

**J. Z. Shah Arts & H. P. Desai Commerce College, Amroli – Surat**  
**Internal Test – 2020**  
**M. Com. Semester – IV (EM)**  
**Organised Markets - II**

**Date : 27/02/2020**

**Time : 11:30 To 01:00**

**Roll No. : .....**

**Total Marks : 35**

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1. Explain the advantages and disadvantages of WTO to India. (11)

**OR**

1. What is Forward Market? Explain the functions of Forward Market. (11)

2.(A) What is Hedging? Explain the benefits & limitations of Hedging. (06)

2.(B) What is Money Market? Discuss the defects of Indian Money Market. (06)

**OR**

2.(A) What is Speculation? State types of Speculation and discuss its merits and demerits in details. (06)

2.(B) What is Money Market? Discuss the characteristics of Developed Money Market. (06)

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

1. Option Trading
2. Factors affecting Foreign Exchange Rate
3. Difference between spot and forward contracts
4. NASDAQ



**J. Z. Shah Arts & H. P. Desai Commerce College, Amroli – Surat**  
**Internal Test – 2020**  
**M. Com. Semester – IV (EM)**  
**Financial Management - II**

**Date : 28/02/2020**

**Time : 11:30 To 01:00**

**Roll No. : .....**

**Total Marks : 35**

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- 1.** Define Takeover and explain its types, regulations, guidelines by SEBI and measures to prevent take over. **(13)**

**OR**

Explain types of leasing and types of leasing **(13)**

- 2.A** Define Intangible Assets. Explain its Characteristics. **(06)**

- B** Explain External Methods of controlling Agency Cost. **(06)**

**OR**

- 2.A** What is Hybrid Security? What are the motives of issuing hybrid security? **(06)**

- B** Explain Characteristics Of Recession. **(06)**

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

1. Time Series Ratios **(10)**
2. Types of intangible assets
3. Internal Devices containing Agency Cost



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

**Internal Test – 2020**

**M. Com. Semester – IV (EM)**

**Strategic Management - II**

**Date : 29/02/2020**

**Time : 11:30 To 01:00**

**Roll No. : .....**

**Total Marks : 35**

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**1.(A)** Explain the process of strategic choice **(06)**

**1.(B)** Explain issues of strategy Implementation in brief. **(06)**

**OR**

**1.(A)** Explain value chain Analysis **(06)**

**1.(B)** Explain the factors affecting allocation of resources. **(06)**

**2.(A)** Explain different types of Strategic control **(05)**

**2.(B)** Explain risk of globalisation **(06)**

**OR**

**2.(A)** Explain the techniques of strategic momentum control **(05)**

**2.(B)** Explain merit and demerits of joint venture **(06)**

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

1. B.C.G. Matrix method
2. Project Implementation
3. Licensing
4. Strategic budgeting
5. Scerario

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

**Internal Test – 2020**

M. Com. Semester – IV (EM)

**Financial & Management & Accountancy – X**

Date : 02/03/2020

Roll No. : .....

Time : 11:30 To 01:00

Total Marks : 35

**Q.1** Parul Co. wants to introduce 2 products M & P in the market. Decide the selling price. (12)

Particulars	M	P
Annual Production	2,00,000	4,00,000
Direct Raw Material (p.u)	15	14
Direct Labour (p.u @ 3 per hour)	9	6
Factory Overhead (50 % Fixed)	100 % of wages	100 % of wages
Administration Overhead (100 %)	10 % of factory cost	10 % of factory cost
Selling Overhead (50 % Variable)	3	4

There is an investment of Rs. 1,00,00,000 (one crore) as fixed capital. Working capital requirement is cost of sales of 6 months. Company has borrowed term loan @ 14 % of Rs. 80,00,000. Company has borrowed ½ of its working from bank @ 18 %. Company expects 20 % profit on capital invested.

1. Calculate selling price of M & P in such a manner that contribution per hour becomes same.
2. Statement of profit.

**OR**

**Q.1** From the following particulars find the most profitable mix and prepare a statement of profitability of the product mix of Krupa Co. Ltd. (12)

Particulars	Product O	Product P	Product Q
Unit budgeted to be produced and sold	1500	2500	2000
Selling price per unit	Rs. 50	Rs. 60	Rs. 70
Direct materials	3kg	4kg	5kg
Direct labour	2 hrs.	3 hrs.	4 hrs.
Variable overheads	Rs. 9	Rs. 10	Rs. 9
Fixed overheads	Rs 10	Rs. 10	Rs. 10
Cost of Direct Materials per kg	Rs. 5	Rs.5	Rs.5
Cost of Direct Labour per hrs.	Rs. 3	Rs. 3	Rs. 3
Maximum possible Unit of Sales	500	4000	1500

All the three products O, P, Q are produced from same direct materials using the same type of machines and equal level labour.

Which is the key factor is limited to 15,000 hours.

**Q.2** Long term financial instruments in the balance sheet dated 31-3-2018 of the Veer Company Ltd. Are as under. (11)

Equity share capital (Rs.100)	1,50,00,000
Reserve & Surplus	1,00,00,000

12% Pref. Shares (Rs.100)	50,00,000
15% Debentures (Rs.100)	2,00,00,000

Cost of various individual funds of the company and the average market price of the various securities at the end of the year on 31-3-2018 are as under.

<b>Funds</b>	<b>Individual Cost of Capital</b>	<b>Market Price</b>
Equity share	25%	Rs.400
Reserve & Surplus	22%	-
12% Pref. Shares	12%	Rs.80
15% Debentures	06%	Rs.80

Find out weighted average cost of capital on the basis of book value and market value.

**OR**

**Q.2** Capital Structure of Ravi Ltd. is as follows :

**(11)**

	<b>Rs.</b>
Equityshare Capital (Each of Rs. 10)	2,00,000
14% Pref. Share Capital (Each of Rs. 100)	1,00,000
12% Debentures (Each of Rs. 200)	<u>3,00,000</u>
	6,00,000

The market price of equity share is Rs.32. The company expected to declare a dividend per share of Rs.2 and there will be a growth of 10% in the dividends for the next 5 years.

The Pref. Shares are redeemable at a premium of Rs.5 per share after 8 years and are currently traded at Rs.84 in the market.

Debentures redemption will take place at 5% premium after 7 years. Their current market price is Rs.180 per debenture. The corporate tax rate is 40%.

Calculate the cost of Equityshare, Pref. Share and Debenture. Calculate weighted average cost of capital.

**Q.3** Write short notes : (any two)

**(12)**

- 1) Systematic Risk and Unsystematic Risk
- 2) Management Accountants role in pricing
- 3) Difference between investment and speculation
- 4) Limiting factors in product pricing
- 5) Factors affecting in investment decision.



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

**Internal Test – 2020**

**M. Com. Semester – IV (EM)**

**Financial & Management & Accountancy - XI**

**Date : 03/03/2020**

**Roll No. : .....**

**Time : 11:30 To 01:00**

**Total Marks : 35**

1. Dev Ltd. acquired a machine on lease on 1-1-15 for 4 year from Anand Ltd. Following are the relevant details: (12)

- (1) Fair value of the machine: ?
- (2) Residual value after four years: 37,500
- (3) Depreciation is charged at 40% p.a. as per decline method.
- (4) Payment of lease rent are as follows:

<b>Year</b>	<b>Amount (Rs.)</b>
2015	4,37,500
2016	2,00,000
2017	1,00,000
2018	56,250

The lease rent is payable at the commencement of every year.

- (5) Financial charges: 14% p.a.
- (6) Following journal entry was passed in the books of Dev Ltd. as on 31-12-2017:

Lease Machine Depreciation A/c.....Dr. 1,08,000  
To Lease Machine A/c..... 1,08,000

From the above information prepare in the books of Anand Ltd, Dev Ltd. account and Financial Charges Account and show its presentation in profit & loss account and balance sheet for all the years.

**OR**

1. The Bala ltd. takes on lease a machine from Kala Ltd. on 1-1-2015. Kala Ltd. paid Rs. 2,000 as expenses for lease agreement. The value of machine is Rs. 2,00,000 the minimum lease payment is fixed at Rs. 71,480 payable at the end of every year. The life of the machine is 4 years. The scrap value is nil. Depreciation is counted on straight line method. Financial charge is fixed at 10%. From the above information you are required to determine the type of lease and also pass journal entries in the books of Bala Ltd. and Kala Ltd. only for the first year and prepare Kala Ltd. A/c, Machine A/c and financial charges A/c in the books of Bala Ltd. (12)
2. Prepare Profit and Loss Account for the year ended as on 31/3/2019 & Balance Sheet as on that date of Vilaspur Co-operative Bank ltd. from the following details given below: (13)

<b>Debit</b>	<b>Rs.</b>	<b>Credit</b>	<b>Rs.</b>
Building (after depreciation)	4,00,000	Paid up share capital	20,00,000
Legal expenses	3,000	P & L Account (1/4/2018)	80,000
Cash on hand & with RBI	18,11,000	Rent received	10,300
Cash in other banks	24,00,000	Building fund	2,41,000
Loan, Cash credit & overdraft	1,40,00,000	Unclaimed dividend	4,000
Bills discounted	28,00,000	Outstanding Interest	13,000

Insurance paid in advance	1,000	Overdue interest reserve	32,000
Tickets in hands	1,300	Contingency fund	1,00,000
Interest receivable	5,000	Reserve fund	3,50,000
Non-banking assets	4,000	Loan account	10,00,000
Interest on deposits	52,00,000	Legal reserve fund	1,30,000
Other assets	1,50,000	Branch adjustments	90,000
Money at call & at short notice	1,41,000	Investment reserve fund	2,70,000
Director fees	10,000	PPF account	12,00,000
Audit fees	2,000	Interest & discount	54,20,000
Furniture & Fixtures	75,000	Saving Account	40,20,000
Postage & telegraph expenses	3,000	Term deposits	78,00,000
Printing & stationary	7,000	Current Account	58,00,000
Rent & taxes	17,000	Commission	2,00,000
Salary	1,00,000	Share premium	50,000
Contribution in Provident Fund	20,000	Exchange income	30,000
Investments (cost price)	17,00,000	Rebate on bills discounted (1/4/2018)	10,000
	2,88,50,300		2,88,50,300

Additional Information:

1) Rebate on bills discounted is Rs. 7,500 2) Claims not accepted as debt against bank was Rs. 2,16,000. 3) Provide depreciation on building Rs. 20,000 and Rs. 5,000 on furniture. 4) Bills collected on behalf of customers were Rs. 55,000. 5) make necessary provisions for statutory reserve and education as per co-operative act 6) Directors recommend 10% as dividend.

**OR**

2. Following balances are extracted from the books of Kabir Bank Ltd. for the year ended as on 31-3-19: (13)

Particulars	Rs.	Particulars	Rs.
Building	8,50,000	Other Assets	2,20,000
Cash on hand	12,37,500	Income on investment	40,50,000
Furniture	5,00,000	Rent rates electricity etc	3,39,750
Capital reserve	7,00,000	Saving deposits	70,00,000
Payments to employees	6,66,000	Printing stationery	1,21,500
Investment Fluctuation fund	3,50,000	Legal expenses	4,27,500
Share premium	3,00,000	Bills payable	6,00,000
Cash with RBI	4,50,000	Government securities	5,40,000
Staff gratuity fund	87,500	Bills purchased & discounted	81,00,000
Share Capital	17,12,500	Depreciation on building	85,000
Interest received on interbank funds	3,37,500	Depreciation on furniture	34,250
Profits on sale of investment	6,88,500	Audit fees	1,00,000
Deposits payable on demand	4,05,000	Director fees	3,65,750
<b>Balance with other banks:</b>		Insurance	2,22,750
Current Account	6,00,000	Profit on exchange	
Saving Account	4,12,500		
Interest on deposits	30,37,500		
Term deposits	16,20,000		

Interest on inter bank debt	3,37,500	transaction	4,65,750
Borrowed money of RBI	3,00,000	Interest on advance bills	29,25,000
Profit on sale of land	1,95,750	Debenture	6,00,000
Branch adjustment (credit b/c)	2,00,000	Bonds	2,10,000
Non-banking assets	37,500	Term loan	40,50,000
Loan taken from other banks	1,00,000	Current deposits	11,00,000
		Foreign borrowings	2,75,000
		Demand draft	2,12,500
		Stationery stock	70,000
		Prepaid expenses	10,000

**Additional information:**

- 1) Claims not accepted as debt against bank was Rs.1,00,000.
- 2) Make provision for statutory reserve as per law.
- 3) Provision for taxation Rs. 6, 66,000.
- 4) Make provision for doubtful debt on loan. Rs.2,11,500 at 100% on lost assets. Also at 10% on sub-standard assets of Rs. 13,50,000.

From the above details prepare Profit and loss A/c as per Form-‘B’ and Balance Sheet as per Form-‘A’ with schedules under Indian banking regulation act. 1949.

**3. Write short notes on (Any two):**

1. Non-Banking Assets
2. Categories of importers
3. Shipment and Duty drawback
4. Export Procedure
5. Rebate on bills discounted

**(10)**





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

**Internal Test – 2020**

M. Com. Semester – IV (EM)

**Financial & Management & Accountancy - XII**

Date : 05/03/2020

Roll No. : .....

Time : 11:30 To 01:00

Total Marks : 35

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**Q:1 Do as Directed (05)**

Shivag manufacturing concern, which has adopted standard costing, furnished the following information:

- Standard Material for 70 kg finished product: 100 kg.
- Price of materials: Rs. 1 per kg.
- Actual Output: 2,10,000 kg.
- Material used: 2,80,000 kg.
- Cost of material: Rs. 2,52,000.

Calculate:

- (a) Material Usage Variance (b) Material Price Variance (c) Material Cost Variance.

**OR**

Swara Ltd. issues 50,000 shares of Rs.10 each at par. The whole issue has been underwritten by Swar& Co. for a commission of 4%. The company received applications only for 47,000 shares. All the applications were accepted. Give the journal entries to record the above transactions in the books o Swara Ltd.

**Q:2 Do as Directed (15 Marks) (15)**

Swara ltd provides the standard mix to produce one unit of product is as follows:

- Material A- 60 units @ Rs. 15 per unit
- Material B- 80 units @ Rs. 20 per unit
- Material C- 100 units @ Rs. 25 per unit

During the month of April, 1000 units were actually produced and consumption was as follows:

- Material A 640 units @ Rs. 17.50 per unit
- Material B 950 units @ Rs. 18.00 per unit
- Material C 870 units @ Rs. 27.50 per unit

Calculate all material variances.

**Q:3 Solve the Following Problem :**

**(10)**

Swaranj India Ltd. issued 70,000 equity shares.

The whole of the issue was underwritten as follow—

A: 50%, B: 25%, C: 25%.

Applications for 60,000 shares were received in all, out of which application for 15,000 shares had the stamp A, those for 7,500 shares that of B & those for 15,000 shares that of C.

The remaining applications for 22,500 shares did not bear any stamp.

Determine the liability of the underwriters.

**Q:4 Short Note**

**(05)**

1. Transfer Pricing and its Guiding Principles.

