

(2021- Batch onwards)

G 310 DC1.6

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St Aloysius College (Autonomous)

Mangaluru

B.Com. Semester VI – Degree Examination

April/May - 2025

ADVANCED FINANCIAL MANAGEMENT

Time: 2 ½ Hours

Max. Marks: 60

SECTION - A

Note: PV table will be provided

Answer any FIVE of the following.

(5x2=10)

1. Mention the important components of cost of capital.
2. A company with an EPS of ₹ 75 is capitalised at 12% and has a return on investment 15%. What would be the optimum payout ratio according to Walter's Model?
3. Define and explain the terms "Merger" and "Acquisition."
4. State any two types of risk.
5. What is transaction cost theory?
6. How does government rules and regulations affect business ethics?
7. What is an exchange Ratio in the context of Merger and acquisition of companies?

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SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. What is MM theory of Dividend Decision? Highlight its assumptions.
9. The EPS for the year 2021-2022 and Market Price as on 22-05-2023 of eight Tata Group companies are given below. Calculate the cost of equity shares of each company.

Sl. No	Company	Face Value	EPS	Market Price
1	Tata Chemicals	10	13.90	222.50
2	Tata tea	10	16.10	299.85
3	Tata Elxsi	10	21.80	683.00
4	JSW Infra	10	11.00	206.65
5	Voltas	10	18.20	109.60

10. Explain briefly the techniques of measuring risk in the market.
11. From the following information calculate the market value of equity share of a company using Walter's model.

Earnings per share = ₹ 5; Dividend per share = ₹ 3. Return on investment = 15%; Cost of capital = 8%.

Contd...2

- a) Will there be any change in the market value of equity share if the dividend payout ratio is 100%
- b) What is the market value of equity share if the dividend payout ratio is 60%
12. Define social responsibility. Explain any two kinds of social responsibility.
13. More Ltd., is studying the possible acquisition of Easy day. Ltd., by way of merger. The following data are available in respect of the companies:

Particulars	More Ltd.	Easy day Ltd.
Earnings after tax (₹)	80,00,000	24,00,000
No. of equity shares	16,00,000	4,00,000
Market value per share (₹)	200	160

- i. If the merger goes through by exchange of equity and the exchange ratio is based on the current market price, what is the new earning per share for More Ltd.?

SECTION - C

Answer any TWO of the following

(2x15=30)

14. Explain factors affecting dividend policy of the company.
15. Albatross company is considering two mutually exclusive projects X and Y. Project X costs ₹ 3,00,000 and Project Y ₹ 3,60,000. You have been given below the net present value, probability distribution for each project:

Project X (NPV Estimate)	Probability	Project Y (NPV Estimate)	Probability
30,000	0.1	30,000	0.2
60,000	0.4	60,000	0.3
1,20,000	0.4	1,20,000	0.3
1,50,000	0.1	1,50,000	0.2

- (i) Compute the expected net present value of Projects X and Y.
- (ii) Compute the risk attached to each project i.e., Standard Deviation of each probability distribution.
- (iii) Which project do you consider riskier and why?
16. Assuming that the firm pays tax at 45%, compute the after-tax cost of capital in the following cases:
- A 10% preference share sold at par.
 - An irredeemable bond issued at par, with a compound interest rate of 7.5%.
 - A 12-year, 9% Rs. 1,000 bond, Issued at Rs. 980, with a 3% underwriting commission, redeemable at par.
 - A preference share issued at Rs. 110, paying an 8% dividend, and redeemable at Rs. 120 in 4 years.
 - A common share trading at Rs. 90, paying a current dividend of Rs. 8 per share, and expected to grow at 6%.

(2021 Batch Onwards)

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St Aloysius College (Autonomous)

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B.Com. Semester VI – Degree Examination

April/May – 2025

INCOME TAX LAW & PRACTICE - II

Time: 2½ Hours

Max Marks: 60

SECTION – A

Answer any **FIVE** of the following.

(5x2=10)

1. What is meant by Rebate U/S 87 A?
2. State the provisions in relation to computation of Alternate Minimum Tax.
3. Mention the provisions of deductions U/S 80TTA & 80U.
4. What is meant by Long term and Short term Capital Gain?
5. Give the provisions of exemptions u/s 54EC.
6. What is meant by Bond washing transaction?
7. Give the meaning of Benami transaction.

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SECTION – B

Answer any **FOUR** of the following.

(4x5=20)

8. Explain the I.T rules in relation to set-off and carry forward of losses.
9. From the following particulars furnished by Mr. Harish, compute his income from capital gains for the A.Y.
Date of purchase of house property: 1-12-2000
COA ₹ 2,50,000
Cost of additions in the year 2000 ₹25,000
FMV as on 1.4.2001 ₹3,50,000
Cost of additions in 2004 -05 ₹ 77,700
Sale consideration as on 1st June 2024 ₹ 30,00,000, stamp duty value in 24-25 ₹ 54,00,000
CII: 2001-02-100, 2004-05:113, 2024-25:363.
10. In what circumstances is the income of one person treated as income of another.
11. The Gross Total Income of Mr. Kumar (35 years) is ₹ 10,00,000 including STCG from listed shares(sold on 15th Dec 2024) ₹ 1,00,000. He donated ₹ 6,000 to PMNRF. During the year, he repaid ₹ 8,500 towards education loan (₹ 5,000 towards principal and ₹ 3,500 towards interest). Compute Total Income and tax liability of the assessee, both under optional & default tax regime.

Contd...2

12. Madhav Kumar submits the following particulars of his incomes and losses:

Particulars	₹
a) Salary income (Computed)	2,50,000
b) Income from HP:	
House A (Computed income)	10,000
House B – self occupied (loss)	30,000
c) Income from business:	
Cloth business (profit)	10,000
Hardware business (loss)	12,000
Speculation (profit)	12,000
Speculation (loss)	17,000
d) Capital gains:	
Short term(gain)	8,000
Short term (loss)	24,000
Long term(profit)	8,000
e) Other sources:	
Income from betting	12,000
Loss from card games	6,000
Income from card games	9,000
Interest on securities	8,000

Compute the gross total income.

13. Explain the exemptions U/S 54 and U/S 54F.

SECTION – C

Answer any TWO of the following.

(2x15=30)

14. From the following information compute income from other sources.
- Rent from Sub-letting the house ₹36,000 p.a. He paid a rent of ₹48,000 p.a for the entire portion. 1/3 of the house was sublet.
 - Agricultural income from Patna ₹ 18,000.
 - Royalty received by publishing a book on management ₹ 1,60,000. He paid salary to the Clerk ₹10,000 for the typing & proof reading.
 - He received a interest on POSB a/c ₹10,000 (single a/c).
 - He published articles in journals and received ₹ 25,000.
 - He received ₹48,000p.a. salary as MLC and ₹16,000 p.a as daily allowance for attending the sessions
 - He received interest on tax-free Govt. of India Bonds ₹12,000.
 - Gift received from friends ₹80,000.
 - Interest on NSC accrued ₹2000 for the PY.
 - Directors fees received ₹12,000.
 - Examinership remuneration ₹3,000.
 - Income from guest talks ₹ 16,000.
 - He had 12%, bonds of Agra municipality worth ₹60,000, which he sold on 1-9-2024. On the same date he purchased, 10% debentures worth ₹50,000, of ABC Ltd. Interest on these securities becomes due on 30th June and 31st December each year.
 - He won ₹84,000 from lottery (net of TDS).
 - He paid a commission of ₹200 for the collection of interest on securities. The cost of lottery ticket was ₹100.

15. Mr Santhosh (45 years) furnishes the following details for the P.Y

- Income from salary ₹ 10,00,000 (Computed)
- Income from H.P. ₹ 92,000 (Computed)
- Short term capital gain ₹ 20,000
- Long term capital gain ₹ 1,00,000
- Long term capital loss ₹ 10,000
- Income from lottery (gross of TDS) ₹ 25,000
- Agriculture income ₹ 4,000
- Dividend received from Indian Company ₹ 10,000
- Royalty on books ₹ 40,000 (literary work)
- Interest on FD A/c ₹ 5,000
- Examinership remuneration ₹ 6,000
- Life Insurance premium paid ₹ 12,000
- Contribution to R.P.F ₹ 8,000
- Donation to N.D.F. ₹ 14,000
- Investment in eligible issues of capital ₹ 10,000
- Medical insurance premium paid (by cheque) ₹9,000
- Donation to charitable institution ₹ 5,000 and towards family planning ₹ 10,000
- He spent ₹ 20,000 on the medical treatment of a dependent, suffering from specified disease.
- There are B/F losses from the house property ₹ 10,000 (AY 2020-21) and from business ₹ 2,000.

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Compute the total income of Mr. Santhosh for the A.Y, as per old tax regime.

16. a) During the year ended 2024-25, Mr. John sold the following assets

Particulars	Sale Proceeds (₹)
1. Agricultural land in Mysuru purchased in 2001 for ₹20,000 (FMV on 1.4.2001 being ₹ 3,00,000), sold on 2 nd Feb 2025 (CII of 2001-02 is 100)	15,60,000
2. Equity shares (listed) purchased on 1.5.2024 ₹ 25,000, sold on 2 nd January 2025	30,000
3. Furniture purchased on 1.5.2024 for ₹ 2,500 for personal use.	3,800
4. Machinery purchased in 2013-14 (CII 220) for ₹ 50,000 (WDV on 1.4.2024 ₹ 35,000)	60,000
5. Jewellery purchased in 2006-07 (CII 122) for ₹ 50,000, sold on 31 st October 2024	4,50,000
6. One residential house purchased in 2008-09 (CII 137) costing ₹1,50,000 (sold on 10 th July 2024)	17,80,000

Contd...4

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During the year he bought another house for his residence for ₹2,00,000. The CII for 2024-25 is 363. He invested ₹50,000 in NHAIBonds on 16th Aug 2024. Find the total amount of taxable Capital Gain. **(10 Marks)**

b) From the following information, compute tax liability of Mr. Manish (41 years) for the AY, keeping in view of provisions of AMT, under old tax regime.

- a) House property income (computed) Rs. 7,00,000.
- b) Income from business ₹ 31,00,000.
- c) Donation to Swachh Bharath Kosh by cheque ₹ 50,000.
- d) Donation to Prime Ministers Drought Relief Fund ₹ 40,000.
- e) Eligible for deduction u/s 80IB ₹ 9,00,000.

(5 Marks)

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B.Com. Semester VI – Degree Examination
April/May - 2025

MANAGEMENT ACCOUNTING

Time: 2 ½ Hours

Max. Marks: 60

SECTION - A

Answer any **FIVE** of the following.

(5x2=10)

1. Why is management accounting important for Improving financial performance?
2. What does financial analysis mean?
3. Why is ratio analysis essential for making business decisions?
4. Explain the two types of cash flows.
5. Explain classification of sales budget?
6. Explain the role of management accountants.
7. How does a budget help a company make informed financial decisions?

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SECTION - B

Answer any **FOUR** of the following.

(4x5=20)

8. Explain difference between Cost and Management accounting?
9. Compute trend percentage and Comment.

Year	Sale	Cost of goods sold
2019	600	360
2020	680	414
2021	840	512
2022	960	574
2023	1040	600

10. Current Ratio = 2.8

Acid Test Ratio (quick ratio) = 1.5

Working Capital = ₹ 1,60,000

Find out a) Current Asset b) Current Liabilities

11. The following is the summarized income statement of ABC Ltd for the year ended 31st March 2020

Particulars	(₹)
Sales (including cash sales ₹ 20,000)	160,000
Less: operating expenses excluding depreciation	100,000
	60,000
Less: depreciation	20,000
Net profit before tax	40,000
Extraordinary Income - gain on speculation	10,000
	50,000
Less: provision for tax at 40%	20,000
Net profit after tax	30,000

Contd...2

The following additional data is also available for 2019-2020.

1. Operating expenses include loss on sale of furniture ₹ 4000.
2. Tax paid during the year ₹ 18,000.
3. Current assets and liabilities at the end of 2018-2019 and 2019 -2020 were as under:

	31-03-2020	31-03-2019
Debtors	16,000	12,000
Stock	13,000	14,000
Creditors	18,000	17,000

You are required to ascertain net cash flow from operating activity.

12. Prepare Factory Overhead Budget.

Expenses	1,20,000 Unit	1,50,000 Unit
Indirect Material	2,64,000	3,30,000
Indirect Labour	1,50,000	1,87,500
Maintenance	84,000	1,02,000
Engineering Service	94,000	94,000

Calculate cost of factory overhead at 1,40,000 units of production.

13. Differentiate between cash flow statement and fund flow statement.

SECTION - C

Answer any **TWO** of the following

(2x15=30)

14. The following are the ratios related to the business activities of Bright Traders Ltd.:

1. Debtors' velocity: 4 months
2. Stock velocity: 6 months
3. Creditors' velocity: 3 months
4. Gross profit ratio: 30%
5. Gross profit for the year ended 31st December 2024: ₹ 6,00,000
6. Closing stock exceeds the opening stock by: ₹ 15,000
7. Bills receivable: ₹ 30,000
8. Bills payable: ₹ 12,000

Find out: Total Sales, Sundry Debtors, Closing Stock, and Sundry Creditors.

15. The balance sheet of B Ltd is given below. You are required to prepare a comparative balance sheet and comment.

Particulars	2022 (₹)	2023 (₹)
Liabilities:		
Equity share capital	200,000	250,000
10% preference share capital	200,000	150,000
Reserve fund	80,000	100,000
P/L account	100,000	150,000
12% debentures	200,000	300,000
Sundry creditors	100,000	120,000
Bank overdraft	50,000	20,000
Total	930,000	10,90,000
Assets:		
Building	300,000	320,000
Machinery	150,000	180,000
Furniture	40,000	35,000
Investments	100,000	150,000
Stock	150,000	200,000
Sundry debtors	100,000	120,000
Cash at bank	90,000	85,000
Total	930,000	10,90,000

16. Engineering company ltd. manufactures 2 products X and Y. An estimate of the number of units expected to be sold first 7 month are given below

Month	Product X	Product Y
Jan	500	1,400
Feb	600	1,400
Mar	800	1,200
Apr	1,000	1,000
May	1,200	800
June	1,200	800
July	1,000	900

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It is anticipated that

1. There will be no work-in-progress at the end of any month
2. Finished units equal to half the anticipated sales for the next month will be in stock at the end of each month including December

The budgeted production and production costs for the year are as follows:

Particulars	Product X	Product Y
Production (units)	11,000	12,000
Direct material per unit	Rs. 12	Rs. 19
Other manufacturing charges	Rs. 33000	Rs. 48000
Direct wage per unit	Rs 5	Rs. 7

You are required to prepare

1. Production budget for 6 month.
2. Production cost budget for 6 month ending June

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**B.Com. Semester VI – Degree Examination
April/May -2025**

INVESTMENT MANAGEMENT

Time: 2 ½ Hours

Max Marks: 60

Note: PV table will be provided.

SECTION – A

Answer any **FIVE** of the following.

(5x2=10)

1. What are the important considerations in selecting an investment avenue?
2. The current price of a company's share is ₹75 and dividend per share is ₹5 calculate the growth rate if the capitalization rate is 12%.
3. An investor holds the debentures of ₹100 carrying a coupon rate of 10% p.a. The interest is payable semi-annually. The maturity period being 7 years it is to be redeemed at a premium of 10% with the capitalization rate of 12%. Calculate the value of debentures.
4. If the beta value of a stock is a) more than 1 b) less than 1. What does it indicates?
5. List the types of charts used in technical analysis.
6. What do you mean by Diversification?
7. Risk and return for funds A and B is given below. Rank the following by using Sharpes Performance Index.

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Fund	Avg Annual Return	Rf	Standard deviation
A	0.0879	0.05	0.0829
B	0.1347	0.05	0.1982

SECTION - B

Answer any **FOUR** of the following.

(4x5=20)

8. Explain in detail the features of a good investment.
9. Explain the role of company analysis In the EIC framework.
10. State the difference between systematic and unsystematic risk.
11. Explain the use of moving averages in identifying market trends.
12. Following are the price and the other details for the year 2024.

Calculate historical period return (HPR)

Stock	Beginning Price	Dividend	Price at the end
A	30	3.4	34
B	72	4.7	69
C	140	4.8	146
D	125	3.2	130
E	136	7.5	135

Contd...2

13. Explain the importance of portfolio rebalancing.

SECTION - C

Answer any TWO of the following.

(2x15=30)

14. Explain the following investment avenues. a) Securities b) Postal Schemes c) Insurance
15. The following parameters are available in respect of 5 mutual funds.

Fund	Return (Rp)	Beta (β)	Standard Deviation(S.D)
A	16	0.5	2
B	19	0.8	4.2
C	18	0.7	3.3
D	16	0.6	1.2
E	21	1	1

- a) Calculate Treynor's Performance Index and rank the funds on the assumption that risk free rate of interest is 8%. **(4 marks)**
- b) What will be the change in Treynor's Performance Index if the risk-free rate of interest is 5%. **(4 marks)**
- c) Calculate Sharpe Performance Index and rank the funds at risk free rate of return at 8%. **(4 marks)**
- d) What should be the risk-free rate of return where fund A & B will have same Treynor's Performance Index. **(3 marks)**
16. Mr Arnold received 20 lakhs from his PF. He wants to invest in the stock market. The treasury bill rate is 7% and the market return variance is 10. From the following information construct a Optimal Portfolio assuming without Short Sale.

Stocks	Ri	Beta	Residual variance
A	20	0.75	25
B	18	1.3	16
C	16	1.3	9
D	12	0.75	16
E	10	0.6	9

(2021- Batch onwards)

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B.Com. Semester VI – Degree Examination

April/May - 2025

CUSTOMER RELATIONSHIP MANAGEMENT

Time: 2 ½ Hours

Max. Marks: 60

SECTION - A

Answer any FIVE of the following.

(5x2=10)

1. What is Customer Relationship Management (CRM)?
2. What are customer costs?
3. What is quantitative data in CRM?
4. What is real-time opportunity management?
5. Give the meaning of Customer Loyalty.
6. What is relationship marketing?
7. How does CRM help in sales force automation?

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SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. Explain the future trends in CRM.
9. Why is Customer Lifetime value important? Explain.
10. Explain briefly the benefits of CRM.
11. How does CRM contribute to the service sector?
12. What are the Information Technology tools used in CRM?
13. Explain the different types of customer satisfaction..

SECTION - C

Answer any TWO of the following

(2x15=30)

14. What are the components of building customer centricity and what are the actions to be taken by business leaders to build a customer centric culture.
15. What are the key factors driving the growth of CRM, and how does CRM impact the scope of business operations?
16. Explain the various requirements in setting CRM Objectives.

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B.Com. Semester VI – Degree Examination

April/May - 2025

CULTURAL DIVERSITY AT WORKPLACE

Time: 2 ½ Hours

Max. Marks: 60

SECTION - A

Answer any FIVE of the following.

(5x2=10)

1. State any four components of diversity management.
2. Mention the dimensions of workforce diversity.
3. State the different type of changes that can emerge through diversity.
4. Give the meaning of equity.
5. Give one difference between long-term orientation vs short-term orientation.
6. State any four Importances of cross-cultural management.
7. State any one difference between skill and competency.

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SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. Briefly explain any five features of diversity management.
9. Briefly explain the social and psychological perspectives on workforce diversity.
10. Elaborate the Hofstede's cultural dimensions model.
11. Give the meaning of workplace diversity training. Explain the different types of diversity training programs.
12. Briefly explain the Impact of global demographic trend on diversity management.
13. Write a note on multi-cultural organization.

SECTION - C

Answer any TWO of the following.

(2x15=30)

14. Write a note on a) Dual-career couples b) Work-life balance c) Multi cultural teams
15. Explain in detail the skills, competences and factors affecting organizational assessment of multicultural employees.
16. Elaborate the concept of diversity, equity, and inclusion. Explain the various trends in diversity and inclusion.

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B.Com. Semester VI – Degree Examination

April/May - 2025

HUMAN RESOURCE ANALYTICS

Time: 2 ½ Hours

Max. Marks: 60

SECTION - A

Answer any FIVE of the following.

(5x2=10)

1. Define HR Analytics.
2. Write the concept of HR decision-making.
3. List any two commonly used HR research techniques.
4. What are HR metrics?
5. What is sustainability in HR decisions?
6. How does predictive analytics help in reducing employee turnover?
7. What is HR data collection?

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SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. What are the key Aspects of HR Analytics.
9. Describe the role of data and information in predictive HR analytics.
10. Explain the significance of using frameworks in HR Analytics with LAMP Framework.
11. List and describe two important elements of an HR dashboard.
12. How would you apply statistical modelling techniques for HR decision-making?
13. How can predictive HR analytics help in managing talent retention?

SECTION - C

Answer any TWO of the following

(2x15=30)

14. Analyze the relationship between HR decisions and the value proposition of an organization.
15. Describe the role of HR Analytics in improving decision-making and business performance.
16. What are the major benefits of using Excel for HR reporting and decision-making? Explain with examples.

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B.Com. Semester VI – Degree Examination

April/May - 2025

BUSINESS TAXATION

Time: 2 ½ Hours

Max. Marks: 60

SECTION - A

Answer any FIVE of the following.

(5x2=10)

1. How do you compute Adjusted Total Income as per AMT provision?
2. What is Best Judgement Assessment?
3. Give the meaning of widely-held company.
4. Why is PAN considered important for the Income Tax Department?
5. Differentiate between tax evasion and tax avoidance.
6. What is the purpose of the Alternate Minimum Tax?
7. State the tax rates applicable to a foreign company.

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SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. From the following information, compute tax payable by Z Ltd for the AY.
(a) Total income of the company for the PY was Rs. 10,00,000 (Gross receipts in the PY 2022-23 was less than 400 crore).
(b) Book profit u/s 115JB of the company for the PY was Rs. 12,00,000.
9. From the information given below compute the tax payable by an AOP and its members A, B and C who share the profits/losses equally.
(a) Total Income of AOP Rs. 12,00,000.
(b) Personal Income of members: A: Rs.2,30,000 B:Rs.2,48,000
C: Rs. 2,11,000.
10. Outline the format for computing book profit for the purpose MAT.
11. Explain the general powers of Income Tax Authorities under the Income Tax Act, 1961.
12. Give the meaning of Tax planning and its benefits.
13. From the following information compute the amount of tax liability of the Partnership firm for the AY:
a) Income from House property (computed) Rs. 7,00,000.
b) Income from business Rs. 30,00,000.
c) Income from other sources Rs. 2,00,000.
d) LTCG on sale of capital asset Rs. 1,00,000 (sale of commercial property on 10/12/2024)

The firm is entitled to the following deductions from its GTI:

- i. U/s 80IA Rs. 2,40,000.
- ii. U/s 80IB Rs. 1,50,000.

Contd...2

SECTION - C

(2x15=30)

Answer any TWO of the following.

14. Arun and Tarun are partners in a firm sharing P/L equally. The P/L Account of the firm showed a net profit of Rs. 1,10,00,000 for the year after considering the following:

- (a) Interest on capital at 16%: Arun Rs. 80,000; Tarun Rs. 60,000.
 (b) Donation to PMNRF Rs. 1,00,000; Medical insurance premium of employees Rs. 40,000 of which 3000 paid in cash;
 (c) Remuneration to partners Arun Rs. 12,00,000, Tarun Rs. 15,00,000.

Credits to the P/L account are:

- (a) Winnings from horse race (gross of TDS) Rs. 3,00,000; STCG u/s III A Rs. 50,000(20%); LTCG 1,25,000 (from sale of Jewellery on 2nd Jan, 2025).

Both are working partners. Arun paid an interest of Rs. 65,000 on money borrowed to invest in the firm. Compute tax liability of the firm, share of income from firm exempt u/s 10(2A) and income taxable in the hands of Partners u/s 28. Firm fulfills conditions u/s 184.

15. X (26 yrs), Y (28 yrs) and Z (62 yrs) are the members of an AOP. The P & L A/C of the AOP for the previous year ended 31st March is given below:

Particulars	₹	Particulars	₹
Cost of goods sold	1,34,000	Sales	4,50,000
Interest on capital:		Interest on drawings:	
X	9,000	X	2,000
Y	27,000	Y	1,000
Z	35,000	Z	3,000
Salary:		Short term capital gains (on transfer of land)	2,10,000
Y	65,000		
Z	70,000		
Other expenses	60,000		
Net Profits	2,66,000		
Total	6,66,000	Total	6,66,000

Other Information:

- AOP gives a donation of Rs.10,000 to a Public Charitable Trust (not debited to the above P & L A/C) which is eligible for deduction u/s 80 G.
- Out of other expenses Rs.26,000 are not deductible by virtue of section 43B.

Find the tax liability of AOP and members after considering following further information:

The profit-sharing ratio of X, Y & Z is 2:3:5. Their other incomes and savings are as follows:

	X	Y	Z
Interest on Securities	3,90,000	3,36,000	4,30,000
Medical Insurance Premium paid	6,000	-----	3,000
Deposit in P.P.F. A/C	1,44,000	1,16,000	1,28,000

16. Akbar Ltd., a domestic company furnishes the following information for the AY 2025-26. Compute the tax payable.
1. Profits as per the Statement of Profit and Loss ₹ 270 lacs
 2. Statement of Profit and Loss includes the following:
 - a. Credits: Dividend from Indian Companies ₹ 20 lacs
Excess realized on sale of land held as investment ₹ 30 lacs
 - b. Debits: Depreciation on Straight Line Method ₹ 120 lacs,
Provision for loss of subsidiary company ₹ 60 lacs
 3. Depreciation as per I-Tax Rules ₹ 160 lacs
 4. Short term capital gains on sale of land mentioned above computed as per the IT Act ₹ 40 lacs
 5. Losses brought forward as per books of account: Business Loss ₹ 50 lacs and Unabsorbed depreciation ₹ 60 lacs.
 6. Losses brought forward as per IT Act: Business loss 40 lacs and Unabsorbed depreciation ₹35 lacs.

Note: The Turnover of Akbar Ltd. for the P Y 2022-23 was ₹ 390 crore.

(2021 Batch Onwards)

G 320 DC 1.6

Reg. No. :

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St Aloysius College (Autonomous)

Mangaluru

B.Com.(International Finance) Semester VI – Degree Examination

April/May - 2025

ADVANCED FINANCIAL MANAGEMENT II

Time: 2¹/₂ Hours

Max Marks: 60

Note: Normal Distribution Table & Present Value Table will be provided.

SECTION – A

Answer any **FIVE** of the following.

(5x2=10)

1. A bank has estimated that the expected value of its portfolio in two weeks' time will be \$50 million, with a standard deviation of \$4.85 million.
Required: Using a 95% confidence level, identify the value at risk.
2. Aster Co has a bank loan with a 10% interest rate. It also has in issue 8% preference shares trading at nominal value and the cost of its ordinary shares is estimated to be 18%. Its current capital structure comprises 50% debt and an equal split between preference and ordinary shares. The corporate tax rate is 30%. What is the weighted average cost of capital of Aster Co?
3. KI Co wishes to borrow \$18 million in 4 months' time for three months and considering the following hedging strategies.
A 4 – 7 FRA quoted at 5%.
Required: Determine the costs if in six months' time the market rate is:
(a) 4% (b) 6% and comment.
4. The current rate of inflation in Costovia is 65%. Government action is helping to reduce this rate each year by 10% of the previous rate. The Costovian peso/ US dollar exchange rate is currently 144 pesos to 1 US dollar, and the inflation rate in the US over the next three years is expected to be 4%, 3.5% and 3% respectively.
Required: Calculate the exchange rate for the Costovian peso against the US dollar for the next three years.
5. Complete the following table for put options.
Summary of the determinants of call option prices:

Increase in	Call	Put
Share price	Increase	
Exercise price	Decrease	
Time to expiry	Increase	
Volatility	Increase	
6. The current return on 5-year treasury bonds is 3.6%. C Co has equivalent bonds in issue but has an A rating. What is the expected yield on C's bonds?
(A rated, 5-year bond is 65 basis points)

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Contd...2

7. A Canadian firm has just bought some machinery from a US supplier for US\$150,000 with payment due in 3 months' time. Exchange rates are quoted as follows:

Spot rates: (US\$... to CAD\$1) 0.7485 – 0.7591

Three months forward rates: 0.7564 – 0.7673

Required: Calculate the amount payable if a forward contract is used.

SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. The current share price of AB plc shares = \$172

The exercise price = \$ 164

The risk-free rate of interest = 9% pa

The standard deviation of return on the shares = 45%

The time to expiry = 4 months

Required: Calculate the value of the above call option.

9. The directors of Moorland Co, a company which has 75% of its operations in the retail sector and 25% in manufacturing, are trying to derive the firm's cost of equity. However, since the company is not listed, it has been difficult to determine an appropriate beta factor. Instead, the following information has been researched:

Retail industry – quoted retailers have an average equity beta of 1.20, and an average gearing ratio of 20:80 (debt: equity).

Manufacturing industry – quoted manufacturers have an average equity beta of 1.45 and an average gearing ratio of 45:55 (debt: equity).

The risk free rate is 3% and the equity risk premium is 6%. Tax on corporate profits is 30%. Moorland Co has gearing of 50% debt and 50% equity by market values. Assume that the risk on corporate debt is negligible.

Calculate the cost of equity of Moorland Co using the CAPM model.

10. Give a Note on Political risk faced by organizations.

11. A company manufactures around 200 mopeds. Depending upon the availability of raw materials and other conditions, the daily production has been varying from 196 mopped to 204 mopped, whose probability distribution is as given below:-

Production per day	Probability
196	0.05
197	0.09
198	0.12
199	0.14
200	0.20
201	0.15
202	0.11
203	0.08
204	0.06

Using the following 10 random numbers 82, 89, 78, 24, 53, 61, 18, 45, 04, 23 simulate the process, find what is the most likely daily units of production.

12. a) Peel Co has identified 4 positive NPV projects, as follows:

Project	NPV (\$m)	Investment at T0 (\$m)
A	60	9
B	40	12
C	35	6
D	20	4

Peel Co can only raise \$12m of finance to invest at T0.

Required:

Advise the company which project(s) to accept if the projects are:

- (i) independent and divisible
 (ii) independent and indivisible
 (iii) mutually exclusive.

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(3 Marks)

- b) Asset purchased at 500,000 used for 3 years depreciation 25% under WDV method discarded at the end of 3rd year with no scrap value. What is the balancing allowance at the end of year 3? (2 Marks)

13. A UK firm wants to start a project in the US with the initial investment of \$25,000. The project is expected to benefit for 3 years, with cash flows Y1-\$20,000 Y2 -\$15,000 Y3 -\$10,000. Current exchange rate between UK and US is 1€ = \$ 1.125, Inflation in UK 3%, 3.5%, 4%. Inflation is US 4%, 3.5%, 3% for the next 3 years. Calculate the cash flows in pounds.

SECTION - C

Answer any **TWO** of the following.

(2x15=30)

14. Pongo plc is a UK-based import-export company. It has an invoice, which it is due to pay on 30 June, in respect of \$350,000.

The company wishes to hedge its exposure to risk using traded options.

The current \$/£ spot rate is 1.5190 – 1.5230.

On the ICE Futures Europe exchange, contract size is £25,000

Exercise price (\$/£)	June contracts	June contracts
1.45	8.95	10.20
1.50	6.80	12.40

Option premia are given in cents per £.

Assume that it is now the 31 March.

Calculate the cash flows in respect of the payment if the spot rate is: \$1.4810 – \$1.4850 to £1 on the 30 June.

15. Iris (based in Canada) has recently exported materials to the USA and has raised an invoice for US \$180,000, payable in three months' time.

In addition, it has also imported goods from Japan and Australia. The payment due to the Japanese company is US\$ 60,000, payable in three months' time, and the Australian company A\$125,000, payable in four months' time.

Current spot and forward rates are as follows:

US\$... /1 can \$	
Spot:	0.7910 - 0.7950
3 months forward:	0.8120 - 0.8160
A\$ /1Can \$	
Spot:	1.1210 - 1.1240
4 months forward:	1.1190 - 1.1220
Current money market rates (pa) are as follows:	
US\$: 10.0% - 12.0%	
A\$: 14.0% - 16.0%	
Can: 11.5% - 13.0%	

Required: Show how the company can hedge its exposure to foreign exchange risk using:

- (a) forward contracts
- (b) money market hedges

16. Blades Co is considering diversifying its operations away from its main area of business (food manufacturing) into the plastics business. It wishes to evaluate an investment project, which involves the purchase of a moulding machine that costs \$450,000. The project is expected to produce net annual operating cash flows of \$220,000 for each of the three years of its life. At the end of this time, its scrap value will be zero. The assets of the project can support debt finance of 40% of its initial cost. Blades is considering borrowing this amount from two different sources.

First, a local government organisation has offered to lend \$90,000, with no issue costs, at a subsidised interest rate of 3% per year. The full \$90,000 would be repayable after 3 years.

The rest of the debt would be provided by the bank, at Blades' normal interest rate. This bank loan would be repaid in three equal annual installments.

The balance of finance will be provided by a placing of new equity.

Issue costs will be 5% of funds raised for the equity placing and 2% for the bank loan. Debt issue costs are allowable for corporation tax.

The plastics industry has an average equity beta of 1.368 and an average debt: equity ratio of 1:5 at market values. Blades' current equity beta is 1.8 and 20% of its long-term capital is represented by debt which is generally regarded to be risk free.

The risk free rate is 10% per year and the expected return on an average market portfolio is 15%.

Corporation tax is at a rate of 30%, payable in the same year. The machine will attract a 70% initial tax allowable depreciation allowance and the balance is to be written off evenly over the remainder of the asset life and is allowable against tax. The firm is certain that it will earn sufficient profits against which to offset these allowances.

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Required:

Calculate the adjusted present value and determine whether the project is worthwhile.

(2021 Batch Onwards)

G 320 DC3.6

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St Aloysius College (Autonomous)
Mangaluru

B.Com. (International Finance) Semester VI – Degree Examination
April/May - 2025

CORPORATE LAW AND GOVERNANCE

Time: 2¹/₂ Hours

Max Marks: 60

SECTION – A

Answer any FIVE of the following.

(5x2=10)

1. What is an Agenda in a company meeting?
2. Mention various clauses in Memorandum of Association.
3. What do you mean by 'Fiduciary Duties' of a Director?
4. Who is a Company Liquidator?
5. What is a 'Quorum' in a meeting?
6. What is the Doctrine of Indoor Management?
7. State the effects of Incorporation of a company.

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SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. What are the benefits of Corporate Governance?
9. Explain briefly the powers of NFRA.
10. What are the modes of acquiring membership in a company?
11. State the powers of Regional Directors.
12. State the facts of the case "Salomon Vs Salomon & Co. Ltd.
13. Give the features of a Joint Stock Company.

SECTION – C

Answer any TWO of the following.

(2x15=30)

14. Describe the different types of companies under the Companies Act of 2013?
15. Discuss the essentials of a valid company meeting.
16. Explain in detail the duties and liabilities of a Company Secretary.

(2021 Batch Onwards)

G 320 DE1.6

Reg. No. :

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**St Aloysius College (Autonomous)
Mangaluru**

**B.Com. (International Finance) Semester VI – Degree Examination
April/May - 2025**

ADVANCED AUDITING AND ASSURANCE II

Time: 2½ hrs.

Max Marks: 60

SECTION – A

Answer any FIVE of the following.

(5x2=10)

1. Write the meaning of Sufficient Evidence.
2. What are Adjusting Events? Give one Example.
3. When does the auditors need to modify their opinion?
4. What is a going concern concept?
5. What is Cash Flow Forecast?
6. Define Forensic Audit.
7. Define Adverse Opinion.

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SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. What are the various methods used to obtain evidence in an audit process?
9. Write a note on written representation.
10. Write a brief note on ISA 260 – communicating with those charged with governance.
11. Describe the procedures that should be performed when reviewing interim financial statements.
12. What are audit related services? Differentiate between audit and audit related services.
13. What is an Assurance Engagement? Write down the elements of an assurance engagement.

SECTION – C

Answer any TWO of the following.

(2x15=30)

14. What are the Key Considerations and steps Involved in Planning and conducting forensic audits.
15. Write a brief note on Prospective Financial Information (PFI).
16. You are a manager in Andando, a firm of Chartered Certified Accountants. You have been approached by Duncan Seymour, the chief finance officer of Plaza, a major food retailer with a chain of national supermarkets, to advise on a bid that Plaza is proposing to make for the purchase of MCM. Plaza has extended its operations throughout Europe and most recently to Asia, where it is expanding rapidly. You have ascertained the following from a briefing note received from Duncan.

Contd...2

MCM provides training in management, communications and marketing to a wide range of corporate clients, including multi-nationals. The 'MCM' name is well regarded in its areas of expertise. MCM is currently wholly owned by Frontiers, an international publisher of textbooks, whose shares are quoted on a recognised stock exchange. MCM has a National and an International business. The National business comprises 11 training centres. The audited financial statements show revenue of \$12.5 million and profit before taxation of \$1.3 million for this geographic segment for the year to 31 December 20X4.

Most of the National business's premises are owned or held on long leases. Trainers in the National business are mainly full time employees. The International business has five training centres in Europe and Asia. For these segments, revenue amounted to \$6.3 million and operating profit before tax \$2.4 million for the year to 31 December 20X4. Most of the International business premises are leased. International trade receivables at 31 December 20X4 amounted to \$3.7 million. Although the International centres employ some full-time trainers, the majority of trainers provide their services as freelance consultants.

Required:

- (a) Define 'due diligence' and describe the nature and purpose of a due diligence review. **(3 marks)**
- (b) Explain the matters you should consider before accepting an engagement to conduct a due diligence review of MCM. **(5 marks)**
- (c) Describe the procedures that should be performed for the due diligence review of MCM. **(7 marks)**

(2021 Batch Onwards)

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St Aloysius College (Autonomous)
Mangaluru

B.Com.(International Finance)
Semester VI – Degree Examination

April/May - 2025

BUSINESS TAXATION II

Time: 2 ½ Hours

Max. Marks: 60

SECTION - A

Answer any **FIVE** of the following.

(5x2=10)

1. How do you compute Adjusted Total Income as per AMT provision?
2. What is Best Judgement Assessment?
3. Give the meaning of widely-held company.
4. Why is PAN considered important for the Income Tax Department?
5. Differentiate between tax evasion and tax avoidance.
6. What is the purpose of the Alternate Minimum Tax?
7. State the tax rates applicable to a foreign company.

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SECTION - B

Answer any **FOUR** of the following.

(4x5=20)

8. From the following information, compute tax payable by Z Ltd for the AY.
(a) Total income of the company for the PY was Rs. 10,00,000 (Gross receipts in the PY 2022-23 was less than 400 crore).
(b) Book profit u/s 115JB of the company for the PY was Rs. 12,00,000.
9. From the information given below compute the tax payable by an AOP and its members A, B and C who share the profits/losses equally.
(a) Total Income of AOP Rs. 12,00,000.
(b) Personal Income of members: A: Rs.2,30,000 B:Rs.2,48,000
C: Rs. 2,11,000.
10. Outline the format for computing book profit for the purpose MAT.
11. Explain the general powers of Income Tax Authorities under the Income Tax Act, 1961.
12. Give the meaning of Tax planning and its benefits.
13. From the following information compute the amount of tax liability of the Partnership firm for the AY:
a) Income from House property (computed) Rs. 7,00,000.
b) Income from business Rs. 30,00,000.
c) Income from other sources Rs. 2,00,000.
d) LTCG on sale of capital asset Rs. 1,00,000 (sale of commercial property on 10/12/2024)

The firm is entitled to the following deductions from its GTI:

- i. U/s 80IA Rs. 2,40,000.
- ii. U/s 80IB Rs. 1,50,000.

Contd...2

SECTION – C

Answer any **TWO** of the following.

(2x15=30)

14. Arun and Tarun are partners in a firm sharing P/L equally. The P/L Account of the firm showed a net profit of Rs. 1,10,00,000 for the year after considering the following:

- (a) Interest on capital at 16%: Arun Rs. 80,000; Tarun Rs. 60,000.
 (b) Donation to PMNRF Rs. 1,00,000; Medical insurance premium of employees Rs. 40,000 of which 3000 paid in cash;
 (c) Remuneration to partners Arun Rs. 12,00,000, Tarun Rs. 15,00,000.

Credits to the P/L account are:

- (a) Winnings from horse race (gross of TDS) Rs. 3,00,000; STCG u/s III A Rs. 50,000(20%); LTCG 1,25,000 (from sale of Jewellery on 2nd Jan, 2025).

Both are working partners. Arun paid an interest of Rs. 65,000 on money borrowed to invest in the firm. Compute tax liability of the firm, share of income from firm exempt u/s 10(2A) and income taxable in the hands of Partners u/s 28. Firm fulfills conditions u/s 184.

15. X (26 yrs), Y (28 yrs) and Z (62 yrs) are the members of an AOP. The P & L A/C of the AOP for the previous year ended 31st March is given below:

Particulars	₹	Particulars	₹
Cost of goods sold	1,34,000	Sales	4,50,000
Interest on capital:		Interest on drawings:	
X	9,000	X	2,000
Y	27,000	Y	1,000
Z	35,000	Z	3,000
Salary:		Short term capital gains (on transfer of land)	2,10,000
Y	65,000		
Z	70,000		
Other expenses	60,000		
Net Profits	2,66,000		
Total	6,66,000	Total	6,66,000

Other Information:

- AOP gives a donation of Rs.10,000 to a Public Charitable Trust (not debited to the above P & L A/C) which is eligible for deduction u/s 80 G.
- Out of other expenses Rs.26,000 are not deductible by virtue of section 43B.

Find the tax liability of AOP and members after considering following further information:

The profit-sharing ratio of X, Y & Z is 2:3:5. Their other incomes and savings are as follows:

	X	Y	Z
Interest on Securities	3,90,000	3,36,000	4,30,000
Medical Insurance Premium paid	6,000	-----	3,000
Deposit in P.P.F. A/C	1,44,000	1,16,000	1,28,000

16. Akbar Ltd., a domestic company furnishes the following information for the AY 2025-26. Compute the tax payable.

1. Profits as per the Statement of Profit and Loss ₹ 270 lacs
2. Statement of Profit and Loss includes the following:
 - a. Credits: Dividend from Indian Companies ₹ 20 lacs
Excess realized on sale of land held as investment ₹ 30 lacs
 - b. Debits: Depreciation on Straight Line Method ₹ 120 lacs,
Provision for loss of subsidiary company ₹ 60 lacs
3. Depreciation as per I-Tax Rules ₹ 160 lacs
4. Short term capital gains on sale of land mentioned above computed as per the IT Act ₹ 40 lacs
5. Losses brought forward as per books of account: Business Loss ₹ 50 lacs and Unabsorbed depreciation ₹ 60 lacs.
6. Losses brought forward as per IT Act: Business loss 40 lacs and Unabsorbed depreciation ₹35 lacs.

Note: The Turnover of Akbar Ltd. for the P Y 2022-23 was ₹ 390 crore.

(2021 Batch Onwards)

G 320 VO1.6

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St Aloysius College (Autonomous)

Mangaluru

B.Com. (International Finance) Semester VI – Degree Examination

April/May - 2025

CORPORATE REPORTING II

Time: 2¹/₂ Hours

Max Marks: 60

SECTION – A

Answer any FIVE of the following.

(5x2=10)

1. P purchased 60% of the shares of S on 1 January 2001. The fair value of the non-controlling interest at the acquisition date is \$160,000. Fair Value of Consideration \$1,025,454. Fair Value of identifiable net assets at acquisition \$270,000.
Required: Calculate the goodwill arising on the acquisition of S if the non-controlling interest at the acquisition date is valued at:
 - (a) fair value
 - (b) its proportion of the fair value of the subsidiary's identifiable net assets.
2. What is hedge accounting? Name the types of hedge accounting.
3. What issues should a company consider when deciding which IFRS Standards to adopt?
4. Name the following standards: -
 - a. IAS 33-
 - b. IFRS 5-
5. What types of assets are included in current assets?
6. If a company has current assets of \$500,000 and current liability of \$250,000, what is its current ratio?
7. Expand the following: -
 - a. EBIT-
 - b. EBITDA -

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SECTION - B

Answer any FOUR of the following.

(4x5= 20)

8. Briefly explain IAS 10 – Events after the reporting period
9. Parent is an entity that owns 80% of the equity shares of Overseas, a foreign entity that has the Shilling as its functional currency. The subsidiary was acquired on 1 January 20X7 when its retained earnings were 6,000 Shillings. The reporting date is 31 December 20X7. At the acquisition date the fair value of the net assets of Overseas was equal to the carrying amount with the exception of freehold land. The fair value of this land exceeded its carrying

Contd...2

amount by 4,000 Shillings. At the date of acquisition, the non-controlling interest in Overseas should be measured at its fair value of 5,000 Shillings. Goodwill at the reporting date is not impaired.

Statements of financial position as at 31 December 20X7

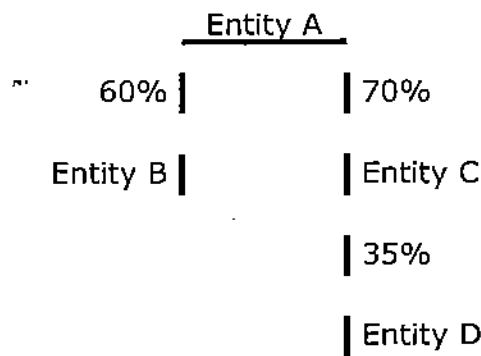
	Parent \$	Overseas Shillings
Investment in Overseas at cost	3,818	-
Assets	9,500	40,000
	13,318	40,000
Equity and liabilities		
Equity capital	5,000	10,000
Retained earnings	6,000	8,200
Liabilities	2,318	21,800
	13,318	40,000

Relevant exchange rates are:

Date	Shillings: \$1
1 January 20X7	5.5
31 December 20X7	5.0
Average for year to 31 December 20X7	5.2

Required: Discuss how the goodwill arising on the acquisition of Overseas should be dealt with in the consolidated financial statements of the Parent group for the year ended 31 December 20X7.

10. How do you measure accounting for investments in equity and debt instruments? Explain briefly.
11. Consider the following structure:



Required: Identify the related party relationships within the above structure.

12. Calculate the required cash flows in each of the following scenarios:
 - a)

	20X1 \$	20X0 \$
Non-controlling interest	840	440

The group statement of profit or loss and other comprehensive income reported total comprehensive income attributable to the non-controlling interest of \$500.

Required: How much was the cash dividend paid to the non-controlling interest?

b)

	20X1	20X0
	\$	\$
Deferred tax liability	100	50
Income tax liability	120	100

The income tax charge in the statement of profit or loss was \$180.

Required: How much tax was paid in the period?

c)

	20X1	20X0
	\$	\$
Investment in associate	500	200

The group statement of profit or loss reported 'share of profit of associates' of \$750.

Required: How much was the cash dividend received by the group?

d)

	20X1	20X0
	\$	\$
Investment in associate	3,200	600

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The group statement of profit or loss reported 'share of profit of associates' of \$4,000.

In addition, the associate revalued its non-current assets during the period. The group share of this gain is \$500.

Required: How much was the cash dividend received by the group?

e)

	20X1	20X0
	\$	\$
Property, plant and equipment (PPE)	500	150

During the year depreciation charged was \$50, and the group acquired a subsidiary which held PPE of \$200 at the acquisition date.

Required: How much cash was spent on property, plant and equipment in the period?

13. An entity has undertaken different share issuances that affect the calculation of Basic Earnings Per Share (EPS).

Scenario 1: Bonus Issue

On 1 July 20X8, the entity made a bonus issue of one new share for every five existing shares held.

Scenario 2: Rights Issue

On 1 July 20X8, the entity issued one new share for every two existing shares at \$1.50 per share. The pre-issue market price was \$3.00 per share.

Relevant information

	20X8	20X7
Profit attributable to the ordinary shareholders for the year ending 31 Dec	\$550,000	\$460,000
Number of ordinary shares in issue at 31 Dec	Scenario 1- 1,200,000 Scenario 2 – 1,200,000	Scenario 1 - 1,000,000 Scenario 2 – 800,000

Required:

- Calculate the Basic EPS for the year ended 31 December 20X8 under both scenarios.
- Calculate the prior year comparative EPS figure as it would appear in the financial statements for the year ended 31 December 20X8, ensuring adjustments for the share issuances.

SECTION – C

Answer any TWO of the following.

(2x15=30)

14. On 1 January 20X1, Tokyo bought a \$100,000 5% bond for \$95,000, incurring issue costs of \$2,000. Interest is received in arrears. The bond will be redeemed at a premium of \$5,960 over nominal value on 31 December 20X3. The effective rate of interest is 8%.

The fair value of the bond was as follows:

31/12/X1	\$110,000
31/12/X2	\$104,000

Required:

Explain, with calculations, how the bond will have been accounted for over all relevant years if:

- Tokyo's business model is to hold bonds until the redemption date.
- Tokyo's business model is to hold bonds until redemption but also to sell them if investments with higher returns become available.
- Tokyo's business model is to trade bonds in the short-term. Assume that Tokyo sold this bond for its fair value on 1 January 20X2.

The requirement to recognise a loss allowance on debt instruments held at amortised cost or fair value through other comprehensive income should be ignored.

15. **a.** What are the quantitative thresholds for determining a reportable operating segment under IFRS 8? **(5 Marks)**
- b.** The management of a company have identified operating segments based on geographical location. Information for these segments is provided below:

Contd...5

Segment	Total Revenue (\$000)	External Revenue (\$000)	Internal Revenue (\$000)	Profit/ (Loss) (\$000)	Assets (\$000)
Europe	260	140	120	98	3,400
Middle East	78	33	45	(26)	345
Asia	150	150	-	47	995
North America	330	195	135	121	3,800
Central America	85	40	45	(15)	580
South America	97	54	43	12	880
	1,000	612	388	237	10,000

Required: According to IFRS 8, which segments must be reported? (10 Marks)

16. Below are the financial statements of Single for the year ended 30 September 20X2:

Statement of financial position as at 30 September 20X2 (including comparatives)

	20X2 \$m	20X1 \$m
Non-current assets		
Property, plant and equipment	90	60
Current assets		
Inventories	32	20
Trade receivables	20	27
Cash and cash equivalents	8	12
	150	119
Equity and liabilities		
Share capital (\$1 shares)	30	5
Retained earnings	60	35
	90	40
Non-current liabilities:		
Loans	10	29
Deferred tax	15	14
Current liabilities:		
Trade payables	23	25
Tax payable	12	11
	150	119

Statement of profit or loss for the year ended 30 September 20X2

	\$m
Revenue	450
Operating expenses	(401)
Profit from operations	49
Finance cost	(3)
Profit before tax	46
Tax	(12)
Profit for the period	34

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Contd...6

Notes :

- 1) Property, plant and equipment with a carrying amount of \$9 million was disposed of for cash proceeds of \$13 million. Depreciation for the year was \$17 million.
- 2) Trade payables as at 30 September 20X2 includes accruals for interest payable of \$4 million (20X1: \$5 million).

Required: Prepare the statement of cash flows for Single for the year ended 30 September 20X2.

(2021 Batch Onwards)

G 340 DC1.6

Reg. No. :

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St Aloysius College (Autonomous)

Mangaluru

Semester VI – Degree Examination

April/May - 2025

B.Com. (Accounting and Tax)

ADVANCED ACCOUNTING - II

Time: 2½ hours

Max Marks: 60

SECTION – A

Answer any **FIVE** of the following.

(5x2=10)

1. How would you treat Post acquisition Reserves in CFS?
2. How Separate Financial Statements are presented?
3. What do you mean by Minority interest?
4. The Holding company owns 80% of the capital of a subsidiary company having 1,60,00 shares. The fair market Value of the shares is ₹50 so per share. There are no revenue profit what will be the Non-Controlling interest.
5. A Ltd follows calendar year whereas the subsidiary's B Ltd follows Financial year. Is it possible for X Ltd. to prepare and present consolidated Financial statements?
6. A Ltd., B Ltd. and C Ltd. established an arrangement whereby A Ltd. has 50% of the voting rights in the arrangement, B Ltd. has 30% and C has 20%. The contractual arrangement between A Ltd., B Ltd. and C Ltd. specifies that at least 75% of the voting rights are required to make decisions about the relevant activities of the arrangement. Whether the arrangement can be treated as joint arrangement?
7. What is the difference between date of acquisition and date of consolidation?

ST ALOYSIUS COLLEGE LIBRARY
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SECTION - B

Answer any **FOUR** of the following.

(4X5=20)

8. List out any four advantages of Consolidated Financial Statements to the users of such statements.
9. What is the treatment when the reporting dates of the Holding Company are not the same as the Subsidiary company? Explain the main difference in consideration under AS 21 and Ind AS 110.
10. Electronics Ltd. is established by two investors R Ltd. and S Ltd. The investors are holding 60% and 40% of the voting power of the investee respectively. As per the articles of association of Electronics Ltd., both the investors have right to appoint 2 directors each on the board of Electronics Ltd. The directors appointed by each investor will act in accordance with the directions of the investor who has appointed such director.

Contd...2

Further, articles of association provides that the decision about relevant activities of the entity will be taken by board of directors through simple majority.

Determine whether Electronics Ltd. is controlled by a single investor or is jointly controlled by both the investors.

11. P and Q form a joint arrangement PQ using a separate vehicle. P and Q each own 50% of the capital of PQ. However, the contractual terms of the joint arrangement states that P has the rights to all of Machinery and the obligation to pay Bank Loan in PQ. P and Q have rights to all other assets in PQ and obligations for all other liabilities in PQ in proportion to their share of capital (i.e 50% each)

Balance Sheet

Liabilities	₹	Assets	₹
Capital	1,50,000	Machinery	2,50,000
Bank Loan	75,000	Cash	50,000
Other Loan	75,000		
	3,00,000		3,00,000

How should P record in its financial statements its rights and obligations in PQ?

12. What are the factors to be considered while assessing the presence of significant influence in the context of Ind AS 28?
13. What are the usual steps for preparing Consolidated Financial Statements?

SECTION - C

Answer any **TWO** of the following.

(2X15=30)

14. X Ltd. acquired 1, 600 ordinary shares of Rs. 100 each of Y Ltd. on 1st July, 2022. On December 31, 2022 the balance sheets of the two companies were as given below.

Liabilities	X Ltd ₹	Y Ltd. ₹	Assets	X Ltd ₹	Y Ltd. ₹
Capital (Shares of Rs. 100 each fully paid)	5,00,000	2,00,000	Land and Building	1,50,000	1,80,000
Reserves	2,40,000	1,00,000	Plant and machinery	2,40,000	1,35,000
Profit and loss A/C	57,200	82,000	Investment in Y Ltd at cost	3,40,000	-
Bank overdraft	80,000	-	Stock	1,20,000	36,400
Bills payable	-	8,400	Sundry debtors	44,000	40,000
Creditors	47,100	9,000	Bills Receivable	15,800	-
			cash	14,500	8,000
	9,24,300	3,99,400		9,24,300	3,99,400

The Profit and Loss A/c of Y Ltd. showed a credit balance of Rs. 30,000 on 1st January, 2022 out of which a dividend of 10% was paid on 1st August. X Ltd. has credited the dividend received to its Profit and Loss A/c. The plant and machinery which stood at Rs.1,50,000 on 1st January, 2022 was considered as worth for Rs. 1,80,000 on 1st July, 2022; this figure is to be considered while consolidating the Balance Sheets. Prepare the consolidated balance sheet as on December 31, 2023. (For Ind AS purpose, the FMV of shares of Y Ltd. on date of acquisition is ₹215).

15. On March 31st, 2002, the balance sheets of H Ltd and S Ltd stood as follows:
(Rs. In thousands)

Liabilities	H Ltd Rs.	S Ltd Rs.
Equity share capital- Authorised	5000	3000
Issued and subscribed in equity shares of Rs. 10 each fully paid	4,000	2,400
General reserves	928	690
Profit and Loss A/C	1,305	810
Bills payable	124	80
Sundry Creditors	487	427
Provision for taxation	220	180
Other provisions	65	17
	7,129	4,604
Assets	H Ltd Rs.	S Ltd Rs.
Plant and Machinery	2,541	2,450
Furniture and fittings	615	298
Investment in equity shares of S Ltd	1,500	-
Stock	983	786
Sundry Debtors	700	683
Bills Receivable	120	95
Cash and bank Balances	410	102
Sundry Advances	260	190
	7,129	4,604

Prepare a consolidated balance sheet as on 31st March, 2002 as per AS 21.

16. The following are the balance sheets of H Ltd and S Ltd as at 31st March, 2012.

Amounts as at 31st March, 2012

Particulars	Note No.	H Ltd	S Ltd
I. Equity and Liabilities			
Shareholders' funds			
Share capital	1	5,00,000	2,00,000
Reserves and surplus	2	1,00,000	
Current liabilities			
Trade payables		80,000	60,000
		6,80,000	2,60,000
II. Assets			
Sundry assets			
Non-current investments	3	4,70,000	2,60,000
		2,10,000	
		6,80,000	2,60,000

Notes:

	H Ltd	S Ltd
a. Share Capital		
Issued, Subscribed and Paid up:		
Equity shares of ₹10 each, fully paid	5,00,000	2,00,000
b. Reserves and surplus Reserves	1,00,000	
c. Non- current Investments		
100% Equity Shares in S Ltd	2,00,000	

Prepare a Consolidated balance sheet as at 31st March, 2010.

(2021 Batch Onwards)

G 340 DC2.6

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St Aloysius College (Autonomous)

Mangaluru

Semester VI – Degree Examination

April/May - 2025

B.Com. (Accounting and Tax)

FINANCIAL MANAGEMENT - II

Time: 2½ hours

Max Marks: 60

SECTION – A

Answer any **FIVE** of the following.

(5×2=10)

1. State any 2 advantages of stock splits.
2. The following information regarding the equity shares of M Ltd. is given below:

Market price	₹58.33
Dividend per share	₹5
Multiplier	7

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MANGALURU - 575 003

According to the Graham & Dodd approach to the dividend policy, COMPUTE the EPS.

3. State any two advantages of Virtual Banking.
4. A Ltd. is in the manufacturing business and it acquires raw material from X Ltd. on a regular basis. As per the terms of agreement the payment must be made within 40 days of purchase. However, A Ltd. has a choice of paying ₹98.50 per ₹100 it owes to X Ltd. on or before 10th day of purchase.

Required:

EXAMINE whether A Ltd. should accept the offer of discount assuming average billing of A Ltd. with X Ltd. is ₹10,00,000 and an alternative investment yield a return of 15% and company pays the invoice.

5. A company's requirements for ten days are 6,300 units. The ordering cost per order is ₹10 and the carrying cost per unit is ₹0.26. You are required to CALCULATE the economic order quantity.
6. XYZ Ltd. Earns ₹10/ share. Capitalization rate and return on investment are 10% and 12% respectively.
DETERMINE the optimum dividend payout ratio and the price of the share at the payout.
7. The dividend payout ratio of H Ltd. is 40%. If the company follows traditional approach to dividend policy with a multiplier of 9, COMPUTE P/E ratio.

Contd...2

SECTION - B

Answer any **FOUR** of the following.

(4X5=20)

8. Following information is given pertaining to DG Ltd,
- | | |
|--------------------------|----------------|
| No of shares outstanding | 1 lakh shares |
| Earnings Per share | ₹25 per share |
| P/E Ratio | 20 |
| Book Value per share | ₹400 per share |
- If company decides to repurchase 25,000 shares, at the prevailing market price, what is the resulting book value per share after repurchasing.

9. Suppose there are two Project A and Project B are under consideration. The cash flows associated with these projects are as follows:

Year	Project A (₹)	Project B (₹)
0	(1,00,000)	(3,00,000)
1	50,000	1,40,000
2	60,000	1,90,000
3	40,000	1,00,000

Assuming Cost of Capital equal to 10%, IDENTIFY which project should be accepted as per NPV Method and IRR Method.

10. Mosaic Limited has current sales of ₹15 lakhs per year. Cost of sales is 75 percent of sales and bad debts are one percent of sales. Cost of sales comprises 80 percent variable costs and 20 percent fixed costs, while the company's required rate of return is 12 percent. Mosaic Limited currently allows customers 30 days' credit, but is considering increasing this to 60 days' credit in order to increase sales. It has been estimated that this change in policy will increase sales by 15 percent, while bad debts will increase from one percent to four percent. It is not expected that the policy change will result in an increase in fixed costs and creditors and stock will be unchanged. Should Mosaic Limited introduce the proposed policy? ANALYSE (Assume a 360 days year).
11. CALCULATE the internal rate of return of an investment of ₹1,36,000 which yields the following cash inflows:

Year	Cash Inflows (in ₹)
1	30,000
2	40,000
3	60,000
4	30,000
5	20,000

12. Alley Pvt Ltd. is planning to invest in a machinery that would cost ₹1,00,000 at the beginning of year 1. Net cash inflows from operations have been estimated at ₹36,000 per annum for 3 years. The company has two options for smooth functioning of the machinery one is service, and another is replacement of parts. If the company opts to service a part of the machinery at the end of year 1 at ₹20,000, in such a case, the scrap value at the end of year 3 will be ₹25,000. However, if the company decides not to service the part, then it will have to be replaced at the end of year 2 at ₹30,800. And in this case, the machinery will work for the 4th year also and get operational cash inflow of ₹36,000 for the 4th year. It will have to be scrapped at the end of year 4 at ₹18,000.

Assuming cost of capital at 10% and ignoring taxes, DETERMINE the purchase of this machinery based on the net present value of its cash flows? If the supplier gives a discount of ₹10,000 for purchase, what would be your decision? Note: The PV factors at 10% are:

Year	0	1	2	3	4	5	6
PV Factor	1	0.9091	0.8264	0.7513	0.6830	0.6209	0.5645

13. X Limited is considering purchasing of new plant worth ₹80,00,000. The expected net cash flows after taxes and before depreciation are as follows:

Year	Net Cash Flow (₹)
1	14,00,000
2	14,00,000
3	14,00,000
4	14,00,000
5	14,00,000
6	16,00,000
7	20,00,000
8	30,00,000
9	20,00,000
10	8,00,000

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The rate of cost of capital is 10%. You are required to CALCULATE:

1. Pay-back period.
2. Net present value at 10 discount factor.
3. Profitability index at 10 discount factor.
4. Internal rate of return with the help of 10% and 15% discount factor.

The following present value table is given for you:

Year	PV of ₹1 at 10% discount rate	PV of ₹1 at 15% discount rate
1	0.909	0.87
2	0.826	0.756
3	0.751	0.658
4	0.683	0.572
5	0.621	0.497
6	0.564	0.432
7	0.513	0.376
8	0.467	0.327
9	0.424	0.284
10	0.386	0.247

SECTION – C

Answer any TWO of the following.

(2X15=30)

14. ABC Ltd is a small company that is currently analysing capital expenditure proposals for the purchase of equipment; the company uses the net present value technique to evaluate projects. The capital budget is limited to ₹5,00,000 which ABC Ltd believes is the maximum capital it can raise. The initial investment and projected net cash flows for each project are shown below. The cost of capital of ABC Ltd is 12%.

You are required to COMPUTE the NPV of the different projects.

Particulars	Project A (₹)	Project B (₹)	Project C (₹)	Project D (₹)
Initial Investment	2,00,000	1,90,000	2,50,000	2,10,000
<u>Project Cash Inflows:</u>				
Year 1	50,000	40,000	75,000	75,000
Year 2	50,000	50,000	75,000	75,000
Year 3	50,000	70,000	60,000	60,000
Year 4	50,000	75,000	80,000	40,000
Year 5	50,000	75,000	100,000	20,000

15. You are given below the Profit & Loss Accounts for two years for a company:
Profit and Loss Account

Particulars	Year 1	Year 2	Particulars	Year 1	Year 2
To opening stock	80,00,000	1,00,00,000	By sales	8,00,00,000	10,00,00,000
To raw materials	3,00,00,000	4,00,00,000	By closing stock	1,00,00,000	1,50,00,000
To stores	1,00,00,000	1,20,00,000	By miscellaneous expenses	10,00,000	10,00,000
To manufacturing expenses	1,00,00,000	1,60,00,000			
To other expenses	1,00,00,000	1,00,00,000			
To depreciation	1,00,00,000	1,00,00,000			
To net profit	1,30,00,000	1,80,00,000			
	9,10,00,000	11,60,00,000		9,10,00,000	11,60,00,000

Contd...5

Sales are expected to be ₹12,00,00,000 in year 3.

As a result, other expenses will increase by ₹50,00,000 besides other charges. Only raw materials are in stock. Assume sales and purchases are in cash terms and the closing stock is expected to go up by the same amount as between year 1 and 2. You may assume that no dividend is being paid. The Company can use 75% of the cash generated to service a loan. COMPUTE how much cash from operations will be available in year 3 for the purpose? Ignore income tax.

16. A large profit-making company is considering the installation of a machine to process the waste produced by one of its existing manufacturing processes to be converted into a marketable product. At present, the waste is removed by a contractor for disposal on payment by the company of ₹150 lakh per annum for the next four years. The contract can be terminated upon installation of the aforesaid machine on payment of a compensation of ₹90 lakh before the processing operation starts. This compensation is not allowed as deduction for tax purposes.

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The machine required for carrying out the processing will cost ₹600 lakh to be financed by a loan repayable in 4 equal installments commencing from end of the year 1. The interest rate is 14% per annum. At the end of the 4th year, the machine can be sold for ₹60 lakh and the cost of dismantling and removal will be ₹45 lakh. Sales and direct costs of the product emerging from waste processing for 4 years are estimated as under: (₹ in lakhs)

Particulars	Year 1	Year 2	Year 3	Year 4
Sales	966	966	1,254	1,254
Material consumption	90	120	255	255
Wages	225	225	255	300
Other expenses	120	135	162	210
Factory overheads	165	180	330	435
Depreciation (as per income tax rules)	150	114	84	63

Initial stock of materials required before commencement of the processing operations is ₹60 lakh at the start of year 1. The stock levels of materials to be maintained at the end of year 1, 2 and 3 will be ₹165 lakh and the stocks at the end of year 4 will be nil. The storage of materials will utilize space which would otherwise have been rented out for ₹30 lakh per annum. Labour costs include wages of 40 workers, whose transfer to this process will reduce idle time payments of ₹45 lakh in the year 1 and ₹30 lakh in the year 2. Factory overheads include apportionment of general factory overheads except to the extent of insurance charges of ₹90 lakh per annum payable on this venture. The company's tax rate is 30%. Present value factors for four years are as under:

Year	1	2	3	4
PV factors @14%	0.877	0.769	0.674	0.592

ADVISE the management on the desirability of installing the machine for processing the waste. All calculations should form part of the answer.

(2021 Batch Onwards)

G 340 DC3.6

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St Aloysius College (Autonomous)

Mangaluru

Semester VI – Degree Examination

April/May - 2025

B.Com. (Accounting and Tax)

AUDITING AND ASSURANCE - II

Time: 2½ hours

Max Marks: 60

SECTION – A

Answer any FIVE of the following.

(5x2=10)

1. What is completion memorandum/audit documentation summary?
2. Define Written Representations.
3. What are development banks?
4. List out the objectives of SA560 - 'subsequent events'.
5. What is unmodified opinion?
6. What is sanctioned limit?
7. The auditor may decide not to send a new audit engagement letter or other written agreement each period. However, few factors may make it appropriate to revise the terms of the audit engagement or to remind the entity of existing terms. List out any two such factors.

**ST ALOYSIUS COLLEGE LIBRARY
MANGALURU - 575 003**

SECTION - B

Answer any FOUR of the following.

(4x5=20)

8. List out the audit approach and procedures to be carried out for verification of interest expenses.
9. The auditor shall perform audit procedures designed to obtain sufficient appropriate audit evidence that all events occurring between the date of the financial statements and date of the auditor's report that require adjustment or disclosure in the financial statements have been identified. Elaborate and list out the audit procedures.
10. **a)** What is audit documentation? **(2 Marks)**
b) What is the purpose of audit documentation? **(3 Marks)**
11. The auditor has no obligation to perform any audit procedures regarding the financial statements after the date of the auditor's report. However, when, after the date of the auditor's report but before the date the financial statements are issued, a fact becomes known to the auditor that, had it been known to the auditor at the date of the auditor's report, what audit procedures will the auditor carry out and report if the management does not amend the financial statements ?

Contd...2

12. The auditor shall evaluate whether the financial statements are prepared in accordance with the requirements of the applicable financial reporting framework. This evaluation shall include consideration of the qualitative aspects of the entity's accounting practices, including indicators of possible bias in management's judgements. List out the Qualitative Aspects of the Entity's Accounting Practices.
13. The auditor shall inquire into matters specified in Section 143(1) of the Companies Act, 2013. List out such matters.

SECTION - C

Answer any TWO of the following.

(2X15=30)

14. Explain the reporting responsibilities of the auditor under Companies (Auditor's Report) Order, 2020 with regard to the following:
- a. Property, Plant and Equipment - Clause i
 - b. Loans and Borrowings - Clause ix
 - c. Inventories - Clause ii
15. **a.** Depending on the nature of the item concerned, explain the various modes of creation of security. **(10 Marks)**
- b.** Explain the various categories of non-performing assets and their provisioning norms? **(5 Marks)**
16. Briefly explain the steps involved in audit of a club.

(2022 Batch Onwards)

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St Aloysius College (Autonomous)

Mangaluru

Semester VI – Degree Examination

April/May - 2025

B.Com. (Accounting and Tax)

ADVANCED COSTING TECHNIQUES II

Time: 2½ hours

Max Marks: 60

SECTION – A

Answer any **FIVE** of the following.

(5x2=10)

1. How is the defect due to the inspection department wrongly accepting incoming material of poor quality be treated?
2. From the following information, prepare Process account and Normal Loss account.

Input of raw materials 1000 units @ Rs.6 per unit

Direct material Rs. 5200

Direct wages Rs. 4000

Production over hits Rs. 4000

Actual output t/f to process II 950 units

Normal loss 5%

Value of scrap per unit Rs.4 per unit

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- Calculate the units of normal loss
- Calculate the amount of normal loss
- Calculate cost per good unit

Calculate the amount transferred to next process

3. The work in progress at the end is 800 units which are completed upto 70%. Calculate equivalent units.
4. The budgeted standard hours of a factory or 6000. The capacity utilization ratio of April, 2013 stood at 45% while the efficiency ratio for the month came up to 60%. What is the actual production in standard hours for April 2013?
5. What is Zero-Based Budgeting?
6. Job costing is similar to that of Batch costing except with the difference that a:
7. A process costing system for J Co. used and input of 3500 KG of materials at Rs.20 per KG and labour hours of Rs.2750 at 25 per hour. Normal loss is 20% and losses can be sold at a scrap value of Rs.5 per KG. Output was 2950 kgs. What is the value of the output?

Contd...2

SECTION - B

Answer any **FOUR** of the following.

(4X5=20)

8. From the following information of G Ltd., calculate (i) Variable Overhead Cost Variance; (ii) Variable Overhead Expenditure Variance and (iii) Variable Overhead Efficiency Variance:

Budgeted production	6000 units
Budgeted variable overhead	1,20,000
Standard Time for one unit of output	Two hours
Actual production	5900 units
Actual overhead incurred	1,22,000
Actual hours worked	11,600 hours

9. Pentax Ltd. has prepared its expense budget for 20000 units in its factory for the year 2016 as detailed below:

Particulars	Amount (₹) per unit
Direct Materials	50
Direct labour	20
Variable overhead	15
Direct expenses	6
Selling expenses(20% fixed)	15
Factory expenses(100% fixed)	7
Administration expenses(100% fixed)	4
Distribution expenses(85% variable)	12
Total	129

Prepare an expense budget for the production of 15000 units and 18000 units.

10. Global Transport Ltd. charges ₹90 per ton for its 6 tonnes truck lorry load from city 'A' to city 'B'. The charges for the return journey are ₹84 per ton. No concession or reduction in these rates is made for any delivery of goods at intermediate station 'C'. In January 2016, the truck made 12 outward journeys for city 'B' with full load out of which 2 tons were unloaded twice in the way at city 'C'. The truck carried a load of 8 tonnes in its return journey for 5 times but was once caught by police and ₹1,200 was paid as fine. For the remaining trips, the truck carried full load out of which all the goods on load were unloaded once at city 'C', but it returned without any load only once from 'C' station to 'A' station. The distance from city 'A' to city 'C' and city 'B' are 140 km and 300 km respectively. Annual fixed costs and maintenance charges are ₹60,000 and ₹12000 respectively. Running charges spent during January 2016 are ₹2,944.
- You are required to find out the cost per absolute tonne-kilometre and the profit for January 2016.

11. The following information relate to process A:
- i. Opening WIP 8000 units at ₹75,000
 - ii. Degree of completion:
 - Material 100%
 - Labour and overhead 60%
 - iii. Input 1,82,000 units at ₹7,37,500
 - iv. Wages paid ₹3,40,600
 - v. Overheads paid ₹1,70,300
 - Units scrapped 14,000
 - Degree of completion:
 - Material 100%
 - Wages and overheads 80%
 - vi. Closing WIP
 - Degree of completion:
 - Material 100%
 - Wages and overheads 70%
 - vii. Units completed and transferred 1,58,000 to next process
 - viii. Normal loss 5% per unit to be adjusted out of direct material cost
 - ix. Scrap value is ₹.5 per unit to be adjusted out of direct material cost
- You are required to compute on the basis of FIFO basis:
- i. Equivalent production
 - ii. Cost per unit
 - iii. Value of units transferred to next process.

ST ALOYSIUS COLLEGE LIBRARY
MANGALURU - 575 003

12. Following are the details of the Product Phomex for the month of April 2016:

Standard quantity of material required per unit	5 kg
Actual output	1,000 units
Actual cost of materials used	₹7,14,000
Material price variance	₹51,000 (F)

Actual price per kg of material id found to be less than standard price per kg. of material by ₹10.

You are required to calculate:

1. Actual quantity and Actual price of materials used
 2. Material Usage Variance
 3. Material Cost Variance.
13. The standard cost of a chemical mixture is as follows:

60% of material A @ ₹50 per KG

40% of material B @ ₹60 per KG

A standard loss of 25% on output is expected in production. The cost records for a period have shown the following usage.

540 KG of material A @ ₹60 per KG

260 KG of material B @ ₹50 per KG

The quantity processed was 680 kg of good products.

From the above given information calculate:

- i. Material cost variance
- ii. Material price variance
- iii. Material usage variance
- iv. Material mix variance
- v. Material yield variance.

SECTION - C

Answer any TWO of the following.

(2X15=30)

14. The accountant of the manufacturing company provides you the following details for the year 2019-20:

	₹
Direct materials	28,00,000
Direct wages	16,00,000
Fixed Factory overheads	16,00,000
Variable factory overheads	16,00,000
Other variable costs	12,80,000
Other fixed costs	12,80,000
Profit	18,40,000
Sales	1,20,00,000

During the year, the company manufactured products A and B and the output and costs were:

	A	B
Output (units)	2,00,000	1,00,000
Selling price per unit	₹32.00	₹56.00
Direct materials per unit	₹8.00	₹12.00
Direct wages per unit	₹4.00	₹8.00

Variable factory overhead is absorbed as a percentage of direct wages.

Other variable costs have been computed as:

Product A ₹4.00 per unit

Product B ₹4.80 per unit.

During 2020-21, it is expected that the demand for Products A will fall by 25% and for B by 50%. It is decided to manufacture a new Product C, the cost for which is estimated as follows:

	C
Output (units)	2,00,000
Selling price per unit	₹ 28.00
Direct materials per unit	₹ 6.40
Direct wages per unit	₹ 4.00

It is anticipated that the other variable costs per unit of products she will be same as for Product A.

Prepare budget to present to the management, showing the current position and position for 2020-21. Comment on the comparative results.

Contd...5

15. X Ltd distributes its goods to regional dealer using single lorry. The dealer premises are 40 kms away by road. The capacity of the lorry is 10 tonnes. The lorry makes the journey twice a day fully loaded on the outward journey and empty on the return journey. The following information is available:

Diesel consumption	8 km/L
Diesel cost	₹60 per litre
Engine oil	₹200 per week
Drivers wages (fixed)	₹2500 per week
Repairs	₹600 per week
Garage rent	₹800 per week
Cost of lorry (Excluding cost of tyres)	₹9,50,000
Life of Lorry	1,60,000 km
Insurance	₹18,200 per annum
Cost of tyres	₹52,500
Life of tyres	25,000 km
Estimated sales value of the Lorry at the end of its life is	₹1,50,000
Vehicle license cost	₹7800 per annum
Other overhead cost	₹41,600 per annum

The lorry operates on a five-day week.

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Required:

- A statement show the total cost of operating the vehicle for the four week period analysed into Running cost and Fixed cost.
 - Calculate the vehicle operating cost per kilometre and per tonne kilometre (assume 52 weeks in a year.)
16. MJ Pvt Ltd produces a product "SKY" which passes through two processes, viz. Process A and process B. The details for the year ending 31st March, 2021 are as follows:

	Process A	Process B
40,000 units introduced at a cost of	₹3,60,000	
Material consumed	₹2,42,000	₹2,25,000
Manufacturing expenses	₹2,58,000	₹1,90,000
Direct wages	₹1,96,000	₹1,23,720
Output in units	37,000	27,000
Normal wastage of inputs	5%	10%
Input scrap value per unit	₹15	₹20
Selling price	₹37	₹61

Additional information:

- 80% of the output of process A, was is passed on to the next process and balance was sold. The entire output of process B was sold.
- Indirect expenses for the year walls ₹4,48,080.
- It is assumed that process A and process B or not responsibility centre.

Required:

- Prepare process A and process B the account.
- Prepare profit and loss account showing the net profit/net loss for the year.

(2021 Batch Onwards)

G 340 DE2.6

Reg. No. :

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St Aloysius College (Autonomous)

Mangaluru

Semester VI – Degree Examination

April/May - 2025

B.Com. (Accounting and Tax)

STRATEGIC MANAGEMENT - II

Time: 2½ hours

Max Marks: 60

SECTION – A

Answer any **FIVE** of the following.

(5x2=10)

1. Define stakeholders in a business context.
2. What are strategic drivers in an organization?
3. What are the key issues in strategy implementation?
4. What is the Ansoff's Product Market Growth Matrix used for?
5. Define differentiation strategy with an example
6. Define the concept of organizational core competency.
7. What are the key elements of the Best-Cost Provider Strategy?

SECTION - B

Answer any **FOUR** of the following.

(4X5=20)

8. What are the indicators for a turnaround strategy?
9. Explain the key strategic drivers of an organization.
10. Explain the key characteristics of a growth strategy.
11. Explain the differences between strategic formulation and strategic implementation.
12. Explain the concept of forward and backward integration with examples.
13. Describe the risks associated with cost leadership strategy.

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SECTION – C

Answer any **TWO** of the following.

(2X15=30)

14. Explain different types of organizational structures with their advantages and disadvantages.
15. Explain in detail the different types of mergers and acquisitions with examples.
16. Analyze the advantages, disadvantages, and applications of the BCG Growth-Share Matrix in strategic decision-making.

(2021 Batch Onwards)

G 340 VO1.6

Reg. No. :

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St Aloysius College (Autonomous)
Mangaluru

Semester VI – Degree Examination

April/May - 2025

B.Com. (Accounting and Tax)

CORPORATE STRATEGIES

Time: 2½ hours

Max Marks: 60

SECTION – A

Answer any FIVE of the following.

(5x2=10)

1. Name any two companies from banking sector which are part of Nifty 50.
2. What is an annual report?
3. What is strike price?
4. What are future contracts?
5. What is an option premium?
6. Name any two Companies from auto sector which are part of Nifty 50.
7. Give 2 examples for fixed income instruments.

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SECTION - B

Answer any FOUR of the following.

(4X5=20)

8. a. What is a future contract? **(3 Marks)**
b. What are forward contract? **(2 Marks)**
9. a. What is an expense ratio in mutual funds? **(2 Marks)**
b. What is NAV of a fund? **(3 Marks)**
10. a. What is a call option? **(2 Marks)**
b. What is a put option **(3 Marks)**
11. What is the role of a merchant banker in an IPO?
12. A trader buys a call option of HUL of 2500 strike at rupees 12. Prepare a pay of graph for the trader on expiry.
13. a. Mr. A bought a property on 1st jan 2005 for Rs.32,00,000. He sold the same for Rs. 1,78,00,000 on 31st Dec 2024. Calculate his CAGR. **(3 Marks)**
b. How many Fiscal budgets are presented by our current finance minister? **(2 marks)**

SECTION – C

Answer any TWO of the following.

(2X15=30)

14. Consider the following information underlying asset
Spot price: 430 Future price: 440
Expiry date: 29/05/2025 Current date:12/4/2025
Risk free rate: 6% Construct an arbitrage strategy if any?

Contd...2

- 15. a. What is a dead cat bounce in stock market? (3 Marks)
- b. What are the types of settlement? (2 Marks)
- c. What is lot size in future contract? (2 Marks)
- d. What is contract value in a future contract (2 Marks)
- e. What is margin? (2 Marks)
- f. What is expiry? (2 Marks)
- g. What is an underlying asset in derivative market? (2 Marks)
- 16. a. How is future price calculated? (3 Marks)
- b. What is fundamental analysis? (2 Marks)
- c. What is an annual report? (2 Marks)
- d. What are future contracts? (2 Marks)
- e. What are forward contracts? (2 Marks)
- f. What is mark to market in derivative market? (2 Marks)
- g. What are the types of settlement in derivative market? (2 Marks)
