J. Z. Shah Arts & H. P. Desai Commerce College, Amroli – Surat

Internal Test – 2019

M. Com. Semester – III

Organized Market - I

Date : 21 / 09 / 2019 | **Roll No. : ……**
Time : 11:00 To 12:30 | **Total Marks : 35**

1.(A) Explain the impact of Information Technology on organized markets. **(06)**

1.(B) Explain the recent trends of regulated market. **(06)**

OR

1.(A) Explain the role of co-operative marketing societies. **(06)**

1.(B) Explain the functions of organized market. **(06)**

2.(A) Explain in details factors affecting price of securities. **(06)**

2.(B) Explain benefits of Depository from various stack holders. **(05)**

OR

2.(A) Explain Impact of Liberalization on Indian Stock Exchange. **(06)**

2.(B) What is Speculation? Explain Speculative Transactions of spot market **(05)**

3. **Short note (Any Two)** **(12)**

1. Advantages of standardization
2. Macro level Marketing system
3. Role of Mutual fund
4. Margin Trading

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J. Z. Shah Arts & H. P. Desai Commerce College, Amroli – Surat

Internal Test – 2019

M. Com. Semester – III

Financial Management - I

Date : 23 / 09 / 2019 **Roll No. : ……**

Time : 11:00 To 12:30 **Total Marks : 35**

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1. Explain Indian Financial System with its functions **(12)**

OR

Explain Scope of Risk Management and discuss the process of risk management

2. Explain in detail the different aspects of Cash Management **(13)**

OR

Explain in detail the Economic Ordering Quantity method of inventory management.

3. **Write Short note (Any two)** **(10)**

1. Functions of World Bank
2. GST and its various types
3. Discriminant Analysis
4. Average Collection Period

KAP

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J. Z. Shah Arts & H. P. Desai Commerce College, Amroli – Surat
Internal Test – 2019
M. Com. Semester – III
Strategic Management - I

Date : 24 / 09 / 2019 | **Roll No. : ……**
Time : 11:00 To 12:30 | **Total Marks : 35**

1.(A) What is organizational appraisal ? Explain the Internal Environmental Factors of an organization. **(06)**

1.(B) Give the meaning of organization capability. Explain Information management capability. **(06)**

OR

1. State the components of the external environment of an organization. Explain any three of them. **(12)**

2.(A) Explain the factors affecting make or buy decision **(05)**

2.(B) Explain different pricing strategies. **(06)**

OR

2.(A) Explain different strategies regarding using of funds **(05)**

2.(B) Explain the objectives of Human Resource strategies. **(06)**

3. **Write a short note (Any two)** **(12)**

1. SWOT Analysis
2. Promotion Strategy
3. Total quality management strategy
4. Employees maintenance Strategies

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J. Z. Shah Arts & H. P. Desai Commerce College, Amroli – Surat

Internal Test – 2019

M. Com. Semester – III

Financial & Management & Accountancy – VII

Date : 25 / 09 / 2019 **Roll No. : ……**

Time : 11:00 To 12:30 **Total Marks : 35**

Q.1 **(6)**

(1) A company manufactures three products A,B and C. The following information for the year ending 31/3/18 is as under

Product	Selling Price	Contribution	Units Sold
A	1000	10%	50%
B	750	20%	40%
C	500	40%	10%

Total fixed cost is rs.13,00,000. From the above information show the B.E.P in the terms of sales volume in units.

(2) The management of Zeel ltd. wants to buy a new machine on the condition that its costs can be recovered in four years. **(6)**

1) Annual sales revenue generated by the new machine is rs. 2,00,000
2) Variable costs: 50% of sales
3) Cost of machine rs. 2,50,000
4) Life of machine is 10 years. Depreciation is provided on straight line method.
5) Annual fixed cost other than depreciation is rs. 25,000.
6) Tax is to be charged at 50% on profit.

you advise the management whether the machine should be purchased or not on the basis of given information.

Q.2 Dev Ltd. provide the following information **(11)**

selling price per unit ……………………….Rs.200

variable cost per unit……………………….Rs.160

Fixed cost …………………………………Rs.1.5 crore

sales volume ………………………………5,00,000 units

you are required to determine the profit in each case as a result of the following changes.

1) 20% increase in selling price
2) decrease of Rs. 25 in selling price
3) 10% decrease in variable cost
4) Increase Rs.20 in variable cost
5) Increase of Rs.20,00,000 in fixed cost.
6) Decrease of 10% in fixed cost

7) 10% Increase in sales volume

8) 20% Decrease in sales volume

9) 10% Increase in sales price and 10% increase in sales volume.

10) 10% Increase in selling price and 10% decrease in sales volume.

OR

Q.2 A textile Co. wants to replace its present machine with cost of Rs.1,30,000. Two years ago, present machine was purchased at Rs.56,000 and the depreciation is charged on straight line method during its seven years of life. This machine will be sold at Rs.60,000 without any removal cost. The installation charges of new machine will be Rs. 20,000 and these expenses are written down as depreciation during its five year of life. Management believes that the salvage value of machine is Rs.10,000 after the end of the life. Management has estimated that project needs additional current capital of Rs. 20,000 because of expansion of business due to new machine. Tax rate is 55% on normal profit of a business and 30% on capital profit of a business. **(11)**

Company's five years estimated profit for present and new machine after tax is as following:

Year	Present Machine	New Machine
1	3,50,000	4,00,000
2	2,80,000	3,00,000
3	3,00,000	4,00,000
4	4,00,000	4,50,000
5	4,20,000	4,80,000

(1) To calculate new capital investment for new machine.

(2) If company's capital expenses is 15% will new machine be purchased or not?

The present value factors for five years of Rs.1 at 15% of discount rate are given below.

Year	1	2	3	4	5
P.V.	0.870	0.756	0.658	0.572	0.497

Q.3 Write Short Note (Any Two) **(12)**

1. Operations of Indian Stock Market
2. Factors affecting capital budgeting
3. Limitation of Break Even Analysis
4. Payback period and Discounted Payback Period

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J. Z. Shah Arts & H. P. Desai Commerce College, Amroli – Surat
Internal Test – 2019
M. Com. Semester – III

Financial & Management & Accountancy - VIII

Date : 26 / 09 / 2019 **Roll No. : ……**

Time : 11:00 To 12:30 **Total Marks : 35**

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1. Mangal Ltd. newly commencing business during 2018 has the below mentioned estimated Income Statement: **(12)**

Particulars	Rs.	Rs.
Sales		63,00,000
Cost of Goods Sold		45,90,000
Gross Profit		17,10,000
Administration expenses	4,20,000	
Selling expenses	3,90,000	(8,10,000)
Profit before tax		9,00,000
Provision for tax		(3,00,000)
Profit after tax		**6,00,000**
The cost of goods sold has been arrived at as under:		
Material used		25,20,000
Wages and manufacturing expenses		18,75,000
Depreciation		7,05,000
Less: Stock of finished goods (15% of goods produced not yet sold)		51,00,000 (7,65,000)
		43,35,000

Additional information:

1. The figures given above relate only to finished goods and not to work in progress.
2. Sales will be 20 % for cash and the rest at two month's credit.
3. Suppliers of material will extend one and half month's credit.
4. All expenses will be paid one month in arrears.
5. Goods equal to 15% of the year's production (in terms of physical units) will be in process on the average requiring full materials but only 40% of the other expenses.
6. The company believes in keeping material equal to two months consumption in stock.

From the above information; calculate (a) Stock of Work-in-Progress, (b) Stock of Finished Goods, (c) Debtors, (d) Stock of Raw-Materials, (e) Creditors for Raw-Materials, (f) Creditors for Wages & Manufacturing Expenses.

OR

1. The Proforma cost sheet of Kabir Ltd. provides the following particulars: **(12)**

Elements of cost	Amount per unit
Raw materials	80
Direct Labour	30
Overheads	60
Total cost	170
Total cost profit	30
Selling Price	**200**

The following further information's are available:
Raw materials are in stock on an average one month. Materials are in process, on an average, half a month. Finished goods are in stock on an average one month.
Credit allowed by suppliers is one month. Credit allowed to debtors is two months. Debtors are to be valued at cost.
Lag in payment of wages is one and half weeks, while, lag in payment of overhead expenses one month.
One-fourth of the output is sold against cash. Cash on hand and at bank is expected to be Rs. 25,000.
You are required to prepare a statement showing the working capital needed to finance a level of activity of 1,04,000 units of production.
Assume that production is carried on evenly throughout the year, wages and overheads accrue similarly and a time period of four weeks is equivalent to a month.

2.(A) Gujarat Textiles Ltd. have an issued capital of 20,000 equity shares of Rs. 10 each fully called-up. The following decisions are taken by the company: **(06)**
(a) To forfeit 100 shares on which only Rs. 5 per share has been paid-up and to re-issue them at Rs. 15 per share as fully paid-up.
(b) To issue 'Right Shares' in the ratio of one fully paid-up share for every 4 existing shares held, at Rs. 15 per share.
Assuming that the company has sufficient general reserves, write necessary journal entries.

2.(B) Wazir Ltd. has its share capital divided into shares of Rs. 10 each. On 1st April, 2014, it granted 5,000 shares as employee stock option at Rs. 40 per share, when the market price was Rs. 130 per share. The options were to be exercised between 16th December, 2014 and 15th March, 2015.The employee exercised their options for 4,500 shares only. The remaining options lapsed. The company closes its books on 31st March every year. Pass the journal entries in the books of wazir ltd. **(05)**

OR

2. CSK Ltd. grants 1,250 options on 1st April, 2014 at Rs. 80 when the market price is Rs. 200 and the face value is Rs. 10. The vesting period is three years. The maximum exercise period is one year, 800 options are exercised on 31st August, 2017. Pass necessary journal entries to record the above transactions and also show Employees Compensation Expense Account and Employee Stock Option Outstanding Account and state how these accounts will be shown in the Balance Sheet. **(11)**

3. Write short notes on: **(Any Two)** **(12)**

1. Foreign Currency Management
2. Reasons to invest abroad
3. Important provisions of Accounting Standard 13
4. Letters of credit

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J. Z. Shah Arts & H. P. Desai Commerce College, Amroli – Surat
Internal Test – 2019
M. Com. Semester – III
Financial & Management & Accountancy - IX

Date : 27/ 09 / 2019 **Roll No. : ……**
Time : 11:00 To 12:30 **Total Marks : 35**

Q:1 Arith Ltd., furnished you the following information relating to process B for the month of October, 2018. **(15)**

- Opening work-in-progress- NIL
- Units introduced - 10,000 units @ ₹ 3 per unit
- Expenses debited to the process;
  Direct materials ₹ 14,650;
  Labour ₹ 21,148;
  Overheads ₹ 42,000
- Finished output - 9,500 units
- Closing work-in-progress 350 units;
- Degree of completion :
  Material 100%; Labour and overheads – 50%
- Normal loss in process- one percent of input
- Degree of completion of abnormal loss:
  Material 100% ; Labour and Overheads 80%
- Units scrapped as normal loss were sold at ₹ 1 per unit
- All the units of abnormal loss were sold at ₹ 2.50 per unit.

Prepare:
(a) Statement of Equivalent Production.
(b) Statement of Cost.
(c) Process - B Account.
(d) Abnormal Loss Account.

OR

Following information is received from the books of Shashvat Limited for the month of March 2019 you are required to prepare process – 2 account, abnormal loss account, equivalent production statement, cost statement by using first in first out method.

- Opening stock 4000 units at 12000 rupees.
- Completion level
  - Material 80% Wages 70% Overhead 50%
- Transfer from process 36000 unit ₹ 19700
- Transfer to process 30000 unit
- Expenses incurred are as under:
  - Material input in process 2 ₹ 8050
  - Direct wages ₹ 23055
  - Factory overhead ₹ 28332
- Scrap 4000 unit sold @ ₹ 1 per unit
- Completion level
  - Material 100% wages 90% overhead 80%

- Closing stock 6000 unit
- Completion level
    - Material 80% images 50% overhead 50%
- Normal loss 10% of production.

Q:2 The following details have been recorded for 4 batches made in a period. **(15)**

Batch Output in units	A 250	B 60	C 200	D 120
Cost per batch				
Direct material (Rs.)	1,650	750	2,100	900
Direct labour (Rs.)	9,200	1,520	6,880	2,400
Labour hours per batch	1,150	190	860	300

The total production overhead for the period has been analyzed as follows:

Machine related costs	14,600
Materials handling & dispatch	6,800
Stores	8,250
Inspection/Quality control	5,850
Setup	6,200
Engineering support	8,300
Total	50,000

Cost drivers have been identified for the cost pools as follows:

Cost pool	Cost driver
Machine costs	Machine hours
Materials handling	Materials movements
Stores	Requisitions raised
Inspection	No. of inspections
Setup	No. of setups
Engineering support	Engineering hours

The following cost driver volumes were recorded for the batches:

Batch	A	B	C	D	Total
Machine hours per batch	520	255	610	325	1,710
Material movements	180	70	205	40	495
Requisitions	40	21	43	26	130
Inspections	18	8	13	8	47
Setups	12	7	16	8	43
Engineering hours	65	38	52	35	190

Required:

(a) The batch and unit costs using traditional costing based on a labour hour overhead absorption rate

(b) The batch and unit costs using ABC

(c) Compare the costs in (a) and (b),

(d) Comment on the likely position if the firm uses cost-plus pricing.

OR

Q:2 Fairdeal produces a product specially for its three customers, P, Q, R requiring 20,000 units, 15,000 units and 10,000 units respectively per annum.

The data in 2015-16 about the product are: Production cost – Rs. 48 per unit; Sale price (net) – Rs. 90 per unit

Overhead not connected with production (for the year):	(Rs.)
Quality inspection	2,62,500
Delivery	255,600
Salesmen	74,000
After-sales service	93,720

Fairdeal apportions these non-production overhead costs on the basis of the production cost. The CEO is unhappy about this and asks you for an analysis upon ABC method.

You find the following activity volumes in the period:

Particulars	P	Q	R
Number of inspections	8,330	420	0
Number of deliveries	2,080	40	10
Number of salesmen visits	160	20	5
After-sales visits	160	84	40

Required:

(a) Re-work the apportionment of non-production overheads to find the comparative costs of sales.

(b) Comment on the results so obtained in (a).

Q: 3 What is meant by inter process profit ? State its merit and demerit. **(05)**

OR

Explain Dow Theory.

DG/GB

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