Self
Standard Rent	1,36,000	1,80,000	1,50,000	1,00,000
Municipal taxes paid	8,000	6,000	NIL	1,200
Repairs	NIL	12,000	40,000	60,000

For the construction of house 1, she had borrowed Rs. 800,000 at 15% p. a on 1.1.2020. The house was completed on 1.8.2022. This loan is not cleared. Compute her income from house property for the current AY.

14. Incomes of Mr. Prem for the current previous year are as follows. Devise his total income statement assuming that he is an ordinary resident/not ordinary resident/ non-resident in India for current AY.

S. No	Particulars	₹
1	Income from house property situated in India received in Iran	30,000
2	Income from business situated in Bhutan received there	15,000
3	Interest on securities of Government of India, received in USA and spent on there on education of children	60,000
4	Profits from business in Myanmar, which is controlled from India	70,000
5	Income from profession set up in India half of which received in France.	50,000
6	Gift received from Father	10,000
7	Gift received from non-relatives	60,000
8	Gifts received on the occasion of his marriage	1,20,000
9	Interest on bonds issued by government of Canada, received and spent there	15,000
10	Pension from former employer in India but received in United Kingdom	30,000
11	Dividends earned from company in Spain but received in India	20,000

15. Dr Ram is a registered medical practitioner. He has prepared the following income and expenditure account for the year ending on 31/03/2025. Compute his income from profession for the Current AY.

Expenditure	₹	Income	₹
To household expenses	1,30,000	By consultation fees	1,10,000
To car purchased	1,20,000	By visiting fees	1,20,000
To traveling expenses (Personal)	4,000	By gains on horse race (Gross)	10,000
To charity and donations	1,000	By share in share proceeds from an ancestral house	34,000
To income tax	2,000	By Capital Gains	6,000
To salaries	9,200	By dividend from domestic company	5,000
To gift to daughter	7,000	By interest from post office savings account	600
To establishment expenses	1,000	By gifts from father in law	2,000
To surgical equipments	4,000	By bad debts recovered (not allowed in earlier years)	2,000
To life insurance premium	2,000	By interest on fixed deposits	1,300
To interest on capital	2,000		
To surplus	8,700		
<b>Total</b>	<b>2,90,900</b>	<b>Total</b>	<b>2,90,900</b>

Rate of depreciation allowable on car and surgical equipments is 15%.

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### Mangaluru

#### School of Commerce, Finance and Accountancy

#### (PG Programme)

#### M.Com.(Finance & Analytics) Semester I –P.G. Examination

October/November - 2025

### BUSINESS STATISTICS

Time: 2½ Hours.

Max Marks: 60

#### SECTION - A

Answer any **FIVE** of the following:

(5x2=10)

1. State the meaning of Statistics, Population and Sample.
2. Differentiate between parameter and statistic.
3. Identify any 2 advantages of using graphical representation of data.
4. In a slightly skewed distribution Mean and Median are 23.19 and 23.33 respectively. Find Mode.
5. Differentiate between Exhaustive events and equally likely events.
6. A bag contains 3 red and 2 white balls. A ball is drawn from this bag. Find the probability that the ball is a) Red b) White

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#### SECTION - B

Answer any **FOUR** of the following:

(4x5=20)

7. Demonstrate the advantages and limitations of statistics.
8. In a sample study about the food habits of residents of a village the following data were observed. 55% of the residents were male, 85% were vegetarians, only 12% were non vegetarian females. Tabulate the above information.
9. Calculate mean for the following distribution.

CI	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69
f	6	14	12	10	10	9	9	10	5	4	1

10. Consider the weights (in kg) of 50 students in a college. Create a frequency distribution table with inclusive and exclusive class intervals.

42	62	46	54	41	37	54	44	32	45
47	50	58	49	51	42	46	37	42	39
54	39	51	58	47	64	43	48	49	48
49	61	41	40	58	49	59	57	37	34
56	38	45	52	46	40	63	41	51	41

11. Compute Spearman's Rank Correlation for the following data of ranks of 16 students in tests in mathematics and statistics.

Ranks in Mathematics	Ranks in Statistics
1	1
2	10
3	3
4	4
5	5
6	7
7	2
8	6
9	8
10	11
11	15
12	9
13	14
14	12
15	16
16	13

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### SECTION - C

Answer any **THREE** of the following:

(3x10=30)

12. Examine different sources of data.
13. Compute the standard deviation for the following frequency distribution of heights of 30 persons.

Height (cm)	155-160	160-165	165-170	170-175	175-180	180-185	185-190
No of Persons	1	6	6	6	6	3	2

14. Compute Karl Pearson's Co efficient of correlation for the following data and comment on the results.

X	12	14	16	18	20	22	24	26	28	30
Y	36	33	30	27	24	21	18	15	12	9

15. Compute 2 regression lines from following data.

X	55	57	58	59	59	60	61	62	64
Y	74	77	78	75	78	82	82	79	81

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### Mangaluru

#### School of Commerce, Finance and Accountancy

#### (PG Programme)

#### M.Com.(Finance & Analytics) Semester I –P.G. Examination

October/November - 2025

### FINANCIAL MANAGEMENT AND POLICY

Time: 2½ Hours

Max Marks: 60

#### SECTION – A

Answer any **FIVE** of the following:

(5x2=10)

1. Explain the importance of financial management in fulfilling business aims.
2. Explain the concept of financial distress.
3. Explain any two major forms of dividend.
4. Describe the role of the indifference point in comparing financing plans.
5. Calculate Operating Leverage from the following.
  - a. Selling Price Per Unit : ₹ 15
  - b. Number of Units Sold : 2,00,000
  - c. Variable Cost Per Unit : ₹ 5
  - d. Fixed Cost : ₹ 2,00,000

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6. A company has 1,00,000 Equity shares of ₹ 10 each and its current market price is ₹ 95. Profit after tax is ₹ 12,00,000. Calculate the cost of capital.

#### SECTION - B

Answer any **FOUR** of the following:

(4x5=20)

7. Analyse how contractual agreements influence the occurrence of agency problems in corporate governance.
8. The following are the extracts of Ganga & Yamuna Ltd. You are required to compute Operating Leverage and suggest which of them is better.

Particulars	Ganga Ltd	Yamuna Ltd
Sales	₹ 10,00,000	₹ 10,00,000
Variable cost on sales	40%	50%
Fixed Cost	₹ 2,50,000	₹ 2,00,000

9. Neon is planning to issue 50,000 shares of ₹ 100 each . The company expects to disburse a dividend of 25%. Calculate the cost of equity if shares are issued at

a) Par    b) 10% Premium    c) 5% discount

10. Consider the following data:

	Parikrama Ltd.	Vikrama Ltd.	Krama Ltd.
ROI	15%	10%	5%
$K_e$	12%	10%	8%
EPS	Rs. 8	Rs. 8	Rs. 8

Calculate the value of shares of each of these companies applying **Walter's formula** when dividend payout ratio (D/P ratio) is:

- 25%
- 50%
- 75%

What conclusions do you draw?

11. Explain the various factors affecting dividend policy.

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### SECTION - C

Answer any **THREE** of the following:

(3x10=30)

- State the main determinants of the cost of capital.
- A Limited has the following capital Structure
  - Equity Share Capital (2,00,000 shares) ₹ 40,00,000
  - 6% Preference Shares ₹ 10,00,000
  - 8% Debentures ₹ 30,00,000

The market price of the company's equity share is ₹ 20. It is expected that company will pay dividend of ₹ 2 per share at the end of the current year, which will grow at 7% forever. The tax rate may be presumed at 50%. You are required to compute the following

- Weighted Average Cost of Capital based on the existing capital Structure
  - The New Weighted Average Cost of Capital if the company raises an additional ₹ 20,00,000 debt by issuing 10% debentures. This would result in increasing the expected dividend to ₹ 3 and leave the growth rate unchanged but the price of the share will fall to ₹ 15 per share.
  - The cost of capital if in (b) above, growth rate increases to 10%.
14. Aryan Ltd. is presently selling 1,00,000 units of its products. The selling price per unit is ₹ 25 and the variable cost per unit is ₹ 15. The fixed cost is ₹ 5,00,000.

The company's capital structure comprises of equity share capital of ₹ 20,00,000 (₹ 100 per share), 8% debentures ₹ 15,00,000 and 12% preference shares ₹ 10,00,000. Assume a tax rate of 30% and calculate the leverages.

15. Vihaan Ltd provides you the following information:

Details	Amount / Units
Installed Capacity	15,000 units
Actual Production & Sales	10,000 units
Selling Price per unit	₹ 10

Cost Information	Amount
Variable Cost per unit	₹ 5
Fixed Costs	₹ 38,000
Funds Required	₹ 1,00,000

### Financial Plan

Capital Structure (%)	Plan A	Plan B	Plan C
Equity Shares of ₹100 each	60%	40%	35%
15% Debt	40%	60%	50%
10% Preference Shares of ₹100 each	-	-	15%

**Assume:** Tax rate @ 40%.

Calculate the EBIT-EPS effect on the different plans.

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