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**BBMBMC 261**

**Credit Based Fourth Semester B.B.M. Degree Examination,  
May/June 2016  
HUMAN RESOURCE MANAGEMENT  
(2012 Scheme)**

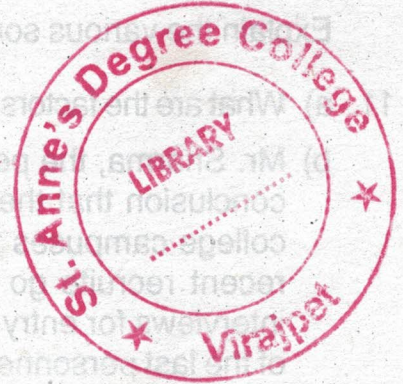
Time : 3 Hours

Max. Marks : 120

**Note :** 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)**

1. Answer **any ten** questions in **one or two** sentences **each** : **(2×10=20)**
- What do you mean by retrenchment ?
  - What is employee induction ?
  - Give the meaning of job specification.
  - What is "minimum wage" ?
  - What is achievement test ?
  - What do you mean by panel interview ?
  - State any two qualities of a successful HR manager.
  - What do you mean by campus recruitment ?
  - Give meaning of discharge of employee.
  - What is human resource planning ?
  - State any two differences between promotion and transfer.
  - What is E-recruitment ?



**SECTION – B (8 marks each)**

Answer **any five** questions in **not more than two** pages **each**. **(8×5=40)**

- Explain the importance of HR policies.
- Write a note on job analysis.
- What are the essentials of a sound wage and salary structure ?

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5. Explain the different basis of promotion.
6. Write a note on employee separation.
7. Explain the different types of transfer.
8. What are the guidelines to make an effective interview ?

**SECTION – C (20 marks each)**

Answer **all** the questions. Answer in **not** more than **6** pages **each**. **(20×3=60)**

9. Define human resource management. Explain the functions of human resource management.

OR

Explain the process of human resource planning.

10. Explain the essentials for the success of job evaluation. What are its limitations ?

OR

Explain the various sources of recruitment. What are its merits and demerits ?

11. a) What are the factors to be considered while deciding employee compensation ? **10**  
b) Mr. Sharma, the personnel director for Platte Corporation has come to the conclusion that the firm has not been getting the better students from the college campuses that have been visited. Platte Corporation currently has recent recruits go back to their own campuses to conduct employment interviews for entry level management positions. This is based on the belief of the last personnel director that recent graduates are better able to develop a rapport with current college students. Other firms send older, more experienced interviewers to these campuses. Mr. Sharma is now considering a complete review of the recruitment practice of the firm in order to ensure that appropriate methods are being adopted. He believes that the first step is to review all the methods available and to determine when and for which labour market each is most effective. This seems a difficult job.

**Questions :**

- i) What recommendations would you make to Mr. Sharma to improve the recruitment for entry level management positions ?
- ii) Explain the labour market in which each of the recruitment methods will be most effective. **10**

**Credit Based Fourth Semester B.B.M. Degree Examination,  
May/June 2016  
(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)**

(1×10=10)

1. Answer **any ten** questions.

- What are inclusive and exclusive class intervals ?
- Write any two published sources of secondary data.
- What do you mean by correlation ?
- Find the median of 46, 83, 12, 04, 15, 30, 62.
- Calculate the harmonic mean of 2, 4 and 8.
- The sum of upper and lower quartile is 76. Their difference is 14 calculate coefficient of quartile deviation.
- Write any one property of coefficient of correlation.
- If  $4x + 3y - 4 = 0$  is the regression equation of x on y find the regression coefficient  $b_{xy}$ .
- Which index number is used for the evaluation of purchasing power of money ?
- In stem and leaf plot which digit of the given number forms leaf.
- Give an example for reasonal variation.
- Define optimal solution to a L.P.P.

**SECTION – B  
(Five marks each)**

(5×5=25)

Answer **any five** questions.

- What is primary data ? Explain different sources of primary data.
- Represent the following data by means of Histogram and calculate the mode.

<b>Weekly Wages</b>	<b>Number of Employees</b>
1000 – 1500	7
1500 – 2000	19
2000 – 2500	27

P.T.O.



2500 – 3000	15
3000 – 4000	12
4000 – 6000	12
6000 – 8000	8

4. Find the Geometric mean of the following distribution.

<b>Marks:</b>	0 – 10	10 – 20	20 – 30	30 – 40	40 – 50
<b>No. of students :</b>	5	7	15	25	8

5. For the following data find the quartile deviation and coefficient of quartile deviation.

<b>x :</b>	2500	3000	3250	3500	3750	4000	6000
<b>f :</b>	20	14	6	26	9	13	4

6. Calculate Spearman's coefficient of rank correlation from the following :

<b>x :</b>	43	96	74	38	35	43	22	56	35	80
<b>y :</b>	30	94	84	13	30	18	30	41	48	95

7. Construct cost of living index number using the following data.

Item	Price		Base year expenditure
	Base year	current year	
Food	2000	2800	6000
Fuel	400	500	800
Cloth	100	120	400
House rent	500	600	6000
Misellaneous	1000	1200	4000

8. Compute trend values by finding three yearly moving averages.

<b>Year:</b>	2008	2009	2010	2011	2012	2013	2014	2015
<b>Value:</b>	29	27	26	26	24	25	22	24

SECTION – C  
(15 marks each)

(15×3=45)

Answer any three :

9. a) Out of a total number of 1807 women who were interviewed for employment in a textile factory of Mumbai, 512 were from textile areas and the rest from the non-textile areas amongst the married women who belong to textile areas, 247 were experienced and 73 inexperienced, while for non-textile areas, the corresponding figures were 49 and 520. The total number of inexperienced women was 1341 of whom 111 resided in textile areas. Of the total number of women 918 were unmarried and of these the number of experienced women in the textile areas and non textile areas was 154 and 16 respectively. Tabulate.



b) Find the median of the following : 5

C.I. : 3.0 – 3.9 4.0 – 4.9 5.0 – 5.9 6.0 – 6.9 7.0 – 7.9 8.0 – 8.9

f : 5 13 18 14 7 3

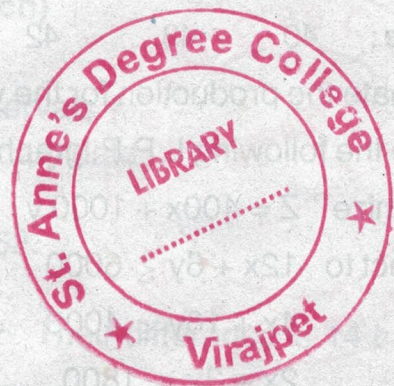
c) Find the harmonic mean of the following : 5

Class interval : 80 – 82 82 – 84 84 – 86 86 – 88

Frequency: 5 7 3 2

10. a) For the following distribution calculate, mean, standard deviation and coefficient of variation.

C.I.	f
25 – 34	4
35 – 44	20
45 – 54	38
55 – 64	24
65 – 74	16
75 – 84	4



b) Represent the following data by

a) stem plot

b) by box plot

x : 84, 86, 79, 63, 84, 89, 96, 99, 79, 82, 69, 66, 71, 70, 98, 86, 91, 90, 93, 85, 68, 76, 83, 81

y : 75, 74, 70, 72, 68, 78, 85, 82, 79, 69, 71, 73, 70, 72, 74, 77

11. a) Calculate Karl Pearsons coefficient of correlation.

	20 – 30	30 – 40	40 – 50	50 – 60	60 – 70
15 – 25	5	9	3	–	–
25 – 35	–	10	25	2	–
35 – 45	–	1	12	2	–
45 – 55	–	–	4	16	5
55 – 65	–	–	–	4	2

b) The following table given the ages and blood pressure of 10 women

Age (x) : 56 42 36 47 49 42 60 72 63 55  
 B.P. (y) : 147 125 118 128 145 140 155 160 149 150

Estimate the blood pressure of a women whose age is 45 years.



12. a) Calculate Laspyre's and Paasche's index numbers

Item	Price (₹ per quintal)		Quantity		
	Base year	Current year	Base year	Current year	
Rice	400	850	100	120	
Wheat	320	690	20	60	
Sugar	720	1600	10	10	
Dhal	720	2100	10	20	5

b) Fit a straight line trend by the method of least squares.

<b>Year:</b>	2008	2009	2010	2011	2012	2013	2014	2015
<b>Value:</b>	40	43	42	39	40	37	35	39

Estimate the production for the year 2016.

c) Solve the following L.P.P. graphically

$$\text{Maximize } Z = 400x + 1000y$$

$$\text{Subject to } 12x + 6y \leq 6000$$

$$4x + 10y \leq 4000$$

$$2x + 3y \leq 1800$$

$$\text{and } x \geq 0, y \geq 0.$$

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**BBMBMC 260**

**Credit Based IV Semester B.B.M. Degree Examination, May/June 2016  
(2012 Scheme)**

**FUNDAMENTALS OF FINANCIAL MANAGEMENT**

Time : 3 Hours

Max. Marks : 120

- Instructions :** 1) A single answer booklet containing **40** pages will be provided.  
**No additional sheets will be issued.**  
2) Show working notes **wherever** necessary.

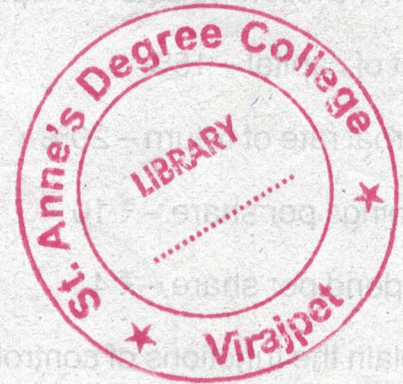
**SECTION – A**

**(2 Marks each)**

**(2×10=20)**

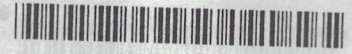
1. Answer **any ten** questions from the following :

- What is time value of money ?
- What is arbitrage process ?
- Write the accept-reject rule for PI.
- What is discounted payback period ?
- What is optimum capital structure ?
- What is floatation cost ?
- What is capital rationing ?
- What is terminal cashflow ?
- What is meant by stable dividend policy ?
- What is implicit cost of capital ?
- What are mutually exclusive projects ?
- What is payout ratio ?



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F



SECTION - B  
(8 Marks each)

(8×5=40)

Answer any five questions :

2. Calculate weighted average cost of capital from the following :

Source	Amount ₹	Before tax cost (%)
Equity share capital	6,00,000	17%
Retained earnings	4,00,000	16%
Preference capital	3,00,000	15%
Debenture	7,00,000	14%

Assume tax rate at 50%.

3. From the following determine price per share as per Walter and Gordon's models.

Cost of capital – 15%

Internal rate of return – 20%

Earnings per share – ₹ 10

Dividend per share – ₹ 4

4. Explain the functions of controller.

5. Explain the capital budgeting process.

6. Explain in brief NI approach of capital structure.

7. What is stock dividend ? Explain the advantages of stock dividend.

8. A company issues 10% irredeemable debentures of ₹ 10,00,000. Calculate cost of debt before as well as after tax, if debentures are issued

a) At par

b) 10% discount

c) 10% premium.





SECTION – C  
(20 Marks each)

(20×3=60)

9. Explain the major financial decisions. How do they involve risk-return trade off ?

OR

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

10. What is capital structure ? Explain the factors that influence the capital structure of a company.

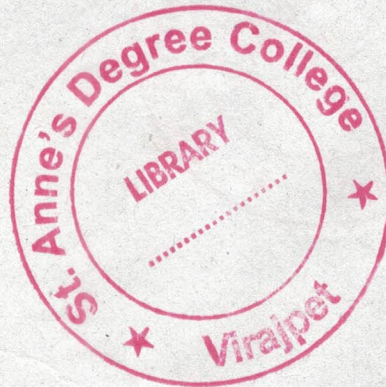
OR

Explain the Modigliani and Miller Hypothesis on dividend irrelevance.

11. An investment proposal will cost ₹ 4,00,000 and will have a life of 5 years and no salvage value. Assume straight line method of depreciation and 50% tax rate.

The estimated cashflows before depreciation and tax from the proposed investment are as follows :

Year	CFBT (₹)
1	1,00,000
2	1,20,000
3	1,60,000
4	2,00,000
5	1,80,000



Compute the following :

- 1) Payback period
- 2) Average Rate of return
- 3) NPV at 12%.
- 4) Profitability index at 12%

**Note :** P\V factors of Re. 1 at 12% discounting rate from 1 to 5 years is :

0.893, 0.797, 0.712, 0.636 and 0.567.

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**BBMBMC 262**

**Credit Based IV Semester B.B.M. Examination, May/June 2016  
(2012 Scheme)  
CORPORATE ACCOUNTING – II**

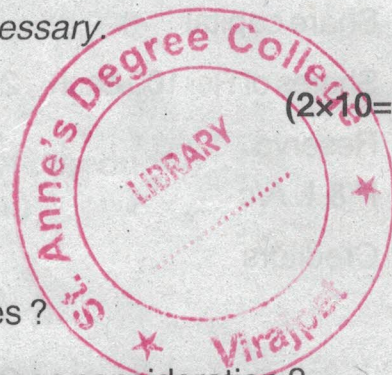
Time : 3 Hours

Max. Marks : 120

**Instruction :** Provide working notes *wherever* necessary.

SECTION – A  
(2 Marks each)

(2×10= 20)



Answer any ten :

1. a) What is the meaning of amalgamation of companies ?
- b) What are the different methods of calculating purchase consideration ?
- c) Who appoints the liquidator in case of compulsory winding up of companies ?
- d) How do you treat staff provident fund of vendor company when it is absorbed by another company ?
- e) State any two forms of capital reduction.
- f) State any two contingent liabilities of a bank.
- g) What is meant by inter-office adjustments in banking companies ?
- h) Which are the accounts prepared under double account system ?
- i) Give the meaning of over-riding preferential payments.
- j) What do you mean by Non-Performing Assets (NPA) in a banking company ?
- k) Write any one difference between Internal Reconstruction and External Reconstruction.
- l) How purchase consideration is calculated under net assets method ?

P.T.O.

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SECTION – B  
(8 Marks each)

(8x5= 40)

Answer any five :

2. Following are the Balance Sheets of A Ltd. and B Ltd. as on 31-3-2013.

Liabilities	A Ltd. Rs.	B Ltd. Rs.	Assets	A Ltd. Rs.	B Ltd. Rs.
Share capital			Premises	60,000	—
Shares of Rs. 100 each	2,00,000	1,80,000	Goodwill	—	60,000
Reserve	37,500	—	Stock	1,50,000	45,000
P & L A/c	19,000	—	Debtors	40,000	80,000
Creditors	36,000	60,000	Bank	42,500	37,500
			P & L A/c	—	17,500
	<b>2,92,500</b>	<b>2,40,000</b>		<b>2,92,500</b>	<b>2,40,000</b>

A new company AB Ltd. was formed to take over the two businesses entirely on the following understanding :

- i) A Ltd. : Premises to be revalued at Rs. 75,000, Sundry debtors to be taken over at 90% and Stock at Rs. 1,57,500.
- ii) B Ltd. : Goodwill to be taken over at Rs. 80,000 debtors to be taken over at Rs. 75,000, and Stock at Rs. 37,500.

Calculate Purchase Consideration payable to both the companies.

3. X Ltd. got sanction for the following scheme of reconstruction.

- i) 50,000 Preference Shares of Rs. 10 each fully paid to be reduced to Rs. 5 each fully paid.
- ii) 50,000 equity shares of Rs. 10 each fully paid to be reduced to Rs. 5 each fully paid.
- iii) Creditors agreed to forego Rs. 1,50,000.

The amount so available is utilised to write off goodwill Rs. 2,00,000, fixed assets by Rs. 1,50,000, investment by Rs. 50,000, write off the debit balance in P & L a/c Rs. 1,00,000 and write off Preliminary Expenses Rs. 25,000.

Show the Journal Entries in the books of X Ltd. and also Capital Reduction Account.



4. Given below is an extract from the Trial Balance of a bank as on 31-3-2013.

Particulars	Debit Rs.	Credit Rs.
Bills discounted	12,64,000	
Rebate on bills discounted on 1-4-2012		8,000
Discount received		85,000

An analysis of bills discounted shows the following :

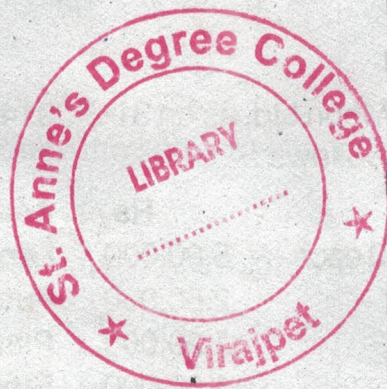
Amount (Rs.)	Due date (2013)	Rate of discount (% p.a.)
1,40,000	June 4	5
4,36,000	June 10	4.5
2,82,000	June 24	6
3,80,000	July 5	4

Find out the amount of discount to be credited to Profit and Loss A/c and pass Journal Entries.

5. The following balances are extracted from the books of M/s Flashlight Electric Company.

Fixed Assets : Expenditure upto 1-4-2012

a) Land and building	Rs. 10,00,000
b) Machinery	Rs. 15,00,000
Additions during the Year Machinery	Rs. 3,50,000
Depreciation Fund :	
a) Machinery	Rs. 3,00,000
b) Building	Rs. 1,00,000
Share capital 20,000 shares of Rs. 100 each	Rs. 20,00,000
Debentures	Rs. 10,00,000
Creditors	Rs. 2,50,000
Reserve fund	Rs. 5,00,000





Investment	Rs. 5,00,000
Stock	Rs. 3,02,500
Debtors	Rs. 4,50,000
Cash at bank	Rs. 2,00,000
Cash in hand	Rs. 50,000
Net Revenue A/c balance (Cr.) 31-3-2013	Rs. 2,02,500

You are required to prepare Capital A/c and General Balance Sheet as on 31-3-2013.

6. Ambitious Ltd. went into liquidation following was the position :

Secured creditors	Rs. 4,00,000
(Securities realised Rs. 5,00,000)	
Preferential creditors	Rs. 12,000
Unsecured creditors	Rs. 6,10,000
Liquidation expenses	Rs. 5,000

The liquidator is entitled to a commission of 3% on all assets realised including securities in the hands of secured creditors and 5% on amounts distributed among unsecured creditors other than preferential creditors. Other assets realised Rs. 5,20,000.

Prepare Liquidator's Final Statement of Account.

7. Explain the scope of Accounting Standard.  
8. Explain the different modes of winding up of companies.

SECTION – C  
(20 Marks each)

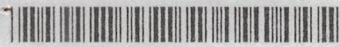
(20×3=60)

Answer any three

9. Sun Ltd. decided to absorb Moon Ltd. as on 31-3-2014. The Summarised Balance Sheet of Moon Ltd. was as follows :

Liabilities	Rs.	Assets	Rs.
50,000 equity shares of Rs. 10 each	5,00,000	Land & Bldg.	3,00,000
General Reserve	2,50,000	Furniture	25,000
P & L A/c	1,20,000	Plant & Machinery	5,55,000
5% debentures	1,00,000	Stock	70,000
Sundry Creditors	30,000	Debtors	35,000
		Cash at bank	10,000
		Cash in hand	5,000
	10,00,000		10,00,000

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Sun Ltd. agreed to take over all the assets and liabilities of Moon Ltd. The current assets were taken over at book value, but fixed assets were revalued as follows:

Land and building	Rs. 3,50,000,
Plant and Machinery	Rs. 6,00,000

Furniture Rs. 15,000 and Rs. 50,000 was to be paid for Goodwill.

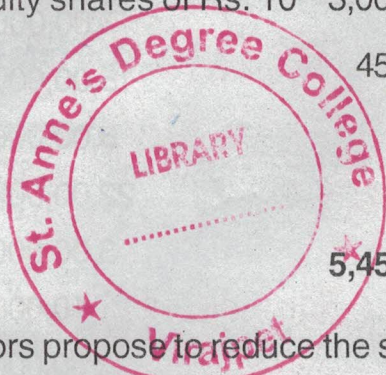
The purchase consideration was paid Rs. 2,55,000 in cash and the balance in fully paid shares of Rs. 10 each.

Expenses of liquidation Rs. 5,000 were met by Sun Ltd.

Show Ledger Accounts in the books of Moon Ltd. and journal entries in the books of Sun Ltd.

10. The balance sheet of Narmada Ltd. as on 31-3-2013 was as follows :

Liabilities	Rs.	Assets	Rs.
Share capital 2,000, 5% pref.		Goodwill	80,000
Shares of Rs. 100 each	2,00,000	Building	90,000
30,000 equity shares of Rs. 10	3,00,000	Machinery	1,25,000
Creditors	45,000	Patents	60,000
		Preliminary expenses	20,000
		P & L A/c	1,70,000
	5,45,000		5,45,000



The directors propose to reduce the share capital and provide sufficient amount for the following purposes:

- 1) To write off P & L A/c debit balance, Goodwill and preliminary expenses.
- 2) To write down the value of Machinery by Rs. 20,000 and patent by Rs. 30,000.
- 3) Any balance available by the reduction of capital to be used to write down the value of building.



The scheme of reconstruction approved was as follows.

- a) For every five 5% pref. shares, three 8% pref. shares of Rs. 100 each and 20 equity shares of Rs. 2 each are to be issued.
- b) For every five old equity shares of Rs. 10 each one new equity shares of Rs. 2 is to be issued.

Give the necessary Journal Entries, show the Capital Reduction Account and the reconstructed Balance Sheet of the company.

11. From the following figures prepare the Balance Sheet of Laxmi Bank Ltd. as on 31-3-2015.

	Rs.
Share capital 2,000 shares of Rs. 100 each	2,00,000
Premises	1,00,000
Rebate on bills	5,000
Travellers cheques	2,00,000
Deposits	56,00,000
Money at call and short notice	9,00,000
Profit and Loss A/c (Cr.)	45,000
Investments	7,00,000
Bills purchased	15,00,000
Acceptances for customers	5,00,000
Loans	22,00,000
Reserves	3,00,000
Depreciation Fund	10,000
Cash balance – in hand	30,000
at banks	4,50,000
with RBI	5,20,000
Pension fund	40,000
Bills for collection	4,00,000

**Adjust the following :**

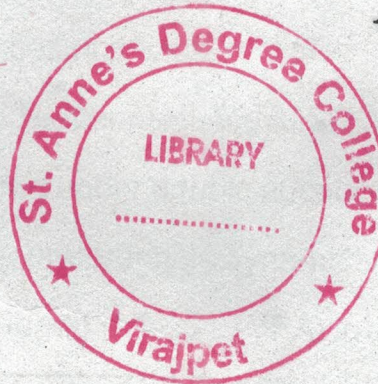
Travellers cheques paid Rs. 10,000,

Money at call recovered Rs. 20,000.



12. Following are the balances extracted from the books of Bhadra Electricity Company as on 31-3-2013.

	Rs.
Power Purchased	56,66,140
Distribution expenses	9,33,160
Rates and taxes	300
Establishment charges	6,08,140
Management expenses	3,54,600
Sale of electricity	83,88,680
Meter rent	5,50,920
Depreciation	3,75,160
Income tax	3,64,880
Repairs	10,520
Contribution towards Contingency reserve	62,860
Interest paid and accrued	1,21,780
Plant and Machinery	1,11,99,360
Public lighting	16,33,300
General equipment	3,07,340
Paid up capital	71,00,000
Bills payable	17,920
Sundry creditors – Consumers	52,720
Sundry creditors – Others	2,380
Consumers' security deposit	37,51,320



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Depreciation reserve as on 1-4-2012	25,75,700
Contingency reserve as on 1-4-2012	1,38,040
Service advance	3,57,340
Unpaid wages	360
Income tax reserve	3,64,880
Interest payable	2,38,100
Stores in hand	9,77,040
Sundry debtors for supply of electricity	7,84,380
Advances to staff	2,00,900
Cash at bank	3,46,680
Cash in hand	29,840

Prepare Revenue A/c, Net Revenue Account, Capital Account and Balance Sheet of the company.



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5. Briefly explain bank rate policy as a weapon of credit control.
6. Explain the various methods of selective credit control.
7. Write a note on EXIM bank.
8. Explain the banker and customer general relationship.

**SECTION – C (15 marks each)**

Answer should not exceed 6 pages each.

**(15x3=45)**

9. What is bank marketing ? Discuss the various aspects of bank marketing.

OR

Explain the Balance Sheet of a Commercial Bank.

10. Examine the functions and significance of money market. What are the instruments dealt in a money market ?

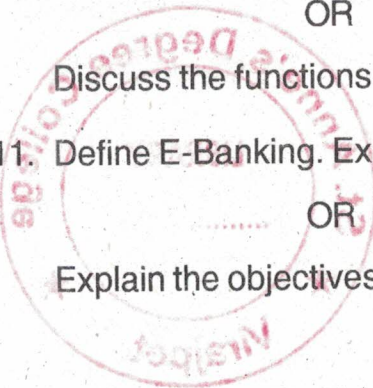
OR

Discuss the functions of Central Bank.

11. Define E-Banking. Explain the merits and demerits of E-banking.

OR

Explain the objectives and functions of Regional Rural Banks.



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**BBMBMC 259**

**Credit Based IV Semester B.B.M. Degree Examination, May/June 2016  
(2012 Scheme)**

**COMPUTER APPLICATION IN MANAGEMENT**

Time : 3 Hours

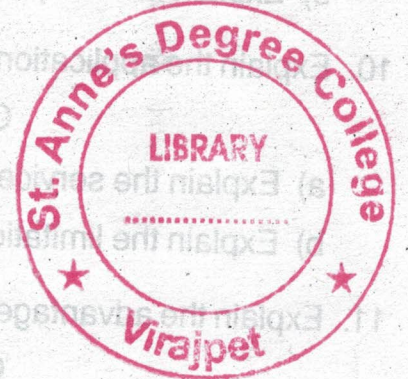
Max. Marks : 120

**SECTION - A**

Answer **any ten** of questions :

**(2×10=20)**

1. a) Differentiate between software and hardware.
- b) Write any two advantages of electronic mail.
- c) What do you mean by computer network ?
- d) Write any two advantages of office automation.
- e) What is virtual office ?
- f) Define voice mail.
- g) What is imaging ?
- h) What do you mean by desktop processing ?
- i) What is operating system ?
- j) Write any two uses of tally packages.
- k) What is LAN networks ?
- l) What is teleconferencing ?



**SECTION - B**

Answer **any five** questions :

**(8×5=40)**

2. Explain the characteristics of MIS.
3. Explain the functions of office.
4. Explain the various network topologies.

P.T.O.

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5. What are the functions of operating system ?
6. Explain the characteristics of computer.
7. Explain the advantages of DBMS.
8. Explain the types of decision.

## SECTION - C

Answer **all** questions :

(20×3=60)

9. a) Differentiate between traditional and modern office.
- b) Explain the advantages of virtual office.

OR

- a) Explain the planning of MIS.
  - b) Explain the components of computer with a block diagram.
10. Explain the applications of office automation.

OR

- a) Explain the services of internet.
- b) Explain the limitations of MIS.

11. Explain the advantages and disadvantages of computerised accounting.

OR

Explain the structure of DBMS.

SECTION - B

(8×2=40)

P.T.O.

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Reg. No.

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**BBMBMC 260**



**Credit Based IV Semester B.B.M. Degree Examination, May/June 2016  
(2012 Scheme)**

**FUNDAMENTALS OF FINANCIAL MANAGEMENT**

Time : 3 Hours

Max. Marks : 120

- Instructions :** 1) A single answer booklet containing **40** pages will be provided.  
**No additional sheets will be issued.**  
2) Show working notes **wherever** necessary.

**SECTION – A**

**(2 Marks each)**

**(2×10=20)**

1. Answer **any ten** questions from the following :

- What is time value of money ?
- What is arbitrage process ?
- Write the accept-reject rule for PI.
- What is discounted payback period ?
- What is optimum capital structure ?
- What is floatation cost ?
- What is capital rationing ?
- What is terminal cashflow ?
- What is meant by stable dividend policy ?
- What is implicit cost of capital ?
- What are mutually exclusive projects ?
- What is payout ratio ?



P.T.O.



SECTION – B  
(8 Marks each)

(8×5=40)

Answer **any five** questions :

2. Calculate weighted average cost of capital from the following :

Source	Amount ₹	Before tax cost (%)
Equity share capital	6,00,000	17%
Retained earnings	4,00,000	16%
Preference capital	3,00,000	15%
Debenture	7,00,000	14%

Assume tax rate at 50%.

3. From the following determine price per share as per Walter and Gordon's models.

Cost of capital – 15%

Internal rate of return – 20%

Earnings per share – ₹ 10

Dividend per share – ₹ 4

4. Explain the functions of controller.

5. Explain the capital budgeting process.

6. Explain in brief NI approach of capital structure.

7. What is stock dividend ? Explain the advantages of stock dividend.

8. A company issues 10% irredeemable debentures of ₹ 10,00,000. Calculate cost of debt before as well as after tax, if debentures are issued

a) At par

b) 10% discount

c) 10% premium.



SECTION – C  
(20 Marks each)

(20×3=60)

9. Explain the major financial decisions. How do they involve risk-return trade off ?

OR

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

10. What is capital structure ? Explain the factors that influence the capital structure of a company.

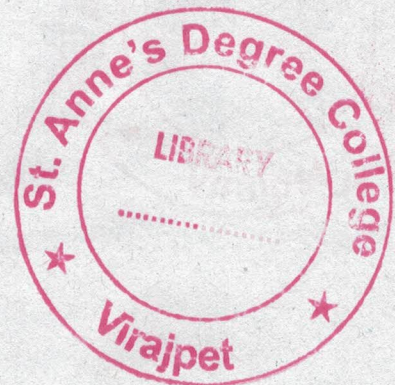
OR

Explain the Modigliani and Miller Hypothesis on dividend irrelevance.

11. An investment proposal will cost ₹ 4,00,000 and will have a life of 5 years and no salvage value. Assume straight line method of depreciation and 50% tax rate.

The estimated cashflows before depreciation and tax from the proposed investment are as follows :

Year	CFBT (₹)
1	1,00,000
2	1,20,000
3	1,60,000
4	2,00,000
5	1,80,000



Compute the following :

- 1) Payback period
- 2) Average Rate of return
- 3) NPV at 12%.
- 4) Profitability index at 12%

**Note :** P\V factors of Re. 1 at 12% discounting rate from 1 to 5 years is :  
0.893, 0.797, 0.712, 0.636 and 0.567.



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**BBBMC 253**

**Credit Based IV Semester B.B.M. Degree Examination, May/June 2016**

**(2006 Scheme)**

**INCOME TAX**

Time : 3 Hours

Max. Marks : 120

**Instruction :** Provide working notes *wherever necessary*.

**SECTION – A (2 marks each)**

**(2×10=20)**

1. Answer **any ten** questions.

- What is deemed income ?
- What is meant by "Tax free income" ?
- To what extent education allowance and hostel allowance are exempted from tax ?
- What is the meaning of commuted pension ?
- What are the twin objectives of levying income tax ?
- When an individual is said to be "Not Ordinarily Resident (NOR) in India in the previous year ?
- Define casual income.
- Who is a specified employee ?
  - Mention the meaning of salary for "R.P.F." contribution.
  - What is the statutory limit for gratuity ?
  - Define "Assessee".
  - What is meant by profit in lieu of salary ?

**SECTION – B (8 marks each)**

Answer **any five**.

**(8×5=40)**

- How do you determine the residential status of an individual ?
- Define the term capital gain. Write the difference between LTCG and STCG.
- Mr. Jeevan retired from service on 30 June of P.Y. after a service of 30 years 9 months and 23 days. His last drawn emoluments are as follows.  
Basic salary ₹ 20,000 p.m.  
DA 5,000 p.m. (15% enters into retirement benefit)  
Annual increment of ₹ 1,000 p.m. falls due on 1<sup>st</sup> Jan. every year.  
Gratuity received ₹ 3,64,000.  
Compute Taxable Gratuity if he is not covered by the Payment of Gratuity Act.

P.T.O.

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5. Compute the total income of Mr. Nag from the following ; if he is (a) OR (b) NOR and (c) NR.

- 1) Salary received in Mandya ₹ 95,000
- 2) Agricultural income from U.K. ₹ 80,000
- 3) Business income in U.P. controlled from London ₹ 3,50,000
- 4) Business income from U.S.A. ₹ 1,20,000
- 5) Dividend from Indian Company ₹ 20,000
- 6) Interest on deposit with companies in India ₹ 70,000
- 7) Profit on sale of building in Bangalore received in U.K. Rs. 12,00,000
- 8) Past untaxed foreign income brought to India ₹ 18,000.

6. Mr. Harish furnishes the following details of his income :

- a) Dividend from UTI ₹ 30,000
- b) Dividend from Wipro Ltd. ₹ 10,000
- c) Dividend from Co-op. Society ₹ 12,000
- d) Interest on FD at Canara Bank ₹ 21,600
- e) Directors fees ₹ 10,000
- f) Family pension ₹ 800 p.m.
- g) Royalties from mining ₹ 20,000 (Expenses ₹ 2,000)
- h) Income from letting machinery, plant and furniture ₹ 24,000.
- i) Rent received from subletting  $\frac{1}{2}$  of the house ₹ 1,000 p.m. He is paying a rent of ₹ 1,200 p.m. for the entire house.
- j) Winning from lottery (net) ₹ 35,000.
- k) Interest on tax-free debentures of Lamina Ltd. ₹ 9,000.

Compute his Total Income.

7. Mr. Rakshith sells his only residential house in Mysore on 24-08-2014 for ₹ 40,00,000. Cost of acquisition of the house was ₹ 1,80,000 in 1978. FMV as on 1-4-1981 was ₹ 4,00,000.

On 16 January 2015, he purchased a residential house in Mangalore for ₹ 5,50,000 and deposits ₹ 1,00,000 in Capital Gains Accounts Scheme.

Compute Taxable Gain for the A.Y. 2015-16. CII for 1981-82-100 and 2014-15-1024.



SECTION – C (20 marks each)

Answer any three questions.

(20×3=60)

8. Mr. Prasad is employed in 'XYZ' Ltd. at Bangalore. He submits the following particulars of his income.

- a) Basic salary ₹ 30,000 p.m.
- b) DA ₹ 3,000 p.m. (enters into retirement)
- c) Bonus ₹ 24,800
- d) Education allowance for his one child ₹ 200 p.m.
- e) Entertainment allowance ₹ 300 p.m.
- f) Travelling allowance ₹ 4,000 p.m. (50% is spent for official use)
- g) He encashed one month's earned leave and got ₹ 30,800.
- h) He and his employer contributes 15% of his salary to RPF.
- i) He is provided with a rent free furnished house owned by the company. The FRV of the house is ₹ 1,20,000. The 'co' also furnished the House with furniture worth ₹ 1,00,000 (population more than 25 lakh)
- j) He is also provided with a gardener and a cook ; who are paid ₹ 550 p.m. and ₹ 400 p.m. respectively.
- k) Professional tax paid ₹ 2,400.
- l) He paid :
  - LIC premium (own) ₹ 30,000
  - Deposited ₹ 20,000 in Canara Bank 5 years F.D.
  - NSC purchased ₹ 25,000

Compute Income from Salary and Deduction u/s 80C.

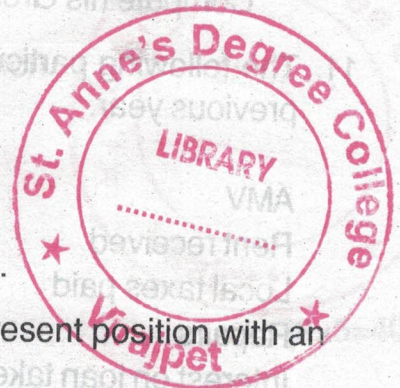
9. Define and explain "Agricultural Income". Explain the present position with an example.

10. Dr. Shenoy, a medical practitioner, maintains cash system of accounting.

Receipts and Payments A/c for the year

To Balance b/d	18,000	By Rent of clinic	
		2013-14	10,500
To Consultation fees :		2014-15	1,30,000
2013-14	15,000	By Electricity and water	22,500
2014-15	1,87,500	By Purchase of	
2015-16	22,500	professional books	22,500
To Visiting fees	3,00,000	By Car purchased	
To Loan from SBI	1,87,500	on 1-6-14	4,00,000

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To Gifts and presents	52,500	By Car expenses	15,000
To Honorarium from Lectures in medical college	75,000	By Car repairs and maintenance	15,000
To Dividend from foreign co.	1,30,000	By Salary to staff	1,05,000
To Remuneration from articles in professional magazines	12,000	By LIP	25,000
To Sale of medicines	2,00,000	By Interest on Bank Loan	15,000
		By Purchase of medicine	1,35,000
		By Personal expenses	1,00,000
		By Balance c/d	2,04,500
	<b>12,00,000</b>		<b>12,00,000</b>

**Additional information :**

- 1) Allowable depreciation on car is 15% and car is used 50% for personal and 50% professional purposes.
- 2) ₹ 30,000 received on daughters marriage is included in gifts and presents.
- 3) SBI loan is taken for daughters marriage.
- 4) O/s salary payable to staff is ₹ 13,000.
- 5) Depreciation on books allowable at 60%.

Compute his Gross Total Income.

11. The following particulars of house properties are supplied by Mr. Dev for the previous year.

	I	II	III	IV
AMV	8,000	9,000	20,000	24,000
Rent received	—	—	18,000	30,000
Local taxes paid	1,600	1,800	4,000	4,800
Repairs	1,000	—	3,000	—
Interest on loan taken for construction	1,500	—	1,800	4,200
Rent collection	—	—	300	50
Vacancy period	—	—	3 months	—

The first and second houses are used by Mr. Dev and his parents for residence. The tenant paid local taxes of the fourth house.

Compute Mr. Dev's Income from House Property.

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**BBMBMC 367**

**Credit Based VI Semester B.B.M. Degree Examination,  
May/June 2016  
(2012 Scheme)**

**HUMAN RESOURCE MANAGEMENT – II  
Industrial Relations and Labour Legislations (Electives)**

Time : 3 Hours

Max. Marks : 120

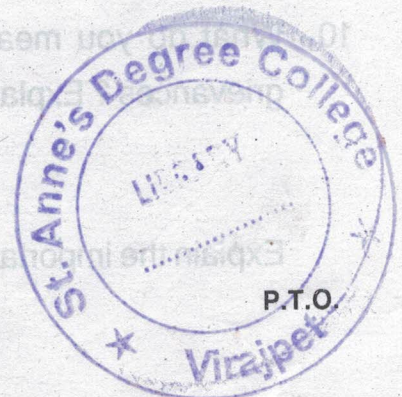
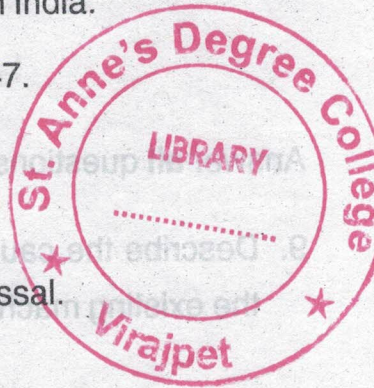
**SECTION – A**

**(2 Marks each)**

Answer any ten questions :

**(2×10 = 20)**

1. a) State any two causes of poor industrial relations in India.
- b) State any two reasons for uneven growth of trade unions in India.
- c) Define the term “strike” as per Industrial Disputes Act, 1947.
- d) What is adjudication ?
- e) What is ‘Quality circle’ ?
- f) Mention any two differences between discharge and dismissal.
- g) What is meant by an indiscipline ?
- h) What are intra-mural services ?
- i) Define the term “Social Security”.
- j) What do you mean by ‘Quality of work life’ ?
- k) Name the political party supporting BMS.
- l) Define “Lockouts”.





## SECTION – B

(8 Marks each)

Answer **any five** questions.

(8×5 = 40)

2. Explain the functions of welfare officers.
3. Describe the structure of trade unions in India.
4. Explain the essential conditions for successful collective bargaining.
5. What are the causes of indiscipline in Indian industries ?
6. What is code of discipline ? State any six important features/principles of code of discipline.
7. Explain the main approaches to the study of industrial relations.
8. What are the objectives of workers participation in management ?

## SECTION – C

(20 marks each)

Answer **all** questions, subject to internal choice.

(20×3= 60)

9. Describe the causes and consequences of industrial disputes. Briefly explain the existing machinery for the settlement of industrial disputes in India.

OR

Define "Industrial Relations". Explain the features, objectives and scope of industrial relations.

10. What do you mean by employee grievances ? How to identify employee grievances ? Explain the important causes of employee grievances.

OR

Explain the important methods of workers participation in management.



11. a) What are the important benefits provided to employees under E.S.I. Act, 1948 ? 10

b) Swathi Pvt. Ltd. is a large company, which has been engaged in manufacturing and marketing several FMCG products. It has several plants in different parts of India and Nepal and marketing activities spread across South Asia. In the year 2015, one of the plants in Karnataka, which manufactured detergents, undertook major technological changes. The technological changes, including introduction of new machines and process innovations, may have had major implications on the organization structure, the number of managers and non-supervisory employees engaged by the company, their deployment and training. These changes were expected to improve the performance and profit of the company. The non-supervisory employees of the company were unionised and the unions had allegiance to different political parties. The company had anticipated resistance and opposition from the unions.

If you were appointed as the Vice President – HR of the above company, what steps would you have taken ? And Why would you have taken these steps ?

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