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**BBMBMC 260**

**Credit Based IV Semester B.B.M. Degree Examination, Nov./Dec. 2015
(2012 Scheme)**

FUNDAMENTALS OF FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks : 120

Instructions: A single answer booklet containing 40 pages will be issued.
No additional sheets will be issued.

SECTION – A (2 marks each)

(2×10=20)

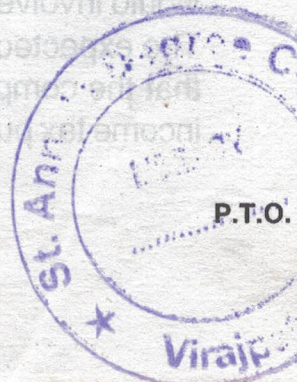
1. Answer **any ten** questions from the following :
- What is implicit cost ?
 - What do you mean by optimal capital budgeting ?
 - What is risk-return trade off ?
 - What do you mean by conventional cashflows ?
 - What is informational content of dividend ?
 - What do you mean by marginal cost of capital ?
 - What is business risk ?
 - What is financial structure ?
 - What do you mean by home made leverage ?
 - What do you mean by watered capital ?
 - What is stock split ?
 - X Ltd. has borrowed from the market by issuing debentures with the coupon rate of 10.5%. It is paying 30% tax. What is the cost of debt if it sells at par ?

SECTION – B (8 marks each)

(8×5=40)

Answer **any five** questions :

2. From the following, determine price per share as per Walter and Gordon's models.
- | | |
|-------------------------|-------|
| Internal rate of return | 12.5% |
| Cost of capital | 10% |
| Earning per share | ₹ 50 |
| Dividend pay out ratio | 40% |





3. Explain the functions of treasurer.
4. Explain the major considerations of capital structure planning.
5. Explain the relevance of time value of money, in financial decision.
6. Explain the bird in hand argument in relation to dividend policy.
7. Calculate weighted average cost of capital from the following :

Source	Amount	Before tax cost (%)
Equity capital	3,50,000	15%
Retained earnings	1,00,000	14%
Preference capital	2,50,000	13%
Debenture	3,00,000	12%
	10,00,000	

Assume tax rate at 30%.

8. Calculate cost of debenture of face value ₹ 100 issued at (i) 5% discount (ii) 5% premium having the coupon rate 12% p.a. matured after 5 years at par tax rate is 35%.

SECTION – C (20 marks each) (20×3=60)

9. Explain the traditional and modern approach of financial management.

OR

Explain Modigliani and Miller theory of capital structure without taxes and after incorporation of tax.

10. Explain the factors that influence dividend policy.

OR

Define cost of capital. Explain the concepts of cost of capital.

11. A company is considering a proposal of installing a drying equipment. The equipment would involve a cash outlay of ₹ 6,00,000 and net working capital of ₹ 80,000. The expected life of the project is 5 years without any salvage value. Assume that the company is allowed to charge depreciation on straight line basis for income tax purpose.

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Year	Before tax cash inflows
1	2,40,000
2	2,75,000
3	2,10,000
4	1,80,000
5	1,60,000

The applicable tax rate is 35%. The company's opportunity cost of capital is 12%. Calculate

- a) ARR
 - b) Pay back period
 - c) NPV @ 12%
 - d) PI @ 12%
- P/V @ 12%.

Year	P/V
1	0.893
2	0.797
3	0.712
4	0.635
5	0.567

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BBMBMC 253

Credit Based IV Semester B.B.M. Degree Examination, Nov./Dec. 2015
(2006 Scheme)
INCOME TAX

Time : 3 Hours

Max. Marks : 120

Instruction : Provide working notes wherever necessary.

SECTION – A (2 marks each)

Answer any ten questions :

(2×10=20)

1. a) Define Assessment year.
- b) What is deemed income ?
- c) State the provisions regarding commuted pension.
- d) Who is a specified employee?
- e) Define the term transfer for tax purpose.
- f) What is meant by tax free income ?
- g) Give the meaning of long term capital asset.
- h) Give the meaning of fair rent.
- i) What is speculative transaction ?
- j) To what extent education allowance and hostel allowance are exempt from tax ?
- k) What do you mean by grossing up of interest ?
- l) Define casual income.

P.T.O.



SECTION – B (8 marks each)

(8×5=40)

Answer any five questions :

2. Mr. Suresh an Indian citizen went to Australia for higher studies on 15th June 2010. He returned to India on 25th November, 2012 and joined an US concern. He worked in this company till 10th September 2013 when he got appointment in Indonesia and therefore left India. Find out his residential status for the P.Y. 2013-14.
3. Mr. Ramesh furnishes following particulars
Basic Rs. 12,500 p.m.
D.A. 50% of basic (70% enters P.F.)
Bonus Rs. 12,500.
HRA Rs. 2,800 p.m.
Actual rent paid for the house in Delhi Rs. 3,000 p.m.
Compute taxable HRA.
4. Compute the total income of Mr. Naresh from the following particulars; if he is (i) OR, (ii) NOR and (iii) NR.
a) Salary received in India Rs. 1,80,000.
b) Agricultural income from land situated in UK Rs. 85,000.
c) Business income in Poona controlled from London Rs. 4,00,000.
d) Business income from U.S.A. Rs. 1,60,000.
e) Interest on deposit with companies in India Rs. 80,000.
f) Dividend from Indian Company Rs. 15,000.
g) Profit on sale of building in Bangalore received in UK Rs. 11,50,000.
h) Past untaxed foreign income brought to India Rs. 15,000.
5. Mr. Mahesh sold his only residential house in Mangalore on 24th August of PY for Rs. 25,00,000 and incurs an expenditure of Rs. 20,000 in connection with the transfer : Cost of acquisition of house to him in 1981-82 was Rs. 1,80,000. On 16th January of PY, he purchases a residential flat in Mangalore for Rs. 4,00,000 and deposits Rs. 1,50,000 in the CGAS. Compute the taxable capital gains. CII for 1981-82 : 100; 2013-14 : 939.
6. Mr. Hariharan furnishes the following details of his income :
a) Royalty from a company Rs. 32,000.
b) Directors fees Rs. 16,000.
c) Dividend on shares Rs. 12,500.
d) Honorarium for guest lectures Rs. 10,000.



- e) Winning from lotteries (net) Rs. 10,500.
- f) Rs. 15,000 10% interest on debentures of a company.
- g) Rs. 20,000 12% interest on debentures of local authority.
- h) Rs. 30,000 10% interest on tax free debentures of a company.

Find out his income from other sources.

- 7. Explain the term 'Agricultural Income'. State the procedure of taxation of agricultural income.
- 8. Define the term capital gain and distinguish between short term and long term capital gain.

SECTION – C (20 marks each)

Answer **any three** questions :

(20×3=60)

- 9. Mr. Ashok is working chief accountant at Bombay. He furnishes the following particulars of his income for the PY.
 - a) Salary Rs. 14,000 p.m.
 - b) 20% of basic as DA.
 - c) Bonus 2 months basic.
 - d) Conveyance allowance Rs. 500 p.m.
 - e) Entertainment allowance Rs. 150 p.m.
 - f) He is provided with a rent free furnished house for which the company pays a rent Rs. 3,000 p.m. The company also pays Rs. 100 p.m as hire charges for furniture.
 - g) The employer has provided him the services of gardener and a sweeper who are paid Rs. 400 and Rs. 200 p.m. respectively.
 - h) He contributes 15% of his salary to RPF to which the employer contributes 15%. Interest credited on the accumulated balance of Rs. 3,00,000 is at 10.5% p.a. Compute his taxable salary.
- 10. From the following particulars of Mr. Harish for the PY 2013-14 compute income from house property.

	I (Rs.)	II (Rs.)	III (Rs.)	IV (Rs.)
Municipal value	6,000	4,000	5,500	5,000
Monthly rent	—	—	600	800
Municipal taxes paid	500	300	600	400
Purpose	Self residence	Self residence	Letout residence	Letout business

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Interest on loan taken				
for construction	2,500	1,800	3,000	—
Ground rent	—	—	50	60
Insurance premium	100	—	80	120
Vacancy period	—	—	1 month	2 months
Collection charges	—	—	150	210

11. Mr. Divakara is a cloth merchant. From the following P/L A/c for the year ended 31st March, compute his income from business for the AY 2014-15.

	Rs.		R
To Salaries and wages	30,000	By Gross profit	1,70,000
To Rent and rates	12,000	By Dividend on shares (gross)	4,000
To Household expenses	2,500	By Rent from building let	24,000
To Income tax	5,000	By Winning from lottery (gross)	50,000
To Postal charges	1,500		
To Donation	5,000		
To Life insurance premium	6,000		
To Audit fees	2,000		
To Bad debts reserve	2,500		
To Bad debts	8,000		
To Depreciation	5,000		
To Net profit	1,68,500		
	2,48,000		2,48,000

Other information :

- Rent and taxes includes Rs. 2,000 paid as municipal tax on building let.
 - Bad debts allowed is Rs. 5,000.
 - Depreciation allowed is Rs. 6,000.
 - Donation was given to PMNRF.
 - A dividend received is from an Indian company.
12. Define perquisites. Briefly discuss the tax provisions relating to different types of perquisites provided by employer to the employee.

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BBMBMC 261

**Credit Based Fourth Semester B.B.M. Degree Examination,
November/December 2015
(2012 Scheme)
HUMAN RESOURCE MANAGEMENT**

Time : 3 Hours

Max. Marks : 120

Instructions : A single answer booklet containing 40 pages will be issued.
No additional sheets will be issued. Follow the instructions
strictly.

SECTION – A (2 marks each) (2×10=20)

1. Answer any ten questions in one or two sentences each :

- What do you mean by induction ?
- What is panel interview ?
- Define selection.
- State any two qualities of a successful HR Manager.
- What is lay-off ?
- What do you mean by living wages ?
- Give the meaning of job enrichment.
- What is aptitude test ?
- What is salary ?
- Give the meaning of written policy.
- Write the meaning of demotion.
- What do you mean by campus recruitment ?

P.T.O.

8



SECTION – B (8 marks each)

(8×5=40)

Answer **any five** questions in **not** more than **two** pages **each** :

2. What are the objectives of HR Management ?
3. What are the contents of job analysis ?
4. Explain various types of selection tests.
5. Explain the essentials of a sound wage system.
6. Distinguish between HR Management and personnel management.
7. Explain the essentials of sound HR Planning .
8. What are the essentials of an effective promotion policy ?

SECTION – C (20 marks each)

(20×3=60)

Answer in **not** more than **6** pages **each** :

9. What do you mean by HR Management ? Explain the operative functions of HRM.

OR

What do you mean by HR Planning ? Explain the factors influencing the HR Planning.

10. What is job analysis ? Explain job description and job specification.

OR

What do you mean by recruitment ? Explain different sources of recruitment.

11. a) What do you mean by job evaluation ? Explain the objectives of job evaluation.
b) Omega India Ltd. is one of the fast growing manufacturers of electronic goods in Bangalore. Because of the recent downsizing in most State level public sector undertakings in Karnataka, each job opening in the state attracts five times more applications than it did just a few years ago. An engineering position is likely to generate as many as 500 applicants. You would think that under the circumstances, finding employees would be easy, but the widespread layoffs made during the downsizing and the need for people to seek new career paths, have created a glut of less-than-qualified applicants.
 - 1) What selection tools can the co. use to get the most qualified employees from its vast pool of job seekers ?
 - 2) In general, which selection tools do you think are the best predictors of job performance.

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BBMBMC 256

**Credit Based IV Semester B.B.M. Degree Examination,
November/December 2015
(2006 Scheme)**

CORPORATE ACCOUNTING – II

Time : 3 Hours

Max. Marks : 120

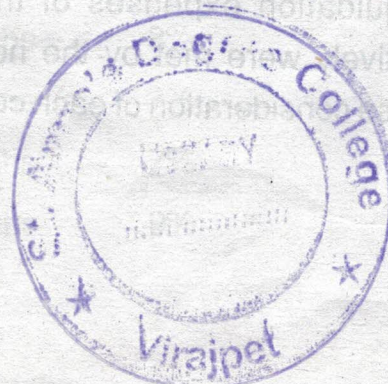
Instructions : Provide working notes wherever necessary.

SECTION – A (2 marks each)

Answer any ten of the following :

(2×10=20)

1. a) Give the meaning of absorption.
- b) State two methods of calculating purchase consideration.
- c) Pass journal entry for realisation expenses paid by the selling company in the books of selling company.
- d) State any two differences between external reconstruction and internal reconstruction.
- e) Pass a journal entry for reconversion of stocks into shares.
- f) What is winding up of companies ?
- g) What is rebate on bills discounted ?
- h) How do you treat "Gold" in the balance sheet of banking companies ?
- i) What is surrender in insurance ?
- j) How do you treat house property in the balance sheet of insurance company ?
- k) What is hire purchase system of sale ?
- l) What is interest suspense account ?



P.T.O.

10

SECTION – B (8 marks each)

(8x5=40)

Answer **any five** of the following :

2. The Balance Sheet of 'X' Co. Ltd. and 'Y' Co. Ltd. as at 31-12-2014 are as follows :

Liabilities	'X' Co.	'Y' Co.	Assets	'X' Co.	'Y' Co.
	Ltd.	Ltd.		Ltd.	Ltd.
	₹	₹		₹	₹
Share capital	3,00,000	1,50,000	Goodwill	30,000	20,000
General reserve	50,000	30,000	Land	1,40,000	75,000
Profit and Loss A/c	50,000	20,000	Plant	1,10,000	50,000
Sundry creditors	40,000	15,000	Stock	60,000	35,000
			Debtors	60,000	20,000
			Bank	40,000	15,000
	4,40,000	2,15,000		4,40,000	2,15,000

The two companies decided to Amalgamate and to form a new company called 'Z' Co. Ltd., which will take over the assets and liabilities of these companies at the following terms :

'X' Co. Ltd. : Holders of each share of ₹ 30 each in the company, would receive 6 equity shares of ₹ 5 each fully paid and ₹ 5 in cash.

'Y' Co. Ltd. : Holders of each share of ₹ 15 each in the company, would receive one 12% preference share of ₹ 10 each fully paid-up and ₹ 10 in cash.

The liquidation expenses of the two companies ₹ 2,000 and ₹ 1,000 respectively were met by the new company. You are required to calculate purchase consideration of each company separately.



3. Bekar Limited went into voluntary liquidation. The details regarding liquidation are as follows :

- 1) 2,000, 8% preference shares of ₹ 100 each (fully paid up)
- 2) Class 'A', 2000 equity shares of ₹ 100 each (₹ 75 paid up)
- 3) Class 'B', 1,600 equity shares of ₹ 100 each (₹ 60 paid up)
- 4) Class 'C', 1,400 equity shares of ₹ 100 each (₹ 50 paid up)

Assets realised ₹ 3,39,500, liquidation expenses ₹ 15,000, preferential creditors ₹ 6,600, unsecured creditors ₹ 88,200. Prepare liquidator's statement of account.

4. SAD Limited presents the following summarised Balance Sheet as on 31-12-2004.

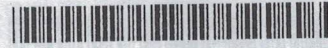
Liabilities	₹	Assets	₹
Shares of ₹ 10 each	12,00,000	Fixed assets	12,75,000
5% Debentures	7,50,000	Current assets	7,65,000
Accrued interest	37,500	Profit and Loss A/c	3,75,000
Creditors	4,27,500		
	24,15,000		24,15,000

The company is absorbed by Poor Ltd. All assets and liabilities are taken over at book value, subject to fixed assets which are revalued at ₹ 10,50,000. The payments to shareholders to be made by the issue of equity shares of ₹ 15 each at par of poor Ltd. for each share of SAD Ltd. Pass the journal entries in the books of Poor Ltd.

5. Calculate Rebate on bills discounted as on 31-03-2005

Date of Bill	Amount (₹)	Period	Rate of Discount
15-01-2005	25,000	5 months	8%
10-02-2005	15,000	4 months	7%
25-02-2005	20,000	4 months	7%
20-03-2005	30,000	3 months	9%

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6. The WFE insurance fund of Hindustan Life Insurance Co. Ltd. was ₹ 34,00,000 on 31-03-2007. Its actuarial valuation on 31-03-2007 disclosed a net liability of ₹ 28,80,000. An interim bonus of ₹ 40,000 was paid to the policyholders during the previous two years. It is now proposed to carry forward ₹ 1,10,000 and to divide the balance between the policyholders and the shareholders. Show

- a) The valuation Balance Sheet
- b) The net profit for the two-year period and
- c) The distribution of the profits.

7. Vikram purchased Motor Car from Mandya Motors on 1-1-2003 on Instalment system. The payments is to be made as follows :

₹ 4,000 on delivery, ₹ 7,600 at the end of the first year, ₹ 6,000 at the end of the second year and ₹ 5,500 at the end of the third year. Interest at 10% per annum is included in these installments. Show the interest calculation.

8. 'X' Fire Insurance Co. Ltd. commenced its business on 1-4-2005. It submits you the following information for the year ended 31-03-2006 :

Premium received ₹ 15,00,000.

Re-insurance premium paid ₹ 1,00,000.

Claims paid ₹ 7,00,000. Expenses of management ₹ 3,00,000.

Commissions paid ₹ 50,000.

Claims outstanding on 31-03-2006 ₹ 1,00,000

Create reserve for unexpired risk @ 40%

Prepare revenue account for the year ended 31-03-2006.



SECTION - C

Answer any three of the following :

(3×20=60)

9. Following is the Balance Sheet of Star Ltd. as on 31-03-2005.

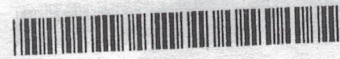
Liabilities	₹	Assets	₹
1,20,000 equity shares of ₹ 10 each	12,00,000	Plant	9,00,000
Capital Reserve	20,000	Furniture	1,50,000
Long term loan	3,60,000	Stock	4,00,000
Creditors	3,00,000	Debtors	2,20,000
		Bank	1,00,000
		P & L A/c	1,10,000
	18,80,000		18,80,000

On 01-04-2005, a new company Suraj Ltd. was incorporated which took over fixed assets and stock of Star Ltd. for ₹ 12,60,000, payable as ₹ 9,00,000 in the form of 1,80,000 equity shares of ₹ 5 each and ₹ 3,60,000 in the form of 3,600, 12% mortgage debentures of ₹ 100 each. Lender accepted the debentures in Suraj Ltd., in discharge of the loan. Debtors realised ₹ 2,05,000. Expenses of liquidation amounted to ₹ 8,000 were met by Star Ltd. The available cash was distributed among creditors in full satisfaction of their claim. Show necessary ledger accounts to close the books of Star Ltd. and Draw the opening Balance Sheet of Suraj Ltd.

10. Below is given the Balance Sheet of 'D' Ltd. as at 31-03-2009.

Balance Sheet			
Liabilities	₹	Assets	₹
Authorised capital		Premises	4,50,000
10,000 Preference shares		Plant	80,000
of ₹ 50 each	5,00,000	Debtors	1,00,000
10,000 Equity shares of		Stock	70,000
₹ 50 each	5,00,000	Bank	1,000
	10,00,000		

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Subscribed capital 8,000 fully paid preference shares of ₹ 50 each	4,00,000	Preliminary expenses	50,000
8,000 fully paid equity shares of ₹ 50 each	4,00,000	Profit & Loss A/c	1,24,000
Sundry creditors	40,000		
Bank overdraft	35,000		
	8,75,000		8,75,000

Due to Heavy losses the company decided upon the following scheme of reconstruction.

- The preference shares were to be reduced to a value of ₹ 30 each. The equity shares also were to be reduced to the value of ₹ 30 each.
- The balance available was to be used to write off the debit balance of the profit and loss account, ₹ 20,000 from stock, the full amount of the preliminary expenses account, a provision of ₹ 30,000 was to be made against the sundry debtors. The premises were to be reduced by ₹ 66,000 and the plant account to be reduced to ₹ 50,000.

You are requested to journalise the above transaction and show the capital reduction A/c and prepare the reconstructed Balance Sheet.

11. From the following information, prepare the Profit and Loss Account of ABC Bank Ltd. for the year ended on 31-03-2005. Interest on loan ₹ 2,59,000. Interest on fixed deposit ₹ 2,75,000. Rebate on bills discounts required ₹ 49,000.

Commission ₹ 8,200

Establishment ₹ 54,000

Discount on bills discounted (net) ₹ 1,95,000.

Interest on cash credit ₹ 2,23,000

Interest on current account ₹ 42,000

Rent and taxes ₹ 18,000



Interest on overdraft ₹ 1,54,000.

Directors' fees ₹ 3,000

Auditors' fees ₹ 1,200

Interest on Savings Bank Deposit ₹ 68,000.

Postage and telegrams ₹ 1,400.

Printing and stationery ₹ 2,900.

Sundry expenses ₹ 1,700.

Bad debts to be written-off amounted to ₹ 40,000 – Provision for taxation may be made @ 55 per cent. Balance of profit from last year was ₹ 1,20,000. Transfer 25% of profits to statutory reserve and provide ₹ 20,000 for dividends.

12. The Hindustan Publishing Co. proposes to acquire a printing press of the cash value ₹ 27,300 under hire purchase system. ₹ 6,000 to be paid immediately and the balance in four equal annual installments of ₹ 6,000 each. The vendors charge interest at 5 per cent. Depreciation has to be provided at 10%, prepare the necessary ledger accounts in the books of both the parties.

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BBMBMC 257

**Credit Based Fourth Semester B.B.M. Degree Examination,
November/December 2015
(2012 Scheme)
BUSINESS STATISTICS**

Time : 3 Hours

Max. Marks : 80

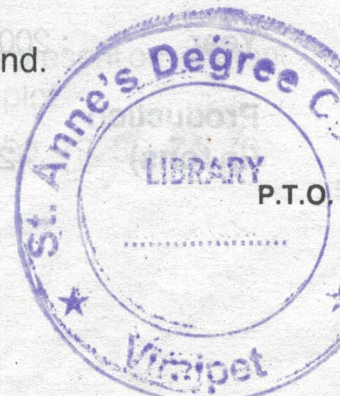
- Instructions :** 1) **Only** simple calculators are **allowed**.
2) Log tables are provided if **necessary**.

SECTION – A

(One mark each)

1. Answer **any ten** questions. **(1×10=10)**
- Write a limitation of statistics.
 - What is primary data ?
 - Which graph is used to find median ?
 - Can Mean be a negative value ?
 - In a distribution the highest and lowest values are 8 and –2 respectively. Find the range.
 - Around which average, mean deviation is least ?
 - If two variables are perfectly correlated what is the value of 'r' ?
 - If regression equation x on y is $2x + 3y - 8 = 0$ find the regression coefficient b_{xy}.
 - In stem and leaf plot which digit of the given number forms leaf ?
 - Which index number is used for fixation of salary and grant of allowance to employees ?
 - Write the normal equation used in fitting a straight line trend.
 - Define decision variables in L.P.P.

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SECTION - B

(5 marks each)

Answer any five questions :

(5×5=25)

- Mention five limitations of statistics.
- For the following distribution of wage of workers draw histogram and find mode of the distribution

Weekly wage	no. of workers
200 – 400	40
400 – 450	85
450 – 500	160
500 – 600	280
600 – 700	110
700 – 800	60
800 – 900	10

- Find the geometric mean and harmonic mean of the following values
12.4, 12.6, 12.9, 12.1 and 12.3.

- Calculate Spearman's rank correlation

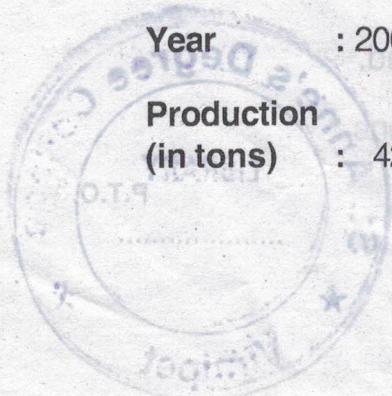
x :	15	20	28	12	40	60	20	80
y :	40	30	50	30	20	10	30	60

- Estimate most likely value of y when x = 40

x :	12	18	24	30	36	42	48
y :	5.3	5.7	6.3	7.2	8.0	8.7	9.9

- Find 2-yearly centered moving averages to the following data

Year	: 2005	2006	2007	2008	2009	2010	2011
Production (in tons)	: 42	37	28	33	34	33	30



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8. Compute consumer price index number using the following data.

Item	Base year quantity	Price (Rs.)	
		Base year	Current year
Food	20	100	230
Clothing	4	200	450
Fuel	10	20	50
Rent	1	4000	6000
Misc	10	1000	2000

SECTION - C
(15 marks each)

Answer any three questions.

(15x3=45)

9. a) Find mean, median, mode of the following distribution.

Marks less than	10	20	30	40	50	60	70	80	90	100
No. of Students	5	13	21	40	63	80	88	94	96	100

b) Draft a blank table for the presentation of data in a psychologic study regarding I.Q. of children classifies according to intelligence (below average, average, above average), age (below 10, 10 and above) and religion (Hindu, Muslim, Christian).

10. a) The following is the distribution of daily wages of workers of two factories

- i) In which factory is average wage high ?
- ii) In which factory is wage variation more ?

Wages (Rs.)	No. of Factory A	Workers Factory B
400 - 600	4	10
600 - 800	18	20
800 - 1000	25	42
1000 - 1200	2	18
1200 - 1400	1	10

b) Represent the following data regarding number of students present on different days by stem and leaf plot and also by box and whisker plot.

Number of students present : 84, 89, 74, 63, 76, 88, 83, 90, 79, 82, 74, 70, 58, 65, 65, 73, 81, 86, 85, 88, 68, 79, 81, 74, 72.



11. a) Calculate Karl Pearson's coefficient of correlation. 10

y \ x	115	120	125	130
10	-	-	6	11
20	-	2	4	10
30	-	3	1	5
40	3	2	3	1
50	10	4	5	-

b) In a bivariate data, $\sum x = 10, \sum y = 210, \sum x^2 = 14, \sum y^2 = 5340, \sum xy = 180$ and $n = 10$. Estimate the value of x when $y = 15$. 5

12. a) Calculate Fisher's index number from the following data. 5

Item	Base Year		Current Year	
	Price	Total value	Price	Total value
A	50	100	60	180
B	40	120	40	200
C	100	100	120	120
D	20	80	25	100

b) Fit an equation of the type $y = a + bx$ to the following data and estimate the production in 2009. 5

Year	:	2001	2002	2003	2004	2005	2006	2007
Production	:	142	180	150	127	140	171	140

c) Solve the following LPP graphically 5

Maximize $z = 400x + 1000y$
 s.t. $12x + 6y \leq 6000$
 $4x + 10y \leq 4000$
 $2x + 3y \leq 1800$
 and $x \geq 0, y \geq 0$

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BBMBMC 258

**Credit Based IV Semester B.B.M. Degree Examination, Nov./Dec. 2015
(2012 Scheme)**

MODERN BANKING MANAGEMENT

Time : 3 Hours

Max. Marks : 80

Instruction : Follow the instructions **strictly**.

SECTION – A (One mark each)

Answer **any ten** of the following in **two** or **three** sentences **each**.

(1×10=10)

1. a) Give the meaning of Hundis.
- b) Define "K.Y.C."
- c) What do you mean by bank rate policy ?
- d) Distinguish between overdraft and cash credit.
- e) Define "Monetary Policy".
- f) What do you mean by factoring services ?
- g) What is 'RTGS' ?
- h) Define "Financial Market".
- i) What is meant by internet banking ?
- j) Name the present Governor of RBI.
- k) What do you mean by money laundering ?
- l) Point out two advantages of financial globalisation.

SECTION – B (Five marks each)

Answer **any five** questions.

(5×5=25)

2. Distinguish between money market and capital market.
3. Examine the advantages of customer relationship management in banking sector.

P.T.O.

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4. Explain the Balance Sheet of a commercial bank.
5. Describe the steps involved in risk management.
6. Define credit control. Explain the selective methods of credit control.
7. Describe the special features of Indian money market.
8. Explain the instruments traded in capital market.

SECTION – C (15 marks each)**(15×3=45)**

9. Define a commercial bank. Explain the functions of commercial banks in India.

OR

Describe the investment policy of a commercial bank.

10. Describe the functions of RBI.

OR

Explain the functions and performance of NABARD.

11. Explain the general relationship between a banker and customer.

OR

Define E-Banking. What are the merits and demerits of E-Banking ?

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BBMBMC 259

**Credit Based IV Semester B.B.M. Degree
Examination, November/December 2015
(2012 Scheme)
COMPUTER APPLICATIONS IN MANAGEMENT**

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer **any ten** questions :

(2×10=20)

1. a) Differentiate between software and hardware.
- b) Write any four types of input devices.
- c) What is cache memory ?
- d) Differentiate between data and information.
- e) Write any two advantages of electronic mail.
- f) What are Bits and Bytes ?
- g) Explain following terms.
 - I) WWW
 - II) HTTP
- h) Define data model.
- i) What do you mean by operational control ?
- j) What do you mean by tactical level ?
- k) Define office automation.
- l) Differentiate between Location and Functional concepts.

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SECTION - B

(8×5=40)

Answer any five questions :

2. Explain the functions of operating system.
3. Explain the components of a computer with a block diagram.
4. Write a note on following :
 - a) LAN
 - b) WAN
5. Write a note on E-mail.
6. Briefly explain the process of establishing an MIS.
7. Explain the advantages of office automation system.
8. Explain the functions of MIS.

SECTION - C

(3×20=60)

Answer all questions :

9. a) Write a note on the following :
 - I) Super Computer
 - II) Workstations
 - b) Explain in brief about system software. (12+8)
- OR
10. a) List and explain disadvantages of file oriented system. (12+8)
 - b) Explain the advantages of DBMS.
 11. a) What are the advantages of computer networks ? Explain. (12+8)
 - b) Explain the different network topologies with diagram.
- OR
12. a) Define Decision Making. Explain the phases of decision making. (12+8)
 - b) Explain the nature of information.
 13. a) Explain models of office automation system. (12+8)
 - b) Explain advantages of virtual office.
- OR
14. a) Explain the advantages and disadvantages of office automation. (12+8)
 - b) Differentiate between Traditional and Modern Office.

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BBMBMC 262

**Credit Based IV Semester B.B.M. Degree Examination, Nov./Dec. 2015
(2012 Scheme)
CORPORATE ACCOUNTING – II**

Time : 3 Hours

Max. Marks : 120

- Instructions :** 1) *Single answer booklet containing 40 pages will be issued.
No additional sheets will be issued.*
2) *Provide working note wherever necessary.*

**SECTION – A
(2 marks each)**

Answer any ten questions :

(2×10=20)

1. a) What do you mean by amalgamation of companies ?
- b) How purchase consideration is calculated under net payment method ?
- c) How do you treat Employees Savings Bank A/c in the books of vendor company during amalgamation ?
- d) Write any two points of distinction between absorption and external reconstruction.
- e) Who are preferential creditors ?
- f) What do you mean by money at call and short notice ?
- g) What do you mean by Double Account System ?
- h) How do you treat interest on debentures in final a/cs of electricity company ?
- i) What is rebate on bills discounted ?
- j) State any two forms of capital reduction.
- k) What do you mean by compulsory winding up ?
- l) Pass journal entry in the books of purchasing company when absorption expenses are paid by vendor company on behalf of purchasing company.

P.T.O.

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SECTION – B
(8 marks each)

Answer any five questions :

(8×5=40)

2. Following is the Balance Sheet of ABC Ltd. as on 31-12-2014.

Liabilities		Assets	
2000 shares of Rs. 100 each	2,00,000	Goodwill	35,000
Reserve	20,000	Building	85,000
Debentures	1,40,000	Plant	1,60,000
Creditors	80,000	Stock	55,000
		Debtors	65,000
		Cash	40,000
	4,40,000		4,40,000

The business was taken over by XYZ Ltd. on the following terms :

- i) To take over all assets except Cash and Goodwill at 10% less than the book value.
- ii) To pay Rs. 65,000 for Goodwill.
- iii) To take trade liabilities subject to 5% discount.

Calculate the Purchase consideration.

3. Following is the Balance Sheet of Unlucky Ltd. as on 31-3-2014.

Liabilities		Assets	
300000 shares of Rs. 10 each	30,00,000	Fixed Assets	19,50,000
Liabilities	60,000	Current Assets	5,70,000
		Cash	60,000
		P & L A/c	4,80,000
	30,60,000		30,60,000

The following scheme of reconstruction was agreed upon on 1-04-2014.

- i) A new company called Lucky Ltd. to be formed with a capital of 30,00,000 in equity shares of 10 each.
- ii) Lucky Ltd. to purchase all assets and liabilities of the old company.
- iii) The purchase price to be paid in fully paid equity shares of the new company.
- iv) Reconstruction expenses amounted to Rs. 5,000 to be met by the new company.

You are required to pass journal entries in the books of Lucky Ltd.



4. A Ltd. went into voluntary liquidation on 1-1-2010 on which date dividend on preference shares were in arrears for two years. The subscribed capital of the company consisted of :

- a) 40000, 6% preference shares of Rs. 10 each
- b) 50000, equity shares of Rs. 10, Rs. 6 paid.

The assets realised Rs. 3,50,000 liquidation expenses amounted to Rs. 9,800. The liquidator is entitled to a remuneration of Rs. 11,000 and a commission of

$2\frac{1}{2}\%$ on the amount paid to the preference shareholders as capital and dividend.

The liabilities amounted to Rs. 20,000.

Show liquidator's Final Statement of Account.

5. On 31st March, 2014 the books of Indian Bank had the following account balances :

Rebate on bills discounted as on 1st April, 2013 was Rs. 4,00,000. Discount received Rs. 95,00,000. On closing the books, it was found that the discount received included unexpired discount to be carried to the next year amounting to Rs. 5,49,000.

Show the amount to be credited to P & L A/c under discount earned for the year 2013-14. Also, give journal entries required to adjust the above mentioned amounts.

6. Prepare a Revenue Account and Net Revenue Account under the Double Account system, from the following balance as on 31st March 2014, of the Rural Electric Supply Company Ltd.

A call of Ru. 1 per share was payable on September 30, 2013, and arrears are subject to interest at 10% per annum. Depreciation to be provided for on opening

balances, on Building $2\frac{1}{2}\%$, Machinery $7\frac{1}{2}\%$, Main 5%, transformers 10%, meters and electrical instruments 15%. Advertising has been prepaid by Rs. 5,000, provision of Rs. 4,500 to be made for doubtful debts and provide interest on debentures for the full year.

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Ledger Balances as on 31st March 2014

As on 31-03-2013	Particulars	Debit	Credit
4,50,000	6% Debentures		4,50,000
	Calls in arrears		30,000
1,20,000	Buildings	1,50,000	
1,80,000	Machinery	3,00,000	
1,50,000	Mains	2,40,000	
30,000	Transformers	60,000	
15,000	Meters	45,000	
9,000	Electrical instruments	12,000	
	Coal and fuel	49,500	
	Oil, waste and Engine Stores	30,000	
	Wages at station	75,000	
	Repairs and replacement	30,000	
	Rates and taxes	9,000	
	Salaries of secretary	60,000	
	Directors fees	15,000	
	Stationery and Advertising	18,000	
	Incidental expenses	3,000	
	Law charges	6,000	
	Sales by meters		2,62,500
	Sales by contacts		1,50,000
	Meter rent		9,000

7. Explain the advantages of accounting standards.

8. Explain the two forms of internal reconstruction of companies.

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SECTION – C
(20 marks each)

Answer any three questions : (20×3=60)

9. A Company Ltd. is absorbed by B Company Ltd., the consideration being :
- a) Assumption of liabilities.
 - b) Discharge of debentures at a premium of 5% by the issue of 5% debentures in B Company Ltd.
 - c) A payment of cash of Rs. 30 per shares.
 - d) An exchange of 3 shares of Rs. 10 each in B Company Ltd. at an agreed value of Rs. 15 per share for every share in A Company Ltd.

Balance Sheet of A CO. Ltd. on 31-12-2014

Liabilities		Assets	
Share Capital 60000 shares		Goodwill	2,50,000
of Rs. 50 each fully paid	30,00,000	Land and Buildings	7,65,000
General Reserve	3,20,000	Plant	22,00,000
Profit and Loss A/c	1,80,000	Patents	50,000
5% Debentures	15,00,000	Patterns	25,000
Creditors	2,00,000	Investments	50,000
		Stock	10,60,000
		Debtors	4,50,000
		Bank	3,50,000
	52,00,000		52,00,000

Prepare ledger accounts in the books of A Ltd. and pass opening entries in the books of B Ltd. assuming that absorption is in the nature of purchase.

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10. The following was the Balance Sheet of Unsound Ltd. as at 31st December 2014 when it was wound up voluntarily.

Liabilities		Assets	
50000 Equity shares of		Plant and Machinery	4,00,000
Rs. 10 each	5,00,000	Furniture	1,000
2000, 6% Cumulative Preference		Investments	50,000
shares of Rs. 100 each	2,00,000	Stock	50,000
10% Debentures	1,00,000	Debtors	2,00,000
Sundry Creditors		Cash	1,200
Trade	3,00,000	Profit and Loss A/c	4,47,800
Cash	48,000		
Outstanding	2,000		
	11,50,000		11,50,000

Preferential dividends are in arrears for one year. Debenture interest is also due for one year. All the outstanding creditors are preferential. The assets realised as follows :

Plant and Machinery	2,80,000
Furniture	400
Debtors	1,50,000

The stock and investments realise nothing. The expenses of liquidation amounted to Rs. 2,000. The liquidator is entitled to a commission of 4% on the assets realised and 2% on the amount paid to unsecured creditors.

Prepare liquidators statement of account.

11. From the following information relating to Adarsh Bank Ltd. Prepare Profit and Loss Account for the year ended 31st March 2014 along with necessary schedules :

Interest and discount on advances and bills	3,16,28,000
Income on Investments	1,18,10,000
Interest on balances with the Reserve Bank of India	42,43,000
Commission, exchange and brokerage	29,07,000
Profit on sale of investments	1,14,000

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Interest on deposits	3,14,04,000
Interest on R.B.I. Borrowings	3,62,000
Payments to and provision for employees	97,17,000
Rent, taxes and lighting	9,55,500
Printing and stationery	2,13,000
Advertisement and publicity	87,000
Depreciation on bank's property	2,92,000
Directors fees, allowances and expenses	7,000
Law charges	22,000
Audit fees and expenses	41,000
Postage, telegram, telephones etc.	3,12,000
Repairs and maintenance	91,000
Insurance	9,15,000
Other expenses	8,84,000
Balance of Profit & Loss A/c (Cr.)	15,24,000

The following adjustments are to be made :

- Make a provision for income tax at 50%.
- Every year, the bank transfers 20% of profits to statutory reserves and 5% of profit to other reserves.
- Dividend amounting to Rs. 2,00,000 for the year ended 31st March 2014 is proposed by the Board of Directors.

12. From the following Trial Balance of Bhadra Electricity Supply Company as on 31-3-2014. Prepare Revenue Account, Net Revenue Account, Capital Account and the Balance Sheet of the Company :

Ordinary shares	54,900
Debentures	20,000
Land as on 31-3-2013	15,000
Land expended during the year	500



Machinery as on 31-3-2013	60,000	
Machinery expended during the year	500	
Mains including cost of laying	20,000	
Mains expended during the year	5,100	
Sundry Creditors on open accounts		100
Depreciation Account		25,000
Sundry Debtors for current supplied	4,000	
Other Debtors	50	
Stores on hand	500	
Cash	500	
Cost of generation of electricity	3,000	
Cost of distribution of electricity	500	
Rent, Rates and Taxes	500	
Management expenses	1,200	
Depreciation	2,000	
Sale of current		13,000
Rent of Meters		500
Interest on Debentures	1,000	
Interim Dividend	2,000	
Balances of Net Revenue A/c 31-3-2013		2,850
	1,16,350	1,16,350

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