Bachelor of Commerce 4ᵗʰ Semester

(2042)

INTERDISCIPLINARY SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Paper : BCM-401

Time Allowed : Three Hours]   **[Maximum Marks : 80**

Note :— Attempt any **FOUR** questions from Section A of 5 marks each. Attempt any **TWO** questions each from Section B and Section C of 15 marks each.

SECTION—A

1. What are the main objectives of investment ?

2. Write a note on value Investing and growth investing.

3. Explain the concept of Risk and Return TRADE-OFF.

4. What do you understand by efficient market theory ?

5. Discuss the various benefits of Global Investing.

6. State and explain the concept of portfolio performance evaluation.

SECTION—B

7. Distinguish between Investment and Speculation. Is it possible to incorporate investment and speculation with the same security ? Explain.

8. "Higher the risk, higher will be return." In this context discuss the various risks associated with an investment.

9. What is meant by Technical Analysis ? Explain the Dow Theory. How it can be used to determine the direction of Stock Market ?

10. Discuss the different kinds of long-term opportunities of Investment available for a common Investor with moderate risk taking capabilities.

SECTION—C

11. What do you understand by Portfolio management ? State and explain the various approaches of portfolio construction.

12. "Sharpe model of portfolio analysis is an improvement over Markowitz Model". Critically analyze the above statement.

13. State and explain Capital Asset Pricing Model (CAPM). How it differs from Arbitrage Pricing Model (APM) ?

14. What are the reasons of Global Investment ? What are the various global investment options available to an investor for global investing ?

(i) Printed Pages: 7

(ii) Questions : 9

Roll No. ....

Sub. Code : $\boxed{0}\boxed{8}\boxed{2}\boxed{4}$

Exam. Code : $\boxed{0}\boxed{0}\boxed{1}\boxed{4}$

Bachelor of Commerce 4ᵗʰ Semester

(2042)

ADVANCED ACCOUNTING

Paper : BCM-402

Time Allowed : Three Hours] |Maximum Marks : 80

Note :— Attempt **FOUR** short answer type questions from Section A. Attempt **TWO** questions each from Section B and C respectively.

SECTION—A

I. (a) Distinguish between Cum Interest and Ex Interest. 5

(b) Write a note on Average clause in Insurance claim. 5

(c) Pooja and Company decided to purchase a business for Rs. 80,000. Its profits for the last 4 years are 2016 Rs. 20,000, 2017 Rs. 25,000, 2018 Rs. 24,000 and 2019 Rs. 23,000. The business was looked after by the Management. Remuneration from alternative employment, if not engaged in the business, for the management comes to Rs. 3,000 p.a. Find out the amount of goodwill if i. is valued on the basis of three year's purchase of the average net profit for the last four years.

(d) A machine was purchased on hire purchase system. Payment was made as follows — Rs. 1,000 at the time of agreement, Rs. 4,000 at the end of the first year, Rs. 4,000 at the end of the second year and Rs. 4,000 at the end of the third year. Interest was charged @ 5%. Calculate the cash price of the machine.

5

(e) H. Ltd. acquired the shares of S. Ltd. on 31st March, 2020. You are required to prepare consolidated Balance Sheet as on 31st March, 2020 from the following Balance Sheets.

Balance Sheets
As on 31st March, 2020

	H. Ltd. (Rs.)	S. Ltd. (Rs.)		H. Ltd. (Rs.)	S. Ltd. (Rs.)
Share Capital in Re. 1 fully paid shares	15,000	6,000	Sundry Assets Investments : 6000 shares in S. Ltd.	20,000 10,000	12,000 —
Reserves	3,000	2,000			
Profit & Loss A/c	2,000	1,000			
Sundry Liabilities	10,000	3,000			
	30,000	12,000		30,000	12,000

5

(f) The abstract of the Balance Sheet of the AXE Ltd. as at 31st March, 2020, is as follows :

Liabilities — Equity Share Capital (Rs. 100 each) Rs. 15,00,000 12% Preference Share Capital (Rs. 100 each) Rs. 3,00,000 13% Debentures Rs. 3,00,000.

On 31st March, 2020, BXE Ltd. agreed to take over AXE Ltd. on the following terms :

(1) For each preference share in AXE Ltd. Rs. 10 in cash and one 9% preference share of Rs. 100 in BXE Ltd.

(2) For each equity share of AXE Ltd. Rs. 70 in cash and one equity share in BXE Ltd. for Rs. 100 each. It was decided that the shares of BXE Ltd. will be issued at market price Rs. 140 per share.

(3) Liquidation expenses of AXE Ltd. are to be reimbursed by BXE Ltd. to the extent of Rs. 10,000. Actual expenses incurred is Rs. 14,000.

You are required to compute the amount of purchase consideration. 5

SECTION B

1. Define goodwill. Why there is a need for the valuation of goodwill ? Explain and illustrate the different methods of calculating goodwill. 15

2. Explain the meaning of hire purchase system and make its comparison with instalment system. Discuss stock and debtor system of keeping cost of goods sold under hire purchase system along with journal entries. 15

IV. From the following particulars, calculate the fair value of an equity share assuming that out of the total assets, those amounting to Rs. 41,00,000 are fictitious :

(i) Share Capital :

5,50,000 10% Preference shares of Rs. 100 each, fully paid-up.

55,00,000 Equity shares of Rs. 10 each, fully paid-up.

(ii) Liability to outsiders, Rs. 75,00,000.

(iii) Reserves and surplus Rs. 45,00,000.

(iv) The average normal profit after taxation earned every year by the company during the last five year, Rs. 85,05,000.

(v) The normal profit earned on the market value of fully paid equity shares of similar companies is 12%. 15

V. From the following information, compute a consequential loss claim :

Financial year ends on 31st December;

Turnover Rs. 2,00,000;

Indemnity period — 6 months

Period of dislocation — 1st July to 31st October

Net profit — Rs. 18,000

Standing charges — Rs. 42,000, out of which Rs. 10,000 have not been insured.

Sum assured — Rs. 50,000

Turnover in the period of interruption — Rs. 25,000, out of which Rs. 6,000 was from a rented place at Rs. 600 per month.

Standard turnover Rs. 65,000

Annual turnover Rs. 2,40,000

Savings in standard charges Rs. 4,725 per annum.

Date of fire — Night of 30th June

It was agreed between the insurer and the insured that the business trends would lead to an increase of 10% in the turnover. 15

SECTION—C

VI. Define Purchase Consideration. State the accounting procedure in the books of acquiree company in case of amalgamation. 15

VII. Explain the treatment of the following items in the accounts of Holding company :

   (a) Minority Interest

   (b) Treatment of unrealised profit

   (c) Capital profits and revenue profits. 15

VIII. V. Ltd. went into voluntary liquidation on 31st March. 2020. The details regarding liquidation are as follows :

   (a) 3,000 9% Preference Shares of Rs. 100 each fully paid up.

(b) 3,000 'A' Equity Shares of Rs. 100 each Rs. 75 paid up.

2,400 'B' Equity Shares of Rs. 100 each Rs. 60 paid up.

2,100 'C' Equity Shares of Rs. 100 each Rs. 50 paid up.

V. Ltd. has borrowed a loan of Rs. 75,000 from B Ltd. against the mortgage of Machinery which realised Rs. 1,20,750. Books of the company show outstanding salaries of four clerks for four months @ Rs. 450 p.m. per clerk and of four workers for three months @ Rs. 225 p.m. per worker. In addition to this the company's books show the creditors worth Rs. 1,21,000. Other assets realised Rs. 4,86,750.

Prepare Liquidator's Statement of Account. 15

IX. Following is the Balance Sheet of Ninja Ltd. as on 31-12-2024 :

Liabilities	Rs.	Assets	Rs.
Equity Share Capital of Rs. 10 each	2,50,000	Land & Building	1,40,000
8% Pref. Shares Capital of Rs. 10 each	20,000	Machinery	30,500
		Furniture	15,000
General Reserve	10,000	Goodwill	8,000
Surplus A/c (Negative Balance) (—) 1,25,000		Discount on shares	000
6% Debenture of Rs. 100 each	20,000		
Creditors	80,000		
Bank Overdraft	18,500		
	2,83,500		2,83,500

On the above date the company adopted the following scheme of reconstruction:

(i) The debentureholders are to be given 6% debenture of Rs. 50 and Preference shares of Rs. 10 each of equal amount for the remaining amount of Rs. 50

(ii) The value of all Preference shares including the preference shares given to debentureholders as shown above, is to be reduced to Rs. 6 and dividend rate to be increased upto 9%.

(iii) The value of equity shares to be reduced to Rs. 2

(iv) The existing equity shareholders are to purchase additional equity shares of Rs. 1,00,000 for cash, to payoff the bank overdraft.

(v) The fictitious and intangible assets are to be eliminated. Machinery and furniture are to be written off in proportion of book values with the help of General Reserve and Capital Reduction Account.

Give Journal Entries incorporating the above scheme of reconstruction and prepare there constructed Balance Sheet.

15

Bachelor of Commerce 4th Semester

(2042)

AUDITING & SECETARIAL PRACTICE

Paper : BCM-403

Time Allowed : Three Hours]   [Maximum Marks : 80

Note :— Attempt **FOUR** short answer type questions from Section A. Attempt **TWO** questions each from Sections B and C respectively. Each question in Section A carries **5** marks and each question in Sections B and C carries **15** marks.

SECTION—A

I. Distinguish between Investigation and Auditing.

II. Distinguish between Continuous Audit and Periodic Audit.

III. Explain briefly about internal check system.

IV. Write a brief note on secretarial audit.

V. Differentiate between Motions and Amendments.

VI. Write a short note on Audit Committee.

SECTION—B

VII. What do you mean by auditing ? Discuss its objectives and advantages.

VIII. What do you understand by 'Internal Control' ? Differentiate between 'Internal Check' and 'Internal Audit'.

IX. Explain audit report and give in detail the kinds of auditor's reports.

X. How are the auditors of a Joint Stock Company appointed and removed ? Discuss in the light of provisions given under Companies Act, 2013.

SECTION—C

XI. Discuss duties and responsibilities of a Company Secretary.

XII. What are various kinds of meetings that can be held by a company ? Explain the requisites of a valid meeting.

XIII. As a company secretary draft a suitable notice and agenda for the Annual General Meeting of a company.

XIV. Define the term 'less space minutes'. Explain in detail the statutory provisions regarding the keeping of the minutes of company meetings.

Bachelor of Commerce 4th Semester

(2042)

COST MANAGEMENT

Paper : BCM-404

Time Allowed : Three Hours]　　　[Maximum Marks : 80

Note :— Attempt any **FOUR** questions from Section A of **5** marks each. Attempt any **TWO** questions each from Section B and Section C of **15** marks each.

SECTION—A

1. What do you understand by Process Losses ? Give their accounting treatment.

2. Write a note on Value Chain Analysis.

3. Two similar plants are working under the same management. Following particulars are given :

	PLANT–I	PLANT–II
Capacity operation	100 percent	60 percent
Sale	300 lacs	120 lacs
Variable Cost	220 lacs	90 lacs
Fixed Cost	40 lacs	20 lacs

... ...

... ...

... ... even point when management ...

to combine two plants.

(ii) Profit at 75% of combined plant capacity.

4. In a factory 10,000 units are budgeted to be produced in a month with a budgeted fixed expenses being Rs. 15,000 i.e. Rs. 1.50 per unit. The actual output during the month was 11000 units and actual fixed expenses being Rs. 15,500. The increase in output was due to 5% increase in capacity. The budgeted working days were 25 days but factory worked for 27 days. Calculate different overhead variances.

5. The ratio of variable cost to sale is given to be 70%. The break even point occurs at 60% of capacity sale. Find the capacity sale when fixed costs are Rs. 1,50,000. Determine profit at 80% and 100% of sale.

A certain Joint Cost per unit

SECTION—B

7. Define Cost Management. Discuss its need and importance in effective cost reduction and cost control. Also explain the various areas of cost management.

8. Write notes on (any **TWO**) :—

   (a) Uniform Costing.

   (b) Difference between Job Costing, Batch Costing and Process Costing.

   (c) Activity Based Costing (ABC Costing).

9. Kapoor and company undertakes long-term contracts. The following information is supplied regarding the contract which is incomplete on 31st March, 2021.

Cost Incurred to Date :

Direct Material	Rs.	2,80,000
Direct Labour	Rs.	90,000
Overheads	Rs.	75,000
Erection Cost to Date	Rs.	15,000
		4,60,000

Total Cost to Date :

Contract Price	Rs. 8,19,000
Cash Received	Rs. 6,00,000

Technical Estimate of work completed till date :

Direct material 80%, Direct Labour and Overhead 75%,

Erection 25%

Calculate :

(i) Estimated Profit to Date on Contract

(ii) Estimated Profit on Completion of the Contract.

10. The product of a Company passes through three processes known as A, B and C. It is ascertained from past experience that loss is incurred in each process as Process A – 2%, Process B – 5%, Process C – 10%. The loss of each process has a scrap value of Rs. 5 per 100 units in Process A and Process B and Rs. 20 per 100 units in Process C. 20000 units has been issued to Process A at a cost of Rs. 10,000.

The other costs are as follows :

	Process-A	Process-B	Process-C
Material Consumed	Rs. 6,000	Rs. 4,000	Rs. 2,000
Direct Labour	Rs. 8,000	Rs. 6,000	Rs. 3,000
Direct Expenses	Rs. 1,000	Rs. 1,000	Rs. 1,500

The output of each process passes to next process and output of process-C to finished stock. The output of each process is Process A – 19500 units, Process B – 18,800 units, Process C – 16000 units.

Prepare Process Accounts

The standard mix of a product is as follows:

Material	Quantity	Price per Kg
A	50 kg	Rs. 5
B	20 kg	Rs. 4
C	30 kg	Rs. 10

Standard loss is 10% of input. Actual production for the month was 7240 kg from 80 mixes. Actual consumption of material is as follows:

Material	Quantity	Price per Kg
A	4160 kg	Rs. 5.50
B	1680 kg	Rs. 3.75
C	2560 kg	Rs. 9.50

Calculate all Material Variances.

Months	Sales	Purchases	Wages
	(in Rupees)		
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

(b) 25% of the sale is for cash and the period of credit allowed to customer is one month.

(c) Creditors and wages are paid in the next month. All purchases are on credit.

(d) Cash at Bank on 1st April, 2021 is Rs. 25,000.

(i)   Printed Pages: 2   Roll No. ....

(ii)   Questions   : 14   Sub. Code : ⎡0⎤⎡8⎤⎡2⎤⎡7⎤
                                    Exam. Code : ⎡0⎤⎡0⎤⎡1⎤⎡4⎤

Bachelor of Commerce 4th Semester

(2042)

MARKETING MANAGEMENT

Paper : BCM-405

Time Allowed : Three Hours]   [Maximum Marks : 80

Note :— (1) Attempt any **FOUR** questions Section A. Each question carries **5** marks.

(2) Attempt any **TWO** questions each from Sections B and C. Each question carries **15** marks.

SECTION—A

1. Scope of Marketing.

2. Concentrated vs Scattered buying.

3. Marketing Mix.

4. Advertising copy.

5. Causes of channel conflict.

6. Rural marketing.

SECTION—B

7. Define marketing. Discuss in detail evolution of marketing concepts and philosophies.

8. Explain in detail the determinants of consumer behaviour.

9. Discuss in steps involved in planning and development of new product.

10. What do you understand by product branding ? Discuss branding strategies in detail.

SECTION—C

11. What is meant by product pricing ? Which factors influence product pricing decisions ?

12. Write short notes on :—

   (a) Marketing communication barriers

   (b) Functions of wholesalers.

13. What is meant by advertising media ? Explain the factors to be considered while selecting a suitable advertising media.

14. Write a detailed note on marketing in developing economies with special reference to the problems faced by such economies in marketing.

Bachelor of Commerce 4th Semester
(2042)
QUANTITATIVE TECHNIQUES AND METHODS
Paper : BCM-406

Time Allowed : Three Hours]   [Maximum Marks : 80

SECTION—A

Note :— Attempt any FOUR.

1. What do you mean by Quantitative Techniques ? Discuss its important functions.   5

2. The mean and variance of a binomial distribution are 3 and 2 respectively. Find the probability that the variable takes values : (i) less than or equal to 2 (ii) greater than or equal to 7.   5

3. Define and explain :

   (i) Constraints

   (ii) Optimum solution

   (iii) Feasible Region.   5

4. Interpolate the missing values from the following data :

Year	1985	1990	1995	2000	2005	2010
Value	40	49	?	52	?	62

   5

5. Calculate coefficient of correlation between birth rate and death rate from the following data :

Year	1931	1941	1951	1961	1971	1981	1991
Birth Rate	24	26	32	33	35	30	32
Death Rate	15	20	22	24	27	24	20

5

6. The lines of regression of Y on X and X on Y are respectively

$$Y = X + 5 \text{ and } 16X - 9Y = 94.$$

Find the variance of X if the variance of Y is 16.　　5

SECTION—B

Note :— Attempt any TWO.

7. (a) Four persons are chosen at random from a group containing 3 men, 2 women and 4 children. Find the chance that exactly one of them will be children.

   (b) Two balls are to be drawn one after another from an urn containing 6 white and 4 black balls. Determine the probability that both balls drawn are black if the ball selected on the first drawn is : (i) placed back into the urn, (ii) not placed back into the urn.　　5,5,5

8. Using Poisson law of distribution, find a test for goodness of fit for the following data :

No. of ignition (K)	0	1	2	3	4	5	6
No. of days with K ignitions	75	90	54	22	6	2	1

15

9. What is normal distribution ? Discuss its properties. Bring out its importance in statistics. 15

10. Draw the graph of the following inequalities :

$$X + 2Y \le 8, \quad 3X + Y \le 12, \quad X + Y \le 5$$

and $X \ge 0$ and $Y \ge 0$.

Also indicate the common region. 15

SECTION—C

Note :— Attempt any **TWO**.

11. The following table shows the output and input related to a certain product. Interpolate the input for output at 42.

Output	40	50	60	70
Input	6.2	7.2	9.1	12.0

15

12. The following table gives the distribution of items and relatively defective items among them according to size groups :

Size group	15 – 16	16 – 17	17 – 18	18 – 19	19 – 20	20 – 21
No. of items	180	250	320	340	380	280
Defective items	130	142	150	160	160	104

15

13. Following information regarding X and Y variables is given :

$N = 10$, $\Sigma X = 320$, $\Sigma Y = 380$, $\Sigma(X - 32)^2 = 140$,

$\Sigma(Y - 38)^2 = 398$, $\Sigma(X - 32)(Y - 38) = -93$.

Calculate :—

(i) Regression co-efficients,

(ii) The two regression equations, and

(iii) Coefficient of correlation.   6,6,3

14. Write notes on the following :—

(a) Explain the usefulness of interpolation and extrapolation in business.

(b) Explain the properties of correlation coefficient.

(c) What is the relationship between correlation and regression coefficients ?   5,5,5