2903M1037 Candidate's Seat No :_____

M.Com. (Sem.-1) (HPP) (Accounting) Examination
CC 1
Financial Management

Time : 2-30 Hours] March 2019 [Max. Marks : 70

1 (A) What is Financial Management? Describe the objectives of financial management. (14)

OR

1 A(i) Explain wealth maximization objective of financial management. (07)

1 A(ii) Explain scope of financial management. (07)

1 (B) Select the most appropriate answer from the multiple options given in each question.

(Attempt any four) (04)

1. Traditional approach confines finance function only to _____ funds.
   (A) raising (B) mobilizing (C) utilizing (D) managing

2. Which of the following would be considered a risk free investment?
   (A) Gold (B) Equity (C) Bonds (D) T-bills

3. Agency cost consists of

   (A) Binding (B) Monitoring (C) Opportunity Cost (D) All of the above

4. Finance Function comprises

   (A) Safe custody of funds only (B) Expenditure of funds only

   (C) Procurement of finance only (D) Procurement & effective use of funds

5. The controller's responsibilities are primarily _____ in nature.

   (A) operational (B) accounting (C) A & B both (D) None of the above

6. The market price of a share of common stock is determined by

   (A) the board of directors of the firm (B) the stock exchange on which stock is listed

   (C) the president of the company (D) individual buying and selling of the stock

2 (A) What is risk and return? Explain causes of financial risk and business risk. (14)

OR

P- T-o.

2 A(i) If an investor invests Rs. 1,00,000 annually for 5 years at 12% then what amount it will be at the end of 5th year if (1) compounding is done annually and (2) compounding is done semi-annually. (07)

2 A(ii) A company has issued 12% bond of Rs. 1,000 face value which will mature after 5 years from now. Present value of the bond is Rs. 950. Find out current yield and approximate Yield-to-Maturity. (07)

2 (B) Select the most appropriate answer from the multiple options given in each question.

(Attempt any four) (04)

1. Financial securities contain _____.
   (A) Equity Share
   (B) Preference Share
   (C) Debenture
   (D) All of the above

2. Lower the discount rate, _____ the present value of future cash flow.
   (A) Lower
   (B) Higher
   (C) Fixed
   (D) Speedy

3. Required rate of return and market value of the bond have _____ relationship.
   (A) Direct
   (B) Straight
   (C) Inverse
   (D) Indirect

4. A company has declared dividend of Rs. 5 per share last year. Earnings of the company is expected to grow at 5% p.a. perpetually. If expected rate of return is 15% p.a. then what could be the present value of the share. Face value of the share is Rs. 10.
   (A) Rs. 52.5
   (B) Rs. 50
   (C) Rs. 33.33
   (D) Rs. 35

5. If the rate of interest is 12%, what is doubling period as per rule of 72?
   (A) 4 years
   (B) 6 years
   (C) 8 years
   (D) 9 years

6. What is present value of perpetuity of Rs. 10,000 if the rate of interest is 8%.
   (A) Rs. 1,00,000
   (B) Rs. 1,250
   (C) Rs. 1,25,000
   (D) Rs. 12,500

3 (A) A company has received project proposal of costing Rs. 10,00,000 with following expected cash flow. (14)

Year	Cash Flow (in Rs.)	Year	Cash Flow (in Rs.)
1	2,00,000	6	3,75,000
2	2,30,000	7	4,00,000
3	2,50,000	8	2,00,000
4	3,00,000	9	1,50,000
5	3,50,000	10	1,00,000

Cost of capital is 20%. Calculate Pay back period, Net Present Value, Profitability Index and Internal Rate of Return with 20% and 25% discount factor.

Year	1	2	3	4	5	6	7	8	9	10
Dis. Factor @ 20%	0.833	0.694	0.579	0.482	0.402	0.335	0.279	0.233	0.194	0.162
Dis. Factor @ 25%	0.800	0.640	0.512	0.410	0.328	0.262	0.210	0.168	0.134	0.107

OR

3 A(i) What is working capital? Explain characteristics of working capital. (07)

3 A(ii) Explain any one method of capital budgeting in detail. (07)

3 (B) Select the most appropriate answer from the multiple options given in each question.

(Attempt any three) (03)

1. The project is accepted if
   (A) the Profitability Index is equal to 1   (B) the Profitability index is less than 1
   (C) the Profitability Index is more than 1   (D) All of the above

2. Which of the following techniques does not take into account the time value of money?
   (A) Internal Rate of Return   (B) Accounting Rate of Return
   (C) Net Present Value   (D) Profitability Index

3. When number of project proposals are on hand which are mutually exclusive, project selection should be ranked according to which of the following criterion:
   (A) High to Low NPV   (B) Low to High Payback period
   (C) High to low Profitability Index   (D) High to Low Average Rate of Return

4. Working capital is also known as _____
   (A) Permanent Capital   (B) Fluctuating Capital
   (C) Small Capital   (D) Long Term Capital

P-T.O.

5. Net Working Capital refers to _____

(A) Current Assets minus Current Liabilities

(B) Total Assets minus Total Liabilities

(C) Total Assets minus Current Liabilities

(D) Current Assets plus Current Liabilities

4 (A) Explain determinants of dividend policy. (14)

OR

4 A(i) Kilitch Ltd. has the following capital structure:

(Rs. in Lakhs)

Particulars	Market Value	Book Value	Specific Cost (%)
Equity Share Capital	120	100	18
Preference Share Capital	25	20	14
10% Debentures	35	40	6

Calculate WACC based on Book value and Market value. Specific cost is net of tax. (07)

4 A(ii) The particulars of the firm X and Y are given in the following table:

Particulars	Firm X (Rs.)	Firm Y (Rs.)
Sales	2,40,000	2,40,000
Variable Cost	1,00,000	1,20,000
Operating Fixed Cost	50,000	50,000
Financing Cost	10,000	15,000

Calculate degree of operating leverage, degree of financial leverage and degree of combined leverage. (07)

4 (B) Select the most appropriate answer from the multiple options given in each question.

(Attempt any three) (03)

1. Net Operating Income approach is presented by _____.

(A) David Durand (B) Ezra Soloman

(C) Miller (D) Elli Swartz

2. _____ capital is considered in analysis of cost of capital.

(A) Long term (B) Short term

(C) Cost of Sales (D) All of the above

3. The problem with the regular dividend policy from the firm's perspective is that....

    (A) it increases the shareholders' uncertainty.

    (B) it bores the shareholders

    (C) if the firm's earnings drop, so does the dividend payment

    (D) even when earnings are low, the company must pay a fixed dividend

4. High DOL suggests _____

    (A) High operating risk   (B) High finance risk

    (C) Low operating risk   (D) Low finance risk

5. _____ capital is considered in analysis of cost of capital.

    (A) Long Term   (B) Short Term   (C) Intermittent   (D) A & B both

3003M1055   Candidate's Seat No :_____

M.Com. (Sem.-1) (HPP) (Accounting/Financial) Examination
CC 2
Marketing Management

Time : 2-30 Hours]   March 2019   [Max. Marks : 70

---

1 (A) Differentiate between Marketing and Selling. Discuss what is to be marketed.   (14)

OR

1A(i) Define Market. Explain company orientations towards market place.   (7)

A(ii) Explain the meaning of Marketing and give an idea about various core concepts of Marketing.   (7)

1 (B) Multiple Choice Question.   (4)

(i) In the marketing plan, which of the following is a brief description of the entire report, which contains an introduction and a description of the highlights?

(a) Executive summary   (b) Marketing strategy

(c) Contents   (d) Action Program

(ii) At a fast-food restaurant, what is marketed?

(a) Goods   (b) Service

(c) a & b   (d) None of the above

(iii) Which of the following are called value maximizers?

(a) Sellers   (b) Customers

(c) Marketers   (d) Manufacturers

(iv) A builder who has a full order book during a period of economic prosperity and leaves his potential customers waiting till the existing projects are completed is most likely showing what type of business orientation?

(a) Marketing orientation   (b) Selling orientation

(c) Production orientation   (d) Product orientation

2 (A) What is Consumer Behavior? Explain factors influencing buying behavior.   (14)

OR

2A(i) What is Marketing Research? Explain the process of Marketing Research.   (7)

2A(ii) Explain the Consumer Buying Decision Process.   (7)

2 (B) Multiple Choice Question.   (4)

(i) Which of the following lists the hierarchy of needs in its correct order beginning with the most basic?

(a) Personal, social, physiological, psychological and safety

(b) Physiological, safety, social, esteem and self- actualization

(c) safety, physiological, social, esteem and self- actualization

(d) self- actualization, social, esteem, Physiological, safety

(ii) Industries such as clothing or apparels, where there are many national and international brands like Arrow, Peter England, Raymond's etc., are competing against each other would be an example of:

(a) Perfect competition   (b) Oligopoly competition

(c) Monopolistic competition   (d) Monopoly competition

(iii) Consumer behavior can be defined as:

(a) a field of study focusing on marketing activities

(b) a field of study focusing on consumer activities

(c) a study of pricing

(d) the study of decision rules

(iv) Many firms are trying to develop relationships with their customers because:

P. T. O

(a) people are naturally brand loyal.
(b) new customers are very expensive to recruit.
(c) doing so makes it easier to retain them.
(d) B and C are correct.

3(A) Discuss the New Product Development process and challenges in New Product Development. **(14)**

OR

3A(i) Differentiate between Labelling and Packaging. **(7)**
3A(ii) Explain in detail Consumer Adoption Process. **(7)**
3 (B) Multiple Choice Question. **(3)**
(i) The retail supply chain does not include:
(a) Manufacturers   (b) Retailers
(c) Wholesalers   (d) Public policy makers
(ii) Marketing strategy is a process that involves which of the following areas of strategy formulation and implementation?
(a) Brand strategy   (b) Market analysis
(c) Market segmentation   (d) A, B, and C
(iii) To gain a competitive advantage in today's environment, a firm should develop and communicate which of the following components to consumers?
(a) Brand   (b) Price
(c) Product features   (d) All of the above

4(A) Explain the process and steps involved in Entering Global Markets. Discuss several factors for companies to enter into global arena. **(14)**

OR

4A(i) Is service marketing different from product marketing? Discuss. **(7)**
4A(ii) Define Services? Clarify the nature of services. **(7)**
4 (B) Multiple Choice Question. **(3)**
(i) Which of the following is not a tangible dominant?
(a) Detergents   (b) Automobiles
(c) Investment Management   (d) Soft drinks
(ii) Which of the following is not an element of physical evidence?
(a) Employee dress   (b) Employee training
(c) Equipment   (d) Facility design
(iii) A physical charging a patient for a missed appointment because the services value existed only at that point of time is an example of which characteristics of services?
(a) Intangibility   (b) Inseparability
(c) Perishability   (d) Durability

0104M0004   Candidate's Seat No :_____

M.Com. (Sem.-1) (HPP) (Accounting) Examination
CC 3
Research in Accounting

Time : 2-30 Hours]   April 2019   [Max. Marks : 70

Q.1.(a) "The research process involves a series of interrelated and intricate steps." Discuss this statement with reference to the research process. **(07)**

(b) Define a Research Design. Distinguish between Exploratory and Descriptive Research Designs. **(07)**

OR

Q.1. State the format of a research proposal. Develop a research proposal for evaluating the consumer satisfaction study of a popular brand of detergent soap. **(14)**

(c) Attempt Any Two: **(04)**

1) Distinguish between Pure Research and Applied Research
2) Distinguish between Exploratory and Descriptive Research Designs
3) Sate the criteria of a good research study.
4) Describe briefly the Scientific Approach to Research.

Q.2.(a) Describe in detail various Non-Probability Sampling Methods with illustrations. **(07)**

(b) What is Cluster Sampling? Explain with illustration. **(07)**

OR

Q.2.(a) What are outliers? How will you treat the missing observations and outliers in your research study? **(07)**

(b) Distinguish between Stratified Random Sampling and Systematic Sampling. **(07)**

(c) Attempt Any Two: **(04)**
1) Discuss the various types of Measurement Scales with illustrations.
2) Criteria of good research
3) Write a brief note on Sampling and Non- Sampling Errors

Q.3.(a) The management of ACME appliance store recorded the amounts spent by the 184 customers who came during the last day of a Mega sale. The data on amounts spent were grouped into the categories of Rs.100 each as under: **(07)**

Amount Spent (Rs.):	0-100	100-200	200-300	300-400	400-500	500-600
No. of Customers:	30	38	50	31	22	13

P· T·O`

(1) What is the average amount spent by the customers?

(2) The management decides to send a complimentary gift to each of the top 25% spenders. What is the minimum amount one should spend to qualify for a gift?

(b) Eight pairs of slow learners with similar reading IQs are identified in a third grade class of students. One member of each pair is randomly assigned to the standard teaching method while the other is assigned to a new teaching method. Test whether the data below support the hypothesis that the population mean reading test score for slow learners taught by new method is greater than the mean reading test score for those taught by the standard method.

(07)

Pair:	1	2	3	4	5	6	7	8
New Method:	77	74	82	73	87	69	66	80
Standard Method:	72	68	76	68	84	68	61	76

OR

Q.3. A study was conducted to answer the question "Are the marks of a student in a course related to the amount of time spent by him in studying the subject?" To analyze this mysterious possibility a random sample of 10 students who had enrolled in the course last semester was taken. They were asked their marks in the course and the total number of hours spent studying the course. These data are listed below:

Marks:	77	63	79	86	51	78	83	90	65	47
Time Spent in Studying:	40	42	37	47	25	44	41	48	35	28

1. Is there any relation between the marks obtained and the number of hours spent in studying the course?

2. Estimate the study time required in order to get 95 marks. **(14)**

(c) Multiple Choice Questions **(03)**

1) The salary of Ram is twice as much as the salary of Shyam – this is an example of:
   a. Nominal scale measurement
   b. Ordinal scale measurement
   c. Interval scale measurement
   d. Ratio scale measurement

2) Arithmetic Mean can be calculated on the following type of measurements:
   a. Nominal scale
   b. Ordinal scale
   c. Interval scale
   d. Ratio scale
   e. Both (c) and (d) are true

3) The coefficient of variation can be computed for:
   a. Nominal scale
   b. Ordinal scale

c. Interval scale
d. Ratio scale

Q.4. The data in the following table shows the number of shares selling (millions) and the expected price for 10 selected initial public offerings: **(14)**

Company	Shares Selling	Expected Price ($)
American Physician	5.0	15
Apex Silver Mines	9.0	14
Dan River	6.7	15
Franchise Mortgage	8.75	17
Gene Logic	3.0	11
Home Woods	13.6	19
PRT Group	4.6	13
Rayovac	6.7	14
Real Networks	3.0	10
Software AG Systems	7.7	13

1. Quantify the relation between Shares Selling and Expected Price and interpret your result.
2. Estimate the expected price for a firm considering initial public offering of 6 million shares.

OR

Q.4. (a) Ten competitors in a beauty contest are ranked by three judges in the following order:

Judge-1:	1	3	6	10	3	2	4	9	7	8
Judge-2:	3	5	8	4	7	10	2	1	6	9
Judge-3:	6	4	9	8	1	2	3	10	5	7

Determine which pair of judges has the nearest approach to common tastes in beauty? **(07)**

(b) The management of a large hotel chain wants to find out whether the consumption of tea, coffee and milk during breakfast is same for men as for women. A survey was conducted on 500 hotel guests about their gender and the beverage of choice with breakfast. The results are tabulated in the following table: **(07)**

		Beverages		
		Tea	Coffee	Milk
Gender	Men	64	138	83
	Women	84	64	67

Formulate the situation as a hypothesis testing problem and draw your conclusion at 5% level of significance.

(b) Multiple Choice Questions: (03)

1) 1) The probability of rejecting a null hypothesis when it is true is called
   a. Level of significance
   b. Type II error
   c. Type I error
   d. Beta

2) If the confidence coefficient increases from 90 to 95%, it will
   a. Decrease the sample size.
   b. Increase the sample size.
   c. The sample size would decrease by 5%.
   d. The sample size would increase by 5%.

3) The alternative hypothesis is "that more than 80% of the students know driving" is an example of

   a. One-tailed test
   b. Two-tailed test
   c. Type 1 error
   d. Type 2 error

****

0204M0020   Candidate's Seat No :_____

M.Com. (Sem.-1) (HPP) Examination

CC 4

Financial Markets

Time : 2-30 Hours]   April 2019   [Max. Marks : 70

Instruction :   Figures to right indicates full marks.

1 (a)   Explain financial markets as a component of financial system.   14

OR

(i)   Discuss the nature and role of financial system.   7

(ii)   Discuss bank-based financial system.   7

(b)   M.C.Q. (any four out of six) :   4

(i)   Formal financial system consists of .... components.

(1) 2 (2) 3 (3) 4 (4) 5

(ii)   Which among the following is not correct for informal financial system :

(1) Low transaction cost (2) Flexibility of operations (3) High interest rates

(4) High default risk. (5) High interaction between creditors and debtors :

(a) i, ii, iii (b) i, iii, iv (c) i, ii, v (d) i, iii, v.

(iii) Give an example of a component of informal financial system.

(iv)   Give an example of long-term debt market.

(v)   State any two characteristics of financial system.

(vi)   What is formal market?

2 (a)   Discuss the role of R.B.I. in money market.   14

OR

(i)   Explain functions of money market.   7

(ii)   Write a note on certificate of deposit.   7

(b)   M.C.Q. (any four out of six) :   4

(i)   Write full name :

(1) MMFS

(2) IFCI

(3) CBLO

(4) STCI

(5) R.B.I.

(6) CB's/

[P.T.O.

3 (a) Discuss the reforms of capital market. 14

<div align="center">OR</div>

    (i) Write a note on IPO and FPO. 7

    (ii) Explain functions of capital market. 7

 (b) M.C.Q. (any three out of five) : 3

    (i) .... is regulator of capital market.

    (ii) .... term securities are issued by government.

    (iii) Give full form of NSDL.

    (iv) .... issues does not bring in any fresh capital, to the firm :
        (1) Preference (2) Equity (3) Bonus (4) Debenture.

    (v) When was OTCEI was established?
        (1) 1989 (2) 1990 (3) 1991 (4) None of these.

4 (a) Define listing of securities and explain the advantages of listing of securities. 14

<div align="center">OR</div>

    (i) Write role of stock exchange in secondary market. 7

    (ii) Write a note on futures. 7

 (b) M.C.Q. (any three out of five) : 3

    (i) There are .... shares in BSE sensex.
        (1) 30 (2) 40 (3) 50 (4) 60

    (ii) In which year NSE was established?
        (1) 1986 (2) 1996 (3) 1964 (4) 1992

    (iii) Stock market moved to the .... settlement system.
        (1) T + 1 (2) T + 3 (3) T + 2 (4) T + 5

    (iv) BSE sensex first time calculated in the year ....

    (v) .... stock exchange is based on the model of NASDAQ.

0304M0062   Candidate's Seat No :_____

M.Com. (Sem.-1) (HPP) (Accounting) Examination

CC 5

Accounting for Managers (Adv. Acc.)

Time : 2-30 Hours]   April 2019   [Max. Marks : 70

Q-1A	Discuss various objectives of Corporate Financial Statements.	14
	OR	
A(i)	Implementation of Accounting Standards in India is a criminal waste of time and money. Critically examine the above statement.	07
(ii)	Give an illustrative format of Balance Sheet of a Company as per revised Schedule VI of Companies' Act.	07
B	**Select one correct answer from each of the following questions and show your working.(any four)**	04

1 Indian Accounting Standard 3 deals with:
   a. Inventories
   b. Cash Flow Statement
   c. Depreciation Accounting
   d. Construction Contracts

2 IFRS stands for:
   a. International Financial Reporting Standards
   b. Indian Financial Reporting Standard
   c. Indian Foreign Reporting Standard
   d. None of the above

3 A financial statement that records all the inflow and outflow of cash during the year of the company is called:
   a. Balance Sheet
   b. Income Statement
   c. Cash Flow Statement
   d. Fund Flow Statement

4 Which of the following is a function of IFRS?
   a. Reorganisation
   b. Measurement
   c. Presentation
   d. All of the above

5 GAAP stands for:
   a. Globally accepted Accounting Practices
   b. Generally accepted Accounting Principles
   c. Generally accepted Accounting Practices
   d. Globally accepted Accounting Principles

6 Which one of the following statements is not mandatory to be prepared by a Listed Company?
   a. Cash Flow Statement
   b. Fund Flow Statement
   c. Balance Sheet
   d. Profit and Loss Account

Q-2A The following are the Balance Sheets of **Concord Ltd** for two years: 14

Liabilities	31-3-2015 RS	31-3-2016 RS	Assets	31-3-2015 RS	31-3-2016 RS
Equity Share Capital-each share of Rs. 10	5,00,000	7,50,000	Goodwill	1,50,000	1,40,000
General Reserve	3,00,000	1,00,000	Building	3,00,000	5,00,000
Profit and Loss account	50,000	60,000	Plant	2,00,000	4,75,000
10% Debentures	--------	2,50,000	Investments	75,000	60,000
Bill Payable	1,00,000	1,00,000	Stock	80,000	1,25,000
Outstanding expenses	1,25,000	1,55,000	Bill receivable	2,45,000	1,05,000
Tax Provision	75,000	85,000	Cash Balance	60,000	65,000

P.T. o

			Miscellaneous expenditure	40,000	30,000
	11,50,000	**15,00,000**		**11,50,000**	**15,00,000**

- Additional Information:
- On 1st March 2015 bonus shares were issued in the ratio of 2:1 by capitalising General Reserve.
- Income Tax of Rs. 70,000 and interim dividend of Rs. 40,000 was paid during the year.
- Depreciation charged on Building was Rs. 30,000 and on plants Rs. 20,000
- A plant having a book value of Rs. 50,000 was sold at a profit which was credited to capital reserve account.
- During the year debentures were issued at 5% discount.
- Goodwill was written off against capital reserve.
- Investments of Rs. 25,000 were sold at 20% profit.

Prepare Cash Flow Statement as per Accounting Standard 3

OR

A(i) Complete the following Balance Sheet with the help of the information given below: 07

Liabilities	Rs.	Assets	Rs.
Equity share Capital of Rs. 100 each	?	Fixed Assets	?
Reserves	?	Current Assets:	
Debentures	8,00,000	Stock	?
Current liabilities:		Debtors	?
Creditors	?	Cash	?
Bills payable	4,00,000		
	?		?

Additional Information:
1. Sales Rs. 96,00,000
2. Gross Profit Ratio:25%
3. Net Profit after tax Rs. 4,00,000
4. All the purchases and sales are on credit
5. Sales: Debtors is 12:1
6. Cost of sales : creditors is 12:1
7. Earnings per share is Rs. 20
8. Stock turnover ratio is 10
9. Debt-equity ratio is 0.25 :1
10. Current ratio is 1.6:1

(ii) Discuss various classifications of Accounting Ratios. 07

B Select one correct answer from each of the following questions and show your working.(any four) 04

1 Under the context of Cash Flow Statement as per AS 3, Redemption of debentures will come under:
   a. Operating Activities
   b. Investment Activities
   c. Financial Activities
   d. None of the above

2 Which of the following will be shown under the heading of Financial Activities in Cash Flow Statement as per AS 3?
   a. Issue of bonus shares
   b. Issue of right shares
   c. Payment of taxes
   d. Purchase of Building

3 A high debtors' velocity shows:
   a. Efficiency of collection department
   b. Efficiency of production department
   c. Inefficiency of collection department
   d. Inefficiency of purchase department

4 What will be the gearing ratio if the equity share capital is Rs. 1,00,000, Preference share capital is Rs. 50,000 and Debentures are Rs. 1,50,000?
   a. 1
   b. 2

c. 5
d. None of the above

5 Liquidity ratios are expressed in:
a. Pure ratio form
b. Percentage
c. Rate or time
d. None of the above

6 What will be the debtors turnover ratio if the closing debtors is Rs 40,000, Cash sales is 25% of credit sales and excess of closing debtors over opening debtors is Rs 20,000?
  a. 4 times
  b. 2 times
  c. 6 times
  d. 8 times

Q-3A The following is the Income Statement of a company as on 31st march 2003 on historical accounting basis. **14**

Particulars	Rs.	Rs.
Net Sales		18,00,000
Less: Cost of goods sold:		
Opening stock (FIFO)	2,00,000	
+Purchases	10,80,000	
	12,80,000	
-Closing stock	1,80,000	11,00,000
Gross Profit		7,00,000
Less Operating expense:		
Selling expenses	90,000	
General expenses	54,000	
Depreciation	1,00,000	2,44,000
Net Profit		4,56,000

Fixed Assets were acquired when index was 125.General piece indices are as follows:
1-4-2002   160
31-3-2003   200
Average   180
Profit for general price index level Rs. 10,000.
From the above information ,calculate Net Income under CPP Method.

OR

A(i) Discuss the scope of Environment Accounting. **07**
(ii) Discuss in brief various approaches to Human Resource Accounting. **07**
B **Select one correct answer from each of the following questions and show your working.(any three)** **03**
1 As far as value added accounting is concerned, which of the following statements is true?
  a. Value added statement is wider in nature as compared to profit and loss account.
  b. Value added statement is calculated on enterprise concept.
  c. Value added statement concentrates not only on owners but other stake holders as well.
  d. All of the above

2 Which of the following is the scope of social accounting?
  a. Accountability
  b. Voluntary reporting
  c. Social audit
  d. All of the above

3 Which of the following is considered to be a Non Monetary item with reference to Inflation Accounting?
  a. Debtors
  b. Closing Stock
  c. Cash and Bank Balance
  d. None of the above

4 While preparing value added statement, which of the following is not shown under the heading of value added retained by the business?
  a. Transfer to General reserve
  b. Bad Debts Reserve
  c. Transfer to Fixed Asset Replacement Reserve
  d. None of the above

5 Which of the following are the objectives of Human Resource Accounting?
  a. To evaluate the return on investment on Human resource
  b. To aid in the development of management principles

P.T.O

3.

c. To furnish human resource cost and value information for making management decisions

d. None of the above

Q-4A Insight Ltd manufactures a machine which has a variable cost structure as follows: 14

Material Rs. 40 per unit

Labour Rs. 10 per unit

Overheads Rs. 4 per unit

Sales during the current year are expected to be Rs. 13,50,000 at a selling price of Rs. 90 per unit and Fixed overheads Rs. 1,40,000.

Under a wage agreement, an increase of 10% is payable to all workers from the next year, the material cost is expected to rise by 7.5%, variable overheads by 5% and Fixed overheads by 3%

You are required to calculate:

(I) **The current P/V Ratio**

(II) **The new selling price if the current year's P/V ratio is to be maintained in the next year.**

OR

A(i) Discuss the advantages of Budgetary control 07

(ii) Discuss the limitations of Zero Based Budgeting 07

B **Select one correct answer from each of the following questions and show your working.(any three)** 03

1 A cost that is not identifiable to a cost object is known as:

    a. Indirect cost

    b. Variable cost

    c. Direct cost

    d. Fixed cost

2 Which one of the following is a direct expense?

    a. Carriage inwards

    b. Carriage outwards

    c. Both of the above

    d. None of the above

3 Opportunity cost is also known as:

    a. Alternative cost

    b. Direct cost

    c. Relevant cost

    d. Fixed cost

4 Which of the following costs is generally not relevant?

    a. Replacement cost

    b. Incremental variable cost

    c. Sunk cost

    d. Incremental fixed cost

5 Which of the following costs is not relevant when considering the closure of a department within a factory?

    a. Fixed overheads

    b. Direct materials

    c. Direct labour

Manufacturing overheads

—✗—