FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MCOM Degree Examination, April 2024

MCM2C06 - Advanced Corporate Accounting

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

Section A
Answer Any *FOUR* questions. Each question carries 2 weightage

1. Write a note on the functions of the liquidator.

2. Differentiate accounting profit and taxable profit.

3. Explain the term proactive accounting.

4. What is non-controlling interest? How it is treated in consolidated financial statements.

5. Compare finance lease with operating lease.

6. Who are dissenting shareholders? How paid-up capital of dissenting shareholders treat in corporate restructuring.

7. What is performance obligation in IFRS 15

$$(4 \times 2 = 8 \text{ weights})$$

Section B
Answer Any FOUR questions. Each question carries 3 weightage

8. Holding company A acquires 60% of the shares of subsidiary company B for Rs. 20,00,000. The fair value of identifiable net assets of B is Rs. 15,00,000. B reports a pre-acquisition profit of Rs. 2,00,000 and a post-acquisition profit of Rs. 1,50,000. Determine consolidated goodwill? How it is shown in consolidated balance sheet.

9. Briefly explain various method for calculating purchase consideration.

10. Following is the balance sheet of A Ltd. as on 31-3-2023.

Liabilities	Amount	Asset	Amount
10,000 Equity shares of Rs. 10 each	1,00,000	Goodwill	25,000
1,000, 7% Preference shares of Rs. 100 each	1,00,000	Fixed assets	1,04,000
Creditors	50,000	Current assets	95,000
		P/L A/c	26,000
Total	2,50,000	Total	2,50,000

It was resolved that equity shares of Rs. 10 each be reduced to shares of Rs. 7 each and 7% preference shares of Rs. 100 each be reduced to 8% preference shares of Rs. 75 each. The number of shares in each case is to remain same. It was resolved that the amounts so available be used for writing off the debit balance of P&L A/c, Goodwill A/c and with the balance for wring down the fixed assets. Show journal entries in the books of the company. Also prepare balance sheet after reconstruction.

11. Briefly discuss the methods, which can be adopted to adjust price level changes, while determining income?

12. Square Ltd has taken machinery on lease from SK Ltd. The information is as under:

Lease term – 4 Years

Fair value at inception of lease – 20,00,000

Lease rent – 6,25,000 p.a at the end of year

Guaranteed residual value – Rs. 1,25,000

Expected residual value – Rs. 3,75,000

Implicit interest rate – 15%

Discounted rates for 1st, 2nd, 3rd, and 4th year are 0.8696, 0.7561, 0.6575 and 0.5718 respectively.

Calculate the value of lease liability.

13. The following is the balance sheet of A Ltd as on 31ˢᵗ March, 2023:

Liabilities	Amount	Assets	Amount
14,000 Equity shares of Rs. 100 each fully paid	14,00,000	Sundry assets	18,00,000
General reserve	10,000	Discount on issue of debentures	10,000
10% Debentures	2,00,000	Preliminary expenses	30,000
Creditors	2,00,000	P&L A/c	60,000
Bank overdraft	50,000		
Bills payable	40,000		
Total	**19,00,000**	**Total**	**19,00,000**

R Ltd. agreed to take over the business of A Ltd. Calculate the purchase consideration under Net Asset method on the basis of the following:

The market value of 75% of the sundry assets is estimated to be 12% more than the book value and that of the remaining 25% at 8% less than the book value. The liabilities are taken over at book values. There is an unrecorded liability of Rs. 25,000

14. What are the benefits of forensic accounting?

(4 x 3 = 12 weights)

Answer Any TWO questions. Each question carries 5 weightage

15. Blue Ltd. and Star Ltd. were amalgamated on and from 1st April, 2023. A new company called Yellow Star Ltd. was formed to take over the business of the above said companies. The balance sheet of Blue Ltd and Star Ltd as on 31st March, 2022 are given hereunder:

	(Rs. in Lakhs)	
Liabilities	**Blude Ltd**	**Star Ltd**
Share capital:		
Equity shares of Rs. 100 each	2,000	1,600
15% Preference shares of Rs. 100 each	800	600
Revaluation reserve	200	160
General reserve	400	300
P/L A/c	160	120
12% Debentures of Rs. 100 each	192	160
Current liabilities	408	190
Total	**4,160**	**3,130**
Assets:		
Fixed assets	2,400	2,000
Current assets, loans and advances	1,760	1,130
Total	**4,160**	**3,130**

Additional information:

a) Preference shareholders of Blue Ltd. and Star Ltd have received same number of 15% preference shares of Rs. 100 each in the new company

b) 12% Debentures of Blue Ltd. and Star Ltd. are discharged by the new company by issuing adequate number of 16% debentures of Rs. 100 each to ensure that they continue to receive the same amount of interest.

c) Yellow Star Ltd. has issued 1.5 equity shares for each equity share of Blue Ltd and 1 equity share for each equity of share of Star Ltd.

The face value of shares issued by Yellow Star Ltd is Rs. 100 each

You are required to prepare the balance sheet of Yellow Star Ltd. as on 1st April, 2023 after the amalgamation has been carried out using the pooling of interest method.

16. The liabilities and assets of the holding company H Ltd. and its subsidiary S Ltd. as on 31st December 2022 are as follows:

Liabilities	HLtd	S Ltd.	Assets	HLtd	S Ltd.
Share Capital: Shares of Rs. 10 each	2,50,000	75,000	Buildings	1,12,500	30,000
P&L A/c	75,000	43,750	Plant & Machinery	87,500	40,000
General reserve	1,00,000	31,250	Furniture	20,000	7,500
Creditors	25,000	17,500	Investments: 5000 shares in S Ltd.	65,000	
			Debtors	75,000	42,500
			Stock	80,000	40,000
			Cash	10,000	7,500
Total	4,50,000	1,67,500	Total	4,50,000	1,67,500

Prepare the Consolidated Balance Sheet as on 31st December 2022, by considering the following information:

a) H Ltd. acquired the shares in S Ltd. on 1st January 2022 when balance of their Profit and Loss Account and General Reserve were Rs.18750 and Rs.20000 respectively.

b) Stock of Rs. 40000 held by S Ltd. includes Rs. 15000 of goods purchased from H Ltd, who has charged a profit @25% on cost.

17. The Liquidators of the Over-confident Ltd. in voluntary liquidation is in a position to pay off the creditors in full and to make a return to the shareholders.

The position is as follows:

Share capital issued:

100 Preference shares of Rs. 10 each (fully paid)

400 Ordinary shares of Rs. 10 each (fully paid)

300 Ordinary shares of Rs. 10 each (Rs. 8 paid)

100 Deferred shares of Rs. 10 each (Rs. 8 paid)

The articles of the company provide that the preference shares shall have priority over the ordinary shares and ordinary shall have priority over the deferred shares as to repayment of capital.

The costs of liquidation are Rs. 140. Creditors amount to Rs. 2.225. The assets realised Rs. 3,740. A call of Rs. 2 per share on the partly paid ordinary shares (to adjust the rights of shareholders) was duly paid except in the case of one shareholder owning 100 shares.

Prepare Liquidator's Final Statement of Account.

18. Explain the concept of human resource accounting. State its importance. (2 x 5 = 10 weights)

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MCOM Degree Examination, April 2024

MCM2C07 - Advanced Strategic Management

(2022 Admission onwards)

Time: 3 hours   Max. Weightage : 30

SECTION A

Answer any four questions. Each question carries two weightage

1. Define strategy.

2. What do you mean by mission?

3. What do you understand by ETOP?

4. What is benchmarking?

5. What is meant by turnaround strategies?

6. What do you understand by DuPont model?

7. What do you mean by contingency strategies?

(4 x 2 = 8 weights)

SECTION B

Answer any four questions. Each question carries three weightage

8. List out the need and importance of strategic management?

9. Briefly explain the techniques for forecasting environmental factors.

10. Write a note on SWOT analysis.

11. How can you differentiate between strategic management and operational management?

12. What are the different types of mergers?

13. Describe the steps in strategy implementation.

14. What are the tools of strategic management?

(4 x 3 = 12 weights)

SECTION C

Answer any two questions. Each question carries five weightage

15. Discuss the steps in strategic management process.

16. Write an essay on approaches for competitive advantage.

17. What are the types of business level strategies?

18. Explain the emerging trends in strategic management.

(2 x 5 = 10 weights)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MCOM Degree Examination, April 2024

MCM2C08 - Basics of Econometrics

(2022 Admission onwards)

Time: 3 hours   Max. Weightage : 30

Part A

Answer Any Four Question. Each questions carry a weightage of 2

1. What is Least square criterion?

2. PRF and SRF

3. stochastic error term and its significance

4. Coefficient of determination and its properties

5. Dummy variable trap and how to overcome the trap?

6. Specification error and its different types?

7. Linear Probability model and its limitation?

Part B

Answer Any Four Question. Each questions carry a weightage of 3

8. Explain the underlying assumptions associated with Ordinary Least Squares with respect to error term?

9. Consider the following regression results

$$Stock\ Returns = 0.05 + 0.003 Market\ Cap - 0.02\ P/E\ Ratio - 0.01 Interest\ Rate$$

$$(0.6228)\ (0.396228)\ (0.098926)\ (0.096887)$$

$$[0.811514]\ [9.811514]\ [4.73417]\ [5.380274]$$

R Square: 0.964, Adjusted R-squared: 0.962683

Durbin-Watson (DW) Statistic: 0.1976, F-Value: 645.9311

The values in ( ) are standard error and [ ] are t value. Interpret the results.

10. Discuss various uses of dummy variable in regression?

11. The estimated results of the dummy variable regression model are as follows:

$$Return = \beta0 + \beta1\ MarketRisk + \beta2\ Size + \beta3\ Sector + u$$

Where: Return = Expected return on investment; Market Risk = 1 if high market risk, 0 otherwise; Size = 1 if large company, 0 otherwise Sector = 1 if technology sector, 0 otherwise u = Error term

The estimated coefficients are as follows:

$$Return = 0.025 - 0.015\ MarketRisk + 0.035\ Size + 0.020\ Sector$$

Interpret the results.

12. Explain various method of detecting autocorrelation?

13. How to estimate regression through the origin model? Why is R-squared not suitable for evaluating the model's goodness of fit in this case?

14. Explain Ramsey's regression specification error test (RESET).

Part C
Answer Any two Question
All the questions carry a weightage of 5

15. Explain the econometric methodology to verify Capital Asset Pricing Model (CAPM)that describes the relationship between systematic risk and expected return for assets, particularly stocks.

16. Discuss matrix approach to estimation and derivation of the properties of OLS estimators.

17. Discuss multicollinearity, its reasons, consequences, various detection methods and remedial measures?

18. Suppose you are a financial analyst working for a bank, and your task is to predict whether a loan applicant will default on their loan based on various financial and demographic factors such as income, credit score, employment status, and marital status. You run a binary logistic regression model and the results looks like

Variables	Coef.	Std.Err.	z	$P>|z|$
Income	0.05	0.02	2.5	0.012
Credit Score	-0.02	0.01	-1.8	0.071
Employment Status	-1.2	0.4	-3	0.003
Marital Status	0.8	0.3	2.67	0.008

a) Explain how you would interpret the coefficients obtained from the logistic regression model.

b) Predict the probability of default and also calculate marginal effects with the following characteristics: Income: $50,000, Credit Score: 700, Employment Status: Employed and Marital Status: Married

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MCOM Degree Examination, April 2024

MCM2C09 - International Business

(2022 Admission onwards)

Time: 3 hours   Max. Weightage : 30

SECTION A

Answer any four questions. Each question carries 2 weightage

1. List out components of BOP.

2. Write a note on Product life Cycle Theory.

3. What is Protectionism?

4. What are the different modes for entering foreign markets?

5. Comment on The Eclectic Paradigm Theory.

6. What is international business Strategy?

7. Distinguish between TRIPS and TRIMS.

(4x2 = 8 weights)

SECTION B

Answer any four questions. Each question carries 3 weightage

8. Distinguish between Domestic business and international business.

9. Explain New Trade Theory in International Business.

10. Illustrate Cost Benefit Analysis.

11. Explain Value Chain Analysis with examples.

12. Explain Special Drawing Rights .

13. What is trade block? Explain with example.

14. What are the key challenges faced by international businesses?

(4 x 3 = 12 weights)

Answer any two questions

15. "FDI is essential for a country to grow in the new international environment" Narrate your opinion.

16. 'Make India', 'Digital India' and 'Skills India' initiatives. Discuss the topic with India's Foreign Trade policy 2015-20.

17. What is Economic Integration? Explain the levels of economic integration.

18. Discuss contributions of MNCs to India.

(2x5 = 10 weights)

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Second Semester MCOM Degree Examination, April 2024

MCM2C10 - Management Science

(2022 Admission onwards)

Time: 3 hours   Max. Weightage : 30

Section-A
Answer any four questions. Each question carries (2 weightage)

1. Explain the objectives of queuing theory.

2. Explain unbounded solution with reference to LPP.

3. What do you mean by principles of dominance ?

4. What are unbalanced transportation problem ? How are they solved?

5. Describe the role of management science in business decisions .

6. State whether the following matrix has a saddle point.

$$
\begin{array}{cc}
1 & 0 \\
-4 & 3
\end{array}
$$

7. How are the prohibited assignment problem solved ?

(4x2=8 Weights)

Section-B
Answer any four of the questions. Each question carries (3 Weightage)

8. Compare the PERT and CPM.

9. A farmer, has 100 acre farm. He can sell all tomatoes, lettuce, or radishes he can raise. The price he can obtain is Rs. 5 per Kg of tomatoes, Rs. 2.00 a head lettuce and Rs. 8.00 per kg for radishes. The average yield per acre is 2000 kgs of tomatoes, 3000 heads of lettuce and 1000 kgs of radishes. Fertilizer is available at Rs. 5.00 per kg and the amount required per acre is 100 kgs each for tomatoes and lettuce and 50 kgs for radishes. Labour required for sowing, cultivating and harvesting per acre is 5 man days for tomatoes and radishes and 6 man days for lettuce. A total of 400 man-days of labour are available at Rs. 100.00 per man day. Formulate the problem as L.P. P. which maximises the total profit of the farmer.

10. A company has four machines to do three jobs. Each job can be assigned to one and only machine. The cost of each on each machine is given the following table.

Machine Job		1	2	3	4
	A	18	24	28	32
	B	8	13	17	19
	C	10	15	19	22

11. Solve the following game.

	Player B	
Player A	(B1)	(B2)
A1	3	5
A2	4	1

12. Customers arrive at a booking office window, being manned by a single individual at the rate of 25 per hour. Time required to serve a customer has exponential distribution with a mean of 120 seconds. Find the average waiting time of customers.

13. The John Equipment Company estimates its carrying cost at 15% and its ordering cost at Rs.9 per order. The estimated annual requirement is 48,000 units at a price of Rs.4 per unit.

    Required:

- What is the most economical number of units to order?
- How many orders should be placed in a year?
- How often should an order be placed?

14. Explain how a game problem is solved by graphic method.

(4x3=12 Weights)

Section C
Answer any two questions. Each question carries (5 weightage).

15. Solve the following LPP using simplex method

Maximise $Z = 12 x_1 + 16 x_2$

Subject to

$$10x_1 + 20x_2 \leq 120$$
$$8x_1 + 8x_2 \leq 80$$
$$x_1, x_2 \geq 0$$

16. Define Management Science and explain its role in the decision-making process within organizations? State its importance and discuss various management science techniques.

17. The characteristics of a project schedule are given below.

Activity	t_0	t_p	t_m
1-2	1	5	1.5
2-3	1	3	2
2-4	1	5	3
3-5	3	5	4
4-6	2	4	3
4-5	3	7	5
5-7	4	6	5
6-7	6	8	7
7-8	2	6	4
7-9	5	8	6
8-10	1	3	2
9-10	3	7	5

Construct a PERT network. Find critical path and variance for eachactivity. What is the probability that the project will be completed (a) within 35 days (b) within 28 days. Find the project duration at 95% probability.

18. Consider the problem of assigning five trucks to five different cities where these vehicles are to be sent. The time (in hours) truck takes to reach its destination from the place of surplus is given below. Determine the optimum assignment so as to minimise the total time involved.

	A	B	C	D	E
A	-	7	6	8	4
B	7	-	8	5	6
C	6	8	-	9	7
D	8	5	9	-	8
E	4	6	7	8	-

(2x5=10 Weights)