

2019

( 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 are the objectives of Financial Management? Discuss the major financial decisions in brief. 5+9=14

Or

- (b) Discuss in brief Capital Budgeting Process. Explain about Payback Method, Net Present Value Method and Internal Rate of Return Method. 5+9=14

2. (a) Explain significance of the cost of capital. Compute cost of debt capital from the following : 4+10=14

- (i) X Ltd. issues 8% debentures at par of ₹ 50,000. The tax rate applicable to the company is 50%
- (ii) Y Ltd. issues 8% debentures at a premium of 10% of ₹ 50,000. The tax rate applicable to the company is 60%
- (iii) A Ltd. issues 8% debentures at discount of 5% of ₹ 50,000. The tax rate is 50%
- (iv) B Ltd. issues 9% debentures at a premium of 10% of ₹ 50,000. The costs of floatation are 2%

Or

(b) What is cost of capital? Discuss major problem of determination of cost of capital. 4+10=14

3. (a) Explain various types of leverage. What are the limitations of trading on equity? Discuss significance of financial leverage. 5+6+3=14

Or

(b) The following figures relate to two companies :

	<i>P Ltd.</i>	<i>Q Ltd.</i>
	₹	₹
Sales	500	1,000
Variable costs	200	300
Contribution	<u>300</u>	<u>700</u>
Fixed cost	150	400
	<u>150</u>	<u>300</u>
Interest	50	100
	<u>100</u>	<u>200</u>

You are required to calculate—

(i) Opening Leverage;

(ii) Financial Leverage;

(iii) Combined Leverage.

$$5+5+4=14$$

4. (a) Discuss factors determining the capital structure. 14

Or

- (b) Explain determinants of Dividend Policy. 14

5. (a) What do you mean by Working Capital? Explain factors determining Working Capital Requirements. 2+12=14

Or

(b) From the following information extracted from the books of manufacturing concern, compute the operating cycle in days :  $(3 \times 4) + 2 = 14$

Period covered—365 days

Average period of credit allowed by suppliers—16 days

Average total of debtors outstanding—₹ 480

Raw material consumption—₹ 4,400

Total production cost—₹ 10,000

Total cost of sales—₹ 10,500

Sales for the year—₹ 16,000

Value of average stock maintained :

Raw materials—₹ 320

Work-in-progress—₹ 350

Finished goods—₹ 260

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**2019**

**( 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) How does Randall advise the young men seeking employment on the management side to go through the process of learning the business?**

Or

(b) Give a general description of a banker's life with reference to *Banking Without Blarney*, highlighting the aspects of 'reputation' and 'security'.

2. (a) Critically examine the essay, *A Social Role For Business*.

Or

(b) With reference to *A Daily Newspaper*, write an essay on the evolution of newspaper.

3. (a) What made Crusoe prepare his balance sheet? Bring out the basic qualities of Crusoe's character by examining the balance sheet prepared by him.

Or

(b) Examine how Nicolson interweaves his account of the changes that brought the modern world into being with his personal reminiscence.

( Prove )

## SECTION—II

### ( Composition )

4. Evolution of a race, or species and its eventual extinction is a natural process, just as natural as the cycle of birth and death.

While human beings have been able to extract themselves from this process, the animal kingdom is still subject to it. It is a matter of belief that almost two hundred species of mammals and the winged animals have become extinct during the past two-three millennia.

What are the causes of this extinction? Natural Selection, for sure... but, man has also contributed considerably towards wiping out some species. The indiscriminate use of nature by the latter has destroyed important habitats, the haphazard disposal of waste has created instances of deadly pollution. Increase in human population, destruction, fragmentation of habitat pollution, climate change and global warming are generally considered to be a recent phenomena. However, not all extinction can be attributed to the man. Natural causes, like a sudden shift or change in the environment can also result in extinction. The dinosaurs are believed to have become extinct due to a sudden lowering of the temperature.

Then, we have the epidemics and break out of diseases. Just as these affect human beings, so do they impact the fauna. Excessive and indiscriminate killing of animals by poachers and hunters result in the risk of their

extinction as well. Tigers are killed for their skin and elephants for ivory. Thanks to recent initiatives by animal lovers, such activities are being very closely monitored. Opportunities of protecting the wildlife are being created and implemented.

Answer the following questions :

- (a) Give an appropriate title for the passage. 1
- (b) How has man contributed in the extinction of species? Support your answer with examples. 3
- (c) How do animals become extinct? Give at least two reasons. 1+2=3
- (d) What is believed to be the possible reason for the extinction of the dinosaurs? 2
- (e) Do you think we can prevent extinction of species? How? 3
- (f) Give the antonyms of the following : 1×2=2
- (i) Insufficient
- (ii) Artificial

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2019

( 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) Describe, after Randall, the illusions that the young graduate will find shattered.

(b) How does the bank clerk become the best citizen in the world?

GENERAL ENGLISH

( Commerce )

Paper No. : ENG (BCM)-104

( Prose, Composition and Grammar )

( PART - A - OBJECTIVE )

( Marks : 25 )

The figures in the margin indicate full marks for the questions

SECTION - I

( Prose )

Answer the following questions :  
The figures in the margin indicate full marks for the questions

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

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

(e) Who are the important members of the Editorial Staff?

Editor, Managing Editor, Deputy Editor, Assistant Editor, Correspondent, Reviewer, Proofreader, Designer, Printer, etc.

2. Explain the following terms:

(i) Editor

(ii) Managing Editor

(iii) Deputy Editor

(iv) Assistant Editor

(v) Correspondent

- (f) State some instruments which, according to Nicolson, have increased happiness and diminished unhappiness.

SECTION—II  
( Grammar )

2. Correct the following sentences : 1×7=7

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

(b) He is an European.

(c) Not less than forty soldiers were killed.

(d) Columbus invented America.

(e) I lived in Nagaland since 2010.

(f) His hairs are black.

(g) Each of these books are costly.

3. Supply the proper form of the adjectives :

1×7=7

(a) With this telescope, you can see the

..... stars of the galaxy.

( uttermost; outermost; outmost )

(b) I will do this without .....  
delay.

( further; farther )

(c) He is the ..... man in  
our town.

( rich; richest; richer )

(d) Sanjay is my ..... brother.  
( older; elder )

PR/CC-102

(e) This is ..... situation.  
( a bad; an ill; an evil )

(f) Jack is my ..... son.  
( eldest; elder; older; oldest )

(g) Did I ..... you?  
( hind; hinder; hindmost )

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**PM/BC-102**

**2019**  
**( 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) Explain the nature and significance of management. 4+5=9

*Or*

- (b) Explain the classical management approach. 9

2. (a) Explain decision making. What are the processes of decision making? 2+7=9

*Or*

- (b) Explain the different types of plan. 9

3. (a) Define organizing. Explain the nature and process of organizing. 2+7=9

Or

(b) Distinguish between centralization and decentralization of power. 9

4. (a) Explain Maslow's need hierarchy theory of motivation. 9

Or

(b) Define communication. Explain the barriers of a good communication system. 2+7=9

5. (a) Define control. Explain the importance of control. 2+7=9

Or

(b) Explain five traditional control techniques. 9

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2019

( 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 place its code in the brackets provided : 1×10=10

(a) Managing directors are one group which comes under

(i) top management

(ii) middle management

(iii) lower management

(iv) None of the above

[                      ]

(b) Who developed the Principles of Scientific Management?

(i) H. Fayol

(ii) F. W. Taylor

(iii) Maslow

(iv) None of them

(c) Who developed the 14 principles of management?

(i) Ouchi

(ii) F. W. Taylor

(iii) H. Fayol

(iv) None of them

(d) A blueprint of the course of action to be followed in future is

(i) planning

(ii) directing

(iii) controlling

(iv) None of the above

(e) Predicting or anticipating the future happenings in planning is

(i) forecasting

(ii) highlighting

(iii) magic

(iv) None of the above

(f) The process of selecting a course of action from various alternatives to solve problem is

(i) controlling

(ii) decision making

(iii) selection

(iv) None of the above

(g) The process of dividing large complex organization into smaller flexible units is

(i) decision making

(ii) departmentation

(iii) grouping

(iv) None of the above

(h) Anyone who guides and directs others is

(i) teacher

(ii) leader

(iii) instructor

(iv) None of the above

[ ]

(i) When subordinates are free to establish their own goals and course of action, it is

(i) autocratic style

(ii) laissez-faire style

(iii) positive style

(iv) None of the above

[ ]

(j) Which one of the following is a modern managerial control technique?

(i) Management information system

(ii) Budgetary control

(iii) FIFO

(iv) LIFO

[ ]

( 5 )

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

(a) Budget and budgetary control is same.

( T / F )

(b) Only money can motivate people.

( T / F )

(c) Authority and responsibility always go together.

( T / F )

(d) Programme is one type of plan.

( T / F )

(e) Lower management controls the performance of operative employees.

( T / F )

3. Write short notes on the following : 2×5=10

(a) Management

(a) Budget and budgetary control is same.  
leader

(b) None of the above

(c) Only money can motivate people.

(d) And only and responsibility always go together.

(e) Program is one type of plan.

(f) Lower management controls the performance of operative employees.

(g) None of the above

(h) None of the above

(i) None of the above

(j) None of the above

(k) None of the above

(l) None of the above

(m) None of the above

(n) None of the above

(o) None of the above

(p) None of the above

(q) None of the above

(r) None of the above

(s) None of the above

(b) A good plan

Non-financial incentives (b)

(c) Formal organization

(d) Non-financial incentives

(e) Budget

7.92 80-100

Program N

William Douglas

1970

1971

1972

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2019

( 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) Give a brief history of the evolution of banking in India.

Or

(b) What types of bank assistance does the EXIM Bank of India provide?

2. (a) Explain the mission, vision and values of SBI.

Or

(b) Enumerate some different banking services provided by SBI.

3. (a) Explain the Banking Regulation Act applicable to cooperative banks.

Or

(b) How does the Banking Regulation Act, 1949 regulate and control banking companies in India?

4. (a) What role do Regional Rural Banks (RRB) play in the upliftment of the national economy?

Or

(b) Explain the objectives of cooperative banks in India.

5. (a) How does RBI act as the banker to the government?

Or

(b) Explain some ordinary banking functions performed by RBI.

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2019

( 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*

**Answer all questions**

1. Choose the correct answer by putting a Tick (✓) mark in the brackets provided : 1×10=10

(a) Which of the following is an apex banking institution concerned with promotion, financing and development of MSME sector?

(i) RBI ( )

(ii) NABARD ( )

(iii) SIDBI ( )

(iv) UTI ( )

(b) Cooperative banks should commence or carry on the business of banking in India unless the aggregate value of its paid-up capital and reserves is not less than

(i) 1 lakh

(ii) 2 lakhs

(iii) 5 lakhs

(iv) 10 lakhs

(c) Which one of the following is not a nationalized bank?

(i) Syndicate Bank

(ii) United Bank of India

(iii) AXIS Bank

(iv) UCO Bank

(d) The central office of the Reserve Bank was initially established at

(i) Bombay

(ii) Calcutta

(iii) Madras

(iv) Delhi

(e) How many banks were nationalized in 1980?

(i) 6 banks ( )

(ii) 10 banks ( )

(iii) 12 banks ( )

(iv) 14 banks ( )

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

(i) Banking Companies Act, 1968 ( )

(ii) Banking Regulation Act, 1964 ( )

(iii) Banking Regulation Act, 1949 ( )

(iv) RBI Act, 1934 ( )

(g) Cooperative banks provide credit through

(i) State cooperative banks ( )

(ii) district cooperative banks ( )

(iii) primary agricultural credit societies ( )

(iv) All of the above ( )

(h) The monetary policy of India is formulated and implemented by

(i) World Bank ( )

(ii) Government of India ( )

(iii) Reserve Bank of India ( )

(iv) State Bank of India ( )

(i) The Imperial Bank was named as

(i) State Bank of India ( )

(ii) RBI ( )

(iii) Central Bank of India ( )

(iv) None of the above ( )

(j) NABARD stands for

(i) Nagaland Bank of Agriculture and Rural Development ( )

(ii) National Bank of Agriculture and Rural Development ( )

(iii) Nainital Bank of Agriculture and Rural Development ( )

(iv) None of the above ( )

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

(a) Fixed deposit account is a type of deposit where the depositor is required to deposit a fixed amount every month for a specific period of time.

( T / F )

(b) Development banks help to revive/cure sick units.

( T / F )

(c) The Banking Regulation Act does not supersede but supplement to the Companies Act, 1956.

( T / F )

(d) Village economy cannot be considered as the backbone of the Indian economy.

( T / F )

(e) RBI sells for the Central Government Treasury Bills of 91 days duration.

( T / F )

3. Write short notes on the following : 2x5=10

(a) Credit creation

(a) Fixed deposit account is a type of deposit where the depositor is required to deposit a fixed amount every month for a specific period of time.

(b) Development banks help to revive/cure sick units.

(c) The Banking Regulation Act does not supersede but supplement to the Companies Act, 1956.

(d) Village economy cannot be considered as the backbone of the Indian economy.

(e) RBI sells for the Central Government Treasury Bills of 91 days duration.

(b) International presence of SBI

(c) Reserve fund

(d) Priority sector lending

(e) RBI

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2019

( 1st Semester )

COMMERCE

Paper No. : BC-104

( Financial Accounting—1 )

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) What is Generally Accepted Accounting Principle (GAAP)? Discuss the role of accounting principles in recording transactions. 3+6=9

Or

- (b) Write an outline of Accounting Standard in India. 9

2. (a) Explain various measurements of business income. 9

Or

(b) The following is the Trial Balance of Mr. Ravi Mittal as on 31st December, 2018 :

Particulars	Dr. ₹	Cr. ₹
Capital A/c	—	86,690
Stock (Opening)	46,800	—
Sales	—	3,89,600
Return Inward	8,600	—
Purchase	3,21,700	—
Return Outward	—	5,800
Freight	18,600	—
Rent	5,730	—
Salaries	9,300	—
Debtors	24,000	—
Creditors	—	14,800
Bank Loan @ 6% p.a.	—	20,000
Bank Interest on Loan	900	—
Printing	14,600	—
Miscellaneous Income	—	250
Cash at Bank	8,000	—
Discount Earned	—	4,190
Furniture	5,000	—
Discount Allowed	1,800	—
General Expenses	11,450	—
Insurance	1,300	—
Postage	2,300	—
Cash in Hand	380	—
Travelling Expenses	870	—
Drawing	40,000	—
	<u>5,21,330</u>	<u>5,21,330</u>

The following adjustments should be made :

- (i) Included amongst the debtors is ₹ 1,000 due from Mr. A and included among the creditors ₹ 1,000 due to him
- (ii) Provision for Bad and Doubtful Debts be created at 5% and Reserve for Discount @ 2% on Sundry Debtors
- (iii) Depreciation on Furniture @ 10%
- (iv) Personal purchases amounting to ₹ 600 had been included in the purchases day book
- (v) Credit purchase invoice amounting to ₹ 400 had been omitted from the books
- (vi) Stock (closing) was ₹ 78,600

You are required to prepare Trading A/c, Profit & Loss A/c and Balance Sheet.

9

3. (a) Describe the accounting treatment of hire-purchase transactions in the books of hire purchaser and the vendor.

9

Or

(b) Arnab Taxi Services Co. purchased three taxis on 01.01.2016 from Auto Traders on hire-purchase system. It was agreed upon to make payment as under :

Date	Particulars	Amount ₹
01.01.2016	On signing the agreement	10,350
31.12.2016	At the end of first year	19,965
31.12.2017	At the end of second year	19,965
31.12.2018	At the end of third year	19,965
	Total hire-purchase price	<u>70,245</u>

Nothing more was payable after third instalment

All the instalments are duly paid by Arnab Taxi Services Co. Interest was reckoned @ 10% p.a., Depreciation was charged at the rate of 20% p.a. on diminishing balance method. Arnab Taxi Services Co. closes its books on 31st December every year

Prepare the following accounts in the books of Arnab Taxi Services Co. :

3+3+3=9

(i) Auto Traders A/c

(ii) Taxis A/c

(iii) Interest A/c

4. (a) What Journal Entries are passed in the books of landlord and lessee in connection with royalties? 9

Or

- (b) Suleman owned certain patent rights. He granted a licence to Chabra to use such rights on royalty basis. The following are the relevant particulars :

Year	Actual Royalties	Minimum Rent
2014	5000	8000
2015	10000	9000
2016	8000	10000
2017 (strike)	8000	12000
2018	14000	13000

The deficiency of any year is to be set off against royalties payable in excess of the minimum rent in two following years. In the event of a strike and the minimum rent not being reached, it was provided that the actual royalties earned for the year would be the full royalty obligation for the year.

You are required to show the Royalties A/c, Suleman A/c and Shortworkings A/c in the books of Chabra. 3+3+3=9

5. (a) A, B and C were partners sharing profits as 50%, 30% and 20% respectively. On 31st March, 2017, their Balance Sheet stood as follows :

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	21,000	Premises	62,000
Profit & Loss A/c	15,000	Motorvans	20,000
Investment		Investment (market	
Fluctuation Fund	10,000	value ₹ 15,000)	19,000
General Reserve	25,000	Plant	12,000
A's Capital A/c	50,000	Stock	15,000
B's Capital A/c	40,000	Debtors	40,000
C's Capital A/c	20,000	Less : Provision	<u>3,000</u>
		Cash	16,000
	<u>1,81,000</u>		<u>1,81,000</u>

On 1st April, 2017, B retires and A and C agreed to continue on the following terms :

- (i) Firm's goodwill was valued at ₹ 51,000 and it was decided to adjust B's goodwill into Capital Account to continuing partners
- (ii) There is a claim for workmen's compensation to the extent of ₹ 4,000. Investments are brought down to ₹ 15,000
- (iii) Provision for doubtful debts is to be reduced by ₹ 1,000

(iv) B will be paid ₹ 8,200 in cash and balance will be transferred to his Loan A/c

(v) A's and C's capital will be adjusted in their new profit sharing ratio, i.e., 3 : 2 through Cash Accounts

Prepare Revaluation A/c, Capital A/cs and Balance Sheet. 2+3+4=9

Or

(b) Explain the provisions of Section 48 of the Indian Partnership Act, 1932 dealing with settlement of accounts at the time of the dissolution of firm. 9

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2019

( 1st Semester )

**COMMERCE**

Paper No. : BC-104

( Financial Accounting—1 )

( 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) Making decision is the first phase of accounting cycle.

( T / F )

(b) The statement of financial position and the Balance Sheet are synonyms.

( T / F )

(c) Under hire-purchase system, the buyer does not get ownership of goods immediately.

( T / F )

(d) Royalty is the agreement between the buyer and the seller.

( T / F )

(e) Realization A/c is a Nominal A/c.

( T / F )

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

(a) \_\_\_\_\_ is considered as the Father of Modern Accounting.

(i) Hendriksen

(ii) Luca Pacioli

(iii) Adam Smith

(iv) F. W. Taylor

[                      ]

(b) The full form of IFRS is

(i) International Financial Reporting Standards

(ii) Indian Financial Reserve System

(iii) International Financial Recording Standards

(iv) None of the above

[                      ]

- (c) Goodwill is a/an
- (i) fictitious asset
  - (ii) intangible real asset
  - (iii) tangible real asset
  - (iv) All of the above
- (d) Excess of minimum rent over royalty is called
- (i) surplus
  - (ii) deficit
  - (iii) shortworkings
  - (iv) loss
- (e) A, B and C share profit and loss in the ratio of  $\frac{1}{2} : \frac{1}{3} : \frac{1}{6}$ . B retires, gaining ratio of the firm will be
- (i) 2 : 1
  - (ii) 1 : 2
  - (iii) 3 : 1
  - (iv) 1 : 1
- (f) Accounting Standard Board was set up by
- (i) ICWAI
  - (ii) ICAI
  - (iii) AICPA
  - (iv) SEBI

- (g) Ownership of goods under hire-purchase agreement is transferred after the payment of
- (i) down payment
  - (ii) first instalment
  - (iii) last instalment
  - (iv) None of the above [ ]
- (h) Realization A/c is prepared at the time of
- (i) change in profit sharing ratio
  - (ii) admission of a partner
  - (iii) retirement of a partner
  - (iv) dissolution of a firm [ ]
- (i) Amount due to deceased partner is transferred to
- (i) Partner's Capital A/c
  - (ii) Executor's to Deceased Partner
  - (iii) Realization A/c
  - (iv) Revaluation A/c [ ]
- (j) Reconstitution of the firm take place
- (i) when new partner is admitted
  - (ii) on partner's retirement
  - (iii) on death of a partner
  - (iv) All of the above [ ]

( 5 )

3. Write short notes on the following: 2×5=10

(a) Accounting Information System

(b) Revenue Expenditure

(c) Instalment System

(d) Minimum Rent

(d) Minimum Rent

Installation System (b)

(e) Sacrificing and Gaining Ratio

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