

FOURTH SEMESTER M.Com. DEGREE (CBCS) EXAMINATION, OCTOBER 2023

Commerce

Paper Code—PG63T401 BUSINESS COMMUNICATION AND NETWORKING

(Compulsory Paper)

Time : Three Hours

Maximum : 75 Marks

Section A

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

- Define the terms Data Communication and networking.
- What is latency in network communication, and why is it important ?
- How does the choice of transmission media impact the speed and reliability of data transmission in a network ?
- What is the primary need for using fiber optic cable for data transmission ?
- State the purpose of an ARP and RARP in address mapping.
- Define mesh network topology and its suitability.
- What is a network bridge, and how does it contribute to segmenting network traffic ?
- What is CRC (Cyclic Redundancy Check), and how does it help detect errors in network communication ?
- State the importance of checksums in error detection.
- What is the purpose of a DMZ (Demilitarized Zone) in network security architecture ?

(6 × 2 = 12 marks)

Section B

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

Each question carries 6 marks.

- Explain the role of the Internet Protocol (IP) in computer networking. Why did we not prefer the OSI model as compared to the TCP model ?
- Explain how different transmission media affect bandwidth and data transmission capabilities.

Turn over



4. Discuss the scenarios in which circuit switching and packet switching method is most suitable and their impact on network efficiency.
5. What is the role of a fully connected topology in network communication ? Explain its limitations.
6. Describe the Hamming code and its application in error correction. Explain how Hamming codes work to correct single-bit errors and detect double-bit errors.

(3 × 6 = 18 marks)

Section C

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

Each question carries 15 marks.

7. Introduce the TCP/IP model, its purpose, and its significance in networking. Explain the specific functions and responsibilities of each layer.
8. Summarize the key takeaways from your discussion and emphasize the critical role of address mapping in enabling static mapping and dynamic mapping in networks.
9. Explain how network topology choices can impact network scalability and growth. Discuss considerations for selecting a topology that can accommodate future expansion.
10. Emphasize the importance of considering wire and wireless communication's specific needs and constraints when designing and deploying communication systems.
11. Explain the concept of network security and different types of malware (viruses, worms, Trojans) and how they can compromise network security.

(3 × 15 = 45 marks)

(Pages : 2)

PG63T402—SEP. 2023—3112

FOURTH SEMESTER M.Com. DEGREE EXAMINATION, OCTOBER 2023

Commerce

CORPORATE GOVERNANCE

Time : Three Hours

Maximum : 75 Marks

Section A

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

1. (a) What is meant by corporate governance ?
- (b) Mention the nature of relationship between governance and management.
- (c) Who are gatekeepers ? Give classification.
- (d) Give meaning of "questioning" and "exit" approach of block holders.
- (e) What are tunneling and pipeling ?
- (f) State the features of effective corporate board.
- (g) Can independent director be former executive of a company ?
- (h) State the composition and educational background of audit committee member.
- (i) What do you mean by auditor's rotation ?
- (j) Give meaning of real time disclosures.

(6 × 2 = 12 marks)

Section B

*Answer any **three** questions.
Each question carries 6 marks.*

2. Discuss on the evolution of business groups in India.
3. Examine the role of board in risk management of companies.
4. What is meant by whistle blowing policy ? Explain measures to protect whistle blowers.
5. What is the role of media in resolving agency problem ?
6. What is the importance of auditor's independence ? Explain recommendations of Chandra Committee on ensuring auditor's independence.

(3 × 6 = 18 marks)

Section C

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

7. What is the form of corporate ownership under Germany and Japanese models ? Who owns Indian companies and why ?

Turn over



8. Discuss the strategic role of corporate boards.
9. What is meant by pyramid structure ? Explain the method used by business families to build pyramid structure.
10. What are the recommendations of Chandra Committee on auditor's appointment, reappointment, termination and rotation ?
11. Case Analysis :

Junoon Ltd., a listed company in India, is a group company belonging to Mumbai industrialist. The group holding exceed 60 % of the total shares.

The company's board is dominated by family members ignoring the listing conditions of nominating independent directors and women directors. Lack of board independence has irked institutional investors who threaten to withdraw their investment. The institutional invest on India hold 15.4 % of shares and 4.6 % held by foreign institutional investors.

The lack of board independence is also affecting the firm's proposal to list the shares in foreign stock exchanges.

The industrialist who owns majority shares is willing to part a part of ownership to a strategic partner either in India or outside India. The negotiation have begun with a foreign based strategic company to lift 20 % of stake.

Examine :

- (a) Present ownership structure of Junoon Ltd.
- (b) Is industrialist right in strategic sale of shares ?
- (c) How do you ensure board independence to build market goodwill of the company ?

(3 × 15 = 45 marks)

FOURTH SEMESTER M.Com. DEGREE EXAMINATION, OCTOBER 2023

Commerce

CONTEMPORARY ISSUES IN ACCOUNTING

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* of the following sub-questions. Each sub-questions carries 2 marks :

- (a) State features of CPP technique.
- (b) Define Backlog depreciation.
- (c) How does HRA help in managerial decisions ?
- (d) What do you mean by markov chain analysis ?
- (e) State the scope of social accounting.
- (f) Give a brief note on Ralph's model for social cost benefit analysis.
- (g) Define brand.
- (h) What are the functional areas of forensic accounting ?
- (i) What is creative accounting ?
- (j) Define environmental cost accounting.



(6 × 2 = 12 marks)

Section B

*Answer any three of the following.
Each question carries 6 marks.*

- 2. Write a note on forensic accounting in India.
- 3. Discuss briefly the development of human resource accounting.
- 4. Following information has been disclosed by the Balance Sheet of a company :

Monetary Assets— ₹ 10,00,000

Monetary Liabilities— ₹ 5,50,000.

The price index at the time monetary assets were acquired, liabilities were created was 100. It stands at 130 now. Presuming that there has been no change in the amount of assets and liabilities, calculate the "general purchasing power gain or loss".

Turn over

5. A company decided to purchase a business having profits of the last five years as under :

| Year | Profits (₹) |
|-------------|-------------|
| 2018—19 ... | 1,00,000 |
| 2019—20 ... | 80,000 |
| 2020—21 ... | 1,20,000 |
| 2021—22 ... | 90,000 |
| 2022—23 ... | 1,10,000 |

Calculate amount of Goodwill on the basis of 3 yearly purchase on the basis of weighted average of last five years profits.

6. Daksha Corporation provides the following information relating to its environmental activities for the year 2022-23 :

- Environmental department expenditure ₹ 1,25,000.
- Amount spent towards compliance of state pollution control board norms ₹ 1,50,000.
- Amount spent ₹ 18,45,000 on purchase of sewage treatment plant.
- Spends ₹ 8,50,000 on installation of water treatment plant.
- Payment of ₹ 4,50,000 as compensation for environmental pollution.

Identify environmental assets and expenses.

(3 × 6 = 18 marks)

Section C

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

- Briefly explain social accounting and reporting system adopted by an Indian Company.
- Discuss the role of SEBI in Indian Capital Market for controlling fraudulent practices.
- From the following comparative Balance Sheet of ABC Ltd. calculate "Gearing Ratio" :

| Liabilities | 2021-22 | 2022-23 | Assets | 2021-22 | 2022-23 |
|------------------------|-----------|-----------|----------------------|-----------|-----------|
| Share capital | 5,00,000 | 5,00,000 | Fixed Assets | 12,00,000 | 14,00,000 |
| General Reserve | 2,50,000 | 3,00,000 | Inventories | 5,00,000 | 6,50,000 |
| CCA Reserve | 5,00,000 | 6,00,000 | Accounts Receivables | 8,00,000 | 9,00,000 |
| Secured loans | 5,80,000 | 8,80,000 | Prepaid expenses | 10,000 | 10,000 |
| A/Cs payable | 5,00,000 | 4,60,000 | Cash | 50,000 | 70,000 |
| Provision for taxation | 1,55,000 | 2,00,000 | | | |
| Proposed dividend | 75,000 | 90,000 | | | |
| | 25,60,000 | 30,30,000 | | 25,60,000 | 30,30,000 |

10. RK Garments Ltd. has following break-up of its human resources across division as under :

| Particulars | Number | Age |
|---------------|--------|----------|
| Executives | 732 | 20 years |
| Support staff | 279 | 30 years |
| Workers | 476 | 20 years |
| Total | 1487 | |



Management consultants of RK Garments Ltd. have developed an earning profile for each homogeneous group of employees as under :

(A) Executives

| Age | Annual earnings per employee (₹) |
|-------|----------------------------------|
| 20—29 | 50,000 |
| 30—39 | 75,000 |
| 40—49 | 85,000 |
| 50—59 | 1,00,000 |

(B) Support staff

| Age | Annual earnings per employee (₹) |
|-------|----------------------------------|
| 30—39 | 25,000 |
| 40—49 | 35,000 |
| 50—59 | 45,000 |

(C) Workers

| Age | Annual earnings per employee (₹) |
|-------|----------------------------------|
| 20—29 | 12,000 |
| 30—39 | 14,000 |
| 40—49 | 16,000 |
| 50—59 | 18,000 |

Calculate present value of human resources of RK Garments Ltd. by assuming discount rate 12 % with the help of Lev and Schwartz's model.

11. From the following information of Ms India Private Ltd. prepare social cost benefit statement and Social Balance Sheet for the year ended 31-3-2023 :

| | |
|---|--------------|
| (a) Cantten subsidies incurred by the company | ... 5,80,000 |
| (b) Amount paid by the employees for meals | ... 80,000 |

Turn over

- (c) Rent free accommodation to employees ... 2,45,000
 (d) Water and electricity charges paid by employees ... 45,000
 (e) Employees engaged in drought relief works without salaries ... 1,50,000
 (f) School run by the company for kids of employees ... 3,86,000
 (g) An expert has valued human assets of the company ... 8,28,00,000
 (h) The company has made investments as under :

| | | <i>Residential</i> | <i>Hospital</i> | <i>School</i> |
|------------|-----|--------------------|-----------------|---------------|
| Buildings | ... | 20,00,000 | 10,00,000 | 10,00,000 |
| Equipments | ... | 3,00,000 | 5,00,000 | 5,00,000 |

- (i) Water, electricity and gas supply system totalled ... ₹ 5,00,000
 (j) The company net owned funds were ... ₹ 58,00,000

(3 × 15 = 45 marks)

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PG63T404B—SEP. 2023—3118

FOURTH SEMESTER M.Com. DEGREE EXAMINATION, OCTOBER 2023

Commerce

CORPORATE TAX PLANNING—II (GST AND CUSTOMS)

Time : Three Hours

Maximum : 75 Marks

Group B (Accounting and Taxation).

Use of simple and non-programmable calculator is permitted.

Section A

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

- State the differences between Composite supply and Mixed supply.
- What is composition scheme ?
- What is GST Council ?
- Differentiate between Debit note and Credit note.
- What are the electronic ledgers ?
- What do you mean by reverse charge mechanism ?
- State conditions for claiming input tax credit.
- Define territorial waters of India.
- What do you mean by anti-dumping duty ?
- What is transaction value under Customs Act ?

(6 × 2 = 12 marks)

Section B

*Answer any three questions.
Each question carries 6 marks.*

- Write a brief note on place of supply.
- Explain in brief statutory provisions relating to baggage.
- Bharat, a registered person, has received the supply of services from non-taxable territory. Accordingly, the tax is liable to be paid by him on Reverse Charge Mechanism. Determine the time of supply from the given information :

| Transaction | Date |
|---|------------|
| (a) Date of payment as entered in the books by Bharat | 2-12-2022 |
| (b) Date on which payment is debited in bank accounts of Bharat | 5-12-2022 |
| (c) Date of issue of invoice by supplier of service | 24-11-2022 |

Turn over



5. Calculate the amount of input tax credit available to ABC Ltd.
- Input goods : ₹ 1,80,000 CGST at 9 % ₹ 16,200 ₹ SGST at 9 % ₹ 16,200. Invoice for the same is not available.
 - Capital goods ₹ 5,00,000 IGST = ₹ 90,000 used exclusively for supply of exempted goods.
 - Capital goods used for manufacturing exclusive taxable supplies ₹ 6,00,000 IGST at 18 %.
 - ITC of ₹ 50,000 was claimed earlier for input, the payment for which has not been made so far, more than 180 days have expired.
 - Motor vehicle worth ₹ 70,00,000. IGST levied ₹ 12,60,000 is used for transportation of passengers.
6. Dr. Dev an Indian resident, aged 42 years, returned to India on 18-6-2023. He bought the following goods with him :
- Personal effects like clothes etc. valued at ₹ 90,000.
 - Travel souvenirs valued at ₹ 15,000.
 - Wine, 2 litres worth ₹ 16,000.
 - Digital camera ₹ 62,000.
 - Mobile phone worth ₹ 18,000.
 - Two Laptop computers worth ₹ 40,000 each.

What is the customs duty payable ?

(3 × 6 = 18 marks)

Section C

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

- Discuss various aspects relating to Return Filing Mechanism in GST.
- Explain different types of customs duties in India.
- Calculate the value of taxable supply of machine by a trader from the following particulars :

| | |
|--|---------------|
| Invoice price (Exclusive of taxes and payments mentioned below) | ... 65,00,000 |
| Duty and cess levied by Municipal authority (other than GST) | ... 6,20,000 |
| Insurance charges for dispatch of final product | ... 1,20,000 |
| Packing charges | ... 2,00,000 |
| Miscellaneous incidental expenses incurred by supplier before delivery | ... 3,25,000 |
| Subsidy from private trust (but not passed on to buyer) | ... 2,60,000 |
| Subsidy from NGO (passed on to buyer) | ... 3,00,000 |
| Subsidy received from Government (passed on to buyer) | ... 4,00,000 |

Also discuss provisions of section 15 of CGST Act in brief

10. XYZ Ltd., Delhi a manufacturing company purchased the following raw materials for the month of August 2023 :

- (a) Purchase of raw materials 'PQ' from Pune for ₹ 18,000 plus IGST at 18 %.
- (b) Purchase of raw materials 'RS' from Chennai for ₹ 31,50,000 inclusive of IGST at 5 %.
- (c) Purchase of raw materials 'TX' from Karnataka for ₹ 22,40,000 inclusive of IGST at 12 %.

The company incurred processing charges of ₹ 15,00,000 and profit margin is at 20 % on cost.

Half of the goods were sold in Delhi and remaining half were sold to a person in Kerala. Rate of GST applicable on output is 28 %.

Compute the value of net GST payable by XYZ Ltd. for the month of August 2023.

11. 'A' imports by air from USA, a gear cutting machine complete with accessories and spares. Its HS classification is 84.6140 and value F.O.B. US \$ 20,000.

Other relevant data/information :

- (a) At the request of importer, US \$ 1,000 have been incurred for improving the design etc. of machine, but not reflected in the invoice, but will be paid by the party.
- (b) Freight—US\$ 6,000.
- (c) Goods are insured but premium is not shown/available in invoice.
- (d) Commission to be paid to a local agent in India ₹ 4,500.
- (e) Freight and insurance from airport to factory is ₹ 4,500.
- (f) Exchange rate is US \$ 1 = ₹ 65.
- (g) Duties of customs : Basic—20 %, IGST—18 %, SWS at 10 %.

Compute :

- (i) Assessable value.
- (ii) Customs duty.

(3 × 15 = 45 marks)



(Pages : 4)

PG63T405B—Sep.—2023—3121

FOURTH SEMESTER M.Com. DEGREE (CBCS) EXAMINATION, OCTOBER 2023

Commerce

PG63T405B—INTERNATIONAL TAXATION

Time : Three Hours

Maximum : 75 Marks

Section A

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

- a) What do you mean by Place of effective management ?
- b) What do you mean by deemed resident ?
- c) What is profit split method ?
- d) What is Arm Length Price ?
- e) Give the meaning of transfer pricing.
- f) What is tax heavens ?
- g) What is double taxation ?
- h) What is grey list ?
- i) What is residence based tax ?
- j) Give the meaning of Credit method under Double Taxation.



(6 × 2 = 12 marks)

Section B

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

Each question carries 6 marks.

2. Explain the tax jurisdiction under Tax Laws.
3. Explain GATT rules on Indirect taxes.
4. Mr. A a non-resident, operates an aircraft between Singapur and Chennai. He received the following amounts while carrying on the business of operation of aircrafts for the year ended 31-03-2022 :
 - i) Rs. 2 crores in India on account of carriage of passengers from Chennai.
 - ii) Rs. 1 crore in India on account of carriage of goods from Chennai.

Turn over

- iii) Rs. 3 crores in India on account of passengers from Singapur.
- iv) Rs. 1 crore in Singapur on account of carriage of passengers from Chennai

The total expenditure incurred by Mr. A for the purposes of the business during the year ending 31-03-2022 was Rs 6.75 crore.

Compute the income of Mr A chargeable to tax in India under the head _"Profits and gains of business or profession" for assessment year 2022-23. What would be your answer in case the business was carried on by a foreign company (B) Ltd ?

5. Amruta an individual resident retire employee of the Prasar Bharati aged 60 years, is a well-known dramatist deriving income of Rs 1,10,000 from theoretical works player abroad. Tax of Rs. 11,000 was deducted in the country where the plays were performed. India does not have any Double Tax Avoidance Agreement under section 90 of the Income Tax Ac, 1961, with that country. Her income in India amounted to Rs. 6,10,000. In view of tax planning, she has deposited Rs. 1,50,000 in PPF and paid contribution to approved Pension Fund of LIC Rs. 32,000. She also contributed Rs. 28,000 to central Government Health Scheme during the previous year and gave payment of medical insurance premium of Rs. 26,000 to insure the health of her mother, a non-resident aged 84 years who is not dependent on her. Compute the tax liability of Amruta for the Assessment year 2022-23, assuming that she does not opt for section 115BAC.
6. US Ltd., a US company has a subsidiary, IND Ltd., in India. US Ltd., sells computer monitors to IND Ltd for resale in India. US Ltd., also sells computer monitors to CMI Ltd., another computer reseller. It sells 50,000 computer monitors to IND Ltd at Rs. 11,000 per unit. The price fixed for CMI Ltd., is Rs. 10,000 per unit. The warranty in case of sale of monitors by IND Ltd., is handedled by IND Ltd. However, for sale of monitors by CMI Ltd., US Ltd., is responsible for the warranty for 3 months. Both US Ltd and IND Ltd offer extended warranty at a standard rate of Rs 1,000 per annum. On these facts, how is the assessment of IND Ltd going to be affected ?

(3 × 6 = 18 marks)

Section C

Answer any **three** of the following.

Each question carries 15 marks.

7. Discuss the determinants of residential individual and corporates in India under Tax laws
8. Explain OECD forum on harmful tax practices.

9. Mr. Anil a resident individual aged 52 years, furnishes the following particulars of income earned by him in India and Country N for the previous year 2021-22. India does not have a double taxation avoidance agreement (DTAA) with Country N :

| Particulars | Amount (Rs.) |
|--|--------------|
| Income from profession carried on in Mumbai | 8,50,000 |
| Agriculture income in Country N | 1,30,000 |
| Dividend from a company incorporated in country N | 85,000 |
| Royalty income from a literary book from country N | 6,25,000 |
| Expenses incurred for earning royalty | 75,000 |
| Business loss in Country N | 1,10,000 |



The domestic tax laws of country N does not permit set-off of business loss against any other income. Agricultural income is taxable in Country N. the rate of income-tax in Country N is 18 %. Compute total income and tax payable by Mr. Anil in India for A.Y.2022-23, assuming that he does not opt for section 115BAC for A.Y.2022-23.

10. ABC Ltd., Canad holds 35 % shares in LMN Ltd India. LMN Ltd develops software and does both onide and offsite consultancy services for the customers. LMN Ltd during the year billed ABC Ltd Canad for 120 man-hours at the rate of Rs. 1,800 per man hour. The total cost (direct and indirect) for evaluating this work amounted to Rs. 2,25,000.

However, LMN Ltd billed XYZ Ltd., India at the rate of Rs. 2,800 per man hour for the similar level of manpower and earned a Gross Profit of 50% on its cost.

The transactions of LMN Ltd with ABC Ltd and XYZ Ltd are comparable subject to the following differences :

-while LMN Ltd derives technology support from the ABC Ltd there is no such support from XYZ Ltd. The value of technology support received from ABC Ltd may be put at 18 % of normal gross profit.

- As ABC Ltd gives business in large volumes LMN Ltd offered to ABC Ltd a quantity discount which may be valued at 10 % of normal gross profits.
- In the case of rendering services to ABC Ltd., LMN Ltd., neither runs any risk nor incurs any marketing costs. On the other hand, in the case of services to XYZ Ltd., LMN Ltd has to assume all the risk and costs associated with the marketing function which my be estimated at 12 % of the normal gross profits.

- c) LMN Ltd., offered one month credit to ABC Ltd. The cost of providing such credit may be valued at 2 % of the gross profits. No such credit was given to XYZ Ltd.

Compute the Arm's Length Price along with income to be increased under the Cost Plus Method.

11. Mr Amar a CA joined Albert Ltd as CFO on 1.11.2022 after remaining in employment as General Manager (Finance) of Birla Ltd. of Country K. he is originally a citizen of India who went on employment outside India in April, 2015 and had been visiting for 40 days in every financial year up to the financial year up to the financial year 2021-22. He returned to India permanently on 1st July 2022 but was appointed as CFO position by Albert Ltd w.e.f. 1st November 2022.

Mr. Amar has the following incomes for the financial year 2022-23 :

- a) Salary from Birla Ltd up to 30.06.2022 at USD 12,000 per month.
- b) House property in Country K was let out throughout the financial year 2022-23 for USD 1,000 p.m. assume that there is no deduction in country K similar to Section 24 of income tax Act 1961.
- c) Dividend from Indian companies (gross) Rs 1,08,000. All shares were acquired in April 2014 when was resident in India
- d) Dividend from companies in country K (net) received USD 4000 in March 2023. Assume that the rate of TDS on dividend @ 20%
- e) Salary income in India Rs. 15,00,000.

Note : TT buying rate on the date of receipt of dividend of dividend 1USD = Rs. 81 ; on 28.02.2023 Rs. 80 and on 31.03.2023 1USD = Rs. 82.

Compute the total income and tax payable by Mr Amar in India for A.Y.2022-23.

if :

- i) There is no DTAA between India and Country K.
- ii) There is DTAA between India and Country K.

(3 × 15 = 45 marks)