

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

Internal Test - 2018

M. Com. Semester - II (EM)

Financial & Management Accountancy - IV

Date : 08/03/2018

Time : 10:00 To 12:00

Roll No.

Total Marks : 50

Q-1 Answer as Per Instructions:

(A) Priyank Ltd. Having three whole time directors on its board, the others being part time directors, earned profits of Rs. 37,50,000 after taking into consideration the following : (05)

1. Depreciation on fixed assets (Dep. Calculated in accordance with section 350is Rs. 4,92,000) Rs. 7,17,000
2. Provision for income tax Rs. 18,37,500
3. Capital expenditure included in general expenses charged to profit and loss account Rs. 1,87,500

Calculated the maximum remuneration payable to the whole-time directors assuming that the remuneration payable to them is to be calculated on net profits remaining after payment of commission to part-time directors and the commission of part time directors is to be calculated on net profits remaining after payment of remuneration to whole time directors

(B) Find out cash flow from investing activities and financial activities as per AS-3. (05)

Following is the balance sheet of Ashoka Ltd. (first balance sheet after incorporation) as on 31-3-2017:

Balance Sheet as on 31st March, 2017

Liabilities	Rs.	Assets	Rs.
Equity share capital Rs. 100 each fully paid	5,00,000	Fixed Assets (W.D.V)	4,55,000
10% Denture	2,00,000	Investment	2,31,000
Creditors	2,00,000	Stock	75,000
Bills Payable	1,00,000	Debtors	1,75,000
		Cash Balance	10,000
		Debenture Discount	4,000
		Profit & Loss A/C.	50,000
	<u>10,00,000</u>		<u>10,00,000</u>

Additional Information:

1. Debenture was issued at discount. 1/5 part were write off from total discount in current year.
2. A furniture costing Rs. 1,00,000 was purchased on 01-10-2016, remaining fixed assets has purchased on 01-04-2016. Rate of depreciation for all fixed assets is 10%.

Q:2The balance Sheets of V Ltd. And H. Ltd as on 31-3-91 is as follows: (14)

Liabilities	V	H	Assets	V	H
Eq.sh. of Rs..100 each	9,00,000	-	Goodwill	60,000	40,000
Eq.sh. of Rs.10 each	-	2,50,000	L & B	2,70,000	1,00,000
General reserve (1.04.90)	1,00,000	50,000	machinery	3,00,000	1,08,000
P&L a/c	2,45,000	1,10,000	furniture	60,000	40,000
B/P	72,500	30,000	Investment	4,50,000	30,000
Creditors	1,00,000	55,000	Stock	1,10,000	77,000

Current a/c of V ltd.	-	5000	Debtors	1,00,000	90,000
			bank	12,500	4000
			B/R	40,000	11,000
			Current A/c of H Ltd.	15,000	-
	14,17,500	5,00,000		14,17,000	5,00,000

(1) V ltd. purchased 20,000 Eq. shares of H ltd. At par on 1-7-90

(2) The P&L a/c of H Ltd. Showed a credit balance of Rs. 60,000 on 1-04-90 .

(3) H ltd. Has paid dividend of Rs. 2 per Eq. share in August 1990 for the year 1989-90. this dividend was credited to P&L A/c by V Ltd.

(4) H ltd. Provides 10% dep on machinery.

(5) machinery a/c bal. of H ltd on 01.04.90 Rs.1,20,000 & V ltd revalued @Rs.1,60,000. but no a/c treatment given in the books.

(6) H ltd issued cheque of Rs.10,000 to V ltd on 29.03.91 but such cheque received by V ltd on 02.04.91

(7) bills payable of H ltd includes Rs. 16,000 payable to V ltd out of which bill of Rs. 6000 discounted by V ltd.

prepare consolidated Balance Sheet as on 31-3-91. Show your calculation.

OR

Q-2 A manager of Gujarat Limited who is entitled to a salary of Rs. 2,660 per month and an addition commission of 1% on the net profits of the company after such salary and commission. The profit and Loss A/c for the company's financial year ending 31-3-11 is as follows: (14)

Particulars	Rs.	Particulars	Rs.
To Loss on sale of Furniture (WDV Rs. 6,720)	5,488	By Gross Profit	9,84,368
Manager Salary	31,920	Dividend (after deducting tax at source Rs. 8,96)	35,840
Bad debts Reserve	29,120	Profit on sale of machinery	89,600
Investment Allowance Reserve	16,800	Profit on sale of Investments	22,400
Staff salaries and Bonus	3,36,000	Subsidy from State Govt.	56,000
Provision for Taxation	1,12,000	Unpaid Dividend	12,432
Ex-gratia Payment to an employee	6,720		
General Expenses	1,45,600		
Donation to charitable institutions	28,000		
Depreciation	1,00,800		
Commission to the manager (on account)	4,480		
Net Profit	3,83,712		
	12,00,640		12,00,640

Additional Information:

1. During the year Bad Debts Written off against Bad Debts Reserve amounted to Rs. 6,720.
2. Depreciation included initial depreciation Rs. 16,800 and extra shift allowance Rs. 22,400.
3. Cost Price of the machinery sold is Rs. 3,36,000 while the selling price is Rs. 3,58,400.
4. Staff salaries and bonus included bonus paid to staff of the last year service Rs. 28,000. Bonus estimated for this year is Rs. 33,600 has not been brought into account.

Calculated the commission payable to the Manager. Also calculate overall maximum managerial remuneration under Sec. 198. Give comments wherever necessary.

Q-3 The balance sheet of Vivekand Ltd. as on 31st March, 2016:

(14)

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity share capital	12,00,000	Plant & Machinery	9,00,000
Retained earnings	3,60,000	Land	3,00,000
Debentures	4,50,000	Investment	4,50,000
Long-term borrowings	3,90,000	Debtors	3,90,000
Creditors	3,00,000	Stock	3,00,000
Income tax Provision	1,20,000	Bank Balance	3,60,000
		Furniture	1,20,000
	<u>28,20,000</u>		<u>28,20,000</u>

During the 2016-2017 the following transaction took place:

1. Further land was purchased for case Rs. 2,25,000.
2. An amount of Rs. 90,000 was paid towards long-term borrowings.
3. Dividend paid to shareholders Rs. 1,80,000.
4. Plant of Rs. 3,00,000 was purchased by issuing debentures at par Rs. 3,00,000.
5. Part of the investments was sold at Rs. 1,80,000 resulting in a profit of Rs. 20,000. Further investment also purchase.
6. Net profit for the period was Rs. 5,25,000 after writing off depreciation amount Rs. 5,25,000 after writing off depreciation amount Rs. 1,35,000. On plant & machinery and income tax provision.
7. The following were balance as at March 31, 2017

Debtors	Rs. 4,50,000
Creditors	Rs. 3,45,000
Stock	Rs. 2,25,000
Bank Balance	Rs. 6,15,000
Income Tax Provision	Rs. 1,20,000

From the above information prepare the balance sheet as on 31st March 2017 and a cash flow statement as per AS-03 for the year ending 31st March, 2017.

OR

Q-3 Tejanand Ltd. gives you its Balance Sheet as on 31st March, 2016 and its projected profit & loss a/c for the year ended 31st March, 2017.

(14)

Balance Sheet as on 31st March, 2016

Liabilities	Rs.	Assets	Rs.
Equity share capital Rs. 100 each fully paid	9,00,000	Plant & Machinery 10,50,000 - Depreciation <u>2,10,000</u>	8,40,000
Securities Premium	30,000	Motors Car 1,20,000 - Depreciation <u>45,000</u>	75,000
General Reserve	1,95,000	Stock	8,40,000
Profit & Loss A/C	97,500	Debtors	3,30,000
8% Dentures	4,50,000	Bank Balance	1,80,000

Creditors	4,27,500	Advance Income Tax	1,50,000
Provision for taxation	2,10,000	Preliminary Expenses	30,000
Proposed Dividend (Equity)	1,35,000		
	<u>24,45,000</u>		<u>24,45,000</u>

Projected Profit & Loss Account for the year ending 31st March, 2017

Particular	Rs.	Particular	Rs.
To opening Stock	9,00,000	By Sales	
To purchase	21,60,000	Cash	5,55,000
To wages & manufacturing expenses	1,80,000	Credit	27,00,000
To office and adm. Expenses	75,000	By stock	6,30,000
To selling & Disturbing Expenses	45,000	By profit on sales of machinery	15,000
To interest	36,000		
To Depreciation on machinery	84,000		
To depreciation on motorcar	21,000		
To Preliminary Expenses	15,000		
To Provision for Taxation	2,04,000		
To proposed dividend	1,50,000		
To balance	90,000		
	<u>39,00,000</u>		<u>39,00,000</u>

The company propose to issue one equity share for two equity share with a nominal value of Rs. 4,50,000 at a premium of 10%.

Machinery will be acquired for Rs. 150,000. The cost of machinery to be sold in the year ended 31st March, 2017 is Rs. 1,20,000 with a depreciation premium of Rs. 67,500.

It is expected that:

1. Tax liability up to 31st March, 2016 will be settled for Rs. 1,80,000 within 31st March, 2017.
2. Advance income tax amounting to Rs. 1,30,000 is proposed to be paid in 2016-2017.
3. Debtors will be 10% more than warranted by the credit period of two months.
4. Creditors for goods will continue to extend one and half month's credit and manufacturing expenses outstanding at the end of March 31, 2017 will be Rs. 7,500.

From the above information prepare

1. Company's projected balance sheets as on 31st March, 2017.
2. Cash Flow Statement as per AS-03 for the year ending 31st March, 2017.

Q-4 Write Short Notes: (any two)

(12)

1. Designing an accounting system
2. Benefits of social accounting
3. Inter-company transactions
4. Difference between cash-flow statement and fund-flow statement

Q-1. (A) From the following information find out value added; and missing items and calculate earning per employee ratio. (5)

1. Numbers of employees is 150
2. The cost of outside purchase and purchase services is Rs.4500000 which is 75% of value added.
3. Balances:

Salary and wages	(?)
Contribution of employee's insurance scheme	82500
Contribution to P. F	37500
Income tax provision	600000
Loss on sale of furniture	18000
Distribution to providers of capital	300000
Depreciation	177000
Retained earnings	585000

(B)The life fund of a JivanJyot assurance company was Rs. 90,00,000 on 31-3-2017. Its actual valuation on 31-3-2017 disclose a net liability of Rs. 85,50,000. An Interim bonus of Rs. 94,500 was paid to the policy holder during the previous two years. It is now proposed to carry forward Rs. 90,000 and to divide the balance between the shareholders and the policy holders

Prepare: (1) The valuation balance sheet

(2) The net profit for the valuation period

(3) The distribution of the surplus. (5)

Q-2.Pranshu Ltd. Mumbai, has a branch in New York. Its trial balance on 31-3-2017 is as follows: (14)

Particulars	Dr \$	Cr \$
Plant-machinery	30000	-
Furniture	12000	-
Stock (1-4-2016)	18000	-
Debtors- creditors	24000	15000
Purchase-sale	48000	129600
Wages	12000	-
Carriage inwards	300	-
Salary	4950	-
Rent and taxes	2250	-
Insurance	600	-
Trading expenses	300	-

Goods received from Ronak Ltd.	15000	-
Cash on hand	900	-
Cash at bank	300	-
H.O. a/c	-	24000
TOTAL	168600	168600

Additional information:

1. Calculate depreciation on plant at 10% and furniture 5%.
2. Salary outstanding \$ 450.
3. The H.O. has sent goods to branch worth Rs900000.
4. The H.O. shows an account of Rs.2140000 due from branch.
5. Stock on 31-3-2015 \$ 24000.
6. The fixed assets were purchased on 1-4-2016
7. Exchange rates were as under:
On 1-4-2015 1\$ = Rs 54
On 1-4-2016 1 \$ = Rs 56
On 31-3-2017 1\$ = Rs 64.

Average rate for the year 1\$ = Rs .60.

Convert the above trial balances into rupee and prepare branch's accounts in the books of H.O.

OR

Q-2. Pratyush traders has its H.O. in Ahmedabad and branch in Surat. The Surat branch receives parts of the goods at cost price from H.O. and purchase parts of goods from outside. The branch maintains its separate books of accounts. The trial balance sheet of the H.O. and branch as on 31-3-2017 is as follows: **(14)**

Particulars	H.O.		Branch	
	Dr	Cr	Dr	Cr
Capital	-	375000	-	-
Land & building	200000	-	-	-
Machine	50000	-	15000	-
Furniture	50000	-	-	-
Debtors and creditors	31250	15000	11250	13750
Cash and Bank balance	52500	-	11250	-
Opening stock	22500	-	17500	-
P&L a/c (1-4-2016)	-	15000	-	-
Purchase and sale	181250	225000	13500	53000
Miscellaneous expenses	27500	-	10000	-
Goods sent to branch by H.O.	-	32500	29000	-
Current a/c (branch/H.O.)	47500	-	-	40750
	662500	662500	107500	107500

Other information:

1. Depreciate land- building at 5%, machinery at 10% and furniture at 10%.
2. The closing stock of H.O. is Rs. 68750 and that of branch is Rs35000 on 31-3-2017.
3. The difference in the current account balances of H.O. and branch is due to cash in transit and goods in transit.

Prepare trading and profit and loss accounts in columnar form and consolidated balance sheet of Pratyush traders also prepare current account of branch in the books of H.O. and H.O. a/c in the books of branch.

Q-3. The following information are related to Abha Life Insurance Ltd. Ason 31-3-2016.(14)

Particular	Rs.	Particular	Rs.
Premium	18,90,500	Share capital	5,00,000
Claims paid	4,20,600	O/s Int. on Investment	7,295
Claims admitted but not paid	40,210	Consideration for annuities granted	1,20,000
Interest dividend received(gross)	1,70,620	Re-insurance premium	2,14,500
Annuities (paid)	80,900	Bonus in cash	7,800
Loss on sales of Investment	1,27,800	Furniture	24,500
Surrenders	1,12,800	Exp. of management	1,27,800
Buildings	4,50,000	Life Insu. Fund (1-4-15)	25,27,825
Mortgages loan Given on Indian assests	10,12,700	Income tax on int. received	30,200
Bonus in reduction premium	10,200	Loan on policy	6,50,000
Investments	12,50,000	Policy stamp on hand	6,700
Commission paid	40,670	Outstanding premium	4,40,600
Cash-Bank balance	1,40,790	Outstanding expenses	52,200
Agent balance (Dr.)	1,20,500	Dividend paid to shareholders	25,000

Prepare the Revenue account for year ended on 31-3-2016 and Balance Sheet on that date of AbhaLife Insurance ltd. taking the following information

- (1) Claims covered under re-insurance Rs. 47,500
- (2) The managing director is to be paid commission at 5% of the net increase of Life Insurance fund during the year after providing for such commission.
- (3) Additional reserve of 20% of net premium is to be made.
- (4) Further bonus in reducing of premium Rs. 5,000.
- (5) Annuity due and unpaid Rs. 1200

OR

Q-3. (A) The balances derived from Amrut ltd. For the year 2015-16. Prepare a value-added statement and also statement showing distribution of added value. (7)

Particulars	Rs.	Particulars	Rs.
Sale	3720000	Stationery	15000
Advertisement	37500	Subscription paid	3000
Purchase of raw material	1500000	Fuel and oil	13500
Salaries and wages	945000	Electricity	7500
Agent commission	30000	Managing director's fees	126000
Postage-telegram	21000	Income tax provision	150000
Consumable store	37500	Travelling expenses	31500
Contribution to P. F	90000	Retained earnings	187500
Audit fee	6000	Opening stock:	
Carriage for goods	33000	Raw material	127500
Staff welfare expenses	237000	Finished goods	300000
Interest on loan taken	27000	Materials used in repairs:	

Insurance	39000	Plant-machinery	36000
Dividend to share holders	45000	Building	15000
Rent and taxes	24000	Closing stock:	
Depreciation	82500	Raw material	162000
Packing materials	15000	Finished goods	360000
Director fee	60000		

(B) Some information of Jency marine insurance co. for the year ended on 31-12-2015 and 31-12-2016 as under. Prepare revenue account of marine insurance for the year ended on 31-12-2016 from it. Company maintain reserve for future risk as per legal provision, but not maintained additional reserve. **(7)**

Information for year 2015

Net premium (including receivable premium of Rs. 50,000 at the end of the year) 7,00,000
Claim of the year (including outstanding claim Rs. 40,000 at the end of the year) 6,40,000
Outstanding commission at the end of the year 25,000

Information for year 2016

Premium received during the year 6,00,000
Claim paid during the year 5,70,000
Outstanding claim at the end of the year 30,000
Premium receivable at the end of the year 60,000
Premium of re-insurance ceded 40,000
Premium of re-insurance accepted 50,000
Commission received 75,000
Outstanding commission at the end of the year 30,000
Commission paid 80,000
Administration expenses 60,000

- Q-4** **(A)** State the modern trends in published account with reference to format, layout and getup and financial highlights **(6)**
- (B)** Discuss the reports presented at different level of management **(6)**
- OR**
- (A)** State the types of life Insurance policy. **(4)**
- (B)** Explain – utility of value added income **(4)**
- (C)** Reserve for future unexpired risk and additional reserve – Explain **(4)**

J. Z. Shah Arts & H. P. Desai Commerce college, Amroli
Internal Test - 2017

M.Com. Semester - II (EM)

Financial & Management Accounting - VI

Date : 10/03/2018

Time : 08:00 To 10:00

Roll No.

Total Marks : 50

Q-1 (A) Find out taxable income from other sources for the A.Y.2017-18 from the following details of shri shurbhi. (5)

- 1) Interest received on deposit with co.op. bank Rs.2000
- 2) Dividend received from foreign company Rs.8000
- 3) Income from units of unit trust of india Rs.4,000
- 4) 7% capital investment bonds Rs.80,000
- 5) Winnings from lottery(Gross)(TDS30.60%) Rs.21,000
- 6) Expenses for buying lottery tickets Rs.1,000

(B) Net profit of a partnership firm is Rs.4,50,000 and remuneration of partners debited to P & L A/C is Rs. 22,50,000 and paid interest on capital in excess of 12% Rs.2,25,000. Calculate actual remuneration payable to partners. (5)

Q-2 From the following details of virti shah find out taxable income from other sources for A.Y.2017-18 (15)

- 1) Rs.24,000 as interest received from tax-less debentures of X Ltd.(TDS-20%)
- 2) 10% taxless debentures of Y Ltd. Of rs.2,40,000(TDS-20%)
- 3) Rs 45,000 as interest received on tax free debentures of C Ltd.(TDS-10%)
- 4) 15% tax free debentures of E Ltd. Rs.3,00,000(TDS-10%)
- 5) Interest received on National defence Bond Rs.18,000
- 6) Family pension Received Rs.3,000 per month from 1st October 2016
- 7) Unexplained Expenses Rs.75,500
- 8) Royalty received from mine(Gross)Rs.50,000
- 9) He received Rs.3,000 per month as rent of his plant.on 01/04/2015 the written down value of it was Rs.1,50,000. Approvable rate of depreciation is 15%
- 10) He received Rs.5,000 per month as rent from sub-tanent.He paid Rs.3,500 per month to the owner of the house.
- 11) Winning from lottery(NET)Rs,1,40,000
- 12) He received interest of Rs.8,000 from unrecognized provident fund in which proportion between employer and employee was 3:1

On all above securities interest received on 30th june and 31st December.On 01/04/2016 a loan of Rs.1,50,000 was taken at the rate of 10% to purchase the debentures of Y Ltd.which was returned on 30/09/2016.Half debentures of E Ltd. Was sold at rs.1,50,000 to return the loan.Selling expenses Rs.5,500 was paid. The rate of TDS on casual income is 30%

OR

- Q-2 (A) Payment of Advance tax by the Assessee (8)
 (B) Interest for default in furnishing return of income (7)
- Q-3 Compute the book profit and the maximum remuneration which can be paid to the partners U/S 40(b) from the profit & loss account submitted by a firm consisting of two partners namely, Prem and Ratan. (15)

Particulars	Rs.	Particulars	Rs.
Cost of Goods Sold	20,00,000	Sales	28,23,000
Office Salaries	2,90,000	Interest on investments	5,000
Interest on loan from a minor son of Partner Prem @ 14% p.a.	12,000	Long term capital gain	7,500
Purchase of Machinery @ 14% p.a.	24,000	Short term capital gain	10,000
Office rent	20,000	Winning of lotteries(gross)	5,000
Commission to working partner Prem	40,000		
Interest on loan to partner Ratan who is non-working partner @ 24% p.a.			
Salary to a working Partner Prem	18,000		
Salary to a non working Partner Ratan	2,20,000		
Interest on capital of Prem @20% p.a.	24,000		
Interest on capital of Ratan@20% p.a.	15,000		
Provision for bad & doubtful debts	5,000		
Entertainment Expenditure	5,000		
Income tax paid	7,500		
Doations to PM's National Relief Fund	5,000		
Net Profit	20,000		
	1,45,000		
Total	28,50,500		28,50,500

OR

- Q-3 (A) Kishan received the following income for P.Y.2016-17. Calculate taxability for him, his Wife Mrs. Kavya and his minor son Kannu. (9)
- 1) Taxable salary Rs.4,80,000
 - 2) Taxable Income for house property Rs. 5,00,000
 - 3) Business Income Rs.1,25,000
 - 4) Professional income of Kannu(Actor in film) Rs.12,00,000
 - 5) Long Term capital gain from house property Rs.8,00,000
 - 6) Long term capital loss of kannu Rs.30,000
(on non listed share gifted to kannu from his grand father)
 - 7) Salary of Mrs.Kavya Rs.3,60,000
(she works in Koka-Kola Ltd.where kisan has 21% shareholding)

8) Other income of Kavya Rs.1,00,000
9) Interest on FD of Kannu Rs.45,000

(Fixed deposite was gifted to him from his mother)

Calculate taxability of each of the family member for A.Y.2017-18

(B) From the following information compute the advance tax payable of shri narayan for P.Y.2016-17 (6)

Income from salaries(Taxable)	Rs.4,50,000
Income from Other sources(Taxable)	Rs.90,000
Loss from house property	Rs.20,000
Deduction U/S 80C	Rs.60,000
Tax deducted at source	Rs.4,000

Q-4 Short Notes(Any two) (10)

- 1) GST model for India
- 2) Impact of GST on industry
- 3) Interest on deffered payment of advance tax
- 4) TDS from Salaries

Q. - 1. Answer the following question in short. [10]

- (a) State the assumptions of economic model.
- (b) What is natural growth rate ?
- (c) What is capital output ratio ?
- (d) Who is cognitive entrepreneur ?
- (e) What is disguised employment ?

Q. - 2. Critically discuss the unlimited supply model of economic growth. [13]

OR

Discuss the Leibenstein critical minimum effort theory. [13]

Q. - 3. Critically explain the Rostow's stages of economic growth. [13]

OR

- (a) What are the determinants of Capital-Output ratio. Limitations of [07]
- (b) Input-Output analysis. [06]

Q. - 4. Write short notes (Any Two) [14]

- (a) Uses of the economic model.
- (b) Difference between Harrod and Domar model.
- (c) Balanced and Unbalanced growth.
- (d) Growth agents.



(1) All answers are compulsory.

(2) Right side number shows marks for each quest.

Q. 1. Answer in brief: (10)

- a) What is meant by empowerment ?
- b) Give the meaning of total quality management.
- c) What is meant by confidence by management ?
- d) Differentiate between vision & mission.
- e) What is the difference between group and team ?

Q. 2. Explain the transactional Analysis (12)

OR

Explain internal dynamics of team.

Q. 3. What is meant by conflict management? Explain its levels of intra-personal conflict. (13)

Q.4. A Write any one: (07)

- (1) Importance of confidence by management
- (2) Value stream management

B Mahek ltd. Is a private company during production and sale at national level ? During its period after foundation, it emphasized on co-ordination with quality control. After some years, gradually the sale went on decreasing. So, the marketing manager Mr. Ankur Patel felt that instead of quality control, he should organize co-coordinating approach, so that employees of all the sections work based on system approach. So that team work, continuous reform and good relations can be established among suppliers and customers.

In above case which approach should be adopted by manager? Will this approach be beneficiary for the unit?



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Internal Test ~ 2018

M. Com. Semester - II (EM)

Advertising and Sales Management ~ II

Date : 07/03/2018

Time : 08:00 To 10:00

Roll No.

Total Marks : 50

1. **Answer in brief :** [10]

1. What is copy development ?
2. Explain Unique selling proposition
3. What is controlled experiment method ?
4. State the characteristics of an ideal compensation plan
5. State the types of leadership

2. (a) Explain the process of advertising message development [07]

(b) Explain the essentials of measuring advertising effectiveness. [06]

OR

2. Explain post testing methods of measuring advertising effectiveness. [13]

3. (a) Explain factors affecting compensation plan for salesman [07]

(b) Explain productivity approach of determining the size & sales force. [06]

OR

3. (a) Explain the process of sales control [07]

(b) Explain the importance of sales force performance evaluation [06]

4. (a) **Write short notes (Any One)** [06]

1. Total sales volume
2. Field sales organisation
3. Consume jury survey method

(b) **Case Study:** [08]

Balaji Namkeen Pvt. Ltd. is one profit making company manufacturing different types of Namkeen. It earns 30% profit on its different products. Out of which it wants to distribute 10% profit to its salesmen as incentive. There are 100 salesmen working in the company. The company gives monthly salary, vehicle expenses and daily allowances to its salesmen. Sales manager is confused how to distribute 10% profit to salesman.

Describe different methods of incentive and which you will suggest to sales manager.

