

**KRISHNASAMY COLLEGE OF SCIENCE, ARTS & MANAGEMENT FOR
WOMEN,**

CUDDALORE

QUESTION BANK

DCM11 - ADVANCED FINANCIAL MANAGEMENT

SECTION - A

1. Briefly describe the objectives of financial management
2. List out the arguments in favour of wealth maximization
3. Describe the adverse consequences of excessive working capital.
4. Briefly explain the types of shares.
5. From the following data, find out the value of each firm as per the Modigliani –miller approach.

	FIRM A	FIRM B	FIRM C
EBIT	13,00,000	13,00,000	13,00,000
No. of shares	3,00,000	2,50,000	2,00,000
12% debentures		9,00,000	10,00,000

Every firm expects 12% return on investment.

6. A company earns Rs. 5 per share, is capitalized at a rate of 10% and has a rate of return on investment at 18%. According to Walter formula, what should be the price per share at 25% dividend payout ratio? Is this optimum payout ratio according to Walter?

A project needs an investment of Rs.1, 38,500. The cost of capital is 12%. The net cash inflows are as under.

Year	1	2	3	4	5
Cash inflows	30000	40000	60000	30000	20000

Calculate the internal rate of return and suggest whether the project should be accepted or not.

Calculate EOQ from the following information. Also state the no. of orders to be placed in a year.

Consumption of material p .a – 10000Kg, Order placing cost per order – Rs.10,

Cost per Kg of raw materials – Rs.2, Storage costs – 8% on average inventory.

(b) The following information is available about a firm.

- (1) On an average, accounts receivable are collected after 80 days, Inventories have average Of 110 days and accounts payables are paid approximately 70 days after they arise.
- (2) The firm spends a total of Rs. 600 lakhs annually at a constant rate.
- (3) It can earn 12% on investment

Calculate (1) The firm's cash cycle (2) cash turnover assuming a 360 days in a year.

(4) Minimum amount of cash to be maintained to meet payments as they become due. (4) Savings by reducing the average age of inventories to 70 days

7. Z Ltd. is considering selecting one of the two projects A and B, each requiring investment of Rs. 40000. Cash flow estimates for 25 years are as follows:

Situation	Project A	Project A
Worst	Rs.6000	Nil
Most likely	Rs.8000	Rs.8000
Best	Rs.10000	Rs.16000

The required rate of return is 10%. The present value of annuity of Re. 1 for 15 years at 10% is 7606. State which project is more risky?

8. State the various factors affecting return on investment
9. Explain the various functions of financial management.
10. What are the various modes adopted by banks to provide working capital finance to Companies? Explain.
11. Explain the significance of various approaches adopted for working capital requirements.
12. Discuss the significance of cost of capital.
13. The following data is available for a company:

The earnings per share (E) = Rs. 8

Rate of return on investments =16%

Return expected by shareholders = 12%

Find price of the share according to Gordon's model when dividend payout ratio is 25% and 50%.

14. What are the advantages of Net Present Value method?
15. Explain the need for management of fixed assets.
16. Explain the various methods of accelerating cash inflows in a business.
17. From the following information, calculate average collection period:
Total sales – Rs.100000, Cash sales-Rs.20000, Sales return – 7000, Debtors at the end – Rs.11000, Bills Receivable – 4000, Creditors –Rs. 5,000
18. List out the arguments in favour of profit maximization
19. Describe the adverse consequences of inadequate working capital
20. Explain the sources of internal financing.
21. A company wishes to determine the optimum capital structure from the following selected

Information supplied to you, determine the optimal capital structure of the capital:

Situations	Debt amount Rs.	Equity amount Rs.	After tax cost of debt%	K e %
1	400000	100000	9	
2	250000	250000	6	
3	400000	400000	5	

22. Calculate degree of
 - Operating leverage
 - Financial leverage and
 - Combined leverage from the following data:
Sales 100000 units @ Rs.2 per unit – Rs. 200000. Variable cost per unit @ Re.0.70.
Fixed cost Rs. 100000. Interest charges Rs. 3668.
23. The working results of two machines are as follows:

	Machine I	Machine II
Cost	45000	45000
Sales per year	100000	100000
Cost per year	36000	30000
Expected life	2 years	3 years

Which of the two should be preferred?

24. A project is estimated to cost Rs. 16200. It is expected to have a life of three years and generate cash inflows of Rs. 3000, Rs. 7000 and Rs. 6000 respectively. Calculate the Internal Rate of Return.
25. Find out the EOQ from the following:
Annual usage: Rs. 160000 @ Rs. 40 per unit. Cost of placing and receiving one order: Rs. 200. Annual carrying cost: 25% of inventory value.
26. A company maintains a minimum cash balance of Rs. 2000000. The standard deviation of the company's daily cash flow is Rs. 720000. The annual interest rate is 12% the transaction cost of buying and selling securities is Rs. 180 per transaction. (Assume 360 days in a year). Calculate upper limit, return point and average cash balance as per the Miller model.
27. Explain the pros and cons of equity financing.
28. Explain the features of term loans.
29. Define Payout ratio, retention ratio and dividend yield.
30. Explain the MN'S argument about dividend irrelevance.
31. Briefly explain the importance of investment decisions.
32. What are the differences between independent and contingent investment? Explain.
33. Explain the objectives of inventory management.
34. Explain the level of credit policy variables.
35. Bring out the nature of financial management.
36. What are the advantages and disadvantages of debentures?
37. Explain the sources of working capital.
38. Explain the Net Operating Income Approach theory.
39. Explain the M.M.theory.
40. Distinguish between equity shares and debentures.

41. A Ltd. issues 10000 9% preference shares of Rs. 100 each. The shares are redeemable after 10 years at a premium of 5%. Floatation costs are 2%. Calculate the effective cost of redeemable preference share capital.

42. From the following information, find out the degree of operating leverage in the year 2005.

EBIT (2004) Rs. 40000

SALES (2004) 150000 UNITS

EBIT (2005) Rs. 50000

SALES (2005) 180000 UNITS

43. Calculate payback period for a project which requires a cash outlay of Rs.10000 and generates cash inflows of Rs. 2000, Rs. 4000 , Rs. 3000, Rs.2000 in the first, second, third and fourth year respectively.

44. What are the advantages of working capital?

45. Explain the types of leverages and its significance.

46. The following data relates to Bailey Ltd.

Rate of return=12%, Earnings per share=Rs.60. Find out the market price per share in the following cases, using Gordon's Model:

	Dividend payout	retention	cost of capital
(i)	25	75	20%
(ii)	50	50	15%
(iii)	80	20	10%

47. The Godrej Company sells goods in the home market and earns a gross profit of 20% on sales. Its annual figures are as follows:

Particulars	Rs.
Sales	300000
Materials used	108000
Wages	96000
Manufacturing expenses	120000
Administrative expenses	30000
Depreciation	12000
Selling expenses	18000
Income tax payable in two installments of which one falls in the next year	30000

Additional information:

- a. credit given by suppliers – 2 months

- b. Credit allowed to customers
- c. Lag in payment of wages – ½ month
- d. Lag in payment of administrative expenses – 1 month
- e. Selling expenses are paid quarterly in advance
- f. Raw materials and finished goods are in stock for one month
- g. Cash balance estimated to be maintained at Rs.30000

You are required to prepare a statement of working capital requirement.

48. What are the components of cost of capital?

49. The market price of equity shares of Anne Ltd., is Rs.120. The dividend expected in a year is Rs.2.40 per share. The shareholders anticipate a growth of 8% in dividend. You are required to ascertain the cost of equity capital.

50. Explain the causes of over capitalization.

SECTION B

1. What are the difference sources of long term finance?
2. What are the advantages of working capital?
3. Explain the approaches to financial management.
4. Discuss the different types of debentures.
5. A company's share is quoted in the market at Rs. 40 and the expected dividend for the next year is Rs. 2 per share. Thereafter, the investors expect a growth rate of 5% p.a.
(a) Calculate the cost of equity capital (b) Calculate the market price per share if the expected growth rate is 6% p.a.
6. V Ltd. is considering the purchase of one of the two machines. As the basis for selection, the following data was developed.

	MACHINE A	MACHINE B
Original cost	25565	25565
Profit after tax:		
Year 1	687	4687
Year 2	1687	3687
Year 3	2687	2687

Year 4	3687	1687
Year 5	4687	687
	13435	13435

The expected rate of return for the company is 16%. Both the machines have a life of five years and will not have any salvage value. The company is in the 40% tax bracket. You are required to calculate NPV and P.V. Index. Suggest the most profitable machine.

Year	1	2	3	4	5
P.V Factor @ 16%	0.862	0.743	0.641	0.552	0.476

7. A firm's monthly cash requirements are Rs.180000. Every month's cash is procured by selling marketable securities. The fixed cost per transaction is Rs. 100. The firm gets annual interest at 12% on its marketable securities. You are required to use the EOQ model and find out (a) Optimal cash balance (b) Average cash balance (c) No. of times marketable securities will have to be converted into cash.
8. What is meant by payback period method? Give its merits and demerits.
9. What is IRR? And how is it calculated?
10. What are the needs of inventory management? And state its objectives.
11. Compute the length of operating cycle of working capital management.
 - Period covered - 365 days
 - Average credit period allowed by creditors – 16 days
 - Average total debtors o/s – Rs.480000
 - Total consumption of Raw material p .a Rs.4400000
 - Total production cost p .a Rs.10000000
 - Total cost of sales RS.10500000
 - Sales during the year Rs.16000000
 - Value of stock maintained:
 - Raw materials Rs.320000
 - Work in progress Rs.350000
 - Finished goods Rs.260000
 - Calculate Operating cycle length.
12. Discuss the risk-return trade off in financial decisions.

13. From the following information supplied to you, ascertain whether the firm's dividend payout ratio is optimal according to Walter's theory. The firm was started a year before with equity capital of Rs.20 lakhs (there is no debt capital). Earnings of the firm Rs.200000, Dividend paid Rs.150000, Price – Earnings ratio 12.5. Number of shares outstanding 20000. The firm is expected to maintain its current rate of earnings on investment. (a) What is the value of shares? (b) What should be the price earnings ratio at which dividend payout ratio will have no effect on the value of shares? (c) Will your decision be changes if the P/E Ratio is 8 instead of 12.5?

14. A company is considering the following investment projects.

Projects	Cash flows (Rs.)			
	Co	C1	C2	C3
A	-10000	+10000		
B	-10000	+17500	+7500	
C	-10000	+12000	+4000	+12000
D	-10000	+10000	+3000	+13000

- a) Rank the project according to each of the following methods.(i)Payback (ii) ARR (III) IRR (IV) NPV. Assuming discount rates of 10 and 30 percent.
- b) Assuming the project is independent. Which one should be accepted? If the projects are mutually exclusives, which project is the best?

15. Explain what are the factors affecting working capital?

16. Discuss about the agency problems: Managers Vs Shareholders goals.

17. Explain the ordinary shares and its features.

18. Explain the cost of equity capital and the CAPM Model.

19. What is payback? Explain the rules and evaluation of payback.

20. Briefly explain the factoring services short term financing and bills discount factoring.

21. Explain the merits and demerits of long term sources of finance.

22. Companies X & Y are identical in all respects including risk factors except for Debt/Equity. X having issued 10% Debentures of Rs.1800000 while Y has issued only equity. Both the Companies earn 20% before interest & taxes on their total assets of Rs.30, 00,000. Assuming a tax rate of 50% and capitalization rate of 15% for an all equity company, compute the value of companies X & Y using a) Net Income Approach b) Net Operating Income Approach

23. N Ltd. is concerning the purchase of a machine. Two machines A & B are available each Costing Rs. 50000. In comparing the profitability of these machines a discount rate of 10% is to be used. Earnings after taxation are expected to be as follows:

Year	Machine A Cash Inflow	Machine B Cash Inflow
1	15000	5000
2	20000	15000
3	25000	20000
4	15000	30000
5	10000	20000

You are also given the following data:

Year	1	2	3	4	5
Present value of Re.1@ discount	0.909	0.826	0.751	0.683	0.621

Evaluate the project using: The payback period, Accounting Rate of Return and The Net present value.

24. A Performa cost sheet of a company provides the following particulars

Materials 40%, Direct labour 20%, Overheads 20%

The following other particulars are available:

- It is proposed to maintain a level of activity of 200000 units.
- Selling price is Rs.12 per unit.
- Raw materials are expected to remain in stores for an average period of one month.
- Materials will be process on average half a month.
- Finished goods are required to be Stock for an average period of one month.
- Credit allowed to debtors in two months.
- Credit allowed by suppliers is one month. You are required to prepare a statement showing a statement of working capital requirement forecast profit and loss account and Balance sheet of the company assuming that: Share capital- Rs. 1500000, 8% Debentures- Rs.200000, Fixed Assets –Rs. 1300000.

25. Details regarding three companies are given below:

A Ltd	B Ltd	C Ltd
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R=15%	R=10%	R=8%
K e =10%	K e=10%	K e=10%
E= Rs.10	E= Rs.10	E= Rs.10

By using Walter's model, you are required to (a) Calculate the value of an equity share of 10 each of these companies when dividend payout ratio is (i) 20% (ii) 50% (iii) 0% (iv)100% (b) Comment on the result drawn.

26. A company has to make a choice between two identical machines, in terms of capacity 'A' and 'B'. They have been designed differently, but do exactly the same job. Machine A costs Rs.750000 and will last for three years. It costs Rs.200000 per year to run. Machine B is an Economy model costing only Rs. 500000 but will last for only two years. It costs Rs.300000 per year to run. The cash flows of machine A and B are real cash flows. The costs are forecasted in rupees of constant purchasing power. Ignore taxes. The opportunity cost of Capital is 9%. Which machine the company should pay?

The PV factors at 9% are:

Year	T1	T2	T3
PVIF	0.9174	0.8417	0.7722

27. A firm has five different levels in its inventory. The relevant details are given. Suggest a

Breakdown of the items into A, B and classifications:

Item No	Avg. No. of units inventory	Avg. cost per unit
1	20000	Rs.60
2	10000	Rs. 100
3	32000	Rs. 11
4	28000	Rs.10
5	60000	Rs.3.40

28. Explain the factors determining capital structure.

29. A Ltd. company is considering investing in a project requiring a capital outlay of Rs.200000.

Forecast for annual income after depreciation but before tax is as follows:

Year	1	2	3	4	5
Rs.	100000	100000	80000	80000	40000

Depreciation may be taken as 20% on original cost and taxation at 50% of net income.

You are required to evaluate the project according to each of the following methods.

(a) Payback method (b) Rate of return on original investment (c) Rate of return on average

Investment method (d) Discounted cash flow method taking cost of capital as 10% (e) Net

Present value index method (f) Internal rate of return method.

30. Calculate economic order quantity and the number of orders to be placed in a year each of the

Following cases.

Particulars	Case(a)	Case(b)	Case(c)	Case(d)
Annual consumption	Rs.1000000	Rs.160000	3600 units	Rs.520000
Cost of placing an order	Rs.50	Rs.200	Rs.40	Rs.100
Annual carrying cost	8%	25%	5%	6.5%
Price per unit of material	Rs.20	Rs.40	Rs.64	Rs.200

31. What is meant by lease financing? Explain its merits.

32. Describe the various methods of capital budgeting decision.

33. Explain the characteristics of a sound financial plan.

34. State the features of optimum capital structure.

35. Briefly explain the different types of dividend.

36. Distinguish between net working capital and gross working capital.

37. What are the basic functions of cash management?

38. C Ltd. wants an estimate of the working capital. Prepare the estimate from the following information: Budgeted sales: Rs.10 per unit- Rs. 260000 p.a.

Analysis of selling price per unit:

Raw materials – Rs.3; Labour – Rs.4; Overheads-Rs.2. You are informed that:

- (a) Raw materials will remain in godown before issue of three weeks and finished goods for two weeks.
- (b) Processing in the factory will take three weeks.
- (c) Suppliers will give 5 weeks credit and customers will acquire 8 weeks credit.
- (d) Labour and overheads will acquire evenly throughout the year.
- (e) Provision for contingencies 10.

39. From the following particulars relating to the capital structure of Blue star Ltd. calculate the overall cost of capital using:

- (a) Book value weights and
- (b) Market value weights.

Sources of funds	Book value (Rs)	Market value (Rs)
Equity Share capital	45000	90000
Retained earnings	15000	-
Preference share capital	10000	10000
Debentures	30000	30000

The after tax cost of different sources of finance is equity share capital 14%. Retained earnings 13%. Preference share capital 10%. Debentures 8%.

40. Calculate operating and financial leverages under situations A and B from the following information, what are the combinations of operating and financial leverages which give the highest and least value. Total assets : Rs.30000: Total assets turnover ratio: 2, Fixed cost: Situation a : Rs.6000; Situation b: Rs.9000, Variable cost: 60% sales

Capital structure	Financial Plan I	Financial Plan II
Equity	30000	30000
Debt (cost 10%)	20000	3000

41. From the following details you are required to make an assessment of the average amount of marketing capital requirement of Meenakshi Marbles Ltd.

	Average period of	Estimate for the first
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	credit	year
Purchase of materials	6 weeks	2600000
Wages	1.5 weeks	1950000
Overheads: Rent, rate etc.	6 months	100000
Salaries	1 month	800000
Other overheads	2 month	750000
Sales (cash)	–	200000
Sales (credit)	2 month	600000
Average amount of stock and work in progress	–	400000
Average amount of undrawn profit	–	300000

It is to be assumed that all expenses and income were made at even rate for the year.

42. A company belongs to a risk class of which the appropriate capitalization rate is 10%. It has currently 100000 shares at Rs.100 each. The firm contemplating the declaration of Rs.6 as dividend at the end of the current fiscal year. Calculate:

(a) According to M. M .approach, what will be the price of the shares if (i) dividend is declared (ii) dividend is not declared

(b) Assuming the company pays the dividend has a net income of RS. 100000 and makes a investment of Rs.2000000 during the period, how many new shares must be issued?

43. Assuming no taxes and given the Earnings before interest and taxes, interest and equity

Capitalization rate below, calculate the total market value of firm

Firms	EBIT(Rs)	I(Rs)	K e(Rs)
A	200000	20000	12%
B	300000	60000	16%
C	500000	200000	15%

D	600000	240000	18%
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Also determine the weighted average cost of capital for each firm.

44. A company is considering an investment proposal to install new milling controls. The project will cost Rs. 50000. The facility has a life expectancy of 5 years and no salvage value. The company tax rate is 55%. The firm uses straight line method of depreciation. The estimated profits before depreciation from the proposed investment proposal are as follows:

Year	1	2	3	4	5
Profits	10000	11000	14000	15000	25000

Compute the following:

- Pay back period
 - Average rate of return
 - Net present value at 10% discount rate
 - Profitability index at 10% discount rate
 - Internal rate of return
45. Explain the factors determining cost of capital
46. Explain internal rate of return method of evaluating capital projects.
47. What are the components of capital budgeting?
48. KKL Ltd. issued 10% debentures of Rs.500000 and realized Rs.485000 after allowing 3% commission to brokers. The debentures are due for maturity at the end of the tenth year. You are required to calculate the effective cost of debt before tax.
49. Explain briefly the causes of under capitalization.
50. Explain the methods and tools of financial management.

**KRISHNASAMY COLLEGE OF SCIENCE, ARTS AND MANAGEMENT FOR
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DEPARTMENT OF COMMERCE

QUESTION BANK

DCM12 - ACCOUNTING FOR MANAGERIAL DECISION

CLASS: I M.Com

SEMESTER: I

SECTION – A (6 MARKS)

- Briefly explain the scope of management accounting.
- The management accounting has some limitations. How would you defend this statement .
- Explain the objectives of management accounting.

4. Differentiate between financial accounting and management accounting.
5. Explain the characteristics features of management accounting.
6. Discuss the nature of financial statement.
7. Explain the significance the master budget.
8. Point out the advantages of cash flow statement.
9. Explain the different forms of dividend.
10. What is an optimum capital structure? Explain its features.
11. Explain the various types of budget.
12. What are the advantages of marginal costing?
13. Define capital structure. Explain its significance.
14. Discuss the advantages of ratio analysis.
15. What do you understand by CVP analysis? Explain its importance.
16. Explain the limitations of management accounting.
17. Explain the importance of leverage analysis.
18. Calculate funds from operation (i) Net profit for the year Rs. 13,00,000, (ii) Transfer to general reserve Rs.2,50,000, (iii) Old machinery Rs. 16,000 has been sold for Rs. 13,000, (iv) Depreciation has been provided for machinery @ 20% whose total cost is Rs. 13,00,000, (v) Goodwill appears Rs. 3,60,000 out of that 10% has been return off during the year, (vi) Gain on sale of building Rs. 71,000.
19. Compute cost of goods sold: current liabilities Rs.9,00,000; Inventory turnover ratio 8; Current ratio- 2.5:1; Acid test ratio- 2.1:1.
20. A Ltd., produces two commodities, C12 and C14 in one of his departments. Each unit takes 5 hour and 10 hours as production time. 1000 units of C12 and 600 units of C14 were produced during March 2012 actual man hour spent on this production were 10,000. Yearly budgeted hours are 96,000 Compute the various control ratios.
21. The selling price of a particular product is Rs.100 and the marginal cost is Rs.65. during the month of April 800 units were produced of which 500 were sold. There was no opening stock at the commencement of the month. Fixed cost amounted to Rs. 18,000. Provide the statement using marginal costing and absorption costing, showing the closing stock valuation and the profit earned under each principle.
22. Calculate BEP, P/V ratio and margin of safety.

Variable cost	Rs. 3,00,000
Fixed cost	Rs.1,50,000
Net profit	Rs.50,000
Sales	Rs. 5,00,000

23Mr. F is planning to purchase the shares of A Ltd., which has paid a dividend of Rs. 2 per share. Dividends are declining at the rate of 10%. What price would be willing to pay if his required rate of return is 20%.

24. The earning per share of company are Rs. 10. The equity capitalisation rate 10% internal rate of return on retained earning is 10% using Walters formula (a) What should be the optimum payout ratio of the company? (b) What should be the price of share at

optimum payout ratio? (c) Shall this price be affected if different payout (80%) were employed?

25. Compute funds from operation

Particulars	31.12.2010	31.12.2011
P & L A/c	50,000	65,000
General reserve	35,000	42,500
Good will	20,000	12,500
Preliminary expenses	14,000	10,000
Prov. For dep. On machinery	20,000	23,000

26. Calculate cash from operation

Particulars	31.12.2010	31.12.2011
P & L A/c	30,000	35,000
General Reserve	10,000	15,000
Prov. For dep. On machinery	30,000	35,000
Outstanding expenses	5,000	3,000
Goodwill	20,000	10,000
Sundry debtors	40,000	35,000

An item of plant costing Rs. 20,000 having book value of Rs. 14,000 was sold for Rs. 18,000 during 2011.

27. Calculate operating leverage financial leverage and combined leverage. Sale 1,00,000 units @ Rs. 2 per unit Rs. 2,00,000. Variable cost per unit Rs. 0.70. Fixed cost Rs.1,00,000. Interest charges Rs. 3668.

28. Calculate debt equity ratio.

Liabilities	Rs.	Assets	Rs.
Equity shares Rs.100 each	2,00,000	Fixed Assets	4,00,000
9% pref. share Rs.100 each	1,00,000	Current assets	2,00,000
General serve	50,000		
Reserve for contingencies	50,000		
Current liabilities	1,00,000		
10% Debentures Rs.100 each	1,00,000		
Total	6,00,000	Total	6,00,000

29. The following are the summarized balance sheets of X Ltd. as on 31st December 2011 and 2012. Calculate funds flow statement.

Liabilities	31.12.2011	31.12.2012	Assets	31.12.2011	31.12.2012
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Red. Pref.share	--	10,000	Fixed assets	41,000	40,000
Equity share	40,000	40,000	Less: Dep	11,000	15,000
General reserve	2,000	2,000	Total	30,000	25,000
P&L a/c	1,000	1,200	Debtors	20,000	24,000
Debentures	6,000	7,000	Stock	30,000	35,000
Creditors	12,000	11,000	Prepaid exp	300	500
Prov. for tax	3,000	4,200	Cash	1,200	3,500
Proposed dividend	5,000	5,000			
Bank O/D	12,500	6,800			
Total	81,500	88,000	Total	81,500	88,000

30. Prepare cash flow statement.

Liabilities	31.12.2011	31.12.2012	Assets	31.12.2011	31.12.2012
Share capital	4,00,000	5,00,000	Cash	60,000	94,000
Creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
P&L a/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
Total	5,60,000	6,36,000	Total	5,60,000	6,36,000

31. A company produces and markets industrial containers and packing cases. Due to competition the company proposes to reduce the selling price. If the present level of profit is to be maintained. Indicate the number of units to be sold if the proposed reduction in selling price is (i) 5% (ii) 10% (iii) 15%. The following additional information is available:

Present sales (30,000 units)	Rs.3,00,000
Variable cost	Rs.1,80,000
Fixed cost	Rs.70,000
Net profit	Rs.50,000

32. There are two firms X & Y which are exactly identical that X does not use any debt in its financing, while Y has Rs.1,00,000 5% debentures in its financing. Both the firms have earnings before interest and tax of Rs.25,000 and the equity capitalization rate is 10%. Assuming the corporation tax of 50% calculate the value of the firm using M & M approach.

33. The following information is available in respect of the rate of return on investment (r), the cost of capital (k) and earnings per share (E) of ABC Ltd.

Rate of return on investment: $r =$ (i) 15% (ii) 12% (iii) 10%.

Cost of capital (K) = 12%

Earnings per share (E) = Rs.10 Determine the value of its shares using Gordons model assuming the following:

Sl. No	D/P ratio (I- b)	Retention Ratio (b)
1	100	0
2	80	20
3	40	60

Dividend policy, bonus issue and right issue.

34. From the following balance sheet of a company. Comment on the financial position of the company.

Liabilities	Rs.	Assets	Rs.
Equity share capital	1,00,000	Fixed assets	1,80,000
15% pref. share	50,000	Debtors	25,000
Debentures	50,000	Bills receivable	55,000
Creditors	20,000	Bank	3,000
Retained earnings	45,000		
Total	2,65,000	Total	2,65,000

35. From the following particulars, prepare a production budget for three months ending 30.06.2010.

Particulars	Estimated Sales Rs.
April 2010	1,40,000
May 2010	1,60,000
June 2010	1,30,000
July 2010	1,20,000

36. Compute funds from operation from the flowing information.

Particulars	Rs	Particulars	Rs
To salaries	10,000	By gross profit	45,000
To rent	6,000	By profit on sale of furniture	1,000
To prov. For doubtful debts	4,000	By dividend	4,000
To interest	5,000		
To depreciation	6,000		
To prov. For tax	8,000		
To loss on sale of plant	2,000		
To discount on issue of shares	1,000		
Net profit	8,000		
Total	50,000		50,000

37. Prepare funds flow statement.

Liabilities	31.12.2009	31.12.2010	Assets	31.12.2009	31.12.2010
Share capital	8,000	8,500	Cash	400	900
Creditors	900	500	Debtors	1,650	1,950
P&L a/c	1,450	2,450	Stock	900	700
			Land	5000	5000
			Plant	2,400	3,400
Total	10,350	11,950	Total	10,350	11,950

38. A company produces one standard type of article. The results of the last 4 months of the years 2010 are as follows:

Particulars	Output
September	200 units
October	300 units
November	400 units
December	900 units

Profits cost is Rs.10 per unit. Variable expenses are Rs.2 per unit. Fixed expenses are Rs.36,000 per annum. Find out cost per unit of each month.

39. YM manufacturing Ltd., has supplied you the following informations related to their products. Find out Contribution per unit, Break even point, Margin of safety, Profit and volume. Fixed costs Rs.18,000, Total variable costs Rs.30,000, Total sales Rs.60,000, Units sold 20,000.

40. A company which has Rs.3,00,000 in perpetual debt at 5% interest. The annual net operating earnings before interest payments are Rs.1,00,000. The required return on equity i.e. K_e is 10%. Calculate the value of the firm as per net income approach.

41. ABC corporations net income for 2010 was Rs.3,00,000. It retained 40%. The outstanding shares are Rs.1,00,000. Determine the dividend pershare.

42. Calculate operating and financial leverages from the following particulars. Units sold 5000; Selling price per unit Rs.20; EBIT Rs.30,000; 10% public debt Rs.1,00,000.

43. Current ratio is 2.5; Working capital is Rs.60,000. Calculate the amount of current assets and current liabilities.

44. From the following information, find out the amount of profit earned during the year using marginal costing technique. Fixed cost Rs.5,00,000; Variable cost Rs.10 per unit; Output level 1,50,000 units.

45. Calculate operating, financial and combined leverage from the following information: Sales Rs.50,000; Variable cost Rs. 25,000; Interest Rs.5,000; Fixed cost Rs.15,000.

46. From the following particulars calculate (i) Gross profit ratio (ii) Net profit ratio and (iii) Operating ratio. Sales Rs.5,00,000; Cost of goods sold Rs.3,00,000; Operating expenses Rs.10,00,000; Non-operating expenses Rs.20,000.

47. Calculate (i) P/V ratio (ii) Break even point (iii) Margin of safety. Sales (4000 units @Rs.25 each) Rs.10,00,000. Variable cost Rs.72,000. Fixed cost Rs.16,800.

48. Current ratio- 2.5; Liquid ratio – 1.5; Working capital – Rs.90,000; Find out current assets; current liabilities; liquid assets; stock.

49. A firm has contract to supply 10,000 units of its only product during 2010. The following were budgeted expenses and revenue. Prepare the budget for the year showing the costs and profit. Material Rs. 15 per unit; wages Rs.10 per unit; work expenses (fixed) Rs.40,000; variable Rs.4 per unit; general expenses (all fixed) Rs.60,000; profit is 20% on sale price.

50. From the following information prepare the funds flow statement for the year ended 31.3.2010. (i) Working capital on 31.03.10 was Rs.2,92,000 more than the same on 31.03.09. (ii) Net profit during the year Rs.2,45,000. (iii) The depreciation charges for the period Rs.6,400. (iv) New debentures to the extent of Rs.40,000 were issued from cash.

51. The following are extracted from the balance sheet of a company.

Liabilities	31.12.2005	31.12.2006
Profit and loss account	50,000	80,000
Provision for taxation	15,000	25,000

Depreciation on assets during the year 2006 was provided Rs.10,000. Find the cash from operations if provision for taxation is treated as a non-current liability.

52. Prepare the profit and loss a/c in the traditional form as well as in the contribution format by using the following information:

Particulars	Rs
Sales	84,00,000
Depreciation, supervisory salaries other fixed assets	18,00,000
Variable production costs	22,00,000
Operating expenses – Administration (50% fixed)	16,00,000
Selling expenses (40% fixed)	20,00,000

53. Calculate (i) B.E.P (ii) Margin of safety (iii) Sales to earn a profit of Rs.1,20,000. Sales Rs.6,00,000. Variable cost Rs.3,75,000. Fixed cost Rs.1,80,000.

54. Mr. Selva purchases an equity share of a company. It paid dividend of Rs.2 per share last year. Dividend of Rs.2 per share last year. Dividend are dealing at a rate of 10%. What is the required rate of return of Mr. Selva on his equity investment if he purchases an equity share for Rs.6?

55. Z Ltd's operating income (before interest and tax) is Rs.9,00,000. The firm's cost of debt is 10% and currently the firm employs Rs.30,00,000 of debt. The overall cost of capital of the firm is 12%. What is the total value of the firm?

56. ABC Ltd manufactures and sells four types of products under the brand names of A, B, C and D. The sales-mix in value comprises 33.33, 41.67, 16.67 and 8.33 per unit for products A, B, C and D respectively. The total budgeted sales (1005) are Rs.60,000 per month. Operating costs are variable costs as a percent of selling price. Product A 60, B 68 and C 80 and D 40. Fixed cost Rs.14,700 per month. Calculate the break-even point for the products on an overall basis.

57. A company has a book value per share of Rs.137.80. Its return on equity is 15% and it follows a policy of retaining 60% of its earnings. If the opportunity cost of capital is 18%, what is the price of the share today?

58. From the following balance sheet of B Ltd, prepare a source and uses of funds statement for 2000.

Liabilities	31.12.2009	31.12.2010	Assets	31.12.2009	31.12.2010
Creditors	45,000	50,000	Cash	75,000	35,000
Bills payable	55,000	20,000	A/C receivable	90,000	98,000
Share capital	1,50,000	1,25,000	Stock, long term investment	1,30,000	1,02,000
Retained earnings	30,000	20,000	Fund	30,000	20,000
Total	3,25,000	2,25,000	Total	2,25,000	2,25,000

59. Prepare cash flow statement.

Liabilities	31.12.2009	31.12.2010	Assets	31.12.2009	31.12.2010
Share capital	35,000	37,000	Cash	4,500	3,900
Creditors	5,180	5,920	Debtors	7,450	8,850
P&L a/c	5020	5,280	Stock	24,600	21,350
Prov. for DD	350	400	Fund	10,000	15,000
Debentures	6,000	3,000	Goodwill	5,000	2,500
Total	51,550	51,600	Total	51,550	51,600

60. Calculate (i) Current ratio (ii) Liquid ratio (iii) Absolute liquid ratio.

Particulars	Rs	Particulars	Rs
Cash	18,000	Tax payable	75,000
Closing stock	1,80,000	Debtors	1,42,000
Creditors	50,000	Bills payable	27,000
Outstanding expenses	15,000		

SECTION – B (15 MARKS)

1. Differentiate between financial accounting and cost accounting.
2. Explain the different techniques of financial statement analysis.
3. Explain the scope and importance of management accounting.

4. Distinguish management accounting and cost accounting.
5. Explain the theories of dividend policy.
6. Distinguish between decision accounting and financial accounting.
7. Explain the characteristics of the decision accounting.
8. Explain the factors determining capital structure of a firm.
9. Describe the arbitrage process under MM approach.
10. Describe the various theories of capital structure.
11. Explain the features of optimum capital structure.
12. Explain the factors that influence the dividend policy of a firm.
13. Explain the MM hypothesis of dividend irrelevance. Does this hypothesis suffer from deficiencies.
14. Discuss the limitations of financial statement analysis.
15. Explain, how marginal costing is useful in the decision-making of a firm.
16. Capital structure of Tulsian Ltd is as follows:
 - i. Equity share capital Rs.100 lakhs.
 - ii. Earning for equity share holders Rs.10 lakhs
 - iii. Price of shares in the beginning Rs.100
 - iv. Equity capitalization rate 10%.
 - (a) Calculate the theoretical market price of equity share under MM model, if the company is considering a payment of (i) 0% (ii) 80%
 - (b) Calculate the value of the firm using MM model if dividend payout ratio is (i) 0% (ii) 80%. The company proposes to make a new investment of Rs.12,20,000.
17. The following are obtained from the records of a factory. Sales (4000 units @ Rs.25 each Rs.1,00,000; Variable cost Rs.72,000; Fixed cost Rs.16,800. Calculate (i) P/V ratio (ii) Break even sales (iii) Margin of safety (iv) What additional units should be sold to obtain the same amount of profit if the selling price is reduced to Rs.20.
18. The following figure related to a company for the year ending 1979.

Particulars	Rs	Particulars	Rs
Sales	5,20,000	Salaries salesman	15,300
Purchases	3,22,500	Advertising	4,700
Opening stock	76,000	Travelling exp	2,000
Closing stock	98,500	Salaries	27,000
Sales returns	20,000	Stationary and postage	2,500
Dividend	9,000	Rent	2,700
Profit on sales of shares	3,000	Depreciation	9,300
Loss on sale of assets	4,000	Other charges	16,500
		Provision for tax	40,000

You are required to (i) arrange the above figures in a form suitable for analysis. (ii) calculate the following ratios: (a) gross profit ratio (b) Operating ratio (c) operating profit ratio (d) net profit ratio.

19. The following shows the balance in a condensed form of Paritra Ltd at the beginning as well as at the end of the year 2004.

Liabilities	01.01.2009	31.12.2009	Assets	01.01.2009	31.12.2009
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Share capital	1,15,000	1,15,000	Cash	45,000	45,000
Creditors	52,000	47,600	Debtors	38,500	26,500
P&L a/c	8,000	11,500	Stock	41,000	53,000
Outstanding exp	6,000	6,500	Investment	50,000	32,000
8% Debentures	45,000	35,000	Prepaid exp.	500	1,000
Dep. fund	20,000	22,000	Machinery	24,000	86,000
Reserve for contingencies	30,000	30,000	Land & building	77,000	24,000
Total	2,76,000	2,67,500	Total	2,76,000	2,67,500

The following information is also available: (a) 10% dividend was paid in cash. (b) New machinery for Rs.15,000 was purchased but old costing Rs.6,000 was sold for Rs.2,000 on which accumulated depreciation was Rs.3,000. (c) Rs.10,000 8% debentures were reduced by purchased. (d) Investment were sold at book value. Prepare a cash flow statement.

20. Prepare a balance sheet as on 31.12.2011 by using the following particulars of black white Ltd:

Fixed assets/Turnover ratio	1:2
Debt collection period	2 months
Gross profit	25%
Consumption of the materials	40% of cost
Stock: Raw materials	4 months of consumption
Finished goods	20% turnover at cost
Fixed assets to current assets	1:1
Current ratio	2
Long-term loan to current liabilities	1:3
Capital to reserves	5:2
Value of fixed assets	Rs.10,50,000

21. The summarised balance sheets of a company as at 31.03.2008 and 2009 are given below:

Assets	2008	2009	Liabilities	2008	2009
Fixed assets	4,00,000	3,20,000	Share capital	4,50,000	4,50,000
Investments	50,000	60,000	General reserve	3,00,000	3,10,000
Stock	2,40,000	2,10,000	P&L a/c	56,000	68,000
Debtors	2,10,000	4,55,000	Creditors	1,68,000	1,34,000
Bank	1,49,000	1,97,000	Provision for tax	75,000	10,000
			Mortgage loan	-	2,70,000
Total	10,49,000	12,42,000	Total	10,49,000	12,42,000

Additional information: (a) Investments costing Rs.8,000 were sold during the year for Rs.8,500 (b) Provision for tax made during the year was Rs.9,000. (c) During the year, part of the fixed assets costing Rs.10,000 was sold for Rs.12,000 and the profit was included in P&L a/c and (d) dividend paid during the year Rs.40,000. You are required to prepare a statement of sources and uses of cash.

22. Dharani Ltd., produces components of which No.43 made at Rs.200/unit. 10,000 unit are needed in the factory. The cost includes material to Rs.60; wages Rs.75, overheads the balance (60% fixed). An outside supplier is willing to supply 10,000 units of component No.43 on a regular basis at Rs.170/unit. The estate officer claims that he can let out the idle facilities for a rental of Rs.1,50,000 in case the component is bought from outside. You are required to recommend whether to make or buy the component. Give reasons for your conclusion.
23. A company's operating income (before interest and tax) is Rs.9,00,000. The firm's cost of debt is 10% and currently the firm employs Rs.30,00,000 of debt. Calculate the cost of equity.
24. The firms A & B are identical in all respects including risk factors except for debt equity mix. Firm A has issued 12% debentures of Rs.15 lakhs while B has issued only equity. Both the firms earn 30% before interest and taxes on their total assets of 25 lakhs. Assuming a tax rate of 50% and capitalization rate of 20% for an equity company, you are required to compute the value of the two firms using: (a) Net income approach. (b) Net operating income approach.
25. From the following particulars prepare cash flow and fund flow statements of Kumar.

Particulars	1.1.2011	31.12.2011
Assets:		
Cash	5,000	4,000
Debtors	40,000	45,000
Stock	30,000	25,000
Land	30,000	40,000
Buildings	50,000	55,000
Machinery	70,000	80,000
Current liabilities:	35,000	40,000
Loan from Shankar	-	25,000
Bank loan	40,000	30,000
Capital	1,50,000	1,54,000

During the year, Kumar brought an additional capital of Rs.10,000 and his drawings during the year were Rs.31,000. Provision for depreciation on machinery: Opening balance of Rs.30,000 and closing balance Rs.44,000. No depreciation need to be provided for other assets.

26. From the following information you are required to prepare a balance sheet.
- (a) Current ratio – 1.75 (b) Liquid ratio – 1.25 (c) Stock turnover ratio – 9 (Cost of sales / closing stock) (d) Gross profit ratio – 25% (e) debt collection period – 1.5 months (f) Reserves and surplus to capital – 0.2 (g) Turnover of fixed assets – 1.2 (h) Capital gearing ratio – 0.6 (i) Fixed assets to net worth – 1.25 (j) Sales for the year Rs.12,00,000.
27. From the following of X Ltd information, prepare a funds flow statement:

Liabilities	2010	2011	Assets	2010	2011
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Share capital	3,00,000	4,00,000	Cash	30,000	90,000
Reserve	1,00,000	50,000	A/c receivables	1,05,000	1,50,000
Retained earnings	30,000	60,000	Inventories	1,50,000	1,95,000
Accounts payable	45,000	1,35,000	Fixed assets	1,90,000	2,10,000
Total	4,75,000	6,45,000	Total	4,75,000	6,45,000

The company issued bonus shares for Rs.50,000 and for cash Rs.50,000. Depreciation written off during the year Rs.15,000.

28. A company Ltd is information: Sales (1,00,000 units) Rs.1,00,000. Variable cost Rs.60,000. Fixed cost Rs.30,000. (a) find out P/V ratio, break even point and margin of safety at this level. (b) Calculate the effect of : (i) 20% increase in selling price (ii) 10% decrease in selling price (iii) 5% decrease in sales volume (iv) 10% decrease in fixed costs (v) 10% decrease in variable costs (vi) 20% increase in sales price accompanied by an increase of fixed overhead by Rs.10,000 and (vii) 20% increase in sales price accompanied by 10% decrease in variables cost and 10% increase in fixed costs.
29. Following are the capital structure details of company.

Types of capital	Book value (Rs)	Market value (Rs)	Specific cost (%)
Preference capital	10,000	11,000	8%
Equity capital	60,000	1,20,000	13%
Retained earnings	20,000	--	--
Debentures	40,000	38,000	5%
Total	1,30,000	1,69,000	

You are required to determine the weighted coverage cost of capital using: (a) Book value as weight (b) Market value as weights.

30. Prepare cash budget from the following data for the month of April to June.

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

- (a) 50% of credit sales is realized in the month following the sale and the other 50% in the second month following.
- (b) Creditors are paid in the month following the month of purchase
- (c) Wages are paid at the end of the respective month.
- (d) Cash at bank on 1st April Rs.25,000.
31. You are given the following data for the year 2009 of the company. Variable cost Rs.6,00,000. Fixed cost Rs. 3,00,000. Profit Rs.1,00,000. Sales Rs.10,00,000. Find (a) P/V ratio (b) BEP (c) Profit when sales amounted to Rs.12,00,000 (d) Sales required to earn a profit of Rs.2,00,000.

32. The earnings per share of a company is Rs.12. The cost of equity capital is 10%. The rate of return on investment is 15%. Compute the market price per share under Walter's model, if the payment (a) 50% (b) 75%.
33. The earnings per share of a company are Rs.10. The rate of capitalization is 10% and the returned earnings can be employed to yield a return of 20%. The company is considering a payment of (A) 20% (b) 40% and (c) 60%. Which of these would maximize the wealth of the shareholders as per Walter's model?
34. You are given the following information.

Particulars	Sales (Rs)	Profit(Rs)
I Period	2,40,000	18,000
II period	2,80,000	26,000

Assuming the cost structure and selling price remain the same in periods I and II find out (a) P/V ratio (b) BEP of sales (c) Profit when sales are Rs.2,00,000 (d) Sales required to earn a profit of Rs.40,000 (e) Safety margin period II.

35. Draw up a flexible budget for overhead expenses on the basis of the following and determine the overhead rate at 70%, 80% and 90% plant capacity.

Particulars	Amount Rs. (80% capacity)
Indirect labour (variable)	12,000
Indirect material (variable)	4,000
Power (30% fixed)	20,000
Repairs and maintenance (semi-variable)	2,000
Depreciation (Fixed)	11,000
Insurance (Fixed)	11,000
Salaries (Fixed)	3,000
Estimated direct labour hours	1,24,000 hrs

36. A company has a book value per share of Rs.137.80. Its return on equity is 15% and it follows a policy of retaining 60% of its earnings. If the opportunity cost of capital is 18%, what is the price of the share today? (find out as per walter model and Gordon model)
37. A company produces three products for which the following operation statement has been produced:

Particulars	Product X	Product Y	Product Z	Total
Sales	32,000	50,000	45,000	1,27,000
Total costs	36,000	38,000	34,000	1,08,000
Net profit ?loss	-4000	12,000	11,000	19,000

The total cost comprise 2/3 variable and 1/3 fixed. The directors consider that as product X shows a loss, it should be discontinued. Based on the above cost data, should product X be dropped? What other factors should be considered?

38. From the following particulars, prepare a balance sheet with as many details as possible:

Particulars	
Gross profit ratio	20%
Inventory turnover	6 times
Fixed asset turnover	2 times
Current ratio	2.5:1
Acid test ratio	1.5:1
Reserves to capital ratio	8:1
Sales	Rs.3,00,000
Stock at the beginning	Rs.30,000
Cash	Rs.10,000
Long term loan	Rs. 15,000

39. Statement of the financial position of Mr.Ramesh is given below:

Liabilities	01.01.10	31.12.10	Assets	01.01.10	31.12.10
Capital	2,900	2,500	Cash	4,000	3,000
Accounts payable	73,900	61,500	Debtors	2,000	1,700
			Inventories	800	1,300
			Other fixed assets	60,000	8,000
			Building	10,000	50,000
Total	76,800	64,000	Total	76,800	64,000

Additional information: (a) There were no drawings. (b) There was no purchase or sales of either building or other fixed assets. Prepare a statement of cash flow.

40. ABC Company Ltd. Has given the following particulars . You are required to prepare a cash budget for the three months ending 31.12.1999.

Months	Sales (Rs)	Materials (Rs)	Wages (Rs)	Overheads (Rs)
Augusts	20,000	10,200	3,800	1,900
September	21,000	10,000	3,800	2,100
October	23,000	9,800	4,000	2,300
November	25,000	10,000	4,200	2,400
December	30,000	10,800	4,500	2,500

- (i) Credit terms are : Debtors-10% sales are on cash basis; 50% of the credit sales are collected next month and the balance in the following month .
- (ii) Creditors two months credit.
- (iii) Wages 1/5 month
- (iv) Over heads ½ month
- (v) Cash balance on 01.10.99 is expected to be Rs.8,000.
- (vi) A machinery will be installed in Aug 1999 at a cost of Rs.1,00,000. The monthly instalment of Rs.5000 is payable from October onwards.
- (vii) Dividend at 10% on preference share capital of Rs.3,00,000 will be paid on 01.12.1999.
- (viii) Advance to be received for sale of vehicle Rs.20,000 in December.
- (ix) Income tax (advance) to be paid in December Rs.5000.

41. The following data are worked out from the financial statements for the year ended 30.09.2010. You are required to reconstruct Balance sheet as on 30.09.2010.

Particulars	
Fixed assets (after 30% depreciation)	Rs.10,50,000
Finished goods/Turnover ratio (on cost of sales)	6 (time)
Fixed assets / Turnover ratio (on cost of sales)	2 (time)
Gross profit %	25%
Net profit (before interest)/Sales	8%
Interest cover (Debenture interest at 7%)	8
Debt collection period (months)	1.5
Materials consumed/ Sales	30%
Stock of raw materials (months of consumption)	3
Current ratio	2.4
Quick ratio	1
Reserves / capital	0.21

42. The following are the summarized balance sheets of a company, as at 31st March 2009 and 2010.

Liabilities	2009	2010	Assets	2009	2010
Share Capital	4,50,000	4,50,000	Fixed assets	4,00,000	3,20,000
General reserve	3,00,000	3,10,000	Investments	50,000	60,000
P&L a/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Sundry debtors	2,10,000	4,55,000
Provision for taxation	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage loan	-	2,70,000			
Total	10,49,000	12,42,000	Total	10,49,000	12,42,000

Additional information: (i) Investments costing Rs.8,000 were sold during the year for Rs.8,500 and further investments were purchased during the year for Rs.18,000. (ii) The net profit for the year Rs.62,000 after charging depreciation on fixed assets Rs.70,000 and provision for taxation Rs.10,000. (iii) During the year part of fixed assets costing Rs.10,000 was disposed for Rs.12,000 and the profit is included in the profit and loss account. (iv) Dividend paid during the year amounted to Rs.40,000. Prepare a statement of sources and application of funds for the year ended 31.03.2010.

43. The following are the summarized balance sheets of a company as on 31.12.2009 and 31.12.2010

Liabilities	2009	2010	Assets	2009	2010
Share Capital	2,00,000	2,50,000	Stock	1,00,000	74,000
General reserve	50,000	60,000	Sundry debtors	80,000	64,200
P&L a/c	30,500	30,600	Bank	-	8,000
Creditors	1,50,000	1,35,200	Cash	500	600
Provision for taxation	30,000	35,000	Goodwill	-	5,000

Bank loan(long term)	70,000	-	Land & Building	2,00,000	1,90,000
			Machinery	2,00,000	1,69,000
Total	5,30,500	5,10,800	Total	5,30,500	5,10,800

Additional information :

(i) dividend of Rs.23,000 was paid.

(ii) The following assets of another company were purchased for a consideration of Rs.50,000 paid for him shares. (a) stock Rs.20,000 and (b) machinery Rs.25,000

(iii) machinery was further purchased for Rs.8,000

(iv) depreciation written off: machinery Rs.12,000;

(v) income tax provided during the year Rs.33,000

(vi) loss on sale of machinery Rs.200 was written off to general reserve.

44. The P/V ratio of a firm dealing in precision instruments is 50% and margin of safety 40%. You are required to work out Break even point and the net profit if the sales volume is Rs.50,00,000. If 25% of variable cost is labour cost, what will be the effect on BEP and Profit when labour efficiency decrease 5%.
45. A factory produces 100 articles for home consumption at the following costs:

Particulars	Amount Rs.
Materials	40,000
Wages	36,000
Factory overheads (fixed)	12,000
Factory overheads (variable)	20,000
Administration O/H (fixed)	18,000
Selling & distribution O/H (fixed)	10,000
Selling & distribution O/H (variable)	16,000
Total	1,52,000

The home market can consume only 1000 article at a selling price of Rs.155 per article; it can consume on more articles. The foreign market for this product can, however, is the foreign market worth trying?

46. Details regarding three companies are given below:

A Ltd	B Ltd	C Ltd
r=15%	r=10%	r=8%
Ke=10%	Ke=10%	Ke10%
E=Rs.10	Rs.10	Rs.10

By using Walter's model, you are required to (a) Calculate the value of an equity share of each of these companies when dividend pay out ratio is (i) 20% (ii) 50% (iii) 0% and (iv) 100%. (b) Comment on the result drawn.

47. (a) ANC Ltd is expecting an earnings before interest & taxes of Rs.4,00,000 and belongs to risk class of 10%. You are required to find out the value of firm and cost of equity capital under NOI approach. If it employs 8% debt to the extent of 20%,35% or 50% of the total financial requirement of Rs.20,00,000.

(b) Two Firm A and B are identical except in the method of financing. Firm A has no debt while Firm B has Rs.4,00,000 5% debenture in financing. Both the firms have a net operating income (EBIT) of Rs.1,00,000 and equity capitalization rate of 12%. The corporate tax rate of 40%. Calculate the value of the firms using MM approach.

48. Bailey Ltd., rate of return=12%; earnings per share Rs.60. Find out the market price per share in the following cases using Gordon's model.

Dividend payout	Retention	Cost of capital
25	75	20%
50	50	15%
80	20	10%

49. Output=3,00,000 units; Fixed cost Rs.3,50,000; Unit variable cost Re.1; Interest expenses Rs.25,000; Unit selling price Rs.3. on the basis of above information calculate (a) operating leverage (b) Financial leverage (c) Combined leverage (d) Financial break-even point (e) Operating break-even point.

50.

(a) A radio manufacturing company finds that while it costs Rs.6.25 to make each component X 2730, the same is available in the market at Rs.4.85 each, with an assurance of continued supply. The breakdown of cost is:

Materials	Rs.2.75 each
Labour	Rs.1.75 each
Other variables	Rs.0.50 each
Depreciation and other fixed cost	Rs.1.25 each
Total	Rs.6.25

Should you make or buy?

(b) Present the following information to show to the management; (i) the marginal product cost and the contribution per unit (ii) the total contribution and profits resulting from each of the following sales mixtures:

Direct material - Product A	Rs.10 per unit
Direct material - Product B	Rs.9 per unit
Direct wages- Product A	Rs.3 per unit
Direct wages- Product B	Rs.2 per unit

Fixed expenses Rs.800. Variable expenses are allocated to products as 100% of direct wages. Sales price Product-A Rs.20; Product- B Rs.15.

Sales mixtures: (i) 1,000 units of product A and 2000 units of B. (ii) 1,500 units of product A and 1,500 units of B. (iii) 2,000 units of product A and 1,000 units of B.

DCM13 - MARKETING MANAGEMENT

2 mark questions

- 1. Define marketing management?**
- 2. Distinguish between markets and marketing?**
- 3. Discuss the classification of marketing?**
- 4. Mention the criteria for market segmentation?**
- 5. What is mean by sales forecasting?**
- 6. Define product mix?**
- 7. What do you mean penetration price?**
- 8. Explain the concept of channels of distribution?**
- 9. What is sales promotion?**
- 10. What is advertising?**
- 11. Explain the concept of market?**
- 12. What is marketing mix?**
- 13. What are buying motives?**
- 14. Define the term marketing strategy?**
- 15. Explain the classification of consumer goods?**
- 16. What is product life cycle?**
- 17. Define product line?**
- 18. What skimming price?**
- 19. What are the characteristics of personal selling?**
- 20. Distinguish between salesman ships?**
- 21. What is market?**
- 22. What is marketing management?**
- 23. What is buyer behavior?**
- 24. What is mean by selling?**
- 25. What mean by targeting?**
- 26. What is product positioning?**
- 27. Define term market segmentation?**
- 28. Write any three benefits of market segmentation?**
- 29. What do you mean by product?**
- 30. Write short note on consumer and customer?**

31. Write the limitation of sales forecasting?
32. What is mean by price?
33. Any three importance of pricing?
34. Write objectives of pricing policy?
35. Write importance and function of distribution channels?
36. Write the importance of distribution?
37. Discuss about direct distribution?
38. Define the term middleman?
39. Write a characteristics of middleman?
40. Write the importance of middleman?
41. Write any distribution problems?
42. What is motivation of sales man?
43. Give any points of needs of motivation?
44. What is compensation?
45. Write the objectives of compensations?
46. What is control and needs?
47. What is advertising?
48. Write the qualities of good salesman?
49. Write a feature of advertising?
50. What do you meant by direct selling?
51. What is targeting and positioning?
52. What are the elements of 4P's of marketing?
53. What is branding?
54. Define packaging?
55. What is physical distribution?
56. What is product life cycle?
57. Define sales forecasting?
58. Define pricing?
59. What is portfolio analysis?
60. What are buying motives?

5 mark questions

1. Discuss the various constitute marketing mix?
2. Explain the basic approach to the study of market?
3. Describe the benefit of marketing?
4. Describe the function of selling?
5. What are buying motives and types?
6. What is buying process and explain the steps in buying process?
7. Examine the needs of market segmentation?
8. Explain the method for market segmentation?
9. What are the factors affecting overall markets strategy?
10. Give an account of the reason for the failure of new products?
11. State the quality of good packaging?

12. Explain the advantages of packaging?
13. Explain any one of techniques of portfolio analysis?
14. What is product life cycle? Explain the stages of product life cycle?
15. Examine the function of branding?
16. Point out the objectives of pricing?
17. Write the distribution problems?
18. Discuss the function of a wholesale?
19. Distinguish between department store and multiple shops?
20. Explain the factors governing the choose of channels of distribution?
21. Explain the kinds of media?
22. Explain the sales promotion administration?
23. Enumerate the objectives of advertising?
24. List out the advantages of sales promotion?
25. Differentiate advertising for publishing?
26. Explain the methods of motivation?
27. Explain the objectives of promotion?
28. Write the quality of good salesman?
29. Explain the essential of good compensation?
30. Explain the characteristics of personal selling?
31. Write the scope of marketing?
32. Explain the factors influencing buyer behavior?
33. Explain the approaches of marketing?
34. Explain marketing with other related functions?
35. Explain the new product development process?
36. Explain the various kinds of channels?
37. Discuss the methods of salesman evaluation?
38. Explain the functions of public relations?
39. Write the functions of personal selling?
40. Briefly explain the salesman compositions?

10 mark questions

1. Discuss about the market classification?
2. What are the market approaches?
3. Explain about the types of goods?
4. What are the factors influencing of marketing concept?
5. Explain the marketing with other functional areas?
6. What are the elements of selling?
7. Determine consumer buying behavior?
8. What are the factors affecting the consumer behavior?
9. Why the product fails in market?
10. What are the methods of market segmentation?
11. Write a market strategy and discuss about the factors affecting overall marketing strategy?

12. What is positioning and what are methods used for positioning?
13. What is sales forecasting and its uses and limitation?
14. What product portfolio analysis and its types?
15. Explain about the branding and its functions?
16. What is product and its characteristics and benefits?
17. What are the types of product?
18. What are the process involved in product development?
19. What are the stages in product life cycle?
20. What are the kinds of packaging?
21. What is pricing and discuss about the objectives of pricing policy
22. What are the factors influencing the pricing problems?
23. Discuss about the kinds of pricing?
24. What is channels of distribution and its types?
25. Write the classification of middle man?
26. What are the problems involved in distribution?
27. How to motivate the salesman and its types?
28. What is compensation and what are the reason to give a compensation?
29. What are the steps or process in control?
30. What is motivation and its advantages and disadvantages?
31. What are the kinds of advertising?
32. Discuss about the specific objectives for the advertising?
33. Who are gets benefits through the advertising?
34. What are the kinds are media for advertising?
35. What are the needs in promotional mix?
36. What is sales promotion administration?
37. Discuss about the methods of salesman motivation?
38. Briefly explain the various factors affecting marketing environment?
39. Discuss the various stages in the evaluation of market?
40. Explain the methods of market segmentations?
41. Discuss the methods of pricing?
42. Discuss the methods of sales forecasting?
43. What are the classifications of salesman?
44. Explain the tools and techniques of sales promotion?
45. Briefly explain the components and tools of promotion mix?

**KRISHNASAMY COLLEGE OF SCIENCE, ARTS AND MANAGEMENT FOR
WOMEN**

DEPARTMENT OF COMMERCE

QUESTION BANK

DECM15C - MANAGERIAL ECONOMICS (ELECTIVE)

CLASS: I M.COM

SEMESTER: I

Section – A (6 Marks)

1. What is fundamental difference in the objectives of the modern firm & the traditional firm?
2. What do you mean by business environment?
3. What is mean by sales maximisation?
4. Some firms may restrict profit to prevent competition and also for restricting wages demands – explain.
5. Explain and illustrate the concept $MR = MC$ in arriving maximum profit.
6. An efficient business manager should have a thorough knowledge of business environment – explain this.
7. What is utility? Explain the different types of utility.
8. Write note on
 - (i) Indifferent curve
 - (ii) Marginal utility
 - (iii) Indifference schedule
9. What is a budget line? Explain consumer's equilibrium.
10. When total utility is maximum, what will be marginal utility?
11. When the two commodities are perfect substitutes what will be the shape of indifference curve?
12. What is place utility? Explain its merits
13. What are the classifications of wants?
14. What are the assumptions of the law of diminishing marginal utility?
15. Explain the term Equi-marginal utility.
16. Why should an indifference curve be convex to origin?
17. Illustrate how will you find the marginal rate of substitution.
18. Write a note on wants and advertisement.
19. What are the salient properties of indifferent curve in an indifference map?
20. What are limitations of Equi-marginal utility concept?
21. State the importance of the law of diminishing marginal utility.
22. Differentiate in the objectives between short term forecasting and long term forecasting.
23. Indicate the approach to be made in demand forecasting.
24. State about the merits and defects of consumer's interview method of forecasting.
25. What is End-Use method of forecasting?
26. Write a note on Trend projection method of forecasting.

27. What are uses of production function in decision making?
28. What are the limitations of the principle of least cost combination?
29. What are the assumptions of the law of variable proportion?
30. Write a note on constant return to scale- What are view of Champerlin in this?
31. What are causes for diminishing returns to scale?
32. What are the determinates of supply?
33. What determinates elasticity of supply?
34. Explain increase and decrease in supply with figure.
35. What do you mean by Technical Economics in production?
36. What are the marketing economics?
37. Explain the conceptual difference in approach to cost between economist and accountant of the firm.
38. Describe the role of fixed and variable cost in the cost structure of production.
39. What is the relationship between MC & AC
40. Explain short run and long run cost.
41. Analysis the cost output relationship in the cost run.
42. Write a note on long run average cost.
43. What is engineering approach in the measurement of cost output relationship?
44. Differentiate between cost control & cost reduction.
45. Explain the concept of method study of reducing cost.
46. What are the essential for success of cost reduction programme?
47. State the factors that influence the price of a commodity.
48. Describe how in a competitive market, there could be only one price for a commodity.
49. Advertisement is not essential in perfect competition – Why?
50. Can a monopolist fix the price and also quantity of output according to his wishes?
51. What are the essential difference between perfect competition & Monopoly, relating to the price?
52. What are the evils of monopoly?
53. When will be price discrimination possible and profitable?
54. Write a note on Non-Price Competition.
55. What are the disadvantages of cost plus pricing?
56. What are the advantages of marginal cost pricing?
57. Write a note on customary pricing.
58. What is differential pricing?
59. What are the peculiarities of public utility.
60. State the strategy to be adopted by a firm in price in a new product.
61. What are the aims of profit policy?
62. Explain in Keynes definition of inflation.
63. What is Boom in business cycle?
64. Explain what is mean by recovery in depression? State how this could be brought about.
65. Classify inflation on the basis of speed.
66. Explain the term cost push inflation.
67. Briefly state the effects of inflation on producer in the short run, and in the long run.

Section – B (15 Marks)

1. Explain the various objectives of a modern firm.
2. Discuss the role of a managerial economist
3. Explain and illustrate the law of diminishing marginal utility. Why this is considered a fundamental law in economics of utility?
4. Illustrate the law of Equi-marginal Utility and bring out its usefulness and limitations.
5. Explain and illustrate the concept of 'Indifference Curve' technique. Indicate how will you find out consumer's equilibrium with the help of indifference curve techniques.
6. Illustrate the concept of marginal rate of substitution.
7. Analyse the features of good forecasting methods.
8. What methods are available for forecasting the demand for new products?
9. Discuss and illustrate about the regression method of forecasting demand.
10. Explain the various types of forecasting.
11. Explain and illustrate the law of variable proportions.
12. Explain with illustration the concept of least cost combination.
13. Diminishing returns under variable proportions and diminishing return to scale are only the two sides of the same coin - Do you agree with this statement.
14. Define production. Explain the various assumptions of production function.
15. Write a short note on ISO Quant Curve, Stages of law of production, Equilibrium in production.
16. Explain economics of scale and different types of economies with illustrations.
17. Analyse the advantages and limitations of large scale production.
18. What is small scale production? What are the merits and demerits of small scale production?
19. Explain and illustrate the concept of elasticity of demand.
20. Write short notes on Supply, Supply schedule, Law of Supply, Elasticity of supply
21. In the long run all costs variable – Discuss.
22. Prepare an imaginary cost schedule and illustrate it with TC, VC, FC, AC & MC and discuss the relationship. How is the shape of the cost curve determined?
23. Discuss with figure short run cost – output relationship.
24. Discuss about accounting view and economic view about cost output relationship with illustration.
25. Discuss the important methods of measuring cost output relation and their merits & demerits.
26. Analyse the important cost control techniques
27. Explain the techniques available for cost reduction.
28. Analyse the factors hindering cost control in India.
29. Explain and illustrate the concept of optimum firm.
30. Analyse the role of time in pricing theory.
31. Analyse the features of monopolistic competition.
32. Critically analyse the features of Oligopoly and discuss about price rigidity in Oligopoly.
33. In a perfectly competitive market, a producer is only a price taker and not a price maker' – Discuss.

34. Explain and illustrate the differences between Perfect competition and Monopoly regarding pricing and output and nature of curves.
35. What is price discrimination? Illustrate how prices are fixed under price discrimination?
36. Illustrate how a firm under monopolistic competition determines the price of the product.
37. Discuss about price and output decision under Oligopoly. Illustrate and explain the kinked demand curve in Oligopoly.
38. Explain and analysis the concept pricing for a rate of return with illustration.
39. Explain in detail marginal cost pricing method; its advantages and limitations.
40. What are the constraints in pricing?
41. Explain the concept what the traffic can bear principle in pricing.
42. Explain and illustrate skimming price strategy and discuss when this will be success.
43. What is profit forecasting? Describe the approaches to profit forecasting.
44. Economists have suggested many profit policy as an alternative to profit maximisation – Discuss about this.
45. Define inflation and analyse the measures that could be adopted by the measures that could be adopted by the government to contain inflation.
46. What is a Business Cycle? Analyse the Characteristic features of a business cycle.
47. Analyse the effects of inflation on different sectors of the economy and also on different classes of people.
48. As a manager, what steps would you take during different phases of business cycle.
49. Explain the concept of stagflation with refers to India. What should be the credit policy at time of inflation?
50. What are the social consequences of inflation? Differentiate between deflation and disinflation.

Department of chemistry

Question Bank – food chemistry

(Open Non Major Elective)

Two marks:

1. What is balanced diet?
2. Write the sources of food?
3. Write the classification of sources of food?
4. Write the sources of food from plants?
5. Write the sources of food from animal?
6. Define food?
7. Write the Classification of food categories?
8. Write any five advantages of food?
9. Write any five disadvantages of food?
10. Write the examples of food from vegetables?
11. Write the examples of food from fruits?
12. Write the examples of food from grains, legumes, nuts and seeds?
13. Write the examples of food from seafood?
14. Write the examples of food from dairy products?
15. Write few points about the functions of food?
16. Write the constituents of food?
17. Define carbohydrates and write the examples?
18. What are sugars?
19. Define cellulose?
20. Define starch?
21. Write any two points about the deficiency of carbohydrate?
22. Write any two points about the functions of carbohydrates?
23. Define proteins?
24. Classify the proteins?
25. Define animal proteins?
26. Define plant proteins?
27. Write the functions of proteins?
28. What are the diseases caused if protein is lacking?
29. What is marasmus?
30. What is kwashiorkor?
31. Define fats?
32. What is good fat?
33. What is bad fat?
34. Define vitamins?

35. Write the classification of vitamins?
36. What are fat soluble vitamins?
37. What are water soluble vitamins?
38. What are the sources available for vitamin A?
39. What are the functions of vitamin A?
40. What is the deficiency caused if vitamin A is lacking?
41. Write the chemical name of vitamin A, D, E, B₆ ?
42. Define food colours?
43. What are the advantages of food colours?
44. What are the disadvantages of food colours?
45. Write the examples of food colours?
46. Which forms the food colours are available?
47. Write the classification of food colours?
48. Define natural colours with examples?
49. Define artificial colours with examples?
50. Write the examples for permitted colours in food?
51. What are the limitations of using food colours?
52. Define food flavours?
53. Classify the food flavours?
54. Define natural food flavor with examples?
55. Define processed food flavours with examples?
56. Define artificial food flavours with examples?
57. Define fermentation?
58. Why flavouring agents are widely used in food industry?
59. Define natural toxicants?
60. What are bio toxins?
61. What is food poisoning?
62. What are the causes for food poisoning?
63. What is acidity?
64. What are the causes of acidity?
65. What are the symptoms of acidity?
66. Write any two treatments for acidity?
67. How we prevent the acidity?
68. What are the foods eat while in acidity?
69. Define gastritis?
70. What are the causes of gastritis?
71. What are the symptoms of gastritis?
72. Write any two diagnosis methods for gastritis?
73. Write the treatment for gastritis?
74. What is indigestion?
75. What are the symptoms of indigestion?
76. What are the causes of indigestion?
77. Write any two medications of indigestion?
78. Write any two treatments for indigestion?

79. How to prevent indigestion?
80. What is constipation?
81. Write the symptoms of constipation?
82. What are the causes of constipation?
83. Write any two treatments for constipation?
84. Define food spoilage?
85. Classification of food spoilage?
86. What is physical spoilage?
87. What is chemical spoilage?
88. What is enzymatic browning?
89. What is enzymatic spoilage?
90. What are the factors affecting the food spoilage?
91. Define food preservation?
92. Write any two methods of food preservation?
93. Define drying?
94. Define canning?
95. Define sterilization?
96. Define dehydration?
97. Define pasteurization?
98. Daily recommended diet for vitamin A?
99. Write the sources of vitamin C?
100. What the functions of vitamin C?
101. Write the deficiency diseases of vitamin C?
102. What are the sources of vitamin K?
103. What are the functions of Vitamin K?
104. What are the daily requirements of Vitamin K in human body?
105. Write the deficiency of vitamin K?
106. What are the sources of B6?
107. What are the functions of vitamin B6?
108. What are macro minerals?
109. What are micro minerals?
110. Which minerals are needed in our human body?
111. Write the examples of macro minerals?
112. Write the examples of micro minerals?
113. Write the sources of sodium?
114. What are the functions of sodium in human body?
115. What is RDA?
116. What is daily requirement of sodium in our human body?
117. Write the sources of potassium?
118. Write the functions of potassium in human body?
119. Write the deficiency diseases of potassium?
120. Write the sources of Magnesium?
121. What are the functions of magnesium in human body?
122. Write the daily requirement of magnesium in human body?

123. Write the sources of iron?
124. What are the functions of iron in human body?
125. Define anaemia?
126. What are the sources of phosphorous?
127. Write the daily requirement of iron in human body?
128. Write the blood hemoglobin value for a normal adult both male and female?
129. Write the sources of sulphur?
130. What are the functions of sulphur in human body?

Five marks:

1. Define food? Explain the advantages of foods?
2. What are the disadvantages of foods?
3. Classify the sources foods?
4. What are the advantages and disadvantages of processed foods?
5. Explain the sources foods from plants?
6. Explain the sources of foods from animal and animal related products?
7. What are the constituents of food and explain with examples?
8. Explain about carbohydrates?
9. Explain about sugars?
10. Explain about starch and cellulose?
11. Explain the functions of carbohydrates in human body?
12. Define proteins? Classify the proteins?
13. Explain the functions of proteins?
14. Explain the deficiency diseases of proteins?
15. Explain about Marasmus and Kwashiorkor?
16. Define fats and explain?
17. Explain the functions of fats?
18. Define food colours? Classify the food colours?
19. Write a short note on a) natural food colours b) Artificial food colours
20. Explain about food flavours?
21. Explain about natural toxicants with examples?
22. What is acidity? Explain the causes and symptoms of acidity?
23. How to diagnosis acidity and explain the prevention methods?
24. What is gastritis? Explain the symptoms?
25. Explain the causes of gastritis?
26. Explain the treatments of gastritis?
27. Explain the causes of indigestion?
28. Write the symptoms of indigestion?
29. Write the treatments for indigestion?
30. Explain the causes of constipation?
31. Explain the symptoms of constipation?
32. What are the foods used for prevention of constipation?
33. What are macro and micro minerals?

34. Explain about functions of sodium in human body?
35. Explain the daily requirement and deficiency of sodium in human body?
36. Explain the sources and functions of potassium?
37. Explain the requirement and deficiency of potassium in human body?
38. Explain the sources and functions of Magnesium?
39. Explain the requirement and deficiency of Magnesium in human body?
40. Explain the sources and functions of iron?
41. Explain the requirement and deficiency of iron in human body?
42. Explain about anaemia?
43. Explain the sources and functions of sulphur?
44. Explain the requirement and deficiency of sulphur in human body?
45. Explain the sources and functions of phosphorous?
46. Explain the requirement and deficiency of phosphorous in human body?

Ten marks:

1. Define food and explain the advantages and disadvantages of food?
2. Explain the food sources from plants with examples?
3. Explain the food sources from animals and animals related products with examples?
4. What are the constituents of food? And explain about carbohydrates?
5. Explain about carbohydrates, classification and its functions?
6. Write a short note on a) sugar b) starch c) cellulose
7. Explain about proteins, classification, functions and deficiency diseases?
8. Explain about fat?
9. Explain about food colours with examples?
10. Explain about food flavours with examples?
11. What is food poisoning? What are the diseases caused explain any one of the diseases?
12. What is acidity? Explain causes, symptoms, treatments and prevention techniques?
13. What is gastritis? Explain causes, symptoms, treatments and prevention techniques?
14. What is indigestion? Explain causes, symptoms, treatments and prevention techniques?
15. What is constipation? Explain causes, symptoms, treatments and prevention techniques?
16. What are vitamins? Classify
17. Explain the water soluble vitamins briefly?
18. Explain fat soluble vitamins briefly?
19. Explain about the sources, functions and deficiency of vitamin A?
20. Explain about the sources, functions and deficiency of vitamin B?
21. Explain about the sources, functions and deficiency of vitamin C?
22. Explain about the sources, functions and deficiency of vitamin D?

- 23. Explain about the sources, functions and deficiency of vitamin E?**
- 24. Explain about the sources, functions and deficiency of vitamin K?**
- 25. Explain about the sources, RDA, functions and deficiency of Sodium?**
- 26. Explain about the sources, RDA, functions and deficiency of potassium?**
- 27. Explain about the sources, RDA, functions and deficiency of Magnesium?**
- 28. Explain about the sources, RDA, functions and deficiency of Iron?**
- 29. Explain about the sources, functions and deficiency of sulphur?**
- 30. Explain about the sources, functions and deficiency of phosphorous?**

KRISHNASAMY COLLEGE OF SCIENCE, ARTS AND MANAGEMENT FOR WOMEN

DEPARTMENT OF COMMERCE

QUESTION BANK

DCM 31 - GOODS AND SERVICE TAX (GST)

SECTION-A

1. Define indirect tax.
2. Define GST.
3. Define debit note.
4. Define credit note.
5. What is meant by TDS.
6. What is meant by alternate dispute resolution.
7. What is meant by demand.
8. Define SWOC.
9. Define CGST.
10. Define IGST.
11. Define SGST.
12. Define E-Commerce.
13. Define ITC.
14. Define refund.
15. Define Audit.
16. Define supply.
17. Define appeals.
18. Define authority.
19. Define inspection.
20. Define place.
21. Define time.
22. Define registration.
23. Define levy and collection of tax.
24. Define invoice.
25. Define trade.

SECTION-B

1. Explain the Nature and scope of indirect taxes.
2. Difference between direct and indirect taxes.
3. Explain the types of indirect tax.
4. Explain the milestones in the history of indirect taxation in India.
5. Explain the major indirect taxes merged in to goods and service tax.
6. Explain the effects of GST.

7. Explain the strengths of goods and services tax .
8. Explain the objectives of GST.
9. Explain the features of GST.
10. Explain the impact of GST.
11. Explain the penalty of GST.
12. Explain the audit of GST.
13. Explain the valuation of supply.
14. Explain the appeals of GST.
15. Explain the assessment of GST.
16. Explain the refund of GST.
17. Explain the payment of tax.
18. Explain the returns of GST.
19. Explain the taxable persons of GST.
20. Explain the input tax credit.
21. Explain the place of supply.
22. Explain the time of supply.
23. Explain the scope of supply.
24. Explain the debit note.
25. Explain the credit note.

SECTION-C

- 1.Explain the advantages and disadvantages of indirect tax.
- 2.Explain the advantages and disadvantages of GST.
- 3.Explain the levy and collection of tax.
4. Explain the accounts and records.
- 5.Explain the tax invoice of GST.
- 6.Briefly explain the registration of GST.
- 7.Explain the tax deducted at source.
8. Explain the exemption limit of GST.
9. Explain the liability to pay tax.
10. Explain the authority and appellate authority.

KRISHNASAMY COLLEGE OF SCIENCE, ARTS AND MANAGEMENT FORWOMEN

DEPARTMENT OF COMMERCE

QUESTIONA BANK

DCM32 - ORGANISATIONAL BEHAVIOUR

YEAR/SEM: II / III SEM

CLASS: II M.Com

SECTION – A (6 MARKS)

1. Distinguish between formal and informal organisation.
2. Explain the nature of organisational behaviour as a field of study.
3. State the importance of studying organisational behaviour.
4. Explain the various organisational behaviour models.
5. What are the peculiar problems encountered in the study of organisational behaviour.
6. Explain the important determinants of personality.
7. Discuss Freud's approach to personality development.
8. Explain the psychoanalytical theory of personality.
9. What are the characteristics of learning?
10. Explain the important principles considered in organising stimuli.
11. Discuss the important determinants of perceptions.
12. What are the factors involved in stimuli interpretation? Explain.
13. Describe various types of Intelligence Tests.
14. Explain the nature of Attitude and Interest.
15. Bring out salient features of Transactional Analysis.
16. Explain the importance of Brainstorming.
17. Explain the process of perception.
18. Explain the characteristics of motivation.
19. Explain non-financial incentives and their importance.
20. Discuss Herzberg's theory of motivation.
21. Bring out the key points in William Ouchi's 'Z' theory.
22. What are the reasons for the formation of groups?
23. What are the different stages in the process of group development? Explain.
24. Explain the determinants of group cohesiveness.
25. Explain the merits and demerits of group decisions.
26. Discuss the effect of group dynamics in an organisation.
27. Bring out the salient features of communication.
28. Discuss the merits and demerits of informal communication.
29. Explain downward and upward communication.
30. State the importance of communication.
31. Discuss briefly the functions of a leader.
32. Explain the characteristics of a leader.
33. State the importance of leadership.
34. Distinguish a leader from a manager.

35. Bring out the salient features of autocratic leadership style.
36. Explain the 'traits theory' of leadership.
37. What are the sources of power?
38. What are the measures that can be adopted to limit the adverse effects of politics?
39. Explain the different approaches to managing stress.
40. State the characteristics of counselling.
41. Discuss the importance of counselling.
42. Explain the causes of resistance to change.
43. What are the circumstances in which employees do not show resistance?
44. What are the characteristics of organisational culture?
45. How is an organisation's culture created?
46. What are the ways to sustain organisational culture? Explain.
47. State the determinants of organisational culture.
48. What are the various factors influencing organisational effectiveness?
49. Explain the goal approach to organisational effectiveness.
50. Discuss the importance strategies for resolving conflicts.
51. Explain the outcome of conflicts.
52. How do conflicts take place at different levels?
53. Explain the advantages of performance appraisal.
54. Explain the methods generally used to appraise performance.
55. State the importance of promotion.
56. Explain the merits of incentives.
57. What are the problems normally faced in the implementation of incentive plan?
58. Explain Rowan's incentive plan and state its merits and demerits.
59. Explain some of the non-monetary incentives.
60. What are 'fringe benefits'? State their importance.

SECTION – B (15 MARKS)

1. Explain the importance concepts of organisational behaviour.
2. How are the Hawthorne Experiments useful in understanding organisational behaviour?
3. Discuss the influence of personality factors on human behaviour.
4. Explain the various stages of the organisational Development process.
5. Discuss the important personality theories.
6. Explain the important theories of learning.
7. What are the important determinants of learning? Explain.
8. Discuss the impact of employees' attitude and behaviour on productivity.
9. Explain the determinants of perceptions.
10. Explain the importance of motivation.
11. Discuss Maslow's Hierarchy of needs.
12. Distinguish Theory 'X' from Theory 'Y'.
13. Explain the various types of groups.
14. Discuss the measures that can be taken to increase group cohesiveness.
15. Explain the different levels of self-awareness.

16. Discuss the merits and demerits of oral as well as written communication.
17. Explain the barriers to effective communication. Suggest remedial measures.
18. Explain the different styles of leadership and their effect on productivity in various situations.
19. Explain the functions performed by a leader.
20. Explain the factors that provide scope for organisational politics.
21. Explain the personal and organisational factors that cause stress.
22. Discuss the importance functions of counselling.
23. Discuss in detail the internal and external factors influencing change.
24. Explain the measures that can be adopted to overcome resistance by employees.
25. Discuss the methods of transmitting organisational culture to employees.
26. Explain the different types of organisational culture.
27. Discuss the different approaches to organisational effectiveness.
28. Explain the causes of conflicts in a work place.
29. Discuss the positive and negative aspects of conflicts.
30. Discuss the various methods available for appraising the performance of employees.
31. Explain the pros and cons of 'seniority' and 'merit' criteria of promotion.
32. Explain the requirement of a sound incentive plan.
33. Discuss some of the time based incentive plan with their relative merits and demerits.
34. What are the causes and consequences of labour turnover?
35. What is profit sharing? What are the merits and demerits?
36. Explain the outcome of conflicts? How do conflicts take place at different levels?
37. Explain some of the non-monetary incentives and 'fringe benefits'
38. Explain the importance of studying organisational behaviour. And various organisational behaviour models.
39. Explain the characteristics of learning and importance of learning.
40. Explain the characteristics and the importance of leadership.
41. Explain Maslow's Hierarchy of needs and Theory 'X' Theory 'Y'.
42. Explain the merits of incentives and the problems normally faced in the implementation of incentive plan?
43. Explain the determinants and approaches of personality development.
44. Explain the importance of incentives and promotion.
45. Explain conflicts and how conflicts take place at different levels?
46. State the characteristics and importance of counselling.
47. Explain the advantages of performance appraisal and methods generally used to appraise performance.
48. Explain the 'traits theory' of leadership and the sources of power?
49. Explain the salient features and importance of communication.
50. Explain non-monetary incentives and monetary benefits.

KRISHNASAMY COLLEGE OF SCIENCE, ARTS AND MANAGEMENT FOR WOMEN

DEPARTMENT OF COMMERCE

QUESTION BANK

DCM33 - ADVANCED COST ACCOUNTING

CLASS: II M.COM

SEMESTER: III

SECTION – A (6 MARKS)

1. What are the steps involved in cost control.
2. Discuss the role of the reduction.
3. State the dangers of cost reduction.
4. What are the advantages of the Analysis?
5. Write a note on just -in-time purchasing.
6. Difference between cost reduction and cost control.
7. Define ABC? Explain the traditional V/S ABC.
8. How to develop an ABC system?
9. Write the Wastage control?
10. What are the benefits of complementing ABC?
11. What is the limitation of cost Accounting?
12. Discuss the various elements of cost?
13. The following details are obtained from the books of Ganesh LTD; for the Quarter ended 31-3-2005. Ascertain the direct material consumed on the period;

Materials purchased	1,48,000
Import duty on material purchased	38,000
Stock of materials on 1-1-2005	1,62,000
Carriage on the material purchased	40,000
Stock of material on 31-3-2005	1,46,000
Realization from material scraps	14,000

14. Ascertain the prime cost from the following:

Direct Wages	50,000
Chargeable expenses	5,000
Opening stock of raw materials	10,000
Raw materials bought during the period	60,000
Closing stock of raw materials	20,000
Carriage inwards	1,500
Carriage onwards	2,000
Raw materials returned to supplier	1,500

15. Find out the amount of production overhead:

Office stationary	5,000
Factory lighting	10,000
Works Manager's Salary	22,000
Indirect Materials	9,000
Audit Fees	13,000
Foremen's Salary	13,000

16. Calculate Prime cost, Factory cost, Cost of production, Cost of sales and Profit from the following details :

	Rs.
Direct materials	10,000
Direct labour	4,000
Direct expenses	500
Factory expenses	1,500
Administration expenses	1,000
Selling expenses	300
Sales	20,000

17. Prepare a cost sheet from the following details

Raw materials consumed	80,000
Wages	20,000

Wages, expenses are charged at 10% of wages. Office overheads charged at 25% on Works cost and selling overhead at 10% on works cost.

18. The following are the estimated costs for producing 1000 units

Raw materials	10,000
Wages	8,000
Direct expenses	2,000
Machine hours needed	2,000 hours
Machine hour rate	Rs.2
Fixed overheads@10% of work cost.	
Calculate the cost per unit.	

19. The following cost data are available from the books for the year ended 31.12.95.

Direct material	9,00,000
Direct wages	7,50,000
Profit	6,09,000
Selling and distribution overheads	5,25,000
Administrative overheads	4,20,000
Factory overheads	4,50,000

Prepare a cost sheet indicating the prime cost, works cost, production cost, cost of sales and sales value.

20. From the following information prepare a cost sheet for the month of January.(10)

Stock of raw materials on 1st January	25,000
Stock of raw material on 31st January	26,200
purchases of raw materials	21,900
Carriage on purchases	1,100
sale of finished goods	72,300
Direct wages	17,200
Non-productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling overheads	4,200.

21. A factory produces 100 units of a commodity. The cost of production is:

Materials	10,000
Wages	5,000
Direct expenses	1,000

Factory overhead 125% on wages; office overheads 20% on works cost. Expected profit 25% on Sales. Calculate the price to be fixed per unit.

22. Senthil construction company undertook a contract for construction a building from 1st jan.2004.The contract price was Rs.1, 00,000.he insured the following expenses.

	Rs.
Materials issued	6,000
Materials in hand, at the end	1,000
Wages	5,000
Direct expenses	20,000
Plant purchased	10,000

The contract was completed on 30th June 2004 and the contract price was duly received. Provide depreciation @20%p.a. on plant and charge Indirect expenses at 20% on wages. Prepare contract account in the Books of the company.

23. The following is the summary of transaction as on 31st December.1994, relating to special contract completed during the year.

Material brought from the market	1,500
Material issued from the stores	500
Wages	2,400
Direct expenses	294

Work on cost-23% of direct wages

Office on cost_ 10% of prime cost

Contract price Rs.6, 000.

You are required to prepare a contract account keeping in view the materials returned amounted to Rs240.

24. How much profit, if any, you would allow to be considered in the following case.

Contract cost	5,60,000
Contract value	10,00,000
Cash received	5,40,000
Uncertified work	60,000

Deduction made from bills by way of security deposit 10%.

24. The following expenses were incurred on a contract still unfinished on 31.12.2004.

Materials	40,000
Wages	25,000
Other expenses	25,000

Rs. 2,00,000 was received from the contractee being 80% of work certified. Work uncertified was Rs. 10,000. You are required to calculate the profit to be credited to

Profit and loss account:(10)

(a) If the contract price was	Rs. 4,00,000
(b) If the contract price was	Rs. 8,00,000
(c) If the contract price was	Rs.20,00,000.

25. Subramanian & co; under took a contract, the contract price being Rs. 1,00,000 The Contract commenced on 1st January 2005 . During the year work certified was valued at Rs. 50,000 of which 75% was received. Work uncertified amounted to Rs. 10,000

The following expenses were incurred;

Materials-- Rs. 30,000; Labour --20,000; Plant Rs. 10,000;Direct expenses-- Rs. 8,000; Indirect expenses-- Rs. 5000. At the end of the year wages accrued were Rs.2,000; Materials in hand Rs.1,000;and plant in hand Rs. 1,500. Prepare contract account.

26. Menasha co . Ltd; undertook a contract for construction of a bridge on 1-1-2004 The contract is expected to be completed by 30-6-2005. The contract price is Rs.8,00,000 You are required to prepare the contract account for the year ending 31-12-2004 from the Following data; (10)

Material issued	2,00,000
Wages	75,000
Materials returned to stores	10,000
Plant used for full year	2,00,000
General overheads	80,000
Deprecation of plant 10%	
Supervisor salary	10,000
Work certified	5,00,000

Cash received is 80% of work certified, 10% of material issued and 15% of wages may be Taken to have been incurred for the portion of work completed but not yet certified. General Overheads are charged as percentage of direct wages.

27. From the following information show the total cost and cost per unit of process "x" and process "y"

	process x	process y
Direct materials	40,000	60,000
Direct wages	60,000	40,000
Output in units	5,000	6,000
Opening stock (units from previous process)	---	2,000
Closing stock (units from previous process)	---	800

28. 800 units were introduced into a process at a cost of Rs.30,000. Cost of labour and Overheads amounted to Rs. 26,000 and Rs.16,000 respectively . The normal loss in the process 10% of the output .which has no recovery value. Show the process account.

29. The following expenses were incurred for the production of 570 units of a durable Product.

Materials	2,00,000
Wages	60,000
Overheads	40,000

Normal wastage in the process is 5% of the input and the scrap value is Rs.215 per Unit. Prepare process account, assuming there was no abnormal loss or gain.

30. In the manufacture of product "B" 1000 Kgs of material at Rs. 8 per kg was supplied to the first process . Labour cost amounted to Rs. 2,000 and production overhead incurred was Rs. 1,000. The normal loss has been estimated at 10% which could be sold at Rs. 2 per kg .The actual production of the process was 880 kgs. Show process I account.

31. The production data of process A for the month of March is given below;

The opening work process	nil
Units placed in process	50,000
Units in process at the end of March 1/4th complete	6,000
Units completed	44,000
Total costs	Rs.91,000

Calculate (a) Total equivalent units completed and (b) Cost of equivalent production.

32. 10,000 units of raw materials are introduced into a process at a cost of Rs. 20,000.

Wages and overheads for the process are Rs.5,100 and Rs. 3,400 respectively. 7,500

Units were completed; balance of 2,500 units is 100% complete as regards and 40%

Complete as regards wages and overheads. Prepare.

(a) Statement of equivalent production.

(b) Statement of cost and

(C) Statement of evaluation.

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33. What is meant by ABC analysis? What are the advantages of ABC?

34. Explain the functions of cost accounting.(10)

35. What are the objectives of inventory control?

36. What are the objectives of cost accounting?

37. Write the advantages of ABC analyses of stock control.

38. What are the essentials of good costing system.

39. Explain the advantages of process accounting.

40. Explain the disadvantages of contract accounting.

41. What are the various elements of cost of production?

42. Write a short note on

(i) Cost plus contract and

(ii) Escalation clause.

43.. Distinguish between wastage and scrap.

44.. What are the disquisitions prescribed for a cost auditor?

45. Product A requires 10 kgs of material at the rate of 4 per kg . The actual consumption of material for the manufacturing of product A came to 12 kgs of material at the rate Rs. 4.50 per kg. Calculate:

(i) Material cost variances

(ii) Material usage variances

(iii) Material price variances.

46. A company produces 300 units of product R , 200 units of product S and 100 units of product J from a single process. The costs upto the point of separations amounted to Rs. 30,000. You are required to apportion the joint cost of production among the products, using the average unit cost method.

47.. What is equivalent production? Explain with example?

48. Explain the steps to be taken for the installation of a costing system?

49. " Cost accounting has become an essential tool in the hands of management ", -- Discuss.

50. state the objectives of cost audit?

SECTION--B

51.. Vijaya Builders accepted a contract for construction of a mult i-- storeyed bulding. The contract price was Rs.40,lakhs. At the enf of the financial year 1997--98, the company had received Rs. 14,40,000 being 90% of the work certified. Uncertified work was Rs. 50,000. Other particulars are material used Rs. 4,00,000 : wages paid Rs. 10,00,000 plant issued Rs. 80,000. Materials costing Rs. 10,000 were lost. Depreciate plant by 25%. Prepare contract a/c and indicate the amount that can be transfered to profit and loss account.

52..From the following data , calculate thematerials yeild variance :

Standard mix	Actual mix
Material A : 200 units @ Rs 12	160 units @ Rs 13
Material B : 100 units @ Rs 10	140 units @ Rs 10

Standard loss allowed is 10% of input.
Actual output is 275 units.

53. From the following data. Calculate overhead variances.

	Budgeted	Actual
	Rs	Rs
Over heads	3,75,000	3,75,000
Output per man hour in units	2	1.9
Number of workings days	25	27
Man hours per day	5,000	5,500

54. Data relating toajob is given below. You are required to calculate:

(i) Labour cost variance

(ii) Labour rate variance and

(iii) Labour efficiency variance

Standard rate of wages per hour Rs. 10

Standard hours 300

Actual rate of wages per hour Rs 12

Actual hours 200.

55. A manufacturing concern which has adopted standard costing furnished the following information:

Standard :

Material for 70 kg finished product : 100 kgs

Price of materials Rs. 1 per kg

Actual :

Output 2,10,000 kgs
 Material used 2,80,000 kgs
 Cost of material Rs 2,52,000

Calculate :

- (a) Material usage variance
- (b) Material price variance
- (c) Material cost variance.

56..From the following particulars prepare a cost sheet showing the components of total cost and the profit for the year ended 31-12-2000

Particulars	1.1.2000 Rs	31.12.2000 Rs.
Cost of raw materials	30,000	25,000
Cost of work in progress	12,000	15,000
Cost of finished goods	60,000	55,000
Transaction during the one year arc:		
		Rs
Purchase of raw materials		4,50,000
Wages paid		30,000
Factory overheads		92,000
Administration overheads		30,000
Selling and distribution overheads		20,000
Sales		9,00,000

57. Prepare cost sheet for the year 1986 from the following showing the total Cost and cost per unit. Number of units produced 2,000.

	Rs.
Opening stock of raw materials	10,000
Purchases	1,80,000
Direct wages	36,000
Indirect wages	48,000
Closing stock of raw materials	12,000
Work-in-progress on 1-1-86	5,000
Work-in-progress on 31-12-86	6,000
Factory overheads	26,000
Office overheads	45,000
Selling overheads	16,000
Opening stock of finished goods (100 units)	20,000

Closing stock of finished goods 120 units' profit 10% on sales.

During the year1987, it is decided to increase the production to 2,400 units .It is Anticipated that:

- (a) Materials prices will increase by 10%
- (b)Wages will reduce by 20%
- (c) Other expenses will remain constant per unit

(d) Expected profit 20% on fixed per unit.

58.. The following figures have been given from a factory for the year 2004.

Materials Rs.12, 00,000 ,Wages RS . 10, 00,000. Factory overhead Rs.6,00,000.

Administration expenses Rs.6, 72,000.Selling overhead Rs.4, 48,000.Distributions overhead Rs.2, 80,000 and Profit Rs.8, 40,000.

In 2005 the firm wants to execute a work order which requires Rs.16,000 for materials

And Rs. 10,000 for direct wages. Determine the price at the same rate of profit as is 2004.

59..The accountso ABC.Co Ltd show the following:

	Rs.
Materials used	7,00,000
Direct labour	5,40,000
Works overhead	1,62,000
Establishment overhead	1,12,000

What price should the company quote to manufacture a machine which will require on expenditure of 1,000 in materials and Rs. 800 in wages so that it will yield a profit of 20% on selling price? Make necessary assumption regarding percentages.

60.The following data, relating on a factory for the year 2000 are available:

	Rs.
Materials consumed	2,00,000
Direct wages	1,50,000
Factory expenses	90,000
Administrative expenses	88,000

based on the above data ,find out the cost of a job to be done in January 2001.

Materials required	Rs. 20,000
Wages for job	Rs. 15,000

What price will be quoted for the job, if a profit at 20% on selling price is required?

61.compute the cost of raw materials purchased from the data given below.

	Rs.
Opening stock of raw materials	10,000
Closing stock of raw materials	15,000
Expenses on purchases	5,000
Direct wages	50,000
Prime cost	1,00,000

62.A contractor obtained a contract a contract for Rs. 6,00,000, on 1st Jan. 1988. The expenses Incurred during the year ended 31st Dec 1988 were as under.

Materials	1,80,000
Wages paid	1,60,000
Wages accrued	10,000
Other expenses	25,000

The plant, specially installed for the contract , worth Rs.45,000 was returned to the stores Subject to depreciation of 20%. Materials at site on 31-12-88 were valued at Rs. 24,000.

The contractor had received Rs. 3,60,000 in cash up to 31-12-88, representing 80% Of the Work certified. Work uncertified was estimated at Rs. 4,000.

Prepare the contract account, showing the profit for the year. Also show how the value of the work-in-progress would appear in the balance sheet as on 31-12 1988.

Mr Ram undertook two contracts that commenced on 1st Jan 1988 and 1st July 1988 respectively. The accounts on 31st Dec 1988 showed the following position.

	contract1	contract2
Contract price	4,00,000	2,70,000
Expenditure:		
Materials	72,000	58,000
Wages paid	1,10,000	1,12,400
General charges	4,000	2,800
Plant installed	20,000	16,000
Materials on hand	4,000	4,000
Wages accrued	4,000	4,000
Work certified	2,00,000	1,60,000
Cash received in respect thereof	1,50,000	1,20,000
Work done but not certified (at cost)	6,000	8,000

The plants were installed on the date of commencement of each contract; depreciation Thereon is to be taken at 10% p.a.

Prepare the contract accounts in tabular form and ascertain the profit or loss to be taken to Profit and loss account.

64. The following information relates to a building contract for Rs. 10,00,000.

	1986	1987
Materials issued	3,00,000	84,000
Direct wages	2,30,000	1,05,000
Direct expenses	22,000	10,000
Indirect expenses	6,000	1,400
Work certified	7,50,000	10,00,000
Materials at site	5,000	7,000
Work uncertified	--	8,000
Plant issued	14,000	2,000
Cash received from contractee	6,00,000	10,00,000

The value of the plant at the end of 1986 and 1987 was Rs. 7,000 and Rs. 5,000 respectively. Prepare (i) contract account, (ii) contractors account for the two years 1986 and 1987 taking into consideration such profit for transfer to profit and loss account as you think proper.

65. A Product passes through two processes X and Y before it is finished and transferred to Stock. In both the processes 10% of the weight put in is lost. An additional 20% is scrapped which realise Rs.10 per ton and Rs.15 per ton respectively from processes X and Y. The following data is obtained for the month of Nov, 2008;

	process1	process2
Material consumed	1,000 tones	100 tones
Cost per ton of material	Rs. 20	Rs.30
Wages	10,000	12,000
Works expenses	7,000	8,400

Prepare process accounts showing cost of the output of each process and cost per ton.

66. Bengal Chemicals Company Ltd; produced three chemicals during the month of July 2006

By three consecutive processes. In each process 2% of the total weight put in is lost and 10% is scrap which is process I and I realises Rs. 100 a ton and in process III Rs.20 a ton. The products of the three processes are dealt with as follows;

	Process-I	process-II	process-III
Passed on to the next process	75%	50%	---
Sent to the ware house for sale	25%	50%	100%

Expences incurred	Process - I		Process - II		Process - III	
	Rs	Tons	Rs	Tons	Rs	Tons
Raw interests	1,20,000	1,000	28,000	140	1,07,840	1,348
Manufacturing wages	20,500	—	18,520	-	15,000	—
General Expences	10,300	—	7,240	-	1,300	—

Prepare process cost accounts ,showing the cost per ton of each process

67. The production data of process A for the month of March in given below:

Opening work in process	Nil
Units placed in process	50,000
Units in process at the end of March --	
1/4 complete	6,000
Units completed	40,000
Total costs	Rs.91,000

Calculate (a) Total equivalent units completed and (B) Cost of equivalent production.

68. The standard cost of a chemical mixture is :

40% of material "A" at Rs 200 per tone.

60% of material "B" at Rs 300 per tone.

A standard loss of 10% is expected in production. During a period there is used:

90 tonnes of material A at the cost of Rs.180 per tone.

110 tonnes of material B at the cost of Rs 340 per tone.

The weight produced is 182 tonnes of good production.

- Material price variance.
- Material usage variance
- Material mix variance
- Material yield variance.

69.. From the following data ,calculate

(a) Fixed overhead cost variance

(b) Expenditure variance

- (c) Volume variance
- (d) Capacity variance
- (e) Efficiency variance.

	Budget	Actual
	Rs	Rs
Fixed overhead for May 2009	40,000	40,800
Units of production for May 2009	20,000	20,800
Standard time for one unit	4 hours	
Actual hours worked	80,400.	

70. From the data given, compute material (i) cost , (ii) price (iii) usage variance.

Standard:

Material for 80 kg of finished product = 100 kg to be used.

Standard price per kg = Re. 0.80

Actuals :

Finished goods produced = 1,65,000 kg

Material used = 2, 00,000 kg

Actual cost = Rs 1,70,000.

71.. The standard material cost to produce a tone of chemical X is :

300 kg of material A at Rs. 10 per kg.

400 kg of material B at Rs. 5 per kg.

500 kg of material C at Rs. 6 per kg.

During a period , 100 tonnes of mixture of X were produced by using :

35 tonnes of material A at a cost of Rs. 9,000 per tone.

42 tonnes of material B at a cost of Rs. 6,000 per tone.

53 tonnes of material C at a cost of Rs. 7,000 per tone.

Calculate price, usage, and mix variances.

72. The standard cost card reveals the following information :

Labour rate : 50 paise per hour.
 Hours set per unit : 10 hours
 Actual data are given below :
 Units produced : 500
 Hours worked : 6,500
 Actual labour cost : Rs. 2,400. Calculate labour variance.

73. The standard cost of a chemical mixture is :

40% of material "A" at Rs 200 per tone.

60% of material "B" at Rs 300 per tone.

A standard loss of 10% is expected in production. During a period there is used:

90 tonnes of material A at the cost of Rs.180 per tone.

110 tonnes of material B at the cost of Rs 340 per tone.

The weight produced is 182 tonnes of good production.

- Material price variance.
- Material usage variance
- Material mix variance
- Material yield variance.

74. From the following data ,calculate

- (a) Fixed overhead cost variance
- (b) Expenditure variance
- (c) Volume variance
- (d) Capacity variance
- (e) Efficiency variance.

	Budget	Actual
	Rs	Rs
Fixed overhead for May 2009	40,000	40,800
Units of production for May 2009	20,000	20,800

Standard time for one unit	4 hours
Actual hours worked	80,400.

75. From the data given, compute material (i) cost , (ii) price (iii) usage variance.

Standard:

Material for 80 kg of finished product = 100 kg to be used.

Standard price per kg = Re. 0.80

Actuals :

Finished goods produced = 1,65,000 kg

Material used = 2, 00,000 kg

Actual cost = Rs 1,70,000.

76. The standard material cost to produce a tone of chemical X is :

300 kg of material A at Rs. 10 per kg.

400 kg of material B at Rs. 5 per kg.

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During a period , 100 tonnes of mixture of X were produced by using :

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42 tonnes of material B at a cost of Rs. 6,000 per tone.

53 tonnes of material C at a cost of Rs. 7,000 per tone.

Calculate price, usage, and mix variances.

77. The standard cost card reveals the following information :

Labour rate : 50 paise per hour.

Hours set per unit : 10 hours

Actual data are given below :

Units produced : 500

Hours worked : 6,500

Actual labour cost : Rs. 2,400. Calculate labour variance.

78. From the following data, : (i) Labour cost variance, (ii) Labour rate variance;

(iii) Labour efficiency variance ; (iv) Labour mix variance:

Budgeted labour compensation for producing 100 units:

20 men at Rs.1.25 per hour for 25 hours.

30 women at Rs. 1,10 per hour for 30 hours.

Actual labour compensation for producing 100 units:

25 men at Rs 1,50 per hour for 24 hours.

25 women at Rs. 1.20 per hour for 25hours.

79. Calculate labour variances from the following data:

	Standard	Actual
Number of men employed	500	485
Output	5,00,000	4,90,000
No. of working days in a month	24	25
Average wages per man per month	Rs. 240	Rs.225

80. From the following details relating to a product, calculate ;

(i) Total overhead cost variance; (ii) Efficiency variance ; (iii) Clender variance ; (iv) Volume

Variance.

	Actual	Budget
Overhead (Rs.)	Rs. 1,800	Rs. 2,000
Period	4,300 labour hours	4,000 labour hours
No. of days	22	20
Production	425 units	

Standrad hours per unit =10 labour hours

Standard overhead per hour = Re. 0.50

81. The following data, is available in connection with the fixed overheads of a factory.

Budgeted fixed overhead for January	Rs. 1,00,000
Budgeted output for January	50,000 units
Standard time for one unit	5 hours
Actual hours worked	2,55,000
Actual fixed overheads for the month	Rs. 1,10,000
Units produced during the month	52,000

Calculate fixed overhead variances for the month.

82. From the following data, calculate the material variance ;

In a factory , the standard mix consists of 60 kgs of X and 40 kgs of Y. The standard loss of Production is 30%. The standard price of X is Rs. 5 per kg and Y Rs. 10 per kg. The actual Mixture and yield were as follows:

X = 80 kg at Rs. 4.50 per kg

Y = 70 kg at Rs. 8.00 per kg. Actual yield 115 kg.

83. The standard material and standard cost per kg, of material required for the production of one unit of product A is as follows:

Material --- 5 kg

Standard price -- Rs 5 per kg

The actual production and material data are as follows:

400 units of process A

Material used 2,200 kg

Price of material Rs 4.50 per kg

Calculate (i) Material cost variances (ii) Material price variances and (iii) Material usage variance.

84. From the following data, calculate

- Material cost variance
- Material price variance
- Material usage variance
- Material mix variance.

Name of the materials	Standard	Actual
X	8,000 kg, Rs 1.05	7,500 kg Rs 1.20
Y	3,000 kg, Rs. 2.15	3,300 kg Rs 2.30
Z	2,000 kg, Rs.3.30	2,400 kg Rs 3.50

85. Explain the advantages and disadvantages of standard costing?

86. Explain the methods and benefits of costing system?
87. Bring out Explain the difference between Job costing and Contract costing?
88. What are the procedures for recording a contract?
89. Explain the inter - process profit?
90. Distinguish between cost audit and financial audit?
91. Explain the types of scrap value with example?
92. Discuss the term wastage, scrap, spoilage they are the treatment of cost accounting?
93. Bring out the difference between Management accounting and Cost accounting?
94. What do you understand by Abnormal Loss and Abnormal gain,? How are they treated in process account?
95. How do you deal with Materials and plant in contract accounting?
96. The following figures have been given from a factory for the year 2004. Materials Rs. 12,00,000; Wages Rs. 10,00,000; Factory overhead Rs. 6,00,000; Administration expenses Rs. 6,72,000; Selling overhead Rs. 4,48,000; Distribution overhead Rs. 2,80,000 and profit Rs. 840,000. In 2005 firm wants to execute a work order which requires Rs. 16,000 for material and Rs. 10,000 for wages. Determine the price at the same rate of profit as is 2004.
97. From the following information prepare a cost sheet for the month of January.

Particulars	Rs
Opening stock of raw materials	25,000
Closing stock of raw materials	26,200
Purchase of raw materials	21,900
Carriage on purchases	1,100
Sale of finished goods	72,300
Direct wages	17,200
Non - productive wages	800
Direct expenses	1,200
Factory overheads	8,300

Administrative overheads	3,200
Selling overheads	4,200.

98. In process X, 100 units of raw materials, bought at the rate of Rs. 100 per unit were introduced. Other expenditure incurred in the process was Rs. 8,000. Normal loss is 10% of the input. The scrap value of normal loss is Rs. 30 per unit. The output of process X was only 75 units. Prepare process a/c and abnormal loss a/c.

99. Prepare a cost sheet from the following particulars:

Particulars	Rs
Opening stock:	
Materials	2,00,000
Work in progress	60,000
Finished goods	5,000
Closing stock :	
Materials	1,80,000
Work in progress	50,000
Finished goods	15,000
Material purchased	5,00,000
Direct wages	1,50,000
Manufacturing expenses	1,00,000
Sales	8,00,000
Selling expenses	20,000

100. How will you determine profit on incomplete contracts?

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Question Bank

PCM34 - Research Methodology

Section – A

1. Define Research
2. What is Report Writing.?
3. What are the Types of Report?
4. Explain Technical Report.
5. What is a Popular Report?
6. What do you understand by Oral Presentation ?
7. Give the abbreviation of SPSS
8. What is SPSS?
9. Any Two Precaution For Writing a Research Report.
10. What are the Steps in Writing Report?
11. what do you mean by Processing of data?
12. Explain Editing.
13. What is Meant by Coding?
14. Define Classification .
15. Give the Types of Classification
16. Give the Definition of Tabulation .
17. What are the Parts of Tabulation?
18. What is Diagrammatic representation ?
19. Give the Types of Diagram.
20. What is meant by cartogram and Pictogram.
21. Explain Histogram
22. What is Frequency Curve and Frequency Polygon.
23. Define Sample Design.
24. What are the types of sampling Techniques.
25. What are Probability and Non Probability Sampling.
26. Explain Sampling and Non Sampling Error.
27. Explain Interpretation.
28. How can we reduce the Sampling Error?
29. What is Stratified sampling?
30. Explain systematic sampling.
31. What are the sources of data collection
32. Define Primary data
33. What is Secondary data?
34. What are the methods in primary data collection?
35. Explain some of places where secondary data can be used?
36. Give some types of interview method.
37. What is meant by Schedule method?

38. Give any two differences in Schedule and Questionnaire method.
39. Write any four points to get a good questionnaire.
40. Explain the nature of research
41. What are the characteristics of research?
42. What are the objectives of research?
43. Define Pure and Applied research.
44. Explain the qualitative research.
45. What is the research process?
46. What are the stages in the research process?
47. Define Research Design.
48. What is social Research?
49. Give the utility of social research.
50. Give the objectives of social research.
51. Define Hypothesis.
52. Explain t Test
53. Define F Test
54. What is Chi Square Test
55. What are the assumptions of ANOVA
56. Give any two uses of t Test
57. Give any two uses of F Test
58. What is ANOVA

Section – B

1. What are the objectives of research?
2. Explain the different types of research.
3. Briefly explain the salient features of action research.
4. State the qualities of a good researcher.
5. Write a detailed note on sources of hypothesis.
6. What are the bases of sampling?
7. List out the characteristics of a good sample.
8. Discuss the merits and demerits of random sampling.
9. Describe the outline of the research proposal.
10. What are the criteria for selection of tools?
11. Explain the nature and scope of business Research.
12. What are the advantages of applied Research?
13. Define 'Sampling Design'. Why is it necessary?
14. What do you mean by questionnaire?
15. Enumerate the various methods of analysis of data.

16. Define 'Hypothesis'.
17. What is meant by correlation?
18. What is the cluster analysis?
19. What do you mean report writing?
20. What do you mean by explanatory research?
21. What are the advantages of Research Design?
22. How to define stratified random sampling?
23. Briefly explain the essentials of a good sampling.
24. Explain the process of data editing.
25. Difference between editing of data and coding of data.
26. Describe the essential features of a research report.
27. Briefly examine the characteristics of research.
28. What are the steps involved in formulating a research problem?
29. Explain the merits and demerits of observation method and explain the classification of this method.
30. What is editing and what are the stages in process of editing? Explain.
31. Describe about the commonly used two dimensional diagrams.
32. The annual labour welfare (lakhs of Rupees) and the corresponding annual production (in crores of rupees) for the past 8 years of a company are represented below.

Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Annual Labour fund	8	10	12	14	16	18	20	22
Annual production	18	28	35	45	50	70	85	95

Find the correlation coefficient between annual labour welfare funds and annual production. Also test the significance of the correlation coefficient at a significance level of 0.05.

33. The preference ratings of 10 brands of washing machine by two judges are, as shown below.

Brand	1	2	3	4	5	6	7	8	9	10
Judge-I	1	2	3	4	5	6	7	8	9	10
Judge-II	3	5	6	2	4	7	8	10	1	9

Find the rank correlation between the preference ratings assigned by the judges for different brands of washing machine. Also test the significance of the coefficient at a significance level of 0.05.

34. What are the problems in writing the research report? Explain.
35. Describe the survey survey based research report's contents.
36. State the qualities of a good researcher.
37. Describe the techniques involved in defining a research problem.
38. What are the factors to be considered by a research while developing a sampling design?
39. Enumerate the merits of the interview methods of data collection.
40. Why tabulation is considered essential in a research study?
41. Distinguish between X graph and X diagram.
42. Why bibliography is required in a research report?
43. List out the content in the preliminary section of a research report structure.
44. Explain the nature of social research.
45. Explain the characteristics of social science research.
46. Explain the pure research and its advantages.
47. Define exploratory research.
48. Explain the processing of data editing.
49. Distinguish between editing of data and coding of data.
50. What is skewness? How is it measured?
51. What is Kurtosis? What is the rationale of footnotes in a research in a research report?
52. Describe the essential features of research report.

Section-C

1. Explain the action research and its steps in process.
2. What are the important concepts relating to research design?
3. Explain the sampling process.
4. What are the steps involved in the statistical methods?
5. Discuss all types of researches on their advantages and limitation.
6. What do you mean by sample design? Explain its merits?
7. Discuss the characteristics of primary data and explain the methods of collecting primary data.
8. Application of t-test, F-Test, Chi square Test.

9. Two random samples were drawn from two normal population and their values are

A	66	67	75	76	82	84	88	90	92		
B	64	66	74	78	82	85	87	92	93	95	97

10. Discuss the various types of report writing.
11. What are types of research? Describe.
12. How could sampling errors be minimised?
13. Describe the characteristics of analysis of data.
14. A and B associates, a management consulting firm, have four types of professional on its staff: managing consultants, senior associates, field staff and office staff. Average rates charges to consulting clients for the work of each of those professional categories are Rs. 75/hours , Rs. 40/hours, Rs. 30/hours and Rs. 15/hours. Office records indicates the following number of hours bills last year in each category: 8,00, 14,00, 24,00 and 35,00. If the firm is trying to come up with an average billing rate for estimating client charges for next year, what would you suggest they do and what do you think is an appropriate rate?
15. How to prepare the research report? Explain with examples?
16. Explain the various types of research.
17. Explain the meaning and definition of interview method and discuss the different types of interview.
18. Describe the Quantitative analysis of data and its significance
19. The actual demand (in thousands of units) of a product for 6 months are summarised below.

Month(t)	1	2	3	4	5	6
Demand(Dt)	16	24	40	60	85	95

- a) Find months moving average.
- b) Compute forecast.
- c) Compute mean square error and mean absolute deviation.
20. Describe the different types of Research.
21. Describe the different steps involved in the research process.
22. Distinguish between questionnaires and schedules.
23. Explain in detail the generally accepted principles of tabulation.
24. Enumerate the various steps involves in writing a research report.

25. Describe the steps involved in Thurstone's centroid method of factor analysis?
26. What are the main forms and sources of hypothesis?
27. What are the points to be considered for final draft of a questionnaire?
28. What do you mean by tabulation? What are its various methods?
29. A Bollywood casting company is selecting a group of extras for a movie. The ages of the first 20 men to be interviewed are:

50	56	55	49	52	57	56	57	56	59
54	55	61	60	51	59	62	52	54	49

The director of the movie wants men whose ages are fairly tightly grouped around 55 years ± 3 years. Does this group of extras qualify?

30. Discuss in detail the different types of graphs.
31. Describe the different steps involved in the research process.
32. Distinguish between questionnaires and schedules.
33. Explain in detail the generally accepted principles of tabulation.
34. Enumerate the various steps involved in writing a research report.

**KRISHNASAMY COLLEGE OF SCIENCE, ARTS AND MANAGEMENT FOR
WOMEN
DEPARTMENT OF COMMERCE
QUESTION BANK
DECM35B - SERVICES MARKETING
CLASS: II M.COM SEMESTER: III
Section –A (6 Marks)**

1. Why is time so important in services?
2. Explain the 8Ps of services marketing.
3. Explain various types of services.
4. Define services.
5. What are services?
6. Explain four broad categories of services.
7. What is the stage model of service consumption?
8. Explain the repurchase stage.
9. What risk reduction strategies can service suppliers develop?
10. What are the types of customer behavior in service encounters?
11. Explain strategic links between customer satisfaction and corporate performance.
12. Explain the supplementary services.

13. Explain the 'flower of service' concept.
14. Why do new services often fail?
15. How is branding used in services marketing?
16. Explain the role of intermediaries.
17. What is meant by 'distributing services'?
18. What are the key drivers for increasing globalization of services?
19. Differentiate between goods and Service.
20. What are the examples of service business?
21. Describe the service communication mix.
22. What are the benefits to the consumer from the use of multiple channel by a service provider?
23. What is product and explain the service product concept?
24. Explain – service life cycle.
25. What are financial services? State the objectives of the same.
26. Explain the nature of financial services.
27. What are the types of mutual fund?
28. Explain the nature of mutual fund.
29. Bring out the importance of financial services.
30. What are the concepts of CRM?

31. What are the main objectives of CRM?
32. Explain the scope of CRM.
33. Bring out the characteristics of CRM.
34. Explain the importance of CRM.
35. What are the types of tourism services?
36. Explain the importance of professional service.
37. What are the types of consultancy services?
38. What are the types of insurance services?
39. Explain the nature of tourism services?
40. Explain the components of communication services?
41. Explain the types of advertising.
42. Explain the nature of advertising.
43. What is the importance of advertising?
44. Explain the media of advertising.
45. Explain the relationship among service quality, productivity and marketing
46. What are the types of marketing?
47. Bring out the nature internal marketing.
48. Explain importance of internal marketing.
49. Explain the importance external marketing.
50. Explain the nature communication services. .

Section – B (15 Marks)

1. Discuss the classification of services.
2. Briefly describe the gaps model.
3. Explain the marketing strategy for services.
4. Explain the evaluation of service quality.
5. Discuss the role of life time value in CRM
6. What are the main reasons for the growing share of the service sector in all the major economics of the world?
7. What is so distinctive about services marketing that it requires a special approach, set of concepts, and body of knowledge?
8. The four p's are all marketing manager needs to create a marketing strategy for a service business. Prepare a response that argues the contrary, and justify your conclusion.
9. Explain the 3 stage model of service consumption.
10. Describe search, experience and credence attributes and give example of each.
11. Explain why services tend to be harder for customer to evaluate than goods.
12. What are moments of truth?
13. Describe the relationship between customer expectations and customer satisfaction.
14. Explain the types of media advertising.

15. Explain the distinguish between enhancing and facilitating supplementary services. Give several examples each.
16. Why do new services often fail? What factors are associated with successful development of new services?
17. Why should service marketer be concerned with new development in mobile communication?
18. What marketing and management changes are raised by the use of intermediates in a service setting?
19. How does the nature of service affect the opportune for globalization?
20. What is the role of service pricing and revenue management in a business model?
21. How can the three main approaches to service pricing be integrated to arrive at a good pricing point for a particular service?
22. What is revenue management? Explain its features.
23. What is the role of non monetary cost in a business model and how do they relate to the consumer perception of the offered value exchange?
24. Why word of mouth is considered so important for the marketing of services?
25. Explain the different forms of online marketing?
26. Why is targeting the 'right' customers so important for successful customer relationship management?
27. How can estimate a customer's lifetime value [LTV]?
28. Explain what is meant by a customer portfolio .How should a firm decide what is the most appropriate mix of customers to have?
29. What criteria should a marketing manager use to decide which several possible segments should be targeted by the firm?
30. Explain the rationale and strategic implications.
31. What are the arguments for spending money to keep exiting customers loyal?
32. How do the various strategies described in the wheel of loyalty relate to one another?
33. What is the role of CRM in delivering a customer relationship strategy?
34. What are main objectives of customer feedback systems?
35. What is service quality? Explain the importance of the same.
36. Explain the relationship among service quality, productivity, and marketing.
37. Why are both soft and hard measures of service quality needed?
38. What are the main tools that service firms can use to analyze and service quality problems?
39. What is the relationship among leadership, climate and culture?
40. What are the type's innovations? Explain the same.
41. Explain the nine types of successful service innovations.
42. Explain the service innovation starts with culture.
43. Describe and evaluate Giordano's product, business and corporate strategies.
44. What is product? Explain the nature product.
45. Explain how services dominate the economy in most nation.

46. Explain briefly the differences among services affect customer behavior.
47. Explain the role of intermediaries.
48. Explain the types pricing.
49. What are the types advertising?
50. Explain the steps in advertising.