

AFC-7720

Sub. Code

1MCC3E2

**M.Com. (CA) DEGREE EXAMINATION,
NOVEMBER 2015**

Third Semester

Commerce with Computer Applications

SOFTWARE MODELS AND ENGINEERING

(CBCS – 2012 onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(10 × 2 = 20)

Answer **all** questions.

1. What is time sheet?
2. What do you mean by mutation testing?
3. What is design specification?
4. Explain quality assurance plan.
5. Define verification.
6. Define prototyping.
7. Explain SRS.
8. What do you mean by function points?
9. Define team structure.
10. Define validation.

Section B

(5 × 5 = 25)

Answer **all** questions choosing either (a) or (b).

11. (a) Define coding.

Or

(b) Explain software design.

12. (a) Write a note on data flow diagram.

Or

(b) Explain about structure of requirements document.

13. (a) Explain cost model.

Or

(b) Explain single variable model COCOMO.

14. (a) What do you mean by coupling and cohesion?

Or

(b) Explain automated cross - checking.

15. (a) Describe error removal efficiency.

Or

(b) Explain about psychology of testing.

Section C

(3 × 10 = 30)

Answer any **three** questions.

16. Explain about water fall model.

17. Write a note on prototyping requirements specification characteristics of an SRS.

18. Explain risk management and its activities.
 19. Explain top-down and bottom-up strategies.
 20. Explain test case specification and test case in detail.
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AFC-7711

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1MCC2C2

**M.Com. (CA) DEGREE EXAMINATION,
NOVEMBER 2015**

Second Semester

Commerce with Computer Applications

FINANCIAL MANAGEMENT

(CBCS – 2012 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

1. Which are the things required to be remembered while financing decision?
2. State the scope of Venture Capital.
3. What is capital structure of a company?
4. What is the difference between cost of a debt and cost of an equity share?
5. What is leverage?
6. What is net present value?
7. How do you calculate net working capital?

8. Write the working capital cycle in a trading organization?
9. What is stock dividend?
10. What is dividend policy?

Part B

(5 × 5 = 25)

Answer **all** questions, choosing either (a) or (b).

11. (a) Every Manager has to take three major decisions while performing the finance function briefly explain them.

Or

- (b) Write short note on the procedure to calculate multiple compounding of interest with example.
12. (a) KES Steel is planning to issue a 10% 10-year bond that pays interest annually and has a face value at maturity of Rs. 100. KES will receive Rs. 96 per bond and will have a marginal tax rate of 50%. Compute the before and after tax cost of debt for KES.

Or

- (b) ABC's share is quoted in the market at Rs. 20 currently. The company pays a dividend of Re. 1 per share and the investor expects a growth rate of 5% per year. Compute
 - (i) the company's cost of equity capital;
 - (ii) if the anticipated growth rate is 6% per annum, calculate the market price per share.

13. (a) A machine costs Rs. 15,000. It has a life of 5 years and will be depreciated straight line to zero salvage value. Use of the machine will result in an increase in income of Rs. 20,000 per year. Concurrently, operating expenses will rise by Rs. 16,000 per year. Assume that the firm considering the purchase of the machine has a 40% tax rate. Determine the profit and cash flow of the machine.

Or

- (b) Rajan Textile is considering two investments, each of which requires an initial investment of Rs. 1,80,000. The total cash inflows, that is. Profit after taxes and depreciation for each project are :

Year :	1	2	3	4	5	6	7
Project X (Rs.) :	30,000	50,000	60,000	65,000	40,000	30,000	16,000
Project Y (Rs.)	60,000	1,00,000	65,000	45,000	—	—	—
Discount Factor :	.926	.857	.794	.735	.681	.630	.583

Rank the projects based on NPV.

14. (a) What are the techniques of cash management?

Or

- (b) (i) Projected annual sales Rs. 33,00,000
(ii) Percentage of net profit on sales 33.33%
(iii) Average credit period allowed to debtors 10 weeks
(iv) Average credit period allowed to creditors 4 weeks
(v) Average stock - 8 weeks
(vi) Add 20% for contingencies.

Calculate the average working capital.

15. (a) What are the different dividend practices followed in Indian companies?

Or

- (b) State the assumptions of Walter's model.

Part C

(3 × 10 = 30)

Answer any **three** questions.

16. Describe the sources of long term finance.
17. Compare and contrast Net Income approach and Net operating income Approach.
18. A choice is to be made between two competing projects which require a capital investment of Rs. 50,000 each and are expected to generate net cash flows as under :

Year :	1	2	3	4	5	6
Project 1 (Rs.) :	25,000	15,000	10,000	Nil	12,000	6,000
Project 2 (Rs.)	10,000	12,000	18,000	25,000	8,000	4,000
Discount Factor @10% :	.909	.826	.751	.683	.621	.564

Which project proposal should be chosen and why?
Evaluate the project proposal under Pay back period and Discounted cash flow method.

19. The management of G Ltd has called for a statement showing the working capital needed to finance a level of 3,00,000 units of output for the year. The cost structure for the company's product, for the above mentioned activity level is detailed below.

Cost Element	Cost per unit (\$)
Raw Materials	20
Direct Labour	5
Overheads	15
Total Cost	40
Profit	10
Selling Price	50

Past trends indicate that raw materials are held in stock on an average for two months.

Work in progress will approximate to half a month's production.

Finished goods remain in warehouse on an average for a month.

Suppliers of materials extend a month's credit.

Two months' credit is normally allowed to debtors.

A minimum cash balance of \$ 25,000 is expected to be maintained.

The production pattern is assumed to be even during the year. Prepare the statement of working capital determination.

20. Following are the details regarding three companies A Ltd., B Ltd., and C Ltd.

	A Ltd.	B Ltd.	C Ltd.
R	15%	5%	10%
Ke	10%	10%	10%
E	Rs. 8	Rs. 8	Rs. 8

Calculate the value of an equity share of each of these three companies applying Walter's formula when dividend payment ratio (D/P ratio) is (a) 50%; (b) 75%; and (c) 25%.

What conclusions do you draw?

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**M.Com. (CA) DEGREE EXAMINATION,
NOVEMBER 2015**

Third Semester

Commerce with Computer Applications

PRACTICAL COST ACCOUNTING

(CBCS – 2012 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

1. What is cost reduction?
2. What is a sunk cost?
3. What is waste?
4. What is perpetual inventory system?
5. How do you treat normal loss?
6. What do you understand by equivalent production?
7. What is variance analysis?
8. How do account for variance?
9. What is value analysis?
10. What is a responsibility centre?

Part B

(5 × 5 = 25)

Answer **all** questions choosing either (a) or (b).

11. (a) What are the steps taken in installing costing system?

Or

- (b) What are the different methods of costing?
12. (a) P Limited uses three types of materials to produce a product X. The relevant data for the components are given below:

	A	B	C
Norma usage(units)	200	150	180
Minimum Usage(units)	100	100	90
Re-order quantity(units)	300	250	270
Re-order period(in months)	2-3	3-4	2-3

Calculate for each component Re-order Level, Minimum Level, Maximum Level and Average Stock level.

Or

- (b) The daily demand for an electronic component is approximately 25 items. Every time an order is placed Fixed cost of Rs. 25 is incurred. The daily holding cost per item of inventory is 50 paise. If the lead time is 16 days, determine the economic order quantity and re-order point.

13. (a) A product passes through two processes X and Y and then to finished stock. It is ascertained that in each process normally 5% of the total weight is lost and 10% is scrap. The scrap of Process X fetches Rs. 80 per ton and Process Y fetches Rs. 200 per ton.

The following are the details of both processes:

Items	Process X	Process Y
Material (in ton)	1000	70
Cost of Material (Rs.)	125	200
Wages(Rs.)	28,000	10,000
Manufacturing expenses (Rs.)	8,000	5,250
Output (in tns)	830	780

Prepare Process cost accounts showing cost per ton assuming that there is no work in progress or stock in any process.

Or

- (b) What is equivalent production? Explain with example.
14. (a) From the following calculate Material Price variance, Material usage variance and Material

Raw Material	Standard	Actual
A	40 Units at Rs. 50 per unit	50 Units at Rs. 50 per unit
B	60 Units at Rs. 40 per unit	60 Units at Rs. 45 per unit

Or

- (b) From the following data calculate Labour cost variance, Labour rate variance and Labour efficiency variance:

Items	X	Y
Gross wages	Rs. 28,080	Rs. 19370
Standard hours	8,640	6015
Standard rate per hour	Rs.3/-	Rs.3.40/-
Actual hours worked	8,200	6,345

15. (a) What are the objectives of cost audit?

Or

- (b) Write short note on Value analysis.

Part C

(3 × 10 = 30)

Answer any **three** questions.

16. Describe the areas where computer can be applied in cost accounting.
17. From the following information prepare Process accounts:
- | Particulars | Process 1 | Process 2 | Process 3 |
|-----------------|------------|------------|------------|
| Direct material | Rs. 30,000 | Rs. 7,500 | Rs. 7,500 |
| Direct wages | Rs. 22,500 | Rs. 15,000 | Rs. 15,000 |
| Closing stock | Rs. 7,500 | Rs. 8,750 | Rs. 21,300 |

Finished goods are sold for Rs. 1,30,000, Value of Closing finished stock Rs. 5,612, it is the policy of the company to charge 20% of transfer price or 25% on cost of process while transferring the goods from Process 1 to Process 2 and 20% on cost of process from Process 2 to Process 3 and from Process 3 to Finished stock.

18. The standard mix of Product M is as follows:

Material	Lbs	Price per Lb
A	P52	Rs. 5
H	22	Rs. 4
C	30	Rs. 10

A standard loss in production is 10% of input. There is no scrap value

Actual production for a month is 7,840 Lbs of 80 mixes.

Actual purchases and consumption of material through the month were

Material	Purchases (Lbs)	Rate (Rs.)
A	4,160	5.50
B	1,480	3.75
C	2,560	0.50

Calculate and present Material cost variance, Material price variance, Material Mix variance and Material yield variance.

19. The following data have been collected from the books of ABC Power Co. Ltd.. Prepare a cost sheet showing the cost of generation of power per unit of Kwh. Total units generated 15,00,000 units.

Items of cost	Amount (Rs.)
Operating labour	16,500
Plant supervisor	5,250
Lubricant and supplies	10,500

Repairs and maintenance	21,000
Administrative overhead	9,000
Capital Cost	1,50,000

Cost consumed per Kwh is 1.5 lbs. Cost of coal delivered to the power station is Rs. 33 per metric ton. Depreciation is 4% pa. and Interest on capital is 7%.

20. Draw cost Audit Programme.

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M.Com. (CA) DEGREE EXAMINATION, NOVEMBER 2015.

Third Semester

Commerce with Computer Application

INNOVATION AND ENTREPRENEURSHIP

(CBCS – 2012 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** the questions.

1. Define Entrepreneurship.
2. Give any four differences between inventions of innovations.
3. Write any five objectives of entrepreneurial development programs.
4. Give any four external forces conditioning entrepreneurship.
5. Expand TIDCO DIC and its few functions.
6. Write any few lines about NIESBUD.
7. What is differential rate of interest schemes?
8. What is trade related entrepreneurship assistance?
9. What is project proposal?
10. What do you meant by Bounty?

Part B

(5 × 5 = 25)

Answer **all** the questions choosing either (a) or (b).

11. (a) “Innovations are the hallmark of entrepreneurship”
— Discuss.

Or

- (b) Write in detail about the functions of entrepreneurship.
12. (a) Discuss the economic and social environment affecting the growth of entrepreneurship.

Or

- (b) Explain the psychological and social factors influence the development of entrepreneurship.
13. (a) Discuss the functions of SIDCO.

Or

- (b) Bring out the significance of NIESBUD.
14. (a) Write in detail about the credit guarantee fund schemes available for micro and small enterprises.

Or

- (b) Write a schemes available under Khadi and Village Industries Commission.

15. (a) What is project design and network analysis?

Or

(b) What are the contents of project report?

Part C (3 × 10 = 30)

Answer any **three** questions.

16. State the important functions of an entrepreneur.
 17. Explain various environmental factors affecting entrepreneurship.
 18. Write the roles and functions of TIIC, ITCOT and TIDCO DIC.
 19. Explain the various schemes available for backward classes and minorities economic development.
 20. Explain the various methods available for project appraisal.
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AFC-7719

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1MCC3E1

**M.Com. (CA) DEGREE EXAMINATION,
NOVEMBER 2015**

Third Semester

Commerce with Computer Applications

VISUAL PROGRAMMING – VB AND VC ++

(CBCS – 2012 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** the questions.

1. What is Hungarian Notation?
2. Define windows registry.
3. Define end statements.
4. Write any two OLE properties.
5. Write any two text box control.
6. What is record set?
7. What is MFC?
8. Define message maps.
9. Write about Ppendd.
10. Define Semaphore.

Part B

(5 × 5 = 25)

Answer **all** questions choosing either (a) or (b).

11. (a) Explain message driven architecture.

Or

- (b) Write about windows registry.

12. (a) Describe user defined function.

Or

- (b) Explain single document interface.

13. (a) Write about object creation and manipulation.

Or

- (b) Explain data grid.

14. (a) Explain Carchieve, Cwnd.

Or

- (b) Write about Bitmaps.

15. (a) Describe about forms in VB.

Or

- (b) Write about Cmuten.

Part C

(3 × 10 = 30)

Answer any **three** questions.

16. Explain OLE-Com, ODBC.

17. Write about program flow control.

18. Describe about record set using SQL to manipulate data.
 19. Discuss about message maps and document.
 20. Explain C thread, C Event.
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AFC-7706

Sub. Code

1MCC1C2

**M.Com. (CA) DEGREE EXAMINATION,
NOVEMBER 2015**

First Semester

Commerce with Computer Applications

FINANCIAL ACCOUNTING AND REPORTING

(CBCS – 2012 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(10 × 2 = 20)

Answer **all** questions.

1. Define 'Accounting'.
2. What is the basic necessity of preparing final accounts?
3. Give the meaning of depreciation.
4. What is the need for providing depreciation?
5. State the salient features of single entry system.
6. What are the limitations of single entry system?
7. What is a company?
8. State any two difference between a company and a partnership.
9. List out the features of goodwill.
10. What is purchase consideration?

Part B

(5 × 5 = 25)

Answer **all** questions, choosing either (a) or (b).

11. (a) Explain about various accounting conventions.

Or

- (b) Explain on the salient features of international financial reporting standards.

12. (a) Explain the causes of depreciation.

Or

- (b) On July 1, 2010 Granites Ltd., purchased second – hand machine for Rs. 40,000 and reconditioned the same by spending Rs. 6,000. On January 2011, a new machine was purchased for Rs. 24,000. On June 30, 2012 the machine purchased on January 1, 2011 was sold for Rs. 16,000 and another machine was installed at a cost of Rs. 30,000.

The company writes off 10% on original cost every year on March 31. Show machinery account.

13. (a) Differentiate between balance sheet and statement of affairs.

Or

- (b) Suresh started business with Rs. 25,000 as capital on 1.1.2004. During the year, he has withdrawn at the rate of Rs. 600 per month. He has sold his wife's jewel for Rs. 4,000 and introduced the same as additional capital to the business. His position on 31.12.2004 were :

	Rs.		Rs.
Bank balance	2,000	Cash in hand	500
Stock	20,000	Sundry creditors	6,000
Debtors	12,100	Expenses outstanding	400
Furniture	500		

He keeps his books under single entry method.
Determine his profit or loss for the year.

14. (a) Kailash Ltd., purchased the business of Mani Bros for Rs. 54,00,000 payable in fully paid shares of Rs. 100 each. What entries will be made in the books of Kailash Ltd., if such issued is
- at pay
 - at a premium of 20% and
 - at a discount of 10%.

Or

- (b) From the following particulars, determine the maximum remuneration available to a full time director of a manufacturing company.

The profit and loss account of the company showed a net profit of Rs. 40,00,000 after taking into account the following items :

	Rs.
(i) Depreciation (including special depreciation of Rs. 40,000)	1,00,000
(ii) Provision for income tax	2,00,000
(iii) Donation to political parties	50,000
(iv) Ex-gratia payment to a worker	10,000
(v) Capital profit on sale of assets	15,000

15. (a) From the following information, calculate the value of goodwill on the basis of 3 years purchase of super profit.
- (i) Average capital employed in the business is Rs. 2,00,000.
 - (ii) Rate of interest expected from capital having regard to the risk involved is 10%.
 - (iii) Net trading profits of the firm for the past three years were Rs. 3,50,400, Rs. 2,80,300 and Rs. 3,10,000.
 - (iv) Fair remuneration to the partners for their services is Rs. 48,000 per annum.
 - (v) Sundry assets of the firm are Rs. 23,50,000 and current liabilities are Rs. 95,110.

Or

- (b) X Co Ltd has the following shares as a part of its share capital.

10,000 8% preference shares of Rs. 100 each fully paid
50,000 equity shares of Rs. 5 each fully paid
20,000 equity shares of Rs. 10 each, Rs. 8 called up and paid up.

The company has decided to alter the share capital as follows :

- (i) To sub – divide the preference shares into shares of Rs. 10 each
- (ii) To consolidate the equity shares of Rs. 5 each into shares of Rs. 10 each
- (iii) To convert the partly paid up equity shares into fully paid up shares of Rs. 8 each with necessary legal sanctions.

Journalise the transactions.

Part C

(3 × 10 = 30)

Answer any **three** questions.

16. From the following Trial Balance, prepare trading, profit and account and balance sheet.

Trial Balance			
	Rs.		Rs.
Purchases	11,870	Capital	8,000
Debtors	7,580	Bad Debts recovered	250
Returns inwards	450	Creditors	1,250
Bank deposit	2,750	Returns outwards	350
Rent	360	Bank overdraft	1,570
Salaries	850	Sales	14,690
Travelling expenses	300	Bills payable	1,350
Cash	210		
Stock	2,450		
Discount allowed	40		
Drawings	600		
	<u>27,460</u>		<u>27,460</u>

Adjustments :

- (a) Closing stock Rs. 4,200
- (b) Write off Rs. 80 as bad debts and create a reserve for bad debts at 5% on sundry debtors
- (c) Three months rent is outstanding.
17. A company purchased 3 year's lease on January 1, 2005 for Rs. 50,000 and decided to provide for the replacement of the lease at the end of three years by setting up a depreciation fund. It is expected that investments will fetch interest at 5%. Table shows that an annual payment of Rs. 1 at 5% interest in three years accumulates Rs. 0.31720. Investments are made to the nearest rupee. On 31.12.2007, the investments were sold for Rs. 32,500.
- Show lease A/c, depreciation fund A/c, and depreciation fund investment account.

18. Prepare trading and profit and loss A/C and balance sheet from the particulars obtained from the books kept by single entry.

Mrs. James commenced business as a cloth merchant on 1.1.2003 with a capital of Rs. 10,000. On the same day, she purchased furniture and fitting for cash Rs. 3,000.

	Rs.
Sales (inclusive of cash Rs. 7,000)	17,000
Purchases (inclusive of cash Rs. 4,000)	15,000
Mrs. James's drawings	1,200
Salaries	2,000
Bad debts written off	500
Business expenses	700

Mrs. James took cloth worth Rs. 500 from the shop for private use and paid Rs. 200 to her son but omitted to record these transactions in her books. On 31.12.2003, her sundry debtors were Rs. 5,200 and sundry creditors Rs. 3,600. Stock in hand on 31.12.2003 Rs. 6,500.

19. From the following particulars prepare a profit and loss A/c of new bank Ltd for the year 31.12.2006.

	Rs. (in '000)		Rs. (in '000)
Interest on loans	260	Interest on cash credits	225
Interest on fixed deposits	280	Rent and taxes	20
Rebate on bills discounted	50	Interest on overdraft	56
Commission charged to customers	9	Director's and auditor's fees	4
Establishment expenses	56	Interest on savings bank a/c	70
Discount on bills discounted	200	Postage and telegrams	2
Printing and advertisements	3	Sundry charges	2

20. The following is the balance sheet of X Ltd as on 31.3.2006.

Liabilities	Rs.	Assets	Rs.
Share capital :		Land and buildings	10,00,000
2,00,000 shares of Rs. 10 each	20,00,000	Plant and machinery	15,00,000
General reserve	2,50,000	Furniture	25,000
Dividend equalisation reserve	2,00,000	Stock	6,00,000
Profit and loss A/c	51,000	Work in progress	3,00,000
12% debentures	10,00,000	Sundry debtors	2,50,000
Sundry creditors	3,00,000	Cash at bank	1,26,000
	<u>38,01,000</u>		<u>38,01,000</u>

The company was absorbed by A Ltd, on the above date. The consideration for the absorption is the discharge of the debentures at a premium of 5% taking over the liability in respect of sundry creditors and a payment of Rs. 7 in cash and one share of Rs.5 in A Ltd at the market value of Rs. 8 per share for every share in X Ltd. The cost of liquidation of Rs. 15,000 is to be met by the purchasing company.

Close the books of X Ltd, and pass journal entries in the books of A Ltd.