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(Pages : 3)

**PG63T 305B—FEB. 2024—7528**

THIRD SEMESTER M.Com. (CBCS) DEGREE EXAMINATION, FEBRUARY 2024

Commerce

**CORPORATE TAX PLANNING—I**

Time : Three Hours

Maximum : 75 Marks

*Group B : Accounting and Taxation Group.*

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

**Section A**

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

- Define Tax planning.
- What are the areas of tax management ?
- What is additional depreciation ?
- How do you classify residential status of a company ?
- Differentiate between Speculation business loss and Non-speculation business loss.
- State the purpose of book profits.
- Define Amalgamation.
- Name any four exempted perquisites.
- What is double taxation relief ?
- What do you mean by deemed dividend ?

(6 × 2 = 12 marks)

**Section B**

*Answer any three questions.*

*Each question carries 6 marks.*

- Explain in brief, the provisions pertaining to TDS.
- What is a bonus share ? How do we treat issue of bonus shares under the provisions of Income tax Act ?
- An undertaking engaged in generation and distribution of power purchased an asset on July 2020 for ₹ 5,00,000 on which depreciation allowed at 7.84 % on SLM basis. If the assessee sells the asset in 2022-23 for :
  - ₹ 6,00,000.
  - ₹ 4,60,000.
  - ₹ 3,50,000.

Compute capital gain, balance in charge, terminal depreciation as the case may be for the A.Y.2023-24.

**Turn over**

5. For the previous year 2022-23, Republic Ltd. has a taxable income of ₹ 45,00,000 and book profits of ₹ 90,00,000. Find out the tax payable by the company.
6. Estimated Gross Total income of X Ltd. is ₹ 45,00,000 which includes ₹ 5,00,000 long-term capital gain earned on 10-9-2022.

Compute advance tax payable by company assuming ₹ 50,000 shall be deducted at source during financial year 2022-23.

(3 × 6 = 18 marks)

### Section C

Answer any **three** questions. Each question carries 15 marks.

7. Discuss in brief, various types of ROI.
8. Explain the provisions of Section 115 BAC for individuals.
9. PQR Ltd. submits the following particulars for the previous year ending 31st March 2023. Determine its tax liability for the Assessment Year 2023-24 on the assumption that dividend distributed for the year 2022-23 is ₹ 30,00,000. (date of distribution May 15, 2022) :

	₹
Profit from business of manufacturing activity in India	... 1,50,00,000
Loss from the activity of business carried out in India	... (50,00,000)
Dividend received from Indian Company	... 25,00,000
Dividend received from Foreign Company	... 10,00,000
Royalty from Nepal Govt. received for use of patents	... 5,00,000
Short-term capital gain	... 10,00,000
Long-term capital loss	... (5,00,000)
Income from other sources	... 20,00,000
Unabsorbed depreciation	... 50,00,000
Unabsorbed capital expenditure on scientific research activities	... 15,00,000

10. A and B want to start a business. They have two options for selecting a form of business organisation partnership or Private Company. The estimated profits before claiming deduction were 35,00,000 :
  - (a) Remuneration : ₹ 40,000 and ₹ 45,000 p.m. each by the company.
  - (b) Each will give loan to business of 10,00,000 at the rate of 12 % p.a.
  - (c) Contribution as capital of ₹ 10,00,000 each on which interest paid at 12 % p.a. However, the company cannot pay interest on it.
  - (d) The profit after tax will be distributed equally as profits or dividends.

Assume company is liable to pay income tax at 30 % plus surcharge and health and education cess. Suggest whether they should form partnership or private company.



11. S Ltd. is a widely held company. It proposes to increase its production for which it will require ₹ 1,00,00,000. The company proposes the following three alternatives for the structure of additional capital :

Particulars	1	2	3
Share capital ...	1,00,00,000	40,00,000	20,00,000
10 % debenture ...	—	40,00,000	30,00,000
Loan from a Bank (at 12 %) ...	—	20,00,000	50,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>	<u>1,00,00,000</u>

Expected return on capital employed is 25 % before tax. Generally, companies engaged in particular business are paying 20 % on share capital. Assume tax rate is 30 %, surcharge at 7 % and health and education cess at 4 %.

You have to advice the company as to which alternative it should choose for capital structure so as to pay maximum dividend to shareholders.

(3 × 15 = 45 marks)

(Pages : 4)

**PG63T303B&C—FEB. 2024—7518**

THIRD SEMESTER M.Com. (CBCS) DEGREE EXAMINATION, FEBRUARY 2024

Commerce

**COMPANY ACCOUNTS/CORPORATE ACCOUNTING**

(New/Old Schemes) [Group B and C]

Time : Three Hours

Maximum : 75 Marks

**Section A**

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

- What is divisible profit ?
- What do you mean by preliminary expenses and how it will be treated ?
- Draw the pro-forma of ascertainment of capital employed.
- State the circumstances for calculation of goodwill.
- Distinguish the merger with absorption.
- What do you mean by internatl reconstruction ?
- How do you compute cost of control ?
- What do you mean by Minority Interest?
- What is Liquidator's final statement ?
- Who are preferential creditors ?

(6 × 2 = 12 marks)

**Section B**

Answer any **three** of the following.

Each question carries 6 marks.

- Explain provisions of the Company Act relating to computing net profit for purpose of Managerial remuneration.
- Explain briefly procedure of preparing consolidated Balance Sheet.
- On 31st March, 2022, the Balance Sheet of K Ltd., disclosed the following position :

Liabilities	Rs.	Assets	Rs.
Share capital of Rs. 10 each ...	4,00,000	Goodwill ...	40,000
General Reserve ...	1,90,000	Fixed Assets (tangible) ...	5,00,000
Profit and Loss Account ...	1,20,000	Current Assets ...	4,50,000
14 % Debentures ...	1,00,000		
Current Liabilities ...	1,80,000		
	<u>9,90,000</u>		<u>9,90,000</u>

**Turn over**



On the above mentioned date tangible fixed assets were independently valued at Rs. 3,50,000 and goodwill at Rs. 50,000. The net profits of last 3 years were Rs. 90,000, Rs. 1,00,000 and Rs. 1,02,000. Compute the values of share by (i) Net assets method and (ii) The yield method.

5. On the eve of absorption of X Ltd. by Y Ltd. following summarized details are given :—

	X Ltd.	Y Ltd.
Net Assets	Rs. 33,00,000	Rs. 41,25,000
Number of E shares of Rs. 200 each	9,000	15,000
Reserves	Rs. 15,30,000	Rs. 11,25,000

Terms of absorption proposed as follows :

The holders of every three shares in X Ltd. were to receive four shares in Y Ltd. plus as much cash as is necessary to adjust the rights of shareholders of both the companies in much cash as in necessary to adjust the rights of shareholders of both the companies in accordance with intrinsic value of their respective shares. You are required to compute the purchase consideration.

6. Bad Luck went into voluntary liquidation. The following are the details :

Assets realized	Rs. 90,000
Liquidators remuneration	10,000
Unsecured creditors	40,000
Amount due to clerks	5,000
Salary due to peons	5,000
Preferential share capital	40,000

Equity sharecapital consists of :

1000 shares of Rs. 10 each, Rs. 9 called and paid up Rs. 9,000.

2000 shares of Rs. 10 each, Rs. 5 called and paid up Rs. 10,000.

You are required to prepare Liquidator's Final Statement of Account.

(3 × 6 = 18 marks)

### Section C

Answer any **three** of the following.

Each question carries 15 marks.

- Discuss the factors affecting the goodwill and steps of ascertaining the share value on the basis of Productivity factor.
- Describe the functions to be performed by the Board of the directors and liquidator in case of liquidation of company in the context of Accounting.

9. The following are the balances of Shiva Ltd. as on 31st March, 2022 :

<i>Debit</i>	<i>Rs.</i>	<i>Credit</i>	<i>Rs.</i>
Premises ...	30,72,000	Share Capital ...	40,00,000
Plant ...	33,00,000	12 % Debentures ...	30,00,000
Stock ...	7,50,000	P & L A/c ...	2,62,500
Debtors ...	8,70,000	Bills payable ...	3,70,000
Goodwill ...	2,82,500	Creditors ...	4,32,500
Cash and Bank ...	4,06,500	Sales ...	41,50,000
Calls in arrear ...	75,000	General Reserve ...	2,50,000
Interim dividend paid ...	3,92,500	Bad debt Provision on	
Purchases ...	18,50,000	1.4.2021 ...	35,000
Preliminary Expenses ...	50,000		
Wages ...	9,79,800		
General expenses ...	68,350		
Salaries ...	2,02,250		
Bad debts ...	21,200		
Debentures interest paid ...	1,80,000		
	<u>1,25,00,000</u>		<u>1,25,00,000</u>

Information :

- Depreciate plant by 15 %.
- Write off Rs. 5,000 from preliminary expenses.
- Half-years' Debenture interest due.
- Credit 5 % Provision on Debtors for Doubtful debts.
- Provide for Income Tax @ 50 %.
- Stock on 31st March, 2022 was Rs. 9,50,000.
- A claim of Rs. 25,000 for workmen's compensation is being disputed by the company.

Prepare Final Accounts of the company.

10. The financial position of two companies A Ltd. and B. Ltd. as on 31st March, 2022 was as under :

<b>Assets :</b>	<b>A Ltd. (Rs.)</b>	<b>B Ltd. (Rs.)</b>
Goodwill ...	50,000	25,000
Building ...	3,00,000	1,00,000
Machinery ...	5,00,000	1,50,000
Stock ...	2,50,000	1,75,000
Debtors ...	2,00,000	1,00,000
Cash at Bank ...	50,000	20,000
Preliminary expenses ...	30,000	10,000
	<u>13,80,000</u>	<u>5,80,000</u>

Turn over



**Liabilities :**

	A Ltd. (Rs.)	B Ltd. (Rs.)
Share capital (Rs. 10 each) ...	10,00,000	3,00,000
9 % Preference shares of Rs. 100 each ...	1,00,000	—
10 % Preference shares of Rs. 100 each ...	—	1,00,000
General Reserve ...	1,00,000	80,000
Retirement Gratuity Fund ...	50,000	20,000
Sundry Creditors ...	1,30,000	80,000
	<u>13,80,000</u>	<u>5,80,000</u>

A Ltd. absorbs B Ltd on the following terms :

- 10 % Preference shareholders are to be paid at 10 % premium by issue of 9 % Preference of A Ltd.
- Goodwill of B Ltd. is valued at Rs. 50,000, buildings are valued at Rs. 1,50,000 and the machinery at Rs. 1,60,000.
- Stock to be taken over at 10 % less value and Reserve for Bad and Doubtful Debts to be created at 7.5 %.
- Equity shareholders of B Ltd. will be issued equity shares at 5 % premium.

Prepare necessary Ledger accounts to close the books of B Ltd. and show the acquisition entries in the books of A Ltd. Also draft the Balance Sheet after absorption as at 31st March, 2022.

11. A Ltd. acquired 16000 equity shares of Rs. 10 each in B Ltd. on 1st July 2022. The Balance Sheets of two companies as on 31st December 2022.

Liabilities	A Ltd. Rs.	B Ltd. Rs.	Assets	A Ltd. Rs.	B Ltd. Rs.
Share Capital ...	6,00,000	2,00,000	Land and Building ...	2,80,000	1,90,000
Reserves ...	2,40,000	1,00,000	Plant and Machinery ...	2,40,000	1,35,000
Profit and Loss A/c ...	57,200	82,000	Investment in B Ltd.		
Bank Over draft ...	1,00,000	—	(at cost) ...	3,30,000	—
Bills payable ...	—	13,000	Stock ...	1,44,000	42,000
Sundry Creditors ...	69,800	30,000	Sundry debtors ...	44,000	50,000
			Bills receivables ...	14,200	8,000
	<u>10,67,000</u>	<u>4,25,000</u>		<u>10,67,000</u>	<u>4,25,000</u>

- The Profit and Loss Account of B Ltd. showed a balance of Rs. 30,000 on 1st January, 2022, out of which a dividend of 10 percent was paid on 1st August 2022. The dividend was credited by A Ltd. to its profits and loss account. Profits may be assumed to have accrued evenly throughout the year.
- The Plant and Machinery of B Ltd. which stood at Rs. 1,50,000 on 1st January, 2022 was considered as worth Rs. 1,80,000 on the date of acquisition by A Ltd. Plant and Machinery depreciated at 10 per cent.

Prepare the consolidated Balance Sheet of A Ltd. and its subsidiary as at 31st December, 2022.

(3 × 15 = 45 marks)

(Pages : 5)

**PG63T 304B&C—FEB. 2024—7523**

THIRD SEMESTER M.Com. (CBCS) DEGREE EXAMINATION, FEBRUARY 2024

Commerce

**ACCOUNTING FOR SPECIALISED INSTITUTIONS**

Time : Three Hours

Maximum : 75 Marks

*Group B and C : Accounting and Taxation and Accounting and Finance.*

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

**Section A**

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

- (a) Differentiate between Life Assurance fund and Reserve for unexpired risk.
- (b) What is endowment policy ?
- (c) What is the significance of contingency reserve under DAs ?
- (d) Differentiate between Single Account System and Double Account System (DAS).
- (e) State the provisions pertaining to income recognition in banking companies.
- (f) What do you mean by rebate on bills discounted ?
- (g) What is subscription register ?
- (h) How do you calculate room occupancy rate ?
- (i) Define hospital accounting.
- (j) What are the sources of income for educational institutions ?

(6 × 2 = 12 marks)

**Section B**

*Answer any **three** questions.*

*Each question carries 6 marks.*

2. Explain in brief, night auditor's job in Hotels.
3. Explain provisions of IRDA in connection with reinsurance business.
4. The life insurance fund of Hindustan Life Insurance Co. Ltd. was ₹ 34,00,000 on 31-3-2023. Its actuarial valuation on 31-3-2023 disclosed a net liability of ₹ 28,80,000. An interim bonus of ₹ 40,000 was paid to the policy holders during the previous year. It is now proposed to carry forward ₹ 1,10,000 and to divide the balance between the policyholders and shareholders. Show :
  - (a) The Valuation Balance Sheet.
  - (b) The net profit for the period.
  - (c) Distribution of profits.

**Turn over**



5. The following particulars are extracted from the books of M/s. Commercial Bank Ltd. for the year ended 31-3-2023 :

	₹
Interest and Discounts ...	1,96,62,400
Rebate on bills discounted (balance on 1-4-2022) ...	65,040
Bills discounted and purchased ...	67,45,400

It is ascertained that proportionate discount not yet earned on the bills discounted which will mature during 2023-24 amounted to ₹ 92,760.

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

- Rebate on bills discounted account ; and
  - Interest and Discount Account in the ledger of the Bank.
6. Calculate rent to be charged per day for room from the following information for a 5 star hotel at Delhi, if the occupation rate is 100 % and 80 % :
- Number of rooms available for occupancy 40.
  - Estimated total cost for January 2024 is ₹ 12,00,000.
  - Return expected on cost 50 %.

(3 × 6 = 18 marks)

### Section C

Answer any **three** questions.  
Each question carries 15 marks.

- Explain in detail, accounting system employed in educational institutions. Do you suggest any modification in the accounting system ?
- Discuss the procedure to be followed for replacement of an asset under DAS.
- The following are the balances extracted from the books of the Shield Insurance Company Ltd. as on 31-3-2023 :

	(₹ in thousands)	
	Debit	Credit
Claims paid (Fire) ...	56,000	—
Claims paid (Marine) ...	53,700	—
Commission (Fire) ...	54,800	—
Commission (Marine) ...	44,700	—
Expenses of management (Fire) ...	36,600	—
Expenses of management (Marine) ...	14,200	—
Directors fees ...	5,800	—
Depreciation on furniture ...	400	—
Contribution to PF ...	1,500	—

Deposit with RBI in securities	...	2,59,100	—
Co-operative land mortgage bank debentures	...	2,93,500	—
State Government loans	...	52,000	—
National Savings Certificates	...	1,00,000	—
Shares in Companies	...	30,000	—
Outstanding premium (Fire)	...	70,400	—
Outstanding premium (Marine)	...	59,600	—
Interest accrued	...	3,600	—
Sundry debtors	...	7,300	—
Fixed deposits (staff security)	...	6,500	—
Fixed deposits (employees PF investment)	...	6,800	—
Cash and bank balances	...	65,400	—
Furniture less depreciation	...	3,200	—
Library books	...	1,000	—
Reserve for unexpired risk (Marine)	...	—	1,22,000
Reserve for unexpired risk (Fire)	...	—	65,100
Additional Reserve (Fire)	...	—	71,400
Additional Reserve (Marine)	...	—	7,500
Premium less reinsurance (Fire)	...	—	1,65,300
Premium less reinsurance (Marine)	...	—	1,11,800
Claims outstanding 1-4-2022 (Fire)	...	—	1,900
Claims outstanding 1-4-2022 (Marine)	...	—	100
Interest on investments	...	—	17,800
Miscellaneous receipts	...	—	100
Share capital 3,50,00,000 shares of ₹ 10 each	...	—	3,50,000
General reserve	...	—	1,27,800
Staff security deposit	...	—	6,500
Staff provident fund	...	—	6,800
Sundry Creditors	...	—	1,38,000
Contingency reserve	...	—	28,000
Investment fluctuation reserve	...	—	6,000
		<u>12,26,100</u>	<u>12,26,100</u>

- (a) Estimated liability in respect of claims outstanding as on 31-3-2023 was : Fire - 3,00,000 ; Marine - 67,00,000.
- (b) Provide ₹ 10,000 for survey expenses for marine insurance claims.
- (c) Provide in case of fire insurance for additional reserve for unexpired risk at 10 % of the net premium in addition to the opening balances.

Prepare fire and marine revenue accounts, profit and loss account and balance sheet.

**Turn over**



10. The following figures are extracted from the books of Bangalore Bank Ltd. as on 31-3-2023:

	₹
Interest and discount received ...	40,60,000
Interest paid on deposits ...	29,04,000
Issued and subscribed capital ...	10,00,000
Reserve under section 17 ...	7,00,000
Commission, exchange and brokerage ...	1,80,000
Rent received ...	60,000
Profit on sale of investments ...	1,90,000
Salaries and allowances ...	2,10,000
Directors fees and allowances ...	24,000
Rent and taxes paid ...	1,08,000
Stationery and Printing ...	48,000
Postage and Telegraph ...	40,000
Preliminary expenses ...	10,000
Audit fees ...	8,000
Depreciation on Bank's properties ...	25,000

The following further information is given :

- A customer to whom a sum of ₹ 5,00,000 has been advanced has become insolvent and it is expected only 40 % can be recovered from his estate. Interest due at 15 % on his debt has not been provided in the books.
- Provision for bad and doubtful debts on other debts necessary ₹ 1,00,000.
- Rebate on bills discounted on 31-3-2022 and on 31-3-2023 are ₹ 10,000 and ₹ 15,000 respectively.
- Provide ₹ 7,00,000 for income tax.
- The directors desire to declare 10 % dividend.

Prepare Profit and Loss Account. Make necessary assumptions.

11. From the following information and details pertaining to the year ended 31-3-2023 and bearing in mind the provisions of the Electricity Corporation Limited, indicate disposal of profit :

	₹
Net profit before charging debenture interest ...	35,00,100
Fixed Assets ...	4,20,00,000
Depreciation ...	98,00,000

Loan from SEB	...	1,20,00,000
6 % investments of Reserve Fund (FV-90,00,000)	...	90,00,000
6 % investments of Contingency reserve	...	76,00,000
Tariff and Dividend control reserve	...	8,40,000
Security deposits of customers	...	4,84,000
Customers contribution to main lines	...	3,20,000
Preliminary expenses	...	1,40,000
Average of current assets excluding customers balances of ₹ 6,20,000	...	23,70,000
Development reserve	...	4,40,000
10 % debenture interest paid in the year	...	7,50,000

The RBI rate on the relevant date was 6 per cent.

(3 × 15 = 45 marks)



(Pages : 3)

**PG63T302—FEB. 2024—7516**

**THIRD SEMESTER M.Com. (CBCS) DEGREE EXAMINATION, FEBRUARY 2024**  
**INTERNATIONAL FINANCIAL MANAGEMENT/MULTINATIONAL BUSINESS**  
**FINANCE**

(Old and New Schemes)

Time : Three Hours

Maximum : 75 Marks

**Section A**

*Answer any **six** sub-questions.*

*Each question carries 2 marks.*

1. (a) Give meaning of conventional peg.
- (b) What is forward rate ?
- (c) State how factor income is treated in BOP.
- (d) What is the basic premise of purchasing power parity approach ?
- (e) Why do you think interest rate parity holds ?
- (f) What do you mean by international equity markets ?
- (g) What is ADR ?
- (h) What is international cost of equity capital of MNC ?
- (i) What do you mean by repatriation of profits ?
- (j) Give meaning of concessionary loan given to foreign subsidiaries.

(6 × 2 = 12 marks)

**Section B**

*Answer any **three** questions.*

*Each question carries 6 marks.*

2. Explain and derive the international Fisher effect.
3. Explain the basic differences between the operation of a currency forward market and a future market.
4. An Indian company is planning to invest in the US. The annual rates of inflation are 8% in India and 3% in USA. If the spot rate is currently Rs. 60.50/\$, what spot rate can you expect after 5 years, assuming the inflation rates will remain the same over 5 years ?
5. An Indian exporter has sold handicraft items to an American business house. The exporter will be receiving USD 1 lakh in 90 days. Premium for a dollar put option with a strike price of Rs. 71.00 and a 90 days settlement is Re. 1. The exporter anticipates the the spot rate after 90 days to be Rs. 69.50.
  - (a) Should the exporter hedge its accounts receivables in the options market ?
  - (b) If the exporter is anticipating a spot rate of Rs. 70.50 or Rs. 71.50 after 90 days, how would it affect the exporter's decision ?

**Turn over**

6. The following two-way quotes appear in the foreign exchange market :

	Spot rate	2 months forward
Rs/USD ...	Rs. 66.00/Rs. 66.25	Rs. 67.00/Rs. 67.50

- How many USD should a firm sell to get Rs. 50 lakh after two months ?
- How many rupees is the firm required to pay to obtain USD 3,00,000 in the spot market ?
- Assume that the firm has USD \$1,19,000 earning no interest ROI on rupee investment is 8 % p.a. Should the firm encash the USD now or 2 months later.

(3 × 6 = 18 marks)

### Section C

*Answer any **three** questions.  
Each question carries 15 marks.*

- Discuss the difference between performing the capital budgeting analysis from the parent firm's perspective as opposed to the subsidiary's perspective.
- What is meant by exchange rate risk ? Discuss reasons for exchange rate volatility and methods used to handle the risk.
- Delta Company, a U.S. MNC is contemplating making a foreign capital expenditure in South Africa. The initial cost of the project is ZAR 10,000. The annual cash flows over the five year economic life of the project in ZAR are to be 3,000, 4,000, 5,000, 6,000 and 7,000. The parent firm's cost of capital in dollars is 9.5 %. Long-run inflation is forecasted to be 3 per cent per annum in the United States and 7 percent in South Africa. The current spot foreign exchange rate is ZAR/USD = 3.75.

Determine the NPV for the project in USD by :

- Calculating the NPV in ZAR using ZAR equivalent cost of capital according to the Fisher effect and then converting the USD at the current spot rate.
  - Converting all cash flows from ZAR to USD at purchasing power parity forecasted exchange rates and then calculating the NPV at the dollar cost of capital.
- GE wants to do an investment in Brazil. Equity investment will be BRL 100 million and debt issue will be BRL 150 million. The Brazilian tax rate ( $t$ ) is 34 % (25 % corporate tax rate + 9 % social contribution on net profits).

GE decides to use a domestic CAPM with the following data :

GE can borrow in Brazil at 60 bps over Brazilian Treasuries ( $k_f$ ),  $k_f = 11.90\%$  ( 3 year Brazil Govt. Bond Yield).

Similar projects in Brazil have a beta of 1.1 and return of the Brazilian (BOVESPA) in the past 20 years ( $k_m$ ) = 14 %.

Find the discount rate that GE should use to discount cash flows of the Brazilian Project.



11. A UK firm, having provided consultancy services to an Australia Hospital, is entitled to receive Australia Dollars 4,00,000 after 4 months. The current foreign exchange rate is 1£ = 2 Australian Dollars.

Interest rate in UK is 6 % p.a. and 9 % p.a. in Australia. The forward rate is determined on the basis of IRPT.

The firm covers its foreign exchange risk through forward contract.

Find the profit or loss, on account of forward contract, in the following three situations on maturity, if Australian Dollar :

- (a) Rises by 10 % ;
- (b) Falls by 8 % ; and
- (c) Remains stable, as compared to current foreign exchange rate.

(3 × 15 = 45 marks)

(Pages : 2)

**PG63T301—Feb.—2024—7515**

THIRD SEMESTER M.Com. (CBCS) DEGREE EXAMINATION, FEBRUARY 2024

Commerce

**PG63T301—ACCOUNTING INFORMATION SYSTEM (NEW)**

(Compulsory Paper)

Time : Three Hours

Maximum : 75 Marks

**Section A**

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

- a) What is the strategic use of information systems?
- b) Define an information system and its primary purpose.
- c) Define system software and business software and provide two examples of each.
- d) State the role of system analysis in the SDP.
- e) Outline the components of an electronic commerce framework.
- f) Identify two common risks associated with electronic payment systems.
- g) Define the term "transaction cycle" in the context of accounting.
- h) What is the transaction processing model and its role in accounting systems?
- i) Define a voucher in Tally ERP 9.
- j) What is double-entry book-keeping and its significance in Tally ERP 9?

(6 × 2 = 12 marks)

**Section B**

*Answer any **three** of the following questions.*

*Each question carries 6 marks.*

2. Describe the impact of information systems on various business functions, such as accounting and finance.
3. Discuss the key types involved in system design, emphasizing the importance of a well-designed system.
4. Explain the impact of E-commerce on global trade, including its advantages and challenges.

**Turn over**



5. Discuss the key activities involved in sales order processing within the revenue cycle.
6. Explain the pure accounting process in Tally ERP 9 in streamlining business activities.

(3 × 6 = 18 marks)

### Section C

Answer any **three** of the following questions.

*Each question carries 15 marks.*

7. Critically analyze the strategic implications of information systems for business success, considering factors such as innovation, efficiency, and customer satisfaction.
8. What is the significance of conducting a systems feasibility evaluation? Should this assessment occur before or after the creation of the specifications of a system? Justify your answer.
9. Analyze the role of electronic commerce models in enabling multi-channel sales strategies for businesses. Provide examples to illustrate your points.
10. Explain the challenges associated with maintaining accuracy and compliance in the payroll process. Discuss how technology can address these challenges.
11. Evaluate the functionalities of Tally ERP 9 in processing Tax Deducted at Source (TDS), Tax Collected at Source (TCS), and Goods and Services Tax (GST). Discuss how these features ensure compliance and facilitate seamless tax management.

(3 × 15 = 45 marks)

(Pages : 2)

**PG61T304 O—Feb. 2024—7488**

THIRD SEMESTER M.B.A. DEGREE EXAMINATION, FEBRUARY 2024

(CBCS)

Management

**PG61T304O—INTRODUCTION TO ENTREPRENEURSHIP (OEC)**

Time : Three Hours

Maximum : 50 Marks

**Section A**

1. Answer any *ten* of the following sub-questions. Each sub-question carries 1 mark :

- (a) What do you mean by Idea Generation ?
- (b) What do you understand by Social Entrepreneurship ?
- (c) Write any two features of start-up firms.
- (d) Differentiate between Innovation and Invention.
- (e) What do you mean by Values ?
- (f) What is Laissez-Faire leadership style ?
- (g) Who is an Intrapreneur ?
- (h) What is Business Ethics ?
- (i) Expand MUDRA.
- (j) Mention any two environmental barriers to entrepreneurship.
- (k) What do you mean by Creativity Process ?
- (l) Name any two funding agencies for MSME's.

(10 × 1 = 10 marks)

**Section B**

*Answer any **four** of the following questions.*

*Each question carries 5 marks.*

- 2. "Entrepreneurs are Born or Created!". Substantiate your answer with suitable examples.
- 3. Discuss the critical factors for launching a new enterprise in North Karnataka.
- 4. Discuss the different types of start-ups with examples.

**Turn over**



5. Discuss the various types of Leadership styles.
6. What are the various barriers to Entrepreneurship ? Suggest measures to overcome them.

(4 × 5 = 20 marks)

### Section C

*Answer any one of the following questions which question carries 10 marks.*

7. What motives drive an entrepreneur ? Discuss the challenges and rewards of being an entrepreneur.
8. Discuss the role of incubation centres for entrepreneurship development. Explain the process to join the incubation centre taking any incubator as an example.

(1 × 10 = 10 marks)

### Section-D

*(Compulsory)*

9. Read the case and answer the question/s given at the end. This section carries 10 marks.

#### The Coffee Haven

Background : You are the founder of "The Coffee Haven", a start-up aiming to revolutionize the coffee industry. The company specializes in sourcing ethically-produced coffee beans and providing a unique coffee experience to customers. The Coffee Haven operates both online and through physical cafes.

Questions :

- (a) Discuss the key elements of the business idea and how it differentiates The Coffee Haven from traditional coffee providers.
- (b) Identify and analyze the challenges faced by The Coffee Haven as a start-up firm.
- (c) Explain the innovative and risk-taking a role in the success of The Coffee Haven.
- (d) Analyze how The Coffee Haven incorporates sustainability practices into its business model.
- (e) Propose future trends and strategies for The Coffee Haven to remain competitive in the evolving coffee industry.

(1 × 10 = 10)