

END TERM EXAMINATION

FOURTH SEMESTER [B.COM (HONS.)] MAY- JUNE 2019

Paper Code: BCOM-202

Subject: Fundamentals of Financial Management

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1 Critically explain the Capital Asset Pricing Model. ✕
- Q2 'Dividend is irrelevant while valuing the companies'. Critically examine the statement in light of the dividend decision.
- Q3 Your Company is considering two projects A and B, each of which requires an initial outlay of Rs 50 million. The expected cash inflow from these projects are:-

Year	Rs in Millions	
	Project A	Project B
1	11	38
2	19	22
3	32	18
4	37	10

- (a) What is the pay back period for each of the projects? ✓
 - (b) If the two projects are independent and cost of capital is 12 per cent, which project(s) should the firm invest in? ✓
 - (c) If the two projects are mutually exclusive and cost of capital is 15 per cent, which project should the firm invest in? ✓
- Q4 (a) Which are the main propositions of traditional approach of capital structure? ✓
- (b) XYZ Ltd has a net operating income of Rs 50 million. XYZ employs Rs 120 million of debt carrying 15 per cent charge. The equity capitalization rate applicable to XYZ is 16 per cent. What is the market value of XYZ Ltd under net income method? Assume there is no tax. ✓

Q5 Prepare an estimate of net working capital form the following information.

Estimated cost per unit of production is Rs 170, which includes raw material Rs 80, direct labour Rs 30 and overheads (exclusive of depreciation) Rs 60.

Selling price is Rs 200 per unit.

Level of activity per annum	104000 unit
Raw material in stock	4 weeks
work-in progress (assume 50% completion stage)	2 weeks
finished goods in stock	4 weeks
Credit allowed by suppliers	4 weeks
Credit allowed to debtors	8 weeks
Lag in payment of wages	1.5 weeks
Cash at bank is expected to be	Rs 25000

BCOM-202
P/2

7

You may assume that production is carried on evenly throughout the year (52 weeks); and wages and overheads accrue similarly. All sales are on credit basis only.

✓ Q6 What is the justification for the goal of shareholder's wealth maximization? Critically evaluate the goals of profit maximization and return on equity maximization. ✓

Q7 (a) What is a company's cost of capital? ✓
(b) Explain the procedure for determining the weighted marginal cost of capital. ✓

✓ Q8 Write a short note on **any three** of the following:-
(a) Difference between NPV & ~~IPV~~ IRR ✓
(b) Time value of money ✓
(c) MM Hypothesis of dividend
(d) Retained earnings are free of cost. ✓

BCOM-202
P2/2

END TERM EXAMINATION

FOURTH SEMESTER [B.COM(HONS.)] APRIL - MAY 2019

Paper Code: B.COM-204

Subject: Auditing

(Batch 2017 Onwards)

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

Q1/ ✓ What is Auditing? Why is it necessary to inspect the ^{Imp.} accounts of a business? How does auditing help in detection and prevention of ^{Obj.} accounting errors and frauds?

Q2/ ✓ What is internal audit? How does it supplement the main audit? State the features of strong internal control system. ✓

Q3/ ✓ (a) "An adequate ^{pre-plan skeleton} planning benefits the audit of financial statements". Discuss.
(b) Audit Documentation provides evidence of the auditor's basis for a conclusion about the achievement of overall objectives of the auditor. Explain clearly nature and impose of Audit Documentation.

Q4 Write some circumstances of conflicting or missing evidence that indicate the possibility of fraud.

Q5/ ✓ (a) "An auditor is required to make specific evaluation while forming an ^{types} opinion in an audit report". Explain.
(b) State the reasons which could lead to the following in Auditor's [✓] Report:
(i) Adverse opinion
(ii) Qualified opinion
(iii) Disclaimer of opinion

Q6/ ✓ The Auditor appointed under section 139 was removed from his office before the expiry of his term by an ordinary resolution of the company. Comment explaining clearly the procedure of removal of auditor before expiry of term. ^{valuated} ^{First subsequent}

Q7/ ✓ "Verification of liabilities is as important as that of assets, for, if any liability is omitted for understand or overstated, the Balance sheet will not show a true and fair view of the state of affairs of the company," Discuss. ✓

Q8/ ✓ (a) Advice a few special points in a social audit.
(b) How will you vouch and/or verify the following:
(i) Sale proceeds of scrap
(ii) Trademarks and Copyrights.

P

(Please write your Exam Roll No.)

Exam Roll No.

01413780017

END TERM EXAMINATION

FOURTH SEMESTER [B.COM (HONS.) MAY- JUNE 2019]

Paper Code: BCOM-206

Subject: Corporate Accounting

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

Q1 Following is the Balance Sheet of a company as on 31-03-2017:

Liabilities	Rs.	Assets	Rs.
8% Preference Share Capital: (20,000x Rs. 50) 10,00,000		Fixed Assets	12,25,000
Less: Call unpaid (2,000x Rs. 10) 20,000	9,80,000	Investments	2,00,000
		Bank	9,55,000
Equity Share Capital: 1,00,000 shares of Rs. 10 each, Rs. 7.50			
Called up 7,50,000			
Less: Calls unpaid 2,500	7,47,500		
Securities' Premium	50,000		
Reserves	6,00,000		
Calls-in-Advance	2,500		
	23,80,000		23,80,000

- (a) Fully paid preference shares are redeemed at a premium of 5%.
(b) 50,000 equity shares of Rs. 10 each are issued at par, whole amount due and received on applications.
(c) 1,000 equity shares on which call @ Rs. 2.50 per share is unpaid are forfeited.
(d) Final Call of Rs. 2.50 per share is made and collected.
(e) Forfeited shares are re-issued @ Rs. 9 per share credited as fully paid.

Required:

- (i) Journal Entries, and
(ii) Revised Balance Sheet of the Company after the above transactions.
- Q2 A company had Rs. 80,000 5% debentures outstanding as on 1st April, 2015 are redeemable on 31st March 2016. On that day, the Sinking fund was Rs. 75,900 represented by Rs. 10,000 own debentures purchased at an average price of Rs. 98 and Rs. 66,000 (Nominal Value) 4% stock.
The annual installment was Rs. 2,940. On 31st March 2016 the investments were realized at Rs 97 and the debentures were redeemed. Give the journal entries and necessary accounts for the year 2015-16
- Q3 Prepare in a summarized form the Balance Sheet of a Company as per 'Ind AS schedule iii format' of companies Act, 2013, taking imaginary figures.
- Q4 On 31st December, 2018 the company's position was as follows:

P.T.O.

BCOM-206
P/13

Upon revaluation of the assets, it was found that goodwill was worthless and the other assets were overvalued to the following extent:

Land and Buildings by Rs. 64,000 and Plant and Machinery by Rs. 88,000.

A provision for doubtful debts to the extent of Rs. 8,000 was necessary.

The following scheme of reorganization was approved by the court:

- (a) The creditors to accept 6% debentures to the extent of 50% of their claims, the balance to be paid in six months after the date.
- (b) The preference shares to be reduced to Rs 5 each.
- (c) The equity shares to be reduced to Re. 1 each.
- (d) The assets to be brought to the revalued figures and the debit balance of the P&L A/c to be wiped out.

✓ Draft Journal entries to give effect to the above scheme and prepare the revised Balance Sheet of the company.

Q7 (a) From the following information of a Commercial Bank on 31st March, 2012, calculate the amount of provision to be made for NPAs.

	Rs.
(i) Standard assets.....	20,60,500
(ii) Sub-standard assets.....	1,10,000
(iii) Doubtful assets (secured	
up to 1 year.....	40,000
1-3 year.....	25,000
More than 3 years.....	10,500
(iv) Doubtful assets (unsecured).....	22,500
(v) Loss of assets.....	15,500

(b) While closing the books of a bank on 31st March 2011, you find in the loan ledger an unsecured balance of Rs. 5,00,000 in the account of one customer Mr. Z whose financial condition is reported to you as bad. Interest on the same amounted to Rs. 50,000 during the year but yet to be recovered. During 2011-12, the bank is able to realize only 80 paise in a rupee on account of customer's bankruptcy. Show the necessary journal entries to record the above.

✓ Q8 What do you understand by liquidation of a company? Explain the performance and procedure for preparing liquidator's statement at the time of liquidation.

BCom-206
P3/3

END TERM EXAMINATION

FOURTH SEMESTER [B.COM(HONS.)] MAY 2019

Paper Code: B.COM-208

Subject: Indian Economy

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions.

- Q1 ✓ "Economic Growth and Economic Development are not same." Draw a contrast between the two. Can there be economic development without economic growth? State the reasons for underdevelopment of an economy. (5+2+8=15)
- Q2 ✓ What are the major functions of "NITI Aayog"? Do you think it has been able to accomplish the objectives for which it has been created? Critically evaluate. (8+7=15)
- Q3 ✓ How severe is the problem of unemployment in India? What are the reasons for high rate of unemployment in our country? Suggest the measure to overcome it. (5+5+5=15)
- Q4 ✓ (a) What are reasons for poverty in India? Has poverty reduction accelerated with faster economic growth? (3+5=8)
(b) What is Human Development Index? Which indicators are used in the Human Development Index (HDI)? What are the limitations? (2+2+3=7)
- Q5 What are the sources of financing five year plans in India? Outline the role of deficit financing in this context. (10+5=15)
- Q6 Examine the composition and direction of India's foreign trade in the post 2000 period. (15)
- Q7 ✓ What is meant by small scale industries? What are the problems being faced by them? What measures do you suggest to remove their problems and improve efficiency? (2+5+8=15)
- Q8 (a) Describe the trends in inter regional disparities in growth and development in India. (8)
(b) State the importance of service sector as engine of economic growth in India. (7)

END TERM EXAMINATION

FOURTH SEMESTER [B.COM (HONS.) MAY- JUNE 2019

Paper Code: BCOM-210

Subject: Financial Modeling

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

Q1 Explain the following with examples:-

- (a) Conditional formatting ✓
- (b) Pivot table ✓
- (c) Macros ✓

Q2 Describe to explain of the following shortcut keys of MS-Excel. Give hypothetical examples.

- (a) F2
- (b) F5
- (c) Ctrl+
- (d) Alt+Shift+F1
- (e) Ctrl+F9
- (f) Ctrl+Tab
- (g) Alt+=
- (h) Ctrl+space
- (i) Ctrl+Arrow key
- (j) F11

Q3 Attempt **any four** of the following:-

- (a) How we can view a cell comment?
- (b) What is the default style for new data keyed in a new workbook?
- (c) What do you understand by 'Formula palette'?
- (d) How would you refer to a range of cells that starts in cell D1 and goes over to column H down to row 10?
- (e) What function interchange displays row data in column Or column data in a row?

Q4 Describe the steps & state the formula of MS-Excel to compute 'NPV' given the following data:-

Initial outflow	Rs 5000
Cash inflow	
1 st Year.....	Rs. 1,000
2 nd Year.....	Rs. 1,200
3 rd Year.....	Rs. 1,400
4 th Year.....	Rs 1,500
5 th Year.....	Rs 1,800

Discount rate: 10%. Also state the steps required if 'IRR' is to be calculated?

Q5 Give an example using 'IF'; and nested 'IF' to explain the conditional process.

Q6 Distinguish between 'sensitivity analysis' and 'probability analysis' giving - 10' example.

Q7 Explain forecasting methods viz. 'moving average' & 'exponential smoothing' with the help of an example. What is the difference between the two? - 8'

Q8 Write a short notes on **any three**:-

- (a) Financial Ratio Analysis using MS-Excel.
- (b) Pivot chart
- (c) Data analysis pack
- (d) Building the template

P

(Please write your Exam Roll No.)

Exam Roll No. 01413700017

END TERM EXAMINATION

FOURTH SEMESTER [B. COM(HONS.)] MAY-JUNE 2019

Paper Code: B.COM-214

Subject: Research Methodology

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1 What is of more value to the corporate world-basic, fundamental, or applied research? Justify your reasoning.
- Q2 What is research hypothesis? Do all researches require hypotheses formulation? Also explain the process of hypothesis testing.
- Q3 Distinguish between secondary and primary methods of data collection. Is it possible to use secondary data methods as substitutes of primary methods? Justify your answer with suitable illustrations.
- Q4 Distinguish between:
- (a) Focus group discussions and personal interviews
 - (b) Personal and mechanical observation methods
 - (c) Completion and construction techniques
- Q5 Indicate the type of measurement scale you would use for each of the following characteristics. Why did you choose the scale you did? Develop the appropriate question for each characteristic and the scale chosen.
- (a) Colour of a dishwasher
 - (b) Age of a TV
 - (c) Occupation
 - (d) Brand loyalty
 - (e) Readership of a newspaper
 - (f) Intention to purchase a TV
- Q6 What is the significance of sample selection in research? Explain the factors which should be considered while selecting a sample for research.
- Q7 Discuss in detail the steps that a researcher needs to follow to formulate a good research report. Do the criteria become different for different kinds of reports? Explain with examples.
- Q8 Explain the following:
- (a) JEL Classification
 - (b) Importance of Statistical Software in Research
 - (c) Assumptions of ANOVA
 - (d) Difference between Parametric and Non-parametric test
 - (e) Longitudinal Studies.

P