



K. L.E.SOCIETY'S  
SHRI MRITYUNJAYA COLLEGE OF ARTS & COMMERCE, DHARWAD  
Accredited with A+ Grade by NAAC at 4<sup>th</sup> Cycle

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M.COM. 3<sup>RD</sup> SEM -CBCS- QUESTION PAPERS APRIL 2023

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15-05-2024



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THIRD SEMESTER M.COM. (CBCS) DEGREE  
EXAMINATION, APRIL 2023

COMMERCE

PG63T301 : Accounting Information System  
(Compulsory Paper)

Time : 3 Hours]

[Max. Marks : 75

SECTION – A

1. Answer **any six** sub-questions. **Each** sub-question carries 2 marks.

(6×2=12)

- Define data collection and data source.
- What is prototype and CAD function ?
- State the use of flow chart in system design.
- What is software suite and integrated package ?
- State the use of cutting edge technology in e-commerce.
- Define Lean Manufacturing.
- List activities of conversion cycle. State any one activity in detail.
- What is ledger and group in Tally ?
  - What is POS invoicing in Tally ERP ?
  - What is digital signature ?



SECTION – B

Answer **any three** of the following. **Each** question carries 6 marks. (3×6=18)

- Why Information Technology important to Accountant ?
- What are the differences between prototype and waterfall methods in SDP ?

[P.T.O.]



4. Briefly explain E-Commerce Framework.
5. What are the major issues in financial cycle ?
6. Discuss in brief different types of vouchers in Tally.

### SECTION – C

Answer **any three** of the following. **Each** question carries **15** marks. (3×15=45)

7. Why AIS is viewed as important tool to business ? State its functions in business.
8. What is the purpose of SD and SA ? Discuss the steps involved and outcomes of these phases.
9. Explain in detail the 3 main categories of E-Commerce.
10. Explain the payroll processing functions in Tally ERP-9.
11. Discuss the significance of accounting in lean manufacturing environment.

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THIRD SEMESTER M.COM. (CBCS) DEGREE EXAMINATION, APRIL 2023

COMMERCE

PG63T302 : International Financial Management  
(Compulsory Paper) (New Syllabus)

Time : 3 Hours]

[Max. Marks : 75

SECTION – A

Answer **any six** sub-questions. **Each** sub-question carries **two** marks.

(6×2=12)

1. a) How important international financial management is ?  
b) What is gold standard ?  
c) What is the relationship between IFM and BOP ?  
d) What are direct and indirect quotes ?  
e) What is indicated by forward rate premium and discount ?  
f) State steps are involved money market operations.  
g) What is home currency approach ?  
h) Give the meaning and reasons for economic exposure.  
i) What is international capital budgeting ?  
j) What is LIBOR ?



[P.T.O.]





## SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. (3×6=18)

2. Examine leads and lags and netting methods of internal exchange risk management.
3. Why do you think foreign governments impose restrictions on dividend repatriations ? Explain.
4. The US Dollar is selling in India at Rs. 72.50. If the interest rate for a 3 month borrowing in India is 6% per annum and the corresponding rate is 2.75% in USA.
  - i) Do you expect that US Dollar will be at a premium or at discount in the Indian Forex Market ? What will be the expected 3-month forward rate for US Dollar in India ?
  - ii) What will be the rate of forward premium or discount ?
5. A company operating in a country having the \$ as its unit of currency has today invoiced sales to an Indian company, the payment being due 3 months from the date of invoice. The invoice amount is \$ 13,750. At today's spot rate, It's equivalent is Rs. 5,00,000. It is anticipated that the exchange rate will decline by 5% over the 3 months period and in order to protect the \$ payments, the importer proposes to take appropriate action in the foreign exchange market. The 3-month forward rate is presently quoted at \$ 0.0273. You are required to calculate the expected loss and to show how it can be hedged by a forward contract.
6. As of Nov. 1, 2021 the exchange rate between the Brazilian real and US dollar was R 1.95/\$. The consensus forecast for the US and Brazil inflation rates for the next one-year period was 2.6 percent and 20.0 percent, respectively.  
What would have forecast the exchange rate to be at around Nov. 1, 2022.



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SECTION – C

Answer **any three** questions. **Each** question carries **15** marks. **(3×15=45)**

7. What is adjusted net present value ? Examine adjustments done in estimating cash flows from foreign operations.
8. What is cost of capital of international operations ? Explain steps involved in estimating it.
9. Skylark Systems Ltd. is interested to expand its operations in US for which it requires funds of \$ 20 million, net of issue expenses and floatation costs, etc., which amount to 3% of the issue size. To finance this project it proposes to issue GDR.

Following factors are considered in pricing the issue :

- i) Expected market price of share at the time of issue of GDR is Rs. 300 (FV Rs. 10)
- ii) Equity shares shall underlie each GDR and shall be priced at 30% discount to market price.
- iii) Expected exchange rate is Rs. 75/\$.
- iv) 20% dividend is expected to be paid for next year with growth rate of 15%.

You are required to compute the number of GDRs to be issued and cost of GDR to Skylark Systems Ltd.

If the company is able to raise the funds in US at the rate of 4% p.a. and the company is able to repay the loan along with interest from revenues generated from the operations of US, what is your advise to the company ?



10. A proposed foreign investment involves creation of a plant with annual output of 1 million units. The entire production will be exported at a selling price of USD 10 per unit. At the current rate of exchange dollar cost of local production equals to USD 6 per unit. Dollar is expected to decline by 10% or 15%. The change in local cost of production and probability from the expected current level will be as follows :

Decline in Value of USD (%)	Reduction in local cost of production (USD/unit)	Probability
0	—	0.4
10	0.40	0.4
15	0.15 additional reduction	0.2

The plant at the current rate of exchange will have a depreciation of USD 1 million annually. Assume local tax as 30%.

You are required to find out :

- Annual Cash Flow After Tax (CFAT) under all the different scenarios of exchange rate.
  - Expected value of CFAT assuming  $n^0$  repatriation of profits.
  - Viability of the investment proposal assuming an initial investment of USD 25 million on plant and working capital, with a required rate of return of 11% on investment and on the basis of CFAT arrived under option (b). The CFAT will grow at 3% per annum in perpetuity.
11. The domestic US beta of GM is 1.0, which is the average beta risk level. The expected return on U.S. market portfolio is 12% and that the risk-free interest rate, proxied by US Treasury bill rate, is 6 percent.
- If U.S. capital markets are segmented from the rest of the world, find the expected return on GM stock.
  - If U.S. capital markets are integrated with the rest of the world and that the world beta measure of IBM stock is 0.8. Assume that the risk-free rate is 6 percent and the expected return on the world market portfolio is 12%. Compute the expected return on GM stock.





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THIRD SEMESTER M.COM. (CBCS) DEGREE  
EXAMINATION, APRIL 2023  
COMMERCE (Group B and C)

**PG63T303B : Company Accounts/Corporate Accounts (New/Old)**

Time : 3 Hours]

[Max. Marks : 75

**Instruction :** Use of financial table and non-programmable calculator is **permitted**.

SECTION – A

Answer **any six** sub-questions. **Each** sub-question carries **2** marks.

(6×2=12)

1. a) State the percentage of profit to be transferred to reserve if the company declares dividend exceeding 10% but not more than 12.5%.
- b) State the accounting entry on declaration of dividend by the company.
- c) What is normal rate of return ?
- d) State the need of valuation of shares.
- e) What are the methods of computing purchase consideration ?
- f) Define amalgamation as per AS 14.
- g) What is cross holding ?
- h) What is the accounting treatment of investment made by holding company in subsidiary company in consolidation of accounts ?
- i) State the circumstance in which court will direct winding up of company.
- j) Who are list A contributories ?

[P.T.O.]





## SECTION – B

Answer any three questions. Each question carries six marks. (3×6=18)

2. Explain in brief methods of accounting of amalgamation as per AS 14.
3. Discuss the effect of issue of bonus shares out of pre-acquisition and post-acquisition profit on cost of control. Use your own example.

4. Following particulars are available from the books of Abishek Ltd. on 31<sup>st</sup> Dec. 2022.

Net profit before provision for income tax and managerial remuneration but after provision for depreciation and repair ₹ 98,04,100

Depreciation provided in the books ₹ 35,00,000

Provision for repairs of machinery during the year ₹ 2,50,000

Depreciation allowable Company Act ₹ 28,00,000

Actual expenditure incurred on repairs during the year ₹ 1,50,000

You are required to calculate the managerial remuneration in the following cases.

- a) If there is one whole time director.
- b) If there are two whole time directors, a part time director and a manager.

5. The capital structure of a company is as follows :

	₹
12% Preference shares of ₹ 10 each	5,00,000
Equity shares of ₹ 10 each	8,00,000
Reserves and Surplus	4,00,000
10% Debentures	6,00,000
11% Term loan	7,00,000
	<b>30,00,000</b>

Average annual profit before payment of tax and interest is ₹ 6,00,000. The income tax rate is 30%, price earning ratio is 9. You are required to value the equity shares of a company.

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6. The following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the Liquidator's Statement of Accounts allowing for the remuneration @ 2% on all assets realised excluding call money received and 2% on the amount paid to unsecured creditors.

Share capital issued :

10000 Preference shares of ₹ 100 each fully paid up

50000 Equity shares of ₹ 10 each fully paid up

30000 Equity shares of ₹ 10 each, ₹ 8 paid up

Assets realised ₹ 20,00,000 excluding the amount realised by sale of securities held by partly secured creditors.

Preferential creditors ₹ 50,000

Unsecured creditors ₹ 18,00,000

Partly secured creditors (Assets realised ₹ 3,20,000) ₹ 3,50,000

Debenture holders having floating charge on all assets of the company ₹ 6,00,000

Expenses at liquidation ₹ 10,000

A call of ₹ 2 per share on the partly paid up shares was duly received except in case of one shareholder owing 1000 shares.

Also calculate the percentage of amount paid to the unsecured creditors to the total unsecured creditors.

### SECTION – C

Answer **any three** questions. **Each** question carries **fifteen** marks.

(3×15=45)

7. Explain methods of valuation of shares, giving your own example.
8. Discuss the modes of winding up of a company and give detailed format of statement of affairs.



9. Sherry Engineering Ltd. have authorised capital of ₹ 50 lakh divided into 500000 equity shares of ₹ 10 each. Their books shows following balances as on 31<sup>st</sup> Dec., 2022.

Particulars	₹	Particulars	₹
Stock on 1-1-2022	6,65,000	Equity share capital	
Discount and rebates	30,000	(200000 shares of	
Carriage inwards	57,500	₹ 10 each)	20,00,000
Patterns	3,75,000	4% Debentures	
Rates, taxes, insurance	55,000	(repayable after	
Furniture and Fixtures	1,50,000	10 years)	5,00,000
Materials purchased	12,32,500	Bank OD	7,57,000
Wages	13,05,000	Creditors for goods	2,40,500
Coal and Coke	63,000	Sales	36,17,000
Freehold Land	12,50,000	Rent (Cr.)	30,000
Plant and Machinery	7,50,000	Transfer fees	6,500
Engineering tools	1,50,000	P and L A/c (Cr.)	67,000
Goodwill	3,75,000		
Debtors	2,66,000		
Bills receivables	1,34,500		
Advertisement	15,000		
Commission and			
brokerage	67,500		
Business expenses	56,000		
Bank A/c	20,000		





Cash in hand 8,000

Debenture interest

(for ½ year 30-6-2022) 10,000

Interest (Banks) 91,000

Preliminary expenses 10,000

Calls in arrears 10,000

The stock (Valued at cost or market value whichever is lower) as on 31<sup>st</sup> Dec., 2022 was ₹ 7,08,000. Outstanding liabilities for wages ₹ 25,000 and business expenses ₹ 25,000. Dividend declared @ 10% on paid up capital. Charge depreciation : plants and machinery @ 5%, engineering tools @ 20%, patterns @ 10% and furniture and fixtures @ 10%. Provide 2% on debtors as doubtful debts after writing off ₹ 21,500 as bad debts. Provide ₹ 2,40,000 for income tax. You are required to prepare :

a) Statement of Profit and Loss

b) Balance Sheet.

10. Following are the Balance Sheets of X Ltd. and Y Ltd. as on 31<sup>st</sup> December 2022.

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
Share capital			Assets	10,00,000	8,00,000
(₹ 100 each)	10,00,000	5,00,000	Shares in		
Sundry			Y Ltd.	5,00,000	—
Creditors	2,00,000	1,00,000	(3000 shares)		
Reserves	3,00,000	4,00,000	Shares in		
			X Ltd.	—	2,00,000
	15,00,000	10,00,000		15,00,000	10,00,000





You are required to prepare the necessary accounts of the books of transferer(s) company and opening entries in the books of transferee company if a new company XY Ltd. is formed to takeover X Ltd. and Y Ltd.

11. From the following data, you are required to prepare Consolidated Balance Sheet of a group of companies.

**Balance Sheet as on 31<sup>st</sup> Dec. 2022**

Liabilities	X Ltd.	Y Ltd.	Z Ltd.	Assets	X Ltd.	Y Ltd.	Z Ltd.
	₹	₹	₹		₹	₹	₹
Share capital	2,50,000	2,00,000	1,20,000	Fixed Assets	56,000	1,10,000	75,000
Reserves	36,000	20,000	14,400	Investment			
P and L A/c	32,000	4,000	10,200	at cost			
Z Ltd. balance	6,600	—	—	Shares in			
Sundry				Y Ltd.	1,70,000	—	—
creditors	14,000	10,000	—	Shares in			
X Ltd. balance	—	14,000	—	Z Ltd.	36,000	1,06,000	—
				Stock in			
				trade	24,000	—	—
				Y Ltd.			
				balance	16,000	—	—
				X Ltd.			
				balance	—	—	6,600
				Debtors	36,600	32,000	63,000
	3,38,600	2,48,000	1,44,600		3,38,600	2,48,000	1,44,600

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### Other informations :

- a) Share capital of all companies are of ₹ 100 each.
  - b) X Ltd. held 1500 shares of Y Ltd. and 300 shares of Z Ltd.
  - c) Y Ltd. held 800 shares of Z Ltd.
  - d) All investments are made on 30<sup>th</sup> June 2022.
  - e) Following were the balances on 01-01-2022
- |                     | Y Ltd. | Z Ltd. |
|---------------------|--------|--------|
| Reserves            | 18,000 | 12,000 |
| Profit and Loss A/c | 2,000  | 1,680  |
- f) Dividends have not been declared by any company during the year.
  - g) Y Ltd. sold goods costing ₹ 8,000 to X Ltd. at the price of ₹ 8,800. These goods were still unsold on 31-12-2022.
  - h) X Ltd. remitted ₹ 2,000 to Y Ltd. on 31-12-2022 but the same was not received by Y Ltd. on 31-12-2022.





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THIRD SEMESTER M.COM. (CBCS) DEGREE EXAMINATION, APRIL 2023  
**COMMERCE**

**PG63T304B&C : Accounting for Specialised Institutions**  
**(Group B & C: Accounting, Taxation and Finance Groups)**

Time : 3 Hours]

[Max. Marks : 75

**SECTION – A**

1. Answer any six of sub-questions. Each sub-question carries 2 marks.

(6×2=12)

- What do you mean by Life Assurance Fund ?
- What is doubtful asset and state provision required as per RBI ?
- State need of SLR and CRR in banks.
- What is customer rebate reserve ?
- What do you mean by capital base ?
- Give meaning of 'Corpus Fund'.
- What are specific donations and general donations ?
- How do you calculate room charges and bed occupancy rate ?
- What is European plan ?
- What is 'Annuity' ?



[P.T.O.]



## SECTION – B

Answer **any three** of the following. **Each** question carries **6** marks. (3×6=18)

2. Explain the procedure for disposal of surplus in Life insurance.
3. Explain various sources of income and expenditure of educational institutions.
4. Electric Supply Ltd. rebuilt and re-equipped one of their Mains at a Cash Cost of Rs. 40,00,000. The old Mains thus superseded cost Rs. 15,00,000. The capacity of the new Main is double that of the old Main. Rs. 70,000 was realized from sale of old materials. Four old motors valued at Rs. 2,00,000 salvaged from the old Main were used in the reconstruction. The cost of Labour and Materials is respectively 30% and 25% higher now than when the old Main was built. The proportion of Labour to Materials in the Main then and now is 2:3.

Show the journal entries for recording the above transactions, if accounts are maintained under Double Account System.

5. The following particulars are extracted from the (Trial Balance) Books of M/s Commercial Bank Ltd. for year ending 31<sup>st</sup> March, 2021 :
  - i) Interest and Discounts Rs. 1,96,62,400
  - ii) Rebate on Bills Discounted (balance on 1-4-2020) 65,040
  - iii) Bills discounted and purchased 67,45,400

It is ascertained that proportionate discount not yet earned on the Bills discounted which will mature during 2021-2022 amounted to Rs. 92,760.

Pass the journal entries with narration adjusting the above and show :

- a) Rebate on Bills Discounted Account and
- b) Interest and Discount Account in the ledger of the Bank.

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6. From the following particulars pertaining to four rooms in a hotel, draw up suitable columnar ledger.

- i) Room rent for each room Rs. 500 + 15%
- ii) Room 1: Break fast Rs. 45, Laundry Rs. 50, Local phone calls Rs.15
- iii) Room 2: Lunch Rs. 85, STD calls Rs. 125, Wine Rs. 60, previous day's outstanding amount Rs. 1,250.
- iv) Room 3: Private taxi hired from hotel Rs. 400, STD calls Rs. 350, Dinner Rs.125, Whisky Rs. 100. Deposited Rs. 3,500 with the hotel.
- v) Room 4: Opening dur from the guest Rs. 575, laundry Rs. 30, lunch Rs. 120
- vi) The guest in Room 3 is a regular visitor and is entitled to a discount of 20% on room rent.

All the foregoing transactions pertain to a single day. .



### SECTION – C

Answer **any three** of the following. **Each** question carries **15** marks.

(3×15=45)

7. What are departments in hospital ? Explain the revenue streams in Hospital sector.
8. Discuss the nature, significance and methods of hotel accounting.
9. From the following figures taken from the books of New India Insurance Company Ltd., doing fire underwriting business, prepare the set of the final account for the year 2020.

Particulars	Rs.	Particulars	Rs.
Fire Fund (1-1-2020)	9,30,000	Commission on Direct	
General Reserve	4,50,000	business	2,99,777
Investment	36,00,000	Commission on	
Premium	27,01,533	reinsurance accepted	60,038





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Claims paid	6,02,815	Outstanding premium	22,300
Equity share capital		Claims intimated but not	
of Rs. 100 each	9,00,000	paid (1-1-2020)	60,000
Additional Reserve	3,30,000	Expenses on Management	4,31,947
Profit and Loss A/c (Cr.)	75,000	Audit fees	36,000
Reinsurance premium	1,12,525	Rates and Taxes	5,804
Claims recovered from		Rents	67,500
reinsurers	21,119	Income from Investment	1,53,000
Commission on		Sundry creditors	22,500
re-insurance ceded	48,016	Agent's Balance (Dr.)	20,000
Advance income tax	2,50,000	Cash on hand and Bank	1,82,462
paid		balance	

The following further information may also be noted :

- Expenses of management include survey fees and legal expenses of Rs. 36,000 and Rs. 20,000 relating to claims.
- Claims intimated but not paid on 31 December 2020  
Rs. 1,04,000
- Income-tax to be provided at 55%
- Transfer of Rs. 2,00,000 to be made from current profit to General Reserve.



10. From the following information, prepare Profit and Loss account of Vasavi Bank Ltd. for the period ended on 31<sup>st</sup> March, 2021 (working should form of your answer):

	Rs.
Interest on Loans	3,00,000
Interest on Fixed Deposits	2,75,000
Commission	10,000
Exchange and Brokerage	30,000
Salaries and allowance	1,60,000
Discount on Bills (Gross)	1,52,000
Interest on cash credits	2,40,000
Interest on Temporary Overdraft in current account	30,000
Interest on Savings Bank Deposits	87,000
Postage, Telegram and Stamps	10,000
Sundry expenses	10,000
Printing and stationery	20,000
Rent	15,000
Taxes and Licenses	10,000
Audit fees	10,000



**Additional Information :**

- i) Rebate on Bills discounted Rs.30,000
- ii) Provide for Directors' Fees and allowance Rs. 30,000
- iii) Bad debts Rs. 40,000
- iv) Provision for income-tax is to be made @ 55% (round off to near thousand)
- v) Interest Rs. 4,000 on doubtful debts was wrongly credited to interest on loans account.
- vi) Transfer 25% of Net Profit to Statutory Reserve and provide Rs. 15,000 as dividend.

11. From the following details of an electricity supply company, maintaining account under Double Account System, calculate the following :

- a) Clear profit
- b) Capital base
- c) Reasonable return and
- d) Amount available for dividends and contributions to tariff and dividend control reserve and consumer's rebate reserve.

	Rs.
Sale of Energy	12,40,000
Meter rents	90,000
Transfer fees	1,000
Costs of generation	6,05,000
Distribution and selling expenses	65,000
Rent, rate and taxes	18,000
Audit fees	5,000





Intangible written off	3,000
Management expenses	90,000
Depreciation	60,000
Interest on Loan from Electricity board	9,000
Contingency Reserve Investment Income	5,000
Interest on security deposit	1,000
Interest on Bank deposit	600
Contribution to Provident Fund	32,000

Original cost of Fixed Assets is Rs. 27,00,000; Contributions by Consumers for acquisition of such Fixed assets Rs. 2,00,000; Cost of intangibles Rs. 50,000 ; Contingency Reserve Investment Rs. 50,000; Stores opening and closing Rs. 40,000 and Rs. 60,000 respectively ; Cash and bank balances-opening Rs. 30,000 and Closing Rs. 50,000.

Depreciation upto beginning of the year Rs. 5,00,000. Intangible written off up to the beginning of the year Rs. 40,000. Security deposits of customers held in cash Rs. 20,000. Tariff and Dividend Control Reserve-opening balance Rs. 80,000. Development Reserve-Opening balance Rs. 1,20,000.



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THIRD SEMESTER M.COM. (CBCS) DEGREE EXAMINATION, APRIL 2023  
COMMERCE

PG63T305B : Corporate Tax Planning – I  
(Accounting and Taxation Group)

Time : 3 Hours]

[Max. Marks : 75

*Instruction : Use of simple and non-programmable  
calculator is **permitted**.*

SECTION – A

1. Answer **any six** sub-questions. Each sub-question carries **two** marks.

(6×2=12)

- What is Tax avoidance ?
- Differentiate between domestic company and foreign company.
- What do you mean by minimum alternate tax ?
- What is terminal depreciation ?
- State various exemptions available for corporate assessee under the head 'Capital Gains'.
- What is tax deduction at source ?
- Differentiate between Voluntary ROI and Compulsory ROI.
- State the relevance of best judgement assessment.
- What are the tax incentives available from nature of an industrial undertaking point of view.
- What are the perquisites available for a salaried person ?



[P.T.O.]

## SECTION – B

Answer any three of the following questions. Each question carries six marks.

(3×6=18)

2. Explain the scope of total income based on residential status of a company.
3. Explain the losses which can be carried forward.
4. Gowri Shankara Co. Ltd., is in manufacture of a component submits the following information :

Name of Assets	Plant and Machinery		
	I	II	III
Block of Assets			
Rate of depreciation	15%	25%	10%
W.D.V as on 1-4-2021			
Plant A	8,50,000	—	—
Plant B	—	12,50,000	—
Plant C	—	—	5,60,000
Additions during the year			
Plant P	22,50,000	—	—
Plant Q	—	8,00,000	—
Plant R	—	—	10,00,000



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Plant 'P' and 'Q' are purchased and put to use by the company during June 2021, whereas Plant 'R' was purchased and put to use during January 2022. During 2021 – 22 old plants viz, Plant A is sold for ₹ 6,50,000, Plant 'B' for ₹ 9,50,000 and Plant 'C' for ₹ 4,00,000.

Compute the permissible amount of normal and additional depreciation for the assessment year 2022 – 23.

5. Determine the amount of interest payable under Section 234 A by XP Ltd. for the AY 2022 – 23.

Due date of filing ROI	30-09-2022
Date of filing ROI	10-03-2023
Date of payment of self assessment tax	03-01-2023
Date of completion of assessment	15-05-2023
Income declared	₹ 3,50,100
Income assessed	₹ 3,61,560
Advance tax paid during 2021 – 22	95,000
TDS	1,100



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6. The following are the particulars of income. Calculate the gross total income of X Ltd. a corporate assessee for the Assessment Year 2022 - 23.

Income from House property (1)	₹ 5,00,000
Loss from House property (2)	₹ 4,00,000
Income from interest on securities	₹ 3,50,000
Loss from Loose tools business	₹ 3,00,000
Profit from speculation business	₹ 3,00,000
Loss from short term capital asset	₹ 1,80,000
Long term capital losses	₹ 5,50,000
Long term capital gains on investments	₹ 4,10,000

### SECTION - C

Answer any three questions. Each question carries 15 marks. (3x15=45)

7. What is Section 115 BAC ? Explain the features of new tax regime and its benefits.
8. What do you mean by specified business u/s 35AD ? Explain in detail, the conditions to be fulfilled by the assessee to avail deduction.



6. The following are the particulars of income. Calculate the gross total income of X Ltd. a corporate assessee for the Assessment Year 2022 – 23.

Income from House property (1)	₹ 5,00,000
Loss from House property (2)	₹ 4,00,000
Income from interest on securities	₹ 3,50,000
Loss from Loose tools business	₹ 3,00,000
Profit from speculation business	₹ 3,00,000
Loss from short term capital asset	₹ 1,60,000
Long term capital losses	₹ 5,50,000
Long term capital gains on investments	₹ 4,10,000

### SECTION – C

Answer **any three** questions. **Each** question carries **15** marks. (3×15=45)

7. What is Section 115 BAC ? Explain the features of new tax regime and its benefits.
8. What do you mean by specified business u/s 35AD ? Explain in detail, the conditions to be fulfilled by the assessee to avail deduction.



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9. The following is the information of Tarak and Company for the Assessment Year 2022 – 23.

Particulars	Amount (₹)
Cost of Goods sold	10,00,000
Sales	14,00,000
Long term capital gain	1,50,000
Tax relating to LTCG	3,000
Interest on Government Securities	15,000
Depreciation	85,000
Proposed dividend	1,30,000
Income tax	60,000
Net profit	2,87,000



**Additional information :**

- 1) Depreciation allowable for the year as per Income Tax Act is ₹ 50,000.
- 2) Brought forward business losses as per books of account is ₹ 1,25,000
- 3) Brought forwarded unabsorbed depreciation ₹ 55,000

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Compute :

a) Total income of the company under normal provisions.

b) Tax liability of the company.

c) Tax payable under Section 115JB.

10. PQR Ltd. is a widely held company. It is currently considering a major expansion of its production facilities and the following alternatives are available :

Particulars	Alt 1	Alt 2	Alt 3
Share capital	15,00,00,000	6,00,00,000	3,00,00,000
Debentures (11 percent)	—	6,00,00,000	4,50,00,000
Loan from financial institution / bank @ 10 percent	—	3,00,00,000	7,50,00,000
<b>Total</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>

Expected rate of return (before tax) is 25 percent. The rate of dividend of the company since 2000 is not less than 20 percent and the date of declaration of dividend is June 30 every year. Applicable tax rate in the case of PQR Ltd. is 30 percent (Before surcharge / health and education cess).

Suggest the best alternative for the company.



11. XYZ Ltd. needs a component in an assembly operation. It is contemplating the proposal to either make or buy the component.

- 1) If the company decides to make the product itself, then it would need to buy a machine for ₹ 8,00,000 which would be used for 5 years. Manufacturing costs in each of the five years would be ₹ 12,00,000, ₹ 14,00,000, ₹ 16,00,000, ₹ 20,00,000 and ₹ 25,00,000 respectively. The relevant depreciation rate is 15 percent. The machine will be sold for ₹ 1,00,000 in the beginning of the sixth year.
  - 2) If the company decides to buy the component from a supplier, the component would cost ₹ 18,00,000, ₹ 20,00,000, ₹ 22,00,000, ₹ 28,00,000 and ₹ 34,00,000 respectively in each of the five year. The relevant discounting rate and tax rate are 14 percent and 34.944 percent respectively. Additional depreciation is not available. Should XYZ Ltd. make the component or buy from outside ?
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THIRD SEMESTER M.B.A. (CBCS) DEGREE  
EXAMINATION, APRIL 2023  
**MANAGEMENT (Revised New)**  
**Introduction to Entrepreneurship (C4)**  
**(OEC)**

Time : 3 Hours]

[Max. Marks : 50

SECTION – A

Answer **any ten** of the following sub-questions. **Each** question carries **one** mark. (10×1=10)

1. a) Define Social Entrepreneurship.
- b) What is meant by an Intrapreneur ?
- c) Name the two schemes under the promotion of Small Scale Industries in India.
- d) List any two elements of a business opportunity.
- e) Define Angel Investors.
- f) What do you mean by incubation centres ?
- g) Mention any two kinds of entrepreneurship barrier.
- h) What do you mean by privatization ?
- i) Explain what are the types of Innovation.
- j) Give the examples of successful entrepreneurs.
- k) What are the factors influencing the entrepreneurs ?

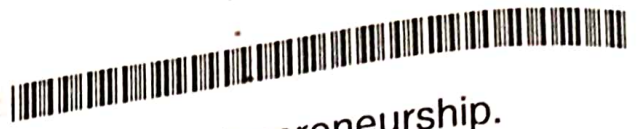


SECTION – B

Answer **any four** of the following questions. **Each** question carries **five** marks. (4×5=20)

2. Explain the characteristics of an entrepreneur.
3. Discuss in brief Sole Proprietorship.

[P.T.O.]



4. Explain what is the significance of Innovation in entrepreneurship.
5. What is the need of EDP in India ?
6. What are the factors influencing the entrepreneurs ?

### SECTION – C

Answer **any one** question out of two. **Each** question carries ten marks.

(10×1=10)

7. Define Social Entrepreneurship. Differentiate social entrepreneurship and business entrepreneurship.
8. Discuss on opportunity recognition and idea generation in Entrepreneurship.

### SECTION – D

9. **Compulsory** question, the question carries 10 marks.

(10×1=10)

**Case Study : Retail entrepreneurship development in India :**  
**A case study of Big Bazaar**

The Indian retail industry has strong linkages with the economic growth and development of the economy. India is one of the largest emerging markets. It is one of the largest economies in the world in terms of purchasing power. Retailing in India is at an emerging stage of its evolution. Organized retailing has become more popular in big cities in India and most of the metropolitan cities and other big cities are flooded by modern organized retail stores. Many semi-rural areas have also witnessed entry of such organized retail outlets. Indian retail industry is currently estimated at US\$ 490 billion. India's retail market is expected to touch a whopping Rs. 47 trillion (US\$ 782.23 billion) by 2016-17, expanding at a Compounded Annual Growth Rate (CAGR) of 15 percent, according to a study by a leading industrial body. The total organized retail supply in 2013 stood at approximately 4.7 million square feet (sq.ft), witnessing a strong year-on-year (y-o-y) growth of about 78 percent over the total mass supply of 2.5 million sq.ft in

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2012. The Foreign Direct Investment (FDI) inflows in single-brand retail trading during the period April 2000 – January 2014 stood at US\$ 98.66 million. Retailing as a whole contributes almost 14-15% of India's GDP and employs almost 8% of India's employable population.

Big Bazaar is credited with bringing organized mega retailing to India. The project was conceived as a uniquely Indian hypermarket in a format that combined the look, touch and feel of Indian bazaars with the comfort, convenience and quality that modern retailing brings. Launched in August 2001, Big Bazaar has now become the iconic destination of modern retailing for all sections of Indian consumers. There are more than hundred Big Bazaar stores in big cities as well as smaller towns like Sangli, Durgapur, Panipat, Palakkad, Ambala, Meerut, Kolhapur and Haldia. Attracting over 100 million customers every year, it has democratized shopping in India and become synonymous with great promotions that offer quality products at affordable prices. This typical Big Bazaar store offers over 1,60,000 products across categories like apparel, general.

**Questions :**

- a) What are the entrepreneurial opportunities you can find in retail sector in India ?
- b) How organized retailing has become more popular in big cities in India ?
- c) How Big Bazaar retail store would retain its business in today's competitive world among retail firms ?

