

3312 – IVSCOM (N) – M – 16



FOURTH SEMESTER M.COM. (CBCS) DEGREE  
EXAMINATION, MAY/JUNE 2016  
**COMMERCE (New)**  
**Paper – 4.2 : CORPORATE GOVERNANCE**  
**(Compulsory)**

Time : 3 Hours]

[Max. Marks : 75

SECTION – A

(6×2=12)

Answer **any six** of the following sub-questions. **Each** sub-question carries 2 marks.

1. a) What is meant by private benefits of control ?
- b) State why Anglo-American model of governance is also known as 'market model'.
- c) Give meaning of crony capitalism.
- d) State the functions of two-tier corporate boards of Germany model.
- e) What do you mean by interlocking directorships ?
- f) What do you mean by resource dependency theory of corporate boards ?
- g) State why board composition is important in corporate governance.
- h) Distinguish between observable and less visible board diversity.
- i) Give meaning of board empowerment.
- j) What do you mean by code of corporate governance ?

[P.T.O.]



## SECTION – B

(3×6=18)

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

2. Explain the role of media and judiciary in resolving the corporate governance problems of companies.
3. Describe the nature of relationship between the Board chairmen and CEOs of companies.
4. "The Board of Directors in broad terms is expected to perform the role of overseeing the running of the enterprise by its CEO" Explain.
5. Explain the key governance differences between widely-held and family managed business firms.
6. What factors are considered in constituting the number and type of board committees in companies ? Explain.

## SECTION – C

(3×15= 45)

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

7. "Markets are often the most important institutions of corporate governance." Explain.
8. Describe the evolution and growth of business groups in India.
9. Explain how the following factors influence the effectiveness of corporate boards.
  - a) Board size and composition
  - b) Board diversity
  - c) Board information
  - d) Board evaluation.



8) 10. Discuss the development of corporate governance code in India and measures taken to enforce the code.

11. **Case study.**

Call it coincidence or paradox, but a couple of months before the Satyam scam became public, the World Council for Corporate Governance picked the IT firm for the Golden Peacock Global Award for excellence in Corporate Governance... when, in fact, it stands out as an example how not to run a firm. The scam brought to focus multiple flaws in corporate governance practices.. unethical conduct, fraudulent accounting, dubious role of auditors, ineffective board, failure of independent directors and non-disclosure of pledged shares.

Subsequently, the Minister of Corporate Affairs introduced a warning system that can pick up signals from companies that are deviating from the rules and the Government brought in changes in the Companies Act in 2013, introducing a slew of measures to ensure transparency and accountability in corporate affairs. "In a way the Satyam episode helped. Several changes have been brought in... new Act introduced several measures to ensure better corporate governance practices," KN Murthy, a senior Chartered Accountant, who has studied the case in depth, said.

5) The New Companies Act require at least one-third of the Board as Independent Directors (As opposed to Clause 49 of Listing Agreement that called for more) with tenure of initial 5 years and receives only fee and not stock options. Sudheendra Putty, Company Secretary of Cyient, has said that the new Act focuses on compliance. "Section 92 of the Act provides that annual return prepared by companies must have disclosures regarding matters related to certification of compliance and disclosures.

The directors are supposed to have devised a proper system to ensure compliance as they prepare the Board's report, conforming to all applicable laws. "It will be a function of the company secretary to report to the board about compliance with the provisions of the Act and other laws applicable," he said. An important norm was compulsory dematerialisation of promoter holdings to ensure transparency in the dealings of shares



by promoters, especially pledge or usage as collateral and its subsequent disclosure. The SEBI made it mandatory to rotate individual auditors after five years and audit firms after 10 years to improve the quality of financial reporting, detect any oversight and ensure independence of auditors in the true sense.

The SEBI also directed the monitoring cell established by stock exchanges to ascertain the adequacy and accuracy of disclosures made in the quarterly compliance reports received from Companies acts as a counter check. Companies were asked to compulsorily devise a whistle blower policy and affirming that no personnel has been denied access to the audit committee helps free communication of concerns about illegal/unethical practices.

Questions for Discussion :

- A) Identify the slew of measures initiated in India to control future Satyam type cases.
- B) Are these changes adequate or inadequate ? Suggest changes that you need to be essential.

# 3319 – IVSCOM (N) – M – 16



FOURTH SEMESTER M.COM. (CBCS) DEGREE EXAMINATION,  
MAY/JUNE 2016

## COMMERCE (New)

### Paper – 4.3 : Contemporary Issues in Accounting (Accounting and Finance and Taxation Groups)

Time : 3 Hours]

[Max. Marks : 75

#### SECTION – A

Answer **any six** of the following sub-questions. **Each** sub-question carries  
2 marks. **(6×2=12)**

1. a) What is purchasing power gain ?
- b) What is gearing adjustment and why it is computed ?
- c) Define human resource accounting.
- d) What are the assumptions of opportunity methods of valuation of human resources ?
- e) What is social equity ?
- f) Define sustainability reporting.
- g) What are the environmental contingent liabilities ? Give examples.
- h) Distinguish between valuation and accounting for intangibles.
- i) Give meaning earnings management.
- j) What are deferred accruals ?

#### SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. **(3×6=18)**

2. Explain the recent developments in social accounting practices of Indian companies.
3. Discuss the advantages and disadvantages of cost based methods of valuation of human resources.

[P.T.O.]

4. From the following data extracted from the books of A Ltd. and B Ltd. for the last 3 years, calculate CSR spending required to be done by the companies as per Companies Act, 2013.

Pre-tax Profits	A Ltd. (Rs. in Cr.)	B Ltd. (Rs. in Cr.)
Year – 1	85	25
Year – 2	42	68
3	18	– 10

The companies, on average, pay taxes at the rate of 30%.

5. H Ltd. held shares in X Ltd. which it bought for Rs. 1,00,000 in 2011 when index of the general level of prices stood at 110. At the end of 2014, the market price of the shares was Rs. 80,000 and the index 132. At the end of 2015, the market price of the shares was Rs. 90,000 and index 145.2.

- Calculate the CPP value of the shares at the end of 2014 and 2015.
- Under CPP accounting, what gain or loss would be shown in respect of the shares ?
- What, in fact, was the gain or loss in purchasing power in respect of the shares during 2015 ?

6. From the following details, compute according to Lev and Schwart (1971) model, the value of human resources of skilled employees group :

- Annual average earnings of an employee till the retirement age Rs. 1,00,000
- Age of retirement 65 years
- Discount rate 15%
- No. of employees in the group 20
- Average age 62 years

### SECTION – C

Answer any three questions. Each question carries 15 marks. (3×15=45)

- What is meant by earnings management ? Explain the causes for and effects of earnings management.
- Discuss the main recommendations of AS-26 relating to measurement and recognition of intangible assets in financial accounts of companies.



9. Calculate the general purchasing power gain or loss from the following information :

i) Monetary items as at January 1, 2015 :

	Rs.
Cash	40,000
Accounts Receivable	80,000
Accounts Payable	50,000

ii) Sales for the year 1,96,000

iii) Purchases for the year 1,40,000

iv) Operating expenses paid in cash during the year 49,000

v) Dividend declared on December 31, 2015 10,000

vi) Sales, purchases and operating expenses occurred fairly evenly throughout the year. You may assume, therefore, these events occurred at the average general price index for the year.

vii) General price index data :

January 1	100
Average for the year	140
December 31	180

10. During 2009, X Ltd.'s R and D department developed a new manufacturing process. R and D costs were Rs. 3,50,000. The process was patented on October 1, 2009. Legal costs to acquire the patent were Rs. 23,800. X Ltd. decided to expense the patent over a 20 year time using the SLM. X Ltd.'s fiscal year ends on September 30.

On October, 2014, X Ltd.'s competitor announced that it had obtained a patent on a new process that would make X Ltd.'s patent completely worthless.

**Required :**

- i) How should X Ltd. record Rs. 3,50,000 and Rs. 23,800 costs ?
- ii) How much amortization expense should X Ltd. report in each year through the year ended September 30, 2014 ?
- iii) What amount of loss should X Ltd. report in the year ended September 30, 2015 ?



11. a) From the following information, determine the possible value of brand as per potential earning mode :

	<b>Rs. in Lakhs</b>
i) Profit After Tax (PAT)	2,500
ii) Tangible fixed assets	10,000
iii) Identifiable intangible other than brand	1,500
iv) Weighted average cost of capital (%)	14
v) Expected normal return on tangible assets (%)	
(Weighted average cost (14%) + normal spread (4%))	18
vi) Appropriate capitalization factor for intangibles	25

- b) Earth Ltd. provides the following details relating to its social responsibilities activities for the year ended 31<sup>st</sup> March, 2016. You are required to prepare a statement showing the net social benefit and cost :

	<b>Rs.</b>
i) Canteen subsidies incurred by the company	5,80,000
ii) Amount paid by the employees for the meals	80,000
iii) Rent free accommodation to employees	2,45,000
iv) Water and electricity charges paid by the staff	45,000
v) Hiring charges paid to private carrier	3,62,000
vi) Nominal charges paid by the employees	62,000
vii) Employees engaged in draught relief works without salaries	1,50,000
viii) Leave salary reimbursement paid	4,25,000
ix) Schools run by the company for kids of employees	3,86,000
x) Fees and other charges paid by the employees	86,000



# 3318 – IVS COM (N) – M – 16



FOURTH SEMESTER M.COM. (CBCS) DEGREE EXAMINATION,  
MAY/JUNE 2016

## COMMERCE

### Paper – 4.4 : Corporate Tax Planning – II (New)

Time: 3 Hours]

[Max. Marks: 75

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

#### SECTION – A

Answer **any six** sub-questions. **Each** sub-question carries **two** marks. (6×2=12)

1. a) Define excisable goods.
- b) What is deemed manufacture ?
- c) State the rule for valuation of free samples.
- d) What do you mean by inter-connected undertakings ?
- e) What is DSA ?
- f) What are the slabs in SSI excise exemption ?
- g) What is margin of dumping ?
- h) Distinguish between CVD u/s 3(1) and CVD u/s 3(3) of CTA.
- i) Define dealer under CST.
- j) Differentiate between CST and KVAT.

[P.T.O.]



## SECTION – B

Answer any three questions. Each question carries six marks. (3×6=18)

2. Explain in brief, the provisions for valuation on MRP basis in central excise.

3. What are the sales which are exempt under CST ?

4. Determine the transaction value and excise duty payable from the following information :

Total invoice price at depot – ₹ 18,000, the invoice price includes the following :

Excise duty as applicable, State VAT ₹ 1,000, Entry tax ₹ 200, Insurance from factory to depot ₹ 100, Freight from factory to depot ₹ 700.

Basic excise duty 12.50% ad valorem.

5. XYZ Ltd., is a company dealing in purchase and sale of certain taxable goods for sales tax purposes. During the year 2015-16 it has come into operation. It has a turnover of ₹ 49,56,500 which is inclusive of tax at 2%.

You are asked to determine taxable turnover and CST liability.

6. An importer imports some goods @ 10,000 US \$ on CIF basis. Following Dollar rates are available on the date of presentation of bill of entry :

a) RBI floor rate ₹ 43.37.

b) Inter-bank closing rate ₹ 43.38.

c) Rate notified by CBE & C u/s 14(3) (a) (i) of Customs Act : ₹ 43.55.

d) Rate at which bank has realised the payment from importer : ₹ 43.58.

Find the assessable value for customs purposes.



SECTION – C

Answer **any three** questions. **Each** question carries **fifteen** marks. (3×15=45)

7. Discuss in detail, general provisions of Customs Act about Baggage.
8. You are a tax consultant. A company seeks your advice about the cenvat credit on inputs and capital goods. You are asked to discuss the concerned aspects in brief to clarify about procedural aspects involved in claiming cenvat credit.
9. LNT Ltd., which has an inter-state sale of ₹ 92,95,000 for the year 2015-16 has the following information.
  - a) Tax rate 2% CST
  - b) State VAT 8%
  - c) All sales are against 'C' forms
  - d) Sales returns
    - i) Within six months from sale ₹ 30,500
    - ii) After six months from sale ₹ 20,000
  - e) Tax @ 2% included in the sales
  - f) Rejected goods ₹ 96,000.

Compute the taxable turnover and tax liability under CST.

10. From the following particulars for the financial year 2014-15, find out whether M/s Smart Manufacturing Co. is eligible for SSI exemption under notification No. 8/2003-C.E. dated 1-3-2003 for the financial year 2015-16.
  - i) Clearance of excisable goods exempted from payment under other than the notification 8/2003-CE ₹ 100 lakhs.
  - ii) Clearance of account books bearing brand name of another person - ₹ 100 lakhs.



- iii) Clearance of goods to United Nations ₹ 50 lakhs.
- iv) Total exports (including exports to Bhutan ₹ 50 lakhs) ₹ 250 lakhs (other exports are to USA and UK).
- v) Clearance of goods (duty paid based on annual capacity of production u/s 3A of CEA - ₹ 190 lakhs.

Show your calculations, workings and explanations clearly, wherever required.

11. From the following data, you are required to compute the customs duty payable by GK Ltd.
- i) FOB value of machinery 2,00,000 Euros.
  - ii) Air freight 42,000 Euros.
  - iii) Expenses incurred by seller for improving the design at buyer-importer's request 4,000 Euros.
  - iv) Transit insurance 2,000 Euros.
  - v) Exchange rate 1 Euro = ₹ 60.
  - vi) Basic duty 10% Rate of CVD – 12.5% and SAD 2%.
  - vii) The price offered to the importers is a special discounted price. The buyer-importer has been specifically directed not to disclose this price to any buyer in India. Seller's normal selling price is 2,40,000 Euros.
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# 3313– IVS COM (N) – M – 16



FOURTH SEMESTER M.COM. DEGREE (CBCS) (NEW)  
EXAMINATION, MAY/JUNE 2016

## COMMERCE

### Paper 4.1 : Computer Application in Business

Time : 3 Hours]

[Max. Marks : 75

#### SECTION – A

Answer **any six** of the following sub questions. **Each** sub question carries 2 marks. (6×2=12)

1. a) Cell referencing.
- b) Define RDBMS.
- c) Explain Auto Content Wizard.
- d) Write a note on scenarios.
- e) What is DML ?
- f) What is internet ?
- g) What is data encryption ?
- h) Write a note on broad band communication.

#### SECTION – B

Answer **any three** of the following questions. **Each** question carries 6 marks. (3×6=18)

2. Discuss the steps for sorting and filtering the data in spreadsheet.
3. Explain functions of DBA to handle DBMS.

[P.T.O.]



4. Discuss the major components and application of MS-Word.
5. How has e-commerce impacted the classical strategic planning process ?
6. What are major reasons behind the need of data communication ?  
Discuss.

SECTION - C

Answer **any three** of the following questions. **Each** question carries **15** marks.  
**(3×15=**

7. Sravan Kumar wants to store data of his monthly expenditure over the last financial year. Which of the office application is most suitable for this purpose and why ?
  8. Define DDL and explain the relationship between the three levels of DDL. As a user, which level would you be most interested in ?
  9. How various features of MS power point can be helpful in communicating your ideas ?
  10. How is the internet changing the economics of information and business models ?
  11. Define Network. What are the advantages and disadvantages of computer networking ?
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**7956-IVSCOM(N)-M-17**

M.Com. DEGREE EXAMINATION MAY 2017.

Fourth Semester

(CBCS)

**COMMERCE**

**Paper 4.4 — CORPORATE TAX PLANNING – II  
(ACCOUNTING AND TAXATION GROUP)**

(New)

Time : Three hours

Maximum : 75 marks

Use of simple and non-programmable calculator is permitted.

**SECTION A – (6 × 2 = 12 marks)**

Answer any **SIX** sub-questions.

Each sub-question carries **2** marks.

1. (a) State the drawbacks of an indirect tax.
- (b) Define manufacture under excise.
- (c) What is MRP based duty? Give examples.
- (d) Define 'dealer' under CST.
- (e) What is branch transfer?
- (f) What is CIF value?
- (g) What is injury margin?
- (h) State the advantages of value Added tax.
- (i) What do you mean by capital goods under Cenvat credit?
- (j) State the advantages of proposal GST.

**SECTION B – (3 × 6 = 18 marks)**

Answer any **THREE** questions.

Each question carries **6** marks.

2. Explain how taxable turnover is computed under CST.
3. Explain the rules pertaining to utilization of Cenvat credit.

4. The goods manufactured by P & Co. have been used for the purpose of further manufacture of some other goods. The cost of production of goods so used captively is Rs. 1,52,000. Compute the assessable value of the captively used goods and duty chargeable thereon @ 8% plus 3% education cess.
5. X Pharma Ltd., imported certain machinery from Germany. Sale price of machine 22000 Euros. Air freight 3000 Euros. Insurance charges are not available. Rate of exchange as notified by RBL is Rs. 71.50 per Euro. Rate of exchange notified by CBEL is Rs. 72.00 per Euro. Find out the assessable value under customs.
6. P Ltd. of Mumbai sell iron products to Q Ltd. of Hyderabad, both of them are registered dealers, for a value of Rs. 23,00,000 (inclusive of CST). The local sales tax on the product in Mumbai is 3% ascertain the CST payable.

If the Q Ltd were not able to give form 'C', being an unregistered dealer, what will be the CST liability, if the local sales tax rate is 12.5%.

Note : Iron products are not declared goods.

**SECTION C – (3 × 15 = 45 marks)**

Answer any **THREE** questions.

Each question carries **15** marks.

7. What is transaction value of imported goods? How does it decided?
8. Discuss in detail the exemptions available to SSIs under Excise.
9. Following details have been provided by an importer :
  - (a) CIF value of goods Rs. 82,50,000
    - (i) Freight (air) Rs. 25,00,000
    - (ii) Insurance Rs. 78,000
  - (b) Basic customs duty 10%, CVD 8%, special CVD 3% and cesses as applicable.
  - (c) Assessee is a trader.

Based on the above particulars compute the customs duty liability and find out the Cenvat credit available to the importer.



10. Gross interstate sales of X Co. of Bihar were Rs. 18,00,000 during 2015-16. CST was not shown separately in invoice. Other information is as follows :

- (a) The sales are of product 'P' if product is sold within state of Bihar sales tax rate is 8%.
- (b) Sale of Rs. 8,00,000 is inclusive of erection expenses of Rs. 1,00,000, excise duty of Rs. 76,000 and packing charges of Rs. 25,000. The sale price is also inclusive of trade discount of Rs. 30,000, which has been later given by issuing a credit note. Buyers of these goods have issued form 'C' for these purchases.
- (c) Balance sale of Rs. 10 lakh are inclusive of excise duty of Rs. 95,000 and outward freight of Rs. 21,000. The freight was charged separately in invoice. Buyers of these goods have not issued any declaration under Central Sales Tax Act. Out of these sales goods of Rs. 2 lakhs were returned by customers after six months from dispatch.

Find out the turnover and CST payable.

11. X & Co. manufacturer of certain Machanaris has cleared final products of the sale price of Rs. 48,00,000 during Sept. 2016. The sale price includes :

- (a) VAT Rs. 1,02,000
- (b) Design and development Rs. 2,32,000
- (c) After sales service Rs. 36,000.

The excise duty rate is 10% plus cesses.

The manufacturer has Cenvat credit as under :

- (i) Credit of Basic Excise Duty Rs. 3,00,000 plus cesses on input goods.
- (ii) Credit of service tax on input services Rs. 56,000 plus cesses @ 3%.

Find out the duty liability for the month of Sept. 2016 and State the last date for payment of duty.

**7957-IVSCOM(N)-M-17**

M.Com. DEGREE EXAMINATION MAY 2017.

Fourth Semester

(CBCS)

**COMMERCE**

**Paper 4.3 — CONTEMPORARY ISSUES IN ACCOUNTING**

**(ACCOUNTING, TAXATION & FINANCE GROUPS)**

(New)

Time : Three hours

Maximum : 75 marks

**SECTION A — (6 × 2 = 12 marks)**

Answer any **SIX** of the following sub-questions.

Each sub-question carries **2** marks.

1. (a) State the limitations of HCA financial statements.
- (b) What is cost of sales adjustment?
- (c) Mention assumptions of cost-based methods of valuation of human resources.
- (d) Give meaning of Lev-Schwartz model of valuation.
- (e) What are social overheads?
- (f) Give meaning of sustainability reporting.
- (g) State how increased future benefits approach is used in recognizing environmental assets.
- (h) Define carbon credit.
- (i) What is travel cost method of valuation of environmental goods?
- (j) Give meaning of deceptive accounting.

**SECTION B — (3 × 6 = 18 marks)**

Answer any **THREE** questions.

Each question carries **6** marks.

2. Explain the major areas of social disclosures as recommended by US National Association Committee on Accounting on CSR performance.
3. Explain how depreciation can be used as a means to manipulate the books of accounts of businesses.

4. From the following information given below calculate the net monetary gain or loss for the accounting year ending 30<sup>th</sup> June 2016.

Net monetary assets as on 01-07-2015 Rs. 1,000

Net monetary assets as on 30-06-2016 Rs. 7,000

Transactions for the year are as follows :

Cash sales Rs. Rs. 8,000

Credit sales Rs. 10,000

Credit purchase of goods Rs. 7,000

Wages incurred and paid Rs. 2,000

Other operating expenses Rs. 1,000

Interest paid on 30-06-2016 Rs. 2,000

Index as at 01-07-2015 100

Index as at 30-06-2016 150

Average index for the year 125

5. S Ltd a Pharmaceutical Company spends R & D expenditure in inventing new drugs for many new ailments. For the last 6 years it has incurred the following expenditure in inventing a new drug which fulfils all the conditions stipulated by the AS-26 for recognizing as an asset :

Year	Phase	Rs. In Cr
2011-12	Research	8.00
2012-13	Research	15.00
2013-14	Research	21.00
2014-15	Development	14.00
2015-16	Development	21.00
2016-17	Development	20.00

The product is commercially available for sale for the year 2017-18. The company spends Rs. 1.50 crores for registration of the patent of the drug and Rs. 3.00 in advertising the drug. Indicate for the year ending 31<sup>st</sup> March, 2017 : what value asset should appear in the balance sheet of the company.

6. The following data is given to you regarding a company having a share in branded portion as well as unbranded portion :

Branded revenue	Rs. 500 per unit
Unbranded revenue	Rs. 120 per unit
Branded cost	Rs. 350 per unit
Unbranded cost	Rs. 100 per unit
Research and development cost	Rs. 20 per unit
Branded products	1 lakh unit
Unbranded products	40,000 units

Tax rate is 34.5%; capitalization factor 18%.

Calculate the brand value.

**SECTION C – (3 × 15 = 45 marks)**

Answer any **THREE** questions.

Each question carries **15** marks.

7. Discuss HR valuation and accounting practices as adopted by Indian corporate entities.
8. Explain the major recommendations of Accounting Standard – 26 relating to recognition, measurement and reporting of intangibles assets in India.
9. The balance sheets as on 01-01-2016 and 31-12-2016 and income statement of the company under historical cost basis are as follows :

Comparative balance Sheets

Particulars	01-01-2016	31-12-2016
Cash	60000	28500
Debtors	75000	246750
Stock	126000	255000
Land	50000	50000
Plant	234000	234000
Less depreciation	(78000)	(84600)
Total assets	467000	729650

Particulars	01-01-2016	31-12-2016
Creditors	120000	316500
10% long term loans (mortgage of land)	50000	50000
Shareholders' funds	297000	363150
Total liabilities	467000	729650

Income statement for the year ending 31-12-2016

Sales (cash + credit)		Rs. 3,32500
Less : Cost of goods sold		Rs. 2,64,000
Interest (paid on Dec. 31)	Rs. 5,000	
Other cash expenses	Rs. 2,000	
Depreciation	Rs. 6,600	
Total	Rs. 2,77,600	Rs. 2,77,600
Net income		Rs. 54,900

The company uses the FIFO method of stock costs.

General price index for the various relevant period are as follows :

July 1, 12 years ago	50
Jan 1, two years ago	150
Jan 1, current year	200
Dec 31, current year	250

Transactions are assumed to have occurred evenly throughout the year at a average price level of 225. Plants were purchased on 1<sup>st</sup> July, 12 years ago & land was acquired on 1<sup>st</sup> January, two years ago.

You are required to prepare :

- Price level adjusted income statement
- Price level adjusted balance sheets at the opening and closing of the y

The balancing figure on the liability side of the price level adjusted ba sheets may be assumed to be as monetary gain.

10. ABC bank has 750 employees consisting of managers, officers and clerks. Following is the information of the employees of the bank for human resource valuation.

Particulars	Number	Age
Managers	220	20 years
Officers	170	30 years
Clerks	360	20 years

The earning profiles of these homogeneous groups have been determined by management consultant as under :

Age	Annual earnings per employee (Rs.)		
	Managers	Officers	Clerks
20-29	15000	—	8000
30-39	20000	12000	10000
40-49	25000	16000	15000
50-59	30000	18000	20000

Calculate the value of human resources with the help of Lev-Schwartz's model by assuming discount rate at 12%.

11. Agile Limited is a Manufacturer-cum-Dealer of 'R Tuff' Brand of Trousers. With passage of time, its Brand has been well accepted in the market, the Company has been approached by a Foreign Company engaged in the same trade to enter as Partner in its business. Agile, in order to negotiate the deal, wants to get its Brand valued. The following information based on Market Research is available :

- (a) Garment Industry of which Agile is a constituent, is expected to grow by 9% annum during the next five years. The present Market Size of the Industry is Rs. 7,500 Crores.
- (b) There are other brands both National and International in the market. The existence of Duplicate Brands is unavoidable. The Share of such players estimated to be 63% of the Total Industry Market. The Market Share

other National Brands will increase @ 0.25% year-on-year basis in the next 5 years. The share of International Brands is expected to grow 1.5 times of National Brands. But the existence of Duplicate Brands is to fall by 2.5% over the period of next 5 years, spread equally.

- (c) The expected Foreign Partner needs the production line of the company to be re-engineered which will lead to an increase in the yield of the Company by 3% after one year over the present yield of 10%, followed thereafter by further increase of 5% year on year.

Following the Market-Oriented Approach, determine the Brand Value to be used for negotiation with the Foreign Company, considering the Discount Factor for 1<sup>st</sup> five years as 0.909, 0.826, 0.751, 0.683 and 0.621 (Monetary value in Crores to be rounded off to nearest 2 decimal places).

**7950-IVSCOM(N)-M-17**

M.Com. DEGREE EXAMINATION MAY 2017.

Fourth Semester

(CBCS)

**COMMERCE**

**Paper 4.2 — CORPORATE GOVERNANCE**

(Compulsory Paper)

(New)

Time : Three hours

Maximum : 75 marks

**SECTION A — (6 × 2 = 12 marks)**

Answer any **SIX** of the following sub-questions.

Each question carries **2** marks.

1. (a) What is agency relationship?
- (b) Give meaning of concentrated ownership.
- (c) Define gate keeper and state his functions.
- (d) State the objectives of shareholders activism.
- (e) Give meaning of board dynamics and methods of maintaining it.
- (f) Who is a Socrates director?
- (g) What is meant by non-audit services?
- (h) What is the significance of auditor rotation?
- (i) List out the item of Management Analysis and Discuss statement.
- (j) Identify shareholders' rights as per OECD principles of Corporate Governance.

**SECTION B — (3 × 6 = 18 marks)**

Answer any **THREE** questions.

Each question carries **6** marks.

2. 'Agency problem in widely-held firms arise when managers do not act in the best interest of shareholders'. Explain.
3. What is tunnelling? Explain the methods of tunnelling of corporate resources.
4. 'There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board'. Examine the statement.
5. What is whistle blower policy and what is its relevance?
6. Bring out the major recommendations of Birla Committee relating to corporate meetings.



**SECTION C – (3 × 15 = 45 marks)**

Answer any **THREE** questions.

Each question carries **15** marks.

7. Who are institutional investors? Explain how do they bring about improvement in quality of corporate governance.
8. Discuss models of corporate governance. Which model of governance do you recommend for India and why?
9. Examine the significance of corporate board evaluation and methods adopted.
10. Explain in detail the corporate governance code as included in Clause 49 of Listing Agreement of Stock Exchanges in India.
11. Surya Ltd is a well-established profitable company in India with wide network of branches and associated companies. The company is a family-owned enterprise with internal control over board and management. The CEO is family head and heads even the Board also. The board consists of majority of insiders who are executives and family members also.

The growing importance of corporate governance the world over and SEBI's insistence on adoption of contemporary governance practices, the Surya Ltd decides to change the size and composition of board of directors. It also intends to attract the institutional investment, both within India and outside India and also understands that the entry of institutional investors demands restructuring of its board.

The CEO appears to be dynamic and upright. He intends to move the company forward and make it a torchbearer for others in quality of corporate governance. However, he is encountering resistance to his motives from members of his family. He has his brother who is a graduate from MIT and presently heads the finance division of the company. He is experienced and is basically responsible for the sound financial position of the firm. He expects his promotion to the post of CEO, thus reserving the Board position to his brother.

In the light of present corporate governance fiasco in India at Tata Sons and Infosys, you being the expert in corporate governance code assist the Surya Ltd in modeling its board on the contemporary board practices of internationally renowned companies.

7951-IVSCOM(N)-M-17

M.Com. DEGREE EXAMINATION MAY 2017.

Fourth Semester

(CBCS)

**COMMERCE**

**Paper 4.1 — COMPUTER APPLICATIONS IN BUSINESS**

(Compulsory Paper)

(New)

Time : Three hours

Maximum : 75 marks

**SECTION A — (6 × 2 = 12 marks)**

Answer any **SIX** of the following sub-questions.

Each sub-question carries **2** marks.

1. (a) Explain Decision Support System.
- (b) Discuss pre-requisites of an effective MIS.
- (c) Explain normalization.
- (d) What are DDL and DML?
- (e) Write a note on global village.
- (f) Discuss the benefits of video conferencing.
- (g) Discuss communication channels.
- (h) Explain enterprise resource planning.
- (i) What is cyber law?
- (j) Write a note on electronic records.

**SECTION B — (3 × 6 = 18 marks)**

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

Each question carries **6** marks.

1. List different types of decision-making. What type decision-making does DSS support?
2. What is a database? Discuss the various databases that are widely used in modern organization.
3. What is internet? How internet is different than intranet and extranet?
4. Discuss how value added networks are used to simplified EDI between two or more companies.
5. What is a digital signature and explain how it works?

**SECTION C – (3 × 15 = 45 marks)**

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

Each question carries **15** marks.

7. Define MIS. Write its characteristics and objectives. Also explain the role of MIS in business organization.
  8. Define DBMS. Explain the objectives and functions of DBMS. Also discuss various widely used DBMS models.
  9. Define network and explain various types of networks with their advantages and disadvantages.
  10. What is EDI and discuss the applications of EDI?
  11. Write a detailed note on Cyber Regulation Appellate Tribunal.
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M.Com. DEGREE EXAMINATION MAY 2018.

Fourth Semester

(CBCS)

**COMMERCE**

**Paper 4.1 – COMPUTER APPLICATIONS IN BUSINESS**

(New)

Time : Three hours

Maximum : 75 marks

**SECTION A — (6 × 2 = 12 marks)**

Answer any **SIX** of the following sub-questions. Each sub-question carries **2** marks.

- a. Define general purpose application.
- b. What is Primary Key & Super Key?
- c. List any 4 benefits of e-commerce.
- d. Define tuple and attribute.
- e. What is Fully Functional dependency?
- f. Define any two errors of excel.
- g. State Web browser and Web page.
- h. What is PPP?
- i. What is localization?
- j. Define debugging.

**SECTION B — (3 × 6 = 18 marks)**

Answer any **THREE** of the following.

Each question carries **6** marks.

2. How to create invoice in excel? Explain with formulas.
3. Describe message transfer using the Open Systems Interconnection Reference Model.
4. How will you create a student Database through Table Wizard in MS-Access? Explain briefly.
5. Explain the business models based on the value chain in the market place.
6. What are the objectives of RDBMS? Explain the functions of RDBMS.

**SECTION C — (3 × 15 = 45 marks)**

Answer any **THREE** of the following.

Each question carries **15** marks.

7. Explain the importance of E-commerce in today's business with its objectives and applications.
  8. What is Normalization? Explain 1NF, 2NF, 3NF, BCNF & 4NF.
  9. Explain in detail the history and terminology of internet.
  10. Explain in detail the common and hybrid network types with their issues.
  11. Difference between client side scripting and server side scripting. State the both side languages and activities.
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M.Com. DEGREE EXAMINATION MAY 2018.

Fourth Semester

(CBCS)

**COMMERCE**

**Paper 4.2 – CORPORATE GOVERNANCE**

**(Compulsory)**

(New)

Time : Three hours

Maximum : 75 marks

**SECTION A — (6 × 2 = 12 marks)**

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

- (a) What do you mean by quasi-rents generated in governance?
- (b) Give meaning of moral hazard problem.
- (c) What is meant by career concern?
- (d) State the limitations of managing agency system in India.
- (e) Distinguish between tunneling and propelling.
- (f) What is meant by board independence?
- (g) State how board dynamics be maintained.
- (h) State the procedure to be followed for board evaluation.
- (i) Identify the functions of risk management committee.
- (j) Distinguish between statutory and ad hoc board committee.

**SECTION B — (3 × 6 = 18 marks)**

Answer any **THREE** of the following.

Each question carries **6** marks.

2. Examine the role of executive compensation in resolving corporate governance.
3. Corporate Governance mechanisms vary across institutional environments'. Examine the statement.
4. Explain the necessity of training to directors.
5. What are the powers of audit committee? Explain.
6. What is Clause 49? List out major features of corporate governance code included in Clause 49.

**SECTION C — (3 × 15 = 45 marks)**

Answer any **THREE** of the following.

Each question carries **15** marks.

7. "Competition in Product Markets is a powerful force for overcoming the agency problem between shareholders and managers." Examine the Statement.
8. Discuss the nature of relationship required between Board Chairman and CEO of company.
9. Explain the necessity and contents of Management Discussion and Analysis Report.
10. Describe the role of independent chairman of the board of directors.
11. Penn Ltd. is a listed construction company that specializes in major infrastructure projects. A few months ago, it won a major contract in another country to construct a new power station for the government, and when this information was announced to the stock market, the share price rose by 5%. A recent report in the media, however, has alleged that Penn won this contract by paying substantial bribes to a number of government officials in the foreign country. The media report claimed that the information had come from an employee of the company who had been an observer of the contract negotiations.

The Chairman called an unscheduled board meeting to discuss the matter, aware that several shareholders of Penn have already expressed their concern about the share price and the company's reputation. At this meeting, the CEO and finance director expressed their firm opinion that there had been no payments of bribes and that the media report was almost certainly false. Having obtained an opinion from the company's legal advisers, they did not expect any challenge to the validity of the contract with the foreign government, either from the government itself or from rival company that had made an unsuccessful bid for the contract.

Two non-executive directors (NEDs) were not entirely convinced by the denials of the CEO and finance director, and were not reassured by the opinion from the company's legal advisers, which they felt had been given in too much of a hurry. They insisted on asking another law firm for an independent opinion of the legal risk in this situation. The Chairman asks you to give your views to the meeting about the governance issues that have been raised and about the appropriate way forward for dealing with them.

Required:

- (a) Explain how the Board should tackle this issue and discuss the principles that companies should apply, when formulating their policies and procedures, to prevent bribery by their employees or agents.
- (b) Advise the board how it should respond to the request from the two NEDs for an independent legal opinion.

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M.Com. DEGREE EXAMINATION MAY 2018.

Fourth Semester

(CBCS)

**COMMERCE**

**Paper 4.3 – CONTEMPORARY ISSUES IN ACCOUNTING**

**(FOR ACCOUNTING AND TAXATION AND FINANCE GROUPS)**

**(Group B and C and D)**

(New)

Time : Three hours

Maximum : 75 marks

**SECTION A — (6 × 2 = 12 marks)**

Answer any **SIX** sub-questions. Each sub-question carries **2** marks.

- (a) What is meant by general purchasing power?
- (b) State reasons for computing gearing adjustment.
- (c) Define HR accounting.
- (d) What is a social equity?
- (e) Give meaning of GRI Guidelines.
- (f) What are up front and back-end costs in environmental accounting?
- (g) Define organization capital.
- (h) State conditions to be fulfilled for recognition of intangible assets emerging out of development phase.
- (i) What is brand equity?
- (j) What is income smoothing?

**SECTION B — (3 × 6 = 18 marks)**

Answer any **THREE** of the following.

Each question carries **6** marks.

2. Examine the recent developments in the field of social accounting practices.
3. Explain eligible activities for CSR spending as per Companies Act, 2013.

4. The estimated annual salaries and wages for five years of ABC Ltd are Rs.500000, Rs.700000, Rs.900000, Rs.1000000 and Rs.1100000 respectively. The ARR of the company for the current year and preceding four years is 15, 10, 20, 12 and 10 and ARR of all the firms in economy for the corresponding period is 15, 10, 10, 12 and 10 respectively. Assume the discount rate is 12%. Calculate the adjusted present value of human resource according to Hermanson's model.
5. Conscious Ltd has reported net profits before tax for the last three years' as shown below :

Year	Rs. in Crores
31.3.2018	140.00
31.3.2017	120.00
31.3.2016	150.00
31.3.2015	125.00

Indicate the amount of mandatory CSR spending as per Section 135 of the Companies Act, 2013.

6. X Ltd intends to value its brands through potential earnings model. The following comparative information is available:

	Company Brand	Unbranded Product
No of units sold	80,000	48,000
Selling price per unit	80	60
Unit variable cost	45	45

Ignoring fixed operating cost. The company spends Rs. 6,00,000 on advertisement and pays tax at 30%. Assume 12% as minimum rate of return.

**SECTION C — (3 × 15 = 45 marks)**

Answer any **THREE** of the following.

Each question carries **15** marks.

7. Discuss the HR accounting practices of Indian companies. Explain difficulties experienced in accounting for human resources.
8. Discuss the major recommendations of AS-26 relating to recognition, measurement and reporting of Intangible Assets in India.
9. From the following comparative balance sheet of ABC Ltd as prepared according to Current Cost Accounting Method, you are required to calculate the 'Gearing Ratio' :

Liabilities	2016	2017	Assets	2016	2017
	Rs.	Rs.		Rs.	Rs.
Share capital	1,00,000	1,00,000	Net fixed assets	2,40,000	2,80,000
General reserve	50,000	60,000	Inventories	1,00,000	1,30,000
CCA Reserve	1,00,000	1,20,000	Account Receivable	1,60,000	1,80,000
Secured Loans	1,16,000	1,76,000	Prepaid expenses	2,000	2,000
Accounts payable	1,00,000	92,000	Cash	10,000	14,000
Prov. for taxation	31,000	40,000			
Proposed dividend	15,000	18,000			
<b>Total</b>	<b>5,12,000</b>	<b>6,06,000</b>	<b>Total</b>	<b>5,12,000</b>	<b>6,06,000</b>

10. (a) The following transactions are extracted from the books of a company for the year ended 31st March, 2018 relating to various social transactions carried out by the company during the year. You are required to prepare a statement showing Social Cost Benefit Analysis :

Particulars	Rs. in lakhs
Paid for material cost of production	500.0
Paid for direct wages	200.0
Spent on social forestry in the local area	12.0
Municipal taxes paid	15.0
Incurred for maintaining subsidized canteen	28.0
Supplied subsidized water and electricity	32.0
Paid for street lighting	18.0
Leave imbursements	48.0
Export earnings	72.0
Central taxes paid	15.0
Work done by employees in NGOs	24.0
Rent free accommodation to employees	40.0
Local business generated	120.0
Employment opportunities created	100.0
Received subsidies from central government	28.0
Tax benefits from central government	32.0

- (b) Eco Ltd is a manufacturer of environmentally friendly products. It has adopted GRI guidelines for maintaining its environmental responsibility. The following key information is extracted from its books and you are required to compute certain KPIs as per GRI norms :

Particulars	2016	2017
Turnover (Rs in Crores)	250	280
Energy used (Rs in Crores)	52	65
Quantity of material consumed (in tones)	450	480
Quantity of recycled material used (in tones)	90	92
Total water used (in gallons)	3000	4500
Water recycled (in gallons)	800	1000
Hazardous waste generated (in tones)	125	130
Hazardous waste recycled (in tones)	45	65

11. (a) Yoga Ltd has a capital base of Rs 2 crore and has earned profits to the tune of Rs 22 lakhs. The ROI of the particular industry to which the company belongs is 12.5%. If the services of a particular executive are acquired by the company, it is expected that the profits will increase by Rs 5 lakhs over and above the target profit. Determine the amount of maximum bid price for that particular executive and the maximum salary that could be offered to him.
- (b) Religare Ltd acquired a patent of a drug at a cost of Rs. 20,00,000 for a period of 4 years and the product life-cycle is also 4 years. The company capitalized the cost and started amortizing the asset at Rs. 5,00,000 per annum.

After one year, it was found that the product life-cycle may continue for another 5 years from then. The net cash flows from the product during these 5 years were expected to be Rs. 8,00,000, Rs, 12,00,000, Rs. 10,00,000, Rs. 12,50,000 and Rs. 7,50,000.

Find out the amortization of the patent for each of the years.

M.Com. DEGREE EXAMINATION MAY 2018.

Fourth Semester

(CBCS)

**COMMERCE (ACCOUNTING AND TAXATION)**

**Paper 4.4 – CORPORATE TAX PLANNING – II**

**(GST AND CUSTOMS DUTY)**

**(Group B and C)**

(New)

Time : Three hours

Maximum : 75 marks

Use of simple and non-programmable calculator is permitted.

**SECTION A — (6 × 2 = 12 marks)**

Answer any **SIX** of the following. Each question carries **2** marks.

- (a) Distinguish between direct tax and indirect tax.
- (b) State the features of GST.
- (c) Define aggregate turnover
- (d) Define supply under CGST Act 2017.
- (e) What is composition scheme?
- (f) What is summary assessment?
- (g) What do you mean by input tax credit?
- (h) Define 'import' under Customs Act.
- (i) What is safeguard duty?
- (j) Differentiate between Debit note and Credit note.

**SECTION B — (3 × 6 = 18 marks)**

Answer any **THREE** of the following.

Each question carries **6** marks.

2. Explain in brief, the advantages of GST in India.
3. What is baggage? What are the general prohibitions for baggage?
4. A Ltd., is a manufacturing concern in Pune. In financial year 2017-18 total value of supplies including inward supplies taxed under reverse charge basis are ₹ 1,02,60,000 (exclusive of taxes). The break-up of supplies are as follows :

	Amount (₹)
(1) Intra-state supplies made under special charge	50,00,000
(2) Intra-state supply made which are chargeable to tax at Nil rate	18,00,000
(3) Intra state supply wholly exempt u/s 11 of CGST Act	32,00,000
(4) Value of inward supply chargeable under reverse charge basis	2,60,000

Explain in brief, whether A Ltd., is eligible to opt for composition scheme for Financial Year 2017-18.

5. Determine the time of supply in each of the following independent cases in accordance with the Section 12 of CGST Act, 2017.

Sl. No.	Date of removal	Date of invoice	Date when goods made available to recipient	Date of receipt of payment
1	01-10-2017	02-10-2017	03-10-2017	15-11-2017
2	03-10-2017	01-10-2017	04-10-2017	25-11-2017
3	04-11-2017	04-11-2017	06-11-2017	01-10-2017

6. Mrs. Latika Suraj and Mr. Suraj, Indian residents after visiting Paris for 7 days return to India on 05-02-2018. While returning they bought the following items :

Personal effects like cloths etc. of ₹ 1,49,000

Two Laptop computers valued @ ₹ 89,000 and ₹ 84,000 respectively.

One personal computer ₹ 36,000

Two litres of liquor ₹ 3,200

One Camera with invoice in the name of Mrs. Latika ₹ 97,400

Compute customs duty payable.

**SECTION C — (3 × 15 = 45 marks)**

Answer any **THREE** of the following.

Each question carries **15** marks.

7. Explain the eligibility and conditions for taking input tax credit
8. Who is a non-resident taxable person? Explain the provisions relating to filing of returns by them.

9. A dealer in Hyderabad agreed to supply 10 Laptops to a dealer in Bengaluru in the month of August 2017 on the following terms :

	Amount (₹)
Price of each laptop (inclusive of GST at 18%)	47,200
Packing for transportation of Laptops	5,000
Transportation charges of Laptops	5,000
Commission paid to the agents to fix-up agreement for the sale these laptops	10,000
Additional feature charges incurred by seller on request of buyer for each Laptop	2,000

Dealer supplied following optional items along with the Laptops:

- (a) 10 pen drives supplied along with the laptops costing ₹ 600 each and rate of GST applicable is 18%.
- (b) 10 key pads supplied along with the laptops costing ₹ 300 each and rate of GST applicable is 12%.
- (c) 10 optical mouse supplied along with the laptops costing ₹ 350 each and rate of GST applicable is 12%.
- (d) 3 printers supplied along with the laptops costing ₹ 5,000 each and rate of GST applicable is 28% and
- (e) Special discount of ₹ 2,000 for each laptop is given, if advance of ₹ 2,00,000 is paid with order. The buyer has paid the advance with the order.

Find out the transaction value and the GST payable for the month of August, 2017.

10. X Ltd. registered in Maharashtra opens a new office in Delhi. It purchases 10 ACs from Voltas Ltd., Maharashtra to be installed at Delhi office. Compute the transaction value and GST payable for the month of November 2017.

	Amount (₹)
Price of each AC (inclusive of IGST at 28%)	76,800
Expenses not included in the above price :	
Packing for transportation	5,000
Transportation charges of AC	7,000
Commission paid to the agent to fix up agreement for the sale	12,000
Additional feature charges incurred by the supplier on the request of the buyer for each AC	5,000

Voltas Ltd supplied following optional items along with the AC :

- (a) 10 remotes costing ₹ 600 each and rate of GST applicable is 18%.
- (b) 20 batteries for remote costing ₹ 15 each and rate of GST applicable is 12%.

Special discount of ₹ 2,000 for each AC is given if advance of ₹ 2,00,000 is paid with the order. The buyer has paid the advance with the order.

A credit of ₹ 14,000 is available in the electronic credit ledger in respect of IGST paid.

11. An Indian dealer imported a computer from London. From the following information, determine the assessable value and customs duty payable. (If rate of exchange is 1 £ = ₹ 80).
- (a) Cost of the computer 10,000 pounds.
  - (b) Packing charges 500 pounds.
  - (c) Transportation charges by air 3,000 pounds.
  - (d) Commission paid to the broker of exporter who arranged the deal 100 pounds.
  - (e) Commission paid to his agent to settle the price of the computer 100 pounds.
  - (f) Amount paid to an employee of exporter for assembling in India 3,000 pounds.
  - (g) The importer had sent certain software worth ₹ 1,00,000 to be installed in the computer free of cost.
  - (h) As per the terms, the buyer had to pay a royalty of 2,000 pounds to IBM Japan for transfer of technology.
  - (i) Royalty payable for each unit of computers reproduced in India 5,000 pounds.
  - (j) Design and development expenses incurred outside India 3,000 pounds.
  - (k) Insurance premium 500 pounds.
  - (l) Transportation charges from airport to the factory and insurance premium ₹ 10,000.
  - (m) Basic customs duty 10% and IGST rate 28%.



**8937-IVSCOM(N)-M-18**

M.Com. DEGREE EXAMINATION MAY 2018.

Fourth Semester

(CBCS)

**COMMERCE**

**Paper 4.1 – COMPUTER APPLICATIONS IN BUSINESS**

(New)

Time : Three hours

Maximum : 75 marks

**SECTION A — (6 × 2 = 12 marks)**

1. Answer any **SIX** of the following sub-questions. Each sub-question carries **2** marks.
  - (a) Define general purpose application.
  - (b) What is Primary Key & Super Key?
  - (c) List any 4 benefits of e-commerce.
  - (d) Define tuple and attribute.
  - (e) What is Fully Functional dependency?
  - (f) Define any two errors of excel.
  - (g) State Web browser and Web page.
  - (h) What is PPP?
  - (i) What is localization?
  - (j) Define debugging.

**SECTION B — (3 × 6 = 18 marks)**

Answer any **THREE** of the following.

Each question carries **6** marks.

2. How to create invoice in excel? Explain with formulas.
3. Describe message transfer using the Open Systems Interconnection Reference Model.
4. How will you create a student Database through Table Wizard in MS-Access? Explain briefly.
5. Explain the business models based on the value chain in the market place.
6. What are the objectives of RDBMS? Explain the functions of RDBMS.

**SECTION C — (3 × 15 = 45 marks)**

Answer any **THREE** of the following.

Each question carries **15** marks.

7. Explain the importance of E-commerce in today's business with its objectives and applications.
  8. What is Normalization? Explain 1NF, 2NF, 3NF, BCNF & 4NF.
  9. Explain in detail the history and terminology of internet.
  10. Explain in detail the common and hybrid network types with their issues.
  11. Difference between client side scripting and server side scripting. State the both side languages and activities.
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