

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Second Semester MCOM Degree Examination, April 2023
MCM2C06 – Advanced Corporate Accounting
(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

Section A*Answer Any FOUR Questions. Each Carries 2 Weightage*

1. What is minority interest? How calculate minority interest?
2. Distinguish between 'alteration of share capital' and 'reduction of share capital'?
3. What do you meant by 'tax base'?
4. What are the criteria that must be met to record a lease as an operating lease?
5. List out the major benefits of forensic accounting?
6. Define inflation accounting?
7. What do you understand by provision for taxation? List out the factors are to be considered while estimating provision for taxation?

(4 x 2 = 8 weights)

Section B*Answer Any FOUR Questions. Each Carries 3 Weightage*

8. From the Balance Sheets as on 31st March, 2019 given below prepare a consolidated Balance Sheet of A Limited and its subsidiary company B Limited

Items	A Limited	B Limited
Equity & Liabilities:		
Equity Shares of ₹. 10 each	25,00,000	6,00,000
General Reserves	3,60,000	1,20,000
Surplus A/c	2,40,000	1,80,000
Creditors	3,50,000	1,00,000
Total	34,50,000	10,00,000
Assets:		
Land & Building	6,40,000	2,00,000
Machinery	12,60,000	3,40,000
Furniture	1,40,000	60,000
Stock	4,10,000	2,50,000
Debtors	3,80,000	1,00,000
Bank balance	1,20,000	50,000
Investments: 40,000 Shares in B limited	5,00,000	
Total	34,50,000	10,00,000

At the date of acquisition of A Ltd. of its holding of 40,000 shares in B Ltd. the latter company had undistributed profits and reserves amounting to ₹. 1,00,000, none of which has been distributed since then.

9. Following information was extracted from the books of a limited company as on 31st December, 2021 on which date a winding up order was made:

	₹
Cash in hand	5,000
Stock in trade (estimated to produce ₹ 15,000)	20,000
Fixtures and Fittings (estimated to produce ₹ 2,100)	3,000
Plant & Machinery (estimated to produce ₹15,600)	15,000
Land & Building (estimated to produce ₹ 45,000)	30,000
Book Debts (estimated to produce ₹ 5,200)	6,200
Unsecured Creditors	70,000
Preferential Creditors	2,000
Creditors fully secured (value of securities ₹ 11,000)	9,000
Creditors partly secured (value of securities ₹ 6,000)	10,000
Bank Overdraft, secured by a second charge on all the assets of the company	8,000
10% Debentures secured by a floating charge on all the assets of the company (interest paid to date)	50,000
Equity share capital – 6,000 shares of ₹. 10 each	60,000
11% Preference share capital – 6,500 shares of ₹ 10 each	65,000
Call in arrears on equity shares (estimated to produce ₹ 1,000)	2,500

Make out Statement of Affairs as regards Creditors and Contributories.

10. How do you compare 'deferred tax asset' with 'deferred tax liability'?

11. A limited leased a machinery to B limited on the following terms:

Fair value of the machinery	₹20 Lakh
Lease term	5 Years
Lease rental per annum	₹5 Lakh
Guaranteed residual value	₹1 Lakh
Expected residual value	₹2 Lakh
IRR	15%

Depreciation is provided on straight line method @ 10% per annum. Ascertain unearned finance income and pass necessary journal entries in the books of lessee in the first year only.

PV at 15% were – 0.869, 0.756, 0.657, 0.571, 0.497 respectively.

12. What is human resource accounting? Describe the major approaches for valuing human resources in an organization?

13. Softsonic limited passed necessary resolution and received sanction of the court for the reduction of its share capital by ₹ 2,50,000 for the purposes enumerated hereunder:

- a. To write off the debit balance of P&L A/c ₹ 1,05,000
- b. To reduce the value of plant and machinery by ₹ 45,000 and of Goodwill by ₹. 20,000
- c. To reduce the value of investments to market value by writing off ₹ 40,000

The reduction was made by converting 25,000 preference shares of ₹ 20 each fully paid to the same number of preference shares of ₹. 15 each fully paid and by converting 25,000 equity shares of ₹ 20 each ₹ 15 paid up into 25,000 equity shares of ₹ 10 each fully paid.

Write necessary journal entries in relation the reduction of share capital.

14. XYZ Ltd. purchased 80% shares of ABC Ltd. on 1st January, 2016 for ₹. 1,40,000. The issued capital of ABC Ltd. on 1st January, 2016 was. ₹ 1,00,000 and the balance in P&L A/c was ₹. 60,000

During the year ended 31st December, 2016, ABC Ltd. earned a profit of ₹ 20,000 and at year end, declared and paid of a dividend of ₹ 15,000.

Show by an entry how the dividend should be recorded in the books of XYZ Ltd.

What is the amount of minority interest as on 1st January, 2016 and 31st December, 2016?

Also please check whether there should be any goodwill or capital reserve at the date of acquisition.

(4 x 3 = 12 Weights)

Section C

Answer Any TWO Questions. Each Carries 5 Weightage

15. Given below are the balance sheets of Major Ltd. and Minor Ltd. as on 31st March, 2020.

Minor Ltd. was merged with Major Ltd. as on 1st April, 2020.

Balance Sheet as on 31.03.2020

	Major Ltd.	Minor Ltd.
Share capital: Equity shares of ₹. 10 each	5,00,000	3,00,000
General reserve	2,00,000	1,00,000
P&L A/c	1,00,000	75,000
Export profit reserve	80,000	40,000
12% Debentures	1,20,000	1,25,000
Trade creditors	1,00,000	60,000
Provision for taxation	1,00,000	50,000
Proposed dividend	1,20,000	60,000
Total	13,20,000	8,10,000
Fixed assets	6,00,000	4,00,000
Non-trade investments	1,50,000	1,00,000
Stocks	2,00,000	1,50,000
Debtors	2,00,000	1,00,000
Bank balance	1,50,000	60,000
Preliminary expenses	20,000	-
Total	13,20,000	8,10,000

Other information:

- Major Ltd. would issue sufficient number of debentures at par to the debenture holder of Minor Ltd.
- For every share of Minor Ltd., Major Ltd would issue one share at a premium of ₹. 2 per share

You are required to prepare the Balance Sheet of Major Ltd. after merger assuming it to be in the nature of purchase.

16. From following balance sheet of H limited and S limited drawn up at 31-12-2019, prepare consolidated balance sheet.

Items	H Limited	S Limited
Equity & Liabilities:		
Shares of ₹. 100 each	10,00,000	2,00,000
Reserves	4,00,000	1,50,000
P&L A/c	2,00,000	50,000
Creditors	3,00,000	1,00,000
Total	19,00,000	5,00,000
Assets:		
Machinery	6,00,000	1,80,000
Furniture	1,00,000	34,000
Current assets	8,80,000	2,86,000
Shares in S limited (1600 shares at ₹. 200 each)	3,20,000	
Total	19,00,000	5,00,000

- Reserves and P&L A/c of S limited stood at ₹ 50,000 and ₹ 30,000 respectively on the date of acquisition of its 80% shares by H limited on 1-1-2019.
- Machinery (Book value ₹ 2,00,000) and furniture (Book value ₹ 40,000) of S limited were revalued at ₹ 3,00,000 and ₹ 30,000 respectively.

17. Following particulars are available about the lease:

Lessor's cost of leased computer – ₹ 59,000

Fair value of the leased computer at the inception of the lease (1-1-2015) – ₹ 60,000

The lease term is four years. The rental is ₹ 35,000; ₹ 16,000; ₹. 8,000 and ₹ 4,500 respectively in these four years, payable in advance every year. The estimated residual value of the computer at the end of the leased term is 5% of the cost of the asset to the lessor. The lessee has the right to continue the lease at the end of the aforesaid lease term at a nominal rent. The relevant statutory WDV depreciation is 40%.

- a. State whether the lease should be classified as finance lease or an operating lease
- b. Give journal entries for the finance lease in the books of the lessee when financing cost transacted was 14%

Discount Factors @ 14% were – 1st Year: 0.8772, 2nd Year: 0.7695, 3rd Year: 0.6750, 4th Year: 0.5921

18. What is purchase consideration in mergers and acquisitions? Describe various methods of calculation of purchase considerations.

(2 x 5 = 10 Marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Second Semester MCOM Degree Examination, April 2023
MCM2C07 – Advanced Strategic Management
(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

SECTION A**Answer any four questions. Each question carries 2 weightage**

1. Define vision.
2. Write a note on functional level strategy.
3. Explain the concept core competency.
4. Discuss the significance of environmental analysis.
5. What is meant by strategic alliance?
6. Explain resource based approach of strategy implementation.
7. Give a brief of strategic control.

(4 x 2 = 8 Weightage)**SECTION B****Answer any four questions. Each question carries 3 weightage**

8. Discuss the benefits of strategic management.
9. Explain the importance of a mission statement.
10. Define competitive advantage. Discuss its types.
11. What are the constituents of a macro business environment?
12. Discuss the 5 P's of Mintzberg's strategy.
13. What are the factors to consider when implementing a business strategy?
14. How do you explain DuPont control model?

(4 x 3 = 12 Weightage)**SECTION C****Answer any two questions. Each question carries 5 weightage**

15. Define strategic management. Discuss a model of strategic management process.
16. What do you mean by defensive strategy? Explain its types.
17. Discuss Michael Porter's approach to strategic management.
18. Briefly explain the techniques of strategy evaluation.

(2 x 5 = 10 Weightage)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Second Semester MCOM Degree Examination, April 2023

MCM2C08– Basics of Econometrics

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

SECTION A

Answer any four questions. Each question carries 2 weightage

1. What do you mean by population regression function?
2. Mention the uses of econometrics.
3. Define multiple linear regression.
4. What is meant by partial regression coefficients?
5. Define multicollinearity.
6. What do you mean by dummy variable trap?
7. Give a brief description of linear probability model.

(4 x 2 = 8 weights)

SECTION B

Answer any four questions. Each question carries 3 weightage

8. State the reasons for including stochastic error term in econometric models.
9. Describe the stochastic assumptions of ordinary least squares.
10. Distinguish between R^2 and adjusted R^2 .
11. The following table gives the values of expenditure on clothing (Y), total expenditure (X_2) and the price of clothing (X_3):

Y	3.5	4.3	5	6	7	9	8	10	12	14
X_2	15	20	30	42	50	54	65	72	85	90
X_3	16	13	10	7	7	5	4	3	3.5	2

Estimate the equation $Y_i = \beta_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + u_i$

12. Explain the nature and consequences of autocorrelation.
13. Explain the use of dummy variables in seasonal analysis.
14. Describe Ramsey's regression specification error test (RESET).

(4 x 3 = 12 weights)

SECTION C
Answer any two questions

15. State and prove the Gauss Markov theorem.
16. Explain the hypothesis testing in multiple regression.
17. Describe the detection and remedial measures of heteroscedasticity.
18. Explain the ANOVA model with two qualitative variables.

(2 x 5 = 10 weights)

1B2A23029

(Pages : 2)

Reg. No:.....

Name:

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MCOM Degree Examination, April 2023

MCM2C09– International Business

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

SECTION A

Answer any four questions. Each question carries 2 weightage

1. What is dumping?
2. What does ethno centric mean in business?
3. Write a note on contract manufacturing.
4. Discuss the significance of social environment in international business.
5. What is meant by strategic alliance?
6. Write note on ASEAN.
7. Define global corporation.

(4x2=8 Weights)

SECTION B

Answer any four questions. Each question carries 3 weightage

8. Discuss the types of non-tariff barriers in international trade.
9. Discuss the theories of FDI.
10. What are the benefits of global expansion?
11. Explain any three international business entry strategies.
12. What are the benefits of regional economic integration?
13. Explain the role of IMF in international business.
14. Discuss the contribution of MNCs in Indian economy.

(4x3=12 Weights)

SECTION C

Answer any two questions

15. Define international business. Discuss the reasons of internationalization.
16. Briefly explain the elements of international business environment.
17. Explain the factors to be considered in the location selection of international business.
18. Discuss the stages of internationalization.

(2x5=10 Weights)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Second Semester MCOM Degree Examination, April 2023

MCM2C10- Management Science

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

Part- A

*Answer any four questions.
Each question carries 2 weights*

1. What is an iconic model?
2. What is a non-degenerate solution?
3. What are the assumptions of queuing model?
4. What is a critical path?
5. Find the saddle point and the value of the game.

	PLAYER B	
PLAYER	3	4
A	2	1

6. A project is expected to take 26 days along with a critical path having a variance of 5. What is the probability of completing the project within 30 days
7. Solve the following LPP

$$\text{Maximize } Z = 100x_1 + 40x_2$$

Subject to the constraints

$$40x_1 + 50x_2 \leq 900$$

$$3/2x_1 + 2/3x_2 \leq 180$$

$$x_1, x_2 \geq 0$$

(4 x 2 = 8 weights)

Part B

*Answer any four questions.
Each question carries 3 weights*

8. Discuss various steps in Decision making.
9. Explain the methods used to solve linear programming problem.
10. What is PERT? Explain the similarities between PERT & CPM.

11. Cars arrive at a drive-in restaurant with a mean arrival rate of 24 cars per hour and the service rate of cars is 20 cars per hour. The arrival rate and service rate follow Poisson distribution. The number of parking space of cars is only 4. Find the standard results of the system.

12. Solve the following transportation problem and compute the transportation cost.

Source	M	N	O	P	Supply
X	21	16	25	13	11
Y	17	18	14	23	13
Z	32	17	18	41	19
Demand	6	10	12	15	43

13. A project has the following time schedule

Activity	1-2	1-3	1-4	2-5	3-6	3-7	4-6	5-8	6-9	7-8	8-9
Duration (months)	2	2	1	4	8	5	3	1	5	4	3

Construct the network and compute:

- Total float for each activity
 - Critical path and its duration
14. Recently a market research team has conducted a survey of consumer buying habits with respect to 3 brands of talcum powder in an area. It estimates that, at present 20% of the customers buy brand A, 50% customers buy brand B and 30% customers buy brand C. In addition, the firm has analyzed its survey data and has determined the following brand switching matrix.

Brand just brought	Brand next brought		
	A	B	C
A	0.6	0.3	0.1
B	0.4	0.5	0.1
C	0.2	0.1	0.7

What will be the expected distribution of customers two times period later?

(4 x 3 = 12 weights)

Part C

Answer any two questions.

Each question carries 5 weights

15. What is meant by Queuing system? Discuss in detail basic system of queuing process.
16. The ABC Tool company has a sales force of 25 men who work out from three regional offices. The company produces four basic product lines of hand tools. Mr.Jain, sales manager feels that 6 salesmen are needed to distribute product line 1, 10 salesmen to distribute product line 2, 4 salesmen to product line 3 and 5 salesmen to product line 4. The cost (in ₹) per day of assigning salesmen from each of the offices for selling each of the product lines are as follows:

Regional Office	Product lines			
	1	2	3	4
A	20	21	16	18
B	17	28	14	16
C	29	23	19	20

At the present time, 10 salesmen are allowed to office A, 9 salesmen to office B, and 7 salesmen to office C. How many salesmen should be assigned from each office to selling each product line in order to minimize costs?

17. Solve graphically the game whose pay off matrix is given below:

	PLAYER	
	B ₁	B ₂
A ₁	-6	7
A ₂	4	-5
A ₃	1	-2
A ₄	2	5
A ₅	7	-6

18. A project has activities with the following normal and crash times and cost.

Activity	Predecessor activity	Normal Time (weeks)	Crash time (weeks)	Normal cost (₹)	Crash cost (₹)
A	-	4	3	8,000	9,000
B	A	5	3	16,000	20,000
C	A	4	3	12,000	13,000
D	B	6	5	34,000	35,000
E	C	6	4	42,000	44,000
F	D	5	4	16,000	16,500
G	E	7	4	66,000	72,000
H	G	4	3	2,000	5,000

Determine a crash scheme for the above project so that the total project time is reduced by 3 weeks.

(2 x 5=10 weights)