TBS/DG

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

Internal Test - 2017

M.Com. Semester - III (EM)

Financial & Management Accounting - IX

Date : 19/09/2017 Roll No. ....
Time : 11:00 To 01:00 Total Marks : 50

Q.1

(1) From the following data prepare an account **(4)**
Total cost Rs. 2,50,000, 2500 units
Proportion of material , labour and overheads : 5:3:2
Normal Loss : 5%
Out put : 90% of input **(6)**

(2) Journalise the following transactions assuming that cost and financial transactions are integrated:

Raw materials purchased	2,00,000
Direct materials issued to production	1,50,000
Wages paid (30% indirect)	1,20,000
Wages charged to production	84,000
Manufacturing expenses incurred	84,000
Manufacturing overhead charged to production	92,000
Selling and distribution costs	20,000
Finished products (at cost)	2,00,000
Sales	2,90,000
Closing stock	Nil
Receipts from debtors	69,000
Payments to creditors	1,10,000

Q.2 In the absence of the Chief Accountant, you have been asked to prepare a month's cost accounts for a company which operates a batch costing system fully integrated with the financial accounts. The following relevant information is provided to you: **(14)**

Particulars		Amount
Balances at the beginning of the month:		
Stores Ledger Control Account		25,000
Work-in-Progress Control Account		20,000
Finished Goods Control Account		35,000
Prepaid Production Overheads brought forward from previous		3,000
Transactions during the month:		
Materials Purchased		75,000
Materials Issued:		
To Production	30,000	
To Factory Maintenance	4,000	34,000
Materials transferred between batches		5,000
Total wages paid:		
To Direct workers	25,000	
To Indirect workers	5,000	30,000

Direct wages charged to batches	20,000
Recorded non-productive time of direct workers	5,000
Selling and Distribution Overheads Incurred	6,000
Other Production Overheads Incurred	12,000
Sales	1,00,000
Cost of Finished Goods Sold	80,000
Cost of Goods completed and transferred into finished goods during	65,000
Physical value of work-in-progress at the end of the month	40,000

The production overhead absorption rate is 150% of direct wageswork-progress.

Required:

Prepare the following accounts for the month:

(a) Stores Ledger Control Account.
(b) Work-in-Progress Control Account.
(c) Finished Goods Control Account.
(d) Production Overhead Control Account.
(e) Profit and Loss Account.

OR

Q.2 Swar company operates on historic job cost accounting system, which is not integrated with the financial accounts. At the beginning of a month, the opening balances in cost ledger were: **(14)**

Particulars		(in lakhs)
Stores Ledger Control Account		80
Work-in-Progress Control Account		20
Finished Goods Control Account		430
Building Construction Account		10
Cost Ledger Control Account		540
During the month, the following transaction took place:		
Materials	Purchased	40
	Issued to production	50
	Issued to general maintenance	6
	Issued to building construction	4
Wages	Gross wages paid	150
	Indirect wages	40
	For building construction	10
Works Overheads	Actual amount incurred (excluding items shown above)	160
	Absorbed in building construction	20
	Under absorbed	8
Royalty paid		5
Selling, distribution and administration overheads		25
Sales		450

At the end of the month, the stock of raw material and work-in-progress was 55 lakhs and 25 lakhs respectively. The loss arising in the raw material accounts is treated as factory overheads. The building under construction was completed during the month. Company's gross profit margin is 20% on sales.

Prepare the relevant control accounts to record the above transactions in the cost ledger of the Swar company.

Q.3 Veer Ltd. furnishes the following information regarding Process A for the month of of January 2015. **(14)**
Opening stock of work in progress 500 units
Other details: Material Rs.4,800, Labour Rs. 3,200, Overheads Rs.6,400
Units introduced during the month of January 19,500 units
Processing cost for the month of January are as under :
Material Rs.1,86,200, Labour Rs. 72,000, Overheads Rs.1,06,400
Units Transfer to process B 18,200 units
Scraped Units 1400 units
Closing Stock of work in process 400 units
Degree of completion: Material: 100%, Labour: 50% and Overheads 50%.
Normal Loss in the process is 5% of total input and scrapped units fetch Rs.1 per unit.
Prepare the Following Statements for the process A.
1 Statement of equivalent production
2 Statement of cost
3 Valuation Statements
4 Process Account

OR

Q.3 A company's Production passes through two processes. The out put of process 1 is transfer to process 2 as 20% on cost, while output from process 2 is transferred to finished stock at 33.33% profit on transfer price. Following details are given. **(14)**

Particulars	Process-1	Process -2
Opening stock	3,000	8,800
Direct material	12,000	15,000
Direct Labour	9,000	8,000
Factory Overheads	6,800	2,500
Closing Stock	4,800	10,500

Stock of process is valued at prime cost. Opening and closing balance of finished goods were rs.18,500 and rs. 15,150 respectively. Sales during the month amounted to rs.95,000. Reserve for unrealized profit on opening stock for process 2 and finished goods were rs.3,800 and 4,500 respectively.
Prepare process accounts and profit and loss account.

Q.4 **Write Short Note (Any Two)** **(12)**

1. Advantages of integrated accounting
2. Essential of Cost reduction
3. What is equivalent production units? How it is computed?
4. Essential for success of cost control

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

Internal Test - 2017

M.Com. Semester - III (EM)

Financial & Management Accounting - VII

Date : 16/09/2017 Roll No. ....

Time : 11:00 To 01:00 Total Marks : 50

Q.1 **(5)**

(1) A company manufactures three products A,B and C. The following information for the year ending 31/3/16 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 Neel ltd. wants to buy a new machine on the condition that its costs can be recovered in four years. **(5)**

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 n the basis on given information.

Q.2 Dipika company Ltd have given information for started new production unit for first two years standard production cost given below:- **(14)**

Direct Materials	Rs. 4
Direct Wages	Rs. 4
Variable Overhead	Rs. 2
Total	Rs. 10
Fixed Overhead	Rs. 4
Total Production cost	Rs. 14
Capacity	2,00,000 units.
Sales Price	Rs. 25

Selling & Administration Expenses:-

(1) Variable Rs. 2.

(2) Fixed Rs. 3,00,000.

The information for Production and Sales are as given below:-

Particular	1st Year	2nd Year
Production Unit	2,20,000	1,70,000
Sales Unit	1,80,000	2,00,000
Changes in Material	+ 40,000	-30,0000

(1) Prepare Comparative Statement for P & L

(2) Prepare profit statement according to Absorption Costing and Marginal Costing.

OR

Q.2 Komal ltd. provide the following information **(14)**

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.

Q.3 Akshay Ltd. is thinking to purchase a plant for the work which have been done by workers. For that two options will be available Plant –A and Plant –B. Prepare the statement of profitability on the basis of the information given below: Find out pay back period and Accounting rate of return on original investment for each plant. **(14)**

Particulars	Plant –A	Plant –B
Plants Estimated life	6 years	5 years
Cost of plant	4,80,000	5,60,000
Indirect Material Cost	20,000	28,000
Estimated saving in scrape	40,000	50,000
Additional Machine Cost	56,000	72,000
Estimated Saving in indirect wages:		
Number of useless labours	400	500
Wages per labour	700	800

(1) Tax rate is 50 % on profit.
(2) Neglect depreciation for the calculation of tax which plant will you suggest to purchase?

OR

Q.3 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. **(14)**

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.4 Write Short Note (Any Two) **(12)**

1. Sensitivity Analysis
2. Factors affecting capital budgeting
3. Significance of Productivity
4. Advantages and Limitations of Marginal Costing
5. Productivity Accounting

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

Internal Test - 2017

M.Com. Semester - III (EM)

Financial & Management Accounting - VIII

Date : 18/09/2017 Roll No. ....

Time : 11:00 To 01:00 Total Marks : 50

Q.1 Do as Directed: **(10)**

(a) In the books of Pooja Ltd. cash transactions for the year 2017 are as follows:

Particulars	Rs.	Price Index
Opening cash balance	1,00,000	100
Cash sales	3,06,000	102
Paid to creditors	2,39,200	104
Paid expenses	20,000	105
Closing cash balance	1,46,800	105

Find out Monetary profit or loss about creditors from above particulars.

(b) Khusbu Ltd. supposes that a machine of total value of Rs. 50,00,000 is being in non use after 10 years. The life of this machine is 15 years and the estimated scrap value at the end of 15 years is about 4 % of net value. Estimated market price of this machine (at the end of 10 years) is Rs. 15,50,000. Find out profit or loss on retirement of machine and indicate its note under accounting standard 10.

2. Mansi Co. Ltd supplies their products in returnable containers. If, it is returned within two months, a credit of Rs. 120 at 80% of amount is charged out to the customers. A Container costs the company Rs. 90 and its life is estimated 7 years, at the end of which the scrap value is likely to be Rs. 13. The following information is provided to you: **(15)**

Particulars	Number of units
1. Containers with customers 31/3/2016	8,400
2. Containers with customers 31/3/2017	54,000
3. Containers sent to customers during the year	96,200
4. Containers returned by customers	44,400
5. Containers scraped useful life being over	1,600
6. Containers destroyed by fire	5,400
7. Containers with the company 31/3/2016	15,200

Containers purchased during the year, amounted to Rs. 36,00,000. Repair Expenses on containers returned Rs. 3,000. By disposing the scrap containers amount realized is Rs. 14,000.

From the above information prepare Containers Trading Account & Containers Provision Account.

OR

2. a) Write a note on: Important provisions of AS 10 related to Valuation of Assets. **(6)**

b) Priya Co. Ltd. has purchased equity shares of Rs. 10 at the rate of Rs. 120 (Right shares with dividend) from Aishwariya Ltd. On this purchase 1.5% brokerage and 1% stamp duty are paid. **(9)**

Another 30,000 equity shares at Rs. 140 are purchased with the same conditions; On this purchase also 2.5 % brokerage and 2% stamp duty are paid.

Thereafter, Aishwariya Ltd. issued another right share at the ratio of 1:1; Rs. 80 per share, which Priya Ltd. purchased and out of these shares, 20,000 shares the company has sold off with profit at the rate of Rs. 30. Aishwariya Ltd. declared 40% dividend on the face value of the old shares.

After that Priya Ltd. sold off 15,000 equity share at the rate of Rs. 110 per share and paid 3.50% brokerage on the sales.

Find out the investment price of the remaining shares and also find out profit or loss of the sold shares.

3. The following is the Balance sheet of Janki ltd. as on 1-1-2016 and Statement of income for the year ended as on 31-12-2016: **(15)**

Balance Sheet as on 1-1-2016

Liabilities	Rs.	Assets	Rs.
Share Capital	1,75,000	Fixed Assets	1,24,000
Creditors	45,000	Stock	49,000
		Debtors	32,000
		Cash	15,000
	2,20,000		**2,20,000**

Statement of Income for year ending on 31-12-2016

Sales		3,20,000
Cost of goods sold		
Opening stock (FIFO)	49,000	
Purchases	1,46,000	
	1,95,000	

Less: Closing stock	(30,000)	1,65,000
Gross Profit on Sales		1,55,000
Administrative expenses	38,000	
+Depreciation (Machinery)	12,400	(50,400)
Retained Earnings		**1,04,600**

Balance of Debtors and Creditors remains same during the year. General Price Index was as follows: 1st Jan 2016: 125, 31st Dec 2016: 175, Average during the year: 140. After giving effects of changes in price level as per Current purchasing power method, prepare Final Accounts for the year 2016.

OR

3. A) Compute Gearing Adjustment on the basis of following details given below of Kajol Ltd. related for the year 2016: **(5)**

Particulars	**1/1/2016 (in Rs.)**	**31/12/16 (Current Cost in Rs.)**
Share capital (paid up)	3,80,000	6,80,000
Reserves	1,00,000	1,40,000
12% Debentures	2,00,000	2,00,000
Bank overdraft	1,80,000	2,20,000
Cash & bank balance	40,000	60,000

Cost of sales adjustment…………………………80,000.

Depreciation adjustment………………………....30,000.

Working capital adjustment……………………...30,000.

1,40,000

B.) Nirali Chemicals limited has stock of 4,000 casks in hand as on 1/4/2012 and stock of 3,000 casks with customers on the same date. Each cask is valued at Rs. 30. **(5)**

Company purchased 10,000 casks at Rs. 40 per cask during the year. 5,200 casks were returned by customers, while 6,000 casks were sent to the customers during the year.

400 casks damaged during the year from which 300 casks were repaired for reuse, at Rs. 12 per cask as repairing charge. Closing stock valued at Rs. 30 per cask after the provision of depreciation. All casks with the customers are returnable.

From the above information prepare Casks Stock Account.

C.) From the following particulars calculate historical cost of sales adjustments (COSA): **(5)**

Particulars	Under Current Cost Accounting Rs.	Particulars	Price Index
Stock on 1-1-2016	6,21,000	Opening	140
Stock on 31-12-2016	4,05,000	Average	170
Cost of goods sold	15,93,000	Closing	200

4. Write short notes on: **(Any Two)** **(10)**

(1) Foreign Currency Management

(2) Types of Letter of Credit

(3) Basic problems in International Financial Management

(4) Current cost accounting method

(5) MWCA & Backlog depreciation

(6) Returnable and non-returnable containers

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

Internal Test - 2017

M.Com. Semester - III (EM)

Organized Markets - I

Date : 13/09/2017 | Roll No. ....

Time : 11:00 To 01:00 | Total Marks : 50

Q. 1. Answer in Brief. **(10)**

1. Define Grading
2. Define Self-regulation
3. Define Organised Market
4. Define Speculators
5. Define Demat

Q. 2. A Explain the impact of Information Technology on organised market. **(07)**

B Explain the role of co-operative marketing Societies in regulated markets. **(07)**

OR

Q. 2. A Explain the advantages of OTCEI. **(07)**

B Explain the functions of SEBI. **(07)**

Q. 3. A Explain the impact of liberalization on Indian Stock Exchange. **(07)**

B Explain the advantages of Depository system. **(07)**

OR

Q. 3. A What is Option Trading? Explain with example. **(07)**

B Explain factors affecting share price in detail. **(07)**

Q. 4. Write a Short Note. (Any Two)

1. Types of member of BSE **(14)**
2. Objectives of Standardisation
3. Mutual fund
4. Difference between Forward Market and Stock Market

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Internal Test - 2017

M.Com. Semester - III (EM)

Financial Management - I

Date : 14/09/2017 | Roll No. ....

Time : 11:00 To 01:00 | Total Marks : 50

Q. 1. Answer in brief: **(10)**

(1) Explain the meaning of Money market and Capital Market.

(2) State the Types of Working Capital.

(3) Define: Right issue and Bonus issue.

(4) Explain the meaning of Financial Management.

(5) What is meant by risk Management.

Q. 2. A Explain Functions of Indian Financial System. **(07)**

B Explain Factors affecting to Capital Structure. **(07)**

OR

Q. 2. A Explain instruments of Money Market. **(07)**

B Explain the process of public issue in brief. **(07)**

Q. 3. A Explain Credit Policy variable (Any Three) **(07)**

B Write the characteristics of Right Issues and Explain the procedure of issuing Right Shares. **(06)**

OR

Q. 3. A Explain the advantages of cash budget. State motives for holding the cash. **(07)**

B Explain Techniques controlling receivable (Any Two) **(06)**

Q. 4. A Write Short note on: (Any one) **(05)**

(1) EOQ Model

(2) Personal Vs. Corporate Risk Management

B Following items are included in inventory of Zapata pvt.ltd. Company wants to use ABC Analysis method of careful control over inventory. How will you provide guidelines to company in this matter? Justify your answer with necessary arguments. **(08)**

Items	Units (kilograms)	Price per kg.
1	7000	3
2	3000	100
3	4000	50
4	1500	70
5	8000	1
6	5000	10
7	2000	9
8	3500	2

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

Internal Test - 2017

M.Com. Semester - III (EM)

Strategic Management- I

Date : 15/09/2017 | Roll No. ....

Time : 11:00 To 01:00 | Total Marks : 50

Q. 1. Answer in Brief : **(10)**

1) Define strategic management
2) State factors affecting organisational capability
3) State strategies for entering into global markets
4) State the Primary activities of value chain analysis
5) What is business environmental analysis ?

Q. 2. A Explain characteristics of strategic management **(07)**

B Explain Internal factors affecting organisational appraisal **(06)**

OR

Q. 2. Explain different levels of strategy and explain difference between them. **(13)**

Q. 3. A Explain fears related to globalisation **(07)**

B Explain Business process re-enginearing **(06)**

OR

Q. 3. A What is joint Venture ? Explain its merits and demerits **(07)**

B Explain competitive Advantages **(06)**

Q. 4. Write a short note (any two) **(14)**

1) Political factors
2) Synergistic effects
3) Information management capability factor
4) Resource utilisation audit
5) SWOT Analysis

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