

AGJ 1st half (g) 55
Con. 2996-12.

management mcom Part II
International Marketing

APR/2012

YK-1506

(3 Hours)

[Total Marks : 100

- N.B. :** (1) Question No. 1 is **compulsory**.
(2) Attempt any **four** questions from the **remaining**.
(3) **Figures** to the **right** indicate **full marks**.

1. Explain in brief any **four** of the following :— 20
 - (a) Franchising
 - (b) Tariff Barriers
 - (c) Bill of Lading
 - (d) IMF
 - (e) Break Even Analysis
 - (f) SEZ.
2. (a) What is International Marketing ? Explain its significance with respect to liberalization of Indian Economy. 10
(b) Explain the various decisions which an international marketer has to take. 10
3. (a) 'A trading bloc benefits all the member countries'. Comment. 10
(b) Discuss the impact of WTO on developing countries. 10
4. (a) What are the factors that determine the selection of overseas markets ? 10
(b) Explain the role of packaging in export trade. 10
5. (a) Write a note on E-marketing. 10
(b) Discuss the role of EXIM BANK in promoting exports. 10
6. (a) Explain in detail the objectives and features of Export - import Policy of India. 10
(b) Briefly explain the various export promotion measures adopted by government of India. 10
7. **Case Study :**

The case discusses the strategies adopted by the soft drinks and snack foods major PepsiCo to enter India in the late 1980s. To enter the highly regulated Indian economy, the company had to struggle hard to 'sell' itself to the Indian government. PepsiCo promised to work towards uplifting the rural economy of the terrorism affected north Indian state of Punjab by getting involved in agricultural activities. In addition, it made a host of other promises that made its proposal very attractive to the regulatory authorities.

India was a lucrative destination since its vast population offered a huge, untapped customer base. PepsiCo was also encouraged by the fact that increasing urbanization had already familiarized Indians with leading global brands. Given these circumstances, PepsiCo officials had been involved in hectic lobbying with the Indian government to obtain permission to begin operations in the country. However, the company could not deny that many political parties and factions were opposed to its entry into the country. It had therefore become imperative for PepsiCo to come up with a package attractive enough for the Indian government. In the early 1990s, the Government of India was facing a foreign exchange crisis. The country was finding it extremely difficult to borrow funds from the international markets due to a host of problems on the political, economic and social fronts.

The company knew that the political and social problems that plagued Punjab were an extremely sensitive issue for India in the 1980s. PepsiCo's decision to link its entry with the development and welfare of the state was thus a conscious one, aimed at winning the government over. The fact that Punjab boasted a healthy agricultural sector (with good crop yields in the past) also played a role in PepsiCo's decision. Reportedly, the new proposal gave a lot of emphasis to the effects of PepsiCo's entry on agriculture and employment in Punjab.

The company entered into agreements with a few big farmers (well-off farmers with large land holdings) and began growing tomatoes through the contract farming route (though the agroclimatic profile of Punjab was not exactly suitable for a crop like tomato, Pepsi had chosen the state because its farmers were progressive, their landholdings were on the larger side, and water availability was sufficient). Its experts from the US had to interact extensively with the farmers to explain how they could benefit from working with the company. Another problem, although a minor one, was regarding financial transactions with the farmers. When the company insisted on payments by cheque, it found out that as many as 80% of the farmers did not even have a bank account..! To make its proposal even more lucrative, PepsiCo claimed that these new employment opportunities would tempt many of the terrorists to return to society.

- Questions : (1) What are the various kinds of strategy a multinational company develops to enter highly regulated economies that have immense market potential ? 5
- (2) How do liberalization of an economy benefits the international marketing environment ? 5
- (3) What are the challenges that PepsiCo faced in entering the Indian rural Market ? 5
- (4) Is the PepsiCo's decision to enter in India through rural sector correct ? 5
- Comment.

(मराठी रूपांतर)

(३ तास)

(एकूण गुण : १००)

सूचना : (१) प्रश्न क्र. १ अनिवार्य.

(२) उर्वरित प्रश्नांपैकी कोणतेही चार प्रश्न सोडवा.

(३) उजवीकडील अंक प्रश्नांचे पूर्ण गुण दर्शवितात.

(३) मूळ इंग्रजी प्रश्न प्रमाण मानावेत.

१. खालीलपैकी कोणत्याही चार संज्ञांचे स्पष्टीकरण द्या :-

२०

(अ) विक्रीहक्क

(ब) जकात अडथळे

(क) जहाज बिजक-पावती

(ड) आंतरराष्ट्रीय नाणेनिधी

(इ) ना नफा-तोटा विश्लेषण

(फ) विशेष आर्थिक क्षेत्र.

२. (अ) आंतरराष्ट्रीय विपणन म्हणजे काय ? भारतीय अर्थव्यवस्थेच्या संदर्भात उदारीकरणाच्या माध्यमातून आंतरराष्ट्रीय विपणनाचे महत्त्व स्पष्ट करा. १०
- (ब) आंतरराष्ट्रीय विपणनास घ्याव्या लागणाऱ्या विविध निर्णयांची माहिती द्या. १०
३. (अ) 'व्यापारी गट सर्व सभासद राष्ट्रांना फलदायी आहेत' - टिप्पणी करा. १०
- (ब) आंतरराष्ट्रीय व्यापार संघटनेचा विकसनशील राष्ट्रांवर झालेला परिणाम स्पष्ट करा. १०
४. (अ) आंतरराष्ट्रीय विपणनीची निवड ठरविण्यामागचे विविध घटक स्पष्ट करा. १०
- (ब) वेष्टन प्रक्रियेची निर्यात व्यापारातील भूमिका विशद करा. १०
५. (अ) 'ई-विपणन' टीप लिहा. १०
- (ब) निर्यातवृद्धीमध्ये आयात-निर्यात बँकेची भूमिका स्पष्ट करा. १०
६. (अ) भारताच्या आयात निर्यात धोरणाची उद्दिष्टे आणि वैशिष्ट्ये सविस्तर स्पष्ट करा. १०
- (ब) भारत सरकारतर्फे निर्यात वृद्धीकरीता केल्या जाणाऱ्या उपाययोजना थोडक्यात स्पष्ट करा. १०

७. पुढील व्यष्टीचे काळजीपूर्वक अध्ययन करून, त्यावर विचारलेल्या प्रश्नांची समर्पक उत्तरे लिहा :-

१९८० च्या उतरार्धात भारतात प्रविष्ट झालेल्या पेप्सीको कंपनीच्या शीतपेये व खाद्यपदार्थांच्या डावपेच आखणीबाबत सदरची व्यष्टी चर्चा करते. भारतीय सरकार समोर आपली भूमिका स्पष्ट करणे, पेप्सीको कंपनीला अत्यंत नियंत्रित अशा भारतीय अर्थव्यवस्थेत अत्यंत कष्टप्रद होते. दहशतवादाने प्रभावित झालेल्या भारतातील पंजाब राज्यात शेतीविषयक कार्यक्रम राबवून ग्रामीण अर्थव्यवस्थेचा दर्जा उंचावण्याचे अभिवचन कंपनीने दिले. या बरोबरच विविध आकर्षक प्रस्ताव सनदी अधिकाऱ्यांपुढे कंपनीने ठेवले.

कंपनीच्या दृष्टीने, प्रचंड लोकसंख्या असलेल्या भारत देशात ग्राहकत्वाचा स्पर्श न झालेल्या लोकसंख्येचा भक्कम पाया मिळणे ही 'दुभती-गाय' मिळण्यासारखे होते, वाढत्या शहरीकरणाच्या माध्यमातून जागतिक छापांची (brands) ओळख होत जाणे ही पेप्सीको कंपनीसाठी उत्साहवर्धक बाब होती. अशा परिस्थितीत कंपनीचे अधिकारी विविध परवाने, परवानग्या मिळविण्यासाठी भारत सरकारमध्ये विविध लोकांमार्फत मोर्चेबांधणी करण्याच्या प्रयत्नात होते; ज्यायोगे त्यांना आपला व्यवसाय देशात चालू करणे सुकर होणार होते. असे असले तरी, भारतामधील राजकीय पक्ष आणि विविध गट पेप्सीकोच्या भारतामधील पदार्पणास ठाम विरोध करीत होते व ही बाब कंपनीनेही नाकारली नाही. ह्या कारणामुळे कंपनीस आकर्षक प्रस्ताव भारत सरकार समोर सादर करणे क्रमप्राप्त अथवा निकडीचे होते. १९९० च्या सुरुवातीस भारत सरकार, परकीय चलन कमतरमेमुळे आर्थिक अडचणीत सापडले होते. राजकीय, आर्थिक व सामाजिक आघाड्यांवर त्यामुळे विविध प्रश्न निर्माण झाले होते व त्यामुळे आंतरराष्ट्रीय विपणनामध्ये भारताला कर्जाऊ निधी मिळणे केवळ दुरापास्त होते.

१९८० च्या दशकात राजकीय व सामाजिक प्रश्नांमुळे पंजाब राज्य ही भारताच्या दृष्टीने अत्यंत संवेदनशील बाब होती. त्यामुळे पंजाबमध्ये प्रगती आणि विकास धोरणे राबवणे ही कंपनीच्या दृष्टीने सजग बाब होती. त्यायोगे भारत सरकारचा विश्वास संपादन करणे हे ध्येय होते. सर्वात महत्त्वाची बाब म्हणजे शेतकीदृष्ट्या संपन्न अशा पंजाबमध्ये पेप्सीकोच्या भूमीकेशी सुसंगत धोरण पंजाब सरकारने घेतले, ज्यायोगे पंजाबमध्ये शेती व रोजगार निर्मितीमध्ये लक्षणीय, अमुलाग्र बदल झाला.

[TURN OVER

धनाढ्य तसेच शेकडो एकर शेतजमीन असलेल्या शेतकऱ्यांबरोबर कंपनीने करार केला व हवामानवृष्ट्या अयोग्य असलेल्या टोमॅटो पिकांचे उत्पादन घ्यावयास सुरुवात केली. पेप्सीने पंजाब हया राज्याची निवड करण्यामागे आणखी एक कारण होते ते म्हणजे पंजाबातील शेतकरी प्रगतीशील होते व त्यांच्याकडे मोठ्या प्रमाणावर जमीन धारणा/मालकी होती, तसेच मुबलक पाणीपुरवठा उपलब्ध होता. कंपनीच्या अमेरिकेमधील अधिकाऱ्यांनी कंपनीच्या सहयोगाचे फायदे तेथील शेतकऱ्यांना यशस्वीपणे पटवून दिले. दुसरा एक दुय्यम प्रश्न सदर अधिकाऱ्यांसमोर होता तो म्हणजे येथील शेतकऱ्यांबरोबर आर्थिक व्यवहार कसे करायचे ? धनादेशाद्वारे मिळकत देऊ करण्यावर कंपनीचा भर होता; परंतु कंपनीच्या असे लक्षात आले की ८०% शेतकऱ्यांचे बँकेमध्ये साधे बचत खातेदेखील नाही ! हा आकर्षक प्रस्ताव सादर करण्यामागे दहशतवाद्यांना नव्या रोजगारनिर्मितीत सामावून घेऊन समाजात पुन्हा सामावून घेणे हा उद्देश होता.

- प्रश्न : (अ) अत्यंत नियंत्रित अशा अर्थव्यवस्थांमध्ये सक्षम विपणीची उपलब्धता प्राप्त करण्यासाठी बहुराष्ट्रीय कंपन्यांनी कोणत्या डावपेच धोरणांची आखणी केली ? ५
- (ब) आंतरराष्ट्रीय विपणन पर्यावरणास उदारीकरणाचे धोरण अर्थव्यवस्थेस कसे फायदेशीर ठरते ? ५
- (क) भारतीय ग्रामीण विपणीमध्ये शिरकाव करताना, पेप्सीको कंपनीस कोणत्या समस्यांचा सामना करावा लागला ? ५
- (ड) भारतात ग्रामीण क्षेत्रामधून व्यवसायाचे पर्दापण करण्याचा पेप्सीकोचा निर्णय योग्य होता काय ? ५
- टिप्पणी द्या.

VT-F.H.Exam. Mar.-12-75

Con. 4015-12.

Management m com Part II
Organisational Behaviour

April 2012

YK-1485

(3 Hours)

[Total Marks : 100

- N.B. :** (1) Question No. 1 is **compulsory**.
(2) Attempt any **four** questions from the remaining.
(3) **Figures** to the **right** indicate **full marks**.

1. Explain brief of any **four** of the following :- 20
 - (a) Organisational Design
 - (b) Johari Window
 - (c) Perception and Attitude
 - (d) Causes of Conflict in an Organisation
 - (e) Strategies for Coping with Stress
 - (f) Personality Traits.
2. (a) Explain the concept and Importance of OB. Explain the contributions of 10
different disciplines to Organisation Behaviour.
(b) Bring out the concept of organisational structure. What are the factors 10
determining organisational structure ?
3. (a) What is the role of team and groups in an organisation. Which are the 10
different types of groups and teams present in an organisation ?
(b) Bring out the essence of leadership in entrepreneurial and family business 10
organisation.
4. (a) Explain Vroom's Expectancy model theory of Motivation. 10
(b) What are the different power tactics used in an organisation ? Justify the 10
ethics of power and politics in an organisation.
5. (a) How are stress and job performance inter-related ? What are the 10
consequences of stress ?
(b) Discuss the role and impact of culture in an organisation in the modern 10
multi-cultural scenario.
6. (a) What is employee empowerment and participation ? How can it help the 10
organisation to improve ?
(b) Explain in brief the Blake and Mouton Managerial Grid theory of leadership. 10

[TURN OVER

7. Read the following **case** and answer the **questions** given below :-

Shirley and Abdul both work for a software development company. The manager of the new product division was originally the leader of a project team for which she interviewed and hired Abdul. Shirley, another project team member, also interviewed Abdul but strongly opposed hiring him for the project because she thought he was not competent to do the job.

Seven months after Abdul was hired, the manager left the project to start her own company and recommended that Abdul and Shirley serve as joint project leaders. Shirley agreed reluctantly with the stipulation that it be made clear she was not working for Abdul. The general manager consented; Shirley and Abdul were to share the project leadership.

Within a month Shirley was angry because Abdul was representing himself to others as the leader of the entire project and giving the impression that Shirley was working for him. Now Shirley and Abdul are meeting with you to see if you can help them resolve the conflict between them.

Shirley says : Right after the joint leadership arrangement was reached with the general manager, Abdul called a meeting a the project team without even consulting me about the time or content. He just told me when it was being held and said I should be there. At the meeting, Abdul reviewed everyone's duties, line by line, including mine, treating me as just another team member working for him. He sends out letters and signs himself as project director, which obviously implies to others that I am working for him."

Abdul says : "Shirley is all hung up with feelings of power and titles. Just because I sign myself as project director doesn't mean that she is working for me. I don't see anything to get excited about. What differences does it make ? She is too sensitive about everything. I call a meeting and right away she thinks I'm, trying to run everything. Shirley has other things to do – other project to run – so she doesn't pay too much attention to this one. She mostly lets things slide. But when I take the initiative to set up a meeting, she starts jumping up and down about how I am trying to make her work for me."

Question :

- (a) Identify various types of conflicts that employees face in an organisation. 10
- (b) What Advice would you give to Abdul and Shirley to deal with their 10 conflicts ?

7. Read the following **case** and answer the **questions** given below :-

Shirley and Abdul both work for a software development company. The manager of the new product division was originally the leader of a project team for which she interviewed and hired Abdul. Shirley, another project team member, also interviewed Abdul but strongly opposed hiring him for the project because she thought he was not competent to do the job.

Seven months after Abdul was hired, the manager left the project to start her own company and recommended that Abdul and Shirley serve as joint project leaders. Shirley agreed reluctantly with the stipulation that it be made clear she was not working for Abdul. The general manager consented; Shirley and Abdul were to share the project leadership.

Within a month Shirley was angry because Abdul was representing himself to others as the leader of the entire project and giving the impression that Shirley was working for him. Now Shirley and Abdul are meeting with you to see if you can help them resolve the conflict between them.

Shirley says : Right after the joint leadership arrangement was reached with the general manager, Abdul called a meeting a the project team without even consulting me about the time or content. He just told me when it was being held and said I should be there. At the meeting, Abdul reviewed everyone's duties, line by line, including mine, treating me as just another team member working for him. He sends out letters and signs himself as project director, which obviously implies to others that I am working for him."

Abdul says : "Shirley is all hung up with feelings of power and titles. Just because I sign myself as project director doesn't mean that she is working for me. I don't see anything to get excited about. What differences does it make ? She is too sensitive about everything. I call a meeting and right away she thinks I'm, trying to run everything. Shirley has other things to do – other project to run – so she doesn't pay too much attention to this one. She mostly lets things slide. But when I take the initiative to set up a meeting, she starts jumping up and down about how I am trying to make her work for me."

Question :

- (a) Identify various types of conflicts that employees face in an organisation. 10
- (b) What Advice would you give to Abdul and Shirley to deal with their 10 conflicts ?

७. खालील मसुदा वाचून प्रश्नांची उत्तरे लिहा :-

Shirley and Abdul both work for a software development company. The manager of the new product division was originally the leader of a project team for which she interviewed and hired Abdul. Shirley, another project team member, also interviewed Abdul but strongly opposed hiring him for the project because she thought he was not competent to do the job.

Seven months after Abdul was hired, the manager left the project to start her own company and recommended that Abdul and Shirley serve as joint project leaders. Shirley agreed reluctantly with the stipulation that it be made clear she was not working for Abdul. The general manager consented; Shirley and Abdul were to share the project leadership.

Within a month Shirley was angry because Abdul was representing himself to others as the leader of the entire project and giving the impression that Shirley was working for him. Now Shirley and Abdul are meeting with you to see if you can help them resolve the conflict between them.

Shirley says : Right after the joint leadership arrangement was reached with the general manager, Abdul called a meeting a the project team without even consulting me about the time or content. He just told me when it was being held and said I should be there. At the meeting, Abdul reviewed everyone's duties, line by line, including mine, treating me as just another team member working for him. He sends out letters and signs himself as project director, which obviously implies to others that I am working for him."

Abdul says : "Shirley is all hung up with feelings of power and titles. Just because I sign myself as project director doesn't mean that she is working for me. I don't see anything to get excited about. What differences does it make ? She is too sensitive about everything. I call a meeting and right away she thinks I'm, trying to run everything. Shirley has other things to do – other project to run – so she doesn't pay too much attention to this one. She mostly lets things slide. But when I take the initiative to set up a meeting, she starts jumping up and down about how I am trying to make her work for me."

प्रश्न :-

(अ) संघटनेतील कर्मचाऱ्यांसमोरील संघर्षाचे विविध प्रकार लिहा.

१०

(ब) अब्दूल आणि सीरेलय यास संघर्ष निवारणासाठी आपण काय मार्गदर्शन कराल ?

१०

m com Part II
Research methodology

April 2015

3-1st Half-12-mina

Con. 35-12.

YK-1464

(3 Hours)

[Total Marks : 100

- N. B. :** (1) Attempt any **two** questions from **each** section.
(2) **Figures** to the **right** indicate **full** marks.
(3) Give **suitable** illustrations wherever **necessary**.

Section I

1. Define Research. Explain the scope and limitations of the application of scientific methods in Social Science research. 25
2. What is a research problem ? Discuss the sources from which research problems are identified ? 25
3. What is research design ? Explain the various steps involved in formulating of research design. 25
4. Describe different methods of collecting data. Explain merits and demerits of observation method in collecting data. 25

Section II

5. What is data processing ? Discuss the various stages involved in data processing. 25
6. (a) Define a research report and explain its purposes. 13
(b) Why is a 'review of literature' included in a research report ? 12
7. (a) What is correlation ? What are the various types of correlation ? 13
(b) What is time series ? Explain its components. 12
8. Write short notes on any **two** :— 25
(a) Interpretation of data
(b) Technical report
(c) Testing of hypothesis

AGJ 1st half (d) 2
Con. 1510-12.

Management m com Part II

Entrepreneurship management

April 2012

YK-1434

(3 Hours)

M.Com-II

[Total Marks : 100

April-12

- N.B. :** (1) Question No. 1 is compulsory.
(2) Attempt any four questions from the remaining.
(3) All questions carry equal marks.

1. Explain the following concepts (any four) :- 20
 - (a) X-efficiency theory of Entrepreneurship
 - (b) Entrepreneurial culture
 - (c) Traditional Manager
 - (d) KPO
 - (e) Managerial feasibility
 - (f) EOU
 - (g) Rural Entrepreneurs.
2. What are the challenges faced by the Indian Entrepreneurs ? Explain the qualities of Indian Entrepreneurs. 20
3. Write an essay on Entrepreneurial Models. 20
4. "Women entrepreneur in India continue to face social challenges". With reference to the above statement bring out the role played by Government and NGOs to support women entrepreneurs. 20
5. What is working capital ? Explain the significance of working capital. What are the factors influencing working capital ? 20
6. Write a note on :- 20
 - (i) ED Programmes
 - (ii) Business Planning Process.
7. **Case study :**
Debbie shrimpton working in a call centre for two years had left frustrated and fed up at being tied to long and rigid hours. Before that she had been a Line Manager at a KP factory where despite the stringent working condition, she got a valuable insight in to the snack food industries. She has started "Sanck-In-The-Box" (SITB) is a people Business. SITB Franchisees deliver top branded confectionery and sarvoury snaks directly to the workplace. She bought a "Self Service Box Franchise, which relies on its customers leaving money in the box in exchange for the snaks they take away. This was a unique feature of this business but it is the honesty box policy that the customers leave the correct amount of money in the box. Today she has more than 100 franchisees serving over 16000 customers each week. (What franchise : Vol.6 : 47).

Questions :-

- (i) What is meant by Franchise ? Highlight the reasons why Debbie has started SITB. Do you think that, as a innovative entrepreneur, her decision was right ? 10
- (ii) In the food franchisees competition, do you think that her business is functioning effectively ? Give suggestions. 10

(मराठी रूपांतर)
(३ तास)

(एकूण गुण : १००)

- सूचना :** (१) प्रश्न क्रमांक १ आवश्यक आहे.
(२) उरलेल्या प्रश्नांपैकी कोणतेही चार प्रश्न सोडवा.
(३) सर्व प्रश्नांना समान गुण आहेत.
(४) इंग्रजी प्रश्न मूळ मानावेत.

१. खालील संकल्पना स्पष्ट करा (कोणत्याही चार) :- २०
 - (अ) उद्योजकात्मकतेचा क्ष-कार्यक्षमता सिध्दांत
 - (ब) उद्योजकात्मक संस्कृति
 - (क) पारंपारिक व्यवस्थापक
 - (ड) केपीओ
 - (इ) व्यवस्थापकिय सुसाध्यता
 - (फ) इ ओ यू
 - (ज) ग्रामीण उद्योजक.
२. भारतीय उद्योजकांनी स्विकारलेली आव्हाने कोणती ? भारतीय उद्योजकांचे गुण स्पष्ट करा. २०
३. उद्योजकात्मक प्रतिमानावर निबंध लिहा. २०
४. "भारतीय महिला उद्योजक सामाजिक आव्हाने पेलत आहेत." २०
उपरोक्त विधानाच्या संदर्भात महिला उद्योजकांना पाठबळ देण्याकरिता सरकार व एन.जी.ओ. ह्यांची भूमिका स्पष्ट करा.
५. चल भांडवल म्हणजे काय ? चल भांडवलाचे महत्त्व स्पष्ट करा. चल भांडवलावर परिणाम करणारे घटक कोणते ? २०
६. टिपा लिहा - २०
 - (अ) ई. डी. कार्यक्रम
 - (ब) व्यापार नियोजन प्रक्रिया.
७. **वस्तुनिष्ठ अभ्यास :-**
डेबी श्रीम्पटन हि दोन वर्षांपासून एका कॉल सेंटरमध्ये काम करित होती. परंतु उद्वेगाने आणि जास्त व कडक कामाच्या तासामुळे कंटाळून तीने हे काम सोडले होते. केपी कारखान्यांत रेखा व्यवस्थापक बनण्यापुर्वी जीथे कडक कामाची परिस्थिती होती तिथे तिला फराळी अन्न उद्योगाची मौल्यवान अशी अंतर्दृष्टि मिळाली. तिने (डब्यातला फराळ) स्नॉक-इन-द-बॉक्स या नावाने जनतेसाठी उद्योग सुरु केला. एस.आय.टि.बी. हि एक विशेष हक्कधारी कंपनी उच्च बोध नामांकनाची मिठाई व चमचमीत फराळ सरळ कामाच्या जागेवर पोहचविते. तिने स्वसेवा डबा हक्कधारी कंपनी आणली, जी त्यांच्या ग्राहकांवर विश्वास ठेवते कि ते डब्यात सोडलेल्या पैशांच्या मोबदल्यात फराळ घेऊन जातात. हेच या उद्योगाचे वेगळे वैशिष्ट्य आहे. परंतु हे प्रामाणिक डबा धोरण आहे कि ग्राहकाने पर्याप्त पैशाची रक्कम डब्यात सोडावी. आज तिच्या १०० च्या वर हक्कधारी कंपन्या आहेत आणि प्रत्येक आठवड्यात १६,००० च्या वर ग्राहकांना सेवा देण्यात येते.

प्रश्न :-

- (अ) हक्कधारी कंपनी म्हणजे काय ? डे बी ने एस.आय.टि.बी कां सुरु केली त्या कारणांवर प्रकाश टाका. १०
तुम्हाला असे वाटते www.StudentBounty.com निर्णय बरोबर होते ?
Homework Help & Pastpapers चा उद्योग हा कार्यक्षमतेने चालेल ? १०

M Com Part II Auditing

Apr 12/2012

mk.F.1stHlf12.88

Con. 3426 & (a)-12.
(YK-1428-1429)

(REVISED COURSE) (New Pattern)

YK-1428

(3 Hours)

[Total Marks : 100

[Only for Regular Students who have taken admission in colleges during
academic year 2011-12]

- N.B. (1) Attempt Question Nos. 1 and 2 which are **compulsory**.
(2) Attempt any **four** questions from Question Nos. 3 to 9. Thus in all **six** questions to be **attempted**.
(3) **Figures** to the **right** indicate **full** marks.

1. As an Auditor, how would you deal with/comment/react on the following situations :— 20

- (A) SBK Ltd. has declared the dividend out of the profits before providing for depreciation. The Directors state that the market values of all depreciable assets, are increased during the period under audit.
- (B) Gajanan Ashish Ltd. paid Rs. five lacs as under writing commission to M/s. Vinayak Bros. The company had debited the complete expenditure of Rs. five lacs to the Profit and Loss Account of the year under audit. The Accounts Manager of the company states that considering the huge turnover and the profit of the company, the concerned expenditure is of small amount.
- (C) Vishwas Co-operative Credit Society earned a net profit of Rs. 5,00,000 before appropriation of funds. During the year under audit the society had transferred Rs. 1,00,000 to Reserve Fund.
- (D) On 31-03-2011, the stock of the company was valued at cost price. But now the management of the company proposes to value the closing stock on 31-03-2012 at market price.
- (E) M/s. C. D. Doshi & Co., a Chartered Accountants and previous auditors of the company, have retained some documents of the company for non-payment of their dues. Such documents were handed over to them without the knowledge of the Board of Directors of the company, during the course of the audit.

2. (A) Select most appropriate option for the following sentences and rewrite the statement :— 8

- (i) _____ is basically responsible for prevention and detection of errors and frauds —
 - (a) Auditor (c) Management
 - (b) Accountant (d) Cashier
- (ii) Audit plans should be based on knowledge of the clients _____
 - (a) Profits (c) Net worth
 - (b) Business (d) Reputation
- (iii) Insurance business is controlled by —
 - (a) Insurance Rules, 1939
 - (b) IRDA Regulation, 2002
 - (c) Insurance Act, 1938
 - (d) All of the above.

[TURN OVER

- (iv) _____ section of the Company Act, 1956, relates to Financial Audit of a company.
- (a) S. 233B (c) S. 227
(b) S. 233A (d) S. 56
- (v) Discount on Bills is shown by a Bank —
- (a) In schedule of Interest Earned
(b) In schedule of Advances
(c) In schedule of Interest expended
(d) In schedule of other Income
- (vi) Financial statements need to be prepared in accordance with —
- (a) Accounting standard issued by the Institute of Chartered Accountants of India.
(b) Relevant statutory requirements
(c) Guidance notes issued by the Institute of Chartered Accountants of India.
(d) All the above.
- (vii) The earning in Foreign Exchange from export of goods —
- (a) are disclosed in notes to accounts on CIF basis
(b) are disclosed in notes to accounts on FOB basis
(c) are disclosed in notes to accounts only in Foreign Currency
(d) Non of the above.
- (viii) Banks should make general provisions for standard assets at —
- (a) 0.25% (c) 1%
(b) 2% (d) 0.40%

(B) Match the following :—

8.

- | ‘A’ | ‘B’ |
|------------------------------------|--|
| (1) Audit programme | (a) M/A and A/A |
| (2) Performance Audit | (b) SA 230 |
| (3) Special Audit of Company | (c) Sec. 44AB |
| (4) Tax Audit | (d) Sec. 233A |
| (5) SA dealing with working papers | (e) Effectiveness Audit and Efficiency Audit |
| (6) Bonus shares | (f) Sec. 205(2) of Company Act, 1956 |
| (7) SA dealing with Audit Planning | (g) Nature, timing and extent of Audit Procedure |
| (8) Provision for depreciation | (h) Accumulated Profits and Reserves |
| | (i) SA 300 |

3. (A) Describe briefly how would you audit the following ledger accounts :—

8

- (i) A suppliers Account
(ii) Outstanding Expenses Account.

(B) How would you audit the following payments made by a company —

8

- (i) Remuneration/Commission paid to Directors
(ii) Directors sitting fees.

mk.F.1stHlf12.90

Con. 3426-YK-1428-12.

3

4. (A) Explain the provisions in Company's Act, 1956 and Auditors duty in relation to following :— 8
 - (i) Buy-Back of shares
 - (ii) Redemption of preference shares
- (B) Write short notes on (any two) :— 8
 - (i) Sweat Equity Shares
 - (ii) Contingent Liabilities
 - (iii) Capital Redemption Reserve.
5. Explain the various matters to be included in the Companies (Auditors Report) Order, 2003. 16
6. Explain the provisions given in SA-230 in relation to Audit documentation. 16
7. Explain the provisions of SA-500 with regard to :— 16
 - (a) Audit procedure for obtaining Audit Evidence.
 - (b) Selecting items for testing to obtain Audit Evidence.
8. (A) Discuss the 'Performance Audit' based on the 'Performance Auditing Guidelines' published by the C & AG of India. 8
- (B) Write a note on — Audit of a Firm. 8
9. Explain the provisions of Section 44AB in relation to :— 16
 - (a) Tax Auditor
 - (b) Tax Audit Procedure.

Con. 3426(a)-12.

(OLD COURSE) (Old Pattern)

YK-1429

(3 Hours)

[Total Marks : 100

[For Regular Students who have been admission in colleges during academic year 2010-11 or earlier years AND For all students who have registered through Institute of Distance and Open Learning (IDOL)]

N.B. Attempt any five questions carrying 20 marks each.

1. As an Auditor, how will you deal with/comment/react on the following situations/statements ?
 - (a) Audit documentation collected also serves many other additional purposes.
 - (b) Overall strategy that determines the scope, timing and directions of the audit and that guides the development of the audit plan.
 - (c) Suku Ltd. has defaulted in repayment of loan from bank for last 2 years but has applied for reschedulement thereof.
 - (d) Director of Kishore Ltd. has filed a **declaration** that entire amount of foreign travel advance of \$ 250 per day has been spent without any supporting or evidence, on the basis of which the Co. booked entire expenses.
 - (e) IOU's of Rs. 3 crores were observed as against a cash balance of Rs. 3-20 crores in addition to small withdrawals of Rs. 1 lakh from bank despite similar huge cash balances throughout the year for daily expenses at the time of conducting statutory audit of XYZ Ltd.

[TURN OVER

mk.F.1stHlf12.91

Con. 3426(a)-YK-1429-12.

4

2. (a) State the purposes/objectives for scrutiny of ledger accounts and the audit procedures prior to and at the time of such scrutiny.
(b) Briefly enumerate steps/procedures for scrutiny of Sales A/c.
3. Briefly state the rights, duties and liabilities of a Company Auditor.
4. (a) Briefly state any 10 matters to be included in the Companies (Auditors Report) Order, 2003 is : CARO.
(b) Explain the inherent limitations of an Audit.
5. Distinguish between any **four** of the following :—
 - (a) Reports and Certificates
 - (b) Depth check and Test check
 - (c) Errors and Frauds
 - (d) Compliance and Substantive Procedures
 - (e) Audit Procedures/Steps and Audit Techniques/Methods.
6. (a) What are the nine basic principles of Auditing (AAS 1) ?
(b) What are the points to be covered in Vouching and Verification.
7. (a) Explain the various methods to obtain evidence.
(b) The auditor must evaluate major clauses of control used in a Computerised Information System to enhance its reliability — Comment.
8. What are the special points in the audit of —
 - (a) Hospital
 - (b) Co-operative Society.
9. Write short notes on any **four** of the following :—
 - (a) True and Fair view
 - (b) Operational and Management Audit
 - (c) Statutory and Internal Audit
 - (d) Propriety Audit
 - (e) Need and classifications of Due Diligence and Contents of such report thereon
 - (f) Materiality in Audit.

1 : 1st half, 12-AM(s)

Con. 3000 & (a) -12.

(YK-1473-1474)

Advance *m com Part II*
Financial Management

(REVISED COURSE)

April 2012

YK-1473

(3 Hours)

[Total Marks : 100

- N.B. :** (1) **Revised Course** is applicable to **Regular Students** who have taken admission in college during academic year **2011-12** only.
 (2) Question Nos. **1** and **2** are **compulsory** and carry **20** and **16** marks respectively.
 (3) Solve any **four** questions from Question Nos. **3** to **9**, each carrying **16** marks.
 (4) Use of **simple calculator** is **allowed**.
 (5) **Working notes** and assumption should form **part of your answers**.

1. Prepare a Cash Budget of Anil Ltd. from the following information for six months **20** commencing from April, 2011.

Month	Total Sales	Cash Purchases	Expenses
January' 11	3,00,000	40,000	50,000
February' 11	4,50,000	50,000	60,000
March' 11	6,50,000	65,000	75,000
April' 11	9,00,000	80,000	90,000
May' 11	12,00,000	1,10,000	1,20,000
June' 11	15,50,000	1,40,000	1,50,000
July' 11	19,50,000	1,75,000	1,85,000
August' 11	24,00,000	2,00,000	2,10,000
September' 11	29,00,000	2,50,000	2,60,000

Additional Information :

- Total Sales comprises of 20% of cash sales and 80% credit sales.
- Credit Purchases are 75% of total purchases through out.
- 40% of credit sales are collected in the month following the sales, balance 35% in the second month and remaining 25% in the third month.
- 50% of credit purchases are paid in the month following the purchases, balance 30% in the second month and remaining 20% in the third month.
- Wages for January, 2011 are ₹ 30,000, which increase every month by 20% of the previous month and are paid with a time lag of half month.
- Opening Cash balance of ₹ 1,80,000 as at 1st April, 2011.
- Expenses of each month are paid with a time lag of one month.
- Machinery purchased of ₹ 1,00,000 in May, 2011, on two months credit.
- Income tax paid in the month of June, 2011 ₹ 75,000.

[TURN OVER

2. (a) State **True** or **False** after rewriting the sentence :—

- (i) Equity includes capital reserves.
- (ii) Proposed dividend is treated as current liability while preparing cash flow statement as per AS-3.
- (iii) Provision for tax is treated as non-current liability while preparing cash flow statement as per AS-3.
- (iv) A contract of lease is defined as a contract whereby the lessee grants to lessor, the exclusive right to use the asset usually for an agreed period of time in return for the payment of rent.
- (v) Fictitious assets include Debit Balance of Profit and Loss A/c.
- (vi) A company is said to be over capitalised, when its actual capitalisation is lower than its proper capitalisation as warranted by its earning capacity.
- (vii) Stock velocity given in terms of 'times', means stock turn over rate.
- (viii) Current ratio is used to comment upon the 'long term solvency' position of the business.

(b) Match the column and rewrite the sentence :—

Column 'A'	Column 'B'
(1) Acid test ratio	• $\frac{\text{Contribution}}{\text{EBIT}}$
(2) Debtors Velocity	• $\frac{\text{EBIT}}{\text{EBT}}$
(3) Finance Leverage	• $\frac{\text{Purchase of Land}}{\text{Quick Assets}}$
(4) Cash Inflow	• $\frac{\text{Quick Assets}}{\text{Quick Liabilities}}$
(5) Operating Leverage	• $\frac{\text{Credit Sales}}{\text{Receivables}}$
(6) W. Capital Ratio	• $\frac{\text{Sale of furniture}}{\text{Contribution}}$
(7) Preference Shares Redeemed	• $\frac{\text{EBT}}{\text{EBT}}$
(8) Combined Leverage	• $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
	• CRR Created
	• Debentures Issued
	• Bonus Shares Issued.

3. A firm sales, variable costs and fixed costs amount to ₹ 75,00,000, ₹ 42,00,000 and ₹ 6,00,000 respectively. It has borrowed ₹ 45,00,000 at 9 percent and its equity capital totals ₹ 55,00,000. 1

- (a) What is the firm's ROI ?
- (b) What are the operating, financial and combined leverage of the firm ?
- (c) If the firm belongs to an industry whose asset turnover is 3, does it have a high or low asset leverage ?
- (d) Does it have favourable financial leverage ?
- (e) If the sales drop to ₹ 50,00,000 what will be the new EBIT ?
- (f) At what level will the EBT of the firm equals to zero ?

3 : 1st half.12-AM(s)

Con: 3000-YK-1473-12.

3

4. (a) A project costs ₹ 5,00,000 and has a scrap value of ₹ 1,00,000 after 5 years. The net profit before depreciation and taxes for the five years period are expected to be ₹ 1,00,000, ₹ 1,20,000, ₹ 1,40,000, ₹ 1,60,000 and ₹ 2,00,000. You are required to calculate the Accounting Rate of Return, assuming 50% rate of tax and depreciation on straight line method. Average investment is to be taken as :—

$$\frac{(\text{Cost} - \text{Scrap value})}{2}$$

- (b) A project costing ₹ 5,00,000 has a life of 10 years at the end of which its scrap value is likely to be ₹ 50,000. The firm's cut-off rate is 12%. The project is expected to yield an annual profit after tax of ₹ 1,00,000, depreciation being charged on straight line basis, at 12% p.a. The present value of the rupee received annually for 10 years is ₹ 5.65 and the value of one rupee received at the end of 10th year is ₹ 0.322. Ascertain the Net Present Value of the project.
5. XYZ Corporation is considering relaxing its present credit policy and is in the process of evaluating two alternative policies. Currently, the firm has annual credit sales of ₹ 50 lakh and accounts receivable turnover ratio of 4 times a year. The current level of loss is due to bad debts of ₹ 1,50,000. The firm is required to give a return of 25 percent on the investment in new accounts receivable. The company's variable costs are 70 percent of the selling price. Given the following information, which is a better option ?

Particulars	Present Policy	Policy Option I	Policy Option II
Annual Credit Sales	₹ 50,00,000	₹ 60,00,000	₹ 67,50,000
Accounts receivable turnover ratio	4	3	2.4
Bad debt losses	1,50,000	3,00,000	4,50,000

6. The existing capital structure of ABC Ltd. is as follows :—

	₹
Equity shares of ₹ 100 each	40,00,000
Retained Earnings	10,00,000
9% Preference Shares	25,00,000
7% Debentures	25,00,000

The company earns a return before Interest and tax at 12% and the tax on income is 50%. Company wants to raise ₹ 25,00,000 for its expansion programme, for which it is considering following alternatives :—

- Issue of 20,000 Equity Shares at a premium of ₹ 25 per share.
- Issue of 10% Preference Shares
- Issue of 9% Debentures.

It is forecasted that the price-earning ratio in case of these alternatives are (a) 20 (b) 17 and (c) 16.

Which alternative would you consider to be the best ?

Give reasons for your choice

Also calculate expected market price in case of three alternative financing proposals.

[TURN OVER

Con. 3000-YK-1473-12.

4

7. T. Ltd. has the following capital structure as on 31st March, 2012 :—

16

	₹
10% Debentures	3,00,000
9% Preference Shares	2,00,000
Equity Shares (₹ 100 each)	5,00,000
	10,00,000

The equity shares of the company are quoted at ₹ 102 and the company is expected to declare a dividend of ₹ 9 per share for the year ended 31st March, 2012. Expected growth rate is 5%.

- Assuming tax rate applicable to the company at 50%, calculate weighted average cost of capital.
- The company wants to raise additional term loan at 12% of ₹ 5,00,000 for expansion. The company's assessment is that, it will be able to pay dividend of ₹ 10 per share, but market price per share will reduce to ₹ 96. The expected growth rate will remain the same. Calculate the revised weighted average cost of capital.

8. You are required to prepare Balance-Sheet as on 31st March, 2012 on the basis of information given below :—

16

Fixed Assets (after providing 25% Depreciation on cost) ₹ 15,00,000

Fixed Assets Turnover ratio (Sales to Net Fixed Assets) 2 times.

Finished goods stock turnover ratio 6 times.

Gross Profit Ratio 25%

Net Profit before Interest to Sales Ratio 8%

Interest cover (PBIT ÷ I) (Debenture Interest at 12% p.a.) 8 times.

Debt-Collection period 1.50 months.

Materials Consumed to Sales Ratio 30%.

Stock of Raw Materials is three months of consumption

Current Ratio 2.2 : 1

Quick Ratio 1:1

Reserves to Net Worth (own funds) 0.25 : 1

Assume that all sales are credit sales.

There is No Bank Overdraft and no non-quick assets other than stock of material and finished goods.

9. Write short notes on any **four** of the following :—

16

- Payback Period
- Internal Rate of Return
- Working Capital Management
- Leasing v/s Hire Purchase
- Limitations of Ratio Analysis
- Under Capitalisation.

5 : 1st half.12-AM(s)

Con: 3000(a) -12.

5

YK-1474

(OLD COURSE)

(3 Hours)

[Total Marks : 100

- N.B. :** (1) Question No. 1 is **compulsory**.
 (2) Attempt any **four** questions from Question Nos. 2 to 9.
 (3) **Working notes / accounts** wherever considered **necessary**. Should form a **part of your answer**.
 (4) **Figures** to the **right** indicate **maximum** marks assigned to each question.
 (5) Make **assumption** wherever **necessary**.
 (6) **Old Course** is applicable to students who have taken admission in **IDOL of University of Mumbai** in academic year **2011-12** or **earlier years** and to students who have taken admission in affiliated college of **University of Mumbai** in academic year **2010-11** or earlier years.

1. Litura Limited is a dealer in automobile components. While preparing the Financial statements for the year ended 31-03-2011, it was discovered that a substantial portion of the record was missing.
 However, the accountant was able to gather the following data.

	₹	₹		₹	₹
Share Capital			Fixed Assets		
Authorised and subscribed :			Land		1,20,000
20,000 equity shares of		2,00,000	Plant and Machinery	?	
₹ 10 each. Fully paid up			at cost		
Reserves and surplus			Less : Depreciation	?	?
General Reserve			Current Assets		
Balance on 01-04-2010	60,000		Stock	?	
Add : Transfer during			Debtors	?	
the year	?	?	Cash and Bank	?	?
Secured Loans					
15% Loan		?			
Current Liabilities					
Creditors	?				
Provision for tax	?				
Proposed dividend	?	2,00,000			
		?			?

The following additional information is provided to you :

- (i) Current ratio – 2 times
- (ii) Cash and Bank – 30% of total current assets
- (iii) Debtors Velocity (Sales / Debtors) – 12 times
- (iv) Stock velocity (Cost of goods sold / stock) – 12 times
- (v) Creditors velocity (cost of goods sold / creditors) – 12 times
- (vi) Gross Profit / Sales – 25%
- (vii) Proposal dividend – 20%
- (viii) Tax rate – $33\frac{1}{3}\%$
- (ix) Debt service coverage rate – 1 time
- (x) Interest coverage ratio – 3 times interest on the balance of loan outstanding on 01-04-2010
- (xi) Selling and distribution expenses – ₹ 1,80,000
- (xii) Depreciation rate – 40%
- (xiii) Cost of goods sold does not include depreciation.

On the basis of the above mentioned information, you are required to complete the balance sheet as on 31-03-2011.

[TURN OVER

6 : 1st half.12-AM(s)

Con. 3000(a)-YK-1474-12.

6

2. (a) 'A' Limited's share is quoted in the market at ₹ 20 currently. The company paid a dividend of ₹ 2 per share and the investor expect a growth rate of 5 percent per year. 6

Compute :

- The company's cost of capital of equity shares.
- If the anticipated growth rate is 8%, what would be the indicated market price of the share ?
- If the company's cost of capital is 12% and the anticipated growth rate is 5% p.a. What would be the indicated market price if the dividend of ₹ 2 per share is to be maintained ?

- (b) B. Ltd. has the following capital structure :

14

	₹
Equity shares	60 Lakhs
12% Preference Shares	10 Lakhs
14% Debentures	30 Lakhs
	100 Lakhs

The market price of the company's share is ₹ 20. It is expected that the company will pay next year a dividend of ₹ 2 per share which will grow at 8 percent for ever. Assume 40% tax rate.

You are required to :—

- Compute weighted average cost of capital based on existing capital structure.
- Compute the new weighted average cost of capital if the company raises an additional ₹ 20 Lakhs debt by issuing 15% Debentures.

This would result in increasing the expected dividend to ₹ 3 per share and leave the growth ratio unchanged but the price of the share will fall to ₹ 16.

3. Calculate :—

20

- (a) The operating leverage, (b) Financial leverage and (c) Combined leverage from the following data under situations I and II and Financial Plans, A and B.

Installed capacity 4,000 units

Actual production and sales, 75 percent of the capacity

Selling price, ₹ 30 per unit

Variable cost, ₹ 15 per unit

Fixed cost :

	₹
Under situation I	15,000
Under situation II	20,000

Capital structure

Particulars	Financial Plan	
	A (₹)	B (₹)
Equity	10,000	15,000
Debt (20% interest)	10,000	5,000
	20,000	20,000

4. On April, 1st of the current year, the board of directors of Ducting India Ltd. wishes to know the amount of working capital that will be required to meet the programme of activity they have planned for the year. The following information is available :

- (i) Issued and paid-up capital, ₹ 2,00,000
- (ii) 5% Debentures (secured on assets), ₹ 50,000
- (iii) Fixed assets valued at ₹ 1,25,000 on March, 31 of the previous year.
- (iv) Production during the previous year was 60,000 unit, it is planned that this level of activity should be maintained during the present year.
- (v) The expected ratios of cost to selling price are – raw materials 60 percent, direct wages 10 percent and overheads 20 percent.
- (vi) Raw materials are expected to remain in store for an average of two months before these are issued for production.
- (vii) Each unit of production is expected to be in process for one month. Full unit of raw materials is required in the beginning of production.
- (viii) Finished goods will stay in warehouse for approximately three months.
- (ix) Credit allowed to debtors is 3 months from the date of dispatch.
- (x) Creditors allow credit for 2 months from the date of delivery of raw materials.
- (xi) Selling price per unit is ₹ 5.
- (xii) There is a regular production and sales cycle.

Prepare :—

- (a) Working Capital requirement Forecast, and
- (b) An estimated profit and loss account and balance sheet at the end of the year.

5. Prepare a Cash Budget of Rajesh Ltd. from the following information for the six months commencing from April, 2010.

Month	Total Sales	Cash Purchases	Salaries Paid
January' 10	2,00,000	1,50,000	50,000
February' 10	4,00,000	2,50,000	50,000
March' 10	6,00,000	3,00,000	50,000
April' 10	8,00,000	3,50,000	75,000
May' 10	10,00,000	5,50,000	75,000
June' 10	10,00,000	6,50,000	1,00,000
July' 10	12,00,000	7,00,000	1,00,000
August' 10	12,00,000	9,00,000	1,25,000
September' 10	10,00,000	8,00,000	1,50,000

Information :

- (a) Total Sales comprises of 10% Cash Sales and 90% Credit Sales.
- (b) 50% of credit sales are collected in the month following the sales, balance 25% in the second month and remaining 25% in the third month.
- (c) Opening Cash balance of ₹ 1,75,000 as at 1st April, 2010.
- (d) Rent is ₹ 15,000 per month, paid on 10th of next month.
- (e) Interest on debentures of ₹ 25,000 is to be paid in September, every year.
- (f) Payment for machinery in July, 2010. ₹ 1,50,000.
- (g) Excise deposit to be paid in August, 2010 ₹ 50,000.

[TURN OVER

6. From the following Balance Sheets and additional information prepare Cash Flow Statement of Harbhajan. 20

Balance Sheets

Liabilities	2010-11 (₹)	2009-10 (₹)	Assets	2010-11 (₹)	2009-10 (₹)
Capital Account :			Land and Building	3,75,000	3,50,000
Opening Balance	5,00,000	4,20,000	Machinery	4,22,500	3,75,000
Introduced	50,000	40,000	Inventories	1,85,000	1,50,000
Add : Profit	1,28,000	95,000	Debtors	1,60,500	1,60,000
	6,78,000	5,55,000	Cash	1,500	10,000
Less : Withdrawn	53,000	55,000	Goodwill	12,500	—
Closing Balance	6,25,000	5,00,000	Bank	—	20,000
General Reserve	1,50,000	1,25,000			
Loan from Bank	1,50,000	1,75,000			
Creditors	1,38,000	1,90,000			
Provision for tax	87,500	75,000			
Bank overdraft	6,500	—			
	11,57,000	10,65,000		11,57,000	10,65,000

- (a) Business of another firm was purchased for a consideration of ₹ 1,25,000 the assets and liabilities taken over were machinery ₹ 62,500, stock ₹ 75,000 and creditors ₹ 25,000 the amount was raised by capital contribution and balance by taking bank loan.
- (b) Further machinery was purchased ₹ 20,000.
- (c) Loss on sale of machinery ₹ 500 was adjusted against General Reserve.
- (d) Depreciation provided : Building ₹ 20,000, Machinery ₹ 30,000.
- (e) Income tax Provision for 2010-11 is ₹ 82,500.
7. (a) What do you mean by Operating Cycle concept of Working Capital ? 10
(b) Discuss various factors to determine Working Capital. 10
8. (a) What is meant by the concept 'Financial Risk' ? What is the relationship between leverage and the cost of capital ? Explain. 10
(b) What do you mean by Factoring ? What are the main functions of a factor ? 10
9. Write short notes on any **four** of the following :— 20
(a) Derivatives
(b) Major considerations in capital structure planning
(c) "Debt is the cheapest but dangerous source of finance." Explain.
(d) Credit Rating
(e) Lease Financing
(f) Limitations of Ratio Analysis.