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(1st Semester)

COMMERCE

(Honours)

Paper No. : BCAF-01/BCM-01

(Financial Management)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) What is Financial Management? Explain Profit vs. Wealth maximization. 2+12=14

Or

- (b) What is capital budgeting? A company is considering an investment proposal to purchase a machine costing ₹ 2,50,000. The machine has a life expectancy of 5 years and no salvage value. The company's tax rate is 40%. The firm uses straight-line method for providing depreciation. The estimated cash flows

(Turn Over)

before tax (CFBT) after depreciation from the machine are as follows :

Year	CFBT (₹)
1	60,000
2	70,000
3	90,000
4	1,00,000
5	1,50,000

Calculate—

- payback period;
 - profitability index;
 - net present value @ 10% discount rate.
- 2+12=14

The PV factors @ 10% discount rate are as follows :

Year	
1	.909
2	.826
3	.751
4	.683
5	.621

2. (a) What is cost of capital? What is its significance? Also explain the problems in determination of cost of capital.

3+6+5=14

Or

- (b) How is cost of debt computed? A company issues ₹ 10,00,000, 10% redeemable debentures at a discount of 5%. The costs of floatation amount

to ₹ 30,000. The debentures are redeemable after 5 years. Calculate before-tax and after-tax cost of debt assuming a tax rate of 50%. 4+10=14

3. (a) What is leverage? Explain financial and operating leverages in detail along with their advantages and disadvantages.

4+10=14

Or

- (b) A company's capital structure consists of ₹ 10,00,000 (shares of ₹ 100 each) equity capital and ₹ 4,00,000, 10% debentures. The sales increased by 20% from 100000 units to 120000 units; the selling price is ₹ 20 per unit; variable cost amount to ₹ 12 per unit and fixed expenses amount to ₹ 2,00,000. The rate of income tax is assumed to be 50%. You are required to calculate—

- (i) the percentage increase in earnings per share;
- (ii) the degree of financial leverage at 100000 units and 120000 units;
- (iii) the degree of operating leverage at 100000 units and 120000 units.

4+5+5=14

4. (a) Explain the factors determining the capital structure of a company.

14

Or

- (b) Discuss the various forms of dividends. What are the assumptions and criticism of MM hypothesis under dividend policies?

6+8=14

5. (a) Explain the concept of working capital. Describe the need and determinants of working capital in a business.

4+10=14

Or

- (b) From the following data, compute the duration of the operating cycle for each of the two companies :

7+7=14

	Company—A (₹)	Company—B (₹)
Stock :		
Raw materials	20,000	27,000
Work-in-progress	14,000	18,000
Finished goods	21,000	24,000
Purchase/Consumption of raw material	96,000	1,35,000
Cost of goods produced/ sold	1,40,000	1,80,000
Sales	1,60,000	2,00,000
Debtors	32,000	50,000
Creditors	16,000	18,000

Assuming 360 days per year for computational purposes.

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(1st Semester)

COMMERCE

Paper No. : BC-102

(Principles of Management)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Discuss the role of a manager in the present context of business. 9

Or

- (b) What is contingency approach to management? Critically evaluate the contingency approach. 3+6=9

2. (a) Define planning. Discuss the nature of planning. 2+7=9

Or

- (b) What is meant by 'management by objectives'? Discuss the benefits which an organization will get while implementing MBO programme. 3+6=9

3. (a) Explain the merits and demerits of centralization of authority. 9

Or

- (b) What is departmentation? Explain 'departmentation by product'. 2+7=9

4. (a) Discuss need hierarchy theory of motivation. 9

Or

- (b) Explain the barriers in communications. 9

5. (a) Discuss the importance and limitations of control. 9

Or

- (b) Explain the various modern techniques of control. 9

2017
(1st Semester)

COMMERCE

Paper No. : BC-102

(Principles of Management)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer and write its code in the brackets provided : 1×10=10

(a) The Board of Directors comes under the

- (i) top management
- (ii) middle management
- (iii) lower management
- (iv) None of the above

()

(b) The father of scientific management is

- (i) H. Fayol
- (ii) F. W. Taylor
- (iii) Maslow
- (iv) None of them ()

(c) Managerial function that deals with framing organizational objectives and devising ways for achieving them is

- (i) planning
- (ii) organizing
- (iii) directing
- (iv) motivation ()

(d) Planning which covers a period of one year or less is

- (i) long-range plan
- (ii) short-range plan
- (iii) medium-range plan
- (iv) None of the above ()

(e) Relationship in organization based on personal attitudes, emotions, etc., refers to

- (i) formal organization
- (ii) informal organization
- (iii) legal organization
- (iv) None of the above ()

- (f) Authority concentrating in the hands of one or few persons is
- (i) delegation
 - (ii) centralization
 - (iii) decentralization
 - (iv) None of the above ()
- (g) The five needs for every human beings is formulated by
- (i) Herzberg
 - (ii) McGregor
 - (iii) Maslow
 - (iv) Ouchi ()
- (h) Leadership style which allows subordinates make decisions or consult before deciding is
- (i) positive style
 - (ii) negative style
 - (iii) autocratic style
 - (iv) democratic style ()
- (i) Performance measurement tool which considers areas like financial, customers, internal processes and people is called
- (i) ratio analysis
 - (ii) balanced scorecard
 - (iii) BEP
 - (iv) None of the above ()

(i) ROI stands for

- (i) Return on Interest
- (ii) Return on Investment
- (iii) Return on Internet
- (iv) Return on Inventory ()

2. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) PERT and CPM are techniques of modern managerial control.

(T / F)

(b) Flow of communication between departments or people on the same level is horizontal communication.

(T / F)

(c) Authority and responsibility do not go together.

(T / F)

(d) MBO and MOB have the same principles.

(T / F)

(e) Classical period of management is the period between 1800-1830.

(T / F)

3. Write short notes on the following :

2×5=10

(a) Team management

(b) Committee form of organization

(c) Centralization

(d) Motivation

(e) Budget

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(1st Semester)

COMMERCE

Paper No. : BC-103

(Indian Banking System)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

The questions are of equal value

1. (a) Explain the types of commercial banks in India.

Or

- (b) Discuss the characteristics of good banking system.

(2)

2. (a) Briefly explain the origin of the State Bank of India.

Or

(b) Discuss the main functions of SBI.

3. (a) Examine the role of the Reserve Bank in relation to licensing of commercial banks.

Or

(b) Briefly explain the main provisions of the Banking Regulation Act, 1949.

4. (a) Explain the organizational structure of RRBs. Briefly write about the functions of RRBs.

Or

(b) Examine the progress and performance of RRBs in India.

5. (a) What are selective methods of credit control? Discuss their significance and limitations.

Or

(b) Discuss the achievements and failure of RBI.

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2017
(1st Semester)

COMMERCE

Paper No. : BC-103

(Indian Banking System)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer by putting a Tick (✓) mark
in the brackets provided : 1×5=5

(a) How many banks were nationalized in July 1969?

(i) 6 banks ()

(ii) 10 banks ()

(iii) 12 banks ()

(iv) 14 banks ()

(b) The State Bank of India is headed by

- (i) Chairman, the Chief Executive Officer ()
- (ii) Deputy Managing Director ()
- (iii) Chief Financial Officer ()
- (iv) Corporate Development Officer ()

(c) The working of banks in India is governed by the

- (i) Banking Regulation Act, 1964 ()
- (ii) Banking Regulation Act, 1949 ()
- (iii) Banking Companies Act, 1968 ()
- (iv) RBI Act, 1934 ()

(d) The apex bank that provides finance for agriculture and rural development is the

- (i) RBI ()
- (ii) NABARD ()
- (iii) Regional Rural Banks ()
- (iv) EXIM Bank ()

(e) RBI was started with a paid-up capital of

- (i) ₹ 50 crore ()
- (ii) ₹ 15 crore ()
- (iii) ₹ 5 crore ()
- (iv) ₹ 500 crore ()

2. Fill in the blanks :

1×5=5

(a) The is the apex management of a bank.

(b) The institution that provides long-term loans to industries is called

(c) The imperial bank was renamed as

(d) The temporary suspension of the enforcement of liability against the banking company is called

(e) is a request to commercial banks not to apply fund for speculative activities.

3. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) A scheduled bank is that bank which has been included in the second schedule of the RBI.

(T / F)

(b) The State Bank Act was passed in 1969.

(T / F)

(c) A central bank is the lender of the last resort.

(T / F)

(d) Regional rural banks are sponsored by the commercial banks.

(T / F)

(e) The Banking Regulation Act of 1983 deals with the provision for nomination in deposits accounts and lockers.

(T / F)

4. Write short notes on the following :

2×5=10

(a) Unit banking and branch banking

(b) Objectives of the State Bank of India

(c) Rationing of credit

2017

(1st Semester)

COMMERCE

Paper No. : BC-104

(**Financial Accounting—I**)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) "Accounting is the language of business." Comment the statement. 9

Or

- (b) Discuss the role of accounting principles in recording transactions.
2. (a) Nagaland & Co. furnished the following data for the years 2015 and 2016. You are required to calculate—

(i) percentage change in cost price;

- (ii) percentage change in selling price;
 (iii) accounts for changes in gross.

Profit in the year 2016 :

Particulars	2015 (₹)	2016 (₹)
Sales	2,25,000	2,32,875
Cost of Goods Sold	1,65,000	1,60,380
Gross Profit	60,000	72,495

During 2016, there was a decrease in volume by 10%.

3+3+3=9

Or

(b) Mr. A, who is a sole trader. The following is the trial balance as on 31st December, 2015 :

₹		₹	
Cash at Bank	61,590	Sales	9,36,200
Cash in Hand	11,800	12% Bank Loan	80,000
Drawings	20,000	Capital	1,60,000
Bills Receivable	39,600	Bills Payable	5,200
Salary	44,000	Discount Received	2,400
Investment (Market value ₹ 28,000)	24,000	Sundry Creditors	1,26,200
Stock (01.01.15)	1,27,360	Income from Investment	1,980
Land & Building	80,000	Purchase Return	7,400
Travelling Expenses	13,800		
Motor Van	32,000		
Furniture	16,000		
Telegram	1,600		
Sundry Debtors	1,28,000		
Discount Allowed	3,600		

Sundry Expenses	₹ 37,240	
Stationery	3,200	
Bank Loan Interest	6,000	
Establishment	9,190	
Advertisement	2,000	
Sales Return	5,000	
Purchase	6,53,400	
	<u>13,19,380</u>	<u>13,19,380</u>

Additional Information :

- (i) Closing stock is valued at ₹ 2,40,000
- (ii) Maintain a reserve of 10% of debtors as reserve for debtors
- (iii) Provide a reserve of 5% on sundry debtors as reserve for discount and 5% on sundry creditors
- (iv) Stock worth ₹ 20,000 destroyed by fire on 25/11/2015 in respect of which the insurance company admitted the claim only ₹ 15,000
- (v) The manager of the business is entitled to get a commission of 10% of net profit after calculating such commission

Prepare a Trading and Profit & Loss Account on 31st December, 2015 and Balance Sheet on that date.

2+3+4=9

3. (a) What is hire-purchase system? Discuss the accounting treatment of repossessed goods on default made by hire purchaser.

3+6=9

Or

- (b) Nagaland Ltd. purchased machinery from Dimapur Ltd. under the instalment payment system on 1st January, 2016. It was agreed that ₹ 15,000 was to be paid on signing the agreement and a sum of ₹ 15,000 was to be paid annually for 3 years. The cash price of the machine was ₹ 52,300 and the rate of interest was 10% depreciation is charged @ 20% on the diminishing balance method.

You are required to give journal entries in the book of hire vendor.

4. (a) What do you mean by shortworking? Explain how shortworking account is maintained in the books of the lessee and lessor.

3+6=9

Or

- (b) A Ltd. obtains from B. S. Ltd. a lease of same coal-bearing land, the terms being a royalty of ₹ 15 per ton of coal raised subject to a minimum rent of ₹ 75,000 p.a. with a right of recoupment of shortworking over the first four years

of the lease. From the following details, show—

- (i) Shortworking Account;
 (ii) Royalty Account;
 (iii) B. S. Ltd. Account in the books of A Ltd. 9

Year	Sales (Tons)	Closing Stock (Tons)
2012	2000	300
2013	3500	400
2014	4800	600
2015	5600	500
2016	8000	800

5. (a) What is revaluation account and why is it prepared? Give journal entries that have to be passed regarding the revaluation of assets and liabilities on the admission of a new partner. $2+2+5=9$

Or

- (b) Following is the Balance Sheet of Karan and Sandeep who share profits and losses equally as on 31st March, 2016 :

Liabilities	₹	Assets	₹
Capital :		Bank	40,000
Karan	1,00,000	Debtors	25,000
Sandeep	50,000	Stock	35,000
Creditors	30,000	Machinery	60,000
Workmen Compensation Fund	15,000	Furniture	40,000
Bank Loan	5,000		
	<u>2,00,000</u>		<u>2,00,000</u>

The firm was dissolved on the above date :

- (i) Karan agreed to take over 50% of the stock at 10% less on its book value, the remaining stock was sold at a gain of 15%. Furniture and Machinery realized for ₹ 30,000 and ₹ 50,000 respectively
- (ii) There was unrecorded investments which was sold for ₹ 25,000
- (iii) Debtors realized ₹ 31,500 (with interest) and ₹ 1,200 was recovered for bad debts written off last year
- (iv) There was an outstanding bill for repairs which had to be paid ₹ 2,000

Prepare Realization Account, Capital Accounts and Bank Account. 4+3+2=9

2 0 1 7
(1st Semester)

COMMERCE

Paper No. : BC-104

(Financial Accounting—I)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Indicate whether the following statements are True (T) or False (F) by putting a Tick (✓) mark : 1×5=5

(a) Accounting is recognized and characterized as a storehouse of information.

(T / F)

(b) Income increases due to decrease in unit cost price.

(T / F)

(c) In the hire-purchase system, the title of ownership of goods passes immediately on signing the agreement.

(T / F)

(d) At the time of payment of royalty, lessee debits royalty account.

(T / F)

(e) On the admission of a new partner, all accumulated profits and losses must be transferred to revaluation account.

(T / F)

2. Fill in the blanks :

1×5=5

(a) is often referred to as the language of the business.

(b) Accrued income is otherwise known as income.

(c) Each instalment includes payment towards cash price and

(d) Royalty account is a
account.

(e) The capital accounts of partners may be
..... or fluctuating.

3. Match the items of List—A with those of List—B by
placing the codes from List—B in the brackets
provided : 1×5=5

<i>List—A</i>		<i>List—B</i>
(a) AS-3	()	(i) Cash flow statement
(b) Prepaid income	()	(ii) Liabilities
(c) Gaining ratio	()	(iii) Partnership
(d) Shortworking	()	(iv) Redeemable dead rent
(e) Instalment purchase system	()	(v) Contract of sale

(c) Instalment system

(d) Minimum rent

(e) Partnership deed

Bc/Eng (BCM)-104

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(1st Semester)

GENERAL ENGLISH

(Commerce)

Paper No. : ENG (BCM)-104

(Prose, Composition and Grammar)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 44)

*The figures in the margin indicate full marks
for the questions*

SECTION—I

(Prose)

Answer the following questions :

10×3=30

1. (a) What are the requisites for being good leaders of industry whether on the management or on the labour side? **10**

Or

(b) Describe how the bank clerk becomes the best citizens in the world. 10

2. (a) In what ways can business fulfill its social responsibilities? Answer with reference to the essay, *A Social Role for Business*. 10

Or

(b) Discuss the role of the Editor of a newspaper with reference to the essay, *A Daily Newspaper*. 10

3. (a) What do you mean by the balance sheet of Robinson Crusoe? Why was it needed? 10

Or

(b) How does Nicolson bring out the differences between the world of the past and the modern world? 10

SECTION—II

(Composition)

4. In every country, people imagine that they are the best and the cleverest and the others are not so good as they are. The Englishman thinks that he and his country are the best;

the Frenchman is very proud of France and everything French. The Germans and Italians think no less of their countries and many Indians imagine that India is in many ways the greatest country in the world. This is wrong. Everybody wants to think well of himself and his country. But really there is no person who has not got some good and some bad qualities. In the same way, there is no country which is not partly good and partly bad. We must take the good wherever we find it and try to remove the bad wherever it may be. We are, of course, most concerned with our own country, India. Unhappily, it is in a bad way today. Most of our people are poor and unhappy. They have no joy in their lives. We have to find out how we can make them happier. We have to see what is good in our ways and customs and try to keep it, and whatever is bad we have to throw away. If we find anything good in other countries, we should certainly take it.

Answer the following questions :

- (a) What do people think in every country? 2
- (b) What do many Indians imagine? 2
- (c) What must every people do? 2
- (d) In what respect is India, in a bad way today? 2
- (e) What should we throw away? 2

- (f) What should be our attitude towards other countries?
- (g) Choose the words from the passage which are opposite to the following : $\frac{1}{2} \times 4 = 2$
- (i) Least
 - (ii) Sorrow
 - (iii) Ill
 - (iv) Worst

2017
(1st Semester)

GENERAL ENGLISH
(Commerce)

Paper No. : ENG (BCM)-104

(Prose, Composition and Grammar)

(PART : A—OBJECTIVE)

(Marks : 26)

*The figures in the margin indicate full marks
for the questions*

SECTION—I

(Prose)

1. Answer the following questions :

2×6=12

- (a) How does the banker overcome the monotony of his work?

(b) What is the improper use of arbitration?

(c) What has traditionally been the major responsibility of business executives?

(d) What is the role of a reporter?

- (e) What were the things Crusoe wanted in spite of all that he had amassed together?

(f) Which, according to Nicolson, is the most revolutionary of all causes of change? Why?

SECTION—II

(Grammar)

2. Correct the following sentences :

1×7=7

(a) This is the best pen of the two.

(b) I spent little money I had.

(c) He is an European.

(d) *The Arabian Nights* are interesting book.

(e) I shall come before an hour.

(f) No sooner he heard the news he left.

(g) Refrain to do evil.

3. Supply the proper form of the adjectives : 1×7=7

(a) No than forty soldiers
were killed.

(less; fewer)

(b) Health is to wealth.

(preferable; more preferable)

(c) This is a edition of the
book than that.

(later; latter)

(d) Five boys stood in row.

(every; each)

(e) There is hope of his
success.

(little; a little; the little)

(f) I will do this without
delay.

(further; farther)

(g) Sanjay is my
brother.

(older; elder)
